

BALTIMORE COUNTY COUNCIL



BUDGET MESSAGE

Fiscal Year 2015

May 22, 2014

**BALTIMORE COUNTY COUNCIL
BUDGET MESSAGE
FY 2015**

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SECTION I

BUDGET MESSAGE

I am privileged to deliver today's FY 2015 budget decisions as Chair of the Baltimore County Council.

The members of this County Council came to office at a very difficult time. The effects of a severe recession were still with us, and we had to resist the temptation to simply wait for an economic turnaround. Instead, we participated with the County Executive in pursuing an aggressive course.

At the outset of the term, at the Executive's request, we abolished several County offices and transferred their functions to existing Departments; we established a new Office of Administrative Hearings and transferred and consolidated in that office a variety of administrative hearing functions provided in County law; later, we combined the Departments of Health and Social Services into one Department. We then authorized a one-time retirement incentive program and approved a variety of technology initiatives for County agencies. The net effect of these actions is that the County's workforce is reduced and at its lowest number of employees in 25 years, but the County's effectiveness in serving its citizens has continued to grow due to its investment in technology and due to the efficiency improvements generated by our legislative actions.

Improving the efficiency of County government operations is but one step in acting to offset the recession's lingering effects. We also focused our energy on external factors that affect economic growth. We helped to facilitate or expedite a variety of projects to boost the economic vitality of the County.

In the County-seat, these projects include Towson City Center, a \$27 million project with 155,000 square feet of commercial space, including corporate headquarters for MileOne, WTMD Radio and Caves Valley Partners; Towson Square, an \$85 million entertainment center with a 15-screen movie theater and several restaurants; Towson Row, a \$300 million, one million square foot development on five acres in Towson with retail, restaurant, and residential uses, hotel rooms and parking; and Towson Commons which features LA Fitness, a 52,000 square foot fitness facility. We also encouraged mixed-use projects in designated growth and redevelopment areas, including the Metro Centre in Owings Mills, a Transit-Oriented Development that features private commercial, retail and residential space, as well as a new branch of the County Library and the Community College of Baltimore County; the Foundry Row project in Owings Mills that will include a Wegmans grocery store, a gym, restaurants, stores, and offices; Baltimore Crossroads, an “integrated” mixed-use development along White Marsh Boulevard off I-95; and Martin’s Landing, a \$210 million investment to revitalize the Middle River area.

The Council also acted on 296 petitions for rezoning, affecting nearly 4,000 acres of land, during the Comprehensive Zoning Map Process, an exercise of broad legislative discretion that the Council conducts once every four years. The zoning map we adopted establishes the parameters of economic growth for the next four years.

Every land use decision we make, whether in the comprehensive zoning process or in the review of a specific use of a tract of land, such as the projects I just mentioned, is made with the intention of fostering balanced, reasonable growth, and bringing people, jobs, and revenue to the County.

At the same time that we expedited certain development, we have not forgotten that our citizens deserve to know the impact that a proposed use of land may have upon their communities. We have enacted laws that make the development process far more transparent than it has ever been.

We legislated the requirement for a post-submission community meeting so that community members will know the details of a proposed planned unit development concurrently with its submission to the reviewing authority; we required community input meetings to be held in more convenient locations, so that residents can more easily attend these informational sessions; we required that planned unit development applications, and agency comments thereon, be posted on the County web site; and we tightened the rules for the review of a proposed amendment to a planned unit development, all of this so that residents can be aware of decisions that may affect their communities before the decisions are finalized.

The authority that the County Council exercises in making land use decisions is virtually unqualified, and we exercise it only after careful consideration and open debate.

This Council has acted to grow the County out of the recession, but we have not neglected the primary duty of local government to provide public safety, public education, and a sound infrastructure.

In this term, we have provided our Police Department with additional tools to deal with street crime. To prevent thefts and robberies involving cell phones and other portable electronic devices, we banned the automated machines that pay cash for these devices, and we now require electronic device dealers to be licensed and to collect and report certain information from sellers of these devices; we made it a crime to buy, sell or distribute synthetic cannabinoids, dangerous, chemical compounds commonly sold in convenience stores and marketed to our young people as “spice” or a variety of other designer drug names; and we regulated the hours of operation of hookah lounges, establishments that have been operating as late-night entertainment venues and disrupting our neighborhoods. Recent events have validated the Council’s decision to regulate the hours of operation of these businesses.

Just a few weeks ago, we legislated once again in the interest of public safety, this time on behalf of our most vulnerable citizens – our children. The law we enacted requires that, by July 1, 2015, a policy be in effect that requires a background record check of any volunteer who interacts with children in a sanctioned County recreation council event. Whether one likes it or not, we live in a society that demands such proper precaution.

We intend to maintain our public safety agencies at their current levels of strength. The resources and benefits we are providing today constitute our continuing commitment to making Baltimore County a safe place to live and work.

A defining characteristic of Baltimore County is the confidence citizens have in our public school system and our community college system. This Council has always funded both systems at least at the maintenance of effort level, and we continue that tradition today. In fact, the appropriation levels we set today exceed the maintenance of effort requirement for both systems, and the Department of Education's operating budget of \$1.5 billion represents nearly half of the County's operating budget.

With the adoption of this FY 2015 budget, we are continuing the course on which we embarked in December of 2010, and, in doing so, we are adopting, with little change, the County Executive's other proposals.

Today we adopt a \$2.9 billion operating budget that includes \$1.9 billion in general funds. In doing so, we are mindful of our duty to continue the tradition of fiscal responsibility that Baltimore County taxpayers have come to expect. The property tax rate is unchanged. This tax has not increased in 26 years; in fact, it has decreased four times during that period. The income tax remains unchanged for the 22nd year. The County's unassigned general fund balance

(surplus) is projected to total approximately \$178.1 million at the end of fiscal year 2015, not including an additional \$89.2 million in the Revenue Stabilization Reserve Account.

One of the most satisfying actions that we take today is to recognize the importance of the County's workforce. We expect County employees to deliver County services efficiently, and we expect them to act with a sense of urgency, whether in normal times or in times of emergency. Collectively, they are the critical resource in delivering government services to our citizens. They need to feel good about their work, and they need to be treated fairly. We are pleased to be able to fund a 3% employee bonus this fall, in addition to the step and longevity increases built into the budget for County workers.

The burden of difficult economic conditions usually falls hardest upon the elderly, the poor, and the disabled. We applaud the Executive's request for a 15.4% increase in the County's emergency social service funds, and we wholeheartedly approve this request.

Last year, the County Council urged the Governor to include funds in the State budget for the construction of a new Eastern Family Resource Center. He agreed to do so, and, with \$5 million expected from the State and the \$2.5 million we appropriate today, the process is underway to design and construct a new Eastern Family Resource Center on the campus of MedStar Franklin Square

Medical Center. Further, today we appropriate \$4 million for a new Westside Shelter on the grounds of Spring Grove State Hospital.

We also endorse the Executive's requests to appropriate funds for the Maryland Food Bank and the County's Homeless Outreach Street Team, and we approve all funding proposed to address hunger and homelessness.

Turning to the capital budget, today we adopt a budget in excess of \$118 million, much of which is devoted to school projects.

The County Executive, in cooperation with the Baltimore County Board of Education and the Superintendent, is designing a long-term school renovation and construction program that is intended to eliminate all projected school overcrowding in the next decade and provide for the air-conditioning of 97% of all schools by 2021. Upon approval by this Council and by the voters of Baltimore County, the investment in County schools over the 2011-2021 period, when combined with anticipated State funding, will exceed one billion dollars. For our part, we approve the first official installment of the Schools for Our Future program. In this fiscal year, we approve appropriations for school capital projects that total \$19.3 million; in the five-year capital program, we endorse \$473 million in future appropriations, most of which is for new construction, additions, renovations, air-conditioning installations, and the maintenance of school buildings.

These are but a few highlights of the decisions we have made today. The policy direction we have set is consistent with the Executive's vision.

With just six months remaining in this term of office, we have accomplished a great deal. We have reorganized the County government; we have prioritized County services; we have discontinued services which were not essential; we have brought 21st century technology to the provision of County services; and we have strengthened our core services of public safety and public education. All of this has been accomplished without tax increases, layoffs or furloughs, and while still maintaining a Triple A bond rating.

Our thanks to the County Executive and his staff for the thoughtful budget presented to us. As a result of his and our decisions in this term, I believe the people of Baltimore County enjoy a quality of life that is unmatched in any other jurisdiction.

During our deliberations, a number of other specific matters came to our attention that warrant a brief comment. These comments are set forth in Section IV of this Budget Message.

I want to thank the County Auditor and her staff, the Council staff, and all of my colleagues for their hard work. I believe this Council will ultimately be recalled as a legislative body which was able to put aside individual interests in order to work together as a unit in fashioning policy for the County. Certainly the cooperation and assistance extended to me by my colleagues during this budget process have demonstrated that unified spirit. Thank you.

Respectfully submitted,

A handwritten signature in black ink that reads "Cathy Bevins". The signature is written in a cursive style with a large, stylized initial 'C'.

