



WASHINGTON COUNTY, MARYLAND

FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

DECEMBER 2024



Washington County

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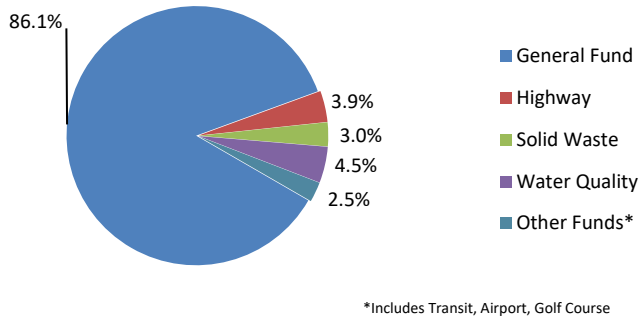
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, 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 155,813 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 FY2023, the most recent available year.

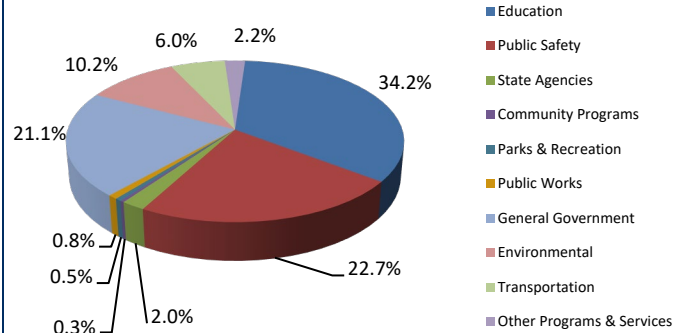
Population Rank	11th
Property Tax per capita	20th
Per pupil local funding	20th
Expenditure per capita	24th
Revenue per capita	24th

FINANCIAL STATS

Total Operating Funds, \$357M



Operating Expenditures by Category



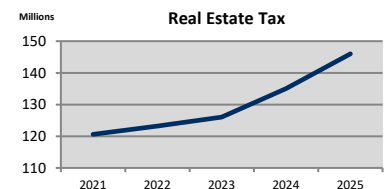
Washington County will spend approximately \$356.7 million annually on public services in FY2025. The General Fund budget represents the County's largest fund at \$307.1 million, or 86.1%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including 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.

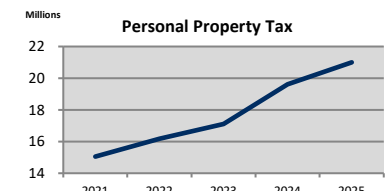
Real Estate Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
138,541,770	145,594,555	7,052,785	5.1%	9.3%



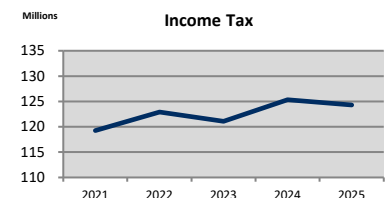
Personal Property Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
10,902,430	14,278,898	3,376,468	31.0%	1.3%



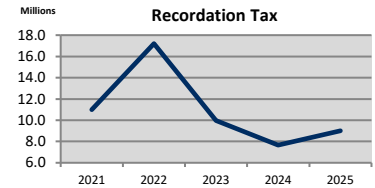
Income Tax

Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
30,966,608	38,773,785	7,807,177	25.2%	13.1%



MAJOR REVENUE TRENDS (CONTINUED)

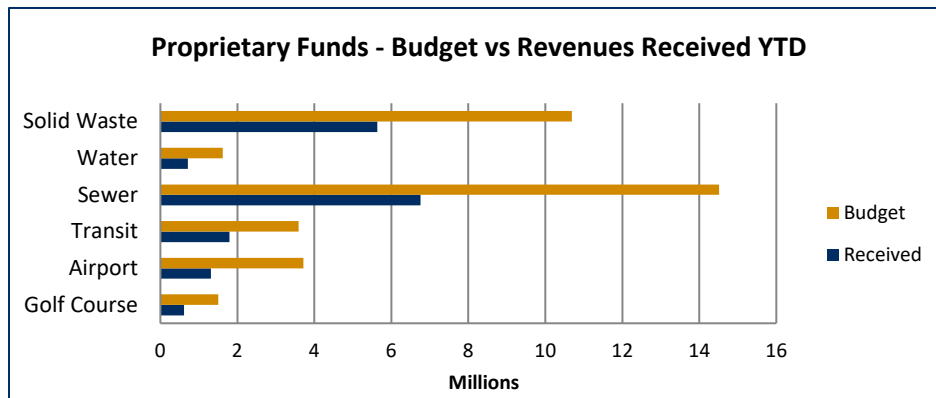
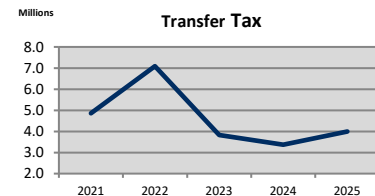
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
3,765,937	5,607,103	1,841,166	48.9%	39.4%



