

Washington County, Maryland

Forecast and Summary | For Period Ended | May 2009

FY 2009 Financial Update

Commissioners



John Barr

President, County Commissioner



Terry Baker

Vice President, County Commissioner



Kristin Aleshire

County Commissioner



William Wivell

County Commissioner



James Kercheval

County Commissioner

County Administration



Gregory B. Murray

County Administrator

Washington County, MD

Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, Maryland. Two major highways, Interstate 81 – running north and south, and Interstate 70 – running east and west, cross within Washington County’s borders.

The County is a body corporate and politic and is a mid-size multi-service local government serving the needs of approximately 147,000 residents with nine incorporated municipalities.

Under public local law both the executive and legislative functions of the County are vested in the elected, five member Board of County Commissioners of Washington County (Board).

The County Commissioners are elected on a countywide basis and serve four-year terms. As authorized by the County Code, the Board appoints the County Administrator, County Clerk, and Director of Budget and Finance. Other elected County funded positions include County Sheriff, State’s Attorney, and Treasurer.

Table of Contents

Statement of Purpose	1
Current Developments	1
Selected Economic Trends	2
Major Revenue Trends	3
Expenditure and Construction Activity	4
Other Financial/Budgetary Information	5

Statement of Purpose

This report is designed to communicate the County's major financial operating transactions for the indicated period since the issuance of the prior audited financial statements.

This report is interim in nature and abbreviated in that it does not include details for all the various funds maintained by the County. Additionally, this report omits many of the required note disclosures typically found in a fiscal year-end financial statement report. The information contained here is intended to allow management to make limited assessments of near-term trends that may have impact on operations and financial results. Management views this interim period as an integral part of the annual period.

The report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to the general, landfill, highway, and construction activities of the County including the local economic trends. This report is general in nature. The reader is cautioned that it does not provide the level of detail, nor the comprehensive scope found in a fiscal year-end financial statement. Those desiring or needing such information should contact The Office of Budget and Finance.

We hope that you find this report informative and meaningful. If you have any questions regarding this report, please contact The Office of Budget and Finance at 240-313-2300.

Please Note:

This report is provided for general information use only. The information contained in the document speaks only as of its reported date.

Current Developments

Estimated Year End Results:

Estimated Operating Results-

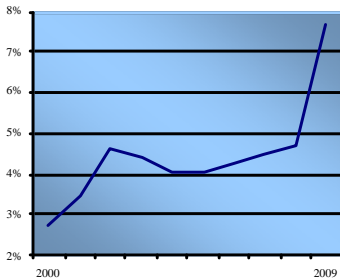
Overall revenue for fiscal year 2009 is anticipated to perform below projected targets. Below average performance mainly attributable to Income and Recordation Tax both reflect the current economy, which is expected to recover mid to late summer of 2010. Expenditure and reserve savings will help offset revenue shortfalls. These offsets are mainly from unspent program funds, over accrual of pension costs, and debt service savings. The cash reserve level is contingent upon final adjustments and further state reductions.

Estimated Capital Improvement Results-

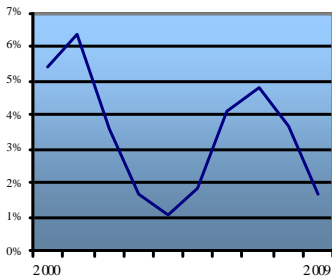
The fiscal year 2009 projected shortfall in Residential Development and Transfer Fees was \$3.2 million. This projected shortfall was covered in late August with fiscal year 2008 funding to allow uninterrupted school and road construction. The current estimated shortfall is \$3.4 million as of May, with the small difference covered from the Capital Improvement reserves if projections hold. Remaining revenues will meet targets along with expected savings from project closeouts.

Economic Trends

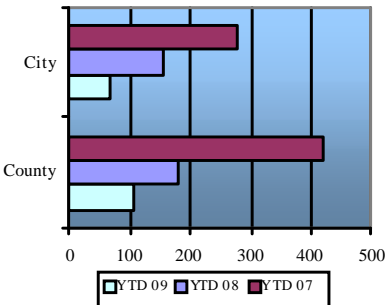
Average Unemployment Rate



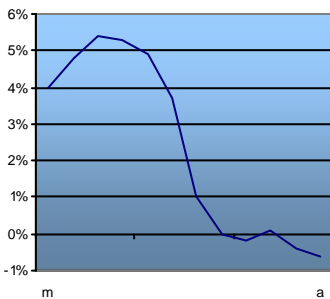
Annual Average Investment Rate



Permits Issued YTD



CPI - 12 Month Change



Employment Statistics - April

No. Of Employed	No. Of Unemployed	County		State	
		Current Unemployment Rate	Prior Unemployment Rate	Current Unemployment Rate	Prior Unemployment Rate
61,396	6,614	9.7%	4.6%	6.6%	3.4%

