



# CITIZEN'S GUIDE TO THE BUDGET

# FY 2025

## Information Guide

Washington County Profile	2
Budget Overview	6
General Fund Summary	8
Capital Fund Summary	11
Other Funds Summary	14
Debt & Reserve	16
Expenditure by Function	18
Frequently Asked Questions	23



*Renovated clubhouse at Black Rock Golf Course*

This document is a “brief” look at the 2025 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.



# Washington County, Maryland Board of County Commissioners



President John F. Barr



Vice President Jeffrey A. Cline



Commissioner  
Randall E. Wagner



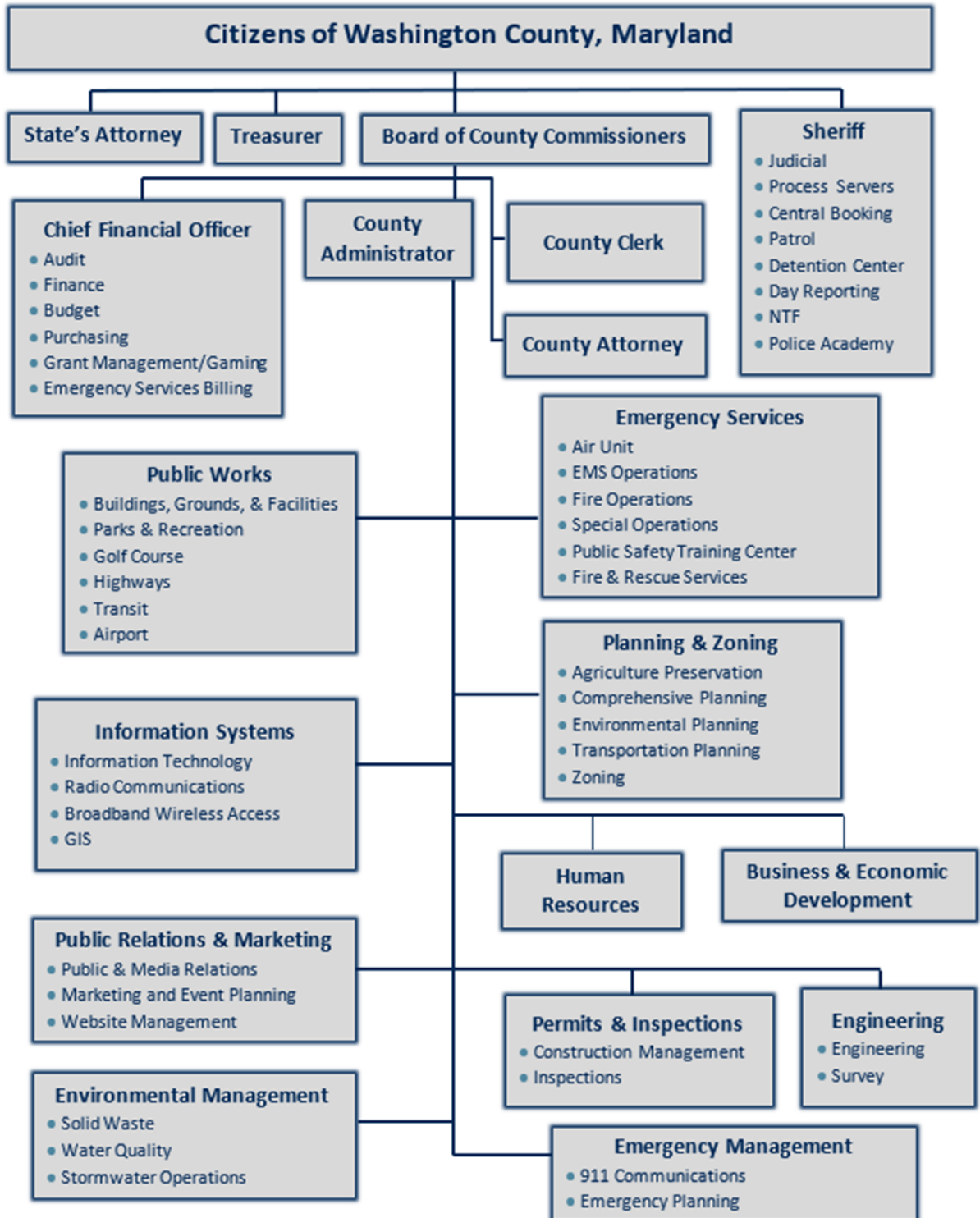
Commissioner  
Wayne K. Keefer



Commissioner  
Derek Harvey

**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 155,590 residents with nine incorporated municipalities.

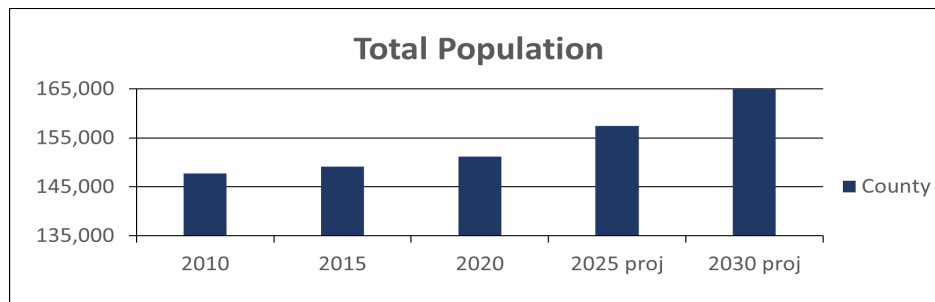


*Garis Shop Road Bridge*

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.

