

COMMISSIONERS GOALS AND OBJECTIVES

Calendar Year 2012

Mission Statement

The mission of Charles County Government is to provide our citizens the highest quality service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace.

Vision Statement

Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount; where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.

Values

(unranked)

Citizen Involvement (outreach)/Customer Focus/Transparency
Employee Involvement
Smart Growth/Environmental Responsibility/Quality of Life
Continuous Improvement with innovative and data-driven decisions
Fiscal Responsibility
Positive Image/Quality of Life
Highest Ethical Standards

Commissioners Commitment

The Charles County Board of Commissioners is committed to the mission statement, vision statement, values, as well as the goals and objectives for the fiscal year, as written in this document. Each Commissioner will respect, respond and endeavor to achieve each item to the best of their ability and judgment. The Commissioners will actively participate in their success which includes monitoring the progress of the goals and objectives on a regular basis.

COMMISSIONERS GOALS AND OBJECTIVES

Goal #1: Improve Economic Development & Tourism

Improve economic development to achieve a balance in commercial/industrial/residential growth as measured by the assessable tax base, per capita income and average County wages (as measured against the metropolitan area) and other appropriate benchmarks through close coordination with the Economic Development Executive Board through innovative business retention, expansion and location policies; promoting a favorable regulatory climate for business; and maintaining a thriving business climate and high quality of life where citizens can live, work, and prosper in Charles County.

Objectives:

- 1.) **Aggressively pursue attracting defense, research & development, government-related and non-government related agencies and contractors.** (Economic Development)

Status: Ads featuring the County were placed in the two top site location publications--Site Selection Magazine and Business Facilities Magazine. based on the audiences (44,000 and 70,000 respectively) of their readerships and the focus (Maryland, in part) of the particular issues. A "leaderboard" ad on the Business Facilities web site has also been placed beginning in August for 6 months. Email blasts of the Economic Development web site link to the Business Facilities subscriber base has been arranged once the new Economic Development web page is operational.

A Co-Star site search feature has been incorporated into Economic Development web page, allowing site and building searches by web page users based on specific criteria they enter. County business park layouts, photos and conceptual drawings (in rotating form) are now featured prominently on the Economic Development web page, along with additional details on each site.

A lead generation RFP is now in preparation, which will focus on the industry sectors specified in the objective as well as other selected targeted industries.

A complete revamping and addition of the new web site content for full marketability is 80% complete.

Department helped land Hamilton Pacific Chamberlain, a substantial federal government construction contractor, in County HUB Zone. Economic Development provided information about the county prior to its locating there. Information provided were tax rates compared to Prince George's County; W&S rates comparison; HubZone and certification information; additional information on space & workforce training. In May 2012, assisted firm with identifying agencies to help in recruiting prospective hires and mentioned their opening and that they need employees in Department's June e-news.

- 2.) **Explore partnerships with developers and other entities who present viable plans for re-development.** (Economic Development)

Status: The Economic Development Department has been engaged in promoting redevelopment of Hughesville Village in its Opportunity Zones with Hughesville Station and SMECO.

The Economic Development Department is actively engaged in discussions and scoping of redevelopment in the Waldorf Urban Design Area as to financing mechanisms for viable projects as well as shaping of a re-development agency.

Discussions with potential developers on the Waldorf Gateway Transit Oriented Development (TOD) were held and deemed initially to be not within the parameters of an acceptable business model. New discussions directly with the financing entity are in process of being arranged.

A potential partnership for Port Charles was evaluated and discussed; current feasibility and nature of County role in such a partnership remain to be determined.

The Department has supported the efforts of numerous commercial brokers and property owners in attraction and development endeavors by providing assistance and information/data regarding the County's economic profile, viability and assets.

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- 3.) **Gain an understanding regarding ways to align zoning with community vision(s) and re-development opportunities. Begin with an overview of the process. Begin dialogue with citizens about avoiding “islands of development” and determining why developers favor “leap-frog” development. Provide staff with the tools and empower them to work creatively to incentivize builders to develop/re-develop properties in line with community vision and work through challenges.** (Economic Development)

Status: This objective was transferred to Planning and Growth Management.

- 4.) **Promote and market all business parks; evaluate sites for future transit- oriented development/high capacity transit or commuter stop.** (Economic Development)

Status: All major business parks are now featured on the Economic Development web page.

Based on groundwork laid with Maryland Department of Transportation, the State has prepared and submitted a \$2 million grant application for the Alternatives Analysis Phase of the formal light rail transit planning process on County's behalf to the Federal Transit Administration.

The Commissioners and Department of Economic Development lobbyist G.S.Proctor and Associates succeeded in having Prince George's County place \$200,000 in its CIP toward the Light Rail Transit study.

- 5.) **Promote economic development within the Development District in Bryans Road, Indian Head and the Route 210 corridor consistent with the 2012 Comprehensive Plan.** (Economic Development)

Status: The 2012 Comprehensive Plan has not yet been adopted. However, the Economic Development Department recently assisted the Planning Office in writing a 2012 Comprehensive Plan economic development element.

An Enterprise Zone Feasibility Study for the Town of Indian Head was recently completed by a consultant hired by the Department of Economic Development. The Town of Indian Head could not qualify.

The Department provided Indian Head with existing County renovation/rehabilitation tax credit legislation applicable to incorporated municipalities. The Town has since adopted complementary legislation required in order to qualify for the County credit.

The Indian Head Technology Park is now prominently featured on the Economic Development web page.

Maryland Airport inches closer to being fully functional; Economic Development met with the owner to ascertain his objectives regarding the facility and how the County might assist in marketing the facility.

The Department participated in the Urban Land Institute (ULI) workshop on the White Plains to Indian Head Rail Trail and furnished beforehand considerable Charles County economic and demographic data requested by the ULI team.

A Consulting team for the commuter ferry study was selected by Northern Virginia Regional Commission; contract execution in August; stakeholders meeting mid-September; study completion date August 2013.

- 6.) **Support Naval Surface Warfare Center (NSWC) and its' mission and identify actions we can take to show this support. Implement steps or a work plan for the County to Support NSWC.** (Economic Development)

Status: The Economic Development Department is working with base representatives to identify small businesses that are contracting with the base in order to reach out to these companies and provide support from our office. A Small Business Opportunities Fair and Conference is tentatively scheduled for January of 2013; the Economic Development Department will work with officials to support, participate, and ensure opportunity for participation for existing County businesses. The Department recently undertook an internal economic assessment of the base and potential Base Realignment and Closure (BRAC).

The Interim Director met with more than a dozen individuals knowledgeable about the base and its activities over the course of Spring 2012 to assess the BRAC.

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- 7.) **Explore the viability of the Aqualand, Port Tobacco and Benedict waterfront to prioritize for preservation and protection, public access, and/or development opportunities.** (Planning and Growth Management)

Status:

Benedict -

Planning and Growth Management (PGM) completed the Benedict Waterfront Revitalization Plan. Staff is currently working on a joint county/federal grant funded project to develop an entryway into the Village to help commemorate the anniversary of the War of 1812 and the associated activity which occurred in Benedict in 1814.

Representatives from the Economic Development Department (EDD) and the Planning & Growth Management Department met with two businessmen from Benedict to explore a possible state enterprise zone feasibility study. Such an initiative is under consideration.

EDD has identified U.S. Department of Agriculture (USDA) grant and loan programs that might be applicable to infrastructure improvements in Benedict.

EDD and PGM worked together to facilitate connections and introductions of a kayak rental company with the owner of a waterfront restaurant in Benedict for the purpose of creating a partnership for kayak rentals at Benedict. Nothing is finalized.

Port Tobacco-

PGM is nearing completion of a Port Tobacco Village plan to partially recreate the historic "town square" area. The project includes an analysis of the historic Staff Hall residence and potential re-use options for it and other facilities in the future. It is estimated that this plan will be adopted by the end of 2012.

Aqualand-

Aqualand has been targeted (along with other potential sites in the southern county) for future study as a part of the updated Comprehensive Plan which is still under review.

- 8.) **Identify ways to support and retain agriculture in Charles County to include emphasis on Agro-Tourism.** (Tourism)

Status: Promote So. Maryland So Good display, Southern Maryland Trails, Farmers Market, Equine Guide, and Buy Local at the Crain Memorial Welcome Center and Charles County Government Building Visitor Display.

Added segment of Farmers Markets in Charles County Tourism Commercial Airs on CCGTV, Comcast Channel 95, Verizon Channel 10, YouTube and The Regency Furniture Stadium Home Game PSA (Public Service Announcement) Program.

- 9.) **Continue to support the County's Minority Business Enterprise (MBE) Program.** (Fiscal and Administrative Services)

Status: The Economic Development Department has purchased a Dun and Bradstreet (Hoover's) data base which can be used to alert County minority businesses to County bids and solicitations. How it might be used in Purchasing applications was reviewed with Purchasing. Purchasing has included funding for one Hoover's account for their use in FY13.

The Chief of Purchasing conducted a survey to estimate the cost to have a disparity study conducted in Charles County. Estimated cost is \$300K to \$400K.

The Chief of Purchasing realigned the Purchasing budget to provide funding for Minority Business Enterprise (MBE) efforts in FY13.

The Chief of Purchasing attended local MBE events. Most recently, the MBE certification & application workshop presented by Charles County Government Department of Economic Development and Maryland Department of Transportation.