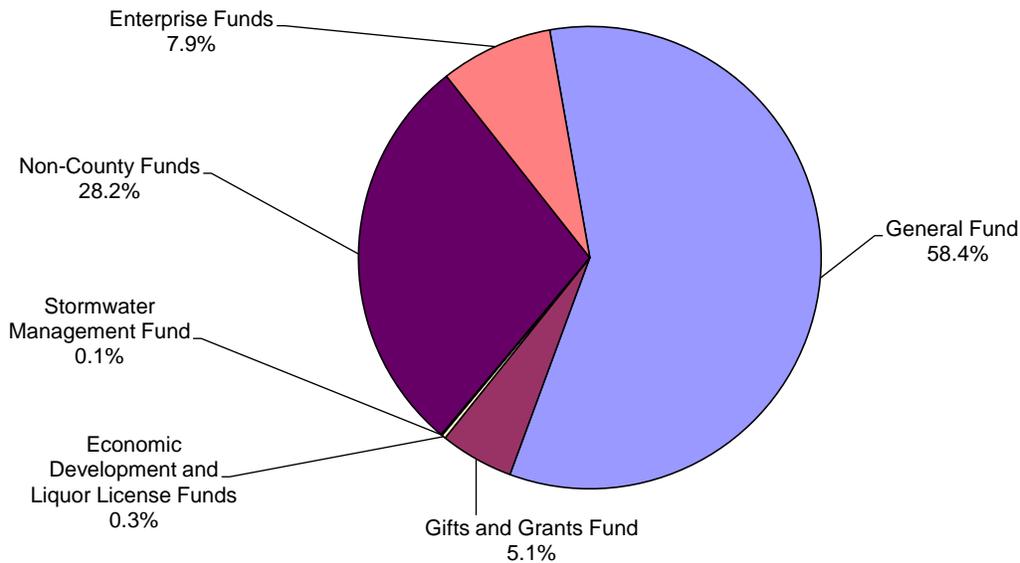
Cathy Bevins
Chair, County Council

SECTION II

OPERATING BUDGET

OPERATING BUDGET

Total Government-Wide



Operating:	FY 2014	FY 2015	Amount of Increase (Decrease)
Appropriations:			
General Fund	\$ 1,724,491,528	\$ 1,862,304,046	\$ 137,812,518
Gifts & Grants Fund	168,569,520 ⁽¹⁾	164,062,729	(4,506,791)
Liquor License Fund	669,466	716,649	47,183
Stormwater Management Fund	2,557,566	2,645,040	87,474
Economic Development Revolving Financing Fund	<u>2,150,000</u>	<u>8,200,000</u>	<u>6,050,000</u>
Total Operating Budget Appropriations	1,898,438,080	2,037,928,464	139,490,384
Other Budget Authorizations:			
Non-County Funds ⁽²⁾	<u>893,790,034</u>	<u>900,857,818</u>	<u>7,067,784</u>
Total Operating Budget	2,792,228,114	2,938,786,282	146,558,168
Enterprise Funds ⁽³⁾	<u>240,804,330</u>	<u>250,654,752</u>	<u>9,850,422</u>
Total Government-Wide	<u>\$ 3,033,032,444</u>	<u>\$ 3,189,441,034</u>	<u>\$ 156,408,590</u>

⁽¹⁾ Adjusted for \$1,046,122 in grant funds appropriated as of May 5, 2014 not reflected in the Executive's budget documents.

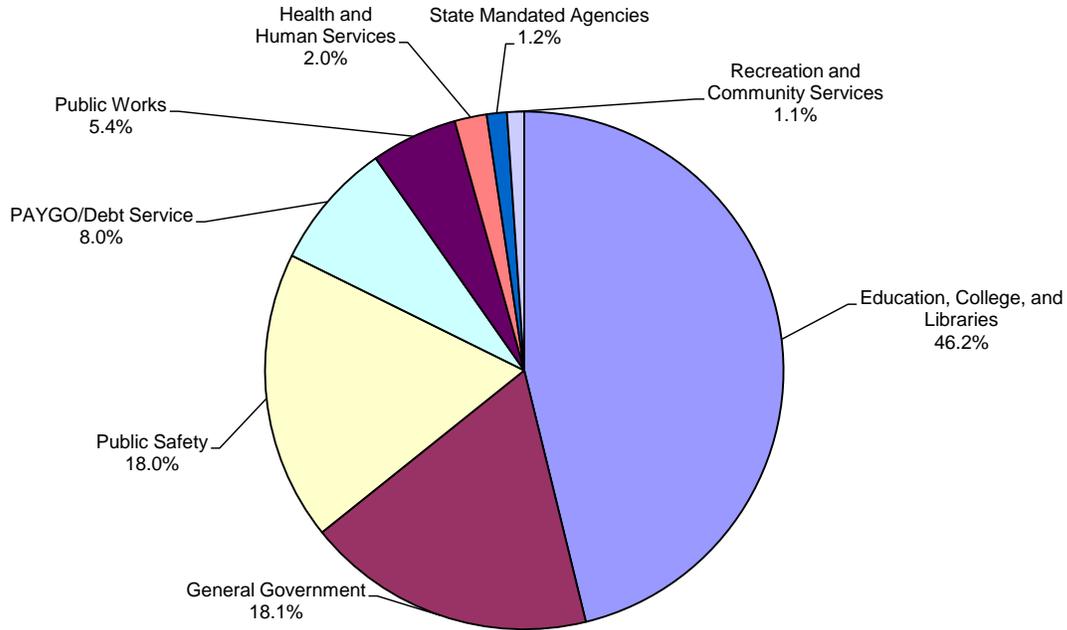
⁽²⁾ Federal, State and other funds received by BCPS, CCBC, BCPL, and the Department of Social Services.

⁽³⁾ These self-supporting funds (Metropolitan District, BCPS Food Service, and CCBC Bookstore) are not appropriated and are presented for informational purposes only.

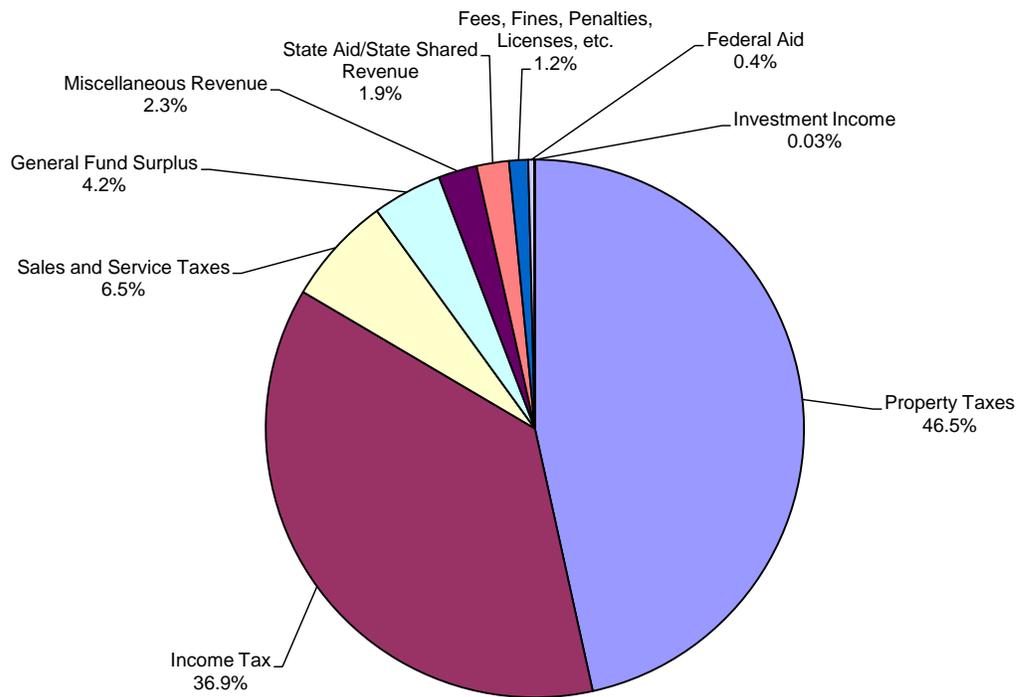
GENERAL FUND OPERATING BUDGET

FISCAL YEAR 2015

SERVICES PROVIDED



SOURCES OF FINANCING



GENERAL FUND OPERATING BUDGET

FISCAL YEAR 2015

SERVICES PROVIDED

	<u>Amount</u>	<u>Percentage of Total</u>
Education, College, and Libraries	\$ 859,922,290	46.2%
General Government	336,560,322	18.1%
Public Safety	336,413,549	18.0%
Capital (PAYGO)/Debt Service ⁽¹⁾	148,405,711	8.0%
Public Works	100,399,928	5.4%
Health and Human Services	37,386,009	2.0%
State Mandated Agencies	23,382,567	1.2%
Recreation and Community Services	19,833,670	1.1%
Total Adopted Budget	<u>\$ 1,862,304,046</u>	<u>100%</u>

⁽¹⁾ Excludes component unit amounts, which are included within component unit total.

