



# Washington County

## M A R Y L A N D

# FY 2022

## CITIZEN'S GUIDE TO THE BUDGET

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This document is a “brief” look at the 2022 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, and emergency services.

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

# 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  
Charles A. Burkett, Jr.



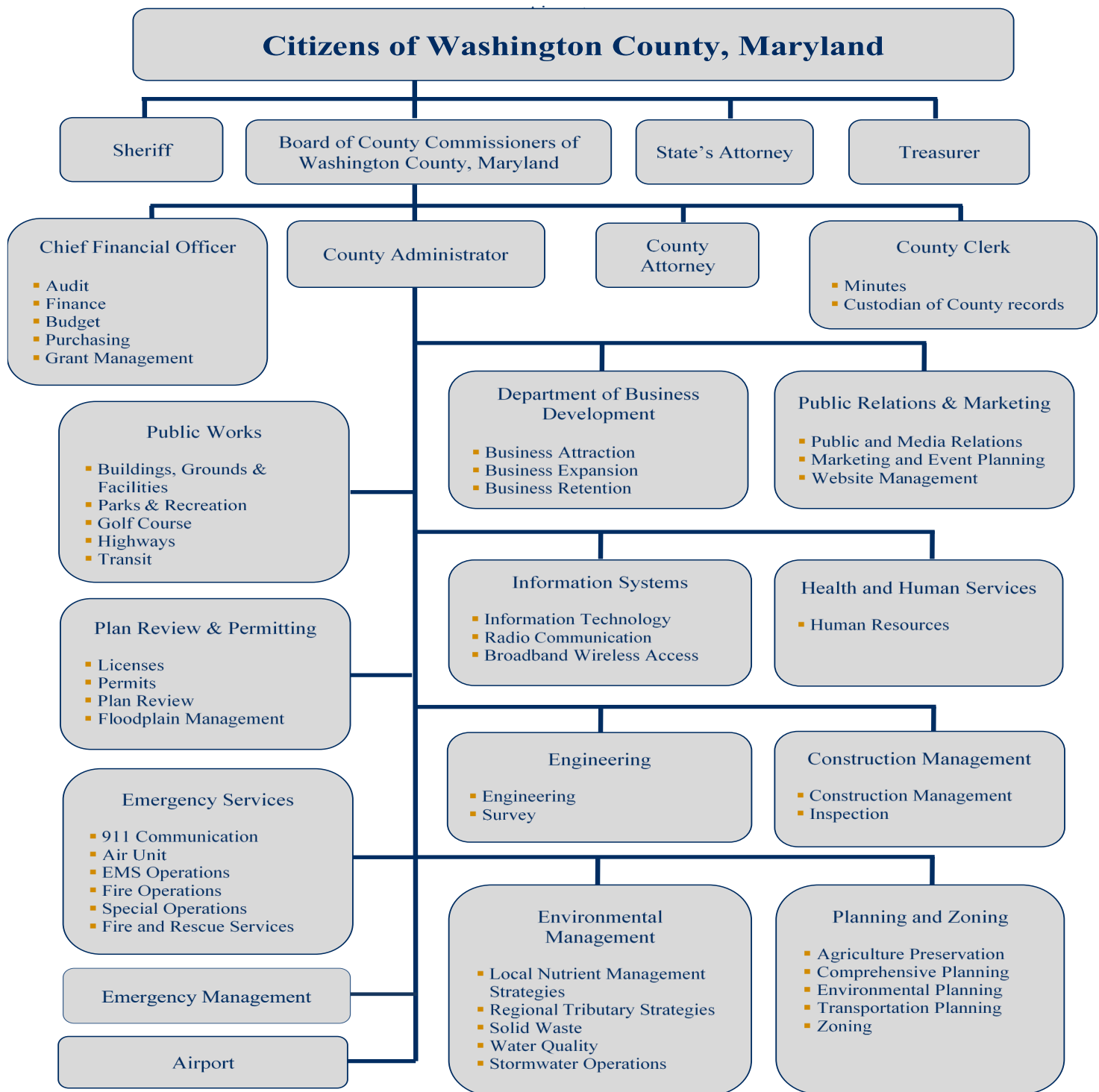
Commissioner  
Wayne K. Keefer



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.

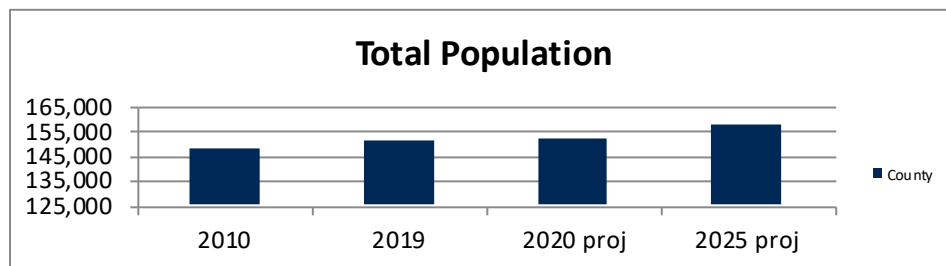


Garis Shop Road Bridge

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.

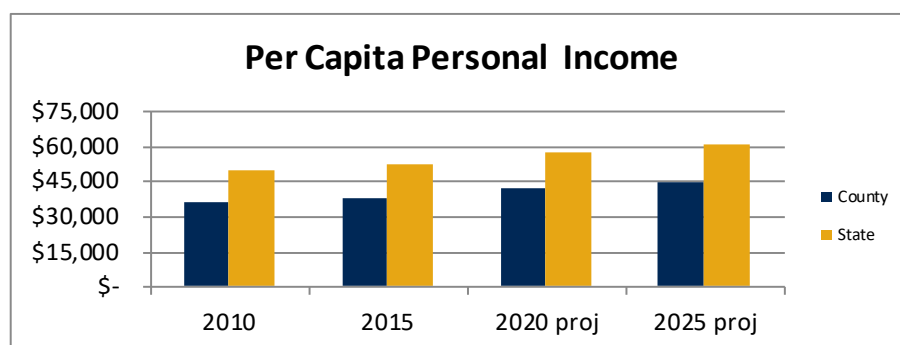
## Demographics

Washington County is home to an estimated 151,050 residents and currently ranks 11th in population and 15th in population growth in the State of Maryland. Between 2010 and 2019, Washington County grew in total by 2.25% or by an annual average of 0.23% per year compared to the State of Maryland, which grew in total by 4.4% or an annual average of 0.4% per year.