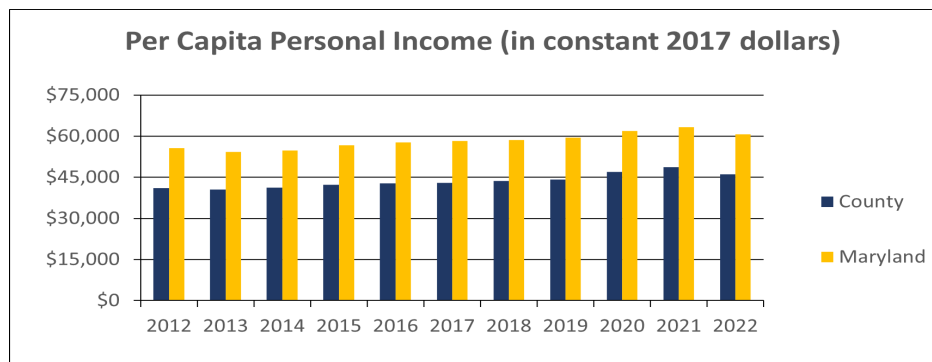
**Demographics**

Washington County is home to an estimated 155,590 residents and currently ranks 11th in population and 14th in population growth in the State of Maryland. Between 2012 and 2022, Washington County grew in total by 4.4% or by an annual average of 0.4% per year compared to the State of Maryland, which grew in total by 4.7% or an annual average of 0.42% per year.



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

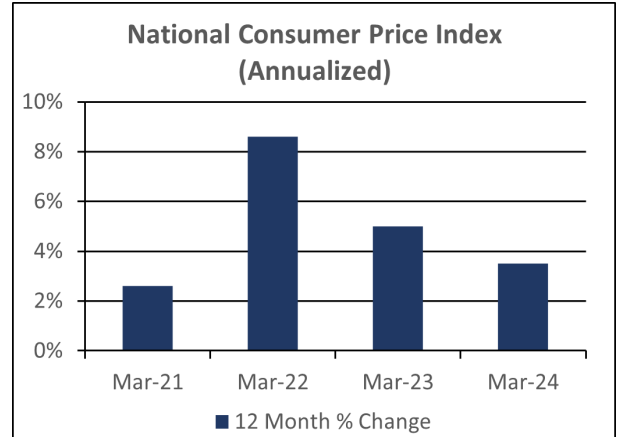
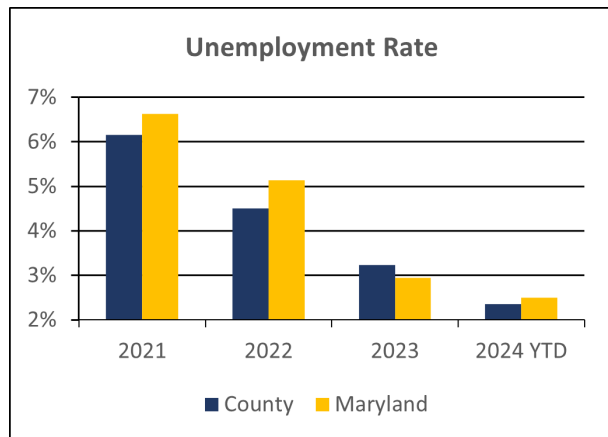
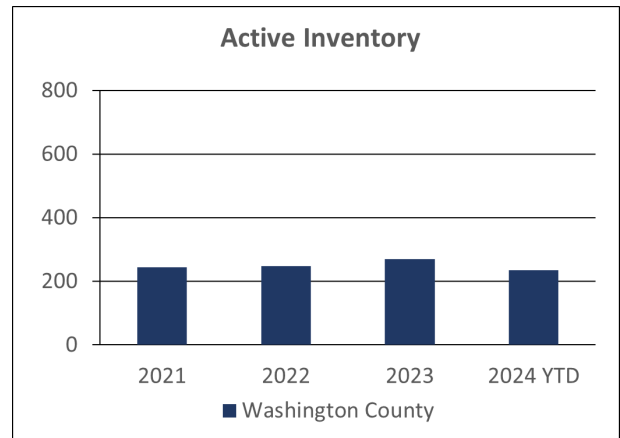
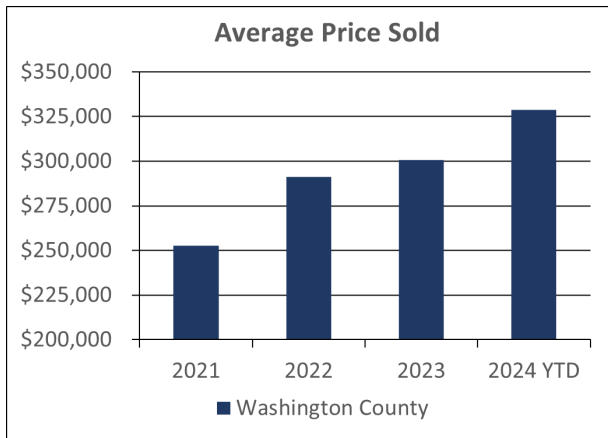
Between 2012 and 2022, Per Capita Personal Income for Washington County residents has increased by 12.4% or by an annual average of 1.13% per year. The Per Capita Personal Income is projected to increase by 1.1% annually through 2025. Per Capita Personal Income for the State of Maryland increased 8.9% from 2012 through 2022 or an annual average of 0.81% per year.



Source: MD Department of Planning’s 2022 Statistical Handbook

**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 \$328 thousand and consistently low active inventory on the market. County unemployment rate continues to decline from 6.16% in fiscal year 2021 to 2.35% as of February 2024. The increase in annualized consumer prices across the nation has slowed to 3.5% as of March 2024, which represents disinflation of 1.5% from this time last year, and 5.1% from March 2022. Price stability and low unemployment are returning to normal levels as the Federal Reserve aims to meet its policy objectives.

