



# Washington County

## M A R Y L A N D

# FY 2023

## CITIZEN'S GUIDE TO THE BUDGET

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This document is a “brief” look at the 2023 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.

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# Washington County, Maryland Board of County Commissioners



President Jeffrey A. Cline



Vice President Terry L. Baker



Commissioner  
Randall E. Wagner



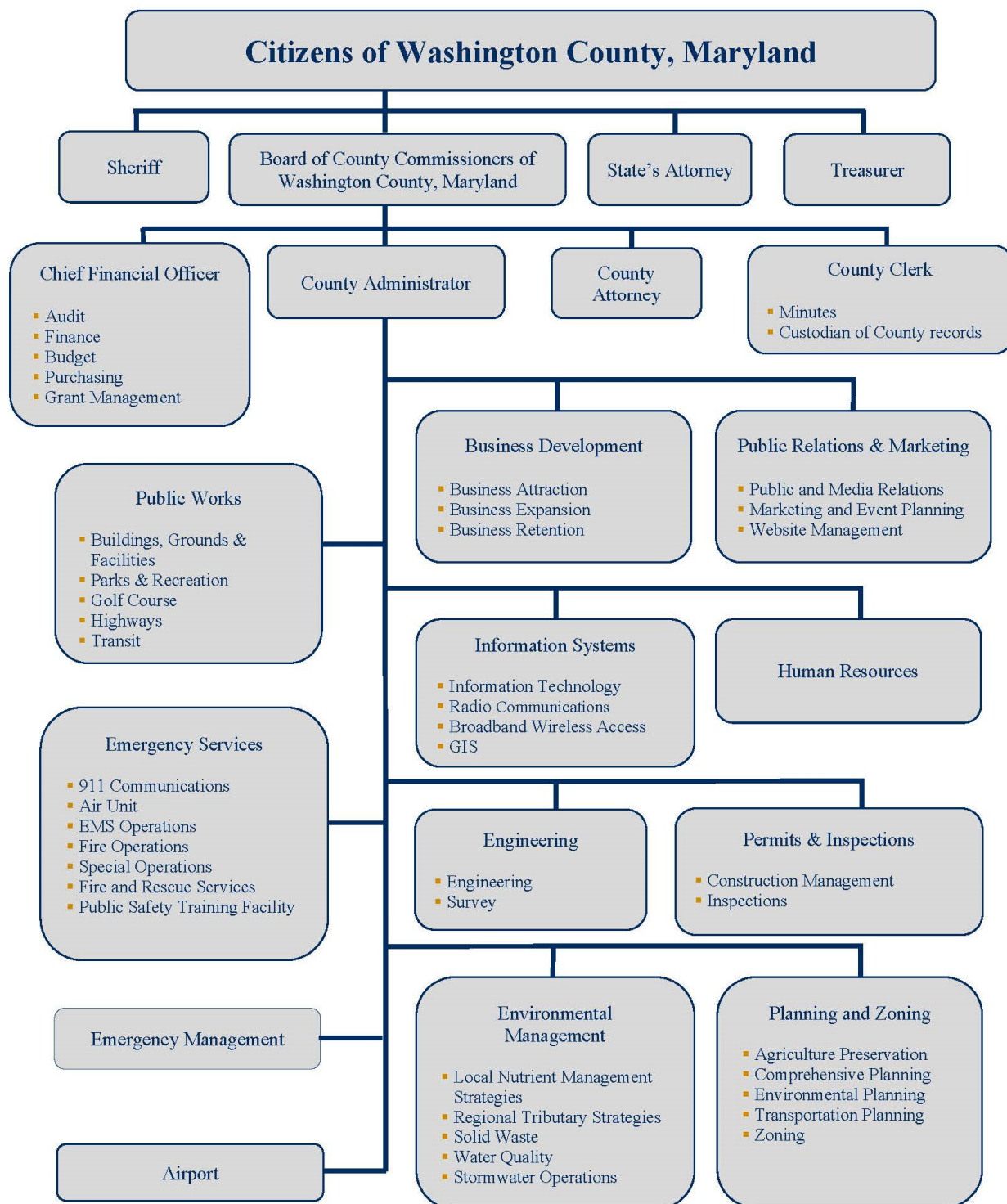
Commissioner  
Wayne K. Keefer



Commissioner  
Charles A. Burkett, Jr.

## 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 151,150 residents with nine incorporated municipalities.

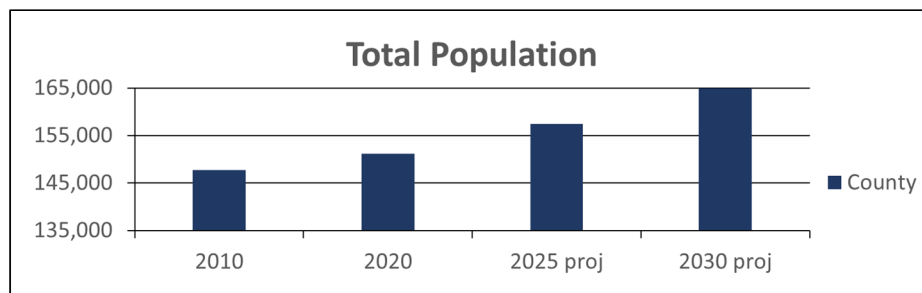


Garis Shop Road Bridge

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.

