TOWN HALL MEETING
FOR CITIZEN INPUT
FY2021 BUDGET – FEBRUARY 11, 2020 @ 6:00PM
A LOOK BACK......

WHAT WAS THE TOTAL AMOUNT OF THE FY2020 GENERAL FUND EXPENDITURE BUDGET?
$202,815,697

This was a 3.8% budget increase over the prior fiscal year.
HOW MUCH OF THE FY2020 BUDGET WAS ALLOCATED TO THE EDUCATIONAL NEEDS OF OUR CITIZENS?
$103,794,360

IN OTHER WORDS 51% OF THE BUDGET GOES DIRECTLY TO PUBLIC EDUCATION – K-12 EDUCATION, HIGHER EDUCATION AND THE PUBLIC LIBRARY SYSTEM!
HOW MUCH OF THE FY2020 BUDGET WAS ALLOCATED TO PROTECTING OUR COUNTY CITIZENS?
$40,716,093

IN OTHER WORDS, 20% OF THE BUDGET GOES DIRECTLY TO PROTECTING OUR CITIZENS FROM HARM AND ENSURING THEY GET THE HELP THEY NEED WHEN THEY NEED IT! (PUBLIC SAFETY INCLUDES THE SHERIFF’S OFFICE, DEPT OF EMERGENCY SERVICES, SUPPORT FOR VOLUNTEER FIRE SERVICE & ANIMAL SERVICES.)
HOW MUCH OF THE FY2020 BUDGET WAS ALLOCATED TO PAY DEBT THAT PURCHASED NEW SCHOOLS, LIBRARIES, BRIDGES AND OTHER CAPITAL IMPROVEMENT PROJECTS?
A TOTAL OF 8% OF THE COUNTY’S BUDGET GOES TO PAY BACK DEBT ASSOCIATED WITH CAPITAL PROJECTS. CAPITAL PROJECTS THAT THE COUNTY HAS TO FINANCE ARE NEW SCHOOL, COUNTY ROADS, COUNTY BRIDGES, PUBLIC SAFETY COMMUNICATION SYSTEMS, LIBRARIES, UPGRADES TO THE COURTHOUSE AND PUBLIC SAFETY OFFICES.
HOW MUCH OF THE FY2020 BUDGET WAS NEEDED TO FUND THE COUNTY PORTION OF STATE REGULATED FUNCTIONS THAT OFTEN THE COUNTY DOES NOT HAVE DISCRETION ON HOW MUCH AND WHAT TO FUND?
$11,144,904

This budget supports the Circuit Court system, the Office of the States Attorney, Board of Elections, and the Health Department. Many of the services provided these areas are often thought to be part of the state's budget. For most to of the areas listed it is a shared effort but it equates to 6% of the county's total general fund budget!
HAVE YOU BEEN KEEPING TRACK? HOW MUCH IS LEFT TO SPEND ON EVERYTHING ELSE? EVERYTHING ELSE INCLUDES THE COUNTY WORKFORCE, THE DEPARTMENT OF PUBLIC WORKS, ECONOMIC DEVELOPMENT, AND ALL MAINTENANCE DEPARTMENTS?
$31,146,143 – THIS IS ALL THAT IS LEFT (15%) TO PROVIDE BUDGET FOR ROAD MAINTENANCE, OVERLAY, MAINTENANCE OF ALL COUNTY OWNED FACILITIES AND COUNTY SERVICE DEPARTMENTS. (NOT INCLUDING SOLID WASTE AND WASTE WATER FACILITIES)

### COUNTY DEPARTMENTS

<table>
<thead>
<tr>
<th>Department</th>
<th>Expenditures</th>
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</thead>
<tbody>
<tr>
<td>COUNTY EXECUTIVE</td>
<td>$191,581.00</td>
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<tr>
<td>COUNTY COUNCIL</td>
<td>$433,475.00</td>
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<tr>
<td>ADMINISTRATOR</td>
<td>$462,745.00</td>
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<td>HUMAN RESOURCES</td>
<td>$1,325,927.00</td>
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<tr>
<td>FINANCE</td>
<td>$2,733,921.00</td>
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<td>LIQUOR BOARD</td>
<td>$193,436.00</td>
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<tr>
<td>PLANNING &amp; ZONING</td>
<td>$1,365,775.00</td>
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<td>MAINTENANCE</td>
<td>$4,437,641.00</td>
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<td>LEGAL SERVICES</td>
<td>$325,298.00</td>
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<td>PUBLIC WORKS</td>
<td>$12,395,489.00</td>
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<tr>
<td>PARKS &amp; RECREATION</td>
<td>$1,926,089.00</td>
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<tr>
<td>ECONOMIC DEVELOPMENT</td>
<td>$1,235,702.00</td>
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<td>JUDGEMENT &amp; LOSSES</td>
<td>$15,000.00</td>
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<td>GRANTS TO MUNICIPALITIES</td>
<td>$710,314.00</td>
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<tr>
<td>HOUSING &amp; COMMUNITY SERVICES</td>
<td>$3,393,750.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$31,146,143.00</strong></td>
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Expenditures % of Total FY2020 Approved Budget

