



WASHINGTON COUNTY, MARYLAND

# FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

SEPTEMBER 2022



# Washington County

M A R Y L A N D

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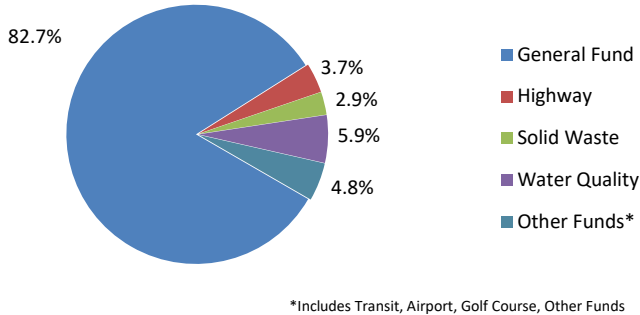
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, 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 154,937 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. The County Commissioners are elected on a county-wide basis and serve four-year terms. Other elected County funded positions include County Sheriff, Treasurer, and State's Attorney.

Information provided below indicates where Washington County ranks within Maryland Counties for the services and statistics provided among 23 counties and Baltimore City for FY2020, the most recent available year.

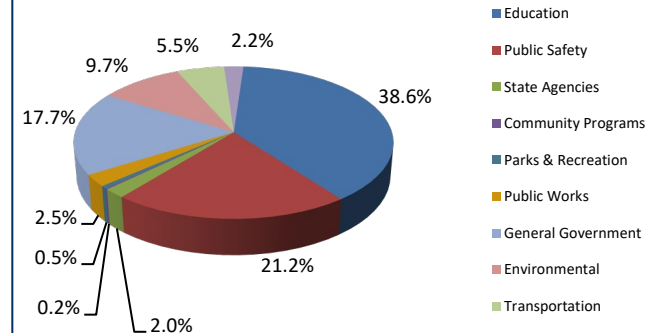
Population Rank	11th
Property Tax per capita	20th
Per pupil local funding	18th
Expenditure per capita	23rd

## FINANCIAL STATS

**Total Operating Funds, \$318M**



**Operating Expenditures by Category**



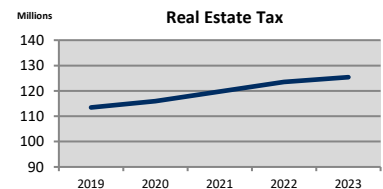
Washington County will spend approximately \$318 million annually on public services in FY2023. The General Fund budget represents the County's largest fund at \$263 million, or 82.7%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including Recordation Tax, Service Fees, and Intergovernmental Grants. General Fund dollars are spent on Education, Public Safety, Debt Service, General Government, Courts, State Agencies, Community Programs, Public Works, Parks & Recreation, and sometimes support other funds through an intergovernmental transfer.

## MAJOR REVENUE TRENDS

The following information summarizes key revenue sources that affect the County's overall financial condition. External economic factors such as the unemployment rate, inflation and interest rates, and real property sales impact County revenues. Amounts reported reflect distributions received as of the reported date. The revenue graphs to the right reflect total actual revenues collected for each of the prior fiscal years and the projected total annual revenue based on existing trends for the current year.

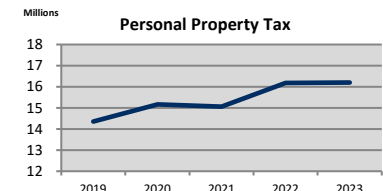
**Real Estate Tax**

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
121,990,216	125,597,313	3,607,097	3.0%	1.7%



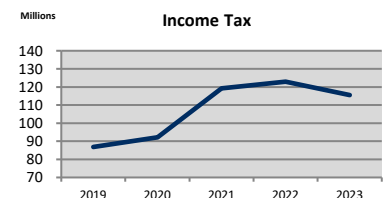
**Personal Property Tax**

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
2,073,635	3,480,737	1,407,102	67.9%	10.5%



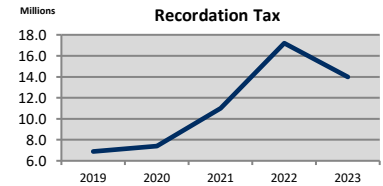
**Income Tax**

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
2,050,857	0	(2,050,857)	(100.0%)	(100.0%)