Purchasing has continued to coordinate outreach efforts with the publisher of the MBE & Consumer Resource Directory. Coordinated for 1/2 page ad in FY13.

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The Chief of Purchasing met with the Director of the Southern Region, Maryland Small Business Development Center, and also several times with the Department of Economic Development, regarding partnering and joint efforts.

From June 2011 until present, the Chief of Purchasing worked closely and frequently with the Acting Director of Economic Development and the Director of Fiscal and Administrative Services to develop the Small Local Business Enterprise Program (SLBE), create Charles County Government legislation, and plan implementation. The SLBE will assist MBEs in Charles County.

From April to present, the Chief of Purchasing conducted recruitment of a Purchasing Programs Outreach Administrator that will oversee the MBE & SLBE Programs. Person hired will start work on July 16, 2012.

- 10.) **Implement the Small Local Business legislation and explore models to incentivize business development within the County, including any/all opportunities to “buy/hire local”. Coordinate and streamline small business resources by assessing and inventorying resources available for small and minority businesses in the County to gain an understanding of how those resources connect to those in need of resources and to identify what gaps exist.** (Fiscal and Administrative Services)

Status: The Economic Development Department co-sponsored, along with the Small Business Development Center, a State MBE Certification Workshop at the College of Southern Maryland on June 28. State MDOT (the MBE certifying agency for the State) representatives conducted the training, attended by 32 businesses and individuals. The Department and MDOT plan to hold another certification workshop in Charles County in late September.

The Economic Development Department completed a Small and Minority Business Resource Matrix highlighting those agencies offering small and specific MBE support services.

The Economic Development Department revamped its site visit program this past Spring to reach more companies and target firms with growth potential in target industries and assure it better identifies gaps in resources. Initial focus was on "2d stage" minority and women owned firms. 37 businesses have been visited; with next focus on smaller MBE firms (fewer than 10 employees) while additional 2d stage visits also continue. Information from 2d stage firms will be used for possible participation in an economic gardening pilot program and follow-up services that need to be provided or developed.

From June 2011 until present, the Chief of Purchasing worked closely and frequently with Director of Economic Development and Director of Fiscal and Administrative Services to develop the Small Local Business Enterprise Program (SLBE), creates CCG legislation, and plan implementation. The SLBE will assist MBEs in Charles County.

The Chief of Purchasing met with the Director of the Southern Region, Maryland Small Business Development Center, and also several times with the CCG Department of Economic Development, regarding partnering and joint efforts.

From April to present, the Chief of Purchasing conducted recruitment of a Purchasing Programs Outreach Administrator that will oversee the MBE & SLBE Programs. Person hired will start work on July 16.

The Chief of Purchasing constructed appropriate workspace and obtained resources to support the Outreach Administrator.

The Chief of Purchasing developed timeline and goals/tasks for the Outreach Administrator to implement SLBE Program. Implementation will consist of several phases: Administrator familiarization with SLBE/MBE/CCG Procurement/State of MD programs. Creation of policies & procedures to implement SLBE provisions. Concurrent development of marketing/outreach and training materials for CCG staff and local eligible businesses. Concurrent registration of businesses and training of CCG staff. Implementation of SLBE provisions for procurement under \$25K. Implementation of SLBE for formal procurement (Over \$25K).

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11.) Continue to expand the County's cultural arts presence to promote arts in the County. (Tourism)

Status: Mattawoman Creek Art Center Commercial, Celebrate Charles A Taste of Charles County Commercial, Chautauqua Maryland and the War of 1812 Commercial, all aired on CCGTV, Comcast Channel 95, Verizon Channel 10, YouTube and The Regency Furniture Stadium Home Game PSA Program.

Mattawoman Creek Art Center and Centerville Band of Piscataway Indians Charles County Update Show completed by CCGTV staff.

Pennsylvania Bus Tour completed a segment of the Religious Freedom National Scenic Byway visiting Thomas Stone National Historic Site and viewing the CCAA (Charles County Arts Alliance) art gallery.

Organized and attended meeting with FNX World Indigenous Television Broadcast Network to discuss marketing opportunities in 2014.

Print Advertisements - Chautauqua Maryland and the War of 1812, Taste of Charles County, Charles County Destination Guide, and Sunset Concert Series & Farmers Market.

Promoted and photographed the Artsfest 2012 and Native American Festival and Pow Wow to promote future events.

Promote cultural arts events Charles County e-calendar, at the Crain Memorial Welcome Center and Charles County Government Visitor Display.

12.) Act upon information received from Planning Process Audit. (Planning and Growth Management)

Status: Department is currently reviewing processes and developing work flows to be incorporated in new/revised Standard Operating Procedures.

13.) Work with local business-oriented organizations, educational state, federal partners to develop and support our workforce. (Economic Development)

Status: A meeting is set for July 17th with College of Southern Maryland's (CSM) workforce development officials and a business development manager from Maryland Department of Business and Economic Development to discuss training programs related to energy projects as well as overview of CSMs 2 year programs and workforce development opportunities.

The Business Development Manager for Retention and Expansion attended a recent workshop at the Jacob France Institute at the University of Baltimore to learn about available workforce data in order to better identify trends and needs.

The Department coordinated with local Workforce Investment Board staff on promoting the recent job fair at Regency Furniture Stadium among local businesses.

The Department hosted a relationship building skybox event in June at Regency Furniture Stadium for the WIB and staff.

The Department has worked aggressively over last three months with the College of Southern Maryland toward a Hughesville campus site for its Center for Trades and Energy Training Expansion and Allied Health Building.

14.) Express our commitment to a public relations campaign for the County by exploring its feasibility and working within the budget. (Tourism)

Status: Reviewed four Charles County destination marketing campaigns presented by students from the George Washington University Hospitality program. Celebrate Charles premiered in print, e-news, CCGTV Commercials, YouTube and Facebook as a Marketing Slogan for hosted Charles County Commissioners Tourism events.

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Goal #2: Enhance Infrastructure

Enhance the County's infrastructure through funding an aggressive, yet affordable, Capital Improvement Program (CIP) for those functions which are a government responsibility; increase the carrying capacity of the CIP through maintaining levies on new growth and constructing projects in-house where feasible; and facilitate wholly, or partially/privately constructed and financed infrastructure, whenever advantageous.

Objectives:

- 1.) **Consider long-term stormwater management maintenance options and, in interim, work with communities for solutions where specific stormwater issues arise.** (Planning & Growth Management)

Status: House Bill HB987, was passed by the General Assembly establishing a requirement for Watershed Protection & Restoration Program which included a stormwater management fee. Staff is working on a plan to implement this Program.

Strawberry Hills Drainage Improvement - Design has been completed and awaiting approval and permitting from the Maryland Department of the Environment (MDE).

Dogwood Drive Drainage Improvements - Construction contract awarded on May 31, 2012 to perform retrofits to the failing drainage structures. Contractor began work on June 20, 2012 and is scheduled to complete work by July 20, 2012.

Carrington Drainage Improvements - Design underway for storm drain and channel restoration. Design is currently 70% complete and scheduled to be completed by August 15, 2012.

Pinefield Drainage Improvements - Design contract awarded on May 14, 2012. Design is currently 30% complete. Final designs are expected in November 2012.

- 2.) **Maintain/increase property values through neighborhood revitalization by clearly defining the roles and responsibilities of neighborhood associations and the County government in the County's urban communities. Exploring the feasibility of establishing a special taxing or assessment district in urban communities to provide services such as: trash collection, litter control, hiker/biker paths, sidewalks, stormwater management, street cleaning and street lights.** (Planning & Growth Management)

Status: Planning & Growth Management staff submitted the Property Standards Task Force report which was prioritized by the County Commissioners at their July 10, 2012 session.

- 3.) **Continue to improve and expand transportation infrastructure by creating a comprehensive transportation system for Charles County to include a reliable and efficient commuter bus system, locally operated transit service, local connector roads, and high capacity transit linking Waldorf and Washington, D.C. Secure federal planning funds for required studies. Evaluate local transportation needs with special attention to the rural areas of the County.** (Planning and Growth Management & Community Services)

Status: PGM staff provided oral testimony to the Maryland State Highway Administration's Public Hearing on the MD 5 (Branch Avenue) Improvement Study which would provide various highway/expressway improvements from I-95/I-495 to MD 373/MD 381 (T.B. in Brandywine). Staff commented that the highway project should preserve the right-of-way for the future high-capacity transit alignment to ensure its viability as supported by both Prince George's and Charles Counties.

Community Services' staff is working with Prince Georges County transportation planners to create a link between VanGO and The Bus that would establish regional travel opportunities.

A feasibility study has started to examine the possibility of Charles County constructing a transit operations and maintenance facility that would reduce hourly contract costs to operate VanGO.

Mill Hill Road Extension - Firm selected to complete design.

Van-Go US 301 Park and Ride -Bids delayed awaiting Maryland Transit Authority (MTA) approval which is anticipated by mid July 2012.

Western Parkway, Phase 2 - Construction plans for Phase 2 is 100% complete. Right-of-Way staff revising language of easement agreements.

Western Parkway, Phase 3 - MDE/U.S. Corps of Engineers permit pending.

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- 4.) **Develop a strategic plan to identify and evaluate alternative sources of water; promote use of reclaimed water; raise awareness of water value to public; promote water conservation; evaluate how proposed – growth, development and aquifer trends will affect water resources.** (Planning & Growth Management)

Status: PGM staff formally established the preferred test well sites (4) for the Patuxent Aquifer Study with the Maryland Geological Survey, which is the State agency completing the study for the County.

