

COMMISSIONERS GOALS AND OBJECTIVES

Calendar Year 2012/2013

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: The Economic Development Department (EDD) is:

- Working with a company to identify opportunity to expand in the County,
- Working with non profit to develop a technology incubator in the County to promote the growth of small tech related companies.
- Meeting with County companies involved in technology and government contracting as part of business visitation program.

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

Status: The Economic Development Department is attending shopping center conference to identify retail opportunities for County. EDD is also meeting with several developers on prospects to expand employment in Hughesville and other sites.

- 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.** (Planning and Growth Management)

Status: Planning and Growth Management’s (PGM) work related to this Objective is in three primary areas:

- Community Visions and Redevelopment Opportunities: This includes work on the Benedict and Hughesville Revitalization plans. Staff recently met with the Hughesville Business and Civic Association to advance the rezoning of the town center area. Another area of our work is in the Waldorf Urban Redevelopment Corridor (WURC). The phase I implementation study was recently completed. Staff work, with the Port Tobacco Village Plan, continues including work towards acquisition of key properties.
- Conduct dialogues with citizens about control of land uses and sprawl: This has been an area of discussion in the development of the Comprehensive Plan that involved a year of extensive public input which included regional meetings, design charrettes, and stakeholder interviews. The Planning Commission is scheduled to consider all public comments, on the draft plan, over the months of May and June.
- Use creative tools and incentives to carry out development and redevelopment: The County uses various implementation mechanisms and tools including the Capital Improvement Program (CIP) budget, formation of a redevelopment district and village planning areas, various zoning districts including mixed use and transit oriented development, partnerships with developers on infrastructure improvements and the utilization of state and federal grants.

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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. The Economic Development Department is developing plan for a company to market County business parks internationally. Implementation is expected in the next fiscal year.

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. The Economic Development Department has been working with an airport on plans to expand and continues work on transportation alternatives for Indian Head.

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 on revised plan for Naval Surface Warfare Center (NSWC) to support the base and is participating in regional meetings on base related issues such as Base Realignment and Closure (BRAC).

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 Staff are working on the coordination of our first project under the adopted Benedict Waterfront Revitalization Plan. More detailed plans include an entrance sign, parking area, boardwalk, and streetscape improvements. PGM is working to get part of this project completed to celebrate the 200th anniversary (1814) when the British came ashore, invaded Maryland, and marched on Washington, DC during the War of 1812.
- Port Tobacco- The Port Tobacco Village Plan included extensive community outreach and a number of graphic options. The Plan has been completed and Charles County has been meeting with the Port Tobacco work group who has developed preliminary recommendations for use and operation of the courthouse and grounds. An analysis, of the historic Stagg Hall, has been completed.
- Aqualand- The Aqualand site is an important site for the County. It provides opportunities for redevelopment of the waterfront, enhancing public access, and serving as an entry way development project when entering Maryland from Virginia. Aqualand has been targeted (along with other potential sites in the southern County) for further 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:

- The Crop Hop was approved, a leisure bike ride and educational tour of various farms in Charles County. Gilbert Run Park was selected as the start/end. Kids ride and lunch venture are being planned for the October 19, 2013 Crop Hop.
- Planning continues with the Southern Maryland Agricultural Development Commission.
- Crain Memorial Welcome Center Travel Counselors assisted over 4,000 travelers and residents, informing the traveling public about upcoming local arts and agro-tourism events.

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9.) Continue to support the County's Minority Business Enterprise (MBE) Program.

(Fiscal and Administrative Services)

Status: The Department of Fiscal and Administrative Services has:

- Attended a Maryland Department of Transportation (MDOT) Minority Business Enterprise /Disadvantaged Business Enterprise/ Airport Concessions Disadvantaged Business Enterprises Application Assistance Workshop and shared information with current and potential MBE firms.
- Met with the Director of the Charles County Minority Business Advocacy Council to discuss his work with MBE firms.
- Met twice with the County's Information and Technology staff to discuss modification of the current MBE database system to contain all vendors including Small Local Business Enterprises (SLBE) and Minority Business Enterprises, and will be able to produce management and operational reports.
- Developed a MBE marketing brochure.
- Began analyzing the current County MBE data in order to obtain County MBE demographics and to identify current and future MBE needs.
- Established contact with two significant MBE partners: 1) MBE Supervisor and Lead Investigator for the Office of Minority Business Enterprise at MDOT and, 2) MBE Compliance Manager for the Prince Georges County Council.
- FY13 Year to Date MBE contract awards: 21.2%.