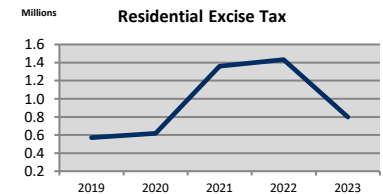


# MAJOR REVENUE TRENDS (CONTINUED)

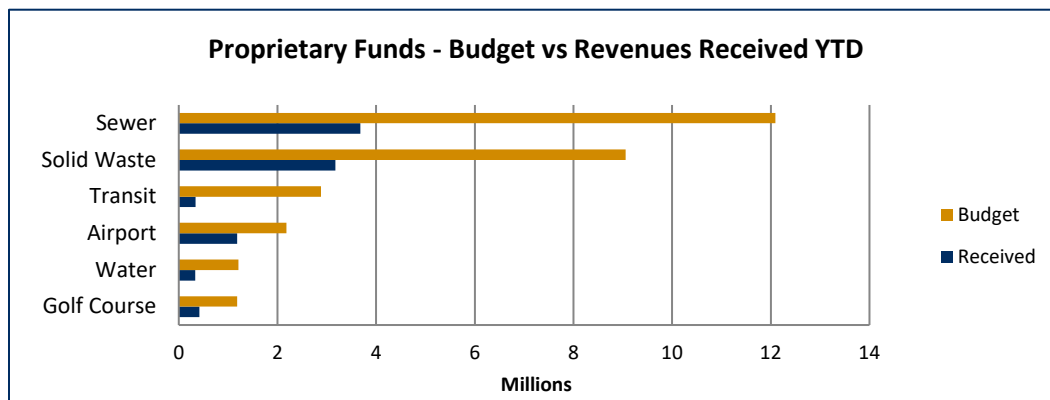
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
1,384,205	3,364,271	1,980,066	143.0%	(3.7%)



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
148,749	267,930	119,181	80.1%	46.7%



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
444,989	1,206,335	761,346	171.1%	(19.7%)



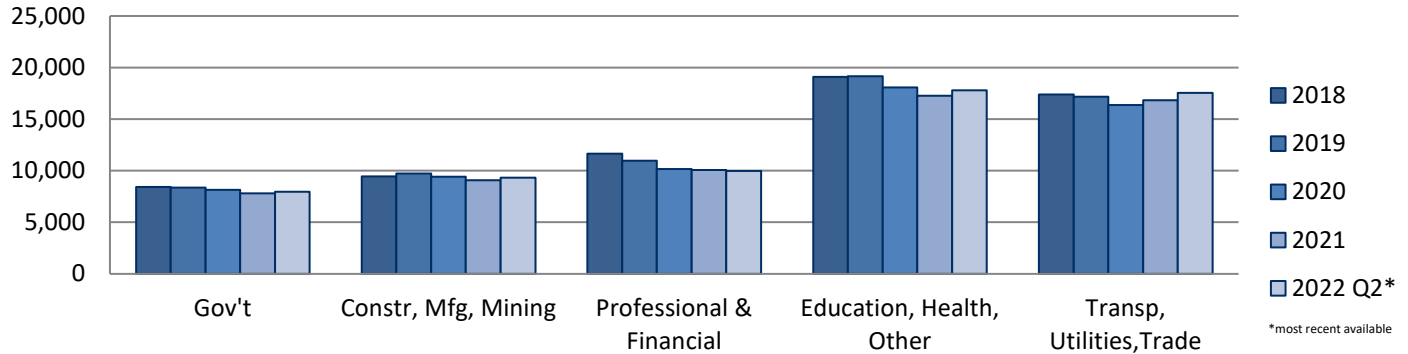
# SUMMARY OF MAJOR EXPENDITURE ACTIVITY

Expenditure Activity by Major Fund (in millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	274.9	72.5	6.7	195.7	26%
Highway	11.8	2.8	3.1	5.9	24%
Solid Waste	9.1	1.7	3.6	3.8	19%
Water	1.2	0.3	0.1	0.8	22%
Sewer	12.1	2.7	0.2	9.2	22%
Transit	2.9	0.7	0.1	2.1	23%
Airport	2.2	0.5	0.1	1.6	21%
Golf Course	1.2	0.4	0.1	0.7	35%
Total	315.4	81.6	14.0	219.8	26%

The table to the left compares major year-to-date expenditure activity to budgeted funding. It incorporates the variance by dollar and percentage, along with total expenditure activity. Funds expended and encumbered should average around 25% if not subject to seasonal fluctuation.

