Reading of the Public Notice

Candice Quinn Kelly, President of the Charles County Commissioners
Proposed FY 2014
Budget Overview

Deborah Hudson,
Director of Fiscal and Administrative Services

David Eicholtz,
Chief of Budget

Department of Fiscal & Administrative Services
Mission Statement

The mission of Charles County Government is to provide our citizens the highest quality service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace.
Public Hearing Agenda: April 17, 2013

- Reading of the Public Notice
- **Budget Process**
- Proposed General Fund
- **Proposed Enterprise Fund**
- Proposed Capital Improvement Program (CIP)
- **Fees & Charges**
- Public Statements
- **Adjourn**
The Budget Process

• Begins in the Fall with the Fiscal & Administrative Services Department Budget Division making expenditure recommendations

• County Administrator sends a budget message to departments/agencies in December
  – Based on Revenue Projections giving the Departments guidance on submitting their upcoming budget
The Budget Process

• Department/Agencies requests are formally submitted to the Budget Division

• The Budget Division meets with Departments/Agencies in January

• County Administrator & Budget Division meets with Departments/Agencies in February
The Budget Process

- Commissioner Work Sessions:
  - December 11th: Review of CIP – Governmental projects
  - March 12th: Review of Enterprise Funds
    – Operating & CIP
  - March 19th: General Fund Budget Work Session
The Budget Process

• Commissioner Work Sessions (cont):
  – April 2th: General Fund & CIP Work Session
  – April 9th: General Fund Work Session
  – April 16th: General Fund Work Session
  – April 23rd: Budget Recap
  – April 30th: Budget Adoption
General Fund
# Fiscal Year 2014 Overview

<table>
<thead>
<tr>
<th></th>
<th>FY13 Budget</th>
<th>FY 14 Requested</th>
<th>FY14 Proposed</th>
<th>$ Chg from FY 2013</th>
<th>% Chg</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$325,073,900</td>
<td>$324,318,500</td>
<td>$328,630,500</td>
<td>$3,556,600</td>
<td>1.1%</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td>325,073,900</td>
<td>375,179,760</td>
<td>328,630,500</td>
<td>$3,556,600</td>
<td>1.1%</td>
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<td><strong>Baseline Deficit</strong></td>
<td>$0</td>
<td>($50,861,260)</td>
<td>$0</td>
<td>$0</td>
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Revenue Overview
Total = $328,630,500

- Property Taxes
  - $192,826,100
  - 58.7%

- Income Taxes
  - $104,000,000
  - 31.6%

- Other Revenues
  - $6,930,300
  - 2.1%

- Service Charges, Licenses, & Permits
  - $6,816,100
  - 2.1%

- Other Financing Sources/Fund Balance
  - $4,642,000
  - 1.4%

- Other Taxes
  - $13,416,000
  - 4.1%
FY14 – Property Tax Revenue
Decline of $7.2 million

Slide 13
Proposed Expenditure Overview
Total = $328,630,500

- Sheriff’s Office: $72,214,800 (22.0%)
- County Government: $49,555,900 (15.1%)
- Debt Service: $20,303,200 (6.2%)
- Other Agencies: $10,930,300 (3.3%)
- Miscellaneous: $7,031,900 (2.1%)
- Other Education: $13,584,100 (4.1%)
What’s in the proposed budget?

• Board of Education – $1,053,100 budget increase compared to FY13
  – For Teachers’ Pension cost shift
  – Increase of $890,200 for one time items above the State mandated Maintenance of Effort.
What’s in the proposed budget?

- Sheriff’s Office – $3,210,000 budget increase, 4.7% greater than FY13
  - Full year impact of FY13 salary adjustments, $697,800
  - Increase fringe primarily due to Pension and Health costs, $893,700
  - Medical and Food contract increases at the Detention Center, $366,200
What’s in the proposed budget?

- Sheriff’s Office increase continued
  - Increased expenditures and corresponding revenue increases for the Red Light Camera, Speed Camera, and Fingerprinting, $819,900
  - Increase in local match primarily for personnel costs of the Auto Theft grant, $217,500
  - Capital outlay in the amount of $214,900 for replacement vehicles.
What’s in the proposed budget?

- Full year operating impact of the Waldorf West Library - $321,000
- College of Southern Maryland funding above the mandated Maintenance of Effort funding requirement - $310,000
What’s in the proposed budget?

• State’s Attorney Office - $632,000 budget increase
  – Phase in Year Two of a three year program in an effort to equal other comparable jurisdictions
What’s in the proposed budget?

