



WASHINGTON COUNTY, MARYLAND

FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

MARCH 2025



Washington County

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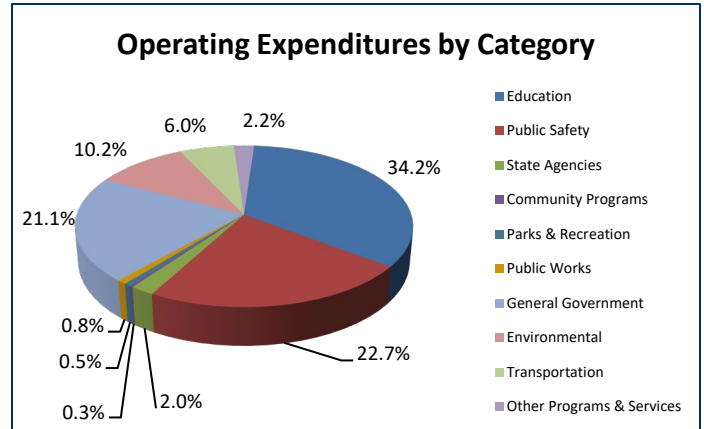
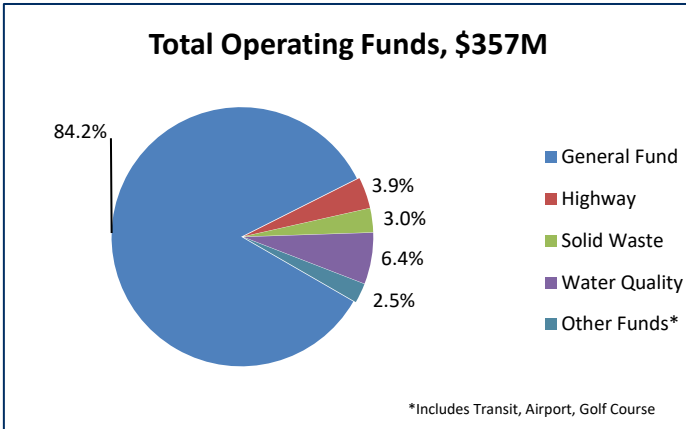
INVESTMENTS 7

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

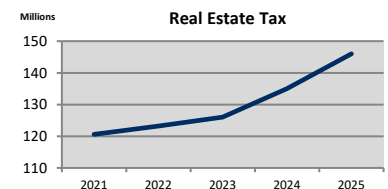


Washington County will spend approximately \$357 million annually on public services in FY2025. The General Fund budget represents the County's largest fund at \$300.8 million, or 84.2%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including 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.

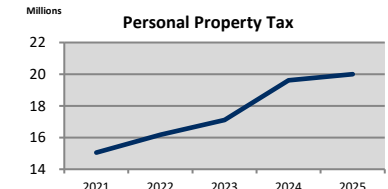
MAJOR REVENUE TRENDS

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.

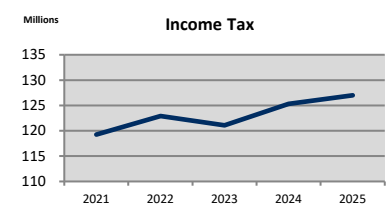
Real Estate Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
138,750,570	144,690,682	5,940,112	4.3%	7.0%



Personal Property Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
15,767,973	17,675,039	1,907,066	12.1%	(8.9%)

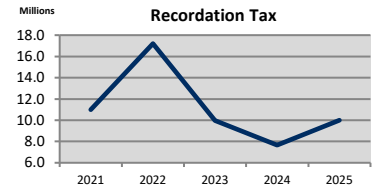


Income Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
66,164,619	71,575,272	5,410,653	8.2%	7.2%

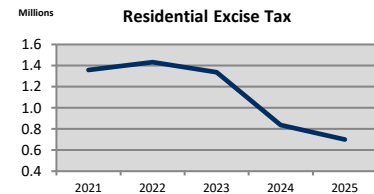


MAJOR REVENUE TRENDS (CONTINUED)