## EMPLOYMENT DATA

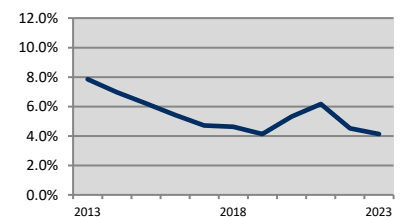
## Washington County Average Employment by Industry



## Employment Statistics - September

County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2022	67,436	3,569	5.0%	5.8%	4.7%
2023	70,146	2,741	3.8%	4.0%	3.5%

## Average Unemployment Rate

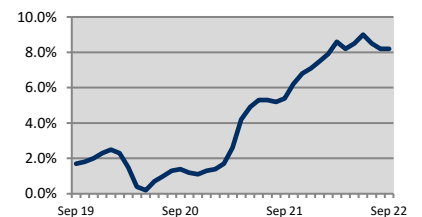


## SPENDING DATA

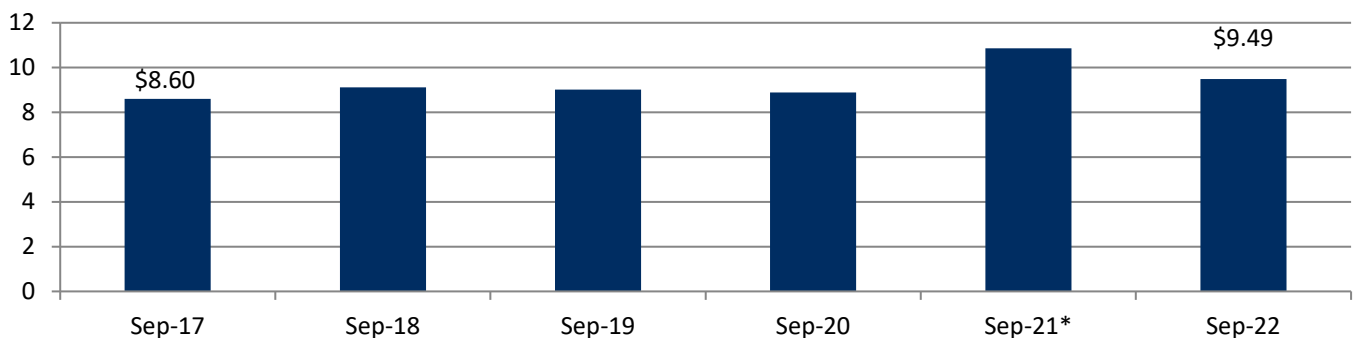
## Consumer Price Index (CPI)

Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
296.8	2.8%	274.2	4.0%

## Annualized CPI

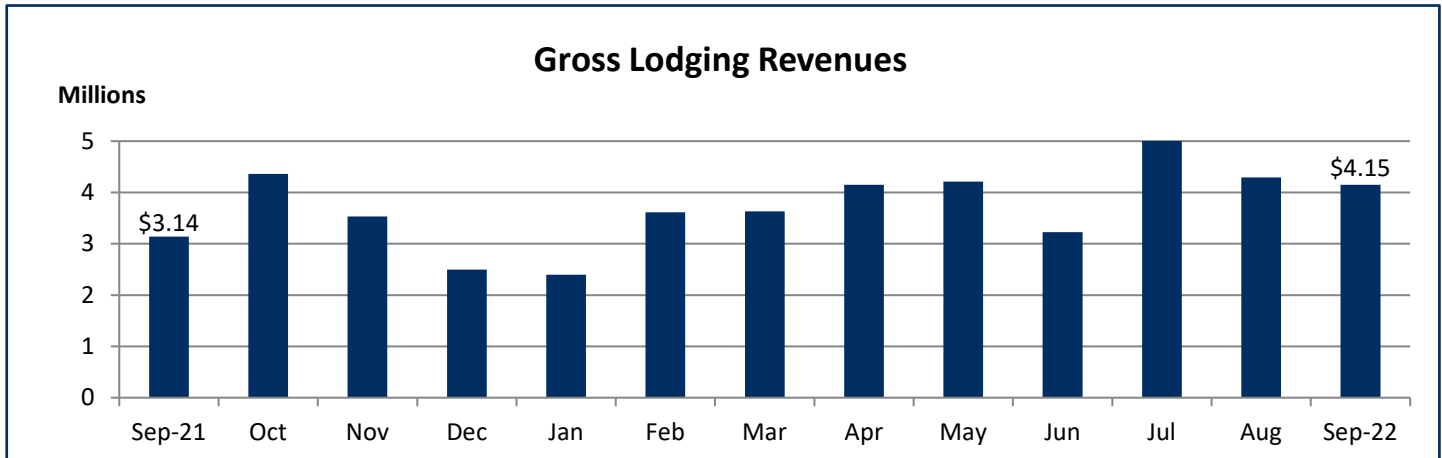
Consumer Spending Patterns - Washington County  
Sales & Use Tax Collections

Millions



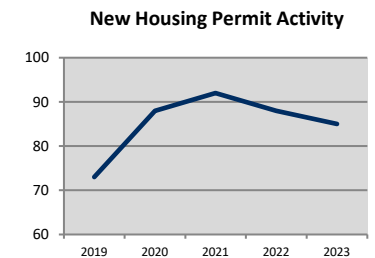
\* Due to Legislative changes, report is not available and has been estimated.

