



WASHINGTON COUNTY, MARYLAND

# FISCAL & ECONOMIC UPDATE

QUARTERLY REPORT

MARCH 2024



# Washington County

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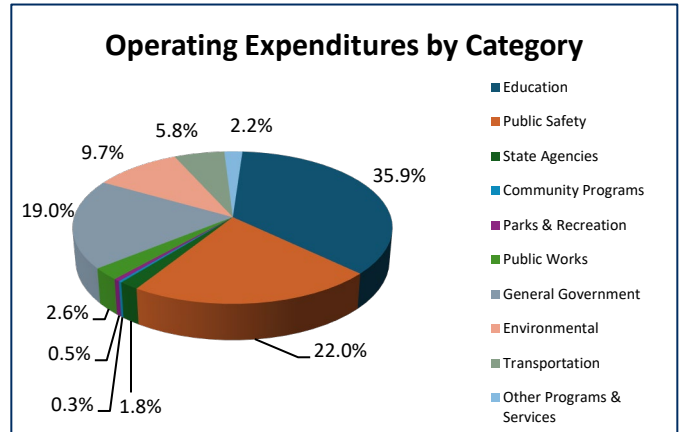
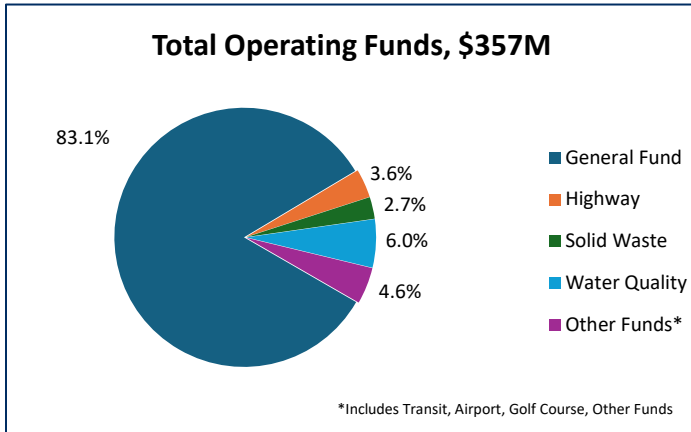
Washington County is located in northwestern Maryland, bordered by Pennsylvania to the north and West Virginia to the south. It is bordered on the east by Frederick County, Maryland and on the west by Allegany County, Maryland. Washington County is approximately 70 miles from Washington, D.C. and Baltimore, 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. 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. The County Commissioners are elected on a county-wide basis and serve four-year terms. Other elected County funded positions include County Sheriff, Treasurer, and State’s Attorney.

Information provided below indicates where Washington County ranks within Maryland Counties for the services and statistics provided among 23 counties and Baltimore City for FY2022, the most recent available year.

Population Rank	11th
Property Tax per capita	20th
Per pupil local funding*	20th
Expenditure per capita	24th
Revenue per capita	22nd

\*Per pupil local funding reflects FY2024 data

## FINANCIAL STATS

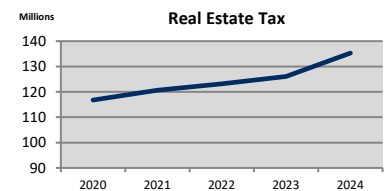


Washington County will spend approximately \$357 million annually on public services in FY2024. The General Fund budget represents the County's largest fund at \$302.5 million, or 83.1%. Major revenues that make up the General Fund budget are Property Tax, Local Income Tax, and Other Local Taxes including Recordation Tax, Service Fees, and Intergovernmental Grants. General Fund dollars are spent on Education, Public Safety, Debt Service, General Government, Courts, State Agencies, Community Programs, Public Works, Parks & Recreation, and sometimes support other funds through an intergovernmental transfer.

## MAJOR REVENUE TRENDS

The following information summarizes key revenue sources that affect the County's overall financial condition. External economic factors such as the unemployment rate, inflation and interest rates, and real property sales impact County revenues. Amounts reported reflect distributions received as of the reported date. The revenue graphs to the right reflect total actual revenues collected for each of the prior fiscal years and the projected total annual revenue based on existing trends for the current year.