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
70,247	292,546	222,299	316.5%	(17.1%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
1,746,106	2,366,749	620,643	35.5%	32.4%



SUMMARY OF MAJOR EXPENDITURE ACTIVITY

Expenditure Activity by Major Fund (in millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	307.1	152.1	5.4	149.6	50%
Highway	13.9	6.3	1.4	6.3	45%
Solid Waste	10.7	4.4	3.1	3.2	41%
Water	1.6	0.7	0.1	0.8	44%
Sewer	14.5	6.9	0.4	7.3	48%
Transit	3.6	1.7	0.2	1.7	47%
Airport	3.7	2.0	0.1	1.7	54%
Golf Course	1.5	0.8	0.0	0.7	53%
Total	356.7	174.7	10.7	171.3	49%

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 50% if not subject to seasonal fluctuation.

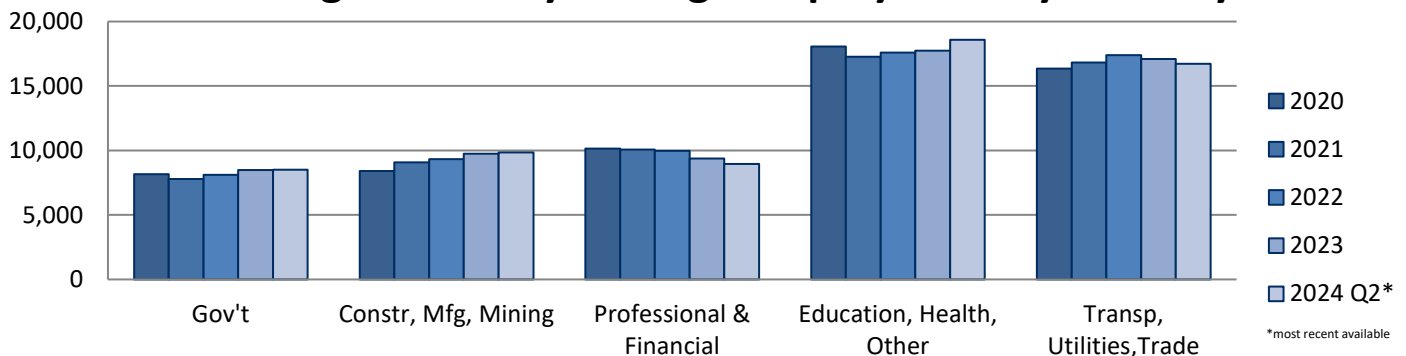
FISCAL & ECONOMIC UPDATE

The first distribution of income tax quarterly withholdings for FY25 was received in November (July, August, and September 2024 withholdings) totaling \$25.3 million, an increase of \$2.5 million from the comparative FY24 distribution, and is \$1.6 million more than budgeted. Additionally, the 4th reconciling distribution for tax year 2023 received in November was \$3.9 million over budget; however, this is offset by a smaller than expected final distribution in January 2025. Personal Property and Real Estate tax receipts year-to-date are 1.3% and 9.3% higher than the prior fiscal year collections, respectively.

The county unemployment rate at the end of December was 2.8% compared to 4.1% nationwide. Unemployment in the county for the past year has been relatively flat ranging from 2.4% - 3.5% with no clear trend. Currently the county rate is below both state and national unemployment levels. Permits issued for new residential homes through December in Washington County have decreased by 3% when compared to the prior fiscal year while the City of Hagerstown has seen their number of new residential permits significantly increase for the same period from 8 permits to 25 permits, mostly in the Virginia Commons development. The total number of homes sold through December 2024 decreased by 7.2% compared to the prior fiscal YTD sales, and the average inventory on the market increased by 8.3%. The median days a home was on the market is beginning to increase slightly due to consistently high interest rates and elevated prices. The YTD average sale price for housing is up roughly \$8,200, or 2.5%, from the previous year, a much more sustainable increase than recent years. With inflation still hovering around 3%, the Federal Open Market Committee is not expected to reduce interest rates until economic data supports that inflation is closer to their 2% target.

