

# Washington County, Maryland

*Forecast and Summary For Period Ended | September 2009*

## FY 2010 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

### **Fiscal Year 2011 Budget Process:**

Fiscal year 2011 Operating and Capital budgets will be released during the months of November and December 2009. The Budget and Finance Office will send operating budget requests to outside agencies by the end of October. This year several new items have been added to the request packets based on budget workshops from last year including:

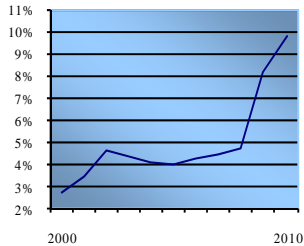
- Certification letter on the use of County grants funds by agencies.
- Additional information regarding net change in agency request.
- Requiring detailed cost calculations on projects over \$2 million.
- Requiring written explanations on project changes over % threshold.

### **Current Budget Trends:**

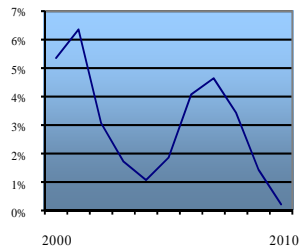
The County's financial condition continues to remain stable amidst State budget cuts and reductions due to prior financing planning over the past several years. We have anticipated further State reductions this year and in the upcoming fiscal year. Continued analysis and monitoring of the County's position both short-term and long-term will be updated and reviewed. Any material changes to our projected long range plan will be addressed with a revised plan based on those changes.

## Economic Trends

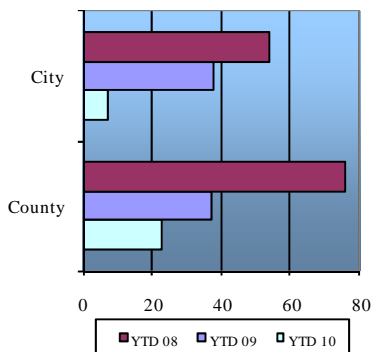
Average Unemployment Rate



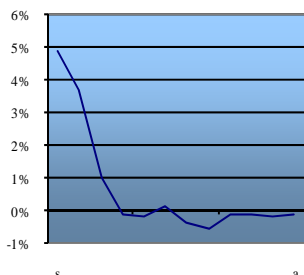
Average Investment Rate



Permits Issued YTD



CPI – 12 Month Change



## Employment Statistics – Reported as of August

No. Of Employed	No. Of Unemployed	County		State	
		Current Unemployment Rate	Prior Unemployment Rate	Current Unemployment Rate	Prior Unemployment Rate
61,295	6,768	9.9%	6.0%	7.4%	4.6%

Source: Maryland Department of Labor, Licensing & Regulation

## Investment Portfolio Information

Current		Year-to-date		
Invested	Average Yield	Invested	Average Yield	Est. Earnings
186,894,935	.28%	206,696,558	.234%	203,442

## Number of Permits Issued

Area of Activity	Prior Year Year-to-date	Current Year Year-to-date	Variance	
			#	%
County	37	23	(14)	(38%)
Hagerstown	38	7	(31)	(82%)
Total	75	30	(45)	(60%)

Source: Washington County Planning Department and City of Hagerstown Planning Department.

## Housing Statistics – reported as of August

Description	2010	2009	% Change
<b>Housing Activity:</b>			
Average Sold Price	178,724	216,531	(17.46%)
Total Units Sold	94	89	5.06%
Average Active Inventory	1,223	1,453	(15.8%)
<b>Foreclosure Activity:</b>			
New Units in foreclosure	59	49	20.41%
<b>Average Foreclosure rate:</b>			
County	.18%	.040%	344.4%
State	.24%	.050%	380.0%
National	.28%	.14%	104.4%

Source: Realtytrac and Maryland Association of Realtors

## Consumer Price Index

Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
215.8	(1.3%)	218.7	4.9%

Source: Bureau of Labor Statistics

## 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
		\$	%	
116,103,600	116,065,779	(37,821)	(.03%)	7.40%

Income Tax (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
0	0	0	0	0

Recordation Tax (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
923,338	784,821	(138,516)	(15%)	(17.42%)

Tipping Fees (operating revenue)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
1,644,908	1,448,947	(195,961)	(11.91%)	(17.93%)

Total Residential Development Fees (restricted for capital)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
393,366	552,824	159,458	40.54%	73.73%

Transfer Tax (restricted for capital)				
Current Budget Year-to-date	Actual Revenue Year-to-date	Budget Variance		Actual Growth % CY vs. PY
		\$	%	
425,471	220,283	(205,188)	(48.23%)	(35.98%)

