



Washington County

M A R Y L A N D

FY 2021

CITIZEN'S GUIDE TO THE BUDGET

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COMMITTED TO CUSTOMER SERVICE DEDICATED TO PROGRESS

This document is a “brief” look at the 2021 Washington County budget. We hope it will enhance your understanding of how Washington County is organized, the services it provides, and the funding sources used to provide those services. Our purpose is to deliver to the citizens of Washington County the very highest quality of services as efficiently and economically as possible, making every dollar count.

Major budget changes for County operations include funding for education, law enforcement, emergency services and internal operations.

The County Commissioners thank you for the opportunity to serve you.

100 West Washington Street
Hagerstown, Maryland 21740
www.washco-md.net

Washington County, Maryland Board of County Commissioners

Overseeing a premier community in which to live, work, and raise a family.



President Jeffrey A. Cline



Vice President Terry L. Baker



Commissioner
Wayne K. Keefer



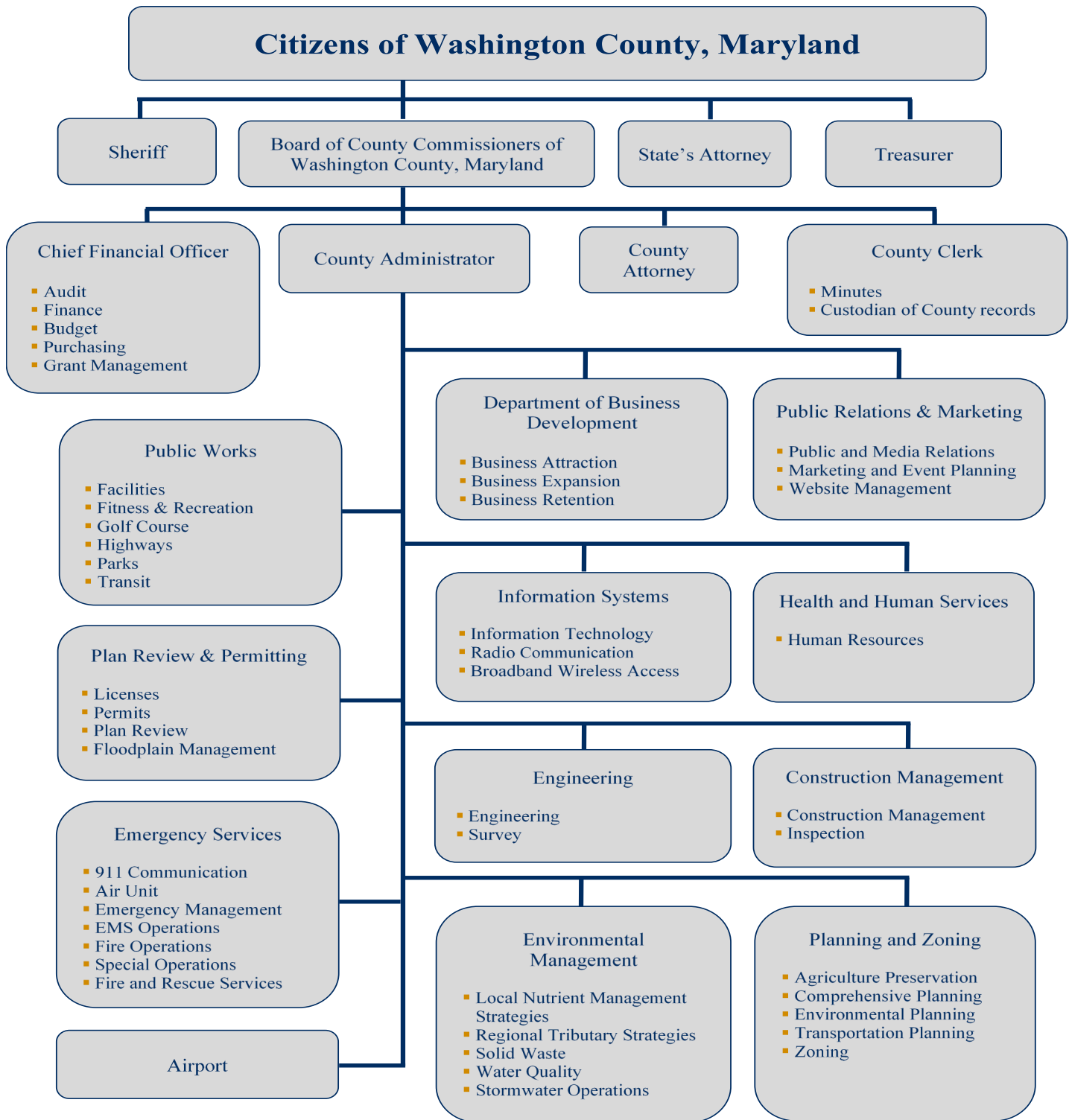
Commissioner
Cort F. Meinelschmidt



Commissioner
Randall E. Wagner

Organizational Overview

The County is a corporate body which performs all local government functions in Washington County except those performed by the nine incorporated municipalities within Washington County. Both executive and legislative functions are vested in the elected, five-member Board of County Commissioners of Washington County. The Board may only exercise such powers as are conferred upon it by the General Assembly of Maryland, including authorization to issue debt to finance its capital projects. County Commissioners are elected on a countywide basis and serve four-year terms.



Overview

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 151,050 residents with nine incorporated municipalities.

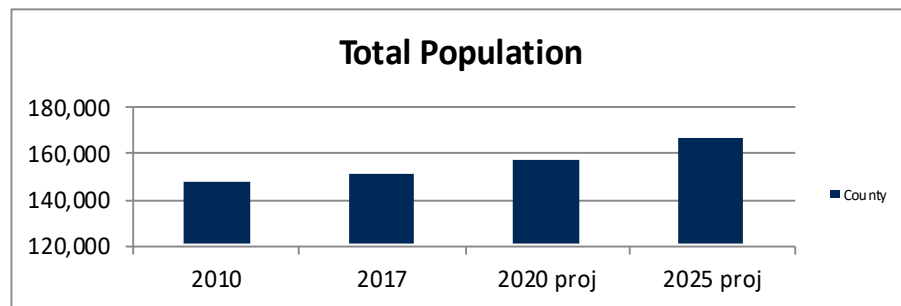


Garis Shop Road Bridge

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 with no term limits. As authorized by the County Code, the County Commissioners appoint the County Administrator, County Clerk, and Chief Financial Officer. Other elected County funded positions include County Sheriff, State’s Attorney, and Treasurer.