- County Depts 15%
WHERE DOES CECIL COUNTY GET $202,815,697???
#1. REAL & PERSONAL PROPERTY TAX

$118,039,678 was estimated to be collected from real and personal property tax. Real and personal property account for 59% of the county’s revenue.
The current real property rate is $1.0414 and the personal property tax rate is $2.6035 set back in FY2018.

Prior to FY2018, the budget was balanced by using unassigned fund balance. In order to match current operating revenues with current operating expenses, and to continue to provide citizen demanded services in a growing county, the tax rate was increased in FY2018 to accomplish the goal of a balanced budget without the use of unassigned fund balance.
To date, the property tax rate has only been increased one time in the last eight fiscal years!!!
SO WHY HAS MY REAL ESTATE TAX BILL CONTINUED TO INCREASE IF THE RATE HAS ONLY CHANGED ONCE IN EIGHT FISCAL YEARS?

THE ASSESSED VALUE OF A PARTICULAR PARCEL WITHIN THE COUNTY IS ASSESSED ONCE EVERY THREE YEARS BY THE STATE OF MARYLAND.

THE STATE HAS DIVIDED CECIL COUNTY INTO THREE AREAS.

THE AREA RECENTLY ASSESSED WAS AREA 2, HOWEVER ALL THREE AREAS HAVE EXPERIENCED AN INCREASE IN VALUE IN THE LAST EIGHT YEARS.

THE TAX RATE IS NOT WHAT CONTINUES TO CHANGE, IT IS THE INCREASED VALUE OF YOUR PROPERTY!
#2. INCOME TAX

$63,322,542 was estimated to be collected from income tax, equaling 31% of the county’s general fund revenues.
To date the income tax rate has only been increased one time in the last **nineteen** fiscal years!!!
HAVE YOU BEEN KEEPING TRACK?

PROPERTY AND INCOME TAX ACCOUNT FOR **90%** OF THE COUNTY’S REVENUE TO PROVIDE
ALL FUNDING FOR EDUCATION, PUBLIC SAFETY, STATE FUNCTIONS AND DEBT!!
WHAT IS THE CURRENT FEDERAL DEFICIT?

FOR FY2019 - $984,000,000,000
WHAT IS THE OUTLOOK FOR THE STRUCTURAL DEFICIT FOR THE STATE OF MARYLAND?

THE STRUCTURAL DEFICIT IN THE CURRENT GOVERNOR’S BUDGET FOR FY2021 IS: $37,000,000
WHAT IS THE COUNTY’S CURRENT DEFICIT OR BUDGETED STRUCTURAL DEFICIT?

$0.00
ACTUAL FUND BALANCE
THE GOAL OF DR. MCCARTHY’S ADMINISTRATION IS TO NOT USE UNASSIGNED FUND BALANCE (THE COUNTY’S SAVINGS ACCOUNT) TO BALANCE THE CURRENT YEAR’S BUDGET!

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>General Fund</td>
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<tr>
<td>Non-Spendable</td>
<td>$13,335,406</td>
<td>$10,603,047</td>
<td>$10,215,102</td>
<td>$10,075,089</td>
<td>$9,812,028</td>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Committed Fund</td>
<td>$14,683,298</td>
<td>$16,196,482</td>
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<td></td>
<td>1,360,150</td>
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<td>Assigned Fund</td>
<td>$3,500,000</td>
<td>$2,300,000</td>
<td>$15,327,610</td>
<td>$23,788,045</td>
<td>$28,659,727</td>
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<td>Unassigned Fund</td>
<td>$6,206,671</td>
<td>$8,755,014</td>
<td>$10,247,486</td>
<td>$9,775,539</td>
<td>$11,381,665</td>
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<tr>
<td>Total General</td>
<td>$37,725,375</td>
<td>$37,854,543</td>
<td>$35,790,198</td>
<td>$43,638,673</td>
<td>$51,213,570</td>
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FY2021 OPERATING & CAPITAL BUDGET
KEY DATES & SCHEDULES