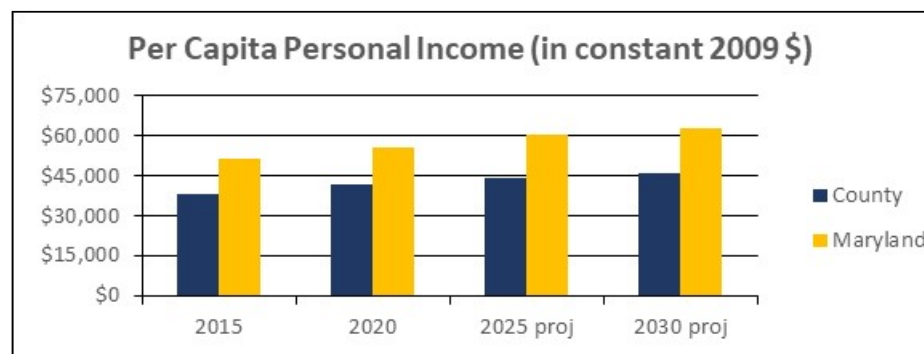
## Demographics

Washington County is home to an estimated 151,150 residents and currently ranks 11th in population and 14th in population growth in the State of Maryland. Between 2010 and 2020, Washington County grew in total by 2.31% or by an annual average of 0.21% per year compared to the State of Maryland, which grew in total by 4.61% or an annual average of 0.42% per year.



Source: MD Department of Planning and U.S. Census.

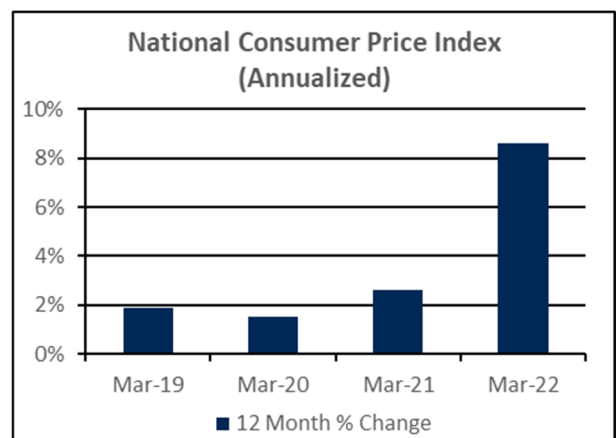
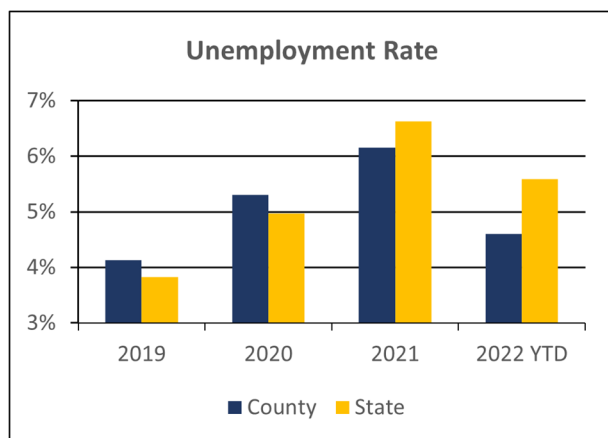
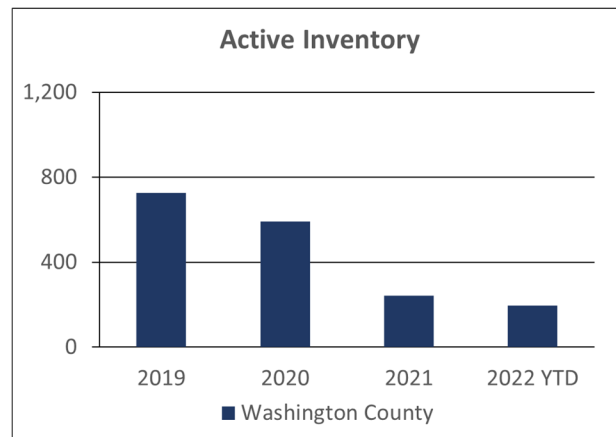
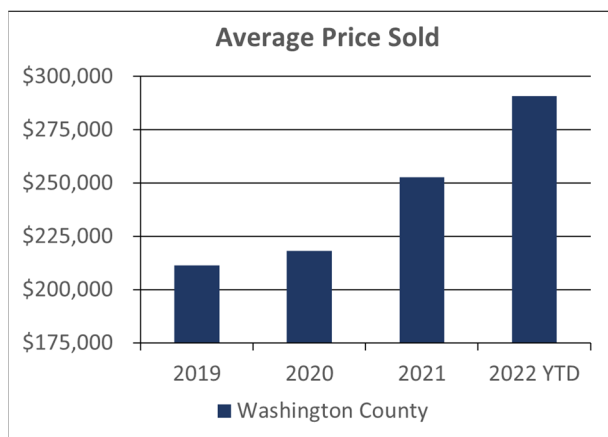
Between 2010 and 2020, Per Capita Personal Income for Washington County residents has increased by 18% or by an annual average of 1.64% per year. The Per Capita Personal Income is projected to increase by 1.1% annually through 2025. Per Capita Personal Income for the State of Maryland increased 12.5% from 2010 through 2020 or an annual average of 1.14% per year.



Source: MD Department of Planning and U.S. Bureau of Economic Analysis

## 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 a continued increase in the average selling price of \$291K and less active inventory on the market. Unemployment has steadily declined since the onset of the COVID-19 pandemic from a high of 11.4% in April 2020 to 4.3% in February 2022. Consumer prices across the nation have risen 8.6% annually since March of last year, the highest in over 40 years. The primary cause is due to supply chain bottlenecks, rising energy prices stemming from the Ukraine crisis, and higher wages.