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 Department of Fiscal and Administrative Services:

- Made 37 site visits to verify the addresses of current and potential SLBE firms. Forty-three percent of the businesses are home-based and require a County Home Occupancy permit.
- Toured several store-front businesses and interviewed personnel at both home-based and store-front job sites.
- Coordinated the second SLBE Community Seminar on Wednesday, June 5, 2013.
- Plans to conduct another SLBE training session for County staff in June 2013.
- Responds to over 100 monthly emails, U.S mail requests, telephone calls, and/or in-person requests for information about the County's MBE and SLBE Programs.
- FY13 Year to Date SLBE data: Firms registered 30; firms in the process of registering 55; Dollars spent \$140,459; instances of SLBE use 39; number of SLBE businesses used 7.

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

Status: Created Celebrate Charles Restaurant Week which targeted travelers and residents to experience the unique dining in Charles County and explore the culinary arts. The event was from April 1 to April 7, 2013. The marketing plan utilized the website and Facebook venues to advertise the event. The Office of Tourism reached over 10,000 people on Facebook and 2,300 unique visits to the web advertisement. The custom landing page assisted the eight participating restaurants with an increase in diners taking advantage of the unique menu selections. Print advertisement in Southern Maryland This is Living and Spring Calendar of Events.

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

Status: The Department Planning and Growth Management is currently reviewing processes and developing work flow diagrams to be incorporated in new and revised Standard Operating Procedures. On April 23, 2013, the PGM Director provided the Commissioners with an update on the permit process audit recommendations.

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

Status: The Economic Development Department participated in meetings with Congressman Hoyer, Senators Cardin and Mikulski on sequestration and manufacturing.

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

Status: Celebrate Charles brand effort and marketing slogan furthered the effort with the Celebrate Charles Restaurant Week. Vehicles included Facebook, website ad, participating restaurant posted flyers, Facebook posts, and website ads. Campaign included Charles County Government TV (CCGTV) Bulletin Board Ad, Press Releases, Enews blasts, and commercial airing on YouTube with 343 views. Utilized the following public relations venues: Maryland Independent, Southern Maryland NewsNet and Google.

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/private 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:

- The Department of Planning and Growth Management plans and administers the National Pollution Discharge Elimination Systems permit (NPDES). A new permit is currently under review with the Maryland Department of Natural Resources. This permit contains numerous conditions to improve stormwater quality.
- A contractor will provide NPDES mapping services. Staff is preparing a Request for Proposal (RFP) for Task Order consultants to develop designs for retrofit concepts.
- The County's consultant completed an evaluation of costs and proposed additional projects to meet the Watershed Implementation Plan (WIP) requirements. This was presented at the end of April. Staff developed a new two-year work program, with specific milestones, which was adopted by the Commissioners at the same session.
- A briefing and public hearing was held in April 2013 on the Watershed Protection and Restoration Fund. This is a new requirement from the recently adopted House Bill 987. Plan implementation is expected July 2013.
- Projects underway include:
 - Strawberry Hills Drainage Improvements - Construction is 60% complete.
 - Carrington Drainage Improvements - Proposals received. A RFP is being prepared.
 - Pinefield Drainage Improvements - Design is 75% complete.

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- 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:

- The County is actively pursuing several neighborhood revitalization plans and implementation programs. This includes the Waldorf Urban Design Study Area (Waldorf Central), the Benedict and Hughesville Revitalization Plans, and the current work focusing on improvements for the historic Port Tobacco Village area. These redevelopment and revitalization plans include a variety of implementation measures which are included in various work plans and programs over time. Special taxing and assessment district funding for infrastructure improvements is currently under study. Staff worked closely with the consulting team on this effort. PGM presented a draft report, for the Commissioners review, in March 2013.
- The State of Maryland Foreclosure Registry is online and available for staff access to review for foreclosed sites in the County.
- The Nuisance Abatement Board is now meeting, on a monthly basis, to deal with the increased case load based on the revised Nuisance Ordinance approved in February 2013.