Source: MD Department of Planning and US Census.

Between 2010 and 2020, Per Capita Personal Income for Washington County residents has increased by 17% or by an annual average of 1.57% 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 15.5% from 2010 through 2020 or an annual average of 1.4% per year.

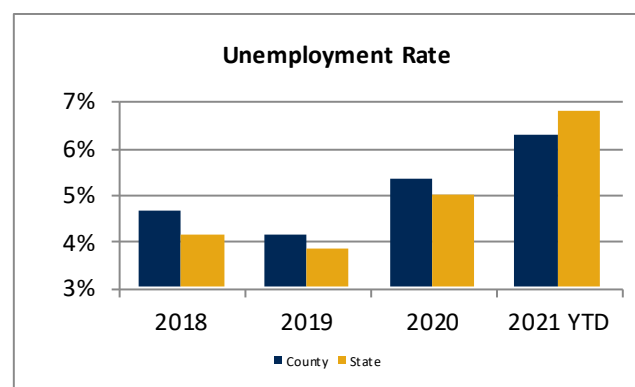
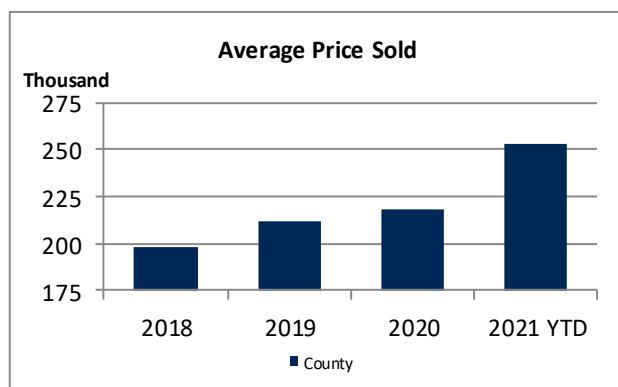
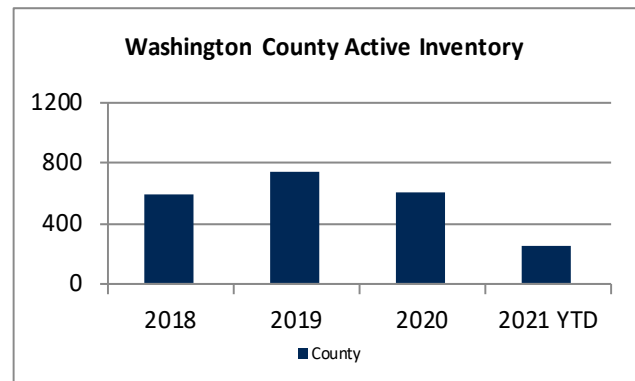
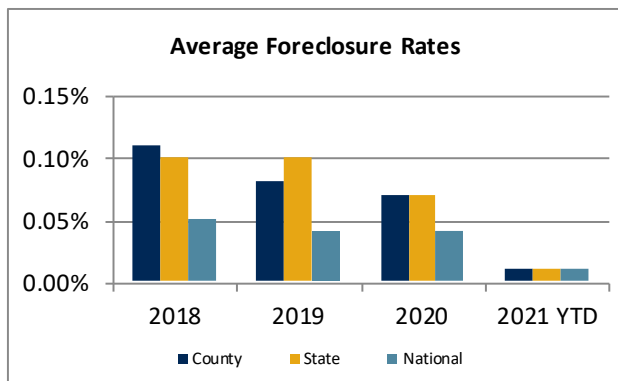


Source: MD Department of Planning.

## 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 housing statistics with an increase in the average selling price of \$252K and less active inventory on the market. Unemployment has been significantly impacted by the COVID-19 pandemic, but decreased from a high of 11.4% in April 2020 to 5.6% in March 2021.

The COVID-19 pandemic's long term impact on the State and local economy cannot be currently or fully determined at this time.

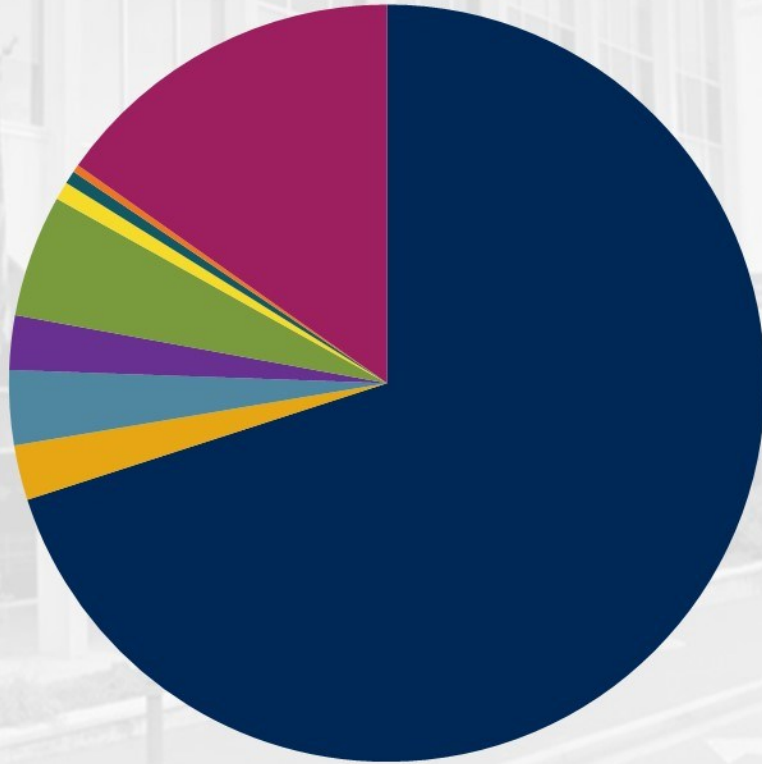


Sources: Maryland Realtors Association; Realtytrac.com; and Maryland Department of Labor, Licensing & Regulation.