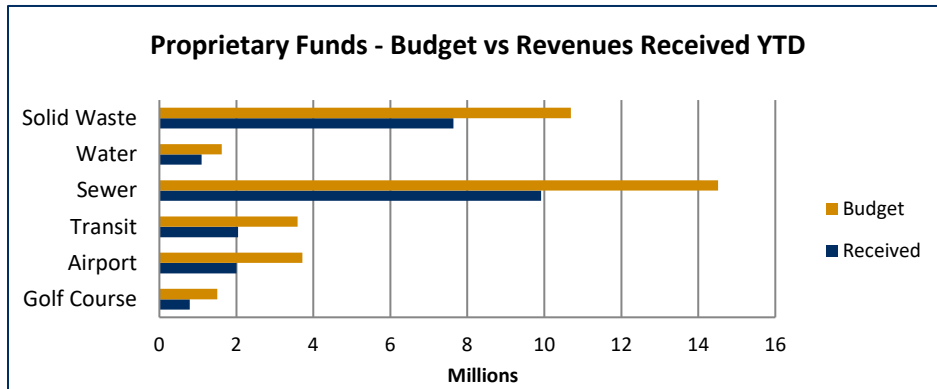
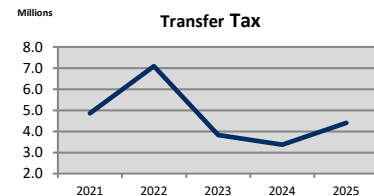
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
5,495,308	7,920,095	2,424,787	44.1%	40.0%



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
109,233	485,661	376,428	344.6%	(16.9%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
2,516,061	3,312,976	796,915	31.7%	31.6%



SUMMARY OF MAJOR EXPENDITURE ACTIVITY

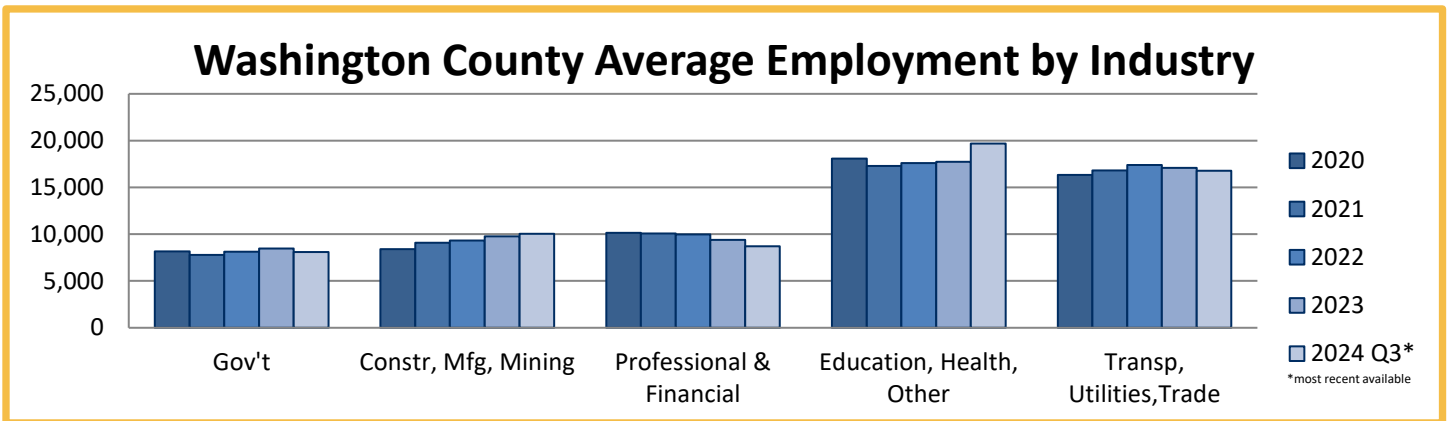
Expenditure Activity by Major Fund (in millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	300.8	226.8	2.7	71.3	75%
Highway	13.9	10.6	0.6	2.7	76%
Solid Waste	10.7	7.4	2.6	0.7	69%
Water	1.6	1.1	0.1	0.4	69%
Sewer	14.5	10.7	0.2	3.6	74%
Transit	3.6	2.5	0.2	0.9	69%
Airport	3.7	3.0	0.1	0.7	81%
Golf Course	1.5	1.1	0.0	0.3	73%
Total	350.4	263.0	6.5	80.6	75%

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 75% if not subject to seasonal fluctuation.

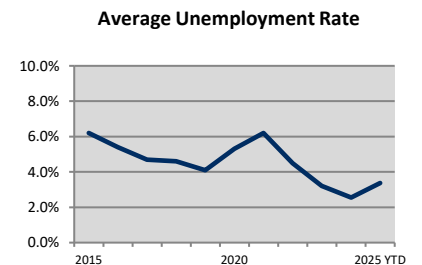
Real Estate tax receipts year-to-date are 7%, or \$9.5 million, over the prior fiscal year collection. Personal Property, on the other hand, is down 8.9%, or \$1.7 million, for year-to-date receipts. The second distribution of income tax quarterly withholdings, received in February, totaled \$29.7 million, an increase of \$1.6 million from the comparative FY24 distribution. Delinquent tax receipts came in higher than expected this quarter, but the impact was offset by a smaller than expected final distribution for tax year 2023, received in January 2025. Year-to-date income tax receipts are 7.2% higher overall compared to the same time last fiscal year.