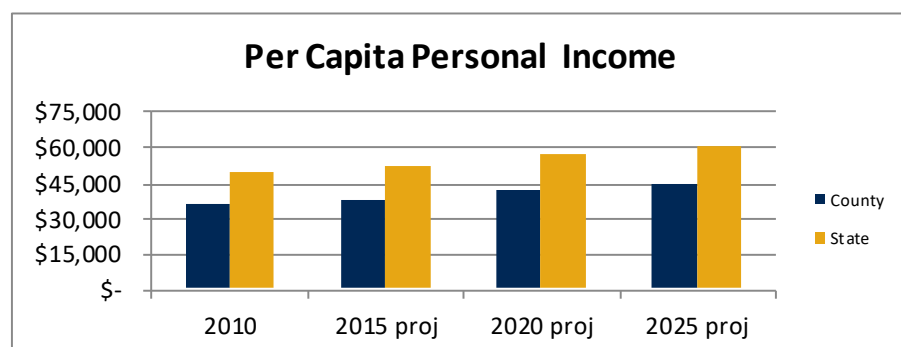
Demographics

Washington County is home to an estimated 151,050 residents and currently ranks 11th in population and 12th in population growth in the State of Maryland. Between 2000 and 2017, Washington County grew in total by 14.1% or by an annual average of 0.8% per year compared to the State of Maryland, which grew in total by 14.3% or an annual average of 0.8% per year.



Source: MD Department of Planning and US Census.

Between 2005 and 2020, Per Capita Personal Income for Washington County residents has increased by 22% or by an annual average of 1.5% per year. The Per Capita Personal Income is projected to increase by 1.21% annually through 2025. Per Capita Personal Income for the State of Maryland increased 20% from 2005 through 2020 or an annual average of 1.3% per year.

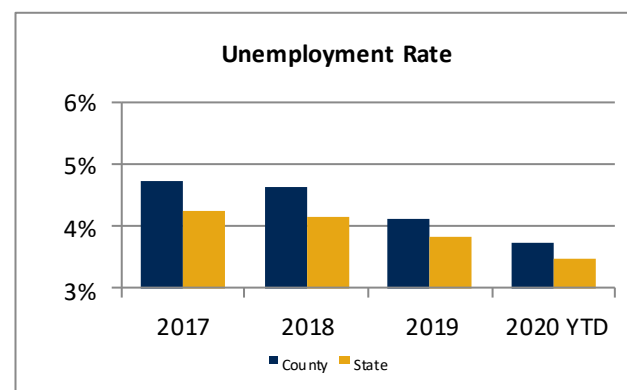
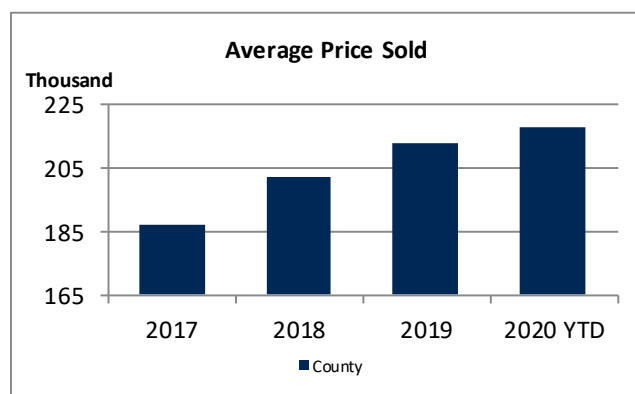
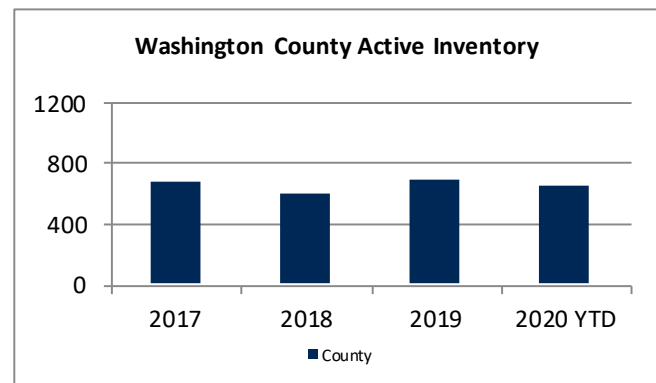
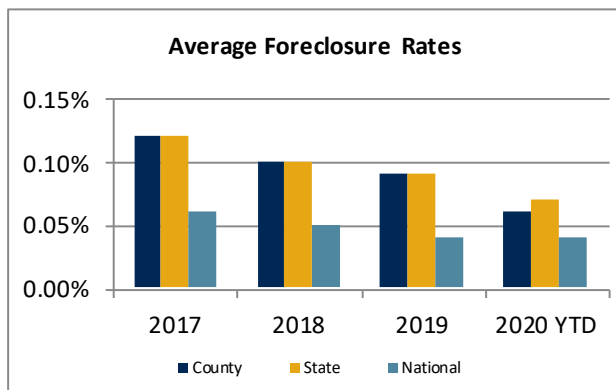


Source: MD Department of Planning.

Economic Indicators

Real estate and unemployment activity represent important economic indicators that greatly impact the County's economy, planning, permits, construction, and revenue activity. Therefore, the County tracks monthly changes to better analyze past performance and future growth. The graphs below indicate improvement in both housing statistics and unemployment. However, due to the recent impact of COVID-19, the County expects to see an increase in the number of unemployed and a decline in the real estate market, which is contrary to the trends that are shown below.

The full impact of COVID-19 on our local economy is unknown. The County continues to prepare for the impact through conservative budgeting and contingency planning.



Sources: Maryland Realtors Association; Realtytrac.com; and Maryland Department of Labor, Licensing & Regulation.

*The chart for the unemployment rate reflects information as of March 2020 and does not reflect the recent impact from COVID-19. The national unemployment rate is currently 14.7%.



MISSION

Supporting and strengthening individual and community self-reliance and responsibility; promoting education, economic development opportunities, public health, safety and welfare; protecting the environment and cultural resources we share; and planning for future urbanization and a culturally diverse population.