- 5.) **Establish State and Federal funding priorities to meet deadlines for Congressional grants; look at earmarks of other sources of funding from this year for guide; complete and submit applications.** (County Administrator)

Status: Federal earmarks are not currently being considered by Congress. State and Federal grants are being pursued as they become available.

- 6.) **Review the recommendations of the Communications Commission presented to the Commissioners in March, 2012 and formulate an action plan regarding the availability for equal access to communication services including broadband, FIOS, cell phone, T1, etc. Explore the internet solution found by the Mayaone Reserve in Accokeek, Maryland.** (Fiscal & Administrative Services)

Status: The Communications Committee met with AT&T to discuss 4G coverage. The Committee received test devices from AT&T to research level of coverage throughout the County. In addition, IT is overseeing One Maryland Broadband project in Charles County.

- 7.) **Develop a plan to inventory all known private roads. Assess challenges presented by inferior private roads in the County; determine options for upgrading these roads.** (Planning and Growth Management)

Status: Staff are reviewing the Road Inventory maps to identify private roads within Charles County. The Road Petition process will also be reviewed.

- 8.) **Explore county signage for entranceways.** (Public Works)

Status: Currently reviewing existing signs/designs and evaluating alternatives to establish price ranges for a variety of potential designs modifications.

Goal #3: Efficiency of Government Operations & Services

Improve the effectiveness and efficiency of government through utilization of productivity enhancing technology, equipment and incentives; maintain a well-trained, highly motivated, fairly compensated, diverse workforce in a safe and orderly environment. The County values fiscal responsibility, the highest ethical standards and excellent standards in conducting County business.

Objectives:

- 1.) **Through better utilization of the recruitment process and tools, increase diversity at all levels of County Government.** (Human Resources)

Status: During May and June 2012, 596 applicants applied for 15 positions: Nearly 79% of applicants provided demographic information and 32% were women and 40% were minorities.

- 2.) **Acquire a facility to be used for providing multiple public services i.e.: family homeless shelter, senior programs, youth facility, etc; obtain Federal and/or State Grants to fund; obtain an Option to Purchase; seek citizen input.** (Community Services)

Status: Community Services, Planning and Growth Management, and Public Works staff conducted an initial walk through site visit at a potential facility. Community Services is awaiting initial assessment information from Public Works.

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- 3.) **Consolidate information regarding youth services and contemplate a comprehensive youth policy, including the exploration of the “Harlem Children’s Zone” and comparable programs. Establish a comprehensive youth policy with recommendations for youth programs.** (Community Services).

Status: As part of the Transit Maintenance Facility Feasibility Study, consideration is being given to constructing a multipurpose facility that may also house a youth activity center. Partnership formed with Tri County Council for Southern Maryland in relation to the Summer Youth Jobs Employment Program. Local Management Board to conduct a Needs Assessment in the Fall. The Recreation Division has established a free summer teen drop in program for six weeks at Stoddert Community Center. Four community centers and camps are open sites for the Charles County Summer Meal Program which provides free meals to the youth of Charles County. Exploration and brainstorming for additional teen programs and community events beginning in the Fall 2012 at our Community and Recreation Centers.

- 4.) **Evaluate County operations for potential overlap and/or potential consolidation amongst County agencies (i.e. procurement, information technology)** (County Commissioners)

Status: Pending arrival of new County Administrator

- 5.) **Evaluate current departmental technology to improve efficiency.** (Fiscal & Administrative Services)

Status: The Redesigned website was implemented on May 29, 2012; website is user content driven; currently working to convert www.charlescountyparks.com and go-vango.com to new technology.

July 1, 2012 implemented Banner license application for Planning and Growth Management allowing businesses to apply and pay for banner licenses online. Working on project to provide County employees with tablets; purchased mobile device management solution. Migrating County servers from Novell to MS servers with anticipated completion of October 2012. Public Information Act Request tracking system implemented. Merging Facilities Asset Management into system utilized by Utilities.

- 6.) **Solicit citizen input regarding charter form of government.** (County Attorney’s Office)

Status: Recommendation has been made to the Board of Commissioners on appointment of a citizens’ committee to study. University of Maryland expert made presentation to the Board of Commissioners.

- 7.) **Encourage dialogue and input regarding human resources issues throughout the County to include wellness issues.** (Community Services)

Status: Transportation staff has worked with Department of Social Services to assist in the promotion of the new farmers market in Waldorf. This new market accepts WIC (food stamps). Community Service staff serve on the Partnership for a Healthier Charles County. The Recreation Division is hosting a Youth Triathlon on July 28, 2012 at North Point High School.

- 8.) **Create more strength as a region through Tri-County Council for Southern Maryland, Metropolitan Washington Council of Governments (COG), neighboring jurisdictions, incorporated towns, and other existing organizations.** (County Commissioners)

Status: June, 2012 - Tri-County Council briefing to County Commissioner’s (3rd quarter report), September briefing/public hearing on Regional Broadband Plan. COG will be briefing Commissioners in September, 2012.

- 9.) **Establish a policy and/or philosophy that the County will adhere to timelines adopted by the state or other regulatory agencies. Remain engaged with staff in monitoring state or other regulatory agency timelines and regulations and legislation as related to risks and/or benefits.** (County Commissioners)

Status: In development.

- 10.) **Through the Department of Human Resource (DHR) Employee Committee and with feedback from the Annual Employee Satisfaction survey, continue to explore low-cost or no-cost employee incentives and initiatives for employees.** (Human Resources)

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Status: The DHR Employee Committee reviewed the results of the Employee Satisfaction Survey and presented the results to the Commissioners on May 17, 2012. The Committee recommended that the Commissioners consider reinstating the merit system for employees effective in Fiscal Year 2013. The recommendation was approved by the Commissioners during the budget process on June 26, 2012.

The Committee recommended that Chapter 17 of the Personnel Policy & Procedures Manual be revised to allow exempt employees to carry forward a maximum of sixty (60) hours of unused compensatory leave from June 30 to July 1 of each fiscal year. If an employee has unused compensatory time above 60 hours, but below 100 hours, it will be converted to sick leave (a maximum of 40 hours). Any compensatory time over 100 hours will be lost. The recommendation was approved by the Commissioners on July 10, 2012.

The Committee will discuss the following topics during future meetings:

- continued analysis of the results of the 2012 Employee Satisfaction Survey,
- evaluation of the Performance Appraisal System, review of the County's nepotism policy,
- administrative leave for Years of Service Awards and the Leave Donation program.

- 11.) Establish an anti-poverty comprehensive plan to respond to the needs of our most needy citizens in a timely manner. Gain an understanding of the resource allocation and services provided. Continue work on the Rural Housing Improvement Initiative with the County Intervention Team to reduce number of homes in Charles County without indoor plumbing, provide comprehensive support for our families, and work cooperatively with our partners.** (Community Services)

Status: Anti-Poverty funding approved for FY13. Details of program and funding expenditures to be determined by September 2012.

Housing Replacement loan approved and settlement completed. The easement is being documented July 2012 to allow for construction to begin.

Deed case sent to County Attorney's Office June 2012 for assistance/potential indoor plumbing.

- 12.) Explore the viability of "clouding" via comprehensive staff presentation on risks/rewards/potential cost savings.** (Fiscal and Administrative Services)

Status: IT staff is researching.

- 13.) Explore the feasibility of creating an Inspector General's Office to serve as a watchdog to detect and prevent fraud, waste, and abuse in County government operations. Purpose ways to increase the legal, fiscal, and ethical accountability of County government department and county-funded agencies. Review efficiency and effectiveness of programs and operations of county government and independent county-funding agencies.** (County Attorney's Office)

Status: The County Attorney's office is in the process of gathering information.

- 14.) Explore opportunities to provide additional transparency and efficiencies within the Commissioners' Office on the Commissioner level.** (County Commissioners)

Status: Resolution 2012-18 and 2012-21 adopted.

- 15.) Establish Ethics Commission Rules and Procedures. Explore possibility of Ethics Commission subpoena power.** (County Attorney's Office)

Status: County Attorney is drafting rules and procedures. There is legislation pending to explore Ethics Commission subpoena power.

- 16.) Support and encourage efforts to grow a diverse workplace for all departments funded by Charles County Government.** (County Commissioners)

Status: On-going.

COMMISSIONERS GOALS AND OBJECTIVES

Goal #4: Comprehensive Planning

Achieve a prosperous, aesthetically pleasing County, with safe and healthy communities and a balanced economic base, where our heritage, rural character and legacy are also respected and protected through citizen involvement in the planning process, relevant land use plans and policies and conformance to smart growth principles to assure a high quality of life.

Objectives:

- 1.) **Establish a Community Revitalization Initiative to improve property values and quality of life to include increasing the accountability of and strengthening the County's Nuisance Ordinance/Nuisance Abatement Board, Homeowner's Association Dispute Resolution process, establishment of oversight by the County Attorney's Office for review of homeowner's association structure, funding, inspection and enforcement of development bonds, development of an inventory of homeowner's associations (voluntary & involuntary) and a rental registration program, and acquiring/reviewing a list of abandoned properties and foreclosed homes to establish standards of oversight.** (County Attorney's Office)

Status: Awaiting an opinion from the Attorney General's office.