Investment Portfolio Information

Current		Year-to-date		
Invested	Average Yield	Invested	Average Yield	Est. Earnings
107,941,265	.213%	455,905,845	1.67%	2,781,779

Number of Permits Issued

Area of Activity	Prior Year Year-to-date	Current Year Year-to-date	Variance	
			#	%
County	181	106	(75)	(41%)
Hagerstown	158	67	(91)	(58%)
Total	339	173	(166)	(49%)

Other Economic Statistics

Description	2009	2008	% Change
Housing Activity:			
Average Sold Price	186,883	213,043	(12%)
Total Units Sold	82	79	4%
Average Days on Market	152	153	(2%)
Foreclosure Activity:			
New Units in foreclosure	6	19	
Average Foreclosure rate:			
County	.13%	n/a	
State	.16%	n/a	
National	.26%	n/a	
CPI Index - seasonally adjusted	-.6%	3.9%	

Major Revenue Trends

The following summarizes key revenue sources that affect the County's overall financial condition. Many of these revenues change with the economy. The revenues shown below are before year-end accrual adjustments. Amounts reflect distributions received as of report date.

Real Estate Tax (operating revenue)				
Current Budget	Revenue Billed	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
106,462,850	108,077,199	1,614,349	1.52%	10.26%

Income Tax (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
49,289,757	47,632,003	(1,657,755)	(3%)	(2%)

Recordation Tax (operating revenue) – November				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
6,628,875	3,946,452	(2,682,422)	(40%)	(36%)

Tipping Fees (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
6,388,840	5,595,098	(793,741)	(12%)	(10%)

Highway User Revenue (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
7,319,463	6,199,205	(1,120,258)	(15%)	(13%)

Total Residential Development Fees (restricted for capital)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
2,956,520	845,965	(2,110,555)	(71%)	(44%)

Transfer Tax (restricted for capital)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
2,252,056	1,364,256	(887,799)	(39%)	(36%)

Operating Activity

The table below compares fiscal year-to-date approved budget to fiscal year-to-date expenditures on major funds. It incorporates the variance by dollar and percentage along with total expenditure activity. The grand total combines operating and capital for total corporate activity and trends.

Funds expended & encumbered should average around 92%, if not seasonal

Operating Activity by Major Fund (in millions)					
Major Funds	Budget	Expended	Encumbered Funds	Unexpended	% Expended & Encumbered
General	209.9	179.1	1.0	29.8	86%
Highway	8.9	7.2	0.5	1.2	87%
Solid Waste	8.7	7.4	0.0	1.3	85%
Water	1.8	1.6	0.0	0.2	89%
Sewer	10.6	9.6	0.1	0.9	91%
Transit	2.5	2.1	1.2	0.2	92%
Airport	2.7	2.6	0.0	0.1	98%
Golf Course (seasonal)	1.2	1.1	0.0	0.1	93%
Total	246.3	210.7	1.9	33.8	86%

Construction Activity

The table below represents the County's *construction in progress* for the period ended. It discloses the current project budget, expenditures as of report date, along with variance reporting. The table summarizes the projects by category.

Construction Activity (in millions)					
Category	Budget	Expended	Encumbered Under Contract	Unexpended	% Expended & Encumbered
General	13.1	9.3	.1	3.7	72%
Public Safety	32.9	19.7	8.8	4.4	87%
Roads, Bridges, etc.	53.0	22.6	9.4	21.0	60%
Parks	1.4	.7	0.0	.7	51%
Education	83.2	47.6	.1	35.5	57%
Solid Waste	13.0	5.0	3.2	4.8	63%
Utility	39.7	7.3	3.6	28.8	57%
Transportation	3.5	.2	.1	3.2	7%
Airport	76.3	66.2	1.7	8.4	89%
Total	316.1	178.6	27.0	110.5	65%

