

FY2018 County Executive's Proposed Budget



May 24, 2017

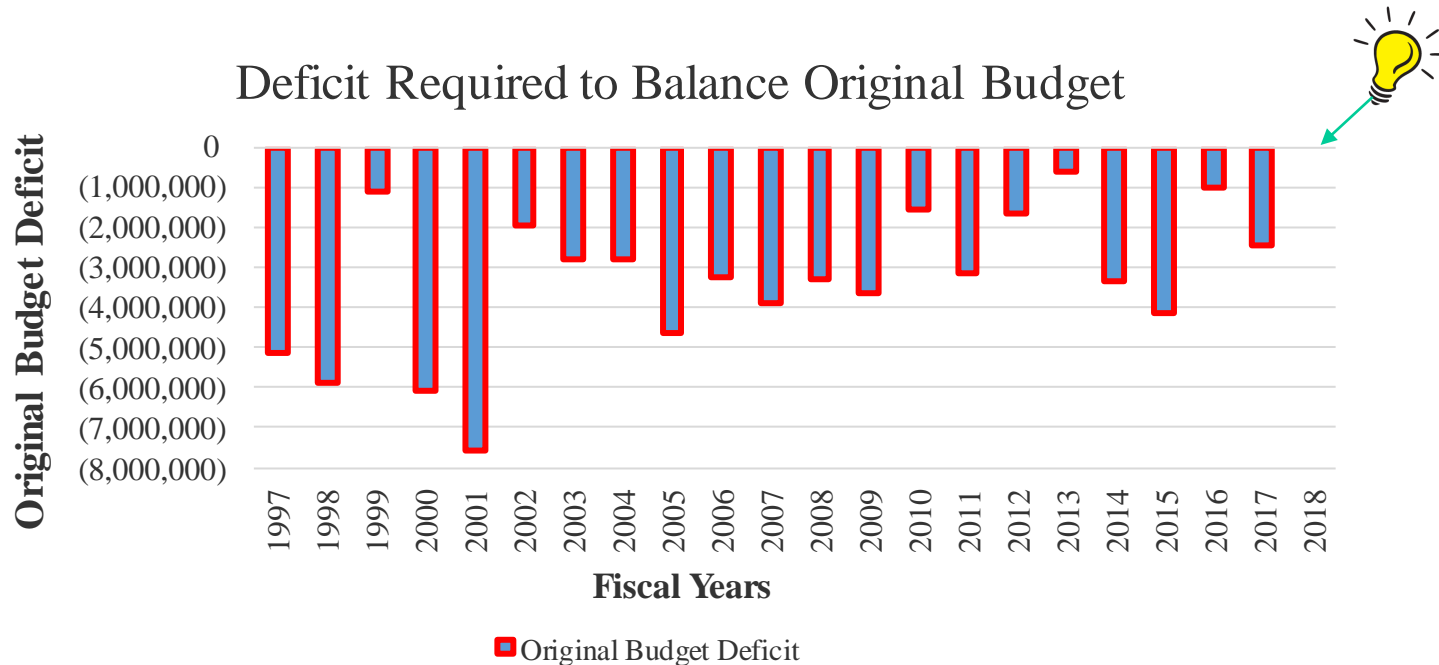
Budget Process - Charter

- Pursuant to the Section 504 of the Charter, “Not later than April 1 of each year, the Executive shall prepare and submit a proposed budget to the Council for the ensuing fiscal year.”
- On March 31, 2017 the Budget was submitted to Council and it included a budget message, explaining the proposed expense, revenue, and capital budgets in terms of finances and the work to be done. It outlined proposed financial policies and described important features of the budget.
- A public hearing on the budget will be held at Elkton High School on May 23, 2017 at 7pm.
- The adoption of the budget shall be by the affirmative vote of not less than three members of the Council in a law enacted not later than June 15, which shall be known as the "Annual Budget and Appropriations Ordinance of Cecil County." If a budget is not approved by the Council by June 15, then the budget **as submitted by the Executive shall become law.**

County Executive's Budget – Goals & Objectives

GOAL #1 BALANCED BUDGET

The FY2018 Budget is the first budget in 20 years that does not use unassigned fund balance to balance the budget. In other words, the County is not dipping into the savings account to pay FY2018 budgeted expenses.