## Budget Overview

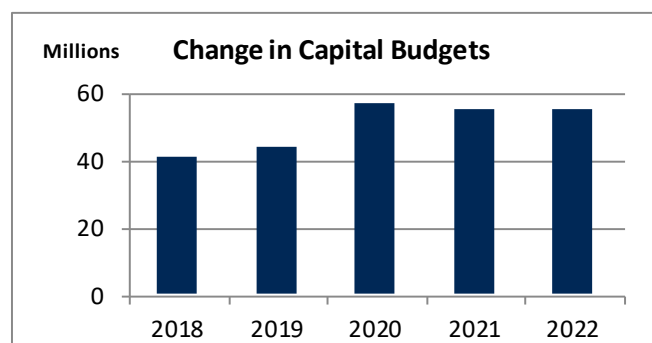
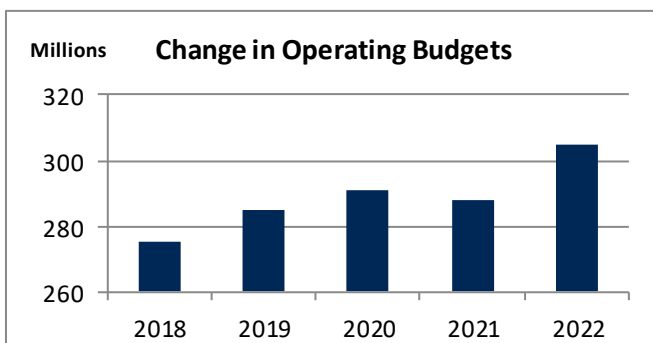
### FY2022 Total Budgeted Funds - \$359,834,880

- General Fund
- Non-Major Governmental Funds
- Highway
- Solid Waste
- Water Quality
- Transit
- Airport
- Golf
- Capital Improvement



## 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 2% 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 2022 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**

	<b>FY21 Approved</b>	<b>FY22 Proposed</b>	<b>FY21 vs. FY22</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b>Operating Funds:</b>				
<b>Major Operating Funds:</b>				
General Fund	\$235,896,580	\$251,935,100	\$16,038,520	6.80%
Highway Fund	11,736,350	11,476,800	(259,550)	(2.21)%
Solid Waste Fund	8,151,110	8,372,270	221,160	2.71%
Utility Administration Fund	4,772,500	5,180,380	407,880	8.55%
Water Fund	1,103,340	1,179,120	75,780	6.87%
Sewer Fund	11,859,170	11,937,300	78,130	0.66%
Pretreatment Fund	471,480	484,700	13,220	2.80%
Public Transit Fund	2,666,050	2,778,170	112,120	4.21%
Airport Fund	1,979,630	2,020,920	41,290	2.09%
Black Rock Golf Course Fund	1,149,680	1,172,470	22,790	1.98%
	<b>\$279,785,890</b>	<b>\$296,537,230</b>	<b>\$16,751,340</b>	<b>5.99%</b>
<b>Restricted Funds:</b>				
Hotel Rental Tax Fund	\$1,840,000	\$1,840,000	\$0	0.00%
Cascade Town Centre Fund	183,650	184,150	500	0.27%
Agricultural Education Center Fund	257,280	264,040	6,760	2.63%
Grant Management Fund	443,710	479,900	36,190	8.16%
Inmate Welfare Fund	497,500	530,000	32,500	6.53%
Gaming Fund	1,955,490	2,168,960	213,470	10.92%
Land Preservation Fund	2,151,680	2,387,330	235,650	10.95%
HEPMPO Fund	590,980	606,200	15,220	2.58%
Contraband Fund	0	5,070	5,070	100.00%
	<b>\$7,920,290</b>	<b>\$8,465,650</b>	<b>\$545,360</b>	<b>6.89%</b>
<b>Total Operating Funds</b>	<b>\$287,706,180</b>	<b>\$305,002,880</b>	<b>\$17,296,700</b>	<b>6.01%</b>
<b>Capital Improvement Plan</b>	<b>\$54,874,000</b>	<b>\$54,832,000</b>	<b>\$(42,000)</b>	<b>(0.08)%</b>
<b>Total Budgeted Funds</b>	<b>\$342,580,180</b>	<b>\$359,834,880</b>	<b>\$17,254,700</b>	<b>5.04%</b>

## General Fund

A summary of the budgeted 2022 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				
	2022	2021	\$ Change	% Change
<b>Property Tax</b>	\$134,671,240	\$132,213,070	\$2,458,170	1.86%
<b>Local Tax</b>	106,182,670	94,943,080	11,239,590	11.84%
<b>Interest Income</b>	500,000	500,000	0	0.00%
<b>Fees</b>	5,240,160	5,597,430	(357,270)	(6.38%)
<b>Intergovernmental</b>	5,341,030	2,643,000	2,698,030	102.08%
	\$251,935,100	\$235,896,580	\$16,038,520	6.80%

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

1. Property tax estimates are based on information provided by the State Department of Assessment and Taxation.
2. 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 6.80% or \$16 million over the 2021 budget. Following is a detailed discussion regarding the major changes affecting General Fund revenues:

*Property Tax revenue* increased by 1.86% or \$2.5 million in FY22. 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.