SOURCES OF FINANCING

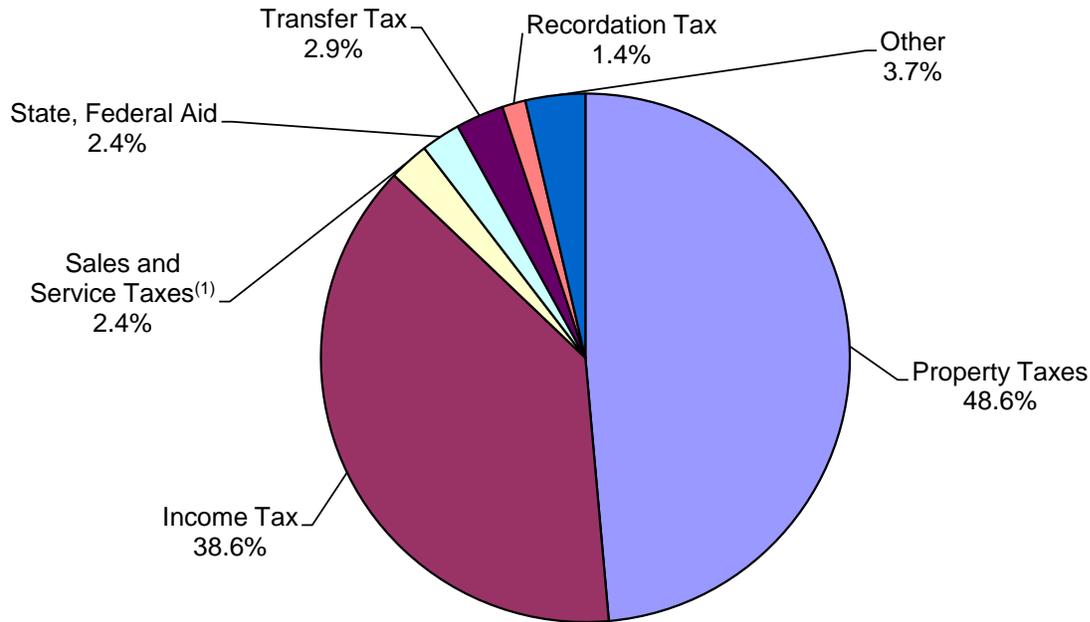
	<u>Amount</u>	<u>Percentage of Total</u>
Property Taxes	\$ 866,857,555	46.5%
Income Tax	687,771,310	36.9%
Sales and Service Taxes	121,633,000	6.5%
General Fund Surplus	78,055,771	4.2%
Miscellaneous Revenue	43,170,685	2.3%
State Aid/State Shared Revenue	36,182,153	1.9%
Fees and Other Charges	11,546,035	0.6%
Federal Aid	6,764,517	0.4%
Fines and Penalties	4,900,865	0.3%
Licenses and Permits	4,853,905	0.3%
Investment Income	568,250	0.03%
Total	<u>\$ 1,862,304,046</u>	<u>100% *</u>

* Difference due to rounding

GENERAL FUND REVENUES

\$ in Millions

FY 2015 Budget



Source	FY 2013	FY 2014	FY 2015	Change		FY 2015
	Actual	Estimate	Forecast	\$	%	Budget
Property Taxes	\$ 853.9	\$ 854.0	\$ 869.0	\$ 15.0	1.8%	\$ 866.9
Income Tax	624.1	662.0	643.0	(19.0)	-2.9%	687.8
Sales and Service Taxes	44.5	44.5	44.5	0.0	0.0%	43.6
Transfer Tax	53.0	54.0	56.0	2.0	3.7%	52.5
Recordation Tax	30.6	27.0	28.0	1.0	3.7%	25.5
State, Federal Aid	37.7	42.2	43.0	0.8	1.9%	42.9
Other Misc. Revenue	36.6	36.2	43.3	7.1	19.6%	43.3
Service Charges	10.4	10.5	10.5	0.0	0.0%	11.5
Investment Income	1.3	1.3	1.5	0.2	15.4%	0.6
Licenses & Permits	5.0	5.0	5.0	0.0	0.0%	4.8
Fines/Forfeitures	4.8	4.8	4.8	0.0	0.0%	4.9
Total	\$ 1,701.9	\$ 1,741.5 ⁽²⁾	\$ 1,748.6 ⁽³⁾	\$ 7.1	0.4%	\$ 1,784.3 ⁽⁴⁾

⁽¹⁾ Excludes Transfer and Recordation Taxes, which are shown separately.

⁽²⁾ Represents the Office of the County Auditor FY 2014 estimate, which exceeds the Office of Budget and Finance FY 2014 estimate by \$4.5 million, or 0.3%, due primarily to differing estimates for Transfer and Recordation Taxes.

⁽³⁾ Represents the Office of the County Auditor FY 2015 forecast.

⁽⁴⁾ The FY 2015 budget is represented in the pie chart above; budgeted revenues reflect an increase of \$47.3 million, or 2.7%, over the Office of Budget and Finance FY 2014 revenues estimate of \$1,737.0 million.

GENERAL FUND SURPLUS

<u>Unappropriated Surplus</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Forecast ⁽¹⁾</u>	<u>FY 2015 Budget ⁽²⁾</u>
Beginning Balance	\$ 249,433,094	\$ 263,017,329	\$ 258,485,195
Estimated Revenues	1,741,500,000 ⁽³⁾	1,748,600,000	1,784,248,275
Prior Year Liquidations	771,944		
Estimated Expenses	<u>(1,726,873,038) ⁽⁴⁾</u>	<u>(1,862,304,046)</u>	<u>(1,862,304,046)</u>
Current Year Savings/Deficit	<u>15,398,906</u>	<u>(113,704,046)</u>	<u>(78,055,771)</u>
Available Surplus	264,832,000	149,313,283	180,429,424
RSRA ⁽⁵⁾ Transfer	<u>(1,814,671)</u>	<u>(2,364,020)</u>	<u>(2,364,020)</u>
Year-End Surplus	<u>\$ 263,017,329</u>	<u>\$ 146,949,263</u>	<u>\$ 178,065,404</u>
% of Budgeted Revenue (est.)	15.6%	8.2%	10.0%

<u>RSRA ⁽⁵⁾</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Forecast</u>	<u>FY 2015 Budget</u>
Beginning Balance	\$ 85,033,722	\$ 86,848,393	\$ 86,848,393
Investment Income	1,814,671	2,364,020	2,364,020
RSRA Transfer (5%)	<u>0</u>	<u>0</u>	<u>0</u>
Year-End Reserve	<u>\$ 86,848,393</u>	<u>\$ 89,212,413</u>	<u>\$ 89,212,413</u>
% of Budgeted Revenue (est.)	5.2%	5.0%	5.0%

<u>Year-End Surplus</u>	<u>FY 2014 Estimate</u>	<u>FY 2015 Forecast</u>	<u>FY 2015 Budget</u>
Total Year-End Surplus	<u>\$ 349,865,722</u>	<u>\$ 236,161,676</u>	<u>\$ 267,277,817</u>
% of Budgeted Revenue (est.)	20.8%	13.2%	15.0%

⁽¹⁾ Represents the Office of the County Auditor FY 2015 forecast.

⁽²⁾ Represents the Office of Budget and Finance FY 2015 forecast.

⁽³⁾ Represents the Office of the County Auditor FY 2014 estimate, which exceeds the Office of Budget and Finance estimate by \$4.5 million.

⁽⁴⁾ Reflects an expected \$12.0 million supplemental appropriation and \$9.6 million in estimated reversions according to the Office of Budget and Finance.

⁽⁵⁾ Revenue Stabilization Reserve Account.

SPENDING AFFORDABILITY GUIDELINE

	FY 2014	FY 2015
General Fund Budget Appropriations	\$ 1,724,491,528	\$ 1,862,304,046
Planned General Fund Supplemental Appropriation	12,000,000	-
Estimated Final Spending	\$ 1,736,491,528 (A)	\$ 1,862,304,046
 General Fund Exclusions:		
Local Matching Appropriations		
Local Matching Funds	(5,683,280)	(6,053,080)
Capital Project Appropriations		
PAYGO	(26,560,079)	(48,680,048)
Reserve Fund Appropriations		
Contingency Reserve	(358,715) ⁽¹⁾	(1,000,000)
One-Time-Only Appropriations		
3% Employee Bonus		(39,944,384)
Appropriations in excess of 80% of OPEB ARC		(5,667,200) ⁽²⁾
Baltimore County Public Schools	(7,309,506) ⁽³⁾	(11,900,362) ⁽³⁾
Planned General Fund Supplemental Appropriation - Snow	(11,450,000)	
Total Exclusions	(51,361,580) (B)	(113,245,074)
Base Spending (A - B)	\$ 1,685,129,948 (C)	\$ 1,749,058,972
Personal Income Growth Factor	1.0387 (D)	
Spending Guideline (C x D)	\$ 1,750,344,477	
Under (Over) Guideline		\$ 1,285,505

⁽¹⁾ Adjusted to reflect BATs 14-03, 14-04, 14-06, and 14-08, which transfer \$253,000, \$48,510, \$215,000, and \$124,775, respectively, from the Contingency Reserve. BATs 14-06 and 14-08 will be presented for Council approval on June 2, 2014.

⁽²⁾ Reflects Other Post-Employment Benefits contributions that exceed 80% of the Annual Required Contribution (ARC). Up to \$23.2 million in OPEB contributions may be excluded from FY 2015 spending subject to the guideline at the discretion of the Administration.

⁽³⁾ Reflects one-time Board of Education costs excluded from the State's maintenance of effort requirement.