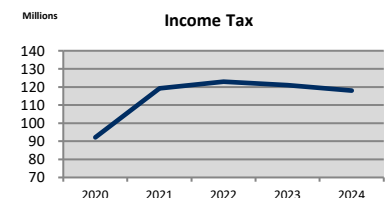
Real Estate Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
129,946,870	135,194,723	5,247,853	4.0%	7.2%



Personal Property Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
14,074,915	19,263,475	5,188,560	36.9%	12.7%

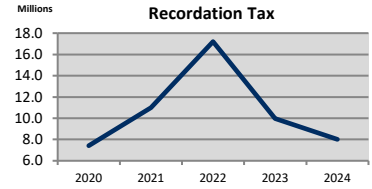


Income Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
64,715,080	66,793,037	2,077,957	3.2%	(5.0%)



## MAJOR REVENUE TRENDS (CONTINUED)

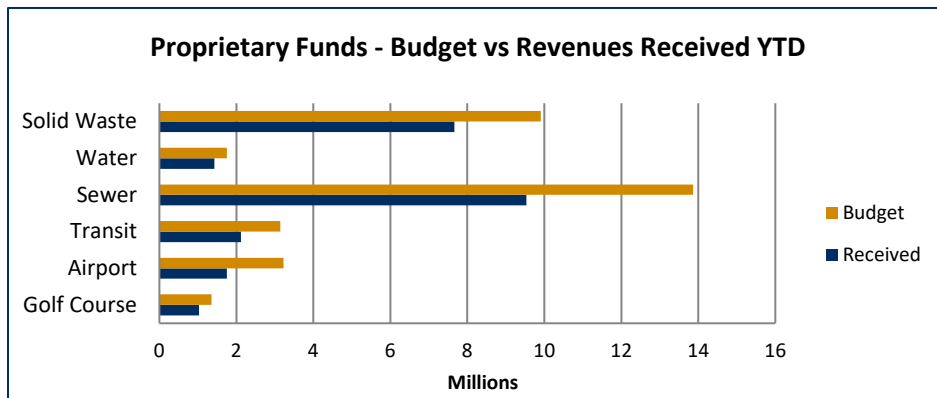
Recordation Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
5,941,401	5,657,960	(283,441)	(4.8%)	(23.0%)



Residential Excise Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
370,954	584,480	213,526	57.6%	(43.7%)



Transfer Tax				
Year-to-Date		Budget Variance		Actual Growth
Budget	Revenues	\$	%	PY vs. CY %
2,511,786	2,518,136	6,350	0.3%	(11.1%)