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

## Budget Overview

### FY2023 Total Budgeted Funds - \$383,141,560

■ General Fund

■ Non-Major Governmental Funds

■ Highway

■ Solid Waste

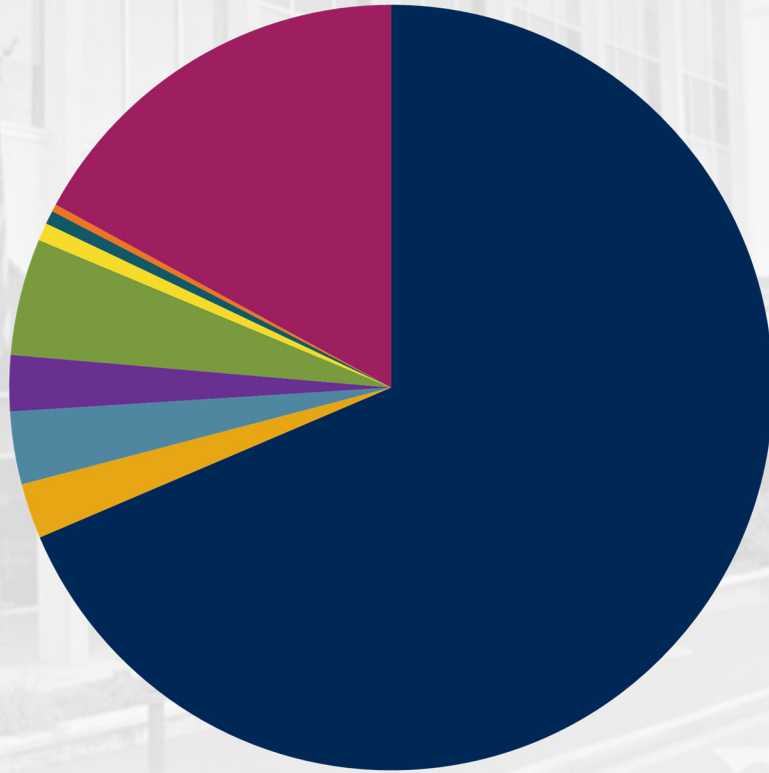
■ Water Quality

■ Transit

■ Airport

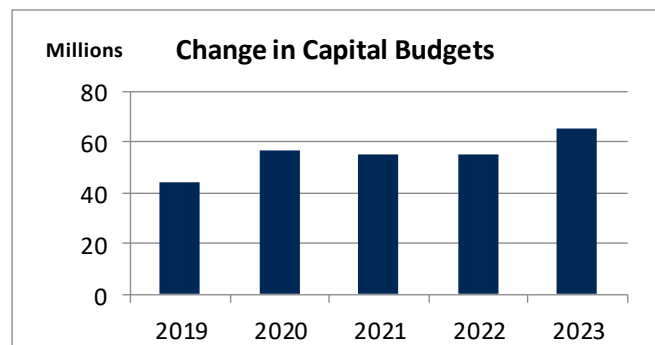
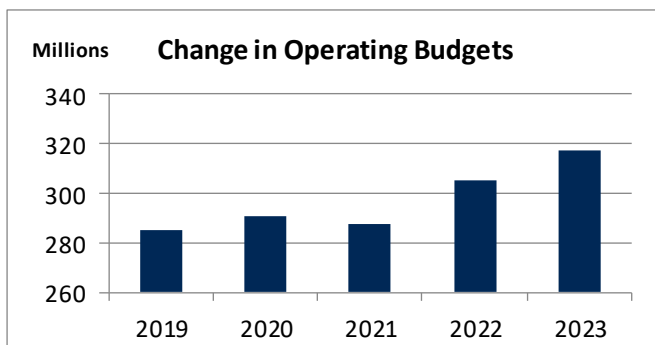
■ Golf

■ 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 an average of 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 2023 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>FY22 Approved</b>	<b>FY23 Approved</b>	<b>FY22 vs. FY23</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b>Operating Funds:</b>				
<b>Major Operating Funds:</b>				
General Fund	\$251,935,100	\$262,814,130	\$10,879,030	4.32%
Highway Fund	11,476,800	11,769,470	292,670	2.55%
Solid Waste Fund	8,372,270	9,056,160	683,890	8.17%
Utility Administration Fund	5,180,380	5,128,950	(51,430)	(0.99)%
Water Fund	1,179,120	1,209,420	30,300	2.57%
Sewer Fund	11,937,300	12,092,680	155,380	1.30%
Pretreatment Fund	484,700	472,860	(11,840)	(2.44)%
Public Transit Fund	2,778,170	2,885,310	107,140	3.86%
Airport Fund	2,020,920	2,180,910	159,990	7.92%
Black Rock Golf Course Fund	1,172,470	1,186,120	13,650	1.16%
	<b>\$296,537,230</b>	<b>\$308,796,010</b>	<b>\$12,258,780</b>	<b>4.13%</b>
<b>Restricted Funds:</b>				
Hotel Rental Tax Fund	\$1,840,000	\$2,000,000	\$160,000	8.70%
Cascade Town Centre Fund	184,150	157,650	(26,500)	(14.39)%
Agricultural Education Center Fund	264,040	248,270	(15,770)	(5.97)%
Grant Management Fund	479,900	451,420	(28,480)	(5.93)%
Inmate Welfare Fund	530,000	547,320	17,320	3.27%
Gaming Fund	2,168,960	2,491,000	322,040	14.85%
Land Preservation Fund	2,387,330	2,458,250	70,920	2.97%
HEPMPO Fund	606,200	584,570	(21,630)	(3.57)%
Contraband Fund	5,070	5,070	0	0.00%
	<b>\$8,465,650</b>	<b>\$8,943,550</b>	<b>\$477,900</b>	<b>5.65%</b>
<b>Total Operating Funds</b>	<b>\$305,002,880</b>	<b>\$317,739,560</b>	<b>\$12,736,680</b>	<b>4.18%</b>
<b>Capital Improvement Plan</b>	<b>\$54,832,000</b>	<b>\$65,402,000</b>	<b>\$10,570,000</b>	<b>19.28%</b>
<b>Total Budgeted Funds</b>	<b>\$359,834,880</b>	<b>\$383,141,560</b>	<b>\$23,306,680</b>	<b>6.48%</b>

## General Fund

A summary of the budgeted 2023 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				
	2023	2022	\$ Change	% Change
<b>Property Tax</b>	\$134,863,130	\$134,671,240	\$191,890	0.14%
<b>Local Tax</b>	116,792,510	106,182,670	10,609,840	9.99%
<b>Interest Income</b>	600,000	500,000	100,000	20.00%
<b>Fees</b>	5,223,900	5,240,160	(16,260)	(0.31%)
<b>Intergovernmental</b>	5,334,590	5,341,030	(6,440)	(0.12%)
	\$262,814,130	\$251,935,100	\$10,879,030	4.32%

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 4.32% or \$11 million over the 2022 budget. Following is a detailed discussion regarding the major changes affecting General Fund revenues:

*Property Tax revenue* increased by .14% or \$.2 million in FY23. 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, but partially offset by a reduction in the tax rate. The property tax rate will decrease from \$.948 to \$.928 per \$100 of assessed value.