VISION

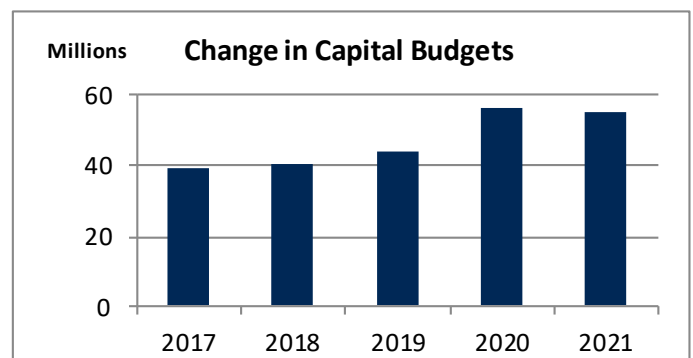
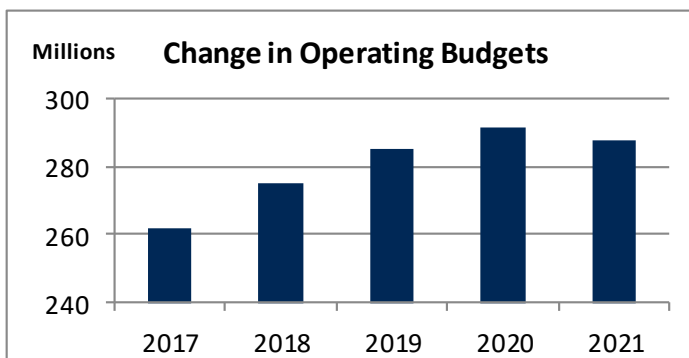
To become the regional leader in providing and coordinating efficient and effective public services in an open and cooperative manner.

VALUES

"Committed to Customer Service, Dedicated to Progress"

Total Budget History

Washington County's history over the past several years for operating and capital budgets are shown in the tables below in millions. Operating budgets have generally increased by approximately 3% per year, the exception to that being FY21 in which a decline in budgeted grants were a primary factor. Capital budgets vary from year-to-year due to the level of major construction activity, mandated funding requirements, grants and other contribution amounts, and capital priorities of the County.



Budget Summarization

Washington County budgets are summarized and compared to prior years on the following pages and are discussed throughout this budget message. The fiscal year 2021 budget continues our work to prudently manage the County's fiscal bottom line while strengthening our schools, protecting our citizens, and investing in future jobs and a growing tax base.

Summary for All Funds

	FY20 Approved	FY21 Proposed	FY20 vs. FY21	
			\$ Change	% Change
Operating Funds:				
Major Operating Funds:				
General Fund	\$233,782,190	\$235,896,580	\$2,114,390	0.90%
Highway Fund	\$11,490,360	\$11,736,350	\$245,990	2.14%
Solid Waste Fund	\$7,649,030	\$8,151,110	\$502,080	6.56%
Utility Administration Fund	\$4,989,100	\$4,772,500	(\$216,600)	(4.34%)
Water Fund	\$1,463,880	\$1,103,340	(\$360,540)	(24.63%)
Sewer Fund	\$13,403,150	\$11,859,170	(\$1,543,980)	(11.52%)
Pretreatment Fund	\$866,190	\$471,480	(\$394,710)	(45.57%)
Public Transit Fund	\$2,696,940	\$2,666,050	(\$30,890)	(1.15%)
Airport Fund	\$1,999,070	\$1,979,630	(\$19,440)	(0.97%)
Black Rock Golf Course Fund	\$1,162,950	\$1,149,680	(\$13,270)	(1.14%)
	\$279,502,860	\$279,785,890	\$283,030	0.10%
Restricted Funds:				
Hotel Rental Tax Fund	\$2,100,000	\$1,840,000	(\$260,000)	(12.38%)
Cascade Town Centre Fund	\$996,680	\$183,650	(\$813,030)	(81.57%)
Agricultural Education Center Fund	\$241,820	\$257,280	\$15,460	6.39%
Grant Management Fund	\$425,510	\$443,710	\$18,200	4.28%
Inmate Welfare Fund	\$645,920	\$497,500	(\$148,420)	(22.98%)
Gaming Fund	\$2,164,770	\$1,955,490	(\$209,280)	(9.67%)
Land Preservation Fund	\$4,424,270	\$2,151,680	(\$2,272,590)	(51.37%)
HEPMPO Fund	\$563,240	\$590,980	\$27,740	4.93%
Contraband Fund	\$5,910	\$0	(\$5,910)	(100.00%)
	\$11,568,120	\$7,920,290	(\$3,647,830)	(31.53%)
Total Operating Funds	\$291,070,980	\$287,706,180	(\$3,364,800)	(1.16%)
Capital Improvement Plan	\$56,319,000	\$54,874,000	(\$1,445,000)	(2.57%)
Total Budgeted Funds	\$347,389,980	\$342,580,180	(\$4,809,800)	(1.38%)

General Fund

A summary of the budgeted 2021 revenues, with a comparison to the current budget year is shown in the table below. A more detailed listing of General Fund Revenues is available at the Office of Budget and Finance and will also be available in the Annual County Budget Book.

General Fund Revenue Summary				
	2021	2020	\$ Change	% Change
Property Tax	\$132,213,070	\$128,697,630	\$3,515,440	2.73%
Local Tax	94,943,080	95,255,000	(311,920)	(0.33%)
Interest Income	500,000	1,200,000	(700,000)	(58.33%)
Fees	5,597,430	6,508,260	(910,830)	(13.99%)
Intergovernmental	2,643,000	2,121,300	521,700	24.59%
	\$235,896,580	\$233,782,190	\$2,114,390	0.90%

The General Fund revenue projections are based largely upon the following assumptions:

1. The local economy has and will continue to be greatly impacted by the efforts attributed to the containment of COVID-19. Accordingly, the FY21 budget has been developed to provide for continued county operations, mandates and other necessary costs, and provides no disruption of service that currently exists.
2. Property tax estimates are based on information provided by the State Department of Assessment and Taxation.
3. Local tax revenue projections are based on an analysis of local & State trends and projections.