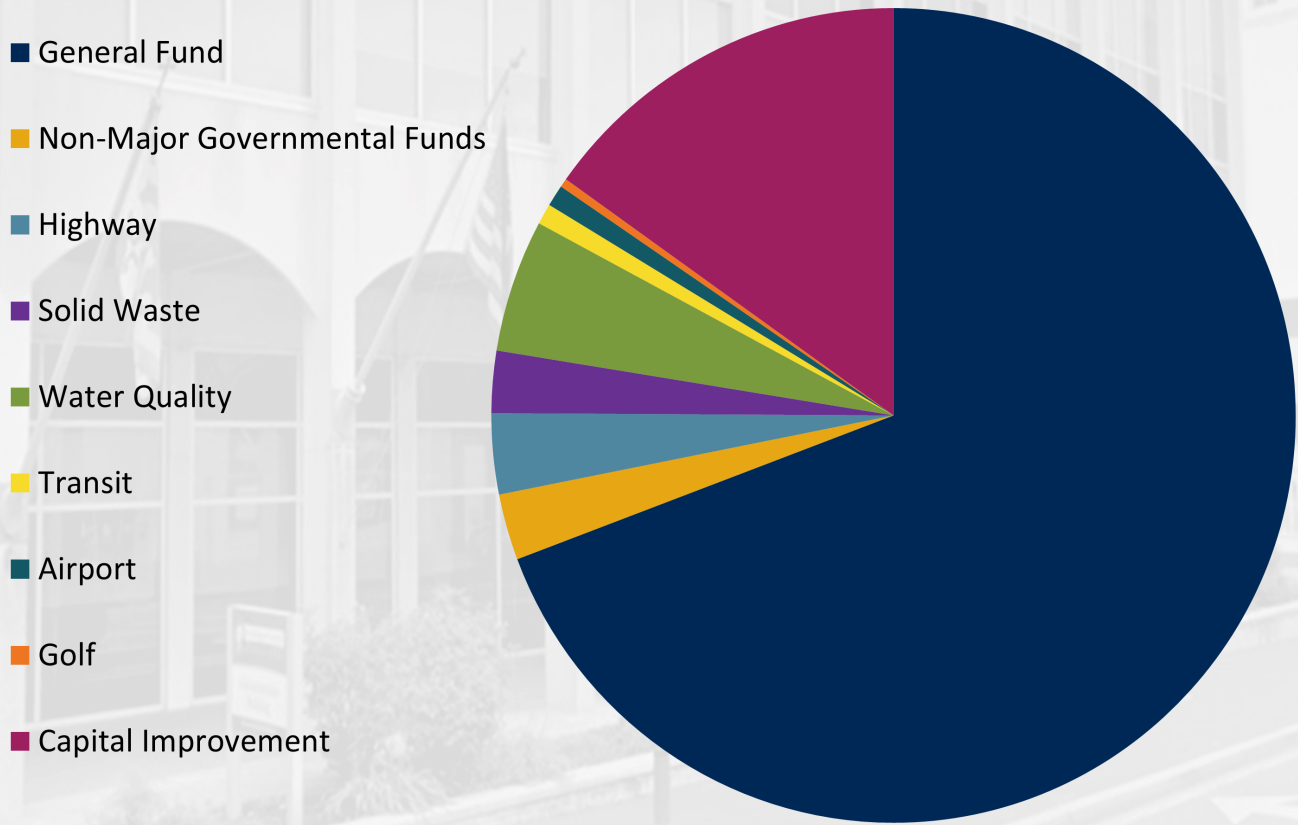


Sources: Maryland Realtors Association; U.S. Bureau of Labor Statistics; and Maryland Department of Labor, Licensing & Regulation.

Note: These charts all represent fiscal year data.

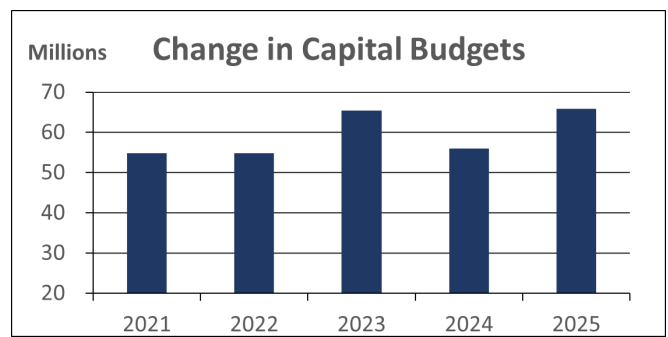
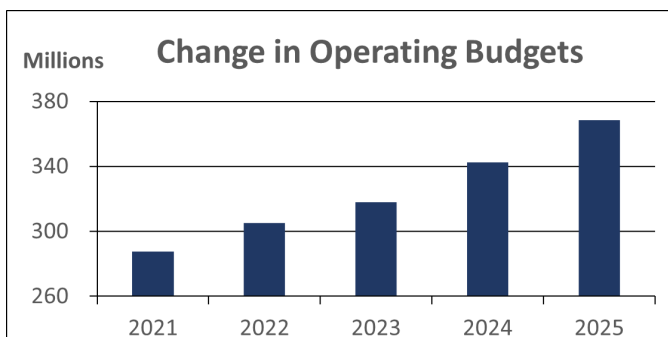
**Budget Overview**

## FY2025 Total Budgeted Funds - \$434,097,440



**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 6% per year. 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. The capital budget increase in fiscal year 2025 is due to the planned use of capital reserves.



## 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 2025 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. The fiscal year 2025 proposed budget includes adjustments to budget requests that were made to ensure that expenditure growth is sustainable and increasing at the same pace as revenue growth.

### Summary for All Funds

	FY24	FY25	FY24 vs. FY25	
	Approved	Proposed	\$ Change	% Change
<b>Operating Funds:</b>				
General Fund	\$281,060,350	\$300,648,730	\$19,588,380	6.97%
Highway Fund	13,042,150	13,914,110	871,960	6.69%
Solid Waste Fund	9,874,630	10,692,500	817,870	8.28%
Utility Administration Fund	5,937,750	6,283,910	346,160	5.83%
Water Fund	1,755,960	1,617,200	(138,760)	(7.90)%
Sewer Fund	13,863,400	14,511,550	648,150	4.68%
Pretreatment Fund	345,600	443,560	97,960	28.34%
Public Transit Fund	3,133,780	3,589,210	455,430	14.53%
Airport Fund	3,095,120	3,715,420	620,300	20.04%
Black Rock Golf Course Fund	1,356,720	1,500,380	143,660	10.59%
	<b>\$333,465,460</b>	<b>\$356,916,570</b>	<b>\$23,451,110</b>	<b>7.03%</b>
<b>Restricted Funds:</b>				
Hotel Rental Tax Fund	\$2,000,000	\$2,000,000	\$0	0.00%
Cascade Town Centre Fund	132,450	108,000	(24,450)	(18.46)%
Agricultural Education Center Fund	290,100	322,660	32,560	11.22%
Grant Management Fund	525,670	660,730	135,060	25.69%
Inmate Welfare Fund	564,090	630,310	66,220	11.74%
Gaming Fund	2,295,370	2,136,000	(159,370)	(6.94)%
Land Preservation Fund	2,519,700	3,869,530	1,349,830	53.57%
HEPMPO Fund	573,110	811,750	238,640	41.64%
Emergency Services Billing Fund	0	816,890	816,890	100.00%
Foreign Trade Zone Fund	0	40,000	40,000	100.00%
	<b>\$8,900,490</b>	<b>\$11,395,870</b>	<b>\$2,495,380</b>	<b>28.04%</b>
<b>Total Operating Funds</b>	<b>\$342,365,950</b>	<b>\$368,312,440</b>	<b>\$25,946,490</b>	<b>7.58%</b>
<b>Capital Improvement Plan</b>	<b>\$56,004,000</b>	<b>\$65,785,000</b>	<b>\$9,781,000</b>	<b>17.46%</b>
<b>Total Budgeted Funds</b>	<b>\$398,369,950</b>	<b>\$434,097,440</b>	<b>\$35,727,490</b>	<b>8.97%</b>

