

TOWN OF PORT DEPOSIT FY 2023 BUDGET NOTES AND ASSUMPTIONS FINAL

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 – 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.

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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 2023 rate of 2.2% per \$100 is the same as FY 2022. The utilities pertaining to this tax are Artesian Water, Verizon Communications and Delmarva Power.
- GL 4010 Real Property Taxes – reflects the July 1, 2022 net assessable real property base as determined by the State of Maryland Department of Assessments and Taxation. The FY 2022 Property Tax rate is .5452 per \$100. The 2022 Constant Yield Rate is .5452 per \$100. The FY 2022 Budgeted Property Tax Rate will be the constant yield rate of .5450 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 2023 Budget is based on the two year average of the revenue realized in Fiscal Years 2020 and 2021.

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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 2023 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 2022.
- GL 4404 Grant-Police –GOCCP – currently reflects the same budget amount as FY 2022. Will reflect the revenue identified in a forthcoming letter from the Maryland Municipal League as provided by the Governor’s Office of Crime Control and Prevention (GOCCP).

Intergovernmental – Federal

- GL 4430 American Rescue Plan Act (ARPA) -- \$15,000 of ARPA funds are being used for the annual Fire Department Appropriation to the Water Witch Fire Department.

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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 2022.
- GL 4200 Boat Trailer Permit-Daily – the daily fee for all boaters is \$10.00, the same daily fee as FY 2022. The FY 2023 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 2022. The FY 2023 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 2023 rate per unit is \$264.39, the same rate as FY 2022.

Other

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

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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
 - Public Works Supervisor
 - Public Works Staff
 - Public Safety
 - Chief of Police (part-time)
 - A five percent (5%) salary increase pool is reflected in the FY 2023 Budget.
 - The total salary and related cost of each one percent (1%) increase is approximately \$2,500.00.

- 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 three and nine tenths percent (3.9%) is reflected. This increase is from specific information provided by the insurance provider. Premium refunds have been realized in prior fiscal years as the result of lower claims experience. A premium refund is reflected in the FY 2023 budgeted amount.

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- 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 2022 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 historical been charged to this account.
- GL 5310 Professional Fees
 - Sheriff – reflects the FY 2023 CCSO contract rate per the renewal agreement. The hourly rate is a ten percent (10%) 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.
 - 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. The first year of the contract reflects a four percent (4%) increase over the prior year.

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- Information Technology (IT) – difficult to budget this account. Dependent on the problems that arise with computer related equipment. However, the budget does reflect a monthly maintenance fee for the computer system.
- 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 three years. The first year of the contract reflects a six percent (6%) 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 2023 budget amount of \$15,000 is the same as FY 2022.