- 2.) **Implement recommendation of the Property Standards Task Force as presented to the Commissioners in March 2012.** (Planning and Growth Management)

Status: The Property Standards Task Force recommendations were prioritized at their July 10, 2012 open session. Staff will implement a plan of action to address those recommendations.

- 3.) **Commit to the delivery of affordable and/or workforce housing stock based on the independent study results on the housing stock, densities, minimum size of homes, height, etc.** (Community Services)

Status: Housing Stock Study proposal presented to the Housing Authority Board

- 4.) **Commit to the ongoing support of the Comprehensive Planning Process by staying engaged with the Planning Division of the Department of Planning and Growth Management and the Planning Commission.** (County Commissioners)

Status: Commissioners conducted joint meetings with the Planning Commission regarding the elements of the Comprehensive Plan.

- 5.) **Conduct a joint meeting with the Board of County Commissioners and the Planning Commission.** (County Commissioners)

Status: Joint meetings conducted with Planning Commission regarding 2012 Comprehensive Plan.

- 6.) **Work with the Board of Education to understand redistricting, school overcrowding, etc. in our local school system so that we can make informed decisions.** (County Commissioners)

Status: July 24, 2012 Letter to Chairman Wise re: BOE's participation in joint study committee.

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Goal #5: Support the Achievement of Education Benchmarks

Through a mutually cooperative and supportive relationship between the Board of Education and County Commissioners, provide the financial resources and public facilities, and establish benchmarks for academic achievement, within a safe, orderly, and healthy environment for all students and personnel.

Objectives:

- 1.) **Work with the Board of Education to research/identify innovative methods of funding public education.** (County Commissioners/Board of Education/Fiscal & Administrative Services)
Status: Adopted the FY13 operating and capital budget by increasing the tax rate to fund teachers' pension and a one-step pay increase. Worked with BOE staff to identify capital project savings to transfer to the new high school project in order to fund the construction contract. On-going.
- 2.) **Prioritize funding of new high school (operation and otherwise).** (County Commissioners/Board of Education)
Status: The opening costs of the new St. Charles High School has received a high priority from the County and we have done several things to assist with the planning and opening of St. Charles High School. First, we have reserved \$2,332,800 in the Capital Project Fund for one-time start up costs and second we incorporated \$8.2 million in FY15 and \$9.3 million in FY16 into our Financial Plan Model. Specific funds to open and fund all reoccurring costs have not been identified.
- 3.) **Conduct a strategic planning session with Board of Education prior to the end of the Fiscal Year 2012.** (County Commissioners)
Status: July 31, 2012 - Commissioners authorized Clerk to coordinate date/location.
- 4.) **Continue to work with the Charles County Board of Education to meet stated standard of pay in accordance with established policy criteria.** (County Commissioners/ Board of Education)
Status: The FY13 Operating Budget for the Board of Education was approved which included a one-step increase for school personnel.

Goal #6: Maintain a High Level of Public Safety

Maintain a high level of public safety and health in the County, as evidenced by crime rates, response times, and security measures to thwart or combat terrorism and bio-terrorism, by providing the financial resources, emergency planning and support for law enforcement, fire/EMS, and public health functions, respectively.

Objectives:

- 1.) **Conduct a strategic planning session with Volunteer/career EMS and fire services within Fiscal Year 2012.** (County Commissioners/Emergency Services)
Status: July 31, 2012 - Commissioners authorized Clerk to coordinate date/location.
- 2.) **Conduct a strategic planning session with Charles County Sheriff's Office within Fiscal Year 2012.** (County Commissioners/County Administrator)
Status: July 31, 2012 - Commissioners authorized Clerk to coordinate date/location.
- 3.) **Remain vigilant to community health issues, including those of epidemic proportions.** (Emergency Services)
Status: Department of Emergency Service staff members participate in regularly scheduled and ad hoc planning and preparedness meetings with Charles County Health Department personnel designated Civista Medical Center staff regarding public health and safety issues.

COMMISSIONERS GOALS AND OBJECTIVES

4.) **Encourage input and dialogue regarding public safety related agencies.** (Emergency Services)

Status: Commissioner Rucci, the County Administrator, Director of Emergency Services and Department of Emergency Services Chiefs meet monthly with volunteer leadership to maintain open communications and to work through administrative and operational matters impacting the delivery of emergency services.

5.) **Continue to work with the Charles County Sheriff's Office to meet stated standard of pay in accordance with established State policy criteria.** (County Commissioners/Sheriff's Office)

Status: April/May: Commissioners conducted work sessions on legislation related to Sheriff's pay (Code Sections 124/210). Fully funded CCSO's Fiscal Year 2013 budget request.

Goal #7: Environment and Energy Awareness

The County values a Smart Growth approach to our community development needs. We recognize that it is imperative to respect and preserve natural resources in every decision made. We must be ever mindful of the environment and protect its beauty.

Objectives:

1.) **Lead conservation efforts throughout Charles County.** (County Commissioners)

Status: On-going

2.) **Establish Green Building code standards/guidelines.** (Planning and Growth Management)

Status:

July 10, 2012- The 2012 Building Codes, including 2012 Energy Conservation Code, to be introduced to the County Commissioners for a public hearing to be scheduled. This will provide approval for staff to update the Charles County Construction Codes by legislation this fiscal year.

July 17, 2012- The Energy Efficiency Conservation Block Grant (EECBG) Green Codes report and recommendations to be presented to the County Commissioners for their consent and development of a plan of action to implement those recommendations.

The State of Maryland Department of Housing and Community Development (DHCD) is reviewing the International Code Council (ICC) Green Construction Code for application within the State of Maryland at the option of local jurisdictions.

3.) **Review inventory/progress of public/private energy efficiency projects (Energy Efficiency Block Grant briefing).** (County Administrator)

Status: Regular progress meetings are held on the 2nd Wednesday of each month until project completion. The grant must be complete by December 2012. Activities 1B, 6A, 6C and 13A are complete. Other activities are on schedule.

Approved May 1, 2012
Status Update: May/June 2012

COMMISSIONERS GOALS AND OBJECTIVES

Linking Overall County Goals to Departments

Each Department plays a role in reaching the Goals of the County Commissioners. Departmental Goals are listed on the individual budget pages. The table below depicts the Departments involvement in helping to attaining the seven goals of the Commissioners.

DEPARTMENT/AGENCY	COMMISSIONER GOALS						
	Improve Economic Development & Tourism	Enhance Infrastructure	Efficiency of Government Operations & Services	Comprehensive Planning	Support Achievement of Education Benchmarks	Maintain a High Level of Public Safety	Environmental and Energy Awareness
Board of Education					X		X
Community Services		X	X	X			X
County Administrator	X	X	X	X	X	X	X
County Attorney			X	X			X
County Commissioners	X	X	X	X	X	X	X
Economic Development	X						X
Emergency Services						X	X
Fiscal & Administrative Services	X	X	X		X		X
Human Resources			X				X
Planning & Growth Management	X	X		X			X
Public Works		X					X
Sheriff's Operations						X	X

FINANCIAL POLICIES

Charles County's financial policies compiled below set forth the basic framework for the overall fiscal management of the County and are used in the development of the annual budget. These policies are built upon the County's Mission Statement to provide our citizens the highest quality service possible in a timely, efficient, and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning, and have an appropriate managerial organization tempered by fiscal responsibility.

FINANCIAL PLANNING POLICIES:

1. The County will adopt a balanced budget on a per fund basis. A balanced budget in the public sector is achieved when the government has enough fiscal discipline to be able to equate the revenues with expenditure over a fiscal year. In other words, a government's budget is balanced if its income is equal to its expenditure. A balanced budget is required for all funds with the exception of the Fiduciary Fund (Pension and OPEB Trust Funds), which accounts for assets and liabilities for employee pension and other post-employment benefits. Operating budgets are balanced by adjusting revenues and expenditures, and in some cases to a limited degree, the use of prior year surpluses. Fiduciary Funds are not subject to a budgetary process, however, they can be found in the County's Audited Financial Statements.
2. Review and approve long-range financial plans for operating and capital budgets for all major funds. By establishing long-range plans, the County measures the fiscal impact of today's decisions on tomorrow's outcomes. Long-range financial plans include cash reserves for future capital investments.
3. An annual report on the financial condition of the County using established benchmarks and criteria will be researched, prepared, and analyzed.
4. Annually, a five-year Capital Improvement Program will be developed, analyzing all anticipated capital expenditures by year and identifying associated funding sources.

INVESTMENT POLICY:

The Joint Statement of Investment Policies and Accounting Procedures and Internal Controls for Investments was adopted in January 1995 and last amended in March 2009.

1. The County maintains an investment pool that is available to all funds except the Pension Trust Fund, which holds investments separate from other County funds.
 - a. With the Exception of the Pension Trust Fund, the County may invest only in the following types of investments: U.S. Treasury Bills, U.S. Treasury Notes or Bonds, Certificates of deposit (CDs), Repurchase Agreements- fully secured by the United States Government Securities, Local Government Investment Pool, Daily Sweep Account, and obligations that a federal agency or instrumentality has issued in accordance with an act of the United States Congress.
 - b. Contractually, the County's Pension Trust investment managers are restricted to investments that are recommended to and approved by the board of County Commissioners within the established asset allocation policy.