• JANUARY 17, 2020  DUE DATE FOR RETURNING OPERATING BUDGET REQUESTS TO BUDGET MANAGER
• FEBRUARY 11, 2020  COUNTY EXECUTIVE – PUBLIC HEARING FOR CITIZEN INPUT 2021 BUDGET
• FEBRUARY 20, 2020  SUBMIT PROPOSED 2021 CIP BUDGET TO PLANNING COMMISSION
• FEBRUARY 28, 2020  RECEIPT OF CECIL COUNTY PUBLIC SCHOOLS, CECIL COLLEGE AND CECIL COUNTY PUBLIC LIBRARY BUDGET REQUESTS
• MARCH 16, 2020  PLANNING COMMISSION MEETING - 6:00PM - ELK ROOM
• APRIL 1, 2020  COUNTY EXECUTIVE SUBMITS PROPOSED BUDGET AND CIP TO COUNTY COUNCIL
• MAY 21, 2020  PUBLIC HEARING ON ANNUAL BUDGET & APPROPRIATIONS ORDINANCE OF CECIL COUNTY AT 7PM ELKTON HIGH SCHOOL
• JUNE 2, 2020  FORMAL ADOPTION OF ANNUAL BUDGET & APPROPRIATIONS ORDINANCE OF CECIL COUNTY
STATE DOLLARS THAT SUPPORT THE COUNTY BUDGET:

- $1,468,617 – HIGHWAY USER REVENUE FUNDS AN INCREASE OF $46,146.
- $1,846,000 – DISPARITY GRANT FOR COUNTIES WHOSE PER CAPITA INCOME TAX REVENUES ARE LESS THAN 75% OF THE STATEWIDE AVERAGE AN INCREASE OF $342,000.
- $1,591,000 – HEALTH DEPARTMENT $274,000 INCREASE.
- $732,000 – PROJECT OPEN SPACE FOR ACQUISITION AND DEVELOPMENT OF PARKS. A DECREASE OF ($60,000).
- EDUCATION MANDATED FUNDING FORMULAS FOR BOTH K-12 AND COMMUNITY COLLEGE ARE FULLY FUNDED HOWEVER THE FORMULA FUNDING CONTINUES TO FALL SHORT OF THE NEED.
FY2021 COUNTY BUDGET REALITIES

✓ COUNTY EXECUTIVE’S DECISION TO NOT RAISE THE PROPERTY TAX OR THE INCOME TAX RATE FOR THE FY2021 BUDGET. AGAIN, WITH THE ADDED CONSTRAINT OF NOT USING UNASSIGNED FUND BALANCE TO “PLUG” THE SHORTFALLS OF REVENUES OR INCREASE IN EXPENDITURES.

✓ PROPERTY ASSESSMENTS IN AREA 2 WERE RECENTLY ASSESSED, SAW AN INCREASE OF 9% THAT WILL BE PHASED IN OVER THE NEXT THREE FISCAL YEARS STARTING IN FY2021.

✓ THE UNITED STATES’ ECONOMY IS IN A LONG PERIOD OF SUSTAINED GROWTH WITH THE POTENTIAL TO CHANGE COURSE LEAVING THE COUNTY WITH THE POSSIBILITY OF REDUCED REVENUES.
FY2021 COUNTY BUDGET REALITIES

✓ THE INCREASING DIFFICULTY TO BUILD AND RETAIN A QUALITY WORKFORCE- ESPECIALLY IN THE PUBLIC SAFETY SECTOR.

✓ TO FUND OBJECTIVES AIMED AT THE QUALITY OF LIFE OF OUR CITIZENS THAT WILL AIDE IN COMBATTING THE NEGATIVE IMPACT OF SUBSTANCE ABUSE AND OTHER SOCIAL ISSUES IN OUR COUNTY.

✓ AIDING PUBLIC SCHOOLS, CECIL COLLEGE AND THE LIBRARY WHERE THE STATE FALLS SHORT OF MEETING THEIR OPERATIONAL CHALLENGES.

✓ TO AID IN THE RESPONSIBLE GROWTH OF CECIL COUNTY, ADDITIONAL INFRASTRUCTURE INVESTMENT IS VITAL TO COMPETE.
CECIL COUNTY’S BUDGET CHALLENGE

To deliver in the most efficient and effective manner, the services Cecil County citizens expect and deserve while preserving our strong financial position.