

BALTIMORE COUNTY GOVERNMENT

FY BUDGET 20 MESSAGE



COUNTY EXECUTIVE
JOHN A. OLSZEWSKI, JR.

FISCAL YEAR 2019 ADOPTED BUDGET

“It is assumed that a sizable infusion of new revenue will be approved in FY20 in order to meet the assumptions of this forecast.”

Fiscal Year	Revenue	Expenditures	Surplus/Deficit	% Change
FY 2017	38.5	38.5	0.0	10.0%
FY 2018	40.2	40.2	0.0	11.8%
FY 2019	41.0	2,388.8	260.6	10.9%
FY 2020	21.7	2,453.4	(2,466.8)	10.1%

The five year outlook for revenues and expenditures indicates:

- * Fund balances (\$millions) will stabilize around 10% of revenues, the target level for the Revenue Stabilization Account
- * A 3% COLA will be provided to employees in mid FY19. It assumes annual salary adjustments that include annual merit and longevity increments. Adjustments have been made for annual salary adjustments that include annual merit and longevity increments. Adjustments have been made for increases in certain built-in items such as employee benefits, utilities, and debt service, as well as a 2.5% inflation adjustment in other cost items. Funding for at least maintenance-of-effort provisions in the public schools and community college has been included
- * FY19 General Fund Current Expense contribution to the Capital Budget is \$40.5 million. Annual funding in FY20 - FY23 at \$30 million and \$20 million in FY24.
- * OPEB funding in FY19 is only 5% of \$100 million actual annual cost. Will grow from 48% of cost in FY20 to 76% coverage in FY24.
- * It is assumed that a sizable infusion of new revenue will be approved in FY20 in order to meet the assumptions of this forecast. Without this new revenue, dramatic reductions in services and fundamental costs will be needed.

**MULTI-YEAR OUTLOOK
FY 2019 TO FY 2024**

Unreserved Fund Balance As a Percent of Revenues

Actual & Projected %

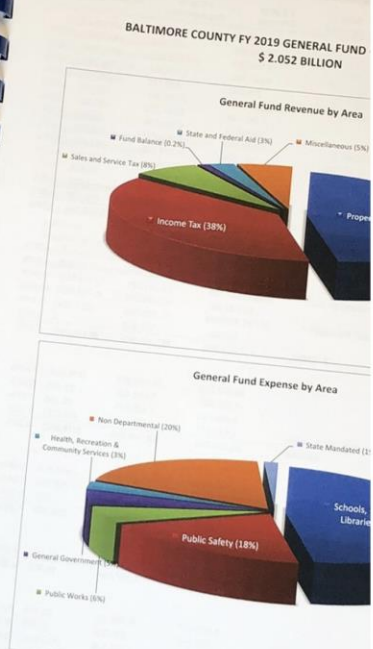
The Available Balance is the amount of funds which readily can be used to meet normal budget obligations. The Revenue Stabilization Account is a designated cash reserve which, at year end, is maintained at a level equivalent to 10% of budgeted revenues. It can be utilized to eliminate a deficit which could develop due to a severe revenue shortfall. When combined with the Unreserved General Fund Balance and represent the total amount of resources that could be used in an emergency.

Fiscal Year	Available Balance & Reserve	Revenues	Transfer to Stabilization Account	(A)	(B)	(A + B)	Balance as % of Revenues
FY 2013	185.7	1,704.3	(1,439.7)	265.0	85.0	350.0	20.7%
FY 2014	250.5	1,750.6	(1,733.6)	(8.1)	85.2	362.7	20.7%
FY 2015	277.5	1,796.2	(1,839.5)	(62.0)	88.3	351.5	19.6%
FY 2016	230.1	1,806.3	(1,951.1)	(151.0)	99.4	350.7	19.4%
FY 2017	165.5	1,975.0	(2,054.9)	(88.9)	108.7	317.6	16.1%
FY 2018	108.3	1,968.9	(1,976.7)	(68.4)	109.3	317.7	16.1%
FY 2019	13.1	2,072.1	(2,052.7)	19.4	109.0	328.4	15.8%
FY 2020	17.7	2,282.0	(2,185.5)	96.5	207.2	303.7	13.3%
FY 2021	40.2	2,332.1	(2,326.2)	5.9	220.8	226.7	9.7%
FY 2022	41.0	2,402.5	(2,402.5)	0.0	218.2	218.2	9.1%
FY 2023	21.7	2,453.4	(2,456.8)	(3.1)	238.9	238.9	9.7%
FY 2024	21.7	2,453.4	(2,456.8)	(3.1)	245.3	245.3	10.0%

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HOW DID WE GET HERE?