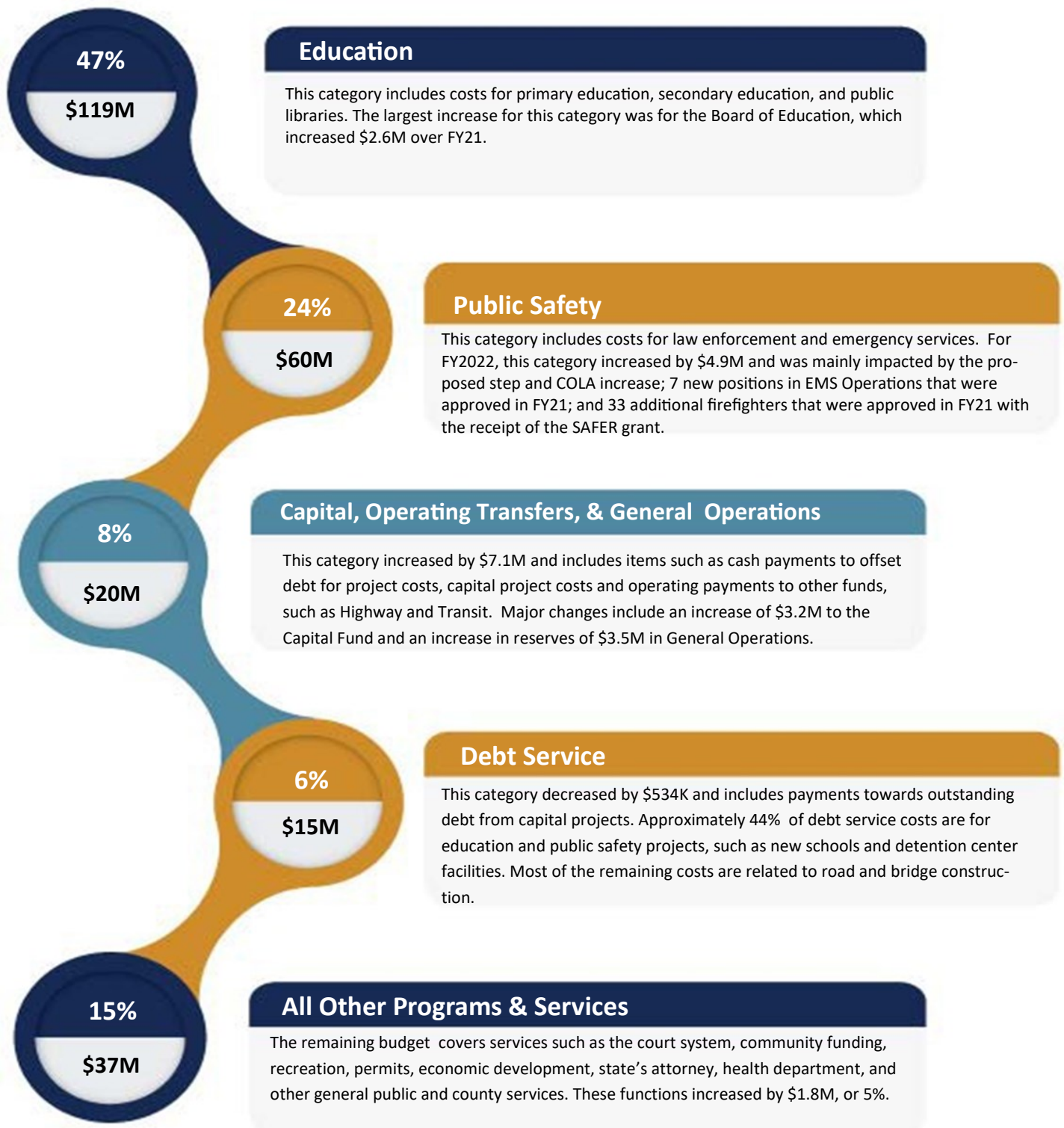
*Local Tax revenue* reflects an increase of \$11.2 million. The income tax budget is based on current and prior year revenues, and adjusted for a reduction in the income tax rate from 3.2% to 3.0%, effective 1/1/22. The budget includes an assumed disparity grant of \$8.4M.

*Intergovernmental* increased by \$ 2.7M and is directly related to the SAFER grant that was secured to pay for 33 new firefighter positions.

Major Tax Rates		
Type	Rate	Basis
<b>Real Estate:</b>	\$ .948	\$100 assessed value
<b>Income Tax:</b>	3.0%	Taxable Income

## General Fund

General Fund expenditures increased in total by \$16 million or 6.8% for 2022. 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 6.80% or \$16,038,520 increase over 2021.

General Fund Expenditures By Function				
	2022	2021	\$ Change	% Change
<b>Education</b>	\$119,182,560	\$116,469,400	\$2,713,160	2.33%
<b>Public Safety</b>	60,035,260	55,152,330	4,882,930	8.85%
<b>Intergovernmental Transfers</b>	16,284,830	12,551,610	3,733,220	29.74%
<b>Debt Service</b>	15,272,790	15,807,270	(534,480)	(3.38%)
<b>General Government</b>	23,201,470	19,085,900	4,115,570	21.56%
<b>Courts</b>	6,186,700	5,870,270	316,430	5.39%
<b>State Agencies</b>	5,326,670	5,030,000	296,670	5.90%
<b>Community Programs &amp; Services</b>	829,000	774,000	55,000	7.11%
<b>Public Works &amp; Permits</b>	4,145,350	1,766,350	2,379,000	134.68%
<b>Parks &amp; Recreation</b>	1,470,470	3,389,450	(1,918,980)	(56.62%)
	\$251,935,100	\$235,896,580	\$16,038,520	6.80%

Expenditure highlights are as follows:

1. An additional \$2.6 million to the Board of Education.
2. 7 new EMS positions.
3. 33 new Firefighter positions.
4. \$3.2M more to Capital Projects.
5. \$3.5M in operating reserves.
6. \$670K more in operational budget for public safety activities.
7. A step of 2.5% and COLA of 1% for employees.