County Executive's Budget – Goals & Objectives

GOAL # 2 FISCAL STABILITY

The County is obligated to provide responsible stewardship in allocation, maintenance and use of public resources.

- The FY2018 budget will not use unassigned fund balance to support current operations. The goal in the first year of the current administration is to eliminate structural deficiencies. In order to achieve the desired result, of a fiscal budget with no deficit, the prudent and realistic approach is to increase tax rates in order to generate revenues to support the County's priorities **for the foreseeable future.**
- The goal of planning for the future will become part of the budget process as the County initiates a multi-year approach to budgeting.
- The FY2018 capital budget is sustainable and affordable for FY2018 and the next four years. It is important to identify the County's available resources and build a realistic and affordable program.

County Executive's Budget – Goals & Objectives

GOAL # 3 SAFE, HEALTHY & ACTIVE COMMUNITIES

The County is responsible for providing a local police force, a detention center to incarcerate persons committing crimes, the County 911 emergency system and paid paramedics to ensure the health and safety of all citizens.

- The FY2018 budget adds three new deputies to the Sheriff's Office. One deputy will be added to the Sex Offenders Unit, one deputy will be added to the Street Level Crimes Unit, and one deputy will add security to the County Administration Building.
- The FY2018 budget adds two paramedics and two dispatchers to the Department of Emergency Services.
- The FY2018 budget matches local fire companies dollars to purchase new equipment. Perryville, North East & Singerly will each get \$100,000 to purchase new ambulances and Water Witch will get the match funds of \$25,000 to purchase a tanker.



County Executive's Budget – Goals & Objectives

GOAL # 4 INFRASTRUCTURE

The County is responsible for maintaining 615 miles of County roads, 114 state inspected bridges and 47 non-state inspected bridges & structures. Ten years ago, State Highway User Revenues provided over \$6,000,000 annually for funding of asphalt overlay and maintenance of County roads. THIS FUNDING WAS CUT! Currently the FY2018 State funding from the State to Cecil County is \$644,934. The County also funds and maintains the Cecil Transit system with significant Federal funds.

- The FY2018 budget restores \$733,000 in asphalt overlay funding to the Roads Maintenance department to aid in the upkeep of the County's roadways.
- The FY2018 budget restores \$500,000 in surface treatment in order to prolong the life of a roadway until it is slated for new overlay.
- A dispatcher position is being added to Cecil Transit's workforce to meet the demands of the growing County transit system. The position is supported in part by Maryland Transportation Authority (MTA) grants for Transit.



County Executive's Budget – Goals & Objectives

GOAL # 5 EDUCATION

The County is legally responsible for funding Cecil County Public Schools and Cecil College. The Cecil County Public Library System is also reliant on the County for necessary funding to operate.

- The FY2018 budget allocation to Cecil County Public Schools is \$81,688,528. This proposed allocation is \$1,717,590 above the State required Maintenance of Effort.
- The FY2018 small capital projects budget to CCPS is \$1,283,913 to fund the schools energy performance contract, VAV units at Bo Manor High and to resurface North East High School tennis courts.
- The FY2018 budget allocation to Cecil College is \$ 10,901,992, a 9% increase over FY2017. The proposed budget supports the computer replacement program at the College.
- The FY2018 budget allocation to Cecil County Public Library is \$5,442,217, a 7.1% increase over FY2017. This allocation supports the hiring of a part time small business library associate. The FY2018 capital budget fully funds the new North East Library's design and engineering.

County Executive's Budget – Goals & Objectives

GOAL # 6 ECONOMIC DEVELOPMENT

The County has an obligation to its citizens to create and maintain an environment that encourages economic growth through job creation, business development and community revitalization.