EMPLOYMENT DATA

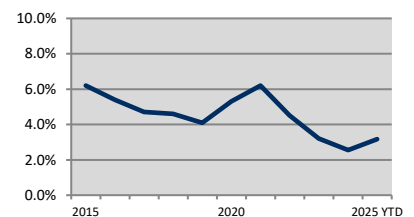
Washington County Average Employment by Industry



Employment Statistics - December

County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2024	70,826	1,602	2.2%	2.2%	3.7%
2025	70,684	2,013	2.8%	3.1%	4.1%

Average Unemployment Rate

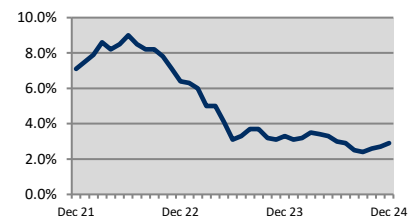


SPENDING DATA

Consumer Price Index (CPI)

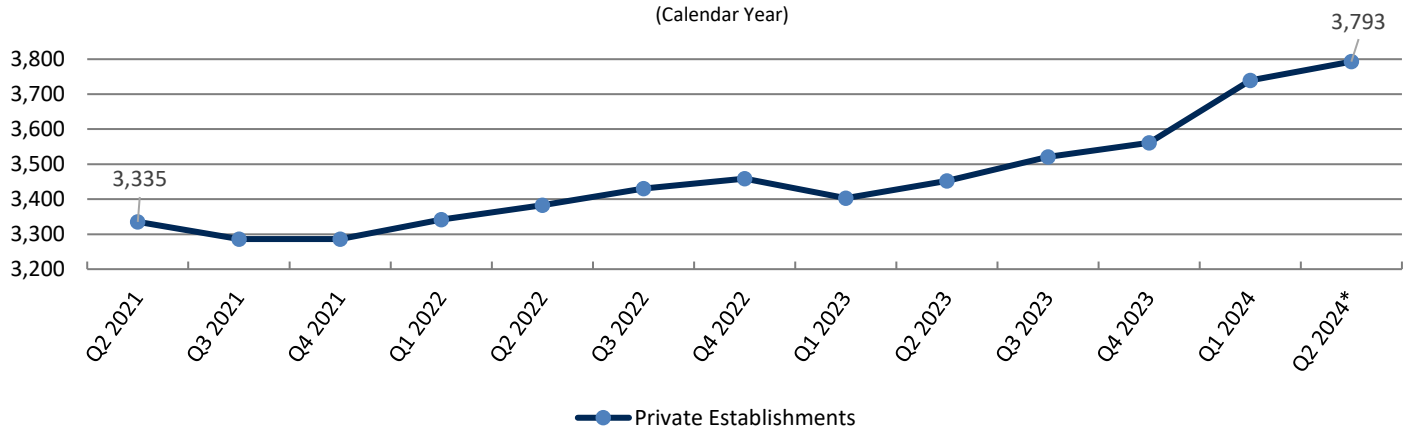
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
315.6	-0.4%	308.7	-3.1%

Annualized CPI



Number of Private Establishments - Washington County, MD

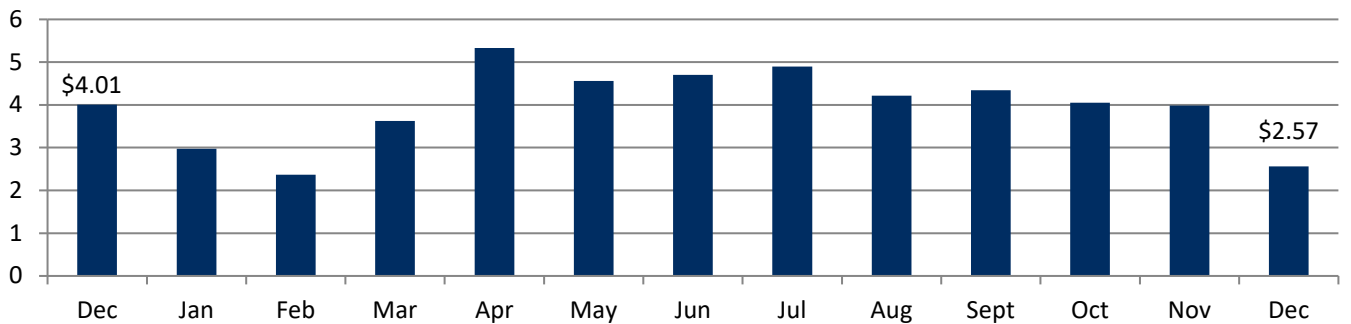
(Calendar Year)