## SUMMARY OF MAJOR EXPENDITURE ACTIVITY

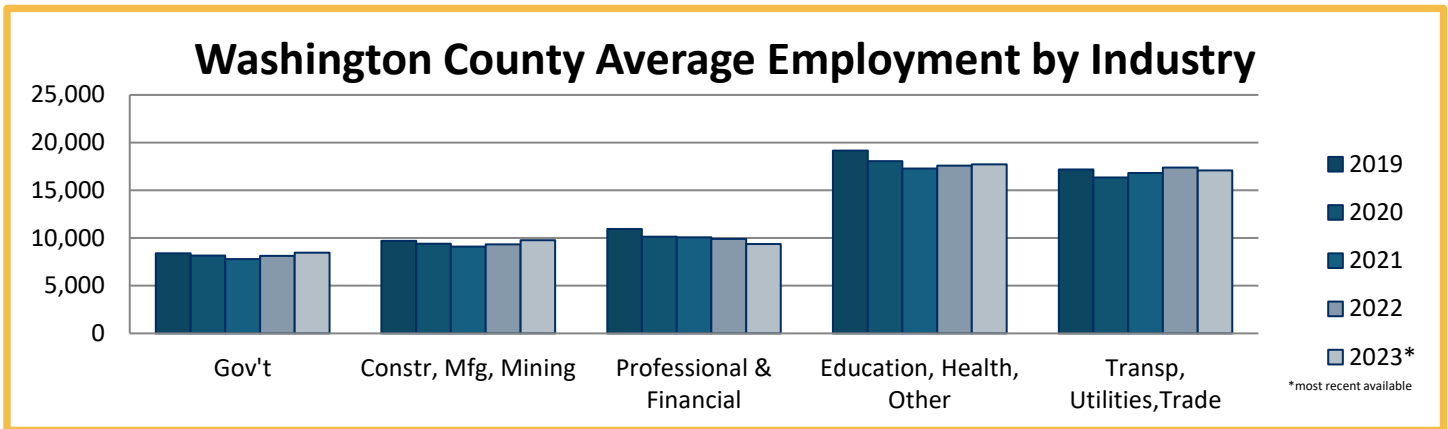
Expenditure Activity by Major Fund (in millions)					
Fund	Budget	Spent	Encumbered	Unexpended	% Expended
General	302.5	225.0	4.6	72.9	74%
Highway	13.1	9.7	0.4	3.0	74%
Solid Waste	9.9	5.9	2.8	1.2	60%
Water	1.8	1.2	0.1	0.5	67%
Sewer	13.9	10.2	0.2	3.5	73%
Transit	3.1	2.3	0.2	0.6	74%
Airport	3.2	2.4	0.1	0.7	75%
Golf Course	1.3	0.9	0.0	0.4	68%
<b>Total</b>	<b>348.8</b>	<b>257.6</b>	<b>8.4</b>	<b>82.8</b>	<b>74%</b>

The table to the left compares major year-to-date expenditure activity to budgeted funding. It incorporates the variance by dollar and percentage, along with total expenditure activity. Funds expended and encumbered should average around 75% if not subject to seasonal fluctuation.

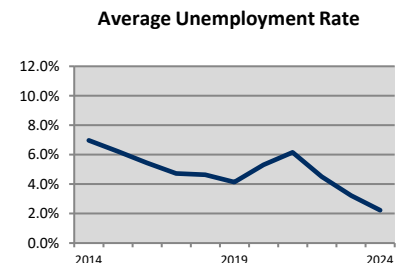
Year-to-date income tax revenue received for FY24 is \$66.79 million, a decrease of \$3.5 million (or -4.98%) compared to this time last fiscal year. This is the first fiscal year where the County will fully realize the impact in distributions of the 2.95% income tax rate, which was reduced from 3.0%. Continued growth in the personal property tax base is resulting in significant revenue growth for the current fiscal year, a trend which is the result of new businesses and associated construction within the County. Closely connected is the trend for private establishments (any separate economic unit that produces goods or services in Washington County), an indicator which lags two quarters, but has shown steady growth in business establishments over recent years (See the chart on the following page for further detail). Overall, consumer spending and GDP is expected to slow in the first half of 2024 until inflation and interest rates normalize further.

The county unemployment rate at the end of March was 3.1% compared to 2.5% and 3.8% statewide and nationwide, respectively. Unemployment has continued to steadily decline since its recent peak in 2021. Permits issued for new residential homes in Washington County have decreased by -12.1% (140 down to 123) through March when compared to the prior fiscal year. The total number of homes sold through March 2024 also decreased by -6.6% (from 1,281 to 1,197) from March of 2023. Housing prices have continued to increase with YTD average sales up \$28,042, or 9.3%, from the previous year. As interest rates along with housing prices remain elevated, the number of home sales will likely remain low due to the increased cost for borrowers. The median days a home was on the market in Washington County was 18 and 14 for March of 2024 and 2023, respectively.