*Local Tax revenue* reflects an increase of \$10.6 million. The income tax budget is based on current and prior year revenues, and adjusted for a reduction in the income tax rate from 3.0% to 2.95%, effective 1/1/23. The budget includes an assumed disparity grant of \$3.8M.

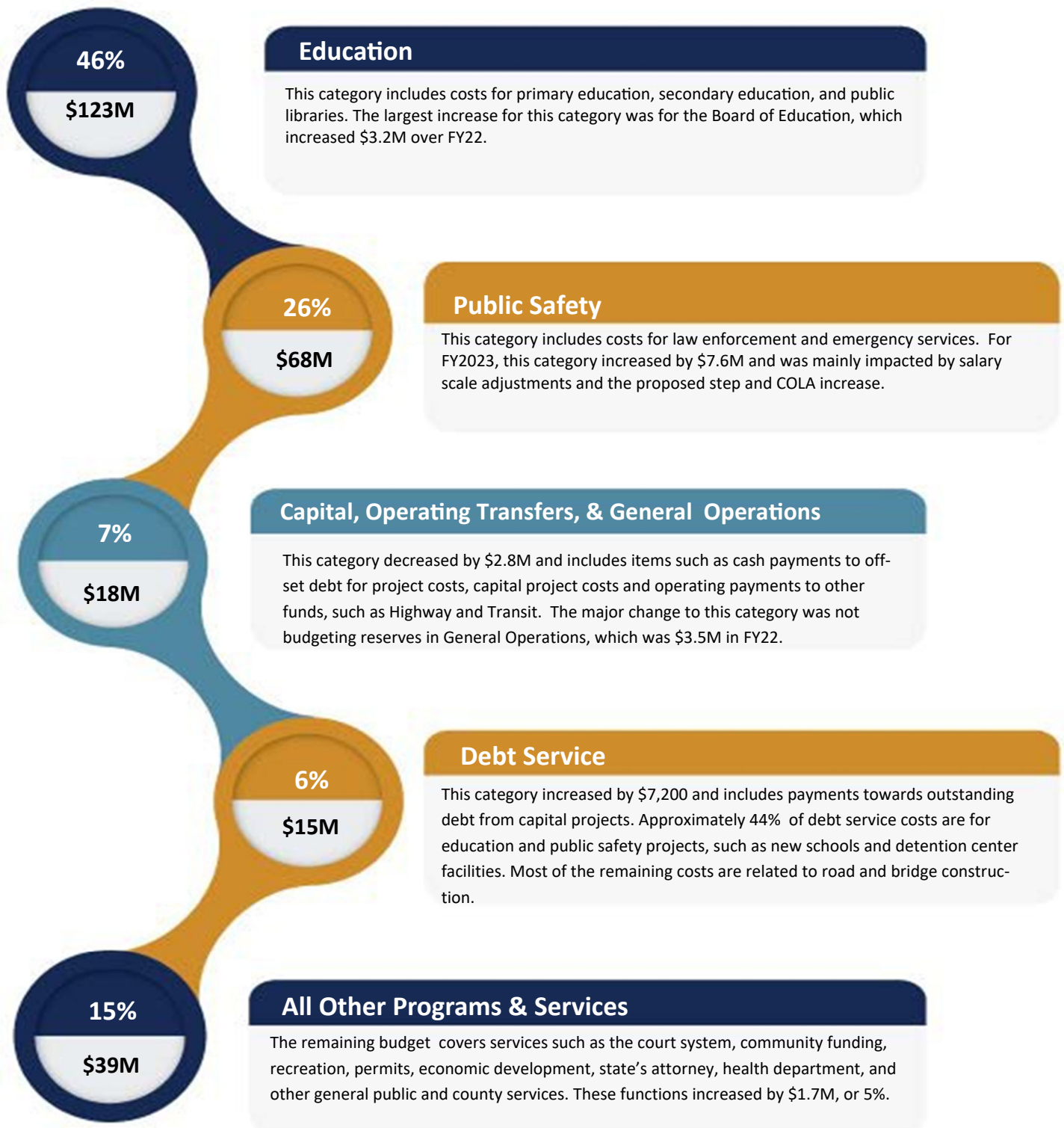
*Intergovernmental* decreased by \$6,440.

Major Tax Rates		
Type	Rate	Basis
<b>Real Estate:</b>	\$ .928	\$100 assessed value
<b>Income Tax:</b>	2.95%	Taxable Income



## General Fund

General Fund expenditures increased in total by \$11 million or 4.3% for 2023. 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 4.32% or \$10,879,030 increase over 2022.