- 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.** (Community Services & Planning and Growth Management)

Status:

Department of Community Services:

- Job Access Reverse Commute (JARC) and New Freedom funding were approved and the transit link with Prince George's County is moving forward with service planned to start this summer. Both jurisdictions are in the final joint planning phases.
- The Maryland Transit Administration has completed planning for route revisions that will improve service and add considerable capacity.

Department of Planning & Growth Management:

- PGM continues to work on the Comprehensive Plan which includes a Transportation Element and policies associated with future transportation needs including those outlined in this Objective. The Planning Commission held a public hearing on the draft plan and will begin to review the more than 600 comments received from the Maryland Department of Planning, other State agencies, and the public.
- Mill Hill Road Improvements - Re-design is being performed via Task Order Engineer (GMB). Design is 25% complete.
- Western Parkway Phase 2 - Design drawings are complete. MDE permits (Non-Tidal Wetland and Notice of Intent) have been received. Army Corps Permit Public Notice (internal review) being prepared.
- Western Parkway Phase 3 - Phase 3A design is complete. MDE Non-Tidal Wetland Permit has been received. NPDES Permit pending. Army Corps Permit Public Notice (internal review) being prepared.
- Western Parkway Phase 3B - Roadway design underway (70% complete).
- PGM staff participated in the final Bus On Shoulder Task Force Meeting at the Metropolitan Washington Council of Governments in April 2013. It assessed the benefits and obstacles to initiating a roadway shoulder-based bus lane along MD 5 from the Charles County line to I-495 (Capital Beltway). A briefing will be given to the Commissioners in May 2013.

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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:

- Planning & Growth Management staff continues to work on the Comprehensive Plan which includes a new Water Resources Element and policies associated with future water needs and water conservation including those outlined in this Objective. The Comprehensive Plan is now in its complete draft form and undergoing review by the Planning Commission.
- PGM has partnered with the Maryland Geological Survey (MGS) to drill four (4) test wells into the Patuxent Aquifer in Waldorf. The first test well has been completed, and the second is currently underway. Once the drilling is completed in the summer of 2013, testing of water quantity and quality will be done to determine if this is a sustainable water source for the Waldorf Public Water System.

- 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: Formal presentation given to Commissioners on December 4, 2012. Currently negotiating with the Maryland State Department of Information Technology the annual maintenance charges which will be charged to Charles County for use of the OMBN fiber. Once Memorandum of Understanding is in place, staff will work with the Maryland Broadband Cooperative to locate possible last mile providers. An effort to increase communication services to all residents is ongoing.

- 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 is currently working on a draft Subdivision Regulations Amendment (SRA) related to the Sustainable Growth and Agricultural Preservation Act of 2012. As a part of this SRA, we have proposed raising the standards for private roads in rural areas in association with changes to maximum lots allowed in Minor Subdivisions.
- The County Commissioners directed the Planning Commission to review and consider changes to Adequate Public Facilities (APF) requirements for minor subdivisions.
- Staff has completed the review of the inventory of private roads in the County.

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

Status: Route 210 Welcome Sign: Landscaping was completed on March 29, 2013. The new insert rendering was approved by the Commissioners and installation of the insert was completed on April 26, 2013. This is the proposed model for the future Welcome Sign enhancements. At this time staff is working with State Highway on ROW for solar lighting installation.

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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 March and April, 441 people applied for eight positions. Of the number of applicants that supplied demographic information during this time period, 59.64% were women and 41.95% were minorities. The department utilized part of its recruitment budget for advertising with the National Association of Counties, the International Association of City Managers, "The Washington Post," theladders.com, somdjobs.com, the Maryland Workforce Exchange and numerous college and university recruitment web sites.

- 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: In April 2013, County staff visited two potential sites in Waldorf to determine suitability for a future Waldorf Senior Center. One site is currently undeveloped County-owned land. The second site was an existing facility that was determined to be unsuitable in either size or design for a Senior Center.

- 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: Recreation staff has been preparing and planning the inaugural Tot Olympics scheduled for May 11, 2013. This program is for children age 3-6 years old and will focus on fun events like running, jumping, kicking, throwing, and tricycle races.

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

Status: Pending.