## EMPLOYMENT DATA

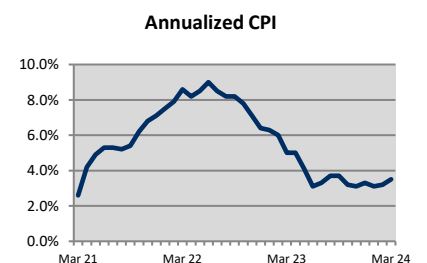


Employment Statistics - March						
County			State	National		
Fiscal Year	Number of Employed	Number of Unemployed	Unemployment	Unemployment	Unemployment	
2023	70,566	1,920	2.6%	2.7%	3.5%	
2024	70,439	2,257	3.1%	2.5%	3.8%	



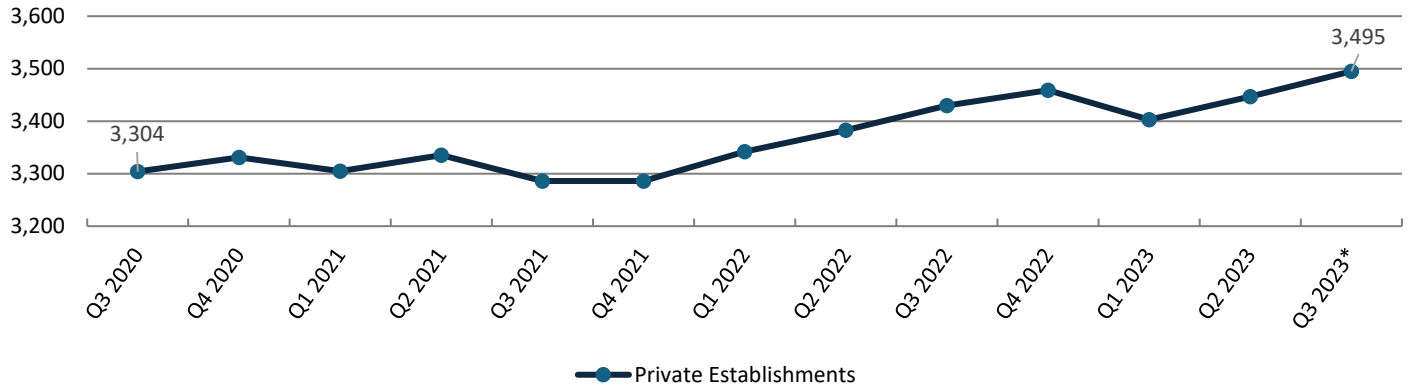
## SPENDING DATA

Consumer Price Index (CPI)			
Current Period		Prior Period	
Index	Annual Change	Index	Annual Change
312.3	3.5%	301.8	5.0%



### Number of Private Establishments - Washington County, MD

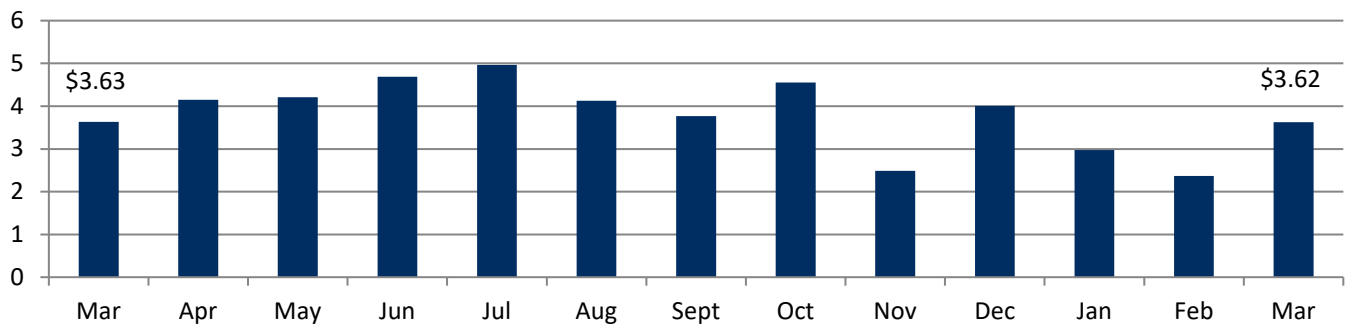
(Calendar Year)