• Contingency budget increase for emergency related costs and potential additional grant funding matches
What’s in the proposed budget?

- Phase in funds for the Economic Development Strategic Plan - $186,900
- Phase in funds for the Tourism Destination Plan - $128,300
What’s in the proposed budget?

- Full year impact of FY2013 merit increase of $277,800
- Health & Dental increase of $505,000
- OPEB strategic funding plan, $250,000 increase over FY13
- County matching increase related to grants - $269,000
County Administrator
Proposed Salary Package

- Pay increases for all organizations are not recommended due to limited resources
  - * Note: Sheriff’s Office Pay Plan needs legislation to distinctly clarify the salary requirements allowed by law
Revenue Enhancements

- $6.8 million in additional tax revenue is needed to fund the Proposed Budget
  - Rate increase of 3.7 cents would be added to the current rate of $1.121

- Additional revenues would help offset the loss in property tax revenue due to a lower assessable base of $5.2 million
- Offset the delay in tax revenue from a new power plant of $2 million
Property Taxes

If the County were to balance the Requested General Fund Budget solely with property tax revenues, a 28.7¢ rate increase would be needed, 26% over FY13.

Based on a dwelling unit assessed @ $250,000, local property taxes would increase by $716 per home.
Property Taxes

The **Proposed** General Fund Budget would increase the Property Tax Rate by 3.7¢, a 3.3% increase over FY13.

Based on a dwelling unit assessed @ $250,000, local property taxes would increase by $92.50.
Enterprise Funds
FY 14 Recommended Water & Sewer Operating Budget

Proposed rate increase of 4.6% to balance the budget
Water & Sewer Fund

• A rate increase of approximately 4.6% is recommended to balance the budget

• What is causing the rate increase?
  • Debt Service for bonds issued for major capital project costs
  • Valve maintenance in Waldorf
  • Increase in Sludge Disposal processing / water disposal costs
The Average Residential User bill is currently $140 a quarter.
FY 14 Recommended Landfill Operating Budget

Total Budget: $4,863,600

- Operating Costs $2,800,500
- Landfill Expansion/Closure Reserve $1,425,700
- Equipment Reserve $637,400
Landfill Fund

- Recommending no change to the current tipping fee of $70 per ton
- Recommending an increase in the tag-a-bag fee from $1.25 to $1.50
- What is in the budget?
  - Contributes $1,425,700 to the Reserve Fund for future Landfill construction and closing
Landfill Tipping Fee History

- FY10: $70
- FY11: $70
- FY12: $70
- FY13: $70
- FY14: $70
FY 14 Recommended Environmental Service Fund Operating Budget

$3,701,300

- Recycling: $3,130,800 (86%)
- Litter Control: $389,200 (11%)
- Dwelling Unit Septic Improvements: $100,000 (3%)
Environmental Service Fund

- Recommending a $6 rate decrease from $75 to $69 per improved property tax bill

- For FY 2014, Stormwater costs will be included in a new Fund

- What is new?
  - To purchase 40,000 new 96 gallon carts
  - Curbside Collection 2,400 home expansion
## Proposed ESF Change:

| FY 13 Rate per improved property account | $75 |
| Curbside Collection expansion & new recycling containers | $8 |
| Decrease proposed to shift eligible costs related to mandatory stormwater management program | ($14) |
| FY 14 Proposed Rate | $69 |
Environmental Service Fee History

FY10 FY11 FY12 FY13 FY14

$74 $74 $74 $75 $69
Watershed Protection and Restoration Fund

- HB 987 (2012 session) required all major jurisdictions in MD to implement a stormwater fee by July 1, 2013
- Proposing a $32 Fee per Equivalent Residential Unit (ERU)
Purpose of Fee

• To fund stormwater management, including stream & wetland restoration as follows:
  • Capital improvements (ex. Stormwater improvements to old systems)
  • Operations and maintenance
  • Public education and outreach
  • Stormwater management planning
    • Mapping, monitoring, inspections, enforcement
  • Grants to non-profits (program under development)
  • Administrative costs
**Basis of New Fee**

- Based on impervious surface, which is directly related to impact of stormwater
  - Impervious surface includes: buildings, private roads, parking areas, sidewalks, pools, patios, and athletic courts.
- Impervious surfaces calculated from 2011 high resolution Statewide aerial photography
- County Digital Parcel Map and County Zoning
- Fee will continue to be on Tax Bill and replace the stormwater portion of the Environmental Service Fee (ESF)
- Proposed ordinance will include:
  1. Administrative Appeals Process
  2. Substantial Hardship Provision
  3. Reduction of Fees/Credit Program
  4. Exemptions for Govt. Property Volunteer Fire Departments
## Maryland Jurisdiction