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

Status:

- Utility Billing mobile app implemented for citizens.
- Ability for citizens to print Utility bills online added.
- Established process for Commissioner's Wing to post Resolutions on web site.
- Researching Enterprise Software replacement with focus on Planning and Growth Management permitting and plan submittal.
- Working with State's Attorney's Office, Planning and Growth Management, and Utilities to continue paperless effort utilizing our Document Imaging solution, Laserfiche.
- Working with Public Works to merge Facilities into Utilities Asset Tracking system in order to eliminate duplicate systems, as well as provide Facilities' workers with mobile technology.
- Working on process to distribute Utility bills via e-mail in order to streamline process and reduce postage costs.

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- Researching possible cloud fax solution to decrease fax cost & provide improved functionality.
- Implementing e-mail to voice mail integration.
- Working with Economic Development Department to implement advanced website tools.
- Working with the Divisions of Parks and Recreation to move to upgraded website.
- Provided Commissioner's Wing a quote for Public Address System for County Government Building.
- Working with Emergency Services to replace current Citizen Notification System.
- Working with a local cable provider to provide fiber to landfill.

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

Status: Charter Board appointed and currently meeting on a regular basis to develop a charter.

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

Status:

- The Recreation Division along with Special Olympics Charles County provided volunteers and support for the St. Charles Running Festival on April 13, 2013. This event drew over 500 participants in the 10-mile and 5k running races.
- On Apr 11, 2013, the Aging & Senior Programs Division, in collaboration with Civista Medical Center and led by the Area Council on Aging members, hosted a Community Health Forum. Charles County Nursing & Rehabilitation Center sponsored the printed programs and fliers to promote the event. The topic was prevention, epidemiology, and treatment for cancers of the colon. Approximately 75 persons attended this event, which included health education, lunch, and an exhibit by the County Health Department Cancer Prevention personnel.
- On Apr 26, 2013, the Aging & Senior Programs Division hosted the 21st Annual Southern Maryland Caregivers Conference in collaboration with the University of Maryland Gerontology, Geriatrics Education and Research program and a steering committee of public and not-for-profit organizations that serve older adults and caregivers throughout Southern Maryland. Over 250 participants registered for the event, which included a full day of conference breakout sessions, over 50 professional businesses exhibiting throughout the Center, breakfast and lunch, and associated conference materials. In addition to professional speakers from a variety of disciplines, staff from the Aging Division also worked as professional presenters and moderators for each of the multiple conference sessions.

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: On-going.

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: On-going.

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

Status:

- In March 2013, the Department of Human Resources Employee Committee discussed the following topics: the 2013 Employee Satisfaction Survey, the nepotism policy, and the Performance Evaluation Committee.
- On April 23, 2013, the Department of Human Resources provided a presentation of the Employee Satisfaction Survey to the Commissioners. The presentation focused on employee pay and salary, but also touched upon morale and diversity.
- Future topics for the DHR Employee Committee include: Continued work on the nepotism policy, analysis of the Employee Satisfaction Survey results and Committee feedback.

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:

- Outreach opportunities and presentations have been conducted at various meetings to engage and strengthen the understanding of the Vision 2020 program with partnering agencies. A few of these agencies include: United Way Partnership Meeting which included members from multiple local agencies, Department of Social Services, HealthPartners, Board of Education, Housing Authority Board, and the Charles County Commission for Women.
- The work with clients continues to occur in the community with scheduled appointments and regular contacts. Many individuals/families have established tentative goals to work with the Social Worker assigned to this program.
- Assistance has been given to assure clients have access to community resources that are readily available for their use.
- Preparations are underway to host a partnership event in June in an effort to promote the Vision 2020 program and to establish how assistance can best be provided through partnerships.
- One Deed case pending with County Attorney's Office.
- Thirteen Indoor Plumbing Program preliminary applications received on-line. Applicants did not meet eligibility requirements.
- Over 900 Indoor Plumbing Program fliers have been distributed at local springs that people frequent for fresh water.
- Special Loans:
 - One new home replacement recently completed.
 - Second home replacement 50% complete.
 - Third home replacement 25% complete.
 - Home replacement application under review by Maryland Department of Housing and Community Development.
 - An additional 7 Special Loan applications are in process for other home repairs including roof, plumbing, and other
 - interior repairs.
 - One additional potential home replacement application is in the pre-application state.

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

Status: Completed - Formal presentation given to Commissioners on December 4, 2012.