Total Major Expenditure Activity

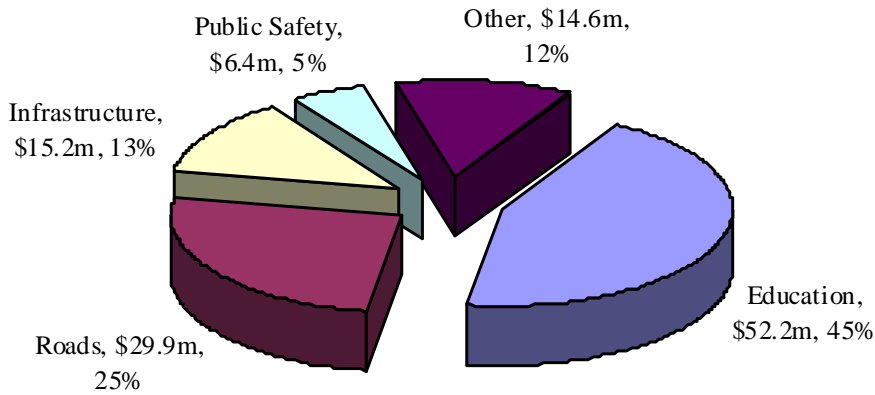
Grand Total (millions)	562.4	389.3	28.8	144.2	74%
------------------------	-------	-------	------	-------	-----

Average Fuel Unit Price Trends				
Fund or Service	Gasoline		Diesel	
	Gallons Purchased	Weighted Average Per Gallon	Gallons Purchased	Weighted Average Per Gallon
Airport	3,178	\$ 2.348	2,311	\$ 2.186
Golf Course	6,200	\$ 2.796	2,595	\$ 2.620
Highway	70,827	\$ 2.143	89,570	\$ 2.228
Parks	15,224	\$ 2.567	4,918	\$ 2.460
Sheriff Operations	114,515	\$ 2.337	-	-
Solid Waste	1,651	\$ 2.629	64,329	\$ 2.623
Transit	-	-	88,016	\$ 2.250
Water Quality	19,876	\$ 2.441	23,687	\$ 2.623
Total weighted average	231,470	\$ 2.466	275,426	\$ 2.380
Unit Price Budgeted	-	\$ 3.25	-	\$ 3.25

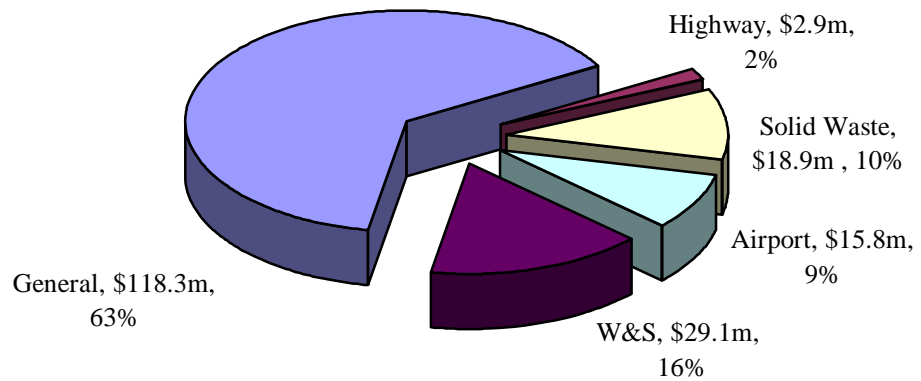
The above chart represents fuel purchases for the current fiscal year. The average price per gallon is based on weighted averages. Comparisons related to service level, countywide cost, and budgetary information have been provided. Pricing sheets and the weighted average per gallon above indicate the continued downward trend of gasoline and diesel fuels since mid September.

Oil prices are expected to average around \$50 per barrel till the end of the year and rise toward \$65 a barrel into next year. This will translate to average retail gasoline prices of around \$2.25 - \$2.35 per gallon. Diesel is projected to soften, decreasing by an additional .20 cents per gallon by mid summer. Current bid pricing sheets average .30¢ below retail price. In addition heating oil will not rise again until December with natural gas decreasing 15% with a slow increase to average \$6.50 per million BTU.

Outstanding Debt - General Fund - \$118.3 m



Total Outstanding Debt - all funds - \$189 m



Scheduled Payoff Ratios & Debt Service Ratios				
	2009	2008	Peer Group	Industry Standard
Five Year Payoff	36%	36%	-	25%
Ten Year Payoff	66%	66%	-	50%
Debt Service ratio	6.49%	6.21%	7.37%	<=10%



Prepared by the Office of Budget and Finance