*Q2 2024 data most recently available

Gross Lodging Revenues

Millions

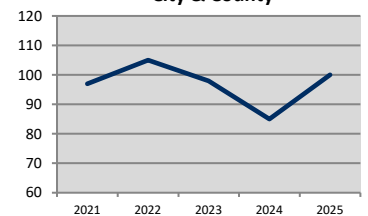


HOUSING DATA

New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	77	75	(2)	(2.6%)
City of Hagerstown	8	25	17	212.5%
Total	85	100	15	17.6%

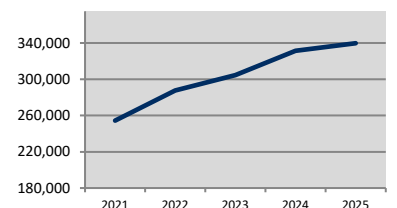
New Housing Permits, City & County



Washington County Housing Statistics

Housing Activity:	Prior YTD	Current YTD	% Change
Average Price Sold	331,565	339,733	2.5%
Total Units Sold	889	825	(7.2%)
Average Inventory	261	283	8.4%

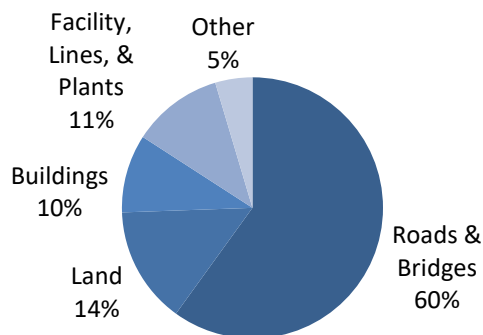
Average Price Sold



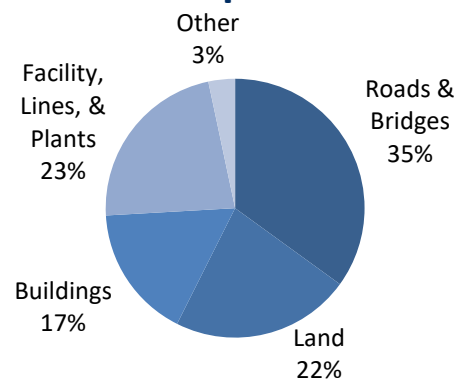
TOTAL FIXED ASSET BASE AS OF JUNE 30, 2024

Washington County Total Fixed Asset Base as of June 30, 2024		
	Total Cost	Net Capital Asset
Land & Improvements	295,723,704	147,685,469
Buildings & Improvements	197,925,252	109,983,746
Facilities, Lines, & Mains	129,465,915	85,611,013
Treatment Plants	100,616,077	63,077,746
Roads & Bridges	1,224,885,343	230,469,158
Machinery & Equipment	24,967,956	7,495,090
Vehicles	34,664,905	12,605,328
Right to use - Land	274,065	214,401
Right to use - Vehicles & Equipment	5,624,021	3,930,518
Right to use - Software	4,417,277	3,078,201
Office Furniture	1,009,916	27,867
Computer Equipment	33,442,876	1,797,753
Total	2,053,017,307	665,976,290

Gross Assets



Net Capital Assets



WASHINGTON COUNTY, MARYLAND



John F. Barr
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Jeffrey A. Cline
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Derek Harvey
County Commissioner
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Wayne K. Keefer
County Commissioner
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Resigned effective 2/21/2025



Randall E. Wagner
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Michelle A. Gordon
County Administrator
mgordon@washco-md.net



100 West Washington Street



Hagerstown, Maryland 21740

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.