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
Office of the County Executive	\$ 968,513	\$ 1,015,938	--	\$ 1,015,938
Circuit Court	\$ 4,469,397	\$ 4,578,614	--	\$ 4,578,614
Orphans' Court	\$ 201,764	\$ 228,295	--	\$ 228,295
Board of Elections	\$ 4,207,305	\$ 4,226,393	--	\$ 4,226,393
<u>Office of Budget and Finance</u>				
Budget Formulation & Administration	\$ 1,193,279	\$ 1,248,073	--	\$ 1,248,073
Financial Operations	4,148,208	4,105,459	--	4,105,459
Pay Systems	263,566	271,085	--	271,085
Investment & Debt Management	332,534	367,133	--	367,133
Insurance Administration	1,653,622	1,005,271	--	1,005,271
Purchasing & Disbursements	1,282,446	1,303,044	--	1,303,044
Total Office of Budget and Finance	\$ 8,873,655	\$ 8,300,065	--	\$ 8,300,065
<u>Administrative Officer</u>				
General Administration	\$ 1,262,350	\$ 1,337,089	--	\$ 1,337,089
Baltimore Metropolitan Council	139,633	146,363	--	146,363
Total Administrative Officer	\$ 1,401,983	\$ 1,483,452	--	\$ 1,483,452
Department of Corrections	\$ 34,508,782	\$ 35,719,393	--	\$ 35,719,393
State's Attorney	\$ 8,267,266	\$ 8,579,206	--	\$ 8,579,206
Vehicle Operations & Maintenance	\$ 205,000	\$ 228,350	--	\$ 228,350
<u>Office of Law</u>				
General Legal Services	\$ 2,514,832	\$ 2,536,761	--	\$ 2,536,761
Legislative Relations	308,856	315,821	--	315,821
Ethics/Human Relations	--	--	--	--
Total Office of Law	\$ 2,823,688	\$ 2,852,582	--	\$ 2,852,582
<u>Department of Planning</u>				
Community Development	\$ 2,044,660	\$ 2,116,846	--	\$ 2,116,846
Administrative Hearing Office	378,850	394,564	--	394,564
People's Counsel	183,877	189,490	--	189,490
Neighborhood Improvement	452,542	513,268	--	513,268
Total Department of Planning	\$ 3,059,929	\$ 3,214,168	--	\$ 3,214,168

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
Office of Human Resources	\$ 2,447,954	\$ 3,281,435	--	\$ 3,281,435
Emergency Communications Center	\$ 11,417,005	\$ 12,175,052	--	\$ 12,175,052
<u>Police Department</u>				
Office of the Chief	\$ 3,500,991	\$ 3,729,421	--	\$ 3,729,421
Administrative & Technical Svs. Bureau	24,135,735	24,312,032	--	24,312,032
Criminal Investigation Division	23,001,262	23,588,058	--	23,588,058
Vice/Narcotics Section	8,429,570	8,614,857	--	8,614,857
Operations Bureau	114,584,759	117,021,097	--	117,021,097
Operations Support Services Division	13,499,150	13,841,414	--	13,841,414
Community Resources Bureau	3,235,081	3,385,764	--	3,385,764
School Safety	1,328,000	1,362,175	--	1,362,175
Total Police Department	\$ 191,714,548	\$ 195,854,818	--	\$ 195,854,818
<u>Fire Department</u>				
General Administration	\$ 947,447	\$ 986,313	--	\$ 986,313
Investigative Services	1,556,384	1,760,930	--	1,760,930
Alarm & Communication System	931,449	965,109	--	965,109
Field Operations	77,801,526	78,906,155	--	78,906,155
Office of Homeland Security/Emerg. Mgmt.	148,785	161,223	--	161,223
Field Operation Administration	1,367,281	1,512,132	--	1,512,132
Fire/Rescue Academy	1,269,954	1,365,223	--	1,365,223
Contributions Volunteer Fire	6,882,624	7,007,201	--	7,007,201
Total Fire Department	\$ 90,905,450	\$ 92,664,286	--	\$ 92,664,286
<u>Permits, Approvals and Inspections</u>				
General Administration	\$ 1,466,837	\$ 1,532,626	--	\$ 1,532,626
Electrical Licensing & Regulation	16,792	17,293	--	17,293
Plumbing Licensing Regulation	27,920	28,755	--	28,755
Real Estate Compliance	762,622	845,821	--	845,821
Development Review	815,533	935,637	--	935,637
Inspections & Enforcement	4,403,939	4,628,453	--	4,628,453
Permits and Licenses	625,893	706,363	--	706,363
Total Permits, Approvals and Inspections	\$ 8,119,536	\$ 8,694,948	--	\$ 8,694,948
County Sheriff	\$ 5,553,184	\$ 5,516,864	--	\$ 5,516,864
<u>Property Management</u>				
Administration	\$ 971,247	\$ 1,159,284	--	\$ 1,159,284
Building Maintenance	6,305,134	7,913,104	--	7,913,104
Building Operations & Management	17,278,836	17,292,055	--	17,292,055
Maintenance of Grounds & Recreation Sites	6,100,835	6,411,549	--	6,411,549
Total Property Management	\$ 30,656,052	\$ 32,775,992	--	\$ 32,775,992

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
<u>Health Department</u>				
General Administration	\$ 2,371,487	\$ 2,551,476	--	\$ 2,551,476
Center-Based Services	2,961,772	3,081,970	--	3,081,970
Acute Communicable Disease Control	1,250,490	1,277,506	\$ 4,949	1,272,557
Environmental Health Services	2,280,315	2,300,764	17,796	2,282,968
Healthcare Access	905,193	983,215	--	983,215
Animal Services	1,674,692	2,260,631	--	2,260,631
Human Relations	221,785	161,223	--	161,223
Child, Adolescent & School Health	977,421	1,023,020	--	1,023,020
Prenatal & Early Childhood	1,548,289	1,596,214	--	1,596,214
Home Health Services	1,456,154	1,461,820	--	1,461,820
Eval. & Long Term Care Case Management	1,848,697	1,904,531	12,920	1,891,611
Community Medical Assistance Programs	1,019,644	1,089,501	5,532	1,083,969
Dental Health Services	821,633	850,947	--	850,947
Total Health Department	\$ 19,337,572	\$ 20,542,818	\$ 41,197	\$ 20,501,621
<u>Department of Social Services</u>				
Adult Foster Care	\$ 145,000	\$ 145,000	--	\$ 145,000
Welfare to Work Program	400,000	400,000	--	400,000
Bridge Program	460,344	--	--	--
Emergency Funds	730,000	750,000	--	750,000
Domestic Violence/Sexual Assault	127,260	127,260	--	127,260
Day Resource Center	206,223	208,613	--	208,613
In-Home Care Program	227,962	216,183	--	216,183
Volunteer Program	69,362	--	--	--
Adult Services	940,546	1,211,149	--	1,211,149
General Administration	1,239,655	1,404,561	--	1,404,561
Children's Services	436,442	447,251	--	447,251
Family Investment Division	655,957	1,036,524	--	1,036,524
Family Services	1,307,726	1,346,110	--	1,346,110
Total Department of Social Services	\$ 6,946,477	\$ 7,292,651	--	\$ 7,292,651
<u>Community College of Baltimore County</u>				
Instruction	\$ 19,118,212	\$ 21,001,556	--	\$ 21,001,556
Public Services	105,924	108,629	--	108,629
Academic Support	3,660,257	3,748,690	--	3,748,690
Student Services	3,187,481	3,167,877	--	3,167,877
Institutional Support	7,860,128	7,258,962	--	7,258,962
Operation/Maintenance of Plant	4,265,793	3,826,219	--	3,826,219
Mandatory Transfers (Grants)	265,000	250,580	--	250,580
Debt Service	6,152,762	7,371,535	--	7,371,535
Total Community College	\$ 44,615,557	\$ 46,734,048	--	\$ 46,734,048

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
<u>Department of Aging</u>				
General Administration	\$ 785,305	\$ 812,763	--	\$ 812,763
Adult Medical Day Care	50,000	50,000	--	50,000
Senior Centers Network	1,758,642	2,002,173	--	2,002,173
Special Geriatric Services	238,135	187,069	--	187,069
Facilities	370,048	294,578	--	294,578
Transportation Services	972,059	856,083	--	856,083
Program & Volunteer Services	236,034	231,150	--	231,150
Total Department of Aging	\$ 4,410,223	\$ 4,433,816	--	\$ 4,433,816
<u>Department of Education</u>				
Administration	\$ 30,116,630	\$ 34,322,105	--	\$ 34,322,105
Mid-Level Administration	54,290,910	56,110,108	--	56,110,108
Instructional Salaries & Wages	261,493,534	262,949,237	--	262,949,237
Instructional Textbooks & Supplies	9,554,971	11,425,643	--	11,425,643
Other Instructional Costs	4,163,157	6,510,341	--	6,510,341
Special Education	63,693,974	67,123,122	--	67,123,122
Student Personnel Services	5,947,722	6,272,915	--	6,272,915
Health Services	9,421,669	10,003,768	--	10,003,768
Student Transportation Service	16,594,335	19,506,502	--	19,506,502
Operation of Plant & Equipment	51,972,337	55,627,551	--	55,627,551
Maintenance of Plant & Equipment	18,822,704	19,604,944	--	19,604,944
Fixed Charges	183,615,347	185,862,575	--	185,862,575
Capital Outlay	2,398,801	2,755,876	--	2,755,876
Debt Service - County Bonds	35,556,521	38,914,932	--	38,914,932
Contribution to Capital Budget	9,967,244	3,119,000	--	3,119,000
Total Department of Education	\$ 757,609,856	\$ 780,108,619	--	\$ 780,108,619
<u>Department of Libraries</u>				
General Administration	\$ 6,903,806	\$ 7,209,962	--	\$ 7,209,962
Circulation/Information Services	14,489,460	15,130,645	--	15,130,645
Customer Support Services	11,078,144	9,467,478	--	9,467,478
Buildings/Vehicle Maint. & Operation	2,792,200	1,271,538	--	1,271,538
Total Department of Libraries	\$ 35,263,610	\$ 33,079,623	--	\$ 33,079,623
Cooperative Extension	\$ 244,242	\$ 253,195	--	\$ 253,195
<u>Department of Recreation & Parks</u>				
General Administration	\$ 878,081	\$ 917,094	--	\$ 917,094
Recreation Services	9,523,101	9,568,735	--	9,568,735
Total Department of Recreation & Parks	\$ 10,401,182	\$ 10,485,829	--	\$ 10,485,829