- 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 has drafted legislation and forwarded to the Commissioners for their review and comment.

- 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: Rules and Procedures for the Ethics Commission were adopted on January 23, 2013. Legislation did not pass to give the 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.

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 (HOA) 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:

- County's Nuisance Ordinance/Nuisance Abatement Board, Homeowner's Association Dispute Resolution process the Department of Planning and Growth Management and the County Attorney's Office worked together on legislation to revise and strengthen Nuisance Ordinance. Legislation passed on March 5, 2013.
- Establishment of oversight by the County Attorney's Office for review of homeowner's association structure, funding, inspection and enforcement of development bonds- On going.
- Development of an inventory of homeowner's associations (voluntary & involuntary) and a rental registration program - Inventory is updated as of January 2013.

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- Acquiring/reviewing a list of abandoned properties and foreclosed homes to establish standards of oversight - PGM created Abandoned Properties List which is updated monthly and used for enforcement implementation. County Attorney's Office maintains a list of abandoned properties from information received from PGM & Citizens Liaison Director that require legal attention.
- 2.) **Implement recommendation of the Property Standards Task Force as presented to the Commissioners in March 2012.** (Planning and Growth Management)
- Status:** The following items have been completed
- Implementation of the Property Maintenance Code went into effect on November 30, 2012.
 - The revised Nuisance Ordinance was approved February 23, 2013. The Nuisance Abatement Board is now meeting on a monthly basis to deal with the increased case load based on the revised Nuisance Ordinance.
 - The State of Maryland Foreclosure Registry is online and available for staff access to review for foreclosed sites in the County.
- 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 Authority Board approved drafting a RFP for the study at the April 2013 Housing Authority Board meeting.
- 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:** On-going.
- 5.) **Conduct a joint meeting with the Board of County Commissioners and the Planning Commission.** (County Commissioners)
- Status:** Pending.
- 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:** School Adequate Public Facilities Program and Funding Review Committee formed.

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:** Complete.

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- 2.) **Prioritize funding of new high school (operation and otherwise).** (County Commissioners/Board of Education)
Status: Discussed during the FY2014 Budget work sessions.
- 3.) **Conduct a strategic planning session with Board of Education prior to the end of the Fiscal Year 2012.** (County Commissioners)
Status: Pending, rescheduling
- 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: On-going.

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: Pending.
- 2.) **Conduct a strategic planning session with Charles County Sheriff's Office within Fiscal Year 2012.** (County Commissioners/County Administrator)
Status: Pending.
- 3.) **Remain vigilant to community health issues, including those of epidemic proportions.** (Emergency Services)
Status: Department of Emergency Service staff continues to work with the health department to monitor emerging health concerns and to develop public health related annexes to county emergency operations plan and mass casualty plan.
- 4.) **Encourage input and dialogue regarding public safety related agencies.** (Emergency Services)
Status: Actively engaging all response partners in the development of the recently updated Continuity of Operations Plan (COOP), Mass Casualty Incident Plan, as well as during monthly meetings with volunteer leadership.
- 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: Pending.

COMMISSIONERS GOALS AND OBJECTIVES

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:

- Establishment/revisions of building code standards/guidelines have been completed as they pertain to the construction code.
- The Energy Efficiency and Conservation Block Grant (EECBG) report proposed green modification to Codes & Street Lighting standards which legislation has been drafted. It is expected to be presented before the Planning Commission by late summer.
- The EECBG report also proposed Green Tax Credits which will need to be reviewed by the Commissioners.

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

Status: Grant completed December 2012; the first "Energy Savings Upgrades Retrofits" year-end report for Calendar Year 2012 was distributed on December 28, 2012. Grant closeout is in process.