Based upon the above assumptions, review of revenue patterns and future projections, General Fund revenues reflect an increase of 0.90% or \$2.1 million over the 2020 budget. Following is a detailed discussion regarding the major changes affecting General Fund revenues:

Property Tax revenue increased by 2.73% or \$3.5 million in FY21. This increase is directly related to an increase in the real estate assessable base, which is based on information provided by the State of Maryland Department of Assessments & Taxation. The property tax rate will remain at \$.948 per \$100 of assessed value.

Local Tax revenue reflects a decrease of \$0.3 million. The County originally anticipated an increase in income tax; however, the COVID-19 pandemic has greatly reduced projections due to the drastic increase in unemployment and the uncertainty of the economy.

Fees reflect a decrease of \$0.9 million mainly due to a decrease in speed camera revenues and a decrease in permitting fees due to the expected slowdown of construction as a result of COVID-19.

Major Tax Rates		
Type	Rate	Basis
Real Estate:	\$.948	\$100 assessed value
Income Tax:	3.20%	Taxable Income

General Fund

General Fund expenditures increased in total by \$2.1 million or 0.9% for 2021. This increase funds costs for education, public safety, internal transfers, and other governmental programs. The information below highlights major expense categories and also provides, to the left, the percent of total budget and dollars associated with the category.



General Fund

As shown in the following table, expenditures by function show a 0.90% or \$2,114,390 increase over 2020.

General Fund Expenditures By Function				
	2021	2020	\$ Change	% Change
Education	\$116,469,400	\$113,776,910	\$2,692,490	2.37%
Public Safety	56,481,630	53,775,600	2,706,030	5.03%
Intergovernmental Transfers	12,551,610	16,045,230	(3,493,620)	(21.77%)
Debt Service	15,810,770	15,185,870	624,900	4.12%
General Government	17,756,600	18,467,670	(711,070)	(3.85%)
Courts	5,866,770	5,733,180	133,590	2.33%
State Agencies	5,030,000	5,012,400	17,600	0.35%
Community Programs & Services	774,000	774,000	0	0.00%
Public Works & Permits	1,766,350	1,801,470	(35,120)	(1.95%)
Parks & Recreation	3,389,450	3,209,860	179,590	5.59%
	\$235,896,580	\$233,782,190	\$2,114,390	0.90%

Expenditure highlights are as follows:

1. Fund the Board of Education an additional \$2.7 million over the FY20 budget.
2. No wage increase for County employees.
3. Shared 5% increase for both employee and employer for health insurance premium costs.
4. Includes \$1.0 million in funding for EMS.
5. Includes \$0.4 million for the local portion of the SAFER grant for 33 firefighters.
6. Includes \$0.4 million set aside for incentives or other assistance to fire and/or EMS companies.
7. Includes four new 911 emergency communication specialists and three new firefighter positions approved in FY20.

General Fund Expenditures By Object				
	2021	2020	\$ Change	% Change
Full Time	\$33,114,260	\$32,458,480	\$655,780	2.02%
Part Time	1,870,060	1,790,180	79,880	4.46%
Overtime	1,032,460	1,023,620	8,840	0.86%
Fringe Benefits	24,433,370	23,925,990	507,380	2.12%
Personnel Requests	434,330	1,358,360	(924,030)	(68.03%)
Operating	174,665,130	172,777,270	1,887,860	1.09%
Capital Outlay	346,970	448,290	(101,320)	(22.60%)
	\$235,896,580	\$233,782,190	\$2,114,390	0.90%

Capital Improvement Funds

The Capital Improvement Plan (CIP) details the County's current projected capital improvement needs and financing sources that supports the County's current and future population and economy. The capital plan does not authorize the expenditure of funds. Rather, the funds for capital projects are appropriated annually in the County's operating and capital budgets.

The combined Ten-year Capital Improvement Program includes Fiscal Year 2021 budget and expenditure projections for the next 10 years; the total capital request for Fiscal Years 2021 through 2030 is \$591,995,000.

The Capital Improvement Program is a separate budgeting process within the annual operating budget. The CIP process is used to plan, budget, and finance the purchase and/or construction of large capital infrastructure, facilities, equipment, and other fixed assets. The County uses this process to ensure these assets are aligned with its strategic direction and that the funds are well spent.



Proposed Police, Fire, & Emergency Services Training Facility

A listing of the major capital projects to be undertaken or purchased in 2021 and the method of financing are listed in the summaries that follow.

Funding for capital projects can be obtained from any of the following sources:

Cash Sources:

Grants and Contributions include federal, state, and local contributions for specific projects or purposes. Examples include agency contributions, intergovernmental contributions, and developer contributions.

Cash is revenue transferred from various operating funds and is non-restrictive as to project funding. General sources can be from user fees, taxes, and other general revenue sources.

Taxes and fees include restrictive revenues such as transfer and excise tax. Revenues in these categories must be allocated to specific project categories and usually by specific allocation percentages.

Cash reserves represent excess cash saved over the past years from project savings and/or excess revenues.

Debt Sources:

Bonds are interest bearing debt issued by the County and include: 1) tax-supported debt for governmental activity supported by general tax dollars; and 2) self-supported debt supported by service fees, also known as double barrel bonds. Examples are landfill and utility operations.

The funding mix for the 2021 Capital budget is 60% cash, 22% tax-supported debt, and 18% self-supported debt.

Capital Improvement Funds

2021 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2021 Budget
Airport:				
Passenger Terminal Hold Room Expansion	3,875,000			3,875,000
Passenger Boarding Bridge	1,124,000			1,124,000
Other Airport Projects < \$500,000	162,000			162,000
Bridges:				
Halfway Boulevard Bridges	921,000	211,000		1,132,000
Frog Eye Road Culvert 11/06		652,000		652,000
Other Bridge Projects < \$500,000	0	146,000		146,000
Drainage:				
Drainage Projects < \$500,000	661,000			661,000
Board of Education:				
Capital Maintenance - BOE	6,625,000	76,000		6,701,000
Sharpsburg Elementary School Replacement	2,652,000	3,539,000		6,191,000
Elementary School 1	500,000			500,000
Urban Education Campus - BOE Component	2,552,000			2,552,000
Hagerstown Community College:				
Center for Business and Entrepreneurial Studies	3,040,000	1,409,000		4,449,000
ARCC Air Conditioning	600,000	500,000		1,100,000
Public Library:				
Library Projects < \$500,000	10,000			10,000
General Government:				
General Government Projects < \$500,000	609,000			609,000
Parks and Recreation:				
Parks and Recreation Projects < \$500,000	574,000			574,000
Public Safety:				
Police, Fire and Emerg Svcs Training Facility	1,800,000	100,000		1,900,000
Law Enforcement Veh & Equip Replacement	520,000			520,000
Other Public Safety Projects < \$500,000	183,000			183,000