- The FY2018 budget combines the planning, zoning & permitting functions into the Land Use and Development Services Department. By bringing all employees that administer this function together in one place greater efficiencies will be achieved and facilitate the needs of the businesses looking to locate or expand in Cecil County.
- The FY2018 Capital Budget invests in much needed sewer lines along Rte 40 within the County's growth corridor. The sewer infrastructure provides the foundation and is the first step in bringing new businesses and jobs to this area of the County.
- The budget's priorities invests in the overall goal of providing public safety, public education, roads and utility infrastructure, thereby supporting and maintaining the vigor and vitality of our towns and rural communities.

We have talked about
the services the
County provides for
its citizens...

**How does the
budget affect
ME!**



Property Tax Rate Comparisons

***FY 18 Real Property Tax Rates Ranking By Highest to Lowest**

	<u>Tax Rate</u>	
1	Baltimore City	2.2480
2	Prince Georges	1.3740
3	Charles	1.2050
4	Howard	1.1900
5	Baltimore	1.1000
6	Frederick	1.0600
7	Harford	1.0420
8	Cecil	1.0414
9	Montgomery	1.0380
10	Kent	1.0220
11	Carroll	1.0180
12	Somerset	1.0000
13	Garrett	0.9900
14	Caroline	0.9800
15	Allegany	0.9770
16	Dorchester	0.9760
17	Calvert	0.9520
18	Wicomico	0.9516
19	Washington	0.9480
20	Anne Arundel	0.9150
21	St. Mary's	0.8523
22	Queen Anne's	0.8471
23	Worcester	0.8350
24	Talbot	0.5470

*** information provided in chart assumes no tax increase by other Counties in FY2018**

The average assessed value of a Cecil County home is \$200,000.

Proposed County tax bill \$ 2,082.80
 Current County tax bill 1,982.80
Difference \$ 100.00

The tax rate has not changed for the past five budget cycles.....

No change in tax rate since FY2013

YEAR	2013	2014	2015	2016	2017	2018p
TAX RATE	0.9907	0.9907	0.9907	0.9907	0.9914*	1.0414

*set at constant yield

Income Tax Rate Comparisons

***Current Income Tax rates By County**

	<u>Tax Rate</u>
1 Howard	.0320
2 Baltimore City	.0320
3 Prince Georges	.0320
4 Montgomery	.0320
5 Somerset	.0320
6 Wicomico	.0320
7 Queen Anne's	.0320
8 Harford	.0306
9 Allegany	.0305
10 Charles	.0303
11 Kent	.0303
12 Carroll	.0303
13 Cecil	.0300
14 Calvert	.0300
15 St. Mary's	.0300
16 Frederick	.0296
17 Baltimore	.0283
18 Washington	.0280
19 Caroline	.0273
20 Garrett	.0265
21 Dorchester	.0262
22 Anne Arundel	.0250
23 Talbot	.0240
24 Worcester	.0175

The average American's taxable income per the IRS based on 2014 returns is \$45,575.

Proposed Income Tax	\$ 1,367.25
Current Income Tax	<u>1,276.10</u>
Difference	\$ 91.15

The last change to the income tax rate in Cecil County was 2001!

*** information provided in chart assumes no tax increase by other Counties in FY2018**

How much is it going to cost ME!