Approved May 1, 2012
Status Update: March/April 2013

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		
Community Services		X	X	X			
County Administrator	X	X	X	X	X	X	X
County Attorney			X	X			
County Commissioners	X	X	X	X	X	X	X
Economic Development	X						
Emergency Services						X	
Fiscal & Administrative Services	X	X	X		X		
Human Resources			X				
Planning & Growth Management	X	X		X			X
Public Works		X					
Sheriff's Operations						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 the expenditures over a fiscal year. In other words, a 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 published in the annual Budget Book.
4. Annually, a five-year Capital Improvement Program will be developed, analyzing all anticipated capital project budgets 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 9-10B-01 of Article 24 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. During the Budget Process, a 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 Water & Sewer, Landfill, Environmental Services, Recreation, Watershed Restoration & Protection Program, 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 October 16, 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. General Government capital improvement expenditures are accounted for in the Capital Projects Fund and are funded by a variety of sources. Enterprise fund capital improvement expenditures are accounted for in their respective funds.
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 July 31, 2013. 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 the majority approval 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 within the C-wing mail log. 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 majority approval of 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

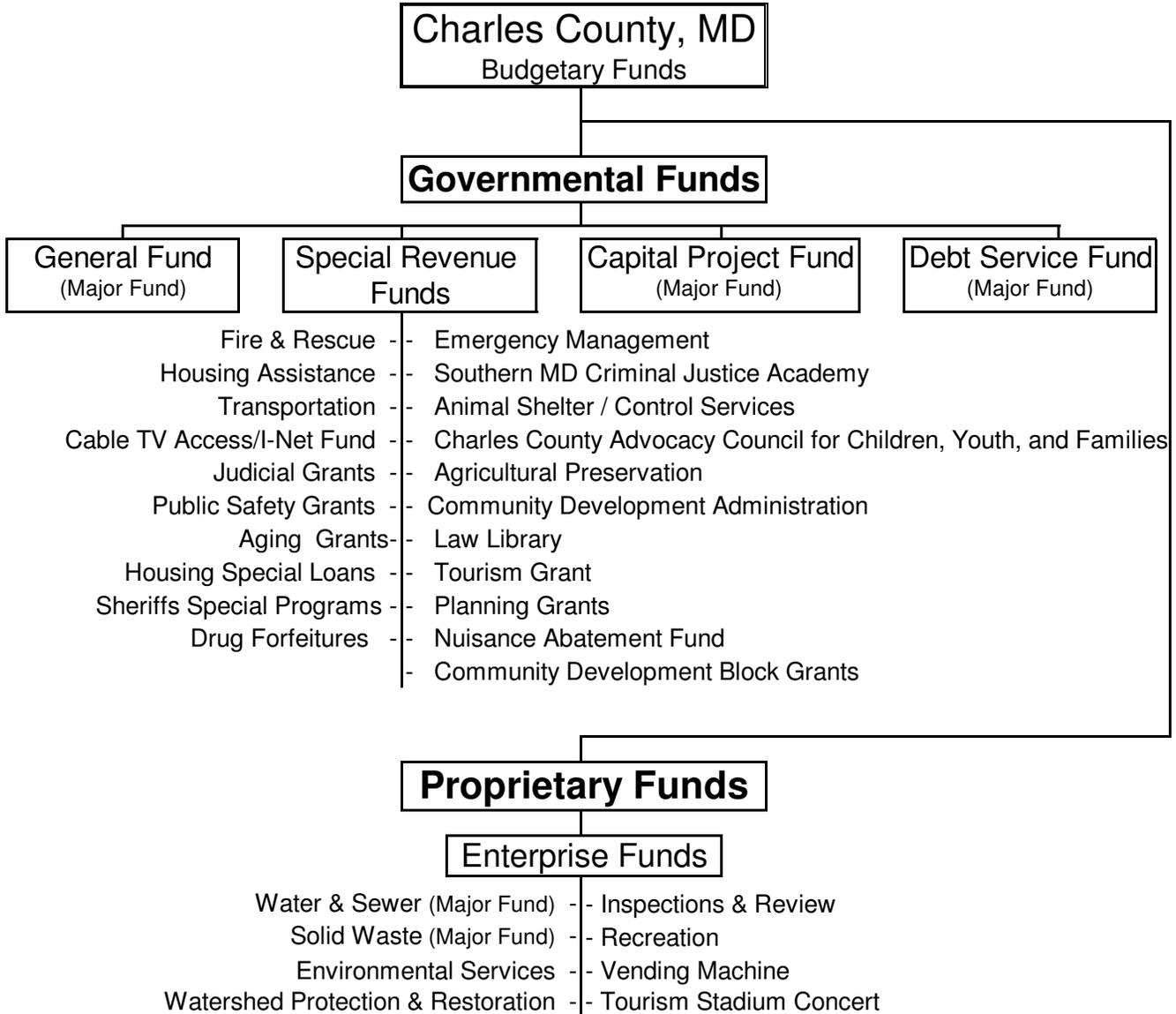
The County Commissioners adopted this policy on March 29, 2011. Assets are differentiated between Capital Assets (greater than \$5,000) and Controlled Assets (less than \$5,000). Capital Assets included all assets with an expected useful life of one year or more and with an original cost of greater than \$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 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 30,000 customers and is anticipated to accept over 65,000 tons per year at the Landfill. Other Enterprise Funds include: Environmental Services, Watershed Protection and Restoration, 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.