The county unemployment rate at the end of March was 3.6%. Unemployment for the past year has risen slightly compared to the FY24 average level of 3.1% but has consistently ranged from 3.3%-3.8%. Currently, the county rate is below national unemployment levels of 4.2% but has consistently remained above state levels of 3%. Permits issued for new residential homes in Washington County have increased by 2.4% 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 13 permits to 38 permits, primarily in the Virginia Commons area. Housing inventory numbers and the median days on the market have increased 10.4% and 37.7%, respectively, while the total units sold have decreased 4.7% compared to the prior fiscal year. The YTD average sale price for housing has risen roughly \$13,600, or 4.2%, from the previous year. Consistently high interest rates, elevated home prices, and economic uncertainty all contribute to the slowdown in the housing market. With inflation just under 3% in March 2025, the Federal Open Market Committee is not expected to reduce interest rates until July and possibly again later this calendar year. The timing and number of cuts is uncertain and highly dependent upon economic data. While mortgage rates are not directly tied to the Federal funds rate, they are a helpful indicator of economic trends.

EMPLOYMENT DATA

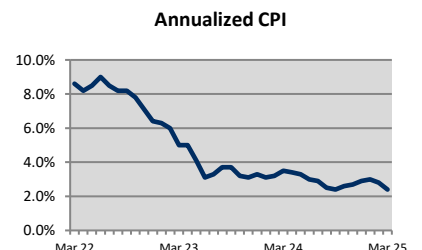


Employment Statistics - March					
County				State	National
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment
2024	70,499	2,244	3.1%	2.5%	3.8%
2025	67,463	2,484	3.6%	3.0%	4.2%



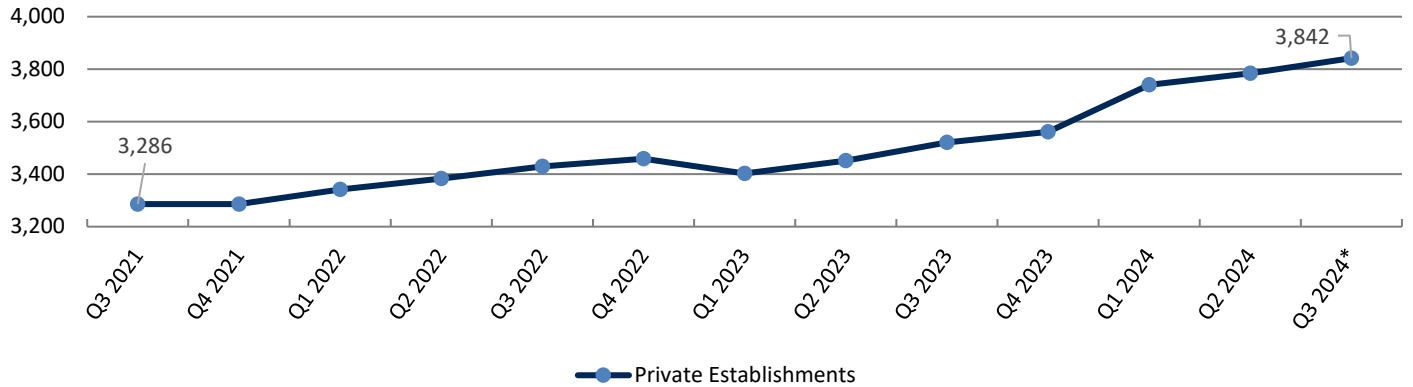
SPENDING DATA

Consumer Price Index (CPI)			
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
319.8	-1.1%	312.3	-1.5%



Number of Private Establishments - Washington County, MD

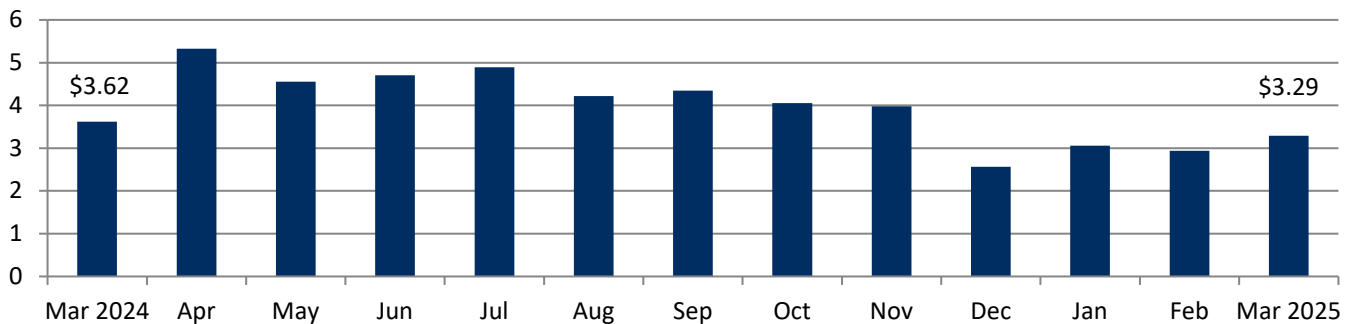
(Calendar Year)



