

# TOWN OF PORT DEPOSIT

## FY 2025-2026

### NOTES AND ASSUMPTIONS

#### **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 and 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, including, but not limited to, finance and fiscal management, human resources, public relations and marketing, zoning administration, public policy and legislation, record retention and communications.
- Public Safety Department – 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. Service contract costs for the town camera network also are captured within this department.

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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 park facilities, which includes, the boat launch. We have been awarded a Grant for upgrades to Marina Park the require a Town match. The matching funds were part of the FY2024-2025 budget and have not been spent. The Marina Park project will commence some time this fiscal year.
- Visitors Center - The Visitors Center is open April through October although some expenses are incurred year-round. Expenses include electric, propane, sewer, telephone & internet, security, office supplies and maintenance.
- Comfort Station - The Comfort Station is open April through October. Expenses include the estimated cost of supplies and maintenance, sewer, winterization and reopening.

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. Façade grant income and expenditures are though this fund.

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#### **REVENUE**

##### **Taxes - Local**

- GL 4000 Utility Taxes –The current assessed values of the public utility are provided by the State of Maryland Department of Assessments and Taxation. The FY 2025-2026 rate of 2.2% per \$100 is the same as FY 2024-2025. The utilities pertaining to this tax are Artesian Water, Verizon Communications and Delmarva Power.
- GL 4010 Real Property Taxes – reflects the July 1, 2025 net assessable real property base as determined by the State of Maryland Department of Assessments and Taxation. The FY 2024-2025 Property Tax rate was .5118 per \$100. The FY 2025-2026 rate is .4835 which is actually a decreased rate, however, the Town realizes an increase in revenues due to the inclusion of Bainbridge lots B & C along with changes to property assessments. 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. There is no increase in the budgeted amount for this fiscal year.

##### **Intergovernmental – County**

- GL 4050 County Bank Shares Tax
  - GL 4110 County Tax Differential Rebate
  - GL 4220 County Refuse Rebate
- We have not received the current year allocations from Cecil County, so are carrying forward amounts from previous years.

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#### **Intergovernmental - State**

- GL 4120 Highway User Revenue (HUR) – The revenue is identified in a letter received from the Maryland Department of Transportation.
- GL 4400 Grant Revenue-Critical Area and Sanitary Services (DNR) – No budget as we have been notified by the State that this will no longer be funded.
- GL 4404 Grant-Police –GOCCP – We were awarded a grant during the last fiscal year, and completed the grant paperwork in a timely manner for this fiscal year.

#### **Permits and Fees**

- GL 4115 Franchise Tax – Represents three percent (3%) of Breezeline, for cable television revenue in Port Deposit. The budget amount is the annualized amount of the most recent revenue payments received in FY 2024-2025.
- GL 4135 Planning and Zoning – The slight increase in the budgeted revenue is due to an annexation that is in progress.
- GL 4200 Boat Trailer Permit-Daily – the daily fee for all boaters is \$10.00, the same daily fee as FY 2024. The FY 2025-2026 budgeted amount is based on historical activity.
- GL 4202 Boat Trailer Permit-Yearly – the annual fee for all boaters is \$50.00, the same annual fee as FY 2024-2025. The FY 2025-2026 budgeted amount is based on the historical activity.

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- 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 2025-2026 rate per unit is \$310.00. This is an increase of \$20.00 above the FY 2024-2025 rate of \$290.00. The increase is required in order to match the contract with the refuse vendor.

#### **Other**

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

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#### **EXPENSE**

- GL 5000 Salaries and GL 5020 Employer Payroll Tax
  - Reflects the staffing of the following positions:
    - Administration
      - Town Administrator
      - Treasurer
      - Administrative Assistant
    - Public Works
      - DPW Supervisor and Code Administrator
      - Public Works Staff (2)
  - The FY2025-2026 budget increases salaries by 5%.
- GL 5030 Workers Compensation – based on the staffing positions previously mentioned. The expense is calculated using a clerical rate and a municipal rate.
- GL 5050 Health Insurance – The Town has adopted an Individual Coverage Reimbursement Arrangement for employees. The allows employees to choose insurance that best suits their individual needs. The town reimburses the employee 80% of the cost of their insurance and pays any deductible. The budgeted amount is higher due to a change of personnel.
- GL5160 Contract Services – This account pertains to façade grants for building and landscaping projects. The Town was awarded a grant from the State of Maryland, and will add \$50,000.00 to that grant. The Town funded portion of the façade grants will be for landscaping and retaining wall projects.
- GL5218 Grant Writer-The Town is participating in a Circuit Rider Program. This allows several towns to share a person who is assisting with the Grant Writing process.

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- GL 5210 Equipment – reflects the lease costs for the office copier in Town Hall. The budgeted amount for public works has increased and will be used to purchase new equipment such as a utility vehicle for use in Town.
- GL 5224 Insurance-LGIT – pertains to insurance for property, liability and auto. LGIT estimates insurance will cost 10% more than the current year actual.
- 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. Project costs have also historically been charged to this account. These normally include repairs to the Town streets and Town owned properties. Included in the current year budget is \$40,000.00 for a sidewalk between the promenade and the Visitor's Center.
- GL 5274 – Tome Steps – We are setting aside an amount which will be used fund repairs to the Historic Tome Steps in upcoming fiscal years.
- GL 5310 - Professional Fees
  - Sheriff – reflects the FY 2025-2026 CCSO contract rate per the renewal agreement. The hourly rate for 2025-2026 has increased by \$22.35. This is a \$20.00 increase in the Deputy wage, and a subsequent increase in taxes and Workman's Compensation. 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 –In-house Legal Counsel. Difficult to budget this account as it is project based.

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- Accounting – reflects the annual audit fee and the annual software license fee for the accounting system. The contract with the audit firm was renewed for three years. This will be year one of the renewal which reflects a substantial increase in the cost of an audit.
- Information Technology (IT) –The Town has contracted with a new, local, provider who is providing consistent backup services, along with many security enhancements and is available for all computer related problems. Included in this line item is the cost of Google, Zoom and other on-going software upgrades.
- Engineering – cost reflects on-call general engineering requirements not associated with a specific capital project.
- Tax Sale Properties – The amount budgeted is based on our current knowledge of the taxes owed on 220 North Main Street, along with several properties on Center Street.
- Quarry Improvements – The budget includes monies to fund costs of surveying and engineering for an entrance to the park.
- GL 5380 Trash Removal - Residential – The contract with the vendor has been renewed for three years. This is the first year of the contract and does include increases to the current year costs.
- GL 5410 Utilities – the budgeted amounts are based on historical experience.
- GL 5500 Fire Department Appropriation – reflects the appropriation to Water Witch Fire Company. The FY 2024-2025 budget amount of \$25,000 is based on the increased revenue.