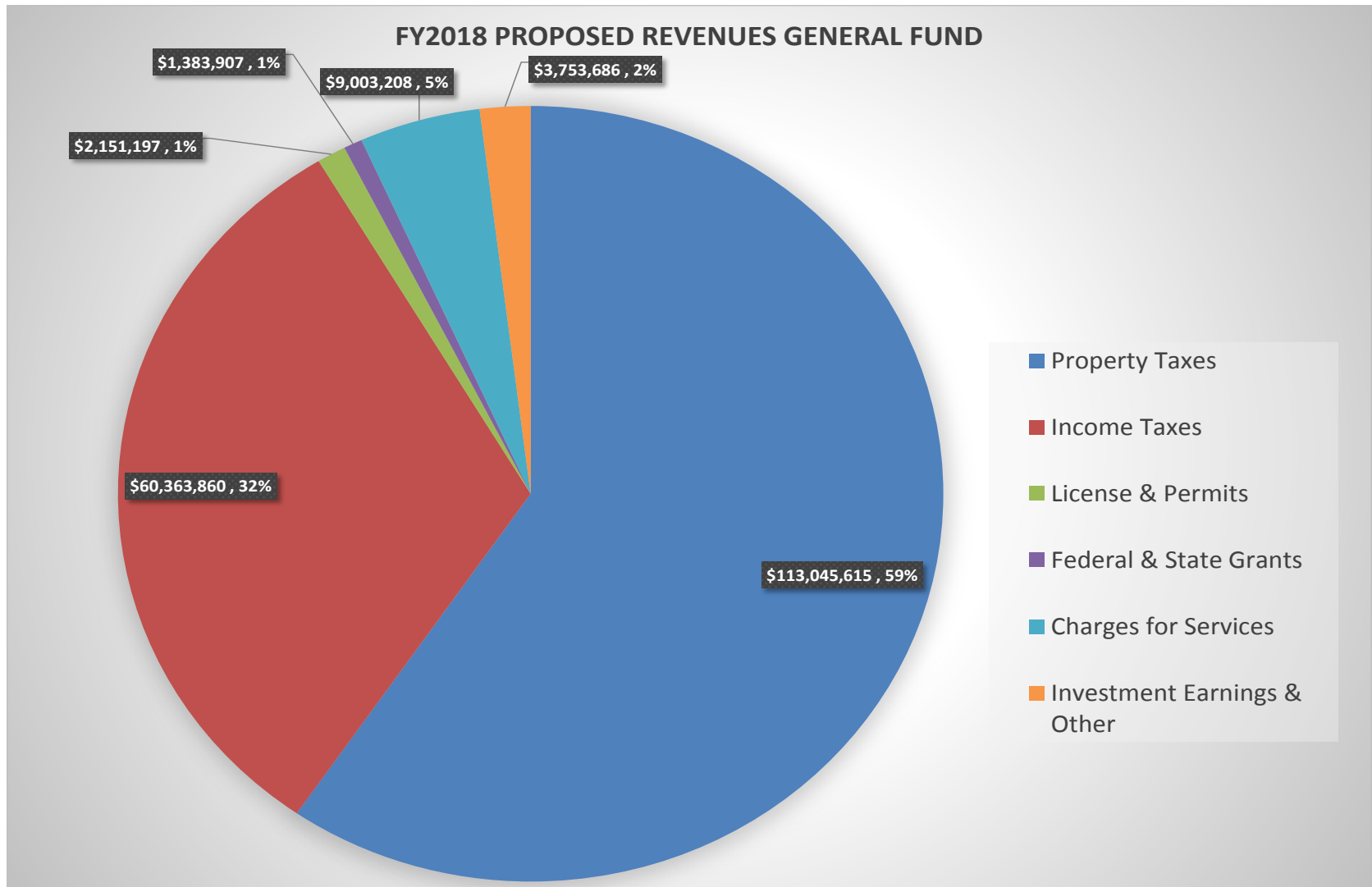
Property Tax & Income Tax Increase Combined (Summation of Increases as Proposed)

	Current	1 cent	2 cents	3 cents	4 cents	5 cents
Tax Rate	0.9914	1.0014	1.0114	1.0214	1.0314	1.0414
Assessed Value	200,000	200,000	200,000	200,000	200,000	200,000
Taxable Income	45,575	45,575	45,575	45,575	45,575	45,575
Annual Increase	-	111.15	131.15	151.15	171.15	191.15
Monthly Increase	-	9.27	10.93	12.60	14.27	15.93
Daily Increase	-	0.30	0.36	0.41	0.47	0.52