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
<u>Debt Service</u>				
General Public Facilities	\$ 56,334,294	\$ 68,651,934	--	\$ 68,651,934
Pension Funding Bonds	16,538,728	16,011,614	--	16,011,614
Non-General Obligation Debt	16,881,876	18,181,115	--	18,181,115
Total Debt Service	\$ 89,754,898	\$ 102,844,663	--	\$ 102,844,663
<u>Retirement & Social Security</u>				
Contribution-Employee Retirement System	\$ 71,573,858	\$ 90,628,977	--	\$ 90,628,977
Contributions Social Security	16,367,159	17,275,000	\$ 5,879	17,269,121
Contributions Non-System Retirement	231,450	251,600	--	251,600
Total Retirement & Soc. Security	\$ 88,172,467	\$ 108,155,577	\$ 5,879	\$ 108,149,698
Environmental Protection & Sustainability	\$ 5,112,590	\$ 5,193,571	\$ 35,650	\$ 5,157,921
Insurance	\$ 101,080,474	\$ 131,847,638	--	\$ 131,847,638
Reserve For Contingencies	\$ 698,490	\$ 1,000,000	--	\$ 1,000,000
County Council	\$ 1,961,303	\$ 2,091,681	--	\$ 2,091,681
County Auditor	\$ 1,507,430	\$ 1,550,310	--	\$ 1,550,310
Board of Appeals	\$ 214,849	\$ 229,172	--	\$ 229,172
Economic & Workforce Development	\$ 1,249,260	\$ 1,229,836	--	\$ 1,229,836
Contribution to Capital Budget	\$ 16,592,835	\$ 45,561,048	--	\$ 45,561,048
<u>Organization Contributions</u>				
Organization Contributions	\$ 2,776,800	\$ 2,785,800	--	\$ 2,785,800
General Grant Program	4,900,280	5,332,205	--	5,332,205
Total Organization Contributions	\$ 7,677,080	\$ 8,118,005	--	\$ 8,118,005
Local Share	\$ 5,683,280	\$ 6,053,080	--	\$ 6,053,080
<u>Office of Information Technology</u>				
General Administration	\$ 2,412,391	\$ 2,534,430	--	\$ 2,534,430
Applications	5,952,889	7,633,244	--	7,633,244
Infrastructure	9,052,125	10,337,927	--	10,337,927
Electronic Services	3,319,618	3,286,212	--	3,286,212
Total Office of Information Technology	\$ 20,737,023	\$ 23,791,813	--	\$ 23,791,813

GENERAL FUND OPERATING BUDGET

Agency/Program Name	FY 2014 Adjusted Appropriation	FY 2015 Proposed Budget	FY 2015 Budget Reductions	FY 2015 Adopted Budget
<u>Department of Public Works</u>				
<u>Office of the Director</u>				
General Administration	\$ 541,903	\$ 591,389	--	\$ 591,389
Metro Financing/Petition Processing	25,765	27,377	--	27,377
<u>Bureau of Engineering & Construction</u>				
General Administration	370,705	373,473	--	373,473
Structural Storm Drain & Hgwy. Design	1,677,490	1,730,400	--	1,730,400
General Surveying	369,157	379,586	--	379,586
Contracts/Construction Inspections	1,774,442	1,821,978	--	1,821,978
<u>Bureau of Highways & Equipment Maintenance</u>				
General Administration	777,537	755,421	--	755,421
General Operations & Maintenance	12,570,141	12,891,793	--	12,891,793
Equipment Maintenance	6,255,731	6,478,611	--	6,478,611
Storm Emergencies	5,987,025	5,987,025	--	5,987,025
<u>Bureau of Solid Waste Management</u>				
General Administration	473,651	477,516	--	477,516
Refuse Collection	28,666,319	30,730,281	--	30,730,281
Refuse Disposal	22,206,276	23,810,663	--	23,810,663
Recycling	1,761,377	1,686,932	--	1,686,932
<u>Bureau of Traffic Eng./Trans. Planning</u>				
Traffic Planning	8,945,435	9,658,976	--	9,658,976
Traffic Sign Installation/Maintenance	1,520,290	1,491,292	--	1,491,292
Traffic Signal Operations/Maintenance	922,895	933,535	--	933,535
<u>Bureau of Utilities</u>				
Sewer/Water Operations/Maintenance	573,680	573,680	--	573,680
 Total Department of Public Works	 \$ 95,419,819	 \$ 100,399,928	 --	 \$ 100,399,928
 General Fund Total	 \$ 1,724,491,528	 \$ 1,862,386,772	 \$ 82,726	 \$ 1,862,304,046

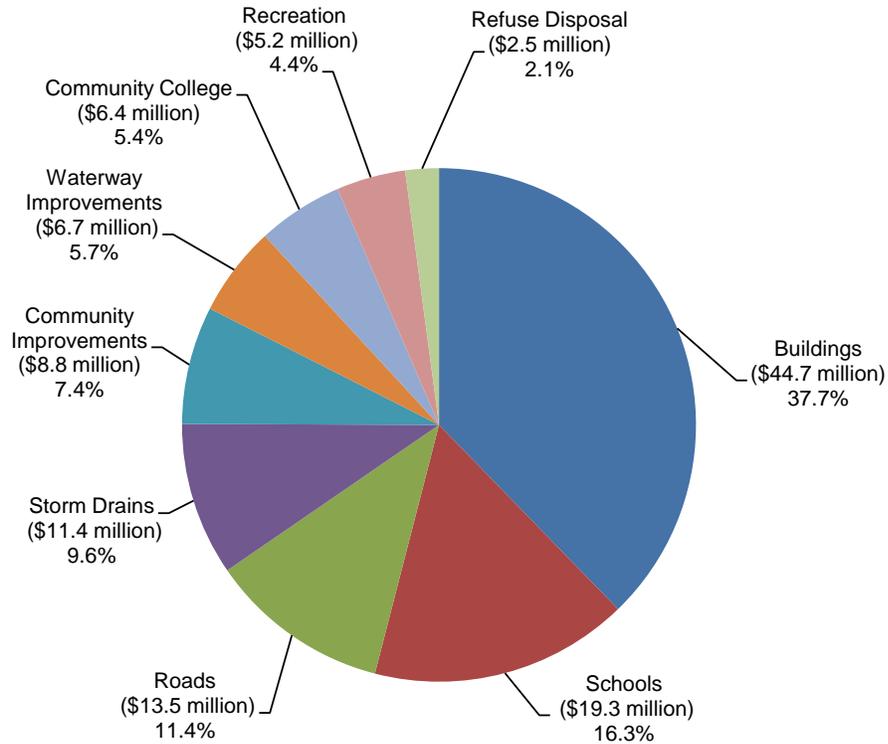
SECTION III

CAPITAL BUDGET & PROGRAM

CAPITAL BUDGET SUMMARY

FY 2015

Consolidated Public Improvement (CPI) Projects

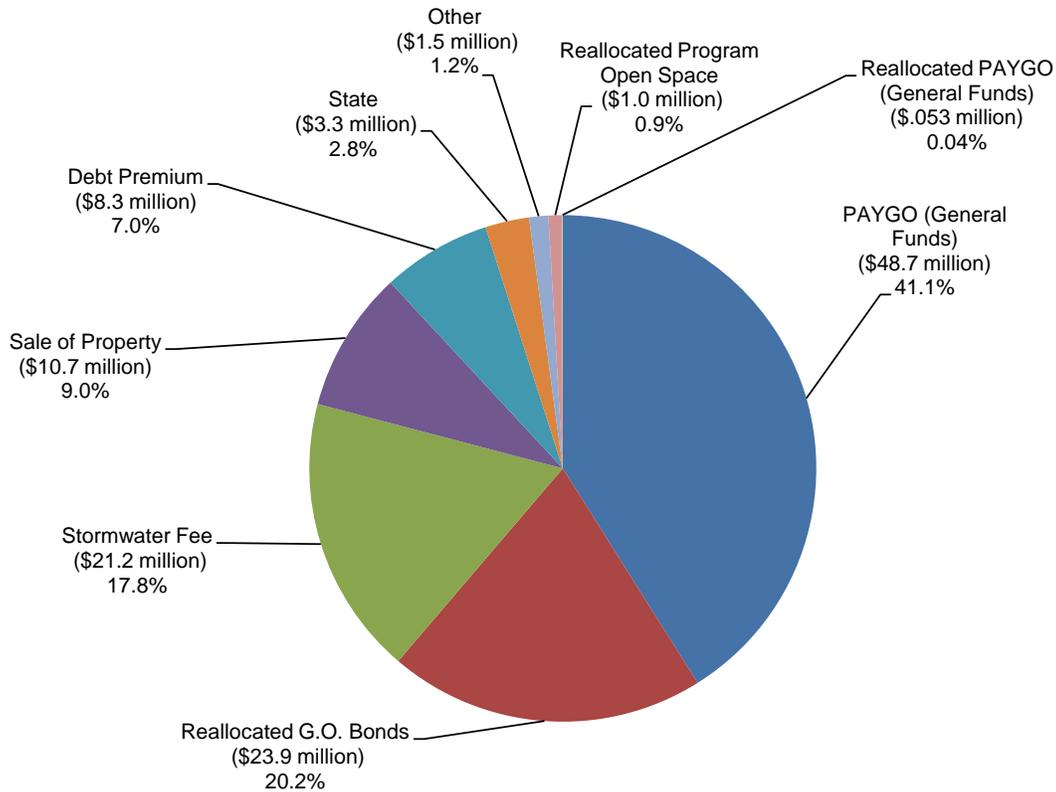


(\$ in Thousands)

<u>Project Classification</u>	<u>FY 2015</u>	<u>% of Total</u>
Buildings	\$ 44,725	37.7%
Schools	19,294	16.3%
Roads	13,512	11.4%
Storm Drains	11,427	9.6%
Community Improvements	8,800	7.4%
Waterway Improvements	6,729	5.7%
Community College	6,376	5.4%
Recreation	5,162	4.4%
Refuse Disposal	2,500	2.1%
CPI Projects	\$ 118,525	100%

