

Frederick County Government



PUBLIC HEARING

Property Tax Rate Levy

Proposed FY2013 Operating Budget

Budget Team

- Lori L. Depies, CPA Director, Finance
- Regina M. Howell, CPA Budget Officer
- Kelly Weaver, CPA Assistant Budget Officer
- Blaine R. Young President, BOCC
- David B. Dunn County Manager
- Mitch Hose Director, Human Resources

The proposed budget reflects recommendations made by the Budget Team and was presented to the BOCC on April 19th for approval to go to Public Hearing.

Proposed Tax Rates

(Per \$100 Of Assessed Value)

	<u>FY2013</u>	<u>FY2012</u>
General Real Property Tax	\$0.936	\$0.936
<i>Constant Yield Tax Rate</i>	\$0.9663	\$0.9659
Tax Differential Property Tax		
City of Frederick	\$0.8130	na
Myersville	\$0.8188	na

The City of Frederick and Town of Myersville chose tax differential property tax rates rather than receiving direct payment from the County for the Municipal Tax Equity Program.

Proposed Tax Rates

(Per \$100 of Assessed Value)

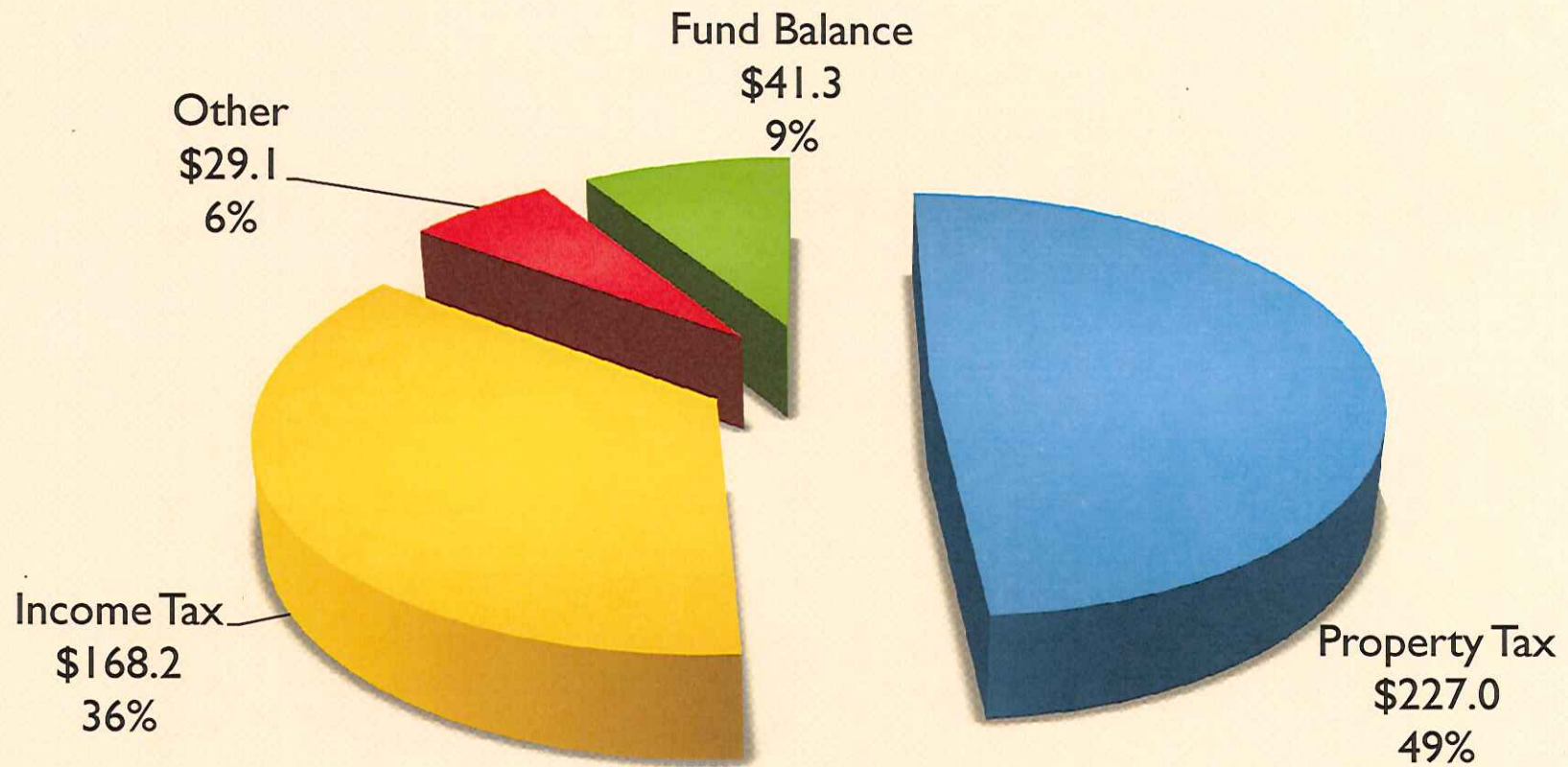
Special Taxing Districts

	<u>FY2013</u>	<u>FY2012</u>
Urban Fire & Rescue	\$0.128	\$0.128
Suburban Fire & Rescue	\$0.080	\$0.080

**Existing Tax Rate does not support current operations*

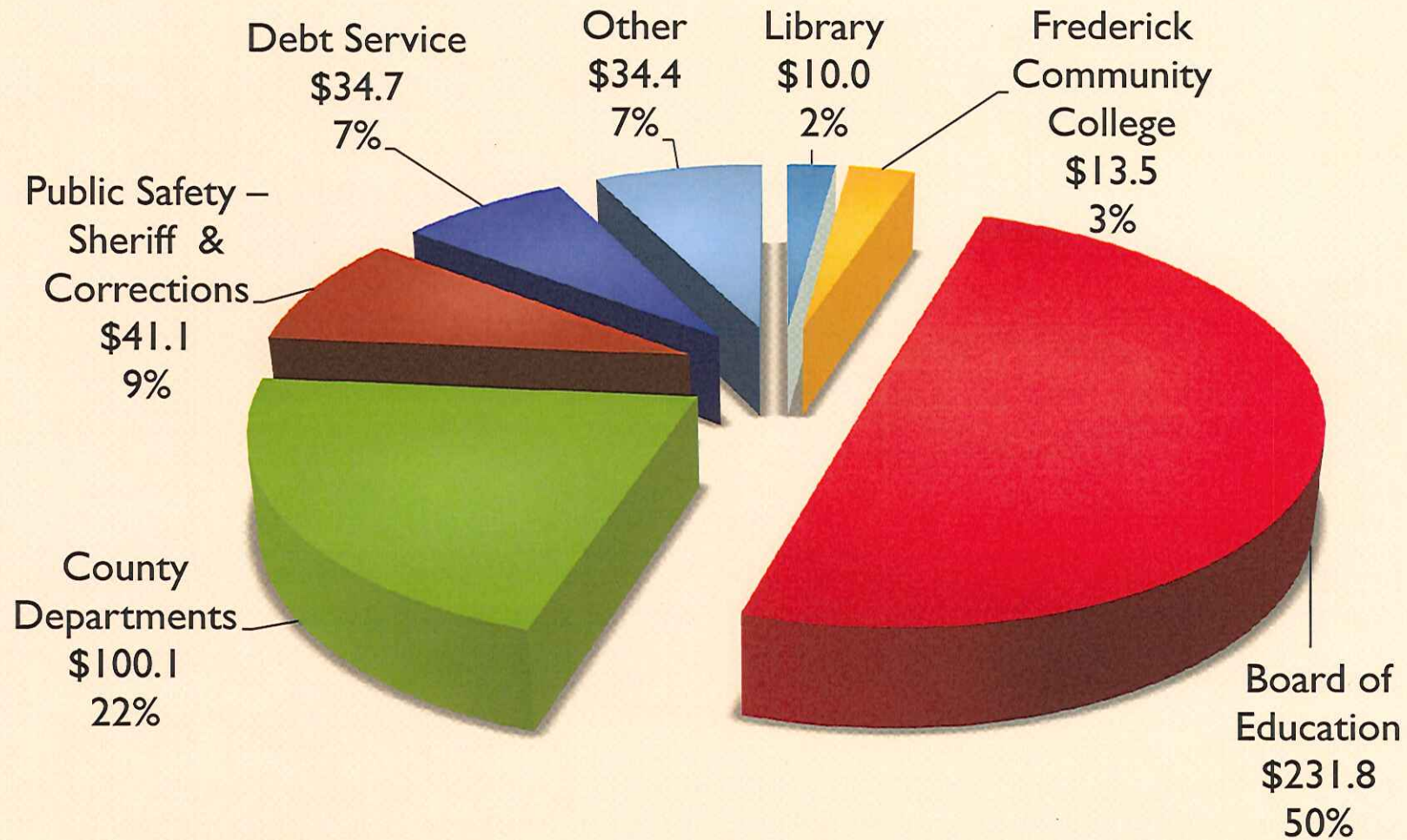
Braddock Heights Electric Light	\$0.010	\$0.010
Libertytown Electric Lighting	\$0.013	\$0.013
New Addition Electric Lighting	\$0.010	\$0.010

REVENUE SOURCES IN MILLIONS



\$465,605,457

EXPENDITURE USES IN MILLIONS



\$465,605,457

\$38.8 million FY I I Fund Balance

Where did it come from?