FINANCIAL POLICIES

DEBT POLICIES:

The annotated Code of Maryland, Article 95, Section 22F(d) requires that each local government unit shall adopt by resolution, motion, or ordinance a local debt policy. The County Commissioners adopted the following Debt Policy on September 22, 2009.

AUTHORITY TO ISSUE DEBT:

1. The County may only issue general obligation and revenue bonds under authority conferred by the Maryland General Assembly. As a Code Home Rule county, the County may also authorize the issuance of general obligation and revenue bonds by a public local law enacted by the County Commissioners. There are no statutory limits on the amount of general obligation or revenue bonds that may be authorized by the County Commissioners. The County may refund any of its outstanding general obligation or revenue bonds under the authority of Chapter 825 of the Laws of Maryland of 1977, now codified as Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume). No referendum is required.
2. The County may issue economic development revenue bonds under State law which provides that such bonds shall not constitute indebtedness or charge against the general credit or taxing power of the County. In addition, the County may participate in State loans for school and highway construction, which is secured solely by the County's portion of certain State-shared revenues.
3. Pursuant to Section 14.05 of Article 66B of the Annotated Code of Maryland, the County may issue bonds necessary to finance the cost incurred to construct new capacity for public school facilities within Charles County. The debt service on these bonds is paid for by a special tax assessment (excise tax) on new home starts after June 30, 2003, payable over a 10-year period.
4. The County is authorized to issue general obligation bonds to finance water systems, sewerage systems, solid waste disposal systems and solid waste acceptance systems in the Waldorf Special Taxing District One, the Mattawoman Special Taxing District Number 2 and Special Taxing District Number Three. The three special taxing districts are authorized to levy charges, assessments and taxes to pay the debt service on bonds previously issued by the respective districts and bonds issued by the County after their creation in 1976. The County expects to pay debt service on its water and sewerage debt from special assessments, connection fees, charges for the upkeep of water and or sewer, and sewer service charges pertaining to the respective systems for which the indebtedness was incurred. If required at any time to pay debt service on water and sewerage debt incurred to finance water and sewer facilities in a particular special taxing district, the County is authorized to levy a tax on the assessable property in the special taxing district. If for any reason any such levy should prove inadequate, the County is authorized to levy a tax on the assessable property throughout the County in order to raise the required funds to pay such debt service. The principal amount of outstanding bonds relating to such improvements in any special taxing district cannot exceed 10% of the total value of the property assessed by County taxation purposes.

DEBT ISSUE GUIDELINES:

The County will use the following guidelines when issuing debt:

1. Long-term borrowing will not be used to finance current operations or normal maintenance.
2. All debt issued, including lease purchases, will be repaid within a period not to exceed the useful life of the asset or the improvement financed by the debt.
3. The County will maintain its General Fund debt service payments at a level not to exceed eight percent of the General Fund operating revenues.
4. In an effort to provide critical capital projects, while simultaneously keeping debt issuances to a minimum, the County will monitor the fund balance of the General Fund for the purpose of utilizing any excess for pay-as-you-go funding for the Capital Improvement Program (CIP).
5. The County will seek to maintain and, if possible, improve our current bond rating in order to minimize borrowing costs and preserve access to credit.
6. General Obligation debt issuance will be managed on an annual basis to match funds to the CIP cashflow requirements.

FINANCIAL POLICIES

7. The County will analyze market conditions prior to debt issuance to determine the most advantageous average life.
8. The County will attempt to repay debt using a level principal repayment structure.

DEBT CAPACITY:

The County's debt capacity shall be maintained within the following primary goals:

1. The five-year financial plan will help determine the amount of debt that can be issued while maintaining an eight percent debt service ratio to the General Fund operating budget.
2. The annual review of the Capital Improvement Program (CIP) will identify projects that are eligible for long term debt financing.
3. The adopted CIP will closely match the debt that is affordable as calculated by the annual update of the five-year financial plan.
4. The General Fund debt service will not exceed eight percent of the operating budget.

The annual debt issuance guidelines encompass all traditional County infrastructure projects (e.g. public safety facilities, schools, libraries, equipment, transportation, etc.). Not included in the annual debt issuance calculations are issuances for projects supported by a specific revenue source. Also not included in the guidelines are bonds issued in accordance with the tax increment financing (TIF) policy. When appropriate, these debt offerings will be factored into the overall debt ratios and financial condition of the County.

REVENUE POLICIES:

1. Estimation of revenue receipts shall be realistic and attainable both in the determination of fund balance generation in the current fiscal year and in the estimated receipts for the following year. Where judgment is required, conservatism shall be the rule.
2. The Commissioners review all user fees and charges annually. The review will include changes to existing fees and charges and approval of new fees and charges.
3. The County's goal for Enterprise funds is to establish rates that provide for self-sufficiency. An annual review of all programs that operate on an enterprise fund basis is prepared to ensure that revenues for such programs continue in a self-supporting nature. By doing so, the Commissioners relieve the pressure of funding such programs on the general taxpayer. Major programs include Solid Waste (Landfill & Recycling), Water & Sewer, Recreation, and Developer Inspection & Review.
4. Grant funding will be considered to leverage County funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will mainly be budgeted in Special Revenue funds. The programs will be adjusted to reflect the level of funding available.

FUND BALANCE POLICY:

The County Commissioners adopted the following policy on March 9, 2010 in order to manage the County's financial resources by establishing a fund balance policy for its General Fund operation. This policy will ensure the County maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures. The policy will be reviewed on an annual basis during the budget process.

1. General Fund: The fund balance range for the General Fund shall not be less than 8% and not more than 15% of the total budgeted operating revenues of the General Fund budget.
2. Water and Sewer Enterprise Fund: The fund balance range for the Water and Sewer Operating Budget shall not be less than 30 days and not more than 120 days of the total budgeted operating expenses of the Utilities Operating Fund.

FINANCIAL POLICIES

SURPLUS:

When there is a surplus (in excess of 15% of the General Fund Budget), those funds are to be designated or appropriated during the next fiscal year for the following purposes in order of priority:

1. Eliminate shortfalls in related funds. 1.) Any General Fund surplus shall be transferred to cover shortfalls within the Special Revenue Funds. 2.) Any Water and Sewer Operating Budget surplus shall be reserved for one-time capital needs.
2. Reduction or avoidance of debt. If there is short-term debt within the fund the surplus may be applied to reduce or eliminate the debt if financial analysis proves this to be advantageous for the County. If a borrowing is scheduled, the surplus may be used to reduce the principal amount the County needs to obtain if financial analysis proves this to be advantageous for the County.
3. Applied to capital outlay purchases. Surplus funds may be used to supplement or enhance equipment or capital replacements.
4. One-time capital needs. Since a surplus does not represent a recurring source of revenue it should not be used to fund a recurring expense; however, if a one-time capital project expenditure has been identified, but not already funded through an appropriation, the surplus may be appropriated for this use.
5. Tax, fee, or rate stabilization. Surplus funds may be designated for stabilization in order to avoid raising taxes, fees, or rates related to the fund in subsequent years.

SHORTFALL:

If it is determined there is a shortfall (an amount below the lower limit of the fund balance range), the fund balance is to be rebuilt through the following mechanisms in order of priority:

1. Distribution of surplus from other related funds as delineated under "Surplus" category.
2. An appropriation during the next three annual budget cycles of at least 20% of the shortfall for the purpose of restoring fund balance to the 8% floor. If this is financially unfeasible, a written plan shall be forwarded by the County Administrator to the Board of County Commissioners for approval in order to restore the fund balance to an amount within the range within the specified time frame. This plan may require reduction of services, increases in taxes, fees, or rates, or some combination thereof.

EXPENDITURE POLICIES:

1. The Operating Budgets shall be balanced in total with any excess being held in a contingency in the individual fund.
2. A contingency reserve is approved in the General Fund operating budget during the budget process to reduce the pressure on Fund Balance appropriations for emergencies or revenue shortfalls.
3. The Operating Budget is adopted at the fund level. Each department and division prepares its own budget based on Budget Staff recommendations for review with the Budget Staff and County Administrator and final approval by the Board of County Commissioners. Current budget processing guidelines require that departments request any enhancements separately from the baseline budget. Enhancements would be identified as funding requested for a new program offering or new staff.
4. The budget process is intended to weigh all competing request for County resources, within expected fiscal constraints. Requests for new, ongoing programs made outside of the budget process will be discouraged.
5. The budget is approved in the form of a resolution after the Commissioners have held an advertised public hearing. During the year, it is the responsibility of the Chief of Budget to administer the budget.
6. Budgetary Control is maintained by employing the use of encumbrances to control the expenditure of appropriations.
7. Unless otherwise provided by public general law, all unexpended and unencumbered appropriations in the current operating expense budget remaining at the end of the fiscal year shall lapse into the fund balance account.

