

TOWN OF PORT DEPOSIT
FY 2021 BUDGET
NOTES AND ASSUMPTIONS
DRAFT 4 - 05.07.20

BUDGET OVERVIEW

The Town of Port Deposit’s comprehensive financial and operating plan for the fiscal year is comprised of the Annual Operating and Capital Improvement Budgets. The Annual Operating Budget details fiscal information for all town departments. The budget consists of separate established “funds” to record the receipt and application of resources which by law are generally accepted accounting principles must be kept distinct.

The town reports the following major governmental funds:

The General Fund is the primary operating fund of the town. It accounts for all financial resources of the town except those resources required to be accounted for in another fund. The general tax revenues of the town, as well as other resources received and not designated for a specified purpose, are accounted for in the General Fund.

The allocation of the General Fund expenses is by department:

- Administration Department – The department provides support to the elected and appointed town officials, and handles the daily operations of government, that includes, but is not limited to, finance and fiscal management, human resources, public relations and marketing, zoning administration, public policy and legislation, as well as record retention and communication.
- Public Safety Department – The department provides code enforcement, police protection through a contract with the Cecil County Sheriff’s Office, and supports the Water Witch Fire Company.

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- Public works Department – The department provides maintenance for public owned properties and buildings, as well as response during emergency situations. Functions include, but are not limited to snow removal, property upkeep and maintenance, etc.

- Parks and Recreation Department – The department is used to track expenditures for the park facilities, which includes, but is not limited to the boat launch.

- Visitors Center - The Visitors Center is open April through October although some expenses are incurred year round. Expenses reflect electric, propane, sewer, telephone & internet and office supplies.

- Comfort Station - The Comfort Station is open April through October. Expenses reflect estimated cost of supplies, sewer and winterization.

The Capital Improvement Fund provides appropriation authority for projects of long-term usefulness, size and cost, and/or which require large expenditures of funds and is usually programmed over more than one year, which result in a durable capital asset.

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REVENUE

Taxes - Local

- GL 4000 Utility Taxes – reflects the FY 2020 assessed values provided by the State of Maryland Department of Assessments and Taxation. The FY 2021 rate of 2.2% per \$100 is the same as FY 2020. The utilities pertaining to this tax are Artesian Water, Verizon Communications and Delmarva Power.
- GL 4010 Real Property Taxes – reflects the July 1, 2020 net assessable real property base as determined by the State of Maryland Department of Assessments and Taxation. The 2020 Constant Yield Rate is .5472 per \$100. The FY 2021 Budgeted Property Tax Rate is .5460, the same rate as FY 2020. Revenue also includes the assessment to Norfolk Southern Railroad at the property tax rate rather than the utility rate. If the Constant Yield rate was used as the tax rate, the Town would realize an additional \$750.00 of revenue.
- GL 4040 Local Income Tax – this revenue represents seventeen percent (17%) of the amount the State of Maryland sends to Cecil County pertaining to The Town of Port Deposit. The FY 2021 Budget is based on the three year average of Fiscal Years 2017 through 2019.

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Intergovernmental – County

- GL 4050 County Bank Shares Tax
- GL 4110 County Tax Differential Rebate
- GL 4220 County Refuse Rebate
 - The budgeted amounts are from information provided by Cecil County. The County Refuse Rebate is expected to end in FY 2022.

Intergovernmental - State

- GL 4120 Highway User Revenue (HUR) – reflects the revenue identified in a letter received from Maryland Department of Transportation dated January 22, 2020 and confirmed by MML in a memo March 11, 2020.
- GL 4400 Grant Revenue-Critical Area (DNR) – reflects the same budget amount as FY 2020.
- GL 4404 Grant-Police –GOCCP – reflects the same budget amount as FY 2020.

Permits and Fees

- GL 4115 Franchise Tax – reflects the annualized amount of the most recent revenue payments received in FY 2020. The budget amount is also compared to the FY 2019 actual. Represents three percent (3%) of Atlantic Broadband cable television revenue in Port Deposit.

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- GL 4200 Boat Trailer Permit-Daily – the daily fee for all boaters is \$10.00, the same daily fee as FY 2020. The FY 2021 budgeted amount is equal to the FY 2020 projected amount.
- GL 4202 Boat Trailer Permit-Yearly – the annual fee for all boaters is \$50.00, the same annual fee as FY 2020. The FY 2021 budgeted amount is equal to the FY 2020 projected amount.
- GL 4275 Trash Collection-Residential – The FY 2021 rate per unit is \$264.39, the same rate as FY 2020.

Other

- GL 4255 Rent on Town Property – reflects office space rent on the second floor of Town Hall for a State House Delegate.
- GL 4260 Special Events – reflects the revenue associated with hosting the MML Dinner in the fall.

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EXPENSE

- GL 5000 Salaries and GL 5020 Employer Payroll Tax
 - Reflects the staffing of the following positions:
 - Administration
 - Town Administrator
 - Finance Manager
 - Administrative Assistant
 - Public Works
 - Public Works Supervisor
 - Public Works Staff
 - Public Safety
 - Chief of Police
 - A five percent (5%) salary increase pool is reflected in the FY 2021 Budget.
 - The total cost of the five percent (5%) salary pool is \$13,175.

- GL 5030 Workers Compensation – based on the staffing positions previously mentioned. The expense is calculated using a clerical rate, a municipal rate and a police rate.

- GL 5050 Health Insurance – a rate increase of seven and three tenths percent (7.3%) is reflected. This is from information from Benecon, the insurance provider. The historical increases have been high due to prior period claims. However, the claims experience has improved. A refund was realized in FY 2020 as the result of lower claims experience in FY 2019.

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- GL 5080 Pension Expense – employees are not currently participating in the program.
- GL 5210 Equipment – includes \$2,000 for an office computer for staff.
- GL 5224 Insurance-LGIT – pertains to insurance for property, liability and auto. A six and one half percent (6.5%) increase is reflected.
- GL 5260 Maintenance General – account is used for the cost of maintenance for all the property of the Town. Supplies and small equipment are the most common items.
- GL 5310 Professional Fees
 - Sheriff – reflects the current CCSO contract rate. The contract with the Cecil County Sheriff's Office is renewed annually. In addition to an hourly rate, a mileage fee is also incurred.
 - Legal – reflects in-house Legal Counsel. Difficult to budget this account as it is project based.
 - Accounting – reflects the annual audit fee and the annual software license fee for the accounting system.
 - Information Technology (IT) – difficult to budget this account. Dependent on the problems that arise with computer related equipment.

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- GL 5335 Special Events – reflects the costs associated with the town hosting the MML Dinner in the fall. This account also includes support for two holiday events.

- GL 5380 Trash Removal - Residential – The third year of the agreement with the contractor indicates a rate increase tied to the Consumer Price Index (CPI). However, the agreement indicates a maximum allowable increase of 2.5%.

- GL 5410 Utilities – the budgeted amounts are based on the FY 2019 Actual and the partial information observed in FY 2020.

- GL 5500 Fire Department Appropriation – reflects the appropriation to Water Witch Fire Company. The FY 2021 budget amount of \$15,000 is the same as FY 2020.