General Fund Expenditures By Object				
	2022	2021	\$ Change	% Change
<b>Full Time</b>	\$36,549,710	\$33,165,140	\$3,384,570	10.21%
<b>Part Time</b>	1,971,390	1,870,060	101,330	5.42%
<b>Overtime</b>	1,148,280	1,032,460	115,820	11.22%
<b>Fringe Benefits</b>	26,248,030	25,005,560	1,242,470	4.97%
<b>Personnel Requests</b>	354,540	326,470	28,070	8.60%
<b>Operating</b>	184,834,010	174,149,920	10,684,090	6.13%
<b>Capital Outlay</b>	829,140	346,970	482,170	138.97%
	\$251,935,100	\$235,896,580	\$16,038,520	6.80%

## 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 2022 budget and expenditure projections for the next 10 years; the total capital request for Fiscal Years 2022 through 2031 is \$418,403,000.

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 2022 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 2022 Capital budget is 64% cash, 18% tax-supported debt, and 18% self-supported debt.

## Capital Improvement Funds

2022 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2022 Budget
<b>Airport:</b>				
Land Acquisition - Airport	2,923,000			2,923,000
Airport Projects < \$500,000	424,000			424,000
<b>Bridges:</b>				
Roxbury Road Bridge W5372		500,000		500,000
Halfway Boulevard Bridges W0912	944,000	238,000		1,182,000
Bridge Projects < \$500,000	22,000	150,000		172,000
<b>Drainage:</b>				
Stormwater Retrofits	1,000,000			1,000,000
Drainage Projects < \$500,000	75,000			75,000
<b>Board of Education:</b>				
Capital Maintenance - BOE	9,699,000	2,615,000		12,314,000
<b>Hagerstown Community College:</b>				
Center for Business and Entrepreneurial Studies		500,000		500,000
LRC Exterior Metal Panel System and Roof Replacement	1,175,000	608,000		1,783,000
<b>Public Library:</b>				
Hancock Public Library Replacement	2,683,000			2,683,000
Library Projects < \$500,000	10,000			10,000
<b>General Government:</b>				
General Government Projects < \$500,000	272,000			272,000
<b>Parks and Recreation:</b>				
Regional Park Walking/Hiking Trail	690,000			690,000
Parks and Recreation Projects < \$500,000	912,000			912,000
<b>Public Safety:</b>				
Police, Fire and Emerg Svcs Training Facility	700,000	700,000		1,400,000
Law Enforcement Veh & Equip Replacement	500,000			500,000
Burn Building - PS Training Center	500,000			500,000
Portable Radio Replacement Program-ES	2,139,000			2,139,000

## Capital Improvement Funds

2022 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2022 Budget
<b>Public Safety (continued):</b>				
Public Safety Projects < \$500,000	576,000			576,000
<b>Road Improvement:</b>				
Pavement Maintenance and Rehab	1,634,000	3,116,000		4,750,000
Eastern Blvd at Antietam Dr Improvements		1,000,000		1,000,000
Wright Road	1,000,000	173,000		1,173,000
Road Improvement Projects < \$500,000	1,012,000	400,000		1,412,000
<b>Solid Waste:</b>				
Close Out Cap- Rubblefill	1,901,000			1,901,000
Solid Waste Projects < \$500,000	88,000			88,000
<b>Transit:</b>				
CARES Act Preventative Maintenance	1,351,000			1,351,000
CARES Act Fixed Route Replacement Buses	1,205,000			1,205,000
Transit Projects < \$500,000	602,000			602,000
<b>Water Quality:</b>				
Capacity Management Project			6,740,000	6,740,000
Smithsburg WWTP ENR Upgrade			3,000,000	3,000,000
Water Quality Projects < \$500,000	750,000		305,000	1,055,000
<b>Total</b>	<b>34,787,000</b>	<b>10,000,000</b>	<b>10,045,000</b>	<b>54,832,000</b>

The Ten-Year Capital plan for 2022 through 2031 by category is as follows (shown in millions):

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Education	17.290	20.372	16.928	15.976	17.497	18.468	17.944	18.023	18.359	18.420
Roads	11.264	12.086	11.848	11.216	11.869	12.009	11.525	11.682	12.073	12.264
Environmental	12.784	2.477	1.987	5.828	2.375	1.904	2.895	1.107	7.780	6.946
Transportation	6.505	0.858	6.655	4.120	4.840	2.746	1.986	1.750	2.749	1.313
Other	6.989	4.471	3.167	3.832	4.667	3.262	3.653	4.102	4.208	3.334
<b>Total</b>	<b>54.832</b>	<b>40.264</b>	<b>40.585</b>	<b>40.972</b>	<b>41.248</b>	<b>38.389</b>	<b>38.003</b>	<b>36.664</b>	<b>45.169</b>	<b>42.277</b>

## Other Program Service Funds

Many other County programs and services are accounted for and financed outside the General Fund. For 2022 these funds total \$53 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.