**General Fund**

A summary of the budgeted 2025 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.

<b>General Fund Revenue Summary</b>				
	2025	2024	\$ Change	% Change
<b>Property Tax</b>	\$152,420,120	\$143,377,150	\$9,042,970	6.31%
<b>Local Tax</b>	129,670,150	125,344,810	4,325,340	3.45%
<b>Interest Income</b>	4,757,000	1,900,000	2,857,000	150.37%
<b>Fees</b>	9,119,840	5,155,200	3,964,640	76.91%
<b>Intergovernmental</b>	4,681,620	5,283,190	(601,570)	(11.39%)
	\$300,648,730	\$281,060,350	\$19,588,380	6.97%

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 6.97% or \$19.6 million over the 2024 budget. Following is a detailed discussion regarding the major changes affecting General Fund revenues:

*Property Tax revenue* increased by 6.31% or \$9.0 million in FY25. 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. The property tax rate is \$0.928 per \$100 of assessed value.

*Local Tax revenue* reflects an increase of \$4.3 million. The income tax budget is based on current and prior year revenues, and assumes a 3% income growth for current withholdings, final reconcilments of prior year withholdings will decrease to normal levels and other distributions based on a three year average. The budget includes an assumed disparity grant of \$2.4 million.

*Interest income* increased by \$2.9 million due to an increase in interest rates.

*Fees* increased due to recording in-kind contributions of \$4,280,110.

*Intergovernmental revenue* decreased by \$601,570. The SAFER grant ended in FY24, resulting in a decrease in revenues of \$2.0 million. The County is proposing to increase 911 fees from \$0.75 to \$1.25 per line, resulting in a projected increase of \$900,000. The County is also budgeting for revenues of \$476,880 related to the consolidation of two EMS companies.

<b>Major Tax Rates</b>		
Type	Rate	Basis
<b>Real Estate:</b>	\$ 0.928	\$100 assessed value
<b>Income Tax:</b>	2.95%	Taxable Income



**General Fund**

General Fund expenditures increased in total by \$19.6 million or 6.97% for 2025. 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 6.97% or \$19,588,380 increase over 2024.

General Fund Expenditures By Function				
	2025	2024	\$ Change	% Change
<b>Education</b>	\$125,871,550	\$122,823,130	\$3,048,420	2.48%
<b>Public Safety</b>	83,572,020	75,366,870	8,205,150	10.89%
<b>Intergovernmental Transfers</b>	22,486,240	20,459,160	2,027,080	9.91%
<b>Debt Service</b>	16,210,080	15,779,240	430,840	2.73%
<b>General Government</b>	30,738,050	27,490,760	3,247,290	11.81%
<b>Courts</b>	8,155,350	7,372,690	782,660	10.62%
<b>State Agencies</b>	7,432,100	6,156,520	1,275,580	20.72%
<b>Community Programs &amp; Services</b>	1,200,000	1,000,000	200,000	20.00%
<b>Public Works</b>	2,987,550	2,731,310	256,240	9.38%
<b>Parks &amp; Recreation</b>	1,995,790	1,880,670	115,120	6.12%
	\$300,648,730	\$281,060,350	\$19,588,380	6.97%

Expenditure highlights are as follows:

1. Board of Education—maintenance of effort plus a three percent increase.
2. Adjusted salary scale for grades 1—16.
3. Increased incentives to fire and rescue volunteer companies.
4. \$2,501,230 more to Capital Projects.
5. \$520,000 to fund one-time 1% COLA for retirees.
6. A proposed step of 2.5% and COLA of 1% for employees.

General Fund Expenditures By Object				
	2025	2024	\$ Change	% Change
<b>Full Time</b>	\$50,649,050	\$45,999,060	\$4,649,990	10.11%
<b>Part Time</b>	2,848,410	2,503,420	344,990	13.78%
<b>Overtime</b>	2,771,880	1,621,460	1,150,420	70.95%
<b>Fringe Benefits</b>	32,496,160	32,315,400	180,760	0.56%
<b>Personnel Requests</b>	1,189,120	712,400	476,720	66.92%
<b>Operating</b>	209,696,650	196,701,830	12,994,820	6.61%
<b>Capital Outlay</b>	997,460	1,206,780	(209,320)	(17.35)%
	\$300,648,730	\$281,060,350	\$19,588,380	6.97%

## 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 2025 budget and expenditure projections for the next 10 years; the total capital request for Fiscal Years 2025 through 2034 is \$624,859,000.

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.



*Public Safety Training Facility*

A listing of the major capital projects to be undertaken or purchased in 2025 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 2025 Capital budget is 72% cash, 20% tax-supported debt, and 8% self-supported debt.