Capital Improvement Funds

2021 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2021 Budget
Road Improvement:				
Pavement Maintenance and Rehab	2,014,000	2,232,000		4,246,000
Eastern Boulevard Widening Phase II		2,081,000		2,081,000
Halfway Boulevard Extended	2,000,000			2,000,000
Highway Equipment and Vehicle Replacement	1,068,000			1,068,000
Other Road Improvement Projects < \$500,000	82,000	1,054,000		1,136,000
Solid Waste:				
Solid Waste Projects < \$500,000	183,000		190,000	373,000
Transit:				
Transit Projects < \$500,000	545,000			545,000
Water Quality:				
Capacity Management Project			6,440,000	6,440,000
Smithsburg WWTP ENR Upgrade			3,000,000	3,000,000
Other Water Quality Projects < \$500,000	564,000		380,000	944,000
Total				
	32,864,000	12,000,000	10,010,000	54,874,000

The Ten-Year Capital plan for 2021 through 2030 by category is as follows (shown in millions):

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Education	21.503	24.715	29.716	36.849	35.653	34.468	35.272	36.229	51.086	33.732
Roads	13.122	11.862	12.350	12.050	12.067	11.259	12.855	12.752	13.334	12.437
Environmental	10.757	3.093	2.412	1.867	5.638	2.210	1.834	2.895	1.107	7.780
Transportation	5.706	3.322	6.529	6.859	7.746	1.770	2.641	0.786	1.880	2.749
Other	3.786	5.394	5.188	4.503	4.713	5.601	4.743	4.605	4.715	5.855
Total	54.874	48.386	56.195	62.128	65.817	55.308	57.345	57.267	72.122	62.553

Other Program Service Funds

Many other County programs and services are accounted for and financed outside the General Fund. For 2021 these funds total \$51.8 million. The nature of the revenue sources specifies that these monies be used for a specific activity. Hence, they are budgeted and accounted for in separate funds. Summary figures for each fund can be found in the table below each related section.

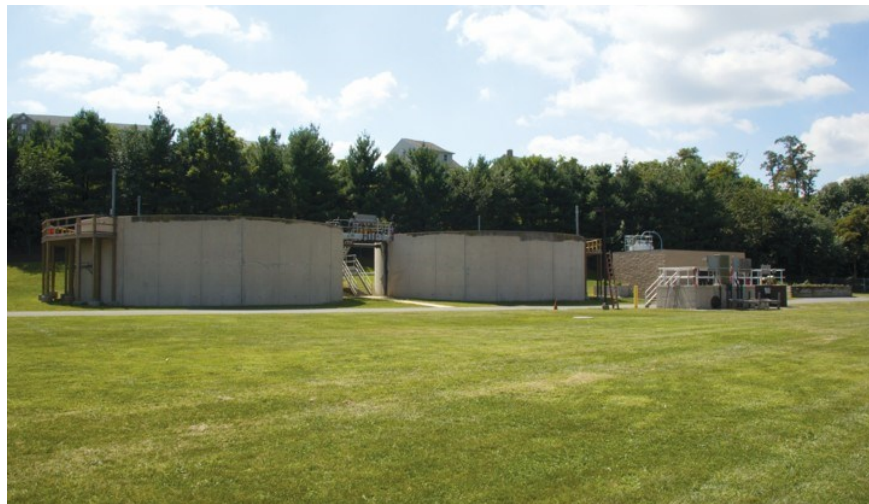
A. Environmental Services

The County has six funds which deal with environmental issues: Solid Waste, Utility Administration, Water, Sewer, Pretreatment and Land Preservation funds. These funds are used for operations, debt financing administration, closure and post closure cost, construction reserve requirements and cost of service financial modeling.

Major changes in these funds are summarized as follows:

1. The increase to the Solid Waste Fund is due to a projected increase in the waste stream based on current trends. The revenue increase will help to provide for new equipment leases.
2. The decrease in Utility funds is mainly due to a significant reduction in debt service costs. However, a 3.5% increase in sewer rates is necessary as the County continues to work towards a self-supported fund status.
3. The Land Preservation Fund has decreased due to an anticipated decrease in grant funds for FY2021.

Environmental Service Funds				
	2021	2020	Change	
Solid Waste	\$8,151,110	\$7,649,030	\$502,080	6.6%
Utility Funds	18,206,490	20,722,320	(2,515,830)	(12.1%)
Land Preservation	2,151,680	4,424,270	(2,272,590)	(51.4%)
	\$28,509,280	\$32,795,620	(\$4,286,340)	(13.1%)



Smithsburg Wastewater Treatment Plant

Other Program Service Funds

B. Transportation Services

The County has three major transportation responsibilities including the County road system, County Commuter services, and the Hagerstown Regional Airport. The Highway Fund increased mainly due to an adjustment to the salt budget for snow storms. The Highway Fund is heavily supported by the General Fund. The Transit Fund decreased slightly in operational costs, mainly related to gasoline usage and certain contracted services. The Airport Fund decreased slightly due to savings in personnel. The Metro Planning Organization represents a regional organization hosted by Washington County and deals with major transportation planning and issues. The increase in the regional organization is the result of an increase in Federal grants.

Transportation Service Funds				
	2021	2020	Change	
Highway	\$11,736,350	\$11,490,360	\$245,990	2.1%
Transit	2,666,050	2,696,940	(30,890)	(1.1%)
HEPMPO	590,980	563,240	27,740	4.9%
Airport	1,979,630	1,999,070	(19,440)	(1.0%)

C. Other Services

Other various funds provide services and programs to County residents and range from recreation to human service type programs. The Hotel Rental Tax and Gaming funds both decreased based on the anticipated economic impact of COVID-19. The Cascade Town Centre has been substantially reduced in anticipation of being sold. The sale is currently pending. The remaining budget supports the \$150,000 appropriation to the Community Center and certain maintenance costs. Both the Contraband and Inmate Welfare funds are funded with confiscated monies and inmate funds. The decrease in Inmate Welfare is directly related to a one-time purchase of a body scanner that was budgeted in FY20.