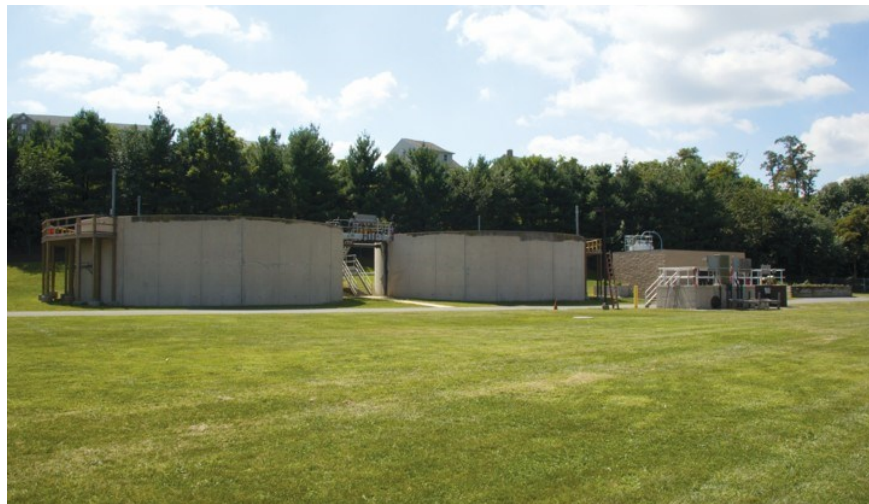
### A. Environmental Services

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, leachate treatment, maintenance, and the employee step and COLA.
2. The increase in Utility funds is mainly due to the employee step and COLA. A 3.5% increase in water and sewer rates is projected and necessary as the County continues to work towards a self-supported fund status.
3. The Land Preservation Fund has increased due to an anticipated increase in grant funds for FY2022.

Environmental Service Funds				
	2022	2021	Change	
Solid Waste	\$8,372,270	\$8,151,110	\$221,160	2.7%
Utility Funds	18,781,500	18,206,490	575,010	3.2%
Land Preservation	2,387,330	2,151,680	235,650	11.0%
	\$29,541,100	\$28,509,280	\$1,031,820	3.6%



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 decreased mainly due to a budgeting adjustment for vacant positions. The Highway Fund is heavily supported by the General Fund. The Transit Fund increased slightly due to an increase in General Fund contributions which was needed to maintain public services and to offset stagnant and decreasing grant funding. The Airport Fund increased slightly due to increased corporate rental rates as established by leases which have yearly built-in escalators. 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				
	2022	2021	Change	
Highway	\$11,476,800	\$11,736,350	(\$259,550)	(2.2%)
Transit	2,778,170	2,666,050	112,120	4.2%
HEPMPO	606,200	590,980	15,220	2.6%
Airport	2,020,920	1,979,630	41,290	2.1%
	\$16,882,090	\$16,973,010	(\$90,920)	(0.5%)

### C. Other Services

Other various funds provide services and programs to County residents and range from recreation to human service type programs. The Agricultural Education and Gaming funds both increased based on the COVID-19 restrictions being lifted. The Cascade Town Centre has been sold. Proceeds from the sale will provide funding for certain ongoing maintenance costs and the FY22 \$150,000 appropriation to the Community Center. Both the Contraband and Inmate Welfare funds are funded with confiscated monies and inmate funds. The increase in Inmate Welfare is directly related to commissary spending trends and will be used to update software and equipment.

Other Program Service Funds				
	2022	2021	Change	
Golf Course	\$1,172,470	\$1,149,680	\$22,790	2.0%
Hotel Rental Tax	1,840,000	1,840,000	-	0.0%
Cascade Town Centre	184,150	183,650	500	0.3%
Agricultural Education	264,040	257,280	6,760	2.6%
Grant Management	479,900	443,710	36,190	8.2%
Inmate Welfare	530,000	497,500	32,500	6.5%
Gaming	2,168,960	1,955,490	213,470	10.9%
Contraband	5,070	-	5,070	100.0%
	\$6,644,590	\$6,327,310	\$317,280	5.0%

## 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 2021 is \$20.4 million. The total unused authorization available is \$49.6 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 2022-2024						
	2021	2022	2023	2024	Maximum Policy Target	2022 Peer Group Target
Debt per Capita	\$1,058	\$1,090	\$1,118	\$1,141	\$1,500	\$1,701
Debt as % of Fair Market Value	1.27%	1.30%	1.32%	1.34%	1.50%	1.56%
Debt Service as % General Fund Revenue	6.75%	6.81%	7.02%	7.27%	8.00%	9.02%
Debt Service per Capita as % income per Capita	0.21%	0.21%	0.22%	0.23%	0.50%	0.34%

Projected debt balances for the period ended June 30, 2021, 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, 2020	\$143,822,788	\$44,657,909	\$188,480,697
2021 Borrowing	12,000,000	105,000	12,105,000
2021 Payments	(10,728,416)	(3,389,709)	(14,118,125)
Balance June 30, 2021	\$145,094,372	\$41,373,200	\$186,467,572

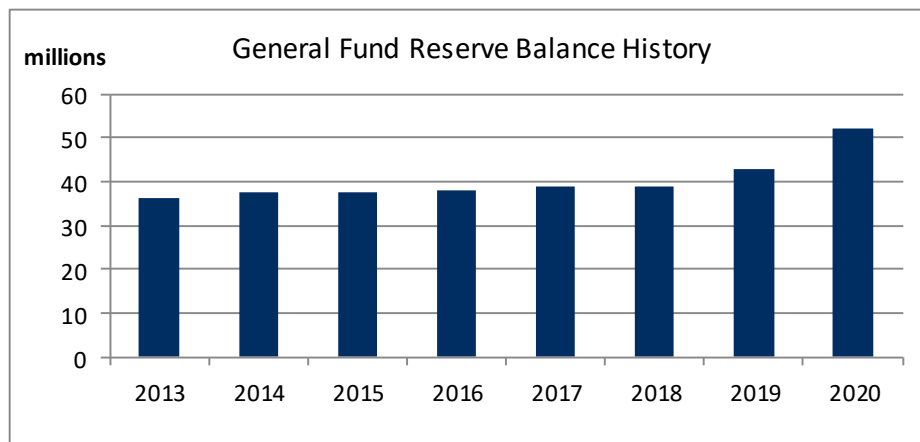
## Debt and Reserve Management

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 management, strong budgetary performance and flexibility and low overall net debt.
Fitch	AA+	Rating reflects the County's financial flexibility, expenditure control and low debt burden.
Moody's	Aa1	Rating reflects the County's stable financial position due to conservative management, healthy reserve levels, and modest economic expansion.