## Capital Improvement Funds

2025 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2025 Budget
<b>Airport:</b>				
Airport Systemic Improvements	1,390,000			1,390,000
Taxiway F Rehabilitation	1,131,000			1,131,000
Runway 2/20 Rehabilitation	3,524,000			3,524,000
T-Hangar Taxi Lane Rehabilitation	1,362,000			1,362,000
Airport Projects < \$500,000	538,000			538,000
<b>Bridges:</b>				
Halfway Boulevard Bridges	1,195,000			1,195,000
Bridge Projects < \$500,000	515,000			515,000
<b>Drainage:</b>				
Stormwater Retrofits	800,000			800,000
Drainage Projects < \$500,000	400,000			400,000
<b>Board of Education:</b>				
Capital Maintenance - BOE	9,749,000	4,500,000		14,249,000
<b>Hagerstown Community College:</b>				
HCC Projects < \$500,000	500,000			500,000
<b>Public Library:</b>				
Library Projects < \$500,000	60,000			60,000
<b>General Government</b>				
Systemic Improvements - Buildings	1,000,000			1,000,000
Information Systems Replacement Program	600,000			600,000
County Wireless Infrastructure	1,218,000			1,218,000
Circuit Courthouse	2,000,000			2,000,000
General Government Projects < \$500,000	1,485,000	300,000		1,785,000
<b>Parks and Recreation:</b>				
Ag Center Indoor Multipurpose Building	1,695,000	3,655,000		5,350,000
Ag Center Land Development	1,000,000			1,000,000
Parks and Recreation Projects < \$500,000	850,000			850,000

## Capital Improvement Funds

2025 Capital Improvement Expenditures				
Project	Cash Sources	Tax-Supported Debt	Self-Supported Debt	2025 Budget
<b>Public Safety:</b>				
Patrol Services Relocation	3,000,000			<b>3,000,000</b>
P25 UHF Public Safety Radio Communications System Upgrade	1,525,000			<b>1,525,000</b>
Portable Radio Replacement Program—Emergency Services	600,000			<b>600,000</b>
PSTC Apparatus Operator/Defensive Driving Track	2,000,000			<b>2,000,000</b>
Law Enforcement—Vehicle & Equipment Replacement Program	1,100,000			<b>1,100,000</b>
Public Safety Projects < \$500,000	1,070,000			<b>1,070,000</b>
<b>Road Improvement:</b>				
Intersection & Signal Improvements	850,000			<b>850,000</b>
Pavement Maintenance & Rehab Program	455,000	4,545,000		<b>5,000,000</b>
Halfway Blvd Extended	1,950,000			<b>1,950,000</b>
Commercial Transportation Instructional Facility	1,201,000			<b>1,201,000</b>
Road Improvement Projects < \$500,000	1,374,000			<b>1,374,000</b>
<b>Solid Waste:</b>				
40 West Landfill—Cell 5 Construction			3,472,000	<b>3,472,000</b>
Solid Waste Projects < \$500,000	85,000		500,000	<b>585,000</b>
<b>Transit:</b>				
Transit Projects < \$500,000	479,000			<b>479,000</b>
<b>Water Quality:</b>				
Water Quality Projects < \$500,000	573,000		1,539,000	<b>2,112,000</b>
<b>Total</b>	<b>47,274,000</b>	<b>13,000,000</b>	<b>5,511,000</b>	<b>65,785,000</b>

The Ten-Year Capital plan for 2025 through 2034 by category is as follows (shown in millions):

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Education	14.809	45.555	35.508	20.607	24.779	26.636	13.973	28.411	16.485	16.235
Roads	13.285	14.710	14.460	15.365	15.692	16.012	15.743	17.158	15.183	15.426
Environmental	6.169	7.582	7.713	1.306	1.220	2.769	8.141	3.462	6.869	6.371
Transportation	8.424	2.437	20.675	2.690	0.667	3.974	0.918	2.387	3.490	1.305
Other	23.098	16.353	11.270	10.055	10.920	9.486	11.919	11.848	12.319	12.990
<b>Total</b>	<b>65.785</b>	<b>86.637</b>	<b>89.626</b>	<b>50.023</b>	<b>53.278</b>	<b>58.877</b>	<b>50.694</b>	<b>63.266</b>	<b>54.346</b>	<b>52.327</b>

**Other Program Service Funds**

Many other County programs and services are accounted for and financed outside the General Fund. For 2025, these funds total \$67.7 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 , salary scale adjustment and the employee step and COLA.
2. The increase in Utility funds is mostly due to the salary scale adjustment, employee step and COLA, as well as increased electric costs. Water rates are projected to increase 5.6%. Sewer rates are expected to increase 6%.
3. The Land Preservation Fund budget varies from year-to-year based on the anticipated amount of grant funds available. It is anticipated that \$1.4 million more will be available to Washington County in FY2025 than in FY2024.

<b>Environmental Service Funds</b>				
	2025	2024	Change	
Solid Waste	\$10,692,500	\$9,874,630	\$817,870	8.28%
Utility Funds	22,856,220	21,902,710	953,510	4.35%
Land Preservation	3,869,530	2,519,700	1,349,830	53.57%
	\$37,418,250	\$34,297,040	\$3,121,210	9.1%



Antietam Water Trail at Leiters Mill

## Other Program Service Funds

### B. Transportation Services

The County has three major transportation responsibilities including the County road system, Commuter services, and the Airport. The Highway Fund increased mainly due to employee wages. It has been heavily supported by the General Fund for several years due to decreased state funding. The Transit Fund increased primarily due to employee wages, fuel, and supplies expenses. The Airport Fund increased due to new fees, and deferred capital maintenance projects which need to be completed. The Metro Planning Organization (HEPMPO) represents a regional organization hosted by Washington County and deals with major transportation planning and related issues. The increase in HEPMPPO is the result of an increase in federal grants.