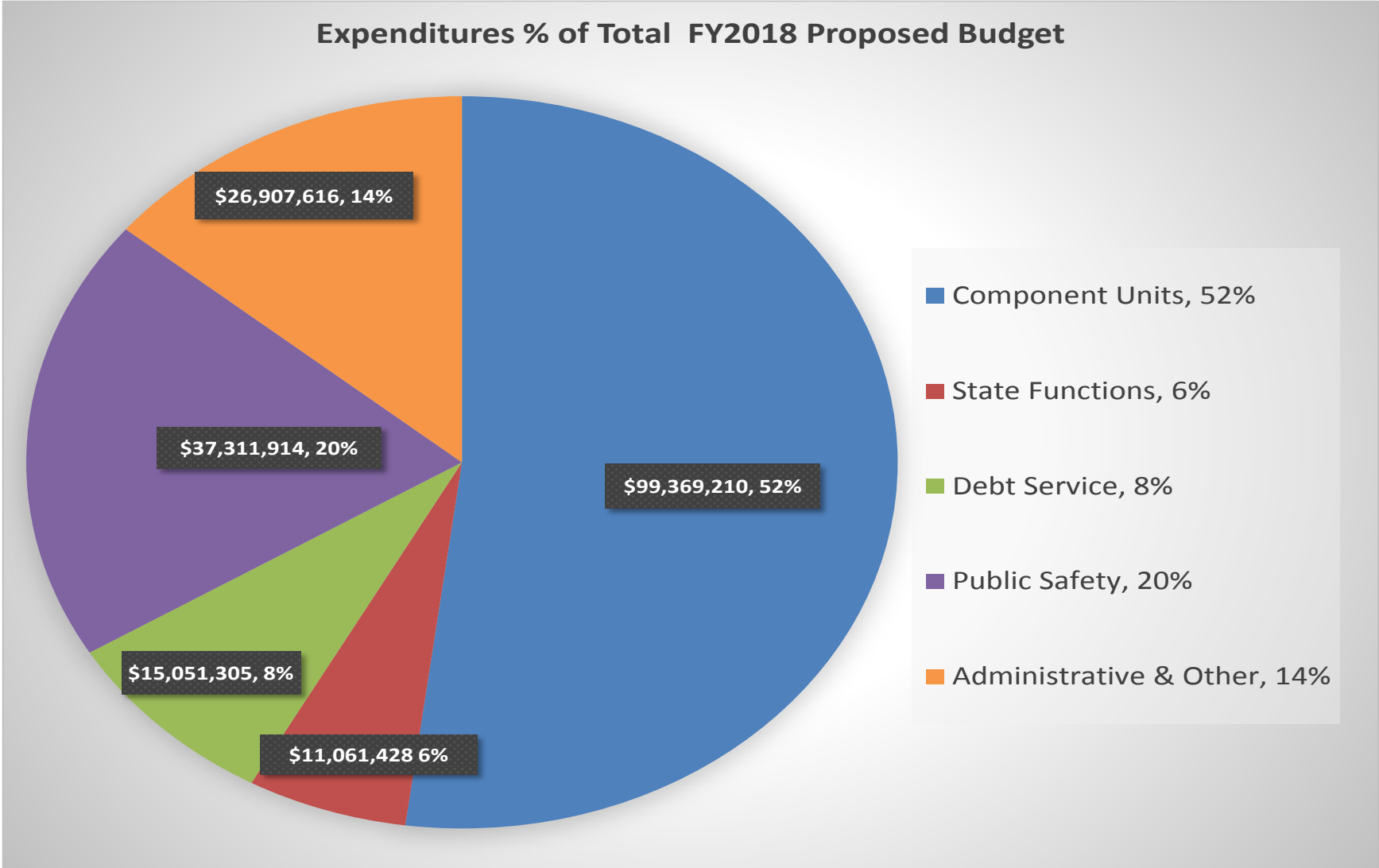
The proposed increase to the average, employed, homeowner in Cecil County is:

Per Year	191.15
Per Month	15.93
Per Day	52 cents

FY2018 Proposed General Fund Revenues



FY2018 Proposed General Fund Expenditures



Per Capita County Rankings by Expenditure Categories

**Source: Local Government Finances Fiscal 2014, Department of Legislative Services
For the Fiscal Year 2014**

Education		Public Works		Public Safety		Total Expenditures	
1 Howard	\$ 3,405	1 Garrett	\$ 988	1 Baltimore City	\$ 1,056	1 Montgomery	\$ 6,116
2 Montgomery	3,036	2 Baltimore City	934	2 Montgomery	724	2 Howard	5,985
3 Charles	2,966	3 Montgomery	758	3 Charles	689	3 Baltimore City	5,884
4 Calvert	2,849	4 Howard	651	4 Howard	660	4 Worchester	4,905
5 Frederick	2,690	5 Prince George's	528	5 Worchester	559	5 Charles	4,869
6 Wicomico	2,624	6 Baltimore	490	6 Prince George's	510	6 Prince George's	4,781
7 Caroline	2,572	7 Anne Arundel	474	7 Anne Arundel	508	7 Calvert	4,603
8 Worchester	2,570	8 Worchester	443	8 Harford	508	8 Garrett	4,559
9 Washington	2,526	9 Harford	426	9 Queen Anne's	459	9 Queen Anne's	4,265
10 Garrett	2,518	10 Allegany	417	10 Kent	452	10 Frederick	4,189
11 Carroll	2,517	11 Charles	414	11 Baltimore	441	11 Harford	4,136
12 Anne Arundel	2,456	12 Somerset	392	12 Frederick	421	12 Anne Arundel	4,107
13 Cecil	2,447	13 Queen Anne's	392	13 St. Mary's	403	13 Baltimore	3,978
14 Harford	2,436	14 Washington	386	14 Dorchester	388	14 Carroll	3,968
15 St. Mary's	2,429	15 Kent	363	15 Calvert	373	15 Wicomico	3,817
16 Baltimore City	2,407	16 Calvert	349	16 Caroline	363	16 St. Mary's	3,797
17 Prince George's	2,391	17 Dorchester	340	17 Talbot	347	17 Dorchester	3,727
18 Allegany	2,323	18 Talbot	339	18 Cecil	346	18 Kent	3,719
19 Dorchester	2,299	19 St. Mary's	322	19 Garrett	334	19 Caroline	3,674
20 Queen Anne's	2,279	20 Frederick	315	20 Carroll	319	20 Cecil	3,622
21 Baltimore	2,248	21 Cecil	270	21 Somerset	288	21 Washington	3,605
22 Kent	1,839	22 Carroll	260	22 Wicomico	266	22 Somerset	3,468
23 Talbot	1,830	23 Wicomico	208	23 Washington	261	23 Allegany	3,445
24 Somerset	1,725	24 Caroline	146	24 Allegany	229	24 Talbot	3,202
State wide	\$ 2,583	State wide	\$ 556	State wide	\$ 572	State wide	\$ 4,803

Why should I care about increases?

- **NO DEFICIT!**

The FY2018 budget comes to grips with continued use of deficits in annual budgets.

- **Provides fiscal stability for the foreseeable future.**

The FY2018 budget provides a multi-year solution to the County's operating budget.

- **Capital budget makes decisions NOW!**

The FY2018 capital budget is a realistic plan to provide the needs of citizens affordably.

- **The increases allow the County to continue to provide services the citizens need and deserve.**

The FY2018 budget allows for increases in public safety, infrastructure, and education to better protect, better educate and better serve the citizens of Cecil County.

Cecil County's Future

- **If not now....when?**

Not addressing the revenue needs of the County now, will only require larger increases in future years.

- **If not us...who?**

If the County Executive and its citizens do not acknowledge the revenue needs of the County today, how can we expect any change?