### “Proposed Fee” Comparison

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Date Bill Filed</th>
<th>Single Family</th>
<th>Town House</th>
<th>Condo Residential</th>
<th>Rural Residential</th>
<th>Agricultural</th>
<th>Non-Residential</th>
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<tbody>
<tr>
<td>Baltimore County</td>
<td>13-Mar</td>
<td>$36</td>
<td>$18</td>
<td>$29</td>
<td>$36</td>
<td>$36</td>
<td>$69/2,000 sq. ft.</td>
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<tr>
<td>Anne Arundel County</td>
<td>13-Jan</td>
<td>$85</td>
<td>$34</td>
<td>$85/2,800 sq. ft.</td>
<td>$170</td>
<td>$170</td>
<td>$85/2,800 sq. ft.</td>
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<tr>
<td>Howard County</td>
<td>13-Jan</td>
<td></td>
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<td>$15/500 sq. ft.</td>
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<td>Harford County</td>
<td>13-Feb</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$7/500 sq. ft.</td>
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<td>Charles County</td>
<td>13-Apr</td>
<td>$32</td>
<td>$16</td>
<td>$10.56</td>
<td>$64</td>
<td>$64</td>
<td>$32/3,255 sq. ft.</td>
</tr>
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Proposed Budget

$2,133,000

- Capital Improvements: 22%
- Operations and Maintenance: 36%
- Public Education and Outreach: 30%
- Planning, Mapping, and Monitoring: 11%
- Grants to Non-Profits: 0%
- Administration: 1%
Capital Improvement Program
County Infrastructure

- Schools
- Buildings
- Roads
- Parks
- Water and Sewer
- Landfill Expansion
- Stormwater Management
FY14-FY18 Capital Improvement Program: Finance Sources

$321,053,000

- General Obligation Bonds: 32%
- Intergov't Bonds: 29%
- Water & Sewer Bonds: 25%
- School Excise Tax Bonds: 6%
- Watershed Protection & Restoration Bonds: 6%
- PayGo: 2%
FY14-FY18 Capital Improvement Program: All Funds

$321,053,000

- Water: 5%
- Sewer: 23%
- Transportation: 17%
- Board of Education: 24%
- Watershed Protection & Restoration: 6%
- CSM: 11%
- Landfill: <1%
- Parks: 2%
- General Gov't: 12%
FY14-FY18 Capital Improvement Program: Governmental

$209,855,000

- Board of Education: 37%
- General Gov't: 18%
- Transportation: 26%
- CSM: 17%
- Parks: 2%
FY14-FY18 Capital Improvement Program: Enterprise Fund

$111,198,000

- Sewer: 66%
- Water: 15%
- Watershed Protection & Restoration: 18%
- Landfill: 1%
Fees & Charges
• The County has a fees & charges schedule to recover the County’s cost to provide a specific service to a customer
• Rates are reviewed annually and adjusted to reflect the cost of service delivery
New Fees & Charges

- Preliminary Adequate Public Facilities (PAPF) Application - $104
- Forest Conservation Stand Delineation Review Revision to Approved Plan – unrecorded - $136
- Forest Conservation Plan Review, Preliminary Revision to Approved Plan – unrecorded - $136
New Fees & Charges

• Forest Conservation Plan Review, Final Revision to Approved Plan – unrecorded - $136

• Zoning Enforcement Fines
  - First Offense: $50
  - Second Offense: $100
  - Third Offense: $200
  - Subsequent Offenses: $500
New Fees & Charges

- Removal of Signs from Government Rights-of-Way - $25
- Building Inspection Fee, Sheds, Pole Buildings Framing - $49
- Building Inspection Fee, Detached Garage/carport Energy Efficiency - $38
- Property Maintenance Inspection Fee - $50
- Building Code Inspection Fee - $50
New Fees & Charges

- Building Code Modification Fee - $73
- Nuisance & Abatement Penalty Fee – Nuisance Fee - $200
- Nuisance & Abatement Penalty Fee – Nuisance & Enforcement Fee - $550
A list of all fees & charges is available in the Fiscal & Administrative Services’ Budget Division during normal business hours and on our website at 
http://www.charlescountymd.gov/fas/budget/budget
Public Statements and Comments
Mission Statement

The mission of Charles County Government is to provide our citizens the highest quality service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace.

Vision Statement

Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount, where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.