Transportation Service Funds				
	2025	2024	Change	
Highway	\$13,914,110	\$13,042,150	\$871,960	6.69%
Transit	3,589,210	3,133,780	455,430	14.53%
Airport	3,715,420	3,095,120	620,300	20.04%
HEPMPO	811,750	573,110	238,640	41.64%
	\$22,030,490	\$19,844,160	\$2,186,330	11.02%

### C. Other Services

Other provide services and programs to County residents and range from recreation to human service type programs. For the Cascade Town Centre, some proceeds from its sale will provide an appropriation of \$75,000 to the Community Center as well as funding for certain ongoing maintenance costs. The Agricultural Education fund increased based on projected utility and building maintenance costs. Grant Management increased due to wages and benefits and a new allocation for a youth homelessness initiative. The Inmate Welfare fund is funded with inmate funds and the increase is directly related to commissary and telephone spending trends and will be used to update software and equipment. The Gaming fund decreased based upon expected impact of inflation on disposable income in the current economy and the elimination of State gaming revenue as a result of Senate Bill 496. The Emergency Services Billing Fund was added during FY2024 to account for the transactions of two rescue companies that were formerly volunteer and have been absorbed into County operations. The Foreign Trade Zone fund was established in 2002 but had not seen activity for several years. During FY2024, the U.S. Department of Commerce approved the County's application to restructure under the Alternative Site framework. A budget was added in FY2025 to fund advertising, legal services and related training.

Other Program Service Funds				
	2025	2024	Change	
Golf Course	\$1,500,380	\$1,356,720	\$143,660	10.59%
Hotel Rental Tax	2,000,000	2,000,000	0	0.00%
Cascade Town Centre	108,000	132,450	(24,450)	(18.46%)
Agricultural Education	322,660	290,100	32,560	11.22%
Grant Management	660,730	525,670	135,060	25.69%
Inmate Welfare	630,310	564,090	66,220	11.74%
Gaming	2,136,000	2,295,370	(159,370)	(6.94%)
Emergency Services Billing	816,890	0	816,890	100.00%
Foreign Trade Zone	40,000	0	40,000	100.00%
	\$8,214,970	\$7,164,400	\$1,050,570	14.66%

## 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 2024 is \$54.6 million. The total unused authorization available is \$15.4 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						
	2024	2025	2026	2027	Maximum Policy Target	2025 Peer Group Target
*Assumes debt issuance at \$16 million per year 2025-2027						
Debt per Capita	\$1,016	\$1,040	\$1,058	\$1,074	\$1,500	\$1,680
Debt as % of Fair Market Value	1.08%	1.10%	1.11%	1.12%	1.50%	1.42%
Debt Service as % General Fund Revenue	6.33%	6.27%	6.27%	6.22%	8.00%	7.01%
Debt Service per Capita as % income per Capita	0.19%	0.18%	0.19%	0.19%	0.50%	0.28%

Projected debt balances for the period ended June 30, 2024, including proposed borrowing scheduled for the current fiscal year, are presented below. The pay-off for the balances is projected to be 38% 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, 2023	\$143,280,708	\$43,262,307	\$186,543,015
2024 Borrowing	12,000,000	6,043,552	18,043,552
2024 Payments	(11,109,834)	(2,853,258)	(13,963,092)
Balance June 30, 2024	\$144,170,874	\$46,452,601	\$190,623,475



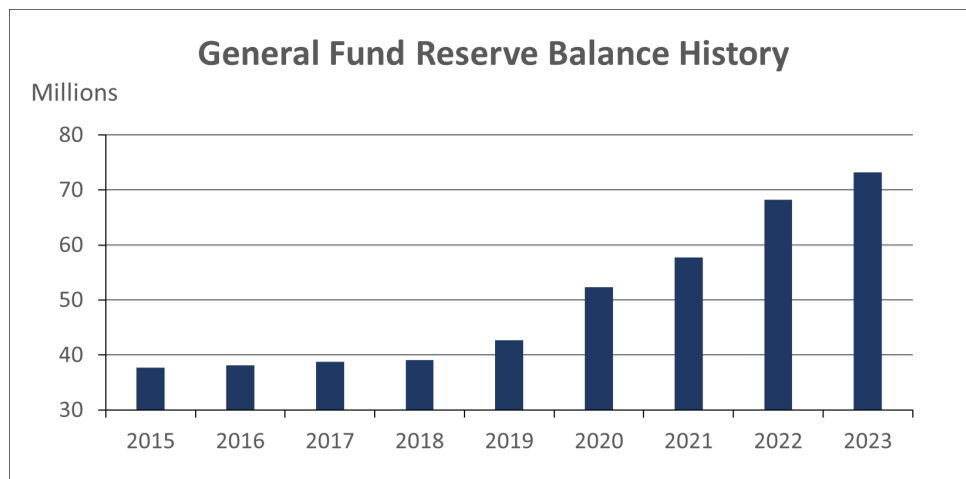
**Debt and Reserve Management**

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 AA+. In addition, Fitch upgraded the County’s rating from AA to AA+ and Moody’s from Aa2 to 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.

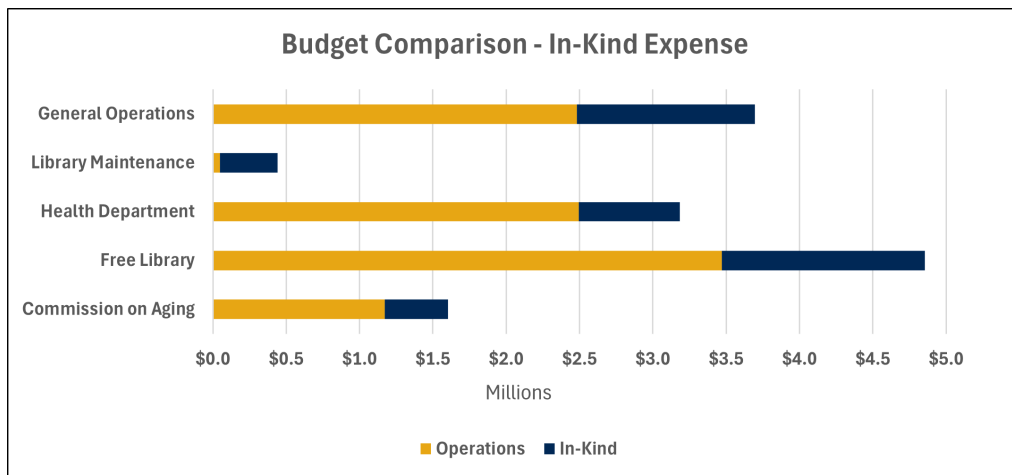


**Expenditures by Function**

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).