General Fund Expenditures By Function				
	2023	2022	\$ Change	% Change
<b>Education</b>	\$122,525,360	\$119,182,560	\$3,342,800	2.80%
<b>Public Safety</b>	67,639,680	60,035,260	7,604,420	12.67%
<b>Intergovernmental Transfers</b>	17,356,320	16,284,830	1,071,490	6.58%
<b>Debt Service</b>	15,279,990	15,272,790	7,200	0.05%
<b>General Government</b>	22,392,050	23,201,470	(809,420)	(3.49%)
<b>Courts</b>	6,401,710	6,186,700	215,010	3.48%
<b>State Agencies</b>	6,206,160	5,326,670	879,490	16.51%
<b>Community Programs &amp; Services</b>	774,000	829,000	(55,000)	(6.63%)
<b>Public Works &amp; Permits</b>	2,558,340	4,145,350	(1,587,010)	(38.28%)
<b>Parks &amp; Recreation</b>	1,680,520	1,470,470	210,050	14.28%
	\$262,814,130	\$251,935,100	\$10,879,030	4.32%

Expenditure highlights are as follows:

1. An additional \$3.2 million to the Board of Education.
2. New salary scale for uniformed law enforcement officers.
3. Increased appropriations to fire and rescue volunteer companies.
4. \$900K more to Capital Projects.
5. \$520K to fund one-time 1% COLA for retirees.
6. A step of 2.5% and COLA of 1% for employees.

General Fund Expenditures By Object				
	2023	2022	\$ Change	% Change
<b>Full Time</b>	\$40,290,910	\$36,549,710	\$3,741,200	10.24%
<b>Part Time</b>	2,163,960	1,971,390	192,570	9.77%
<b>Overtime</b>	1,355,530	1,148,280	207,250	18.05%
<b>Fringe Benefits</b>	27,327,060	26,248,030	1,079,030	4.11%
<b>Personnel Requests</b>	725,860	354,540	371,320	104.73%
<b>Operating</b>	189,722,970	184,834,010	4,888,960	2.65%
<b>Capital Outlay</b>	1,227,840	829,140	398,700	48.09%
	\$262,814,130	\$251,935,100	\$10,879,030	4.32%

## 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 2023 budget and expenditure projections for the next 10 years; the total capital request for Fiscal Years 2023 through 2032 is \$484,407,000.

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 2023 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 2023 Capital budget is 77% cash, 18% tax-supported debt, and 5% self-supported debt.

## Capital Improvement Funds

2023 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2023 Budget
<b>Airport:</b>				
Airport Infrastructure Grant	1,100,000			1,100,000
Airport Projects < \$500,000	323,000			323,000
<b>Bridges:</b>				
Crystal Falls Drive W3051	698,000	102,000		800,000
Keedysville Road Bridge W5651	640,000	160,000		800,000
Halfway Boulevard Bridges W0912	1,280,000	320,000		1,600,000
Gardenhour Road Bridge W2431	500,000			500,000
Bridge Projects < \$500,000	362,000			362,000
<b>Drainage:</b>				
Stormwater Retrofits	1,900,000			1,900,000
Drainage Projects < \$500,000	75,000			75,000
<b>Board of Education:</b>				
Capital Maintenance - BOE	10,421,000	3,615,000		14,036,000
<b>Hagerstown Community College:</b>				
Multi-Roof Project	500,000			500,000
Second Entrance Drive Widening Project	4,899,000	1,040,000		5,939,000
<b>Public Library:</b>				
Library Projects < \$500,000	60,000			60,000
<b>General Government</b>				
Systemic Improvements - Building	500,000			500,000
General Government Projects < \$500,000	553,000			553,000
<b>Parks and Recreation:</b>				
MLK Gymnasium Upgrade	1,500,000			1,500,000
Agriculture Education Center Indoor Multi purpose Building	4,050,000			4,050,000
Parks and Recreation Projects < \$500,000	1,061,000			1,061,000
<b>Public Safety:</b>				
Detention Center - Systemic Projects	670,000			670,000
Burn Building - PS Training Center		1,000,000		1,000,000



## Capital Improvement Funds

2023 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2023 Budget
<b>Public Safety (continued):</b>				
P25 UHF Public Safety Radio Communication System Upgrade	875,000			875,000
Law Enforcement Veh & Equip Replacement	872,000			872,000
Emergency Services Equip & Veh Program	1,900,000			1,900,000
Patrol Services Relocation Renovation	500,000			500,000
Public Safety Projects < \$500,000	469,000			469,000
<b>Road Improvement:</b>				
Pavement Maintenance and Rehab	205,000	4,045,000		4,250,000
Professional Blvd Extended Phase II and III	3,000,000	718,000		3,718,000
Halfway Blvd Extended		1,000,000		1,000,000
Wright Road	1,400,000			1,400,000
Highway - Veh & Equip Replacement	907,000			907,000
Road Improvement Projects < \$500,000	805,000			805,000
<b>Solid Waste:</b>				
Solid Waste Projects < \$500,000	138,000		350,000	488,000
<b>Water Quality:</b>				
Capacity Management Project	4,000,000		1,000,000	5,000,000
Smithsburg WWTP ENR Upgrade	3,000,000			3,000,000
Mt Aetna Water System Improvements	50,000		549,000	599,000
WQ Main Replacement	50,000		516,000	566,000
Water Quality Projects < \$500,000	1,039,000		685,000	1,724,000
<b>Total</b>	<b>50,302,000</b>	<b>12,000,000</b>	<b>3,100,000</b>	<b>65,402,000</b>

The Ten-Year Capital plan for 2023 through 2032 by category is as follows (shown in millions):

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Education	20.535	14.826	16.820	36.033	31.018	17.471	15.566	25.408	17.506	17.110
Roads	18.117	9.308	9.995	11.994	11.957	12.122	12.406	12.958	11.854	12.584
Environmental	11.377	2.062	5.878	2.415	1.944	2.900	1.112	7.785	6.951	6.707
Transportation	1.423	8.309	2.004	6.540	6.354	0.982	1.816	3.899	2.479	2.471
Other	13.950	6.975	6.454	5.975	4.431	4.891	4.825	5.003	5.251	5.656
<b>Total</b>	<b>65.402</b>	<b>41.480</b>	<b>41.151</b>	<b>62.957</b>	<b>55.704</b>	<b>38.366</b>	<b>35.725</b>	<b>55.053</b>	<b>44.041</b>	<b>44.528</b>

## Other Program Service Funds

Many other County programs and services are accounted for and financed outside the General Fund. For 2023 these funds total \$55 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.

