

TOWN OF PORT DEPOSIT FY 2024 DRAFT 3 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 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.

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- 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 appears within 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.

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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 2024 rate of 2.2% per \$100 is the same as FY 2023. The utilities pertaining to this tax are Artesian Water, Verizon Communications and Delmarva Power.
- GL 4010 Real Property Taxes – reflects the July 1, 2023 net assessable real property base as determined by the State of Maryland Department of Assessments and Taxation. The FY 2023 Property Tax rate is .5450 per \$100. The 2023 Constant Yield Rate is .5421 per \$100. The FY 2024 Budgeted Property Tax Rate will be the constant yield rate of .5421 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 2024 Budget is based on a two-year average of the revenue realized in Fiscal Years 2021 and 2022.

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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 based on previously realized revenue. Revenue information will be received from Cecil County prior to the finalization of the FY 2024 Budget.

Intergovernmental - State

- GL 4120 Highway User Revenue (HUR) – reflects the revenue identified in a letter received from the Maryland Department of Transportation.
- GL 4400 Grant Revenue-Critical Area (DNR) – reflects the same budget amount as FY 2024.
- GL 4404 Grant-Police –GOCCP – currently reflects the same amount received in FY 2023.

Permits and Fees

- GL 4115 Franchise Tax – Represents three percent (3%) of Breezeline, formerly Atlantic Broadband cable television revenue in Port Deposit. The budget amount is the annualized amount of the most recent revenue payments received in FY 2023.

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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 2023. The FY 2024 budgeted amount is based on the historical activity.
- GL 4202 Boat Trailer Permit-Yearly – the annual fee for all boaters is \$50.00, the same annual fee as FY 2023. The FY 2024 budgeted amount is based on the historical activity.
- 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 2024 rate per unit is \$274.60. This represents an increase of \$10.21 or 3.9% above the FY 2023 rate of \$264.39. 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 – part-time
 - Administrative Assistant
 - Public Works
 - DPW and Code Administrator
 - Public Works Staff (2)
 - A five percent (5%) salary increase pool is reflected in the FY 2024 Budget.
 - The total salary and related cost of each one percent (1%) increase is approximately \$2,780.00.

- 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 – rate increases of three-point three percent (3.3%) is reflected for medical and a five percent (5%) for dental. Premium refunds have been realized in prior fiscal years as the result of lower claims experience. A small premium refund is reflected in the FY 2024 budgeted amount as there is currently only one employee enrolled in the health insurance benefit.

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- GL 5210 Equipment – reflects the lease costs associated with the office copier.
- GL 5224 Insurance-LGIT – pertains to insurance for property, liability and auto. A seven percent (7%) increase over the FY 2023 amount is reflected.
- 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.
- GL 5310 Professional Fees
 - Sheriff – reflects the FY 2024 CCSO contract rate per the renewal agreement. The hourly rate is the same as FY 2023. 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. The contract with the audit firm has been renewed for three years. This is the second year of the contract. It reflects a ten percent (10%) increase over the prior year.
 - Information Technology (IT) – difficult to budget this account. Dependent on the problems that arise with computer related equipment.

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- Engineering – cost reflects on-call general engineering requirements not associated with a specific capital project.

- GL 5380 Trash Removal - Residential – The contract with the vendor has been renewed for three years. This is the second year of the contract. The rate per unit reflects a four percent (4%) increase over the prior year.

- 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 budget amount of \$15,000 is the same as FY 2023.