FINANCIAL POLICIES

8. The Personnel Policy and Procedure Manual was last revised on July 10, 2012. This manual addresses employee compensations as follows:
 - Grade and Salary Structure: It will be the duty of the Director of Human Resources to maintain a system of salary administration which is fair and equitable, and that the director will, from time to time, provide for periodic salary surveys and recommend changes to the County's system through the County Administrator. An external and internal equity study will be performed, at a minimum, once every seven (7) years.
 - Entrance Rates: The entrance pay rates will normally be the base rate of the salary range prescribed for the grade. Whenever possible, new employees with Charles County Government will begin employment at the base salary within the position grade. Occasionally, in order to recruit the best and most qualified talent, it may be necessary to approve a starting salary above the base salary. Starting salaries above the base salary will be based on qualifications, salary history, and availability of candidates.
 - Employees may advance within their salary range annually until they reach the maximum of their grade if job performance as rated on the performance appraisal is 1.70 or better. Annual salary increases will be equivalent to 3% of the midpoint of the employee's assigned grade. Portions of an annual salary increase that exceed the maximum amount in a salary grade will be paid as a longevity award. An employee whose job performance is rated 1.69 or lower will not be eligible to receive a within grade salary increase during that fiscal year.
 - Employees whose salaries have reached, or exceed, the maximum of the grade (redlined salaries) are eligible to receive longevity awards and cost of living adjustments only. Consideration for a longevity award will occur at the first anniversary the employee is not eligible for an annual salary increase and yearly on their anniversary date, and will be awarded to those employees whose performance rating is not less than 1.70. Longevity awards of 3% of the midpoint of the employee's assigned grade will be paid in a lump sum amount. It is not added to the employee's salary.
9. Policies and Procedures for the operation of the Purchasing Office were adopted on June 10, 1999 and revised October 17, 2005. These policies cover purchasing and procurement, competitive bidding, disposition of surplus property, and law enforcement supplies & equipment.

CAPITAL MANAGEMENT POLICIES:

1. The Capital Improvement Program provides for the development and improvement to the County's infrastructure for the ensuing fiscal year and four years thereafter. The first year of the plan establishes a budget for the new fiscal year. The remaining four years serve as a guide for use in determining probable future debt issuance needs and operating cost impacts.
2. Proposed projects will be submitted on an annual basis for review with the County Commissioners. Project submissions will include a section containing future operating impacts that, if approved, will be factored into the County's Five Year Plans.
3. The Capital Budget is adopted at the project level. Capital improvement expenditures are accounted for in the Capital Projects Fund and are funded by a variety of sources.
4. No appropriation for a capital project in the capital budget shall lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned or a transfer of appropriation has been authorized by the County Commissioners; provided, however, that any capital project shall stand abandoned if three fiscal years elapse without any expenditure from or encumbrance of the appropriation are made. The balances remaining to the credit of the completed or abandoned capital projects shall be available for appropriation in subsequent capital budgets upon approval by the County Commissioners.
5. Authority to transfer budget amounts within the Capital Project fund are established under the "Budget Policies and Delegated Authorities".

FINANCIAL POLICIES

BUDGET POLICIES:

1. The County Commissioners adopted the *Budget Policies and Delegated Authorities* on April 3, 1995 and these policies were last revised on September 1, 2009. These policies address:
 1. Delegated Authority for Budget Transfers
 2. Supplementary and Emergency Appropriations
 3. Lapsed Appropriations
 4. Capital Project Budget Procedures and Delegated Authority for Change Orders of Capital Project Contracts
 5. Formal Bid Award Procedures

These policies apply to budgets managed by the County Commissioners, County Administrator, County Attorney, and Department Heads.

BUDGET AMENDMENT

The formal guidelines for Budget Amendments are as follows:

Budget Amendments - Levels of approval authority for budget amendments (the overall total of the fund budget or special account is increased or decreased) are as follows:

1. Approval authority for minor Budget Amendments up to \$15,000 is delegated to the President of the Board of County Commissioners, and in excess of \$15,000 requires approval by vote of the Board of County Commissioners.
 2. Approval authority for minor Grant Budget Amendments up to \$5,000 where no County funding is required is delegated to the Director of Fiscal & Administrative Services; from \$5,001 up to \$100,000, or where no County funding or additional funding is involved is delegated to the County Administrator. Such grant awards shall be placed on the ensuing Administrative Report. Grant applications and awards have already been through an authorization process involving the President of the County Commissioners prior to budget amendments.
 3. Budget Amendments resulting from documented reimbursements such as insurance claims, third party payments, etc. is delegated to the President of the County Commissioners.
 4. Budget Amendments resulting from deferred revenue, reserved fund balance, and/or carryover grant budgets are delegated to the Director of Fiscal & Administrative Services due to the continuation of a previously approved budget.
 5. All other budget amendments must be approved by the Board of County Commissioners.
2. Regular updates to income statement reports are prepared for all major operations comparing year-to-date activity and year-end estimates with budget and prior year actual results. This review alerts the Board of County Commissioners to any financial problems that may require action, or operating surpluses that could be reinvested for program improvements.

ACCOUNTING POLICIES:

POSITION CONTROL PROCEDURES

The County Commissioners adopted the Accounting Policy and Procedures Manual for Position Control Procedures in January 1995 and these policies were last revised on September 23, 1997. The overall objective is to achieve proper control and approvals over adding or deleting of full-time and full-time reduced hours positions within departments controlled by the County Commissioners and to report status of positions to the County Commissioners on a quarterly basis. This policy was put in place to:

1. To ensure that only authorized positions are advertised and hired.
2. To ensure that the Budget Office is notified of all authorizations for new position and the source of funds for those positions.

FINANCIAL POLICIES

3. To ensure that only budgeted positions are added to the payroll.
4. To properly train the departments of County government in the proper procedures for obtaining new permanent position and in filling vacancies in permanent positions
5. To establish an effective management information system which provides information in a concise format useful to management.
6. To maximize the use of electronic data processing and electronic data processing controls.
7. To establish control procedures to test the system for failure and to report any discrepancies to the County Commissioners on a timely basis.

ASSET ACCOUNTING AND CONTROL PROCEDURES

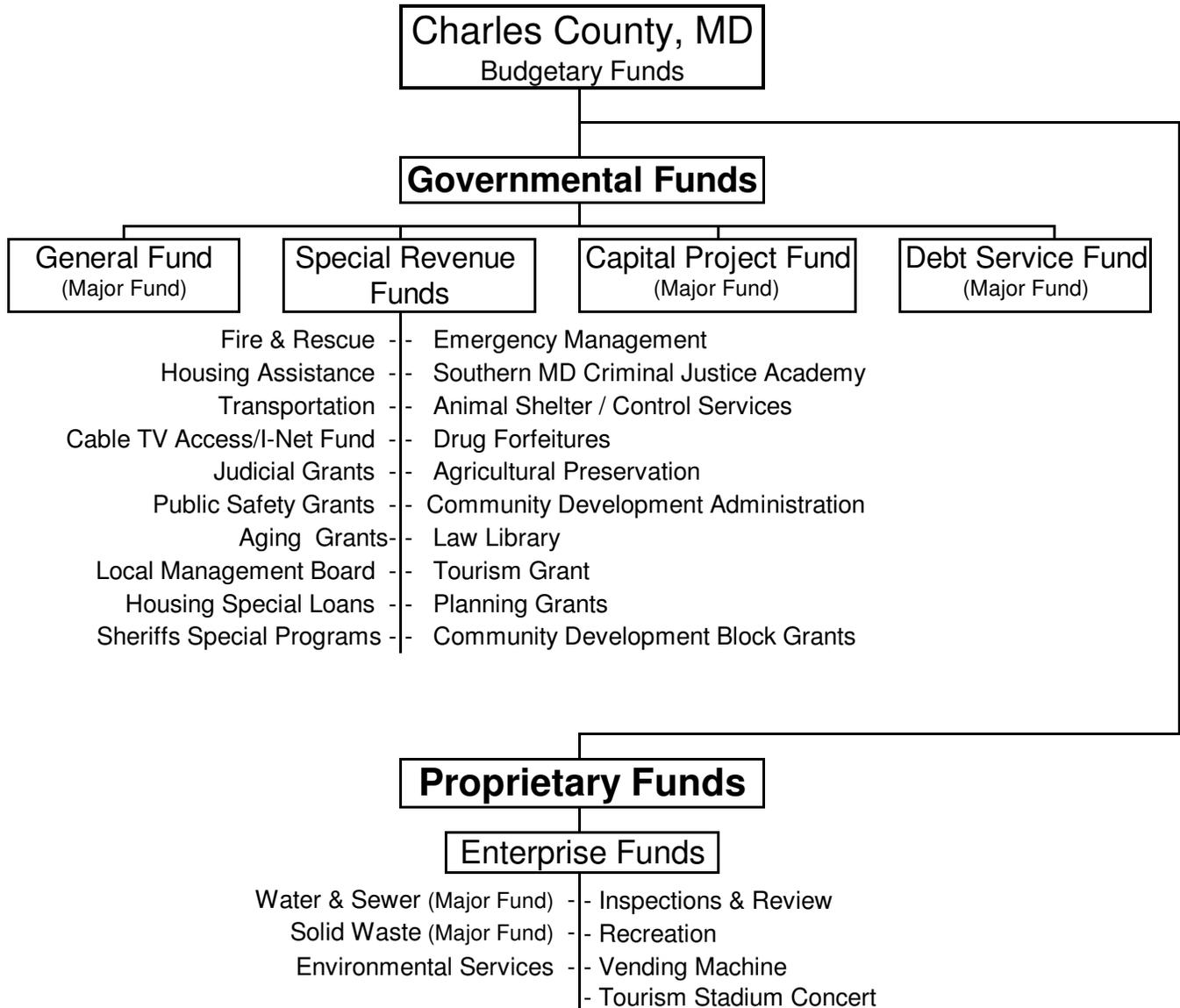
The County Commissioners adopted this policy on March 29, 2011. Assets are differentiated between Capital Assets (greater than \$5,000) and Controlled Assets (less than \$5,000). Capital Assets included all assets with an expected useful life of one year or more and with an original cost of greater than \$5,000 per unit. These items shall be recorded in the accounting records and in the Capital Asset Records when they are acquired and/or put into service. Controlled Assets include assets with an expected life of one year or more and with an original cost of less than \$5,000 per unit. These assets should include, at a minimum, those assets with an original cost of between \$1,000 and \$4,999 per unit, but may also include assets that fall below the \$1,000 if the department head deems it advantageous to track these lower per unit cost assets for internal control purposes. The objectives of these asset accounting and control procedures include the following:

1. To define and maintain proper accounting controls over capital assets acquired by the County.
2. To assign responsibility for the safekeeping of capital assets to the appropriate managers.
3. To establish standard procedures for the recognition in the accounting and capital asset program of acquisitions, disposals, and transfers of capital assets.
4. To ensure that all information needed for insurance or warranty purposes is obtained and maintained on a current basis.
5. To ensure that proper approvals are obtained and established procedures are followed for transfers or disposals of capital assets.
6. To ensure compliance with accounting and reporting requirements as established by generally accepted governmental accounting standards.