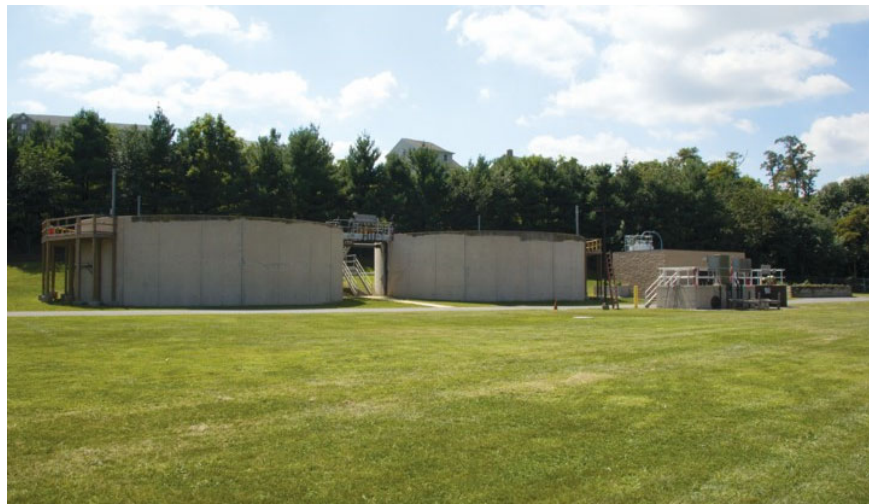
### A. Environmental Services

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 additional lease agreements, leachate treatment, maintenance, a new position request and the employee step and COLA.
2. The increase in Utility funds is mainly due to the employee step and COLA. Water and sewer rates are not projected to increase.
3. The Land Preservation Fund has increased due to an anticipated increase in grant funds for FY2023.

Environmental Service Funds				
	2023	2022	Change	
Solid Waste	\$9,056,160	\$8,372,270	\$683,890	8.2%
Utility Funds	18,903,910	18,781,500	122,410	0.7%
Land Preservation	2,458,250	2,387,330	70,920	3.0%
	\$30,418,320	\$29,541,100	\$877,220	3.0%



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 the employee step and COLA. The Highway Fund is heavily supported by the General Fund. The Transit Fund increased based on use of CARES Act funds. The Airport Fund increased 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 decrease in the regional organization is the result of a decrease in federal grants.

Transportation Service Funds				
	2023	2022	Change	
Highway	\$11,769,470	\$11,476,800	\$292,670	2.6%
Transit	2,885,310	2,778,170	107,140	3.9%
HEPMPO	584,570	606,200	(21,630)	(3.6%)
Airport	2,180,910	2,020,920	159,990	7.9%
	\$17,420,260	\$16,882,090	\$538,170	3.2%

### C. Other Services

Other various funds provide services and programs to County residents and range from recreation to human service type programs. Hotel Rental Tax and Gaming funds both increased based on activity projections in the current economy. Some proceeds from the sale of the Cascade Town Centre will provide an FY23 appropriation of \$125,000 to the Community Center as well as funding for certain ongoing maintenance costs. The Agricultural Education fund decreased based on projected utility costs. 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 and telephone spending trends and will be used to update software and equipment.

Other Program Service Funds				
	2023	2022	Change	
Golf Course	\$1,186,120	\$1,172,470	\$13,650	1.2%
Hotel Rental Tax	2,000,000	1,840,000	160,000	8.7%
Cascade Town Centre	157,650	184,150	(26,500)	(14.4%)
Agricultural Education	248,270	264,040	(15,770)	(6.0%)
Grant Management	451,420	479,900	(28,480)	(5.9%)
Inmate Welfare	547,320	530,000	17,320	3.3%
Gaming	2,491,000	2,168,960	322,040	14.8%
Contraband	5,070	5,070	-	0.0%
	\$7,086,850	\$6,644,590	\$442,260	6.7%

## 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 2022 is \$29.6 million. The total unused authorization available is \$40.4 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 2023-2025						
	2022	2023	2024	2025	Maximum Policy Target	2023 Peer Group Target
Debt per Capita	\$1,054	\$1,089	\$1,114	\$1,133	\$1,500	\$1,623
Debt as % of Fair Market Value	1.21%	1.24%	1.26%	1.27%	1.50%	1.34%
Debt Service as % General Fund Revenue	5.96%	6.32%	6.54%	6.69%	8.00%	7.42%
Debt Service per Capita as % income per Capita	0.19%	0.21%	0.21%	0.22%	0.50%	0.30%

Projected debt balances for the period ended June 30, 2022, including proposed borrowing scheduled for the current fiscal year, are presented below. The pay-off for the balances is projected to be 37% within the first five years and 68% 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, 2021	\$143,879,998	\$41,362,575	\$185,242,573
2022 Borrowing	10,000,000	10,045,000	20,045,000
2022 Payments	(10,284,379)	(3,630,497)	(13,914,876)
Balance June 30, 2022	\$143,595,619	\$47,777,078	\$191,372,697