IN MILLIONS

Revenues Exceeded Budget by \$22.3 million

- Income Taxes \$18.7
- Property Taxes \$ 2.7
- Misc Revenues \$ 0.9

Expenses Under Budget by \$14.7 million

- Salary/Operating/Capital \$ 8.6
- Other Recoveries/Contingencies \$ 2.3
- Transfers to Grants \$ 1.7
- Citizens Care & Rehabilitation Center \$ 1.0
- Snow Removal Reserve \$ 0.7
- Liability Insurance \$ 0.4
- Designated Fund Balance – not used \$ 1.8

= FY I I FUND BALANCE \$38.8

Use of \$38.8 million FY11 Fund Balance

Where is it going?

IN MILLIONS

• Fire Tax Deficit Funding	\$12.0
• Taxpayer \$100 Rebate	\$ 6.7
• Municipality Tax Equity increase	\$ 4.0
• Personnel – COLA, Step, Reclass	\$ 4.9
• State Shift of Teachers Pension	\$ 3.0
• Bond Enhancement/Workers Comp	\$ 1.7
• Offset decreases in Rev Estimates	\$ 5.0
• General Government Expenses	<u>\$ 1.5</u>
= FY11 Fund Balance	\$38.8

Reserves & Contingencies

- “Rainy Day” Fund – set aside amount required by state law equal to 5% of general fund expenditures including transfers to BOE and FCC for the prior fiscal year.

FY11 - \$20.2 million

- | | |
|---------------------------|-------------|
| • Fuel Cost Reserve | \$1,668,069 |
| • Snow Removal Reserve | \$1,000,000 |
| • Bond Rating Enhancement | \$1,000,000 |
| • BOCC Contingency | \$ 500,000 |