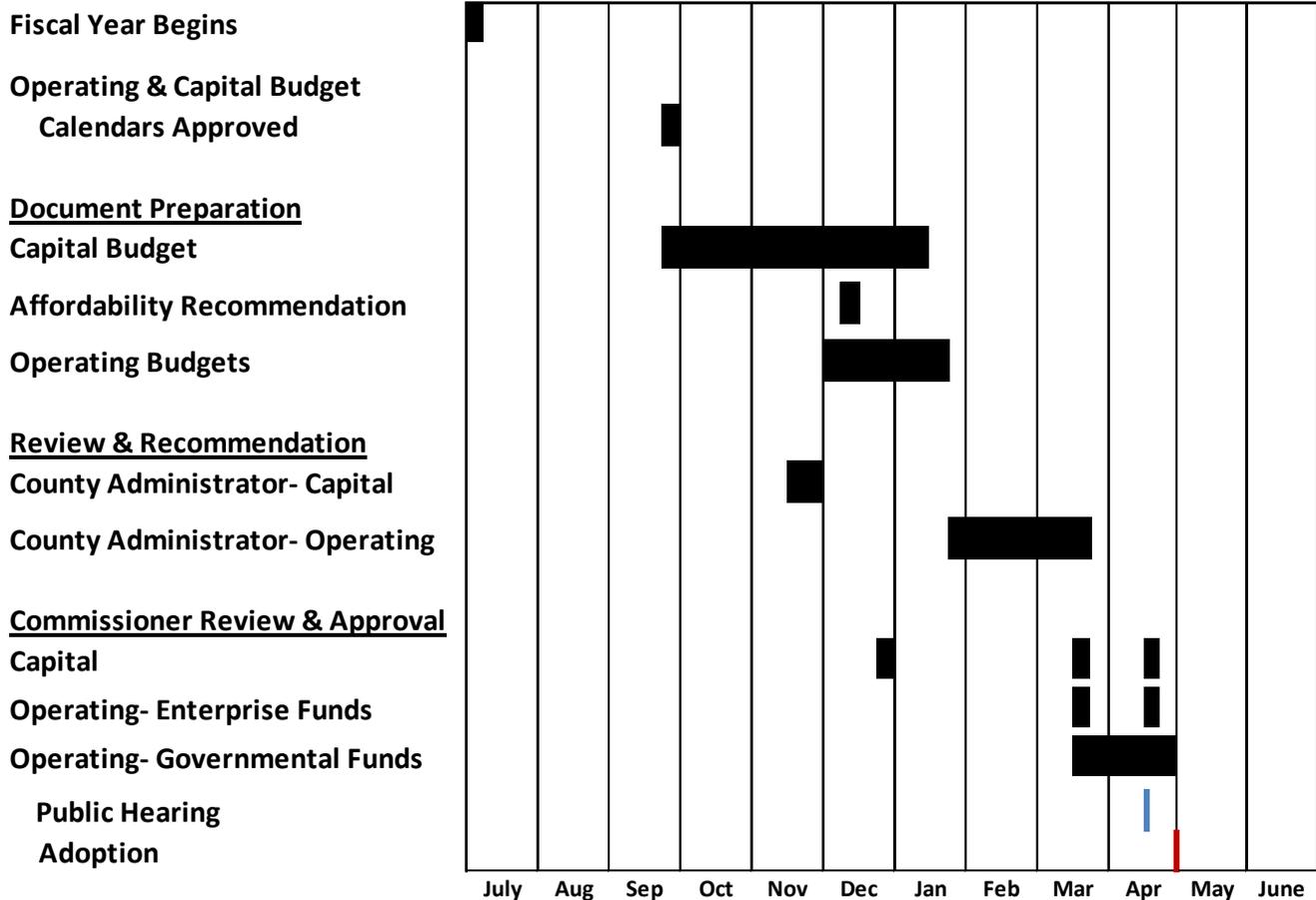
The following schedule summarizes the differences:

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 July 31, 2012.