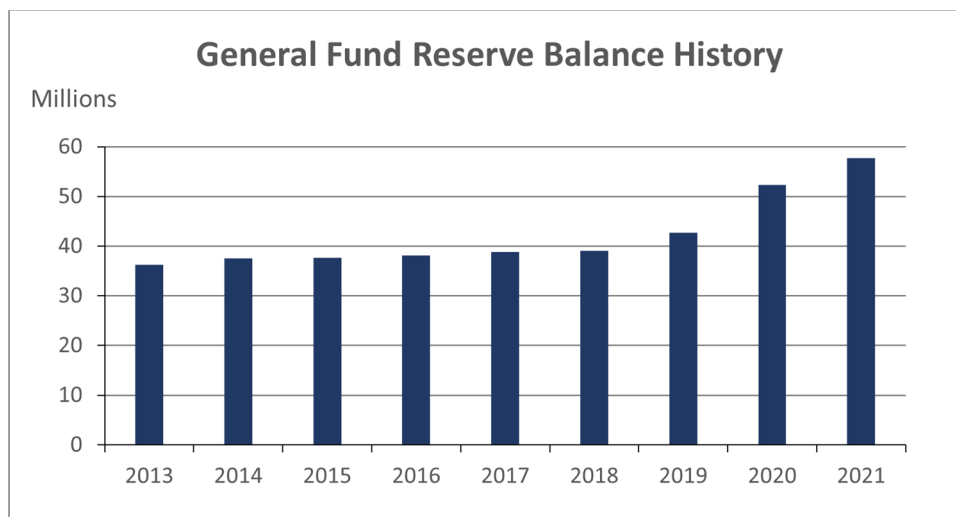
## Debt and Reserve Management

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, Fitch upgraded the County's rating from AA to a AA+ and Moody's 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 - 2023

	2023	2022	\$ Change	% Change
<b>General Fund:</b>				
<b>Education</b>				
Board of Education	\$109,070,360	\$105,841,710	\$3,228,650	3.05%
Hagerstown Community College	10,035,290	10,035,290	0	0.00%
Free Library	3,375,710	3,261,560	114,150	3.50%
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>122,525,360</b>	<b>119,182,560</b>	<b>3,342,800</b>	<b>2.80%</b>
<b>Public Safety</b>				
Sheriff - Judicial	3,496,820	3,084,340	412,480	13.37%
Sheriff - Process Servers	137,880	170,700	(32,820)	(19.23%)
Sheriff - Patrol	14,577,540	13,155,720	1,421,820	10.81%
Sheriff - Central Booking	1,342,890	1,084,260	258,630	23.85%
Sheriff - Sheriff Auxiliary	50,000	40,000	10,000	25.00%
Sheriff - Detention Center	18,706,300	16,237,630	2,468,670	15.20 %
Sheriff - Day Reporting Center	492,280	471,240	21,040	4.46%
Sheriff - Narcotics Task Force	1,051,310	989,760	61,550	6.22%
Sheriff - Washington County Police Academy	59,840	59,840	0	0.00%
Civil Air Patrol	4,000	3,600	400	11.11%
Air Unit	32,350	28,060	4,290	15.29%

### Department Expenditure by Function - 2023

	2023	2022	\$ Change	% Change
Special Operations	233,870	194,540	39,330	20.22%
Fire & Rescue Volunteer Services	10,389,690	9,012,160	1,377,530	15.29%
911 - Communications	6,275,630	6,276,090	(460)	(0.01%)
EMS Operations	2,723,800	2,584,350	139,450	5.40%
Fire Operations	5,292,030	4,823,100	468,930	9.72%
Emergency Management	229,650	215,490	14,160	6.57%
Public Safety Training Center	750,140	167,740	582,400	347.20%
Animal Control Services	1,486,920	1,436,640	50,280	3.50%
<b>Total Public Safety</b>	<b>67,332,940</b>	<b>60,035,260</b>	<b>7,297,680</b>	<b>12.16%</b>
Operating and Capital				
Highway	9,285,350	9,138,300	147,050	1.61%
Solid Waste	450,000	450,000	0	0.00%
Cascade Town Centre Fund	0	0	0	0.00%
Agricultural Education Center	216,770	231,340	(14,570)	(6.30%)
Grant Management	313,390	349,010	(35,620)	(10.21%)
Land Preservation	41,380	28,930	12,450	43.03%
HEPMPO	5,700	10,030	(4,330)	(43.17%)
Utility Administration	517,110	425,470	91,640	21.54%
Water	230,040	187,280	42,760	22.83%
Transit	1,052,540	1,046,100	6,440	0.62%
Golf Course	319,710	349,820	(30,110)	(8.61%)
Municipality in Lieu of Bank Shares	38,550	38,550	0	0.00%
Capital Improvement Fund	4,928,000	4,030,000	898,000	22.28%
Debt Service	15,279,990	15,272,790	7,200	0.05%
<b>Total Operating Transfers and Capital</b>	<b>32,678,530</b>	<b>31,557,620</b>	<b>1,120,910</b>	<b>3.55%</b>
Courts				
Circuit Court	2,140,650	2,011,540	129,110	6.42%
Orphans Court	36,530	36,150	380	1.05%
State's Attorney	4,224,530	4,139,010	85,520	2.07%
<b>Total Courts</b>	<b>6,401,710</b>	<b>6,186,700</b>	<b>215,010</b>	<b>3.48%</b>
State Agency, Programs & Services				
Health Department	2,339,270	2,339,270	0	0.00%
Social Services	506,330	446,010	60,320	13.52%
University of MD Extension	264,180	244,930	19,250	7.86%

Department Expenditure by Function - 2023				
	2023	2022	\$ Change	% Change
County Cooperative Extension	38,730	38,730	0	0.00%
Election Board	2,384,260	1,667,570	716,690	42.98%
Soil Conservation	355,090	223,680	131,410	58.75%
Weed Control	317,510	320,980	(3,470)	(1.08%)
Environmental - Pest Management	45,500	45,500	0	0.00%
<b>Total State Agencies</b>	<b>6,250,870</b>	<b>5,326,670</b>	<b>924,200</b>	<b>17.35%</b>
Community Programs & Services				
<b>Total Community Programs &amp; Services</b>	<b>774,000</b>	<b>829,000</b>	<b>(55,000)</b>	<b>(6.63%)</b>
General Government				
County Commissioners	376,920	371,210	5,710	1.54%
County Clerk	147,960	129,070	18,890	14.64%
County Administrator	388,020	383,220	4,800	1.25%
Public Relations and Marketing	504,590	485,340	19,250	3.97%
Budget & Finance	1,755,880	1,670,840	85,040	5.09%
Independent Accounting & Auditing	70,000	70,000	0	0.00%
Purchasing	561,520	519,640	41,880	3.38%
Treasurer	560,900	546,760	14,140	2.59%
County Attorney	804,210	767,920	36,290	4.73%
Human Resources	1,170,100	1,127,220	42,880	3.80%
Central Services	131,220	130,850	370	0.28%
Information Technology	3,410,170	3,194,470	215,700	6.75%
Wireless Communications	1,466,020	1,376,980	89,040	6.47%
General Operations	1,417,090	4,080,200	(2,663,110)	(65.27%)
Planning and Zoning	1,300,920	830,080	470,840	56.72%
Board of Zoning Appeals	55,740	55,740	0	0.00%
Martin Luther King Building	103,280	99,420	3,860	3.88%
Administration Building	319,080	319,710	(630)	(0.20%)
Court House	291,450	291,030	420	0.14%
County Office Building	230,510	226,050	4,460	1.97%
Administration Annex	75,500	55,450	20,050	36.16%