Other Program Service Funds				
	2021	2020	Change	
Golf Course	\$1,149,680	\$1,162,950	(\$13,270)	(1.1%)
Hotel Rental Tax	1,840,000	2,100,000	(260,000)	(12.4%)
Cascade Town Centre	183,650	996,680	(813,030)	(81.6%)
Agricultural Education	257,280	241,820	15,460	6.4%
Grant Management	443,710	425,510	18,200	4.3%
Inmate Welfare	497,500	645,920	(148,420)	(23.0%)
Gaming	1,955,490	2,164,770	(209,280)	(9.7%)
Contraband	-	5,910	(5,910)	(100.0%)
	\$6,327,310	\$7,743,560	(\$1,416,250)	(18.3%)

Debt and Reserve Management

The County may only issue bonds under the authority given by the Maryland General Assembly. Currently the County may issue bonds in an amount up to \$70 million under Chapter 99. The projected amount of bonds applied under Chapter 99 as of June 2020 is \$10.5 million. The total unused authorization available is \$59.5 million.

Along with the Maryland General Assembly authorization, the County annually evaluates its debt capacity in conjunction with the budget process and the planning of its long-range Capital Improvement Plan. It measures the appropriate balance between the County's capital needs and its ability to pay for them. The County measures itself against other Maryland counties (peer group) and nationally accepted benchmark ratings for mid-size counties with the same rating and population. It sets maximum targets within the four main ratio targets. In addition, the County analyzes the impact of changing economic conditions on the recommended level of annual debt issuance.

As indicated in the table below, the projected debt ratios are estimated to stay below peer group and maximum level targets. The projections are intended only to provide a method of assessing the impact of issuing debt on a long-term basis. The County's debt affordability analysis is designed to: ensure that anticipated future debt is manageable from a fiscal and budgetary perspective; meet peer group ratio targets; avoid negative treatment by rating agencies in the form of downgrades; and keep borrowing costs to a minimum.

Projected Debt Ratios						
*Assumes debt issuance at \$16 million per year 2021-2023	2020	2021	2022	2023	Maximum Policy Target	2021 Peer Group Target
Debt per Capita	\$1,069	\$1,107	\$1,132	\$1,158	\$1,500	\$1,646
Debt as % of Fair Market Value	1.28%	1.32%	1.34%	1.36%	1.50%	1.50%
Debt Service as % General Fund Revenue	6.35%	6.99%	6.86%	7.07%	8.00%	9.32%
Debt Service per Capita as % income per Capita	0.20%	0.22%	0.22%	0.22%	0.50%	0.34%

Projected debt balances for the period ended June 30, 2020, including proposed borrowing scheduled for the current fiscal year, are presented below. The pay-off for the balances is projected to be 36% within the first five years and 67% in ten years. The benchmark for pay-off ratios (rapidity ratio) is 25% and 50% for five and ten years, respectively.

Projected Debt Balances			
	Tax Supported	Self Supporting	Total
Balance June 30, 2019	\$145,974,503	\$44,736,034	\$190,710,537
2020 Borrowing	9,940,000	5,710,000	15,650,000
2020 Payments	(9,982,972)	(4,511,868)	(14,494,840)
Balance June 30, 2020	\$145,931,531	\$45,934,166	\$191,865,697

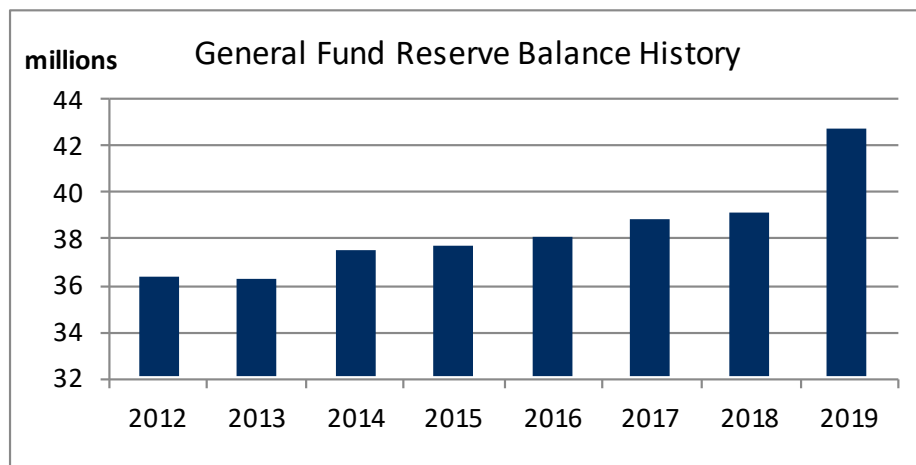
Debt and Reserve Management

The County is provided with a rating for debt issuance by three New York rating agencies. The County was upgraded in 2014 by Standard and Poor's from AA to a AA+. In addition, Moody's upgraded the County's rating from AA to a AA+ and Fitch from Aa2 to a Aa1 in 2015. These upgrades were based on several factors including financial and economic data. The County has maintained these ratings through the current year.

Washington County Bond Ratings		
Rating Agency	Rating	Rating Description
Standard and Poor's	AA+	Rating reflects the County's strong economic profile, diverse tax base, and strong financial performance.
Fitch	AA+	Rating reflects the County's strong financial profile, sound reserves, and adequate economic base.
Moody's	Aa1	Rating reflects the County's solid financial position, supported by strong fiscal policies and practices, and healthy reserve levels bolstered by a healthy liquidity position.

Reserve Management

Reserve balances, or savings, are maintained by the County for various financial reasons including: reserves for catastrophic events, economic downturns; cash flow needs; mandated reserve requirements on capital for landfill capital costs; unanticipated Federal and State capital mandates; and rate stabilization monies for the utility funds. Operating targets vary from 17% to 25% of operating expenditures depending on the fund and type of activity. Reserve balances have helped the County weather recent downturns in the economy and still provide services to its citizens. The table below represents General Fund reserve balances.