For FY25, the County began to budget for In-Kind expenses as required by GASB and GAAP requirements. This addition caused certain agencies to show a large increase in their budgets, however, these expenses are non-cash expenses. The charts below show the comparison of the proposed budget with and without the In-Kind expenses for some affected agencies to show the effect of this budget addition. The lines in gold reflect the actual budget that will be allocated to the agency/department.



**Department Expenditure by Function - 2025**

	2025	2024	\$ Change	% Change
<b>General Fund:</b>				
<b>Education</b>				
Board of Education	\$110,172,840	\$109,070,360	\$1,102,480	1.01%
Hagerstown Community College	10,236,290	10,236,290	0	0.00%
Free Library	4,855,160	3,470,710	1,384,450	39.89%
Clear Spring Library Building	143,000	12,270	130,730	1,065.44%
Smithsburg Library Building	150,750	11,000	139,750	1,270.45%
Boonsboro Library Building	171,810	11,500	160,310	1,394.00%
Hancock Library Building	141,700	11,000	130,700	1,188.18%
<b>Total Education</b>	<b>125,871,550</b>	<b>122,823,130</b>	<b>3,048,420</b>	<b>2.48%</b>

### Department Expenditure by Function - 2025

	2025	2024	\$ Change	% Change
<b>Public Safety</b>				
Sheriff - Judicial	4,196,520	4,012,560	183,960	4.58%
Sheriff - Process Servers	174,950	158,360	16,590	10.48%
Sheriff - Patrol	16,911,760	16,069,440	842,320	5.24%
Sheriff - Sheriff Auxiliary	90,200	50,000	40,200	80.40%
Sheriff - Central Booking	1,471,600	1,494,720	(23,120)	(1.55)%
Sheriff - Detention Center	23,291,030	21,252,090	2,038,940	9.59%
Sheriff - Day Reporting Center	534,050	506,400	27,650	5.46%
Sheriff - Narcotics Task Force	645,570	1,040,280	(394,710)	(37.94)%
Sheriff - Washington County Police Academy	59,830	59,840	(10)	(0.02)%
Civil Air Patrol	4,000	4,000	0	0.00%
Air Unit	95,890	73,970	21,920	29.63%
Special Operations	184,320	214,110	(29,790)	(13.91)%
Fire & Rescue Volunteer Services	11,867,730	10,637,470	1,230,260	11.57%
911 - Communications	7,055,540	6,685,950	369,590	5.53%
EMS Operations	6,179,890	3,768,970	2,410,920	63.97%
Fire Operations	6,988,080	6,570,290	417,790	6.36%
Emergency Management	270,630	276,540	(5,910)	(2.14)%
Public Safety Training Center	1,200,430	960,350	240,080	25.00%
Animal Control Services	2,350,000	1,531,530	818,470	53.44%
<b>Total Public Safety</b>	<b>83,572,020</b>	<b>75,366,870</b>	<b>8,205,150</b>	<b>10.89%</b>
<b>Operating and Capital</b>				
Highway	10,405,590	10,096,340	309,250	3.06%
Solid Waste	487,170	450,000	37,170	8.26%
Cascade Town Centre Fund	0	0	0	0.00%
Agricultural Education Center	255,760	238,200	17,560	7.37%
Grant Management	522,510	387,640	134,870	34.79%
Land Preservation	23,100	53,530	(30,430)	(56.85)%
HEPMPO	6,770	5,130	1,640	31.97%
Utility Administration	804,840	702,970	101,870	14.49%
Water	176,480	750,570	(574,090)	(76.49)%
Transit	901,310	1,052,540	(151,230)	(14.37)%
Golf Course	112,930	433,690	(320,760)	(73.96)%
Municipality in Lieu of Bank Shares	38,550	38,550	0	0.00%
Capital Improvement Fund	8,751,230	6,250,000	2,501,230	40.02%
Debt Service	16,210,080	15,779,240	430,840	2.73%
<b>Total Operating Transfers and Capital</b>	<b>38,696,320</b>	<b>36,238,400</b>	<b>2,457,920</b>	<b>6.78%</b>

### Department Expenditure by Function - 2025

	2025	2024	\$ Change	% Change
<b>Courts</b>				
Circuit Court	2,722,960	2,386,840	336,120	14.08%
Orphans Court	34,250	36,150	(1,900)	(5.26)%
State's Attorney	5,398,140	4,949,700	448,440	9.06%
<b>Total Courts</b>	<b>8,155,350</b>	<b>7,372,690</b>	<b>782,660</b>	<b>10.62%</b>
<b>State Agency, Programs &amp; Services</b>				
Health Department	3,183,620	2,339,270	844,350	36.09%
Social Services	506,330	506,330	0	0.00%
University of MD Extension	290,120	279,040	11,080	3.97%
County Cooperative Extension	38,730	38,730	0	0.00%
Election Board	2,640,990	2,266,090	374,900	16.54%
Soil Conservation	369,510	364,010	5,500	1.51%
Weed Control	357,300	317,550	39,750	12.52%
Environmental - Pest Management	45,500	45,500	0	0.00%
<b>Total State Agencies</b>	<b>7,432,100</b>	<b>6,156,520</b>	<b>1,275,580</b>	<b>20.72%</b>
<b>Community Programs &amp; Services</b>				
<b>Total Community Programs &amp; Services</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>200,000</b>	<b>20.00%</b>
<b>General Government</b>				
County Commissioners	352,880	356,140	(3,260)	(0.92)%
County Clerk	169,910	166,260	3,650	2.20%
County Administrator	461,660	426,970	34,690	8.12%
Public Relations and Marketing	653,250	550,070	103,180	18.76%
Budget & Finance	2,567,160	1,974,160	593,000	30.04%
Independent Accounting & Auditing	75,000	80,000	(5,000)	(6.25)%
Purchasing	708,630	648,330	60,300	9.30%
Treasurer	541,160	526,120	15,040	2.86%
County Attorney	1,261,780	916,570	345,210	37.66%
Human Resources	1,565,880	1,377,590	188,290	13.67%
Central Services	135,400	131,230	4,170	3.18%
Information Technology	4,404,480	4,094,630	309,850	7.57%
Wireless Communications	1,698,530	1,619,950	78,580	4.85%
General Operations	3,694,920	3,602,840	92,080	2.56%
Planning and Zoning	1,530,580	1,466,580	64,000	4.36%
Zoning Appeals	67,240	59,290	7,950	13.41%
Martin Luther King Building	126,480	124,880	1,600	1.28%
Administration Building	343,880	330,410	13,470	4.08%