### Department Expenditure by Function - 2023

	2023	2022	\$ Change	% Change
Dwyer Center	32,280	33,450	(1,170)	(3.50%)
Election Board Facility	98,580	100,740	(2,160)	(2.14%)
Rental Properties	6,020	6,020	0	0.00%
Senior Center Building	11,000	11,000	0	0.00%
Public Facilities Annex	85,380	81,840	3,540	4.33%
Business Development	749,760	715,840	33,920	4.74%
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	30,000	0	0.00%
Commission on Aging	967,760	841,530	126,230	15.00%
Museum of Fine Arts	124,200	120,000	4,200	3.50%
<b>Total General Government</b>	<b>17,250,060</b>	<b>18,675,620</b>	<b>(1,425,560)</b>	<b>(7.63%)</b>
Public Works and Permits				
Public Works	263,990	256,950	7,040	2.74%
Buildings Grounds & Facilities	2,287,850	2,344,710	(56,860)	(2.43%)
Engineering	2,656,260	2,307,280	348,980	15.13%
Permits & Inspections	2,712,040	2,218,570	493,470	22.24%
Plan Review & Permitting	0	1,543,690	(1,543,690)	(100.00%)
<b>Total Public Works and Permits</b>	<b>7,920,140</b>	<b>8,671,200</b>	<b>(751,060)</b>	<b>(8.66%)</b>
Parks and Recreation				
Martin L. Snook Pool	159,310	155,830	3,480	2.23%
Parks and Recreation	1,521,210	1,314,640	206,570	15.71%
<b>Total Parks and Recreation</b>	<b>1,680,520</b>	<b>1,470,470</b>	<b>210,050</b>	<b>14.28%</b>
<b>Total General Fund</b>	<b>262,814,130</b>	<b>251,935,100</b>	<b>10,879,030</b>	<b>4.32%</b>
<b>Capital Improvement:</b>				
Education	20,535,000	17,290,000	3,245,000	18.77%
Road Improvements	18,117,000	11,264,000	6,853,000	60.84%
Environmental	11,377,000	12,784,000	(1,407,000)	(11.01%)
Transportation	1,423,000	6,505,000	(5,082,000)	(78.12%)
Other	13,950,000	6,989,000	6,961,000	99.60%
<b>Total Capital Improvement</b>	<b>65,402,000</b>	<b>54,832,000</b>	<b>10,570,000</b>	<b>19.28%</b>
<b>Environmental Funds:</b>				
Solid Waste Fund	9,056,160	8,372,270	683,890	8.17%
Utility Administration Fund	5,128,950	5,180,380	(51,430)	(0.99%)

### Department Expenditure by Function - 2023

	2023	2022	\$ Change	% Change
Water Fund	1,209,420	1,179,120	30,300	2.57%
Sewer Fund	12,092,680	11,937,300	155,380	1.30%
Pretreatment Fund	472,860	484,700	(11,840)	(2.44%)
Land Preservation Fund	2,458,250	2,387,330	70,920	2.97%
<b>Total Environmental Funds</b>	<b>30,418,320</b>	<b>29,541,100</b>	<b>877,220</b>	<b>2.97%</b>
<b>Transportation Funds:</b>				
Highway Fund	11,769,470	11,476,800	292,670	2.55%
HEPMPO Fund	584,570	606,200	(21,630)	(3.57%)
Transit Fund	2,885,310	2,778,170	107,140	3.86%
Airport Fund	2,180,910	2,020,920	159,990	7.92%
<b>Total Transportation Funds</b>	<b>17,420,260</b>	<b>16,882,090</b>	<b>538,170</b>	<b>3.19%</b>
<b>Other Program and Service Funds:</b>				
Cascade Town Centre Fund	157,650	184,150	(26,500)	(14.39%)
Ag Center Fund	248,270	264,040	(15,770)	(5.97%)
Grant Management Fund	451,420	479,900	(28,480)	(5.93%)
Contraband Fund	5,070	5,070	0	0.00%
Gaming Fund	2,491,000	2,168,960	322,040	14.85%
Golf Course Fund	1,186,120	1,172,470	13,650	1.16%
Hotel Rental Tax Fund	2,000,000	1,840,000	160,000	8.70%
Inmate Welfare Fund	547,320	530,000	17,320	3.27%
<b>Total Other Funds</b>	<b>7,086,850</b>	<b>6,644,590</b>	<b>442,260</b>	<b>6.66%</b>
<b>Total All Funds</b>	<b>\$383,141,560</b>	<b>\$359,834,880</b>	<b>\$23,306,680</b>	<b>6.48%</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 \$127.8 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 2023, the Capital Improvement budget reflects \$5.1 million in additional local County funds for educational related projects. Total educational funding is \$132.9 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 proposed property tax rate for FY23 is \$.928 and the Constant Yield Tax Rate is \$.9295. That is 1.5 thousandths of a cent higher than the proposed 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



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