Spent fund
balance
reserves
on capital
projects

Drained fund
for retiree
health & life
insurance
benefits

Money from
retiree benefits
paid for
operational
expenses—
inflating County's
baseline costs

WHAT THE COUNTY NEEDS

01

EDUCATION INVESTMENTS

02

SOCIAL SAFETY NET

03

COMBAT OPIOID CRISIS

04

SAFE COMMUNITIES

05

RECREATIONAL OPPORTUNITIES
& SUSTAINABILITY

EDUCATION

05

10-year school construction plan

06

Planning money for a new Lansdowne High School

07

County's portion for remainder of projects under the Schools for our Future Program
(State must agree to match County portion)



CCBC

**62,000
STUDENTS
ENROLLED**

2010-2017 CCBC Graduates

400 ENGINEERS

500 TEACHERS

3,000 LAW ENFORCEMENT
OFFICERS

2,300 NURSES

1,400 BUSINESS
ADMINISTRATORS

ECONOMIC OPPORTUNITY

01

Expand eligibility for the College Promise scholarship program

02

Freeze in-County tuition at CCBC

03

Final funding to complete the Carol Eustis Center for Health Professionals

04

Leverage anchor institutions to help seed new startups

ECONOMIC OPPORTUNITY

05

Invest in an integrated tourism and arts and culture strategy

06

Pursue state designation to secure County's first Arts and Entertainment District

07

Pursue state designation to secure County's first Main Street Maryland community

08

Increase hotel tax / Introduce fee on short term rentals

HEALTHY & SAFE COMMUNITIES

01

Hire an Opioid Strategy Coordinator

02

Two new Police Athletic League (PAL) Centers

03

Resolution to County/FOP Dispute: Officers will receive back pay and grade changes to increase pay

04

Increase diversity in police force

HEALTHY & SAFE COMMUNITIES

05

Funding to plan a new Wilkens Precinct building

06

Equipping all career fire stations with commercial grade washing machines

07

Contribute an additional \$500,000 to the grant fund for volunteer fire companies, for a total of \$1.5 million

08

Equip all correctional officers with their own protective gear

VIBRANT, LIVABLE COMMUNITIES

01

Hire a Chief Diversity Officer

02

Hire a Chief Sustainability Officer

03

\$500,000 to address issues of resiliency,
flooding and climate change

04

Create a Transportation Bureau

05

\$1 million for bike lanes and pedestrian features

VIBRANT, LIVABLE COMMUNITIES

06

Planning funds for a circulator pilot in Towson

07

Increased funding for road resurfacing and traffic calming

08

Launch 311

TRANSPARENT, ACCOUNTABLE GOVERNMENT

01

Create an Office of Ethics and Accountability

02

Launch an open budget platform

03

Lay groundwork for performance management system

04

Invest more in retiree health and life insurance benefits program

05

FY20 budget retains 10% fund balance

COMMITMENT TO CRITICAL INVESTMENTS

More Than \$20 Million in Savings Identified, 17 Redundant Positions Eliminated

Cancelled all County cell phones being paid for, but not in use

Placed uniformed fire personnel back into field

Eliminated duplicative home health program

Transferring responsibility of recreational field preparation to volunteer rec councils

Installing technology on snow plows to reduce the amount of road salt used during weather events

COMMITMENT TO CRITICAL INVESTMENTS

01

Increase income tax to 3.2%

02

Implement developer impact surcharge

03

Propose tax on cell phone lines

04

Introduce PEG fee: surcharge on cable bills