CAPITAL BUDGET SUMMARY

FY 2015 Consolidated Public Improvement (CPI) Sources of Funding



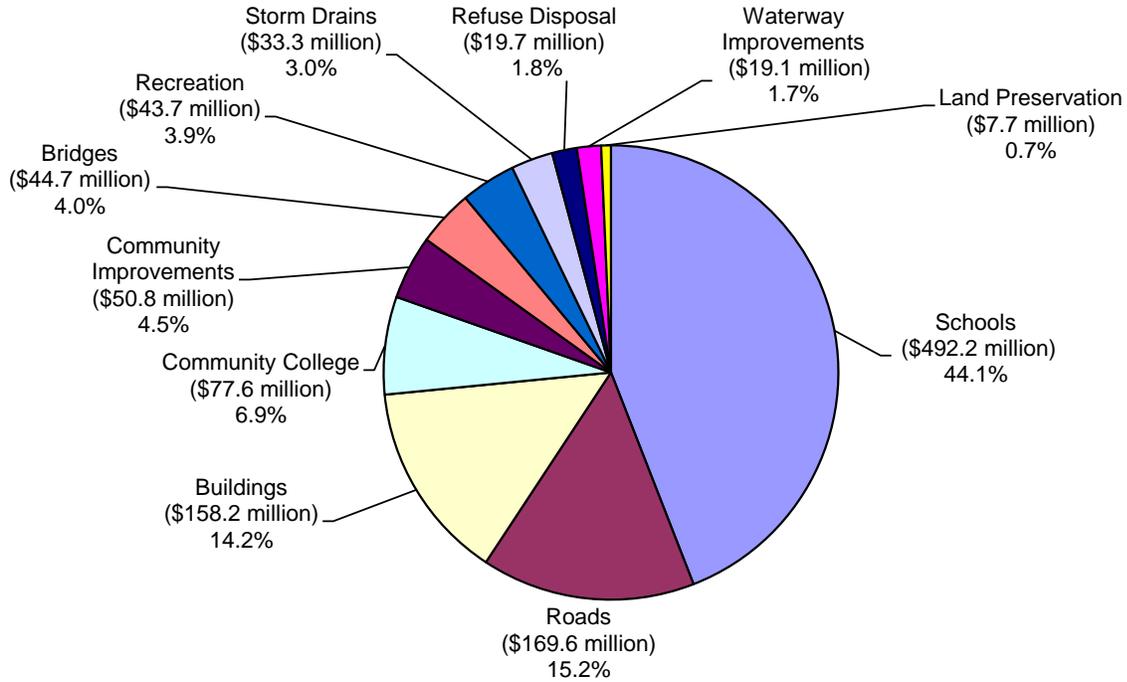
(\$ in Thousands)

Source of Funding	FY 2015	% of Total
PAYGO (General Funds)	\$ 48,680	41.1%
Reallocated G.O. Bonds	23,909	20.2%
Stormwater Fee	21,157	17.8%
Sale of Property	10,680	9.0%
Debt Premium	8,250	7.0%
State	3,321	2.8%
Other	1,450	1.2%
Reallocated Program Open Space	1,025	0.9%
Reallocated PAYGO (General Funds)	53	0.04%
CPI Sources	<u>\$118,525</u>	<u>100% *</u>

* Difference due to rounding

CAPITAL BUDGET SUMMARY

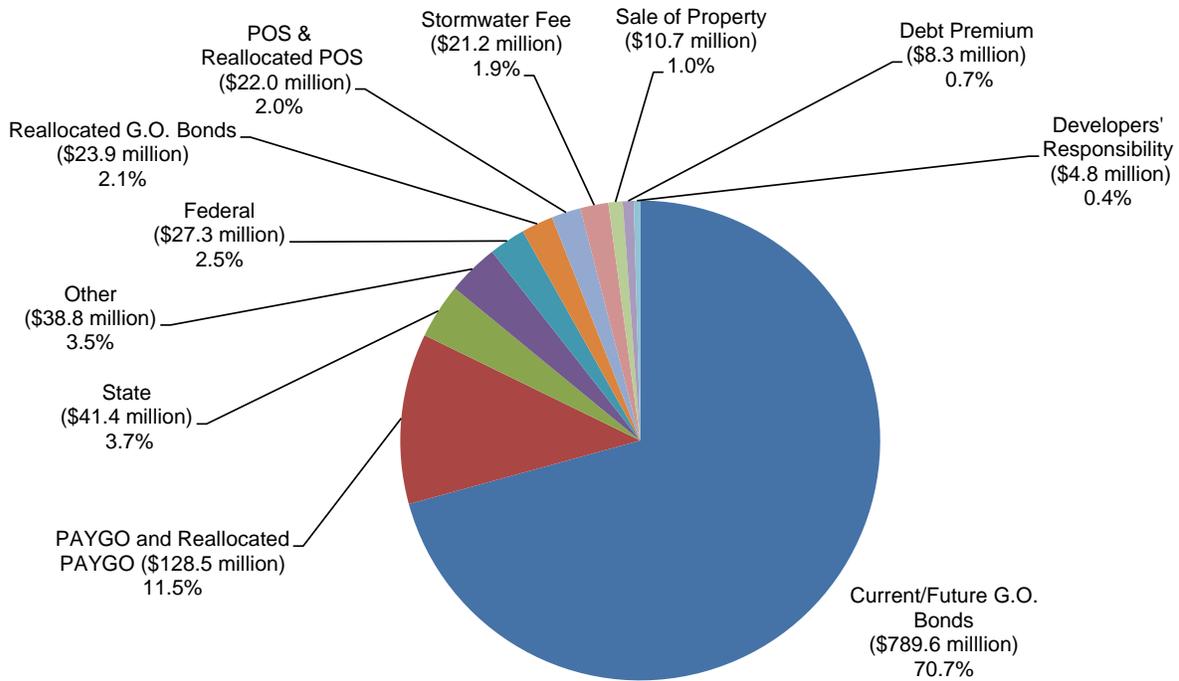
6-Year Program - FY 2015 - FY 2020 Consolidated Public Improvement (CPI) Projects



<u>Project Classification</u>	(\$ in Thousands)	
	<u>6-Year Program</u>	<u>% of Total</u>
Schools	\$ 492,162	44.1%
Roads	169,563	15.2%
Buildings	158,225	14.2%
Community College	77,576	6.9%
Community Improvements	50,800	4.5%
Bridges	44,665	4.0%
Recreation	43,662	3.9%
Storm Drains	33,267	3.0%
Refuse Disposal	19,672	1.8%
Waterway Improvements	19,117	1.7%
Land Preservation	7,725	0.7%
CPI Projects	\$ 1,116,434	100%

CAPITAL BUDGET SUMMARY

6-Year Program - FY 2015 - FY 2020 Consolidated Public Improvement (CPI) Sources of Funding



(\$ in Thousands)

<u>Source of Funding</u>	<u>6-Year Program</u>	<u>% of Total</u>
Current/Future G.O. Bonds	\$ 789,636	70.7%
PAYGO and Reallocated PAYGO (General Funds)	128,453	11.5%
State	41,409	3.7%
Other ⁽¹⁾	38,795	3.5%
Federal	27,320	2.5%
Reallocated G.O. Bonds	23,910	2.1%
Program Open Space (POS) and Reallocated POS	22,025	2.0%
Stormwater Fee	21,156	1.9%
Sale of Property	10,680	1.0%
Debt Premium	8,250	0.7%
Developers' Responsibility	4,800	0.4%
CPI Sources	<u>\$1,116,434</u>	<u>100%</u>

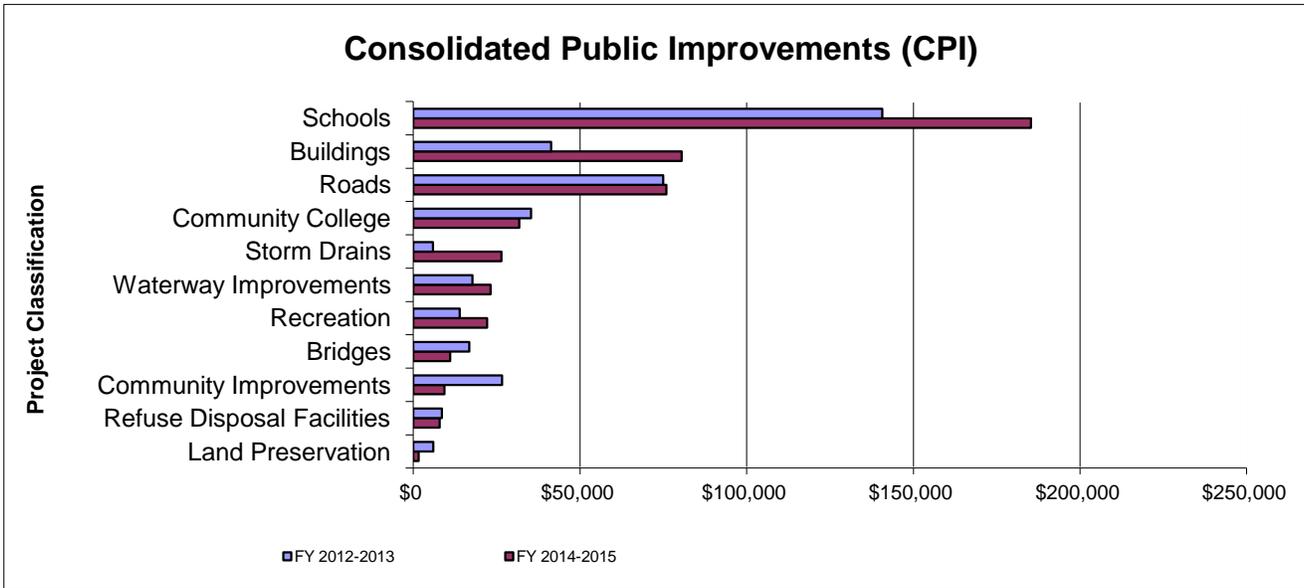
⁽¹⁾ Includes Student Fees, Agricultural Transfer Tax, LOS Waiver Fees, Reforestation Waiver Fees, and Stormwater Waiver Fees.