\*Q3 2023 data most recently available

### Gross Lodging Revenues

Millions

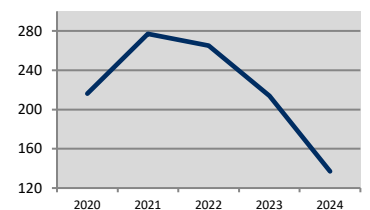


## HOUSING DATA

### New Residential Housing Permits Issued

Area	Prior YTD	Current YTD	Variance	
			# of Permits	% Change
Washington County	140	123	(17)	(12.1%)
City of Hagerstown	74	14	(60)	(81.1%)
Total	214	137	(77)	(36.0%)

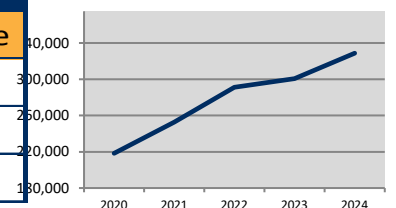
### New Housing Permit Activity



### Washington County Housing Statistics

Housing Activity:	2023 YTD	2024 YTD	% Change
Average Price Sold	300,689	328,731	9.3%
Total Units Sold	1,281	1,197	(6.6%)
Average Inventory	269	235	(12.6%)

### Average Price Sold



## INVESTMENTS

Year-to-Date Investment Activity				
Investment Type	Settlement Date	Maturity Date	Yield	Cost
Treasury Note	3/8/2023	3/31/2024	5.190%	9,699,610
Treasury Note	6/30/2023	5/15/2024	5.360%	14,636,719
Treasury Note	6/30/2023	6/15/2024	5.430%	14,283,330
Treasury Note	7/25/2023	4/15/2024	5.340%	14,479,688
Treasury Note	7/25/2023	8/31/2024	5.350%	14,667,773
T-Bill	8/11/2023	8/8/2024	5.273%	14,245,263
Treasury Note	8/11/2023	5/15/2024	5.316%	14,688,281
Treasury Note	8/11/2023	10/31/2024	5.180%	14,858,203
Treasury Note	12/1/2023	11/30/2024	5.167%	9,935,938
Treasury Note	12/1/2023	10/31/2024	5.181%	9,675,000
Treasury Note	12/1/2023	8/31/2024	5.239%	9,756,250
Treasury Bill	12/19/2023	6/20/2024	5.257%	9,745,200
Treasury Note	12/19/2023	9/15/2024	4.996%	9,669,922
Treasury Note	12/19/2023	12/15/2024	4.823%	9,635,938
Treasury Note	12/19/2023	6/15/2024	4.589%	4,878,125
Treasury Note	1/19/2024	10/15/2024	4.881%	9,698,438
Treasury Note	1/19/2024	12/15/2024	4.824%	9,668,359
Treasury Note	1/19/2024	6/15/2024	4.539%	9,776,953
Treasury Note	2/21/2024	12/15/2024	5.036%	9,682,813
Treasury Note	2/21/2024	2/15/2025	5.006%	14,573,438
Treasury Note	2/21/2024	12/31/2024	5.038%	14,592,188
Treasury Note	3/11/2024	2/15/2025	5.013%	9,729,688
Treasury Note	3/27/2024	3/15/2025	4.985%	9,698,828
			5.088%	\$262,275,942

# WASHINGTON COUNTY, MARYLAND



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## STATEMENT OF PURPOSE

This report is designed to communicate the County's major financial trends for the indicated period since the issuance of the prior audited financial statements. The report is interim in nature and abbreviated in that it does not include details for all the various funds maintained by the County. Additionally, this report omits many of the required note disclosures typically found in a fiscal year-end financial statement report. The information contained here is intended to allow management to make limited assessments of near-term trends

that may have an impact on operations and financial results. Management views this interim period as an integral part of the annual period. This report includes information regarding some of the more notable recent developments that may impact County finances, along with summarized information relating to various operations within the County. This report is general in nature. The reader is cautioned that it does not provide the level of detail, nor the comprehensive scope found in a fiscal year-end financial statement. Those desiring or needing such

information should contact the Office of Budget and Finance. We hope that you find this report informative and meaningful. If you have any questions regarding this report, please contact the Office of Budget and Finance at 240-313-2300.

This report is provided for general information use only. The information contained in the document speaks only as of its report date.