*Q3 2024 data most recently available

Gross Lodging Revenues

Millions

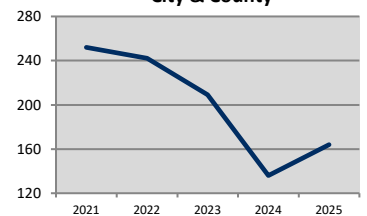


HOUSING DATA

New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	123	126	3	2.4%
City of Hagerstown	13	38	25	192.3%
Total	136	164	28	20.6%

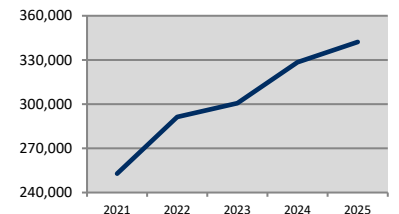
New Housing Permits, City & County



Washington County Housing Statistics

Housing Activity:	Prior YTD	Current YTD	% Change
Average Price Sold	328,558	342,211	4.2%
Total Units Sold	1,204	1,148	(4.7%)
Average Inventory	250	276	10.4%

Average Price Sold



INVESTMENTS

Year-to-Date Investment Activity				
Investment Type	Settlement Date	Maturity Date	Yield	Cost
Treasury Note	12/19/2023	6/15/2025	4.589%	4,878,125
Treasury Note	1/19/2024	6/15/2025	4.539%	9,776,953
Treasury Note	4/2/2024	4/15/2025	4.996%	14,646,094
Treasury Bill	5/23/2024	4/17/2025	5.120%	9,554,022
Treasury Bill	5/23/2024	5/15/2025	5.102%	9,519,042
Treasury Note	6/21/2024	9/15/2025	4.938%	9,830,469
Treasury Bill	8/7/2024	4/17/2025	4.553%	14,538,275
Treasury Bill	8/7/2024	7/10/2025	4.432%	14,404,633
Treasury Bill	11/5/2024	3/27/2025	4.371%	9,833,933
Treasury Note	11/5/2024	8/31/2025	4.312%	9,678,125
Treasury Note	11/5/2024	9/30/2025	4.262%	9,650,000
Treasury Note	9/13/2024	6/15/2025	4.274%	9,896,875
Treasury Note	9/13/2024	12/15/2025	3.896%	10,012,109
Treasury Note	12/3/2024	8/31/2025	4.368%	9,703,125
Treasury Note	12/3/2024	11/15/2025	4.335%	9,807,813
Treasury Bill	12/17/2024	6/20/2025	4.235%	14,688,138
Treasury Note	12/17/2024	11/30/2025	4.238%	14,465,625
Treasury Bill	12/19/2024	11/28/2025	4.208%	9,616,031
Treasury Bill	12/19/2024	6/20/2025	4.213%	9,794,239
Treasury Note	12/19/2024	9/15/2025	4.219%	9,948,047
Treasury Note	1/7/2025	9/30/2025	4.205%	9,720,313
Treasury Note	1/7/2025	11/30/2025	4.220%	19,332,813
Treasury Note	3/6/2025	12/15/2025	4.040%	14,994,727
Treasury Note	3/6/2025	3/15/2026	4.019%	15,090,234
Treasury Note	3/6/2025	6/15/2026	3.997%	15,022,852
Treasury Note	3/19/2025	4/30/2026	4.080%	9,640,234
Treasury Note	3/19/2025	12/31/2025	4.108%	9,886,328
			4.366%	\$307,929,172

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STATEMENT OF PURPOSE

This report is designed to communicate the County's major financial trends for the indicated period since the issuance of the prior audited financial statements. The report is interim in nature and abbreviated in that it does not include details for all the various funds maintained by the County. Additionally, this report omits many of the required note disclosures typically found in a fiscal year-end financial statement report. The information contained here is intended to allow management to make limited assessments of near-term trends

that may have an impact on operations and financial results. Management views this interim period as an integral part of the annual period. This report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to various operations within the County. This report is general in nature. The reader is cautioned that it does not provide the level of detail, nor the comprehensive scope found in a fiscal year-end financial statement. Those desiring or needing such

information should contact the Office of Budget and Finance. We hope that you find this report informative and meaningful. If you have any questions regarding this report, please contact the Office of Budget and Finance at 240-313-2300.

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