## 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 25% if not seasonal

Operating Activity by Major Fund (in millions)					
Major Funds	Budget	Expended	Encumbered Funds	Unexpended	% Expended & Encumbered
General	213.1	43.5	3.1	166.5	22%
Highway	8.7	1.5	.6	6.6	24%
Solid Waste	8.2	1.8	0	6.4	22%
Water	1.7	.4	0	1.3	24%
Sewer	11.1	2.5	.1	8.5	23%
Transit	2.4	.5	.1	1.8	25%
Airport	2.9	.7	.1	2.1	27%
Golf Course	1.2	.3	0	.9	25%
<b>Total</b>	<b>249.3</b>	<b>51.2</b>	<b>4.0</b>	<b>194.1</b>	<b>22%</b>

## 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	5.8	0	.2	5.6	3%
Public Safety	35.5	.8	7.8	26.9	24%
Roads & Bridges	53.2	2.0	10.4	40.8	23%
Parks	.7	0	0	.7	0%
Education	47.2	1.5	1.3	44.4	6%
Solid Waste	19.5	.8	1.1	17.6	10%
Utility	50.2	.4	3.0	46.8	7%
Transit	2.0	0	0	2.0	0%
Airport	12.1	.6	4.1	7.4	39%
<b>Total</b>	<b>226.2</b>	<b>6.1</b>	<b>27.9</b>	<b>192.2</b>	<b>15%</b>

## Total Major Expenditure Activity

<b>Grand Total (millions)</b>	<b>475.5</b>	<b>57.3</b>	<b>31.9</b>	<b>386.3</b>	<b>19%</b>
-------------------------------	--------------	-------------	-------------	--------------	------------

Average Fuel Unit Price Trends				
Fund or Service	Gasoline		Diesel	
	Gallons Purchased	Weighted Average Per Gallon	Gallons Purchased	Weighted Average Per Gallon
Airport	1,526	2.314	801	1.988
Golf Course	2,681	2.308	219	2.131
Highway	10,358	2.196	14,005	1.944
Parks	5,388	2.314	1,680	1.997
Sheriff Operations	24,602	2.445	0	0
Solid Waste	500	2.292	14,204	1.981
Transit	0	0	29,015	1.919
Water Quality	4,785	2.325	8,473	2.261
Total weighted average	49,840	2.314	68,397	2.032
Unit Price Budgeted		3.235		3.50

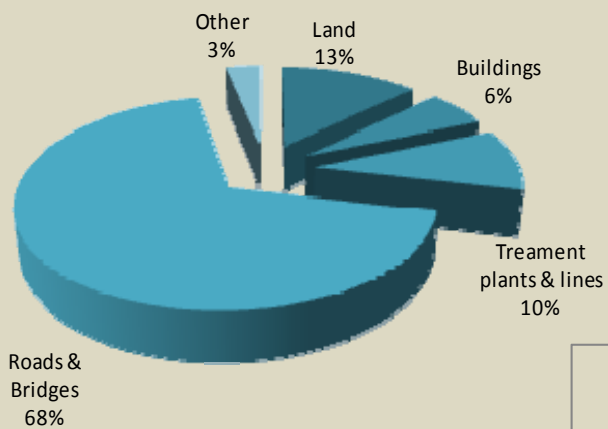
The above chart represents major fuel purchases for the current fiscal year. The average price per gallon is based on weighted averages. Comparisons related to service level, countywide cost, and budgetary information have been provided. Pricing sheets and the weighted average per gallon above indicate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

Gasoline prices in 2010 are expected to be around \$2.80 a gallon, while diesel prices are projected to average around the \$2.85 mark. Current bid pricing sheets average .30¢ below retail price. Heating oil is anticipated to average about \$2.75 - \$2.80 a gallon in 2010.

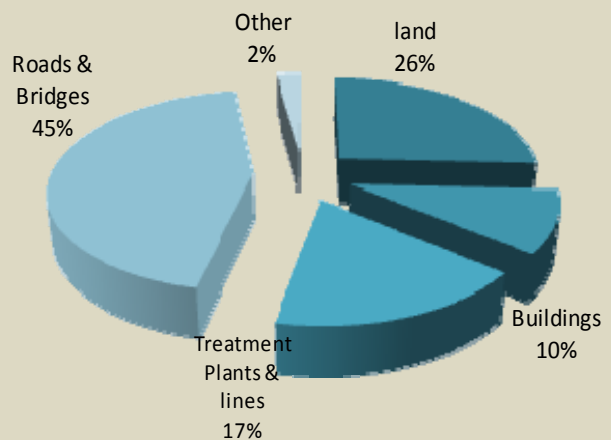
## Washington County Total Fixed Asset Base as of June 30, 2009

	Total Cost	Net Capital Asset
Land and Improvements	210,001,567	173,492,341
Buildings & Improvements	94,532,066	67,388,379
Facilities, lines, and Mains	105,815,245	83,078,115
Treatment Plants	51,456,179	34,653,111
Roads & Bridges	1,105,733,935	300,386,538
Machinery & Equipment	17,055,473	5,214,027
Vehicles	18,861,341	5,860,669
Office Furniture	4,305,684	537,212
Computer Equipment	9,901,790	3,512,354
	1,617,663,280	674,122,746

### Gross Assets



### Net Capital Assets









Prepared by the Office of Budget and Finance