GENERAL OBLIGATION BONDS

Category	Referendum Year			% of Total
	CY 2010	CY 2012	Planned CY 2014	
Schools	\$ 104,528,000	\$ 148,875,000	\$ 157,899,000	56.9%
Public Works	68,112,500	55,874,000	46,370,000	16.7%
General Government Bldgs.	37,787,410	23,148,000	28,500,000	10.3%
Community College	32,693,570	15,000,000	15,000,000	5.4%
Refuse Disposal	6,114,000	760,000	11,930,000	4.3%
Community Improvements	17,000,000	7,476,000	10,000,000	3.6%
Parks, Preservation & Greenways	5,000,000	2,000,000	4,000,000	1.4%
Waterway Improvement Program	8,664,000	1,295,000	2,000,000	0.7%
Land Preservation	5,000,000	1,000,000	2,000,000	0.7%
Total General Obligation Bonds	<u>\$ 284,899,480</u>	<u>\$ 255,428,000</u>	<u>\$ 277,699,000</u>	<u>100%</u>

CAPITAL BUDGET SUMMARY

Biennial Comparison - Projects (\$ IN THOUSANDS)



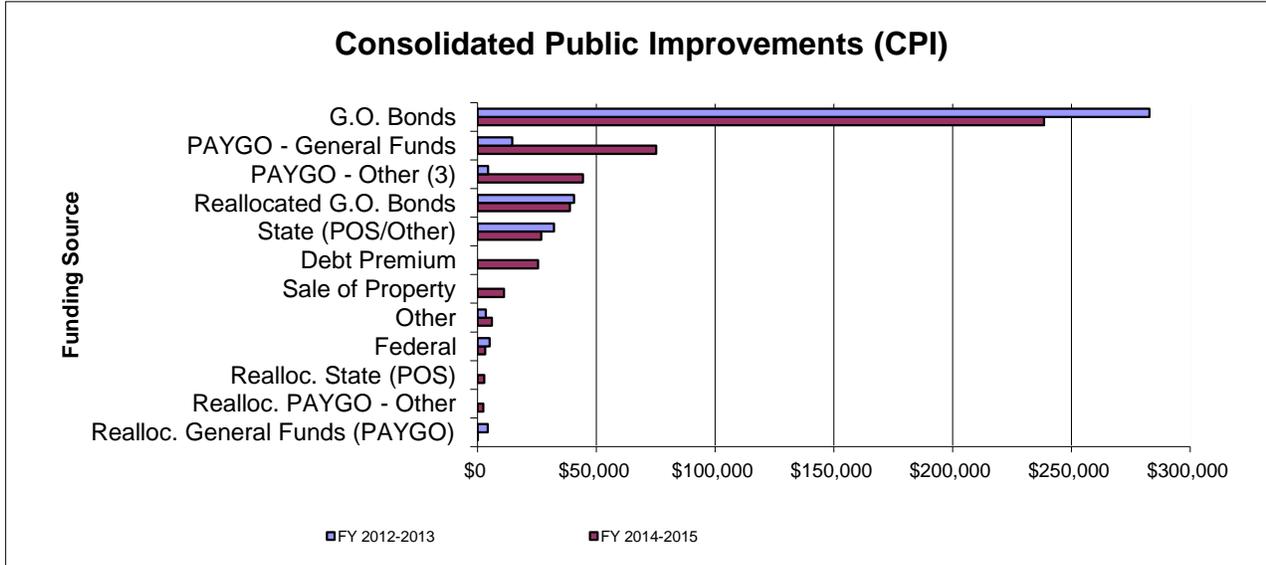
Project Classification	FY 2012-13 ⁽¹⁾	FY 2014-15 ⁽²⁾	Increase/(Decrease)	
			Amount	%
Schools	\$ 140,666	\$ 185,317	\$ 44,651	31.7%
Buildings	41,313	80,495	39,182	94.8%
Roads	74,923	75,920	997	1.3%
Community College	35,352	31,756	(3,596)	-10.2%
Storm Drains	5,863	26,420	20,557	350.7%
Waterway Improvements	17,724	23,183	5,459	30.8%
Recreation	13,885	22,100	8,215	59.2%
Bridges	16,800	11,089	(5,711)	-34.0%
Community Improvements	26,634	9,350	(17,284)	-64.9%
Refuse Disposal Facilities	8,614	7,931	(683)	-7.9%
Land Preservation	6,000	1,575	(4,425)	-73.8%
CPI Projects	\$ 387,774	\$ 475,136	\$ 87,362	22.5%

⁽¹⁾ Reflects adjusted FY 2012 and 2013 appropriations.

⁽²⁾ Reflects adjusted FY 2014 appropriations.

CAPITAL BUDGET SUMMARY

Biennial Comparison - Sources of Funding (\$ IN THOUSANDS)



Source of Funding	FY 2012-13 ⁽¹⁾	FY 2014-15 ⁽²⁾	Increase/(Decrease)	
			Amount	%
G.O. Bonds	\$ 282,857	\$ 238,440	\$ (44,417)	-15.7%
PAYGO - General Funds	14,575	75,240	60,665	416.2%
PAYGO - Other ⁽³⁾	4,493	44,414	39,921	888.5%
Reallocated G.O. Bonds	40,656	38,957	(1,699)	-4.2%
State (POS/Other)	32,249	26,811	(5,438)	-16.9%
Debt Premium	-	25,495	25,495	-
Sale of Property	-	11,180	11,180	-
Other	3,475	5,990	2,515	72.4%
Federal	5,120	3,305	(1,815)	-35.4%
Realloc. State (POS)	-	2,800	2,800	-
Realloc. PAYGO - Other	-	2,424	2,424	-
Realloc. General Funds (PAYGO)	4,349	80	(4,269)	-98.2%
CPI Sources	\$ 387,774	\$ 475,136	\$ 87,362	22.5%

⁽¹⁾ Reflects adjusted FY 2012 and 2013 appropriations.

⁽²⁾ Reflects adjusted FY 2014 appropriations.

⁽³⁾ Includes Student Fees, Agricultural Transfer Tax, LOS Waiver Fees, Reforestation Waiver Fees, and Stormwater Waiver Fees.

CAPITAL BUDGET - DEBT AFFORDABILITY GUIDELINES

Debt Service⁽¹⁾ as % of General Fund Revenue

Guideline - 9.5% of General Fund Revenue	\$	169,503,586
FY 2015 Budget		(133,119,516)
Under (Over) Guideline	\$	<u>36,384,070</u>

Debt Outstanding⁽¹⁾ as % of Total Property Value

Guideline - 2.5% of Assessed Property Value	\$	1,957,591,275
Estimated Debt Outstanding as of 6/30/2015		(1,615,068,823)
Under (Over) Guideline	\$	<u>342,522,452</u>

Legal Debt Limit⁽²⁾

Estimated Assessable Base	\$	78,303,651,000
	x	4%
Debt Limit Equal to 4% of Assessable Base	\$	<u>3,132,146,040</u>
Estimated Debt Outstanding as of 6/30/2015		
Public Facility Bonds	\$	730,433,000
Public School Bonds		461,281,000
Pension Liability Funding Bonds		259,295,000
Bond Anticipation Notes		219,000,000
Community College Bonds		93,996,000
		<u>(1,764,005,000)</u>
Under (Over) Legal Debt Limit	\$	<u>1,368,141,040</u>

(1) Excludes pension funding and Metropolitan District bonds.

(2) Excludes certificates of participation, capital leases, and Metropolitan District bonds.

SECTION IV

RECOMMENDATIONS

Office of Budget and Finance (006)

Managing Long-Term Liabilities

In recent years, the County's annual funding for the long-term liabilities of General Government and the component units has risen dramatically. Four years ago, the FY 2011 budget appropriated \$232.5 million to fund debt service, retirement, and other post-employment benefits (OPEB) costs; for FY 2015, appropriations for these purposes total \$392.9 million, an increase of \$160.4 million, or 69%. Increases in retirement and OPEB contributions are due in part to the effects of the Great Recession on the financial health of the County's assets, but are also due to an increased level of commitment by the County to address proactively these long-term liabilities. The County has now twice lowered its expected rate of return on retirement system investments, and the planned OPEB expense for FY 2015 will fully fund the Annual Required Contribution (ARC) needed to amortize that liability. The increase in debt service payments primarily reflects the County's greater reliance on bond funding as opposed to current expense funds, since the Great Recession, to meet its capital budget needs. Despite this increase in debt commitments, the Council is reassured that the County's debt and debt service levels remain below the County's legal and affordability thresholds.

During this year's budget process, the Office of Budget and Finance advised that its previous plan to exceed the OPEB ARC in future years may not come to fruition due to the County's aggressive capital budget plan, which will require a growing debt service commitment, and potential forthcoming changes in OPEB accounting standards. In FY 2015, County employees will feel the impact of a reduced health insurance premium subsidy, increased premiums, and higher prescription drug co-pays. The Office explained that the County will lose its privileged "grandfather" status under the Affordable Care Act in FY 2015 as a result of changes to its employee health insurance benefit plans; future changes in its PPO plan are also likely in order to avoid being subject to the Affordable Care Act's "Cadillac Tax" - a tax on higher cost insurance plans that will become effective in FY 2018. The Administration noted that future retirement-related changes are also anticipated to allow for a necessary further reduction in the expected rate of return on system investments.