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 in December with a review of which projects were within the targeted budget and those projects exceeding budget based on this prioritization. The CIP was approved by the Commissioners in April 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 2014, the guideline was to keep budgets near the Fiscal Year 2013 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 and this is the basis for the public hearing in April. Shortly before the public hearing, and continuing thereafter, commissioner review of all budgets is conducted and final adoption is typically completed in May. In addition to the public hearing on the budget, throughout the year, citizens are invited to join their Commissioners at Public Forums and Town Hall Meetings to discuss the topics that concern them the most.

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 2014 budget includes the second year of a State mandated funding increase for the teachers' retirement system. The mandate on County governments over a four year period will require an increase in educational funding 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. The real property tax rate was adopted at a tax rate of \$1.141 per one hundred dollars of assessed value for County Government and \$0.064 for Fire & Rescue operations. The local income tax rate was adopted at 3.03% effective January 1, 2014. The tax rate increases allowed the County to adopt a balanced budget that continues supporting a plan for a "Tourist Destination" to attract visitors, to increase funding for Economic Development per a strategic plan proposal, and to increase the State's Attorney staffing level. The Fiscal Year 2014 budget also supports pay increases for Sheriff deputies and other government personnel, ten new Sheriff Deputies, and funds vehicle and equipment purchase. The Board of Education continues to receive the majority of County funding with an appropriation of \$159,010,300 of the total \$339,071,600. The Sheriff and Detention Center budgets receive the second largest allocation of County funding at \$76,861,800; an 11.4% increase.

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, Water and Sewer Fund, Landfill Fund, and the new Watershed Protection and Restoration Fund. 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 each funds 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 2014
OPERATING BUDGET CALENDAR
CHARLES COUNTY, MD
(Adopted November 27,2012)**

<u>Time Line</u>	<u>Action</u>
October 15, 2012	Performance Measurements file sent to departments.
October 29, 2012	All Performance Measurements updates are due to the Department of Fiscal and Administrative Services / Budget Division.
November 5, 2012	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 FY2014 operating requests.
December 3, 2012	County Department and Elected Officials requested budgets returned to Fiscal and Administrative Services / Budget Division.
January 18, 2013	Outside Agencies grant applications returned to Fiscal and Administrative Services / Budget Division.
February 28, 2013	Board of Education and CSM Operating Budget Requests due.
March 12, 2013	Budget Work Session- Enterprise Funds (Operating and Capital)
March 19, 2013	Budget Work Session - General Fund.
March 26, 2013	Budget Work Session - General Fund.
April 9, 2013	Budget Work Session - General Fund and Fees & Charges Review.
April 16, 2013	Public Hearing - Constant Yield Tax Rate and Operating Budgets. Budget Work Session- General Fund.
April 23, 2013	Budget Work Session – Budget Recap (if needed).
April 30, 2013	General Fund Tax Rates & Budget Adoption. Budget Adoption of All Other Funds.
May - July	FY2014 Approved Budget Book prepared.

Note: Budget Calendars are subject to change.

FISCAL YEAR 2014
CAPITAL IMPROVEMENT PROGRAM CALENDAR
CHARLES COUNTY, MD
(Adopted November 27, 2012)

<u>Time Line</u>	<u>Action</u>
November 8-21, 2012	CIP review with County Administrator and Departments.
November 27, 2012	Preliminary Board of Education (BOE) capital budget request review with the County Commissioners and BOE to meet State deadline submission.
November 27, 2012	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)
December 4, 2012	General Fund Five-Year Financial Plan and CIP review session with the Commissioners.
December 11, 2012	General Fund CIP review session with the Commissioners.
March 12, 2013	Enterprise Funds Five-Year Financial Plan and CIP review session with the Commissioners.
April 16, 2013	Public Hearing on CIP.
April 23, 2013	Recap and final review of the FY 2014-2018 CIP (if needed).
April 30, 2013	Formal Adoption.

Note: Budget Calendars are subject to change.