## 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 - 2022

	2022	2021	\$ Change	% Change
<b>General Fund:</b>				
<b>Education</b>				
Board of Education	\$105,841,710	\$103,208,100	\$2,633,610	2.55%
Hagerstown Community College	10,035,290	10,035,290	0	0.00%
Free Library	3,261,560	3,182,010	79,550	2.50%
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%
<b>Total Education</b>	<b>119,182,560</b>	<b>116,469,400</b>	<b>2,713,160</b>	<b>2.33%</b>
<b>Public Safety</b>				
Sheriff - Judicial	3,084,340	2,978,600	105,740	3.55%
Sheriff - Process Servers	170,700	167,660	3,040	1.81%
Sheriff - Patrol	13,155,720	12,696,080	459,640	3.62%
Sheriff - Central Booking	1,084,260	1,055,130	29,130	2.76%
Sheriff - Sheriff Auxiliary	40,000	0	40,000	100.00%
Sheriff - Detention Center	16,237,630	16,072,200	165,430	1.03 %
Sheriff - Day Reporting Center	471,240	479,460	(8,220)	(1.71%)
Sheriff - Narcotics Task Force	989,760	956,850	32,910	3.44%
Sheriff - Washington County Police Academy	59,840	99,000	(39,160)	(39.56%)
Civil Air Patrol	3,600	3,600	0	0.00%
Air Unit	28,060	28,720	(660)	(2.30%)

### Department Expenditure by Function - 2022

	2022	2021	\$ Change	% Change
Special Operations	194,540	118,840	75,700	63.70%
Fire & Rescue Volunteer Services	9,012,160	7,576,420	1,435,740	18.95%
911 - Communications	6,276,090	5,896,870	379,220	6.43%
EMS Operations	2,584,350	2,785,900	(201,550)	(7.23%)
Fire Operations	4,823,100	2,608,540	2,214,560	84.90%
Emergency Management	215,490	226,860	(11,370)	(5.01%)
Public Safety Training Center	167,740	0	167,740	100.00%
Animal Control Services	1,436,640	1,401,600	35,040	2.50%
<b>Total Public Safety</b>	<b>60,035,260</b>	<b>55,152,330</b>	<b>4,882,930</b>	<b>8.85%</b>
Operating and Capital				
Highway	9,138,300	9,326,620	(188,320)	(2.02)%
Solid Waste	450,000	496,080	(46,080)	(9.29%)
Cascade Town Centre Fund	0	0	0	0.00%
Agricultural Education Center	231,340	199,610	31,730	15.90%
Grant Management	349,010	273,080	75,930	27.81%
Land Preservation	28,930	30,880	(1,950)	(6.31%)
HEPMPO	10,030	9,750	280	2.87%
Utility Administration	425,470	232,070	193,400	83.34%
Water	187,280	107,370	79,910	74.42%
Transit	1,046,100	699,760	346,340	49.49%
Golf Course	349,820	337,840	11,980	3.55%
Municipality in Lieu of Bank Shares	38,550	38,550	0	0.00%
Capital Improvement Fund	4,030,000	800,000	3,230,000	403.75%
Debt Service	15,272,790	15,807,270	(534,480)	(3.38%)
<b>Total Operating Transfers and Capital</b>	<b>31,557,620</b>	<b>28,358,880</b>	<b>3,198,740</b>	<b>11.28%</b>
Courts				
Circuit Court	2,011,540	1,870,730	140,810	7.53%
Orphans Court	36,150	36,370	(220)	(0.60%)
State's Attorney	4,139,010	3,963,170	175,840	4.44%
<b>Total Courts</b>	<b>6,186,700</b>	<b>5,870,270</b>	<b>316,430</b>	<b>5.39%</b>
State Agency, Programs & Services				
Health Department	2,339,270	2,339,270	0	0.00%
Social Services	446,010	435,560	10,450	2.40%

### Department Expenditure by Function - 2022

	2022	2021	\$ Change	% Change
University of MD Extension	244,930	240,820	4,110	1.71%
County Cooperative Extension	38,730	38,730	0	0.00%
Election Board	1,667,570	1,393,740	273,830	19.65%
Soil Conservation	223,680	218,180	5,500	2.52%
Weed Control	320,980	318,200	2,780	0.87%
Environmental - Pest Management	45,500	45,500	0	0.00%
<b>Total State Agencies</b>	<b>5,326,670</b>	<b>5,030,000</b>	<b>296,670</b>	<b>5.90%</b>
Community Programs & Services				
<b>Total Community Programs &amp; Services</b>	<b>829,000</b>	<b>774,000</b>	<b>55,000</b>	<b>7.11%</b>
General Government				
County Commissioners	371,210	339,730	31,480	9.27%
County Clerk	129,070	190,100	(61,030)	(32.10)%
County Administrator	383,220	356,470	26,750	7.50%
Public Relations and Marketing	485,340	467,100	18,240	3.90%
Budget & Finance	1,670,840	1,566,430	104,410	6.67%
Independent Accounting & Auditing	70,000	70,000	0	0.00%
Purchasing	519,640	502,630	17,010	3.38%
Treasurer	546,760	551,740	(4,980)	(0.90)%
County Attorney	767,920	738,650	29,270	3.96%
Human Resources	1,127,220	1,064,010	63,210	5.94%
Central Services	130,850	128,300	2,550	1.99%
Information Technology	3,194,470	2,670,900	523,570	19.60%
Wireless Communications	1,376,980	1,329,300	47,680	3.59%
General Operations	4,080,200	643,180	3,437,020	534.38%
Planning and Zoning	830,080	805,250	24,830	3.08%
Board of Zoning Appeals	55,740	55,840	(100)	(0.18)%
Martin Luther King Building	99,420	99,100	320	0.32%
Administration Building	319,710	316,600	3,110	0.98%
Court House	291,030	578,090	(287,060)	(49.66)%
County Office Building	226,050	213,230	12,820	6.01%
Administration Annex	55,450	55,110	340	0.62%