### Department Expenditure by Function - 2025

	2025	2024	\$ Change	% Change
Court House	343,880	302,240	41,640	13.78%
County Office Building	257,800	236,330	21,470	9.08%
Administration Annex	150,600	124,630	25,970	20.84%
Dwyer Center	34,390	32,310	2,080	6.44%
Election Board Facility	118,040	106,350	11,690	10.99%
Rental Properties	1,730	6,020	(4,290)	(71.26)%
Senior Center Building	12,210	12,050	160	1.33%
Public Facilities Annex	104,110	89,810	14,300	15.92%
Business Development	1,043,280	837,560	205,720	24.56%
Women's Commission	2,000	2,000	0	0.00%
Veteran's Advisory Committee	2,000	0	2,000	100.00%
Diversity and Inclusion Committee	2,000	2,000	0	0.00%
Animal Control Board	7,200	0	7,200	100.00%
Forensic Investigator	30,000	30,000	0	0.00%
Commission on Aging	1,604,580	1,064,530	540,050	50.73%
Museum of Fine Arts	140,000	136,620	3,380	2.47%
<b>Total General Government</b>	<b>24,212,640</b>	<b>21,434,470</b>	<b>2,778,170</b>	<b>12.96%</b>
Public Works and Permits				
Public Works	357,530	339,360	18,170	5.35%
Buildings Grounds & Facilities	2,630,020	2,391,950	238,070	9.95%
Engineering	3,175,710	2,972,620	203,090	6.83%
Permits & Inspections	3,349,700	3,083,670	266,030	8.63%
<b>Total Public Works and Permits</b>	<b>9,512,960</b>	<b>8,787,600</b>	<b>725,360</b>	<b>8.25%</b>
Parks and Recreation				
Martin L. Snook Pool	179,010	168,600	10,410	6.17%
Parks and Recreation	1,816,780	1,712,070	104,710	6.12%
<b>Total Parks and Recreation</b>	<b>1,995,790</b>	<b>1,880,670</b>	<b>115,120</b>	<b>6.12%</b>
<b>Total General Fund</b>	<b>300,648,730</b>	<b>281,060,350</b>	<b>19,588,380</b>	<b>6.97%</b>
<b>Capital Improvement:</b>				
Education	14,809,000	17,718,000	(2,909,000)	(16.42)%
Road Improvements	13,285,000	16,632,000	(3,347,000)	(20.12)%
Environmental	6,169,000	3,019,000	3,150,000	104.34%
Transportation	8,424,000	9,960,000	(1,536,000)	(15.42)%
Other	23,098,000	8,675,000	14,423,000	166.26%
<b>Total Capital Improvement</b>	<b>65,785,000</b>	<b>56,004,000</b>	<b>9,781,000</b>	<b>17.46%</b>

### Department Expenditure by Function - 2025

	2025	2024	\$ Change	% Change
<b>Environmental Funds:</b>				
Solid Waste Fund	10,692,500	9,874,630	817,870	8.28%
Utility Administration Fund	6,283,910	5,937,750	346,160	5.83%
Water Fund	1,617,200	1,755,960	(138,760)	(7.90)%
Sewer Fund	14,511,550	13,863,400	648,150	4.68%
Pretreatment Fund	443,560	345,600	97,960	28.34%
Land Preservation Fund	3,869,530	2,519,700	1,349,830	53.57%
<b>Total Environmental Funds</b>	<b>37,418,250</b>	<b>34,297,040</b>	<b>3,121,210</b>	<b>9.10%</b>
<b>Transportation Funds:</b>				
Highway Fund	13,914,110	13,042,150	871,960	6.69%
HEPMPO Fund	811,750	573,110	238,640	41.64%
Transit Fund	3,589,210	3,133,780	455,430	14.53%
Airport Fund	3,715,420	3,095,120	620,300	20.04%
<b>Total Transportation Funds</b>	<b>22,030,490</b>	<b>19,844,160</b>	<b>2,186,330</b>	<b>11.02%</b>
<b>Other Program and Service Funds:</b>				
Cascade Town Centre Fund	108,000	132,450	(24,450)	(18.46)%
Ag Center Fund	322,660	290,100	32,560	11.22%
Grant Management Fund	660,730	525,670	135,060	25.69%
Gaming Fund	2,136,000	2,295,370	(159,370)	(6.94)%
Golf Course Fund	1,500,380	1,356,720	143,660	10.59%
Hotel Rental Tax Fund	2,000,000	2,000,000	0	0.00%
Inmate Welfare Fund	630,310	564,090	66,220	11.74%
Emergency Services Billing Fund	816,890	0	816,890	100.00%
Foreign Trade Zone Fund	40,000	0	40,000	100.00%
<b>Total Other Funds</b>	<b>8,214,970</b>	<b>7,164,400</b>	<b>1,050,570</b>	<b>14.66%</b>
<b>Total All Funds</b>	<b>\$434,097,440</b>	<b>\$398,369,950</b>	<b>\$35,727,490</b>	<b>8.97%</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 many tax dollars are spent on education?*

A. General Fund monies of \$131.6 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 2025, the Capital Improvement budget reflects \$4.5 million in additional local County funds for educational related projects. Total educational funding is \$136.1 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 FY2025 is \$0.928, and the Constant Yield Tax Rate is \$0.8893. That is \$0.0387 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.



# CITIZEN'S GUIDE TO THE BUDGET

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 and Finance at 240-313-2300. In addition, a full annual report is available within three months of final approval of the Annual County Budgets.

**Get Connected and See Updates**



**Washington County Office of Budget & Finance**

**100 West Washington Street**

**Suite 3100**

**Hagerstown, MD 21740**

**P: 240.313.2300**

**[www.washco-md.net](http://www.washco-md.net)**