Expenditures by Function

The percentage and dollar changes in a particular department budget as shown below may not always be a valid indication of the extent to which that department's real inflation adjusted resources are changing from prior years. This is often the case because:

1. Departments have unique items in prior years which are not renewed in the budget year (one-time projects, capital equipment purchases).
2. There could be significant changes in annual 'fixed costs' such as insurance, rental, or technology expenditures.
3. Departments could have new operating requirements for the budget year (new facility, new personnel, and mandated Federal and State regulations).

It is necessary to review each department's situation in some detail to fully comprehend the budget. For additional information, please refer to the detailed budget work papers available in the Office of Budget and Finance.

Department Expenditure by Function - 2021

	2021	2020	\$ Change	% Change
General Fund:				
Education				
Board of Education	\$103,208,100	\$100,515,610	\$2,692,490	2.68%
Hagerstown Community College	10,035,290	10,035,290	0	0.00%
Free Library	3,182,010	3,182,010	0	0.00%
Clear Spring Library Building	11,000	11,000	0	0.00%
Smithsburg Library Building	11,000	11,000	0	0.00%
Boonsboro Library Building	11,000	11,000	0	0.00%
Hancock Library Building	11,000	11,000	0	0.00%
Total Education	116,469,400	113,776,910	2,692,490	2.37%
Public Safety				
Sheriff - Judicial	2,978,600	2,937,020	41,580	1.42%
Sheriff - Process Servers	167,660	165,070	2,590	1.57%
Sheriff - Patrol	12,696,080	12,345,880	350,200	2.84%
Sheriff - Central Booking	1,055,130	1,005,640	49,490	4.92%
Sheriff - Detention Center	16,072,200	15,548,930	523,270	3.37%
Sheriff - Day Reporting Center	479,460	492,120	(12,660)	(2.57%)
Sheriff - Narcotics Task Force	956,850	857,830	99,020	11.54%
Sheriff - Washington County Police Academy	99,000	99,000	0	0.00%
Civil Air Patrol	3,600	3,600	0	0.00%
Air Unit	28,720	30,250	(1,530)	(5.06%)

Department Expenditure by Function - 2021

	2021	2020	\$ Change	% Change
Special Operations	118,840	83,370	35,470	42.55%
Fire & Rescue Volunteer Services	7,576,420	7,268,750	307,670	4.23%
911 - Communications	5,896,870	5,484,300	412,570	7.52%
EMS Operations	2,785,900	2,587,230	198,670	7.68%
Fire Operations	2,608,540	1,940,400	668,140	34.43%
Emergency Management	226,860	241,890	(15,030)	(6.21%)
Wireless Communications	1,329,300	1,282,720	46,580	3.63%
Animal Control Services	1,401,600	1,401,600	0	0.00%
Total Public Safety	56,481,630	53,775,600	2,706,030	5.03%
Operating and Capital				
Highway	9,326,620	9,038,250	288,370	3.19%
Solid Waste	496,080	598,340	(102,260)	(17.09%)
Cascade Town Centre Fund	0	203,880	(203,880)	(100.00%)
Agricultural Education Center	199,610	184,900	14,710	7.96%
Grant Management	273,080	284,690	(11,610)	(4.08%)
Land Preservation	30,880	18,170	12,710	69.95%
HEPMPO	9,750	8,580	1,170	13.64%
Utility Administration	232,070	228,140	3,930	1.72%
Water	107,370	0	107,370	100.00%
Sewer	0	3,000,000	(3,000,000)	(100.00%)
Transit	699,760	594,090	105,670	17.79%
Golf Course	337,840	347,640	(9,800)	(2.82%)
Municipality in Lieu of Bank Shares	38,550	38,550	0	0.00%
Capital Improvement Fund	800,000	1,500,000	(700,000)	(46.67%)
Debt Service	15,810,770	15,185,870	624,900	4.12%
Total Operating Transfers and Capital	28,362,380	31,231,100	(2,868,720)	(9.19%)
Courts				
Circuit Court	1,867,230	1,815,530	51,700	2.85%
Orphans Court	36,370	37,660	(1,290)	(3.43%)
State's Attorney	3,963,170	3,879,990	83,180	2.14%
Total Courts	5,866,770	5,733,180	133,590	2.33%
State Agency, Programs & Services				
Health Department	2,339,270	2,339,270	0	0.00%
Social Services	435,560	435,560	0	0.00%

Department Expenditure by Function - 2021

	2021	2020	\$ Change	% Change
University of MD Extension	240,820	240,820	0	0.00%
County Cooperative Extension	38,730	38,730	0	0.00%
Election Board	1,393,740	1,473,450	(79,710)	(5.41%)
Soil Conservation	218,180	218,180	0	0.00%
Weed Control	318,200	258,390	59,810	23.15%
Environmental - Pest Management	45,500	8,000	37,500	468.75%
Total State Agencies	5,030,000	5,012,400	17,600	0.35%
Community Programs & Services				
Total Community Programs & Services	774,000	774,000	0	0.00%
General Government				
County Commissioners	339,730	339,000	730	0.22%
County Clerk	190,100	121,090	69,010	56.99%
County Administrator	356,470	564,980	(208,510)	(36.91%)
Public Relations and Marketing	467,100	484,870	(17,770)	(3.66%)
Budget & Finance	1,566,430	1,563,780	2,650	0.17%
Independent Accounting & Auditing	70,000	70,000	0	0.00%
Purchasing	502,630	519,430	(16,800)	(3.23%)
Treasurer	551,740	530,660	21,080	3.97%
County Attorney	738,650	767,070	(28,420)	(3.71%)
Human Resources	1,064,010	934,860	129,150	13.81%
Central Services	128,300	129,200	(900)	(0.70%)
Information Technology	2,670,900	2,595,320	75,580	2.91%
General Operations	643,180	1,399,990	(756,810)	(54.06%)
Planning and Zoning	805,250	817,650	(12,400)	(1.52%)
Board of Zoning Appeals	55,840	58,440	(2,600)	(4.45%)
Martin Luther King Building	99,100	99,100	0	0.00%
Administration Building	316,600	192,120	124,480	64.79%
Administration Building II	0	129,660	(129,660)	(100.00%)
Court House	578,090	697,750	(119,660)	(17.15%)
County Office Building	213,230	208,520	4,710	2.26%
Administration Annex	55,110	55,220	(110)	(0.20%)