The Council requests routine briefings on these important matters and looks forward to working with the Administration to ensure that the benefits promised to the County's employees will be there when they retire. The legislative branch remains committed both to this purpose and to

ensuring that the County's debt levels and employee benefit offerings remain affordable to the taxpayers.

Administrative Officer (007)

Transfer of Library Technology Positions

Two years ago, when approving the reorganization that established the Property Management Division of the Office of Budget and Finance, this Council asked the Administration to provide for enhanced communication from all agencies involved regarding any future interagency transfers of management responsibility, before and as they take place, to ensure that Council members would have the opportunity to provide timely input into the process. However, in the case of the transfer of maintenance and technology functions from the Baltimore County Public Library (BCPL) system to General Government, the Administration did not communicate its plans.

The Council commends the Administration's overall philosophy of consolidating services to reduce costs and improve efficiencies. There is broad agreement that transferring maintenance responsibilities from the Baltimore County Public Library (BCPL) system to the Office of Budget and Finance, Property Management Division, for example, was a prudent decision that eliminated duplication. At the same time, this Council is concerned that the transfer of technology positions from BCPL was proposed without the approval of either the Library Board of Trustees or the Library Director. There is also concern about the transfer of core services away from direct control of the BCPL system. The Council's strong preference would have been to wait until the incoming Library Director could have reviewed such a change, and we recommend a thoughtful, careful process that fully engages her and her staff should the transfer proceed.

Capital Budget Priorities

The Council embraces opportunities to identify future capital budget needs and to weigh competing priorities. Each Council member, as the elected representative for his or her district, is a unique source of insight about the needs of his or her community. Council members serve as the voice for the residents of their districts; when a member prioritizes a particular project above others within his or her district, the Administration should be open in communicating its

rationale for prioritizing other projects above it. For example, during this year's capital budget hearing, a Council request was made to consider installing an artificial turf field at Pikesville High School in conjunction with the renovations planned for that school. The Administration should actively solicit, and seriously consider, all Council feedback and proposals regarding the County's capital budget priorities. To the extent that Council members want to be active participants in this process, the Administration should embrace the opportunity to collaborate in serving County taxpayers.

Bicycle and Pedestrian Improvements

Baltimore County has made great progress over the past three years in making our communities safer and more accessible to pedestrians and bicyclists. This County Council created the Baltimore County Pedestrian and Bicycle Advisory Committee and passed the resolution that established an award-winning Complete Streets policy. We commend the Administration for its support of trail and bike lane initiatives from Catonsville to Dundalk. At the same time, we are very disappointed that new projects are not being pursued. Progress in Baltimore County appears to be stalled while other jurisdictions compete for state funding that could make a difference in our communities.

Revitalization of Downtown Towson

More than \$770 million in private investment is expected to transform Downtown Towson over the next five years. The Council commends the Administration for its support of redevelopment efforts in Downtown Towson. The Council continues to urge planning for transportation, green space, and security improvements that will be needed as Downtown Towson evolves into a more populous community. The Administration should coordinate all matters related to Towson's revitalization with the Council, in particular matters involving public safety, such as the plans for funding a police kiosk in central Towson, which will provide access to charging stations for officers' electric standing vehicles and other crime prevention technology as well as assist the Police Department in creating a greater police presence in the area.

Funding for the Circuit Court System

A new era of leadership in the Judiciary has created optimism for the future, but there are a number of fiscal challenges facing the Circuit Court for Baltimore County. In recent years, workload has risen while funding has declined. Specifically, since 2006, the number of filings has increased by 10%, while funding for the Court has shown a 6% decline. Additionally, the

rise in self-representation by litigants, particularly in family law cases, has placed a greater burden on Court staff, Judges, and Masters, as there is no lawyer in the case to explain procedures to litigants and steer them through the judicial process. In response to this trend, the Court has increased its staffing in its self-help office and provides mediation in all of these cases. While the Court strives to hire and retain a highly educated and experienced staff, it struggles with a salary base that is 10 to 15 percent below that of surrounding Circuit Court jurisdictions and even the District Court. Typically, positions are comparable in job description, but Baltimore County requires that the positions handle a larger caseload than they do elsewhere. Other challenges faced by the Court involve the aging physical plant of the Courts Building – including the need for upgrades to enable courtrooms to adapt to electronic filing – and security support requirements, including necessary resources for the Sheriff’s Office.

The County Council asks the Administration to work collaboratively with the Circuit Court and to take a holistic approach to the needs of the County going forward, with funding priority in the areas of security, compensation for staff and jury members, and the physical plant of the County Courts Building. In our view, the goal should be the most efficient and innovative Circuit Court in the State.

Department of Education (035)

Digital Conversion

The FY 2015 budget includes nearly \$19 million, including more than \$2 million in new County ongoing funding, for the first phase of the school system’s digital conversion. It is expected that the annual cost of the digital conversion will total approximately \$58 million when the program is fully implemented in FY 2018. At the budget hearing, the Superintendent advised that he and the Director of the County’s Office of Budget and Finance would be meeting in June to determine fiscal planning for this initiative for the next few years. The Council wishes to be updated promptly on these fiscal plans. Further, the legislative branch recommends that the school system consult the most recent and advanced environmental health guidelines when implementing the digital conversion in order to determine the safest placement of routers within schools, to develop standard operating procedures for powering-down routers and devices during non-use periods, and for advising users on the placement of devices during use to minimize direct radio-frequency exposure.

Schools for Our Future

For years, the legislative budget analysis has drawn attention to school overcrowding issues affecting all areas of the County, and in March 2012, the school system published a report on school facilities, which identified an extensive list of existing critical infrastructure deficiencies requiring an estimated \$1.7 billion investment. At the school system's budget hearing last year, the Superintendent advised that in some cases, replacing old schools with new, modern facilities may be the most cost efficient way to address both maintenance issues and capacity needs. In his FY 2015 budget message, the County Executive announced his Schools for Our Future program, with plans for \$1.1 billion in combined County and State funding for school renovation and construction projects from 2011 to 2021. The program will fund 11,000 new or replacement seats and at its conclusion, 97% of all County schools, including every elementary and middle school, should be air conditioned. The Council is aware that funding this program requires a shift in school capital funding priorities. As a result, the high school renovations program, which commenced in FY 2009, will be slowed from \$191 million programmed in the FY 2014-FY 2019 capital program to \$32 million programmed in the FY 2015-FY 2020 capital program. To date, fewer than half of the County's high schools have been renovated under this program. The school system has been conducting a system-wide physical facilities assessment to identify the specifics of its capital project plans; the assessment is slated for release in December 2014, after voters are asked to approve \$157.9 million in school borrowing costs to fund FY 2016 school capital projects.

During this year's budget hearing, the Council raised questions about school maintenance needs, including mold remediation efforts and the system's indoor air quality program, Tools for Schools, which the school system reported is active in all County public schools. Last year, the Council expressed interest in receiving a draft facilities plan in conjunction with its dissemination to school board members; however, the Superintendent advised at the recent budget hearing that current plans are to engage the public in the process of report drafting prior to involving the school board. The Council asks that as this process unfolds, the Superintendent ensure that prompt and open communication with Council members and communities occurs and that decisions are explained to address the various concerns of community members.

Department of Environmental Protection and Sustainability (042)

Stormwater Remediation

The Council continues to urge the Department to expand its public outreach efforts with regard to the County's stormwater remediation fee. In particular, the Council recommends stronger efforts to publicize the projects funded by the fee and to explain how credits can be obtained - especially for non-residential property owners whose bills may be significant. The Council also asks the Department to investigate options for reducing the fee structure for mobile home parks, since the commercial fee placed on such a property is typically passed along to mobile home owners, with a cost per household far exceeding the annual residential rate of \$39 per single-family detached home.

Office of Information Technology (069)

Broadband Project

In July 2011, this Council questioned, from both an aesthetic and security perspective, how the County would weigh the cost-benefit of burying its new broadband fiber optic communication network lines as opposed to renting space on utility poles to run its fibers. At that time, the Office advised that its plan was to bury approximately 40% of its network. During this year's budget hearing, the Council was pleased to learn that the Office has been able to locate roughly 90% of its fiber underground and has connected all but 3 of the planned 114 anchor sites. The Council commends the Office's successful management of this \$18.5 million project, including its success in obtaining more than \$14 million in grant funding to fund it, and supports the Office enthusiastically in its continued efforts to identify and prioritize projects that are innovative, provide efficiencies, expand constituent self-service, and enhance public safety.

Department of Public Works (070)

Stormwater Remediation

The Department of Public Works manages more than half of the County's stormwater remediation fee revenues, specifically \$11.4 million for storm drain improvement projects and \$3 million for targeted street sweeping activities in FY 2015 funding. In addition, the Department

manages Metropolitan District capital funds, which include \$10 million designated for water quality improvement projects for FY 2015. The Council recently learned that the County currently has six street sweepers and has recently purchased three additional street sweepers, which will be delivered in July 2014. The Council is looking forward to seeing the County's new street sweeping equipment in action and approves of the Department's decision to award a contract for street sweeping to evaluate the comparative cost-effectiveness of its in-house operations. During this year's budget hearing, the Council also applauded efforts to paint storm drains to raise community awareness about the ultimate fate of debris that enters the storm drain system and questioned whether changes in County design practices for public works projects such as parking lots were being considered to incorporate a greater reliance on pervious rather than impervious surfaces. The Council urges the Department to communicate frequently with Council members about projects in their districts and to include information in an annual report to the legislative branch about all its efforts to reduce stormwater runoff, including but not limited to specific storm drain enhancements and street sweeping activities.

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