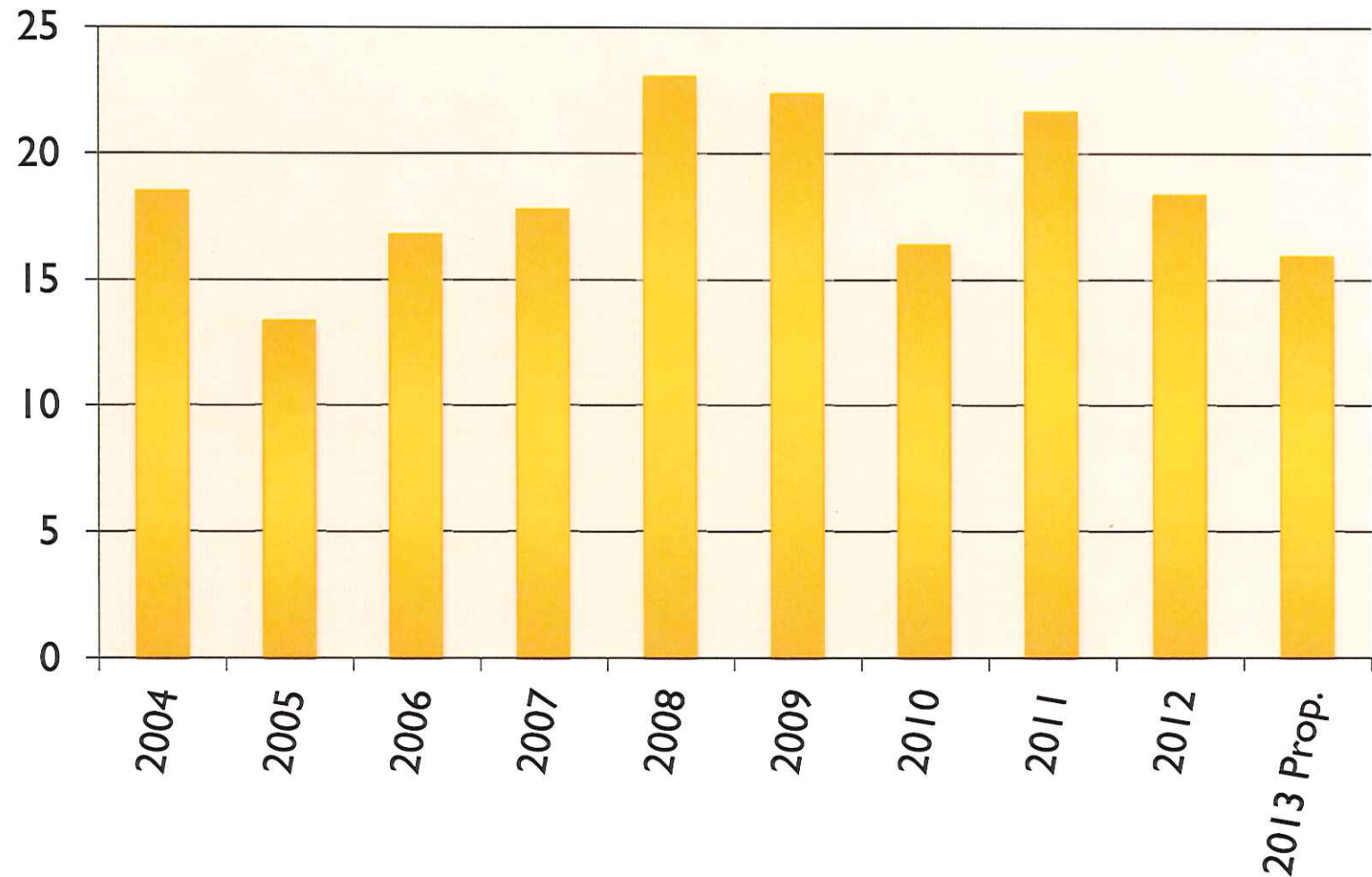
3 Year Analysis

	FY2013 Proposed	FY2014 Forecast	FY2015 Forecast
REVENUE			
Property Tax	227,042,627	237,493,700	242,702,900
Income Tax	168,251,100	174,981,100	182,855,200
Recordation	12,370,014	12,741,100	13,123,400
Other	16,577,957	16,800,660	17,213,660
Total Revenue	\$424,241,698	\$442,016,560	\$455,895,160
EXPENDITURES			
Salaries/Benefits	113,066,489	116,458,484	119,952,238
Debt Service	34,707,833	35,179,108	36,802,707
BOE/FCC/Library	255,286,474	257,140,718	259,005,304
Other	62,544,661	65,624,175	69,592,694
Total Expenditures	\$465,605,457	\$474,402,485	\$485,352,943
Use of Fund Balance	41,363,759	20,000,000	10,000,000
Surplus/Deficit	\$0	(\$12,385,925)	(\$19,457,783)

3 Year Analysis – Fire & Rescue Tax Districts

	FY2013 Proposed	FY2014 Forecast	FY2015 Forecast
URBAN			
Revenue	\$29,561,457	\$29,888,306	\$30,484,700
Expenditures	<u>38,898,818</u>	<u>40,674,042</u>	<u>42,701,743</u>
Excess/(Deficiency)	(\$9,337,361)	(\$10,785,736)	(\$12,217,043)
Transfer from General Fund	7,589,906	0	0
Projected Fund Balance	\$2,068,684	(\$8,717,052)	(\$20,934,095)
SUBURBAN			
Revenue	\$3,905,576	\$3,948,568	\$4,027,252
Expenditures	<u>4,976,551</u>	<u>4,954,060</u>	<u>5,150,309</u>
Excess/(Deficiency)	(\$1,070,975)	(\$1,005,492)	(\$1,123,057)
Transfer from General Fund	1,807,901	0	0
Projected Fund Balance	\$2,143,814	\$1,138,322	\$15,265

Net Structural Deficit (in millions)





Education Appropriations

- Fully funds BOE maintenance of effort at \$221.6 million
- Provides \$10.1 million of in-kind services
- Funds \$17.7 million for annual debt service payments for BOE school construction
- Provides a \$3 million placeholder for pending State Teachers Pension shift
- If pension shift does not occur, proposal to return \$3.2 million to the BOE outside of MOE

Local Education Effort

		Five-Year Avg			Five-Year Avg
County		FY08-12	County		FY08-12
1	Howard	1.76%	13	Cecil	1.22%
2	Charles	1.51%	14	Washington	1.20%
3	Montgomery	1.50%	15	Kent	1.16%
4	Calvert	1.48%	16	Wicomico	1.13%
5	Carroll	1.44%	17	Garrett	1.12%
6	Frederick	1.42%	18	Queen Anne's	1.12%
7	Harford	1.41%	19	Baltimore City	1.09%
8	Baltimore	1.36%	20	Somerset	1.07%
9	Prince George's	1.34%	21	Dorchester	1.04%
10	Allegany	1.29%	22	Worcester	0.88%
11	Anne Arundel	1.27%	23	Caroline	0.82%
12	St. Mary's	1.25%	24	Talbot	0.77%
			Simple State Avg		1.24%

Pension & OPEB Obligations

- Increase in Employees' Pension Contribution

Non-Uniformed increase from 4% to 6%

Uniformed increase from 8% to 9%

Plan is currently at an 83% funded ratio. BOCC Goal is 90% by FY2015.