Department Expenditure by Function - 2021

	2021	2020	\$ Change	% Change
Dwyer Center	33,590	33,260	330	0.99%
Election Board Facility	60,170	0	60,170	100.00%
Rental Properties	6,000	5,500	500	9.09%
Senior Center Building	11,000	11,000	0	0.00%
Public Facilities Annex	77,600	69,540	8,060	11.59%
Business Development	694,220	719,450	(25,230)	(3.51%)
Women's Commission	2,000	2,000	0	0.00%
Diversity and Inclusion Committee	2,000	2,000	0	0.00%
Forensic Investigator	25,000	20,000	5,000	25.00%
Commission on Aging	821,000	821,000	0	0.00%
Museum of Fine Arts	120,000	120,000	0	0.00%
Total General Government	13,265,040	14,082,460	(817,420)	(5.80%)
Public Works and Permits				
Public Works	246,120	243,230	2,890	1.19%
Engineering	2,344,110	2,287,980	56,130	2.45%
Construction	2,147,450	2,097,230	50,220	2.39%
Plan Review & Permitting	1,520,230	1,558,240	(38,010)	(2.44%)
Total Public Works and Permits	6,257,910	6,186,680	71,230	1.15%
Parks and Recreation				
Parks	2,205,190	2,071,120	134,070	6.47%
Martin L. Snook Pool	149,000	150,840	(1,840)	(1.22%)
Fitness and Recreation	1,035,260	987,900	47,360	4.79%
Total Parks and Recreation	3,389,450	3,209,860	179,590	5.59%
Total General Fund	235,896,580	233,782,190	2,114,390	0.90%
Capital Improvement:				
Education	21,503,000	26,057,000	(4,554,000)	(17.48%)
Road Improvements	13,122,000	9,612,000	3,510,000	36.52%
Environmental	10,757,000	7,242,000	3,515,000	48.54%
Transportation	5,706,000	9,968,000	(4,262,000)	(42.76%)
Other	3,786,000	3,440,000	346,000	10.06%
Total Capital Improvement	54,874,000	56,319,000	(1,445,000)	(2.57%)
Environmental Funds:				
Solid Waste Fund	8,151,110	7,649,030	502,080	6.56%
Utility Administration Fund	4,772,500	4,989,100	(216,600)	(4.34%)
Water Fund	1,103,340	1,463,880	(340,640)	(23.27%)

Department Expenditure by Function - 2021

	2021	2020	\$ Change	% Change
Sewer Fund	11,859,170	13,403,150	(1,543,980)	(11.52%)
Pretreatment Fund	471,480	866,190	(394,710)	(45.57%)
Land Preservation Fund	2,151,680	4,424,270	(2,272,590)	(51.37%)
Total Environmental Funds	28,509,280	32,795,620	(4,286,340)	(13.07%)
Transportation Funds:				
Highway Fund	11,736,350	11,490,360	245,990	2.14%
HEPMPO Fund	590,980	563,240	27,740	4.93%
Transit Fund	2,666,050	2,696,940	(30,890)	(1.15%)
Airport Fund	1,979,630	1,999,070	(19,440)	(0.97%)
Total Transportation Funds	16,973,010	16,749,610	223,400	1.33%
Other Program and Service Funds:				
Cascade Town Centre Fund	183,650	996,680	(813,030)	(81.57%)
Ag Center Fund	257,280	241,820	15,460	6.39%
Grant Management Fund	443,710	425,510	18,200	4.28%
Contraband Fund	0	5,910	(5,910)	(100.00%)
Gaming Fund	1,955,490	2,164,770	(209,280)	(9.67%)
Golf Course Fund	1,149,680	1,162,950	(13,270)	(1.14%)
Hotel Rental Tax Fund	1,840,000	2,100,000	(260,000)	(12.38%)
Inmate Welfare Fund	497,500	645,920	(148,420)	(22.98%)
Total Other Funds	6,327,310	7,743,560	(1,416,250)	(18.29%)
Total All Funds	\$342,580,180	\$347,389,980	(\$4,809,800)	(1.38%)

Frequently Asked Questions

Q. Why does the County require cash reserves?

A. Cash reserves are set aside to use in case of emergencies, cash flow, or for unexpected opportunities. These reserves can only be used according to the policy specifications. The County is a multi-million dollar corporation and like household finance, should have a savings account.

Q. I do not have any children, how do I benefit from tax dollars that go to education?

A. The role of our primary and secondary schools is to provide our young citizens the essential knowledge, skills, and attitudes to be contributing citizens and productive workers in Washington County. They will be our future doctors, engineers, teachers, accountants, electricians, bankers, and taxpayers. Their ability to join the work force is key to the health and future of our economy, and their ability to be good citizens affects the livability of our community.

Q. How much tax dollars are spent on education?

A. General Fund monies of \$122.3 million are used to support various activities related to educational funding. These include operating funds and debt service costs. In addition to operational assistance, the County also provides funding through the Capital Improvement Plan to those various organizations. In fiscal year 2021, the Capital Improvement budget reflects \$5.9 million in additional local funds for educational related projects. Total educational funding is \$128.2 million.

Q. What is the Constant Yield Tax Rate and how does it differ from the actual tax rate of the County?

A. The Constant Yield Tax Rate is the rate the County could set if it wanted to collect the same amount in property tax revenue as it had the previous year, after changes in property values are taken into account. State law requires the County to calculate and publicize the Constant Yield Tax Rate if it is less than the actual current rate, in order to make clear the amount of a budget increase that is attributable to rising property values. In years when the assessed values of properties go up, the Constant Yield Tax Rate is lower than the rate the commissioners set. The current property tax rate is \$.948 and the Constant Yield Tax Rate is \$.931. That rate is 17 thousandths of a cent lower than the current rate.

Q. Why does the County Issue Debt?

A. Paying for needed infrastructure on a “cash” basis avoids interest costs associated with financing over a number of years. However, many large Capital Improvement budgets are too expensive to be paid from a single year’s budget, making financing necessary. Additionally, a principle called “intergenerational equity” suggests having the costs of capital improvements benefiting the public over 15 or more years to be borne by future generations, and not entirely by the current taxpayer.



This document is intended to provide an overview of Washington County's annual budgets. If you would like more information, please contact the Office of Budget & Finance at 240-313-2300. In addition, a full annual report is available within three months of final approval for the Annual County budgets.

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