## SPENDING DATA (CONTINUED)

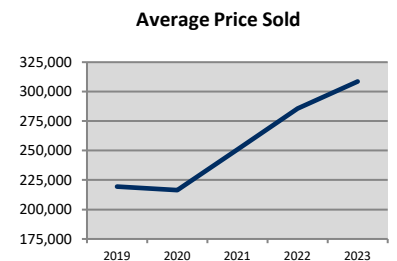


## HOUSING DATA

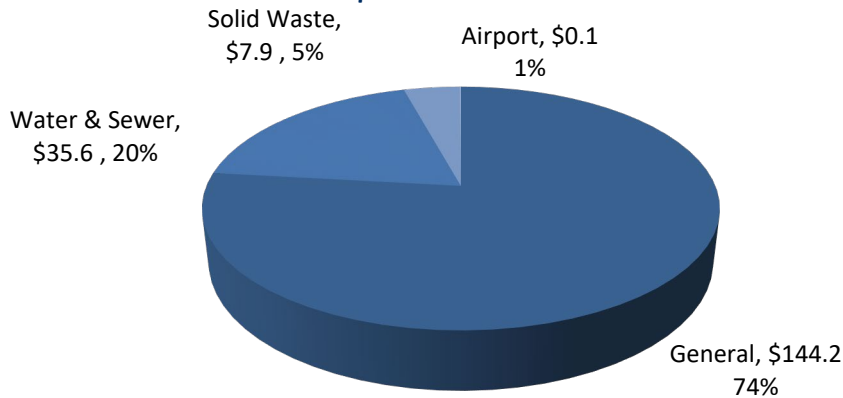
New Residential Housing Permits Issued				
Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	60	75	15	25.0%
City of Hagerstown	28	10	(18)	(64.3%)
Total	88	85	(3)	(3.4%)



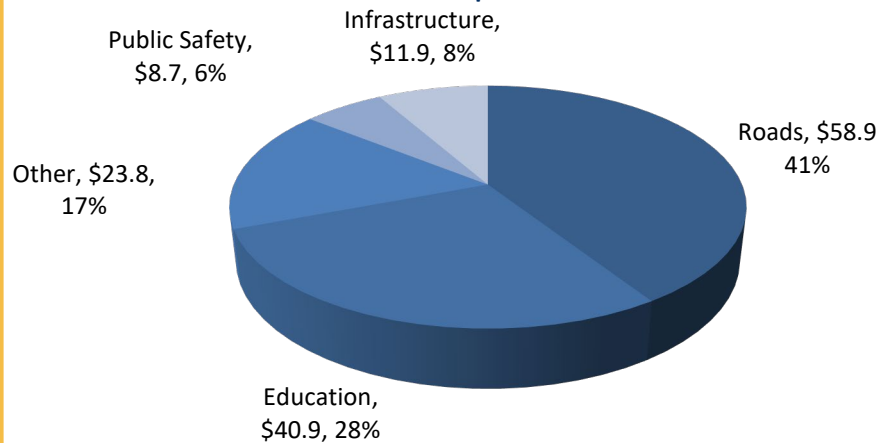
Washington County Housing Statistics			
Housing Activity:	2022 YTD	2023 YTD	% Change
Average Price Sold	285,561	308,610	8.1%
Total Units Sold	662	533	(19.5%)
Average Inventory	292	256	(12.3%)



## PROJECTED OUTSTANDING DEBT JUNE 30, 2023

**Projected Outstanding Debt FY2023 - All Funds -  
\$187.8M**


The charts to the left represent current outstanding debt and anticipated borrowing for the current fiscal year ended 2023. Final determination of new bond issue amounts are typically made in the 4<sup>th</sup> quarter of the fiscal year barring any change in issuance patterns.

**Projected Outstanding Debt FY 2023 - General  
Fund - \$144.2 M**

**Bond Ratings**

Rating Agency	Fiscal Year 2022 Rating
Standard & Poor's	AA+
Moody's	Aa1
Fitch	AA+

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## STATEMENT OF PURPOSE

This report is designed to communicate the County's major financial trends for the indicated period since the issuance of the prior audited financial statements. The 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 an impact on operations and financial results. Management views this interim period as an integral part of the annual period. This report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to various operations within the County. 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.

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