- Fully funds ARC (annual required contribution) for OPEB (retiree health benefits)

Assumes flat funding so a decrease in the ARC will offset the unfunded liability and reduce the Net OPEB obligation.

The current market value of assets held in OPEB trust is \$50 million

Reduction in Workforce

Adopted Budgeted Positions

<u>Fiscal Year</u>	<u># Adopted FTE</u>	<u>Decrease</u>
2009	2,624	
2010	2,538	-86
2011	2,448	-90
2012	2,320	-128
2013	2,299	-21
Total Reduction in Workforce		<u>-325</u>

Community Support

	Approx.
Property Tax Exemption for Non-Profits (no direct budget)	\$ 10,000,000
Developmental Center (incl. BOE in-kind)	4,957,000
Scott Key Center (incl. cleaning contracts)	3,683,000
Volunteer Fire Co. (operational support)	2,770,000
Montevue Assisted Living (operational support)	2,662,000
Citizens Care & Rehabilitation Ctr. (operational support)	2,379,000
Transit (subsidized transportation)	2,198,000
Health Department (Core Services)	1,861,000
Family Support Center	1,044,000
Social Services (State Dept)	738,000

Community Support cont'd

	Approx.
Child Support Services (Sheriff & St. Attorney)	\$725,000
Senior Centers & In-home Care	718,000
Workforce Development	679,000
Meals on Wheels and Other Meal Programs	630,000
Office of Children & Families	409,000
Housing Programs (incl. admin of \$6.0 million in Sect. 8 Prog.)	371,000
Grant-in-Aid / Non - County	354,000
Child Advocacy Center	284,000
Head Start (use of buildings)	94,000
Direct Support (budgeted)	\$ 26,556,000+



OTHER OPERATING BUDGETS

SPECIAL REVENUE FUNDS

ENTERPRISE FUNDS

INTERNAL SERVICE FUNDS

SPECIAL REVENUE FUNDS

	FY2013	FY2012	% Diff
Fire & Rescue Tax Districts	\$ 43,875,369	\$ 42,927,916	2.2%
Grants	22,468,994	20,890,111	7.6%
Parks Acquisition & Development	3,207,300	686,500	367.2%
Nursing Home Construction	1,461,625	1,352,021	8.1%
School Construction	4,245,059	5,436,094	-21.9%
Development Road Improvement	500,000	1,300,000	-61.5%
Impact Fees	7,745,536	7,871,911	-1.6%
Agricultural Land Preservation	6,746,542	6,796,544	-0.7%
Electric Lighting	15,032	14,988	0.3%
Hotel Rental Tax	1,216,857	1,137,232	7.0%
Economic Development Loan	49,759	49,759	0.0%
Housing Initiatives	-	483,915	-100.0%
Total	\$91,532,073	\$88,946,991	2.9%

ENTERPRISE FUNDS

	FY2013	FY2012	% Diff
Water & Sewer	\$ 33,189,010	\$ 34,885,311	-4.9%
Solid Waste	24,018,995	22,838,485	5.2%
Citizens Care & Rehabilitation Ctr	20,996,981	17,911,632	17.2%
Montevue Assisted Living	4,185,738	3,840,654	9.0%
Permitting & Development Review*	-	4,937,188	-100.0%
Bell Court Housing	113,265	111,950	1.2%
Total	\$ 82,503,989	\$ 84,525,220	-2.4%

* This fund was consolidated into the General Fund in FY2013

INTERNAL SERVICE FUNDS

	FY2013	FY2012	% Diff
Fleet Services	\$ 10,452,363	\$ 9,488,497	10.2%
Voice Services	1,396,339	1,598,253	-12.6%
Total	\$ 11,848,702	\$ 11,086,750	6.9%



Operating Budget Calendar

- May 10th - Adopt Property Tax Rate
Budget Discussions (Admin)
- May 17th - Budget Discussions (Admin)
- May 24th - Budget Discussions (Admin)
- June 7th - Adopt FY2013 Operating Budget