

# TOWN OF PORT DEPOSIT FY 2022 BUDGET NOTES AND ASSUMPTIONS FINAL - DRAFT 6

## **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.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

- Public Safety Department – The department is staffed by a part-time Chief of Police. Responsibilities also include code enforcement. Police protection is performed via a contract with the Cecil County Sheriff’s Office. The Fire Department Appropriation for the Water Witch Fire Company appears within the costs of this department.
  
- 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, office supplies and maintenance.
  
- Comfort Station - The Comfort Station is open April through October. Expenses reflect estimated cost of supplies and maintenance, 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.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

**REVENUE**

**Taxes - Local**

- GL 4000 Utility Taxes – reflects the current assessed values of the public utility provided by the State of Maryland Department of Assessments and Taxation. The FY 2022 rate of 2.2% per \$100 is the same as FY 2021. The utilities pertaining to this tax are Artesian Water, Verizon Communications and Delmarva Power.
- GL 4010 Real Property Taxes – reflects the July 1, 2021 net assessable real property base as determined by the State of Maryland Department of Assessments and Taxation. The FY 2021 Property Tax rate is .546 per \$100. The 2021 Constant Yield Rate is .5452 per \$100. The FY 2022 Budgeted Property Tax Rate will be the constant yield rate of .5452 per \$100. Real Property Revenue also includes the assessment to Norfolk Southern Railroad at the property tax rate rather than the utility rate.
- 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 2022 Budget is based on the two year average of the revenue realized in Fiscal Years 2019 and 2020.

**TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6**

**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.

**Intergovernmental - State**

- GL 4120 Highway User Revenue (HUR) – reflects the revenue identified in a letter received from Maryland Department of Transportation and confirmed by the Maryland Municipal League.
- GL 4400 Grant Revenue-Critical Area (DNR) – reflects the same budget amount as FY 2021.
- GL 4404 Grant-Police –GOCCP – reflects the revenue identified in a letter from the Maryland Municipal League as provided by the Governor’s Office of Crime Control and Prevention (GOCCP).

**Permits and Fees**

- GL 4115 Franchise Tax – Represents three percent (3%) of Atlantic Broadband cable television revenue in Port Deposit. The budget amount is the annualized amount of the most recent revenue payments received in FY 2021.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

- GL 4200 Boat Trailer Permit-Daily – the daily fee for all boaters is \$10.00, the same daily fee as FY 2021. The FY 2022 budgeted amount is based on the historical activity exclusive of the impact of Covid-19 and adjusted for price increases that occurred in FY 2020.
- GL 4202 Boat Trailer Permit-Yearly – the annual fee for all boaters is \$50.00, the same annual fee as FY 2021. The FY 2022 budgeted amount is based on the historical activity exclusive of the impact of Covid-19 and adjusted for price increases that occurred in FY 2020.
- GL 4235 Fines and Penalties – Represents the revenue generated from citations issued in Marina Park to boaters that violate the annual or daily boat trailer parking pass requirement. The amount per citation is \$50.00.
- GL 4275 Trash Collection-Residential – The FY 2021 rate per unit is \$264.39, the same rate as FY 2021.

**Other**

- GL 4255 Rent on Town Property – reflects office space rent on the second floor of Town Hall for a State House Delegate.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

**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 2022 Budget.
  - The total salary and related cost of each one percent (1%) increase is \$2,430.00.
  
- 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 four and one half percent (4.5%) is reflected. This increase is from specific information provided by the insurance provider. Premium refunds have been realized in FY 2020 and FY 2021 as the result of lower claims experience. A small premium refund is reflected in the FY 2022 budgeted amount.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

- GL 5080 Pension Expense – employees are not currently participating in the program.
- GL 5210 Equipment – reflects costs associated with the office copier and the annual fire extinguisher inspections.
- GL 5224 Insurance-LGIT – pertains to insurance for property, liability and auto. A seven percent (7%) increase over the FY 2021 amount is reflected. The percent increase is from information provided by LGIT.
- GL 5260 Maintenance General – account is primarily used for the cost of maintenance for all the property of the Town. Supplies and small equipment are the most common items. Some small project costs have also historically been charged to this account. Tree removal costs have been incurred for several fiscal years. The budget for tree removal costs appears within the Maintenance General account. However, the actual expenditure appears under the Tree Service account. If the tree removal costs continue to be significant, a separate budget will be established.
- GL 5310 Professional Fees
  - Sheriff – reflects the FY 2022 CCSO contract rate per the renewal agreement. The hourly rate is an eleven percent (11%) increase over the current 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.

TOWN OF PORT DEPOSIT  
FY 2022 BUDGET  
NOTES AND ASSUMPTIONS  
FINAL - DRAFT 6

- 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. FY 2021 is the last year of the contract with the audit firm.
- Information Technology (IT) – difficult to budget this account. Dependent on the problems that arise with computer related equipment.
- Engineering – cost reflects on-call general engineering requirements not associated with a specific capital project. This cost has been estimated.
- GL 5380 Trash Removal - Residential – The contract with the vendor has been renewed for one year at the current rate.
- GL 5410 Utilities – the budgeted amounts are based on the FY 2020 Actual and the partial information observed in FY 2021.
- GL 5500 Fire Department Appropriation – reflects the appropriation to Water Witch Fire Company. The FY 2022 budget amount of \$15,000 is the same as FY 2021.