FINANCIAL REPORTING POLICIES:

1. The County's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
2. An independent accounting firm will perform an annual audit and issue an audit opinion that will be included with the County's published Comprehensive Annual Financial Report (CAFR).
3. The County's CAFR will be submitted to the GFOA Certification of Achievement in Excellence in Financial Reporting Program. The financial report should be in conformity with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inferences.
4. The County's Budget will be submitted to GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programming policy document, as a comprehensive financial plan, as an operation's guide for all organizational units, and as a communication device for all significant budgetary issues, trends, and resource choices.
5. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

FUND STRUCTURE



A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for financial resources used in the day-to-day operations of the government. Proprietary funds are those used to account for the government's business type activities where fees are charged for services rendered. Fiduciary funds are those used to account for funds held by the government in trust for others that cannot be used to support the government's programs. Fiduciary funds are not subject to a budgetary process and are not included in this budget document. Fiduciary funds can be found in the County's Audited Financial Statements.

Under GASB No. 34 the focus of the fund financial statements is on major funds. These funds generally represent the governments most important funds defined based on a numerical formula. Once identified, each major governmental and enterprise fund is presented in its own column in the governmental and proprietary fund statements. Charles County's major funds include the General Fund, Capital Project Fund, Debt Service Fund, Water & Sewer Fund, and the Solid Waste Fund.

DESCRIPTION OF EACH FUND

GOVERNMENTAL FUNDS:

General Fund

The General Fund accounts for resources traditionally associated with government services which are not required legally or by special financial management to be accounted for in another fund. The General Fund is considered a major fund.

Major revenue sources consist of property, income, recordation, and various user fees. These revenues account for much of the total revenue. Expenditures for public schools, public safety, debt service, public works, community services, planning and growth management, community college, and general administrative account for most of the budgets that are appropriated annually. The General Fund is the largest of the Governmental Funds.

Capital Project Fund

The Capital Project Fund accounts for financial resources to be used for the acquisition, construction, or renovation of major capital infrastructures. Financial resources include long-term debt borrowing, operating revenue from other budgets, federal or state grants, other local government contributions, and donations from the private sector. A capital project is defined as a project of a non-recurring nature, which may require the purchase of land, engineering & design fees, construction, and equipment.

This fund is utilized to track a project that is greater than \$15,000 and has a useful life of 10 years or more. Projects related to roads, schools, college, parks, and general government costs are included. The Capital Projects Fund is considered a major fund.

Debt Service Fund

The Debt Service Fund accounts for the annual payment of long-term debt which has a specific or legally binding revenue source. This revenue source is dedicated to the current year retirement of the principal outstanding on long-term debt and the current year interest expense. The Debt Service Fund is a major fund.

This fund is utilized to account for bonds issued on behalf of a local nursing home, a local hospital, a children's learning center at the College of Southern Maryland, developer construction bonds, private sector partnership of a local baseball stadium, and for school construction bonds. Long-term note receivables provide the County with a funding source for the nursing home, hospital, college bond issues, and for the taxable bonds issued on behalf of local developers for road construction and a minor league baseball stadium. Revenues from the County's Excise Tax finance the debt service for bond issues sold for school construction.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures, or for particular purposes. Often, this type of fund will account for the financial transactions of federal, state, and local grants that have specific expenditures associated with the program. The Special Revenue funds of the County are non-major funds. For the most part, the County utilizes this type of fund to account for the various federal and state grants received, such as low income housing assistance, aging programs, child support, human services, and public safety grants. This fund type is also used to account for the County's fire & rescue tax revenue which is then distributed to the various volunteer fire and rescue squads and for property tax revenue from agricultural assessments that are set aside to purchase and preserve farm land.

PROPRIETARY FUNDS:

Enterprise Funds

Enterprise Funds are established to segregate a program or service from the General Fund because of its self-supporting nature. These funds operate on the basis that the costs of providing goods or services to the general public are financed or recovered primarily from fees charged to the consumers of the program. The Water and Sewer fund and the Solid Waste Fund are considered major funds. The County provides water and sewer service to over 29,000 customers and is anticipated to accept over 70,000 tons per year at the Landfill. Other Enterprise Funds include: Environmental Services, Inspection and Review, Recreation, Tourism Stadium Concerts, and Vending Machines.

NOTE: Charles County does not maintain any internal service funds.

DESCRIPTION OF EACH FUND

The following table shows which funds each Department/Agency is a part of:

Department/Agency	GOVERNMENTAL			PROPRIETARY		
	General Fund	Capital Projects	Other Govt.	Water & Sewer	Solid Waste	Other Enterprise
County Departments						
Community Services	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
County Administrator	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
County Attorney	<input checked="" type="checkbox"/>					
County Commissioners	<input checked="" type="checkbox"/>					
Economic Development	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Emergency Services	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Fiscal and Administrative Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Human Resources	<input checked="" type="checkbox"/>					
Planning & Growth Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Public Works	<input checked="" type="checkbox"/>					
Outside Agencies						
Board of Education	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Board of Fire & Rescue			<input checked="" type="checkbox"/>			
Circuit Court	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
College of Southern Maryland	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Conservation of Natural Resources	<input checked="" type="checkbox"/>					
Election Board	<input checked="" type="checkbox"/>					
Health	<input checked="" type="checkbox"/>					
Library	<input checked="" type="checkbox"/>					
Liquor Board	<input checked="" type="checkbox"/>					
Orphan's Court	<input checked="" type="checkbox"/>					
Sheriff's Office	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
Social Services	<input checked="" type="checkbox"/>					
State's Attorney	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			

BASIS OF BUDGETING

Basis of Accounting vs. Basis of Budgeting

The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The measurement focus identifies which transactions should be recorded. Charles County conforms to generally accepted accounting principles (GAAP) as applicable to government units and has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

Charles County utilizes a formal budgetary process as a management control device for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. The County adopts a balanced budget on a per fund basis. Revenue and expenditure budgets are adopted using a modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means knowing or able to reasonably estimate the amount. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Similarly, expenditures are generally recognized when an event or transaction is expected to draw on current spendable resources.

Due to the self-supporting nature of enterprise funds, the basis of accounting sometimes differs from the basis of budgeting. When developing budgets, capital outlays are treated as expenditures so that fees can be adjusted to meet cash demands. Principal payments on long-term bonds are also treated as expenditures for the same reason. Governmental fund types are consistent with standard accounting reports. No formal budget is adopted for the Fiduciary funds.

The basis on which the budget is formulated varies depending upon the nature of the operation.

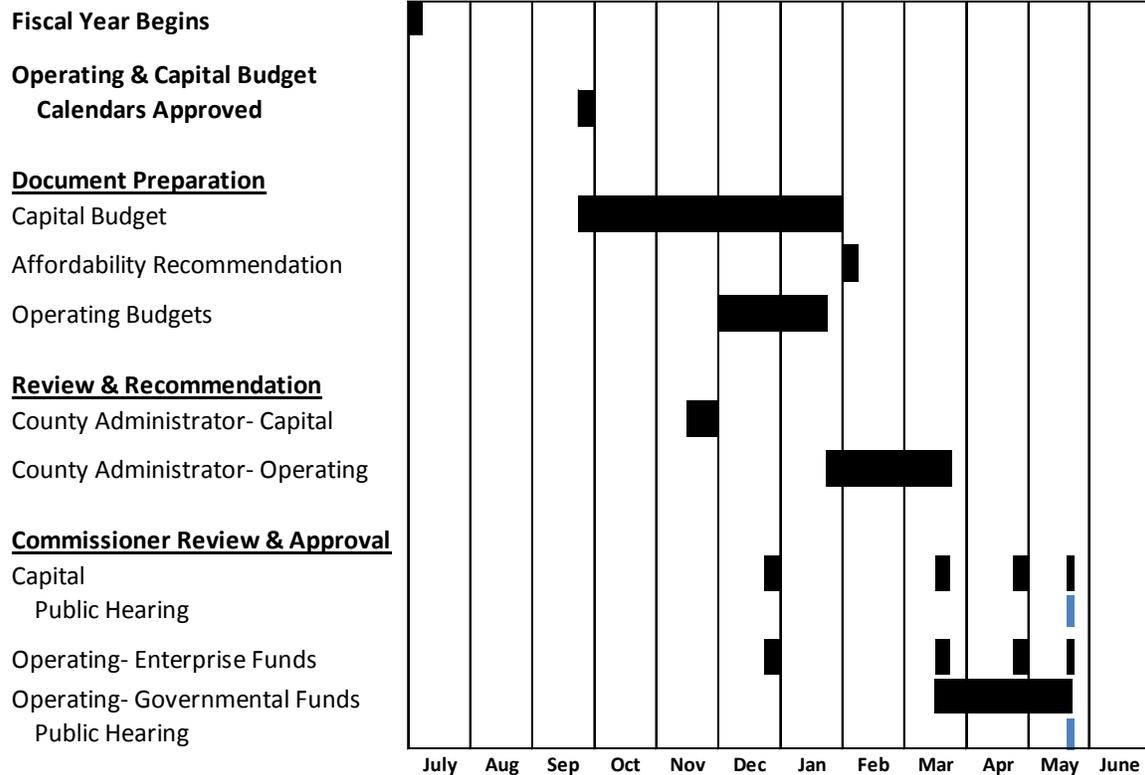
The following schedule summarizes the differences:

FUND	FUND TYPE	REVENUES	EXPENSES	ASSET DEPRECIATION	DEBT SERVICE	CAPITAL OUTLAY
General	Governmental	Modified Accrual	Modified Accrual	No	P & I	Expenditure
Special Revenue	Governmental	Modified Accrual	Modified Accrual	No	N/A	Expenditure
Debt Service	Governmental	Modified Accrual	Modified Accrual	N/A	P & I	N/A
Capital Project	Governmental	Modified Accrual	Modified Accrual	No	N/A	Expenditure
Enterprise	Proprietary	Modified Accrual	Modified Accrual	No	P & I	Expenditure
Trust & Agency	Fiduciary	No Budget	No Budget	N/A	N/A	N/A

THE BUDGET PROCESS

The Budget Process

The budget process typically spans nine months with the September distribution of capital project forms through the formal budget adoption in May. This process is repeated annually. The budget process is initiated at the top level of government with the adoption of budget calendars that provide general timeliness for requests and approvals. The calendars encompass both the operating and capital budget process. The Mission and Vision of the County guide the development of both the capital and operating budgets. The focus is placed on aligning organizational resources to accomplish the goals of the Commissioners.



After the budget is adopted, Budget Transfers and Budget Amendments are subject to the adopted Budget Policies and Delegated Authorities that were last revised on September 1, 2009.

Development, Review, and Adoption

The capital budget review process is scheduled to be completed prior to the operating budget process so that the operating impact of the projects can be reviewed and integrated with the operating requests. Capital Improvement Program (CIP) request forms are distributed at the end of September and returned in October by the user agencies and departments.

The requests are reviewed by senior management and Department heads are given an opportunity at this time to prioritize their projects and fit projects with the highest needs within the County's affordable debt limits. The CIP was presented to the Board of County Commissioners beginning in February with a review of which projects were affordable and unaffordable based on this prioritization. The CIP was approved by the Commissioners in June after a public hearing was held.

THE BUDGET PROCESS

The operating budget process for the General Fund and Enterprise Funds begin in the Fall with a senior management presentation to the commissioners involving cost of living, consumer prices, and other significant variables that may affect the upcoming fiscal year. General guidelines are provided to the Department of Fiscal and Administrative Services - Budget Division involving commissioner priorities, from both a fiscal and political policy. Departments and agencies are then informed of the guidelines and revenue outlook for the coming year. For Fiscal Year 2013, the guideline was to keep budgets near the Fiscal Year 2012 budget level. With this information a comprehensive program review and request is developed during the Fall and early Winter. The Budget Division makes expenditure recommendations for most of the departments in the Fall. Department budget requests are then added and reviewed with the departments, agencies, and the County Administrator to include performance measures and priority setting. The County Administrator submits proposed budgets to the County Commissioners for review during the Spring. Shortly before a public hearing, and continuing thereafter, commissioner review of all budgets is conducted and final adoption is typically completed in May.

Budgets for Special Revenue Funds are normally established pursuant to the terms of the related federal and/or state grant awards. Estimates are provided for budget adoption and amendments are executed once the awards are granted. In the case of non-grant related Special Revenue Funds, the budget process is the same as the process for the operating budgets discussed above. The Debt Service fund budgets are adopted based on actual debt service obligations and corresponding dedicated revenue sources. The budgets for both the Special Revenue funds and Debt Service fund are reviewed and approved by the Board of County Commissioners.

The Fiscal Year 2013 budget process was once again impacted by the State of Maryland budget. The County awaited the results of a Special Session in mid-May in order to have the information needed to proceed with the County budget. The largest impact to the County was the transfer of the employer's normal share of the pension costs for public school board employees from the State to the school boards over a four-year period, at increments of 50-65-85-100%, with the counties' required maintenance of effort (MOE) amount increasing each year by the additional pension costs during the phase-in period. Increased pension costs will be partially offset by new county revenues and local aid to counties and school boards beginning in fiscal 2013 and 2014, and federal fund reimbursement relief to school boards beginning in fiscal 2015. The net impact to the County in Fiscal Year 2013 is estimated at \$1,272,000.

The Fiscal Year 2013 budget process was purposely delayed a month with final review and adoption occurring in June. The delay allowed time for the results of the State Special Session before finalizing the budget and allowing the Board of Education time to finalize their budget based on State funding. The real property tax rate was adopted at a tax rate of \$1.121 per one hundred dollars of assessed value. The tax rate increase allowed the County to adopt a balanced budget that included operating costs to open a new library, funding for economic development, tourism, and anti-poverty initiatives, increased staffing at the State's Attorney's office, and salary increases.

Operating & Capital Budget Interaction

In conjunction with the review and adoption of the current year budget and five year Capital Improvement Plan, five year plans are prepared and reviewed with the Commissioners for the General Fund and major enterprise funds. An intensive review of the capital budget requests and the five year plans are necessary for two main reasons. The first reason is to determine the affordability of future debt issuance as it impacts the General Fund's ability to retire the debt and to pay the interest cost. Secondly, it is used to review the operating impacts associated with the completion of the project. How much will the annual debt payments be and what other costs will result? Additional staff? Higher utility costs? The operating impacts of capital projects are listed at the bottom of each project page and are incorporated into the five year plans once the Capital Improvement Program is approved.

FISCAL YEAR 2013

CAPITAL IMPROVEMENT PROGRAM CALENDAR

CHARLES COUNTY, MD

(Adopted September 27, 2011)

<u>Time Line</u>	<u>Action</u>
September 23, 2011	Capital Improvement Program (CIP) forms sent to County Departments and Agencies.
October 7, 2011	CIP requests are returned to the Department of Fiscal & Administrative Services / Budget Division. Operating Impact requests are sent to the Department of Public Works.
October 14, 2011	CIP requests are sent to the Department of Planning & Growth Management / Resource and Infrastructure Management Division for preparation for the Planning Commission review.
October 21, 2011	Operating impact forms are returned from the Department of Public Works to the Department of Fiscal & Administrative Services / Budget Division.
November 7, 2011	Project requests are forwarded to the Planning Commission for review
November 7-18, 2011	CIP review with County Administrator.
November 15, 2011	Preliminary Board of Education (BOE) capital budget request review with the County Commissioners and BOE to meet State deadline submission.
November 18, 2011	Forward County Commissioner Letter Of Support to Interagency Committee for School Construction (IAC) for Board of Education CIP. (Letter due to IAC on November 28 th)
November 22, 2011	Preliminary Planning Commission comments returned to the Department of Fiscal & Administrative Services / Budget Division.
December 6, 2011	General Fund Five-Year Financial Plan and CIP review session with the Commissioners.
December 13, 2011	General Fund CIP review session with the Commissioners.
March 13, 2012	Enterprise Funds Five-Year Financial Plan and CIP review session with the Commissioners.
April 18, 2012	Public Hearing on CIP.
April 24, 2012	Recap and final review of the FY 2013-2017 CIP (if needed).
May 1, 2012	Formal Adoption.

FISCAL YEAR 2013
OPERATING BUDGET CALENDAR
CHARLES COUNTY, MD
(Adopted September 27, 2011)

<u>Time Line</u>	<u>Action</u>
October 11, 2011	Performance Measurements file sent to departments.
October 28, 2011	All Performance Measurements updates are due to the Department of Fiscal and Administrative Services / Budget Division.
November 7, 2011	Elected Officials/Agencies receive Operating Budget Request Forms. County Departments are provided either budget forms or on-line access to the budget software for their FY2013 operating requests.
December 2, 2011	County Department and Elected Officials requested budgets returned to Fiscal and Administrative Services / Budget Division.
December 30, 2011	Outside Agencies grant applications returned to Fiscal and Administrative Services / Budget Division.
February 29, 2012	Board of Education and CSM Operating Budget Requests due.
March 13, 2012	Budget Work Session- Enterprise Funds (Operating and Capital)
March 20, 2012	Budget Work Session - General Fund.
March 27, 2012	Budget Work Session - General Fund and Fees & Charges Review.
April 18, 2012	Public Hearing - Constant Yield Tax Rate and Operating Budgets.
April 24, 2012	Budget Work Session – Budget Recap (if needed).
May 1, 2012	General Fund Tax Rates & Budget Adoption. Budget Adoption of All Other Funds.
May - July	FY2013 Approved Budget Book prepared.