### Department Expenditure by Function - 2022

	2022	2021	\$ Change	% Change
Dwyer Center	33,450	33,590	(140)	(0.42%)
Election Board Facility	100,740	60,170	40,570	67.43%
Rental Properties	6,020	6,000	20	0.33%
Senior Center Building	11,000	11,000	0	0.00%
Public Facilities Annex	81,840	77,600	4,240	5.46%
Business Development	715,840	694,220	21,620	3.11%
Women's Commission	2,000	2,000	0	0.00%
Diversity and Inclusion Committee	2,000	2,000	0	0.00%
Forensic Investigator	30,000	25,000	5,000	20.00%
Commission on Aging	841,530	821,000	20,530	2.50%
Museum of Fine Arts	120,000	120,000	0	0.00%
<b>Total General Government</b>	<b>18,675,620</b>	<b>14,594,340</b>	<b>4,081,280</b>	<b>27.96%</b>
Public Works and Permits				
Public Works	256,950	246,120	10,830	4.40%
Buildings Grounds & Facilities	2,344,710	0	2,344,710	100.00%
Engineering	2,307,280	2,344,110	(36,830)	(1.57%)
Construction	2,218,570	2,147,450	71,120	3.31%
Plan Review & Permitting	1,543,690	1,520,230	23,460	1.54%
<b>Total Public Works and Permits</b>	<b>8,671,200</b>	<b>6,257,910</b>	<b>2,413,290</b>	<b>38.56%</b>
Parks and Recreation				
Parks	0	2,205,190	(2,205,190)	(100.00%)
Martin L. Snook Pool	155,830	149,000	6,830	4.58%
Parks and Recreation	1,314,640	1,035,260	279,380	26.99%
<b>Total Parks and Recreation</b>	<b>1,470,470</b>	<b>3,389,450</b>	<b>(1,918,980)</b>	<b>(56.62%)</b>
<b>Total General Fund</b>	<b>251,935,100</b>	<b>235,896,580</b>	<b>16,038,520</b>	<b>6.80%</b>
<b>Capital Improvement:</b>				
Education	17,290,000	21,503,000	(4,213,000)	(19.59%)
Road Improvements	11,264,000	13,122,000	(1,858,000)	(14.16%)
Environmental	12,784,000	10,757,000	2,027,000	18.84%
Transportation	6,505,000	5,706,000	799,000	14.00%
Other	6,989,000	3,786,000	3,203,000	84.60%
<b>Total Capital Improvement</b>	<b>54,832,000</b>	<b>54,874,000</b>	<b>(42,000)</b>	<b>(0.08%)</b>
<b>Environmental Funds:</b>				
Solid Waste Fund	8,372,270	8,151,110	221,160	2.71%
Utility Administration Fund	5,180,380	4,772,500	407,880	8.55%

### Department Expenditure by Function - 2022

	2022	2021	\$ Change	% Change
Water Fund	1,179,120	1,103,340	75,780	6.87%
Sewer Fund	11,937,300	11,859,170	78,130	0.66%
Pretreatment Fund	484,700	471,480	13,220	2.80%
Land Preservation Fund	2,387,330	2,151,680	235,650	10.95%
<b>Total Environmental Funds</b>	<b>29,541,100</b>	<b>28,509,280</b>	<b>1,031,820</b>	<b>3.62%</b>
<b>Transportation Funds:</b>				
Highway Fund	11,476,800	11,736,350	(259,550)	(2.21)%
HEPMPO Fund	606,200	590,980	15,220	2.58%
Transit Fund	2,778,170	2,666,050	112,120	4.21%
Airport Fund	2,020,920	1,979,630	41,290	2.09%
<b>Total Transportation Funds</b>	<b>16,882,090</b>	<b>16,973,010</b>	<b>(90,920)</b>	<b>(0.54)%</b>
<b>Other Program and Service Funds:</b>				
Cascade Town Centre Fund	184,150	183,650	500	0.27%
Ag Center Fund	264,040	257,280	6,760	2.63%
Grant Management Fund	479,900	443,710	36,190	8.16%
Contraband Fund	5,070	0	5,070	100.00%
Gaming Fund	2,168,960	1,955,490	213,470	10.92%
Golf Course Fund	1,172,470	1,149,680	22,790	1.98%
Hotel Rental Tax Fund	1,840,000	1,840,000	0	0.00%
Inmate Welfare Fund	530,000	497,500	32,500	6.53%
<b>Total Other Funds</b>	<b>6,644,590</b>	<b>6,327,310</b>	<b>317,280</b>	<b>5.01%</b>
<b>Total All Funds</b>	<b>\$359,834,880</b>	<b>\$342,580,180</b>	<b>\$17,254,700</b>	<b>5.04%</b>

## 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 \$124.4 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 2022, the Capital Improvement budget reflects \$6.0 million in additional local County funds for educational related projects. Total educational funding is \$130.4 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 \$.945. That rate is 3 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.

## CITIZEN'S GUIDE TO THE BUDGET

### Get Connected, See Updates



**Washington County**  
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Washington County Office of Budget & Finance  
100 West Washington Street  
Hagerstown, MD 21740  
P: 240.313.2300 | F: 240.313.2301  
[www.washco-md.net](http://www.washco-md.net)