

FISCAL YEAR 2013 OVERVIEW

| | FY12 | FY13 | \$ Change | % |
|--|---------------|---------------|---------------|--------|
| | Budget | Proposed | From FY12 | Change |
| Revenues | \$307,623,600 | \$314,708,500 | \$7,084,900 | 2.3% |
| Expenses | (307,623,600) | (319,681,800) | (12,058,200) | 3.9% |
| Baseline Deficit | - | (\$4,973,300) | (\$4,973,300) | |
| Wages and compensation (eligible employees - 1 step) | | (874,600) | | |
| Total | | (\$5,847,900) | | |

CHANGES FROM MAY 1ST REVIEW:

- **State special session shifts \$3,936,500 for Teachers' Pension from the State to the County.**
- **Special session included adjustments to Income Tax and Recordation Tax adding \$2,665,000 to the revenue budget.**
- Anti-poverty program cost of \$104,200 has been added to the Proposed Budget.
- Fringe benefit savings have been spread throughout the expenditure budgets where appropriate.

FUTURE PLANNING CONSIDERATIONS:

- Funding the full cost of the Sheriff salary increase in FY14 (minimum \$1,000,000 + pension cost effect)
- Other Post Employment Benefit (OPEB) Costs
- New High School Opening in Fall of 2014 (Fiscal Year 15)
- Teachers' pension costs would increase \$5.7 million in FY14, \$7.5 million in FY15, and \$7.3 million in FY16.
- FY14 full year funding for the Waldorf West Library (opening in 10/1/12)

BUDGET DEFICIT**(\$5,847,900)**

| GROUP A EXPENDITURES: | |
|--|--------------------|
| • BOE: Teachers' Pension cost shift per House of Delegates proposal (Mandated) | \$3,936,500 |
| Additional Income Tax as a result of the Special Session | 1,665,000 |
| Additional Recordation Tax as a result of the Special Session | 1,000,000 |
| Net County Cost | \$1,271,500 |

| GROUP B EXPENDITURES: | |
|--|--------------------|
| • Waldorf West Library: operating budget (including health benefits for new staff) | \$1,603,400 |
| • Sheriff's Office: increase for the annual retirement contribution (ARC) | 967,000 |
| • DCS: Fuel cost increase for mass transit (VanGo) program | 283,000 |
| • OPEB contribution increase from \$250,000 to \$500,000 | 250,000 |
| • DPW: Vehicle fuel cost increase (all DPW divisions) | 80,000 |
| • DES: overtime & part-time due to more coverage for volunteers, required training, vacancies | 78,100 |
| • DES: Replacement of a power receptacle at the 911 Center | 25,000 |
| Total | \$3,286,500 |

| GROUP C EXPENDITURES: | |
|---|--------------------|
| • Sheriff's Office: Net cost of a three-step increase for Sheriff Deputies (net of fund balance reserves of \$500,000 and Sheriff Operating Budget reductions of \$500,000.) | \$2,272,100 |
| • One-step increase for all other employees | 874,600 |
| • Economic Development: Additional funding per the strategic plan proposal | 323,700 |
| • State's Attorney: phase in of additional assistant state's attorney staffing | 183,400 |
| • Anti-poverty initiative (New Request) | 104,200 |
| • Tourism: Additional funding for first year phase-in of the Destination Plan | 104,200 |
| • Contingency reserve increase from \$25,000 to \$100,000 | 75,000 |
| • Commissioners: Council of Government increasing to a full year membership | 71,700 |
| • DPW: GPS system for vehicles | 63,000 |
| • DFAS: State's Attorney software maintenance for new system (DFAS - IT budget) | 20,000 |
| • DES: overtime supplement due to grant fund decrease for training | 15,000 |
| • DPW: Added funding for additional sidewalk repairs to address high priorities | 10,000 |
| Total | \$4,116,900 |

REVENUE ENHANCEMENTS:

PROPERTY TAX

- Constant Yield was negative in FY 12 by four cents and is negative in FY13 by five cents.
 - One cent change to the tax rate yields \$1,822,000
 - Set the tax rate to equal the BUDGET DEFICIT (increase from 1.0665 to 1.0985) generates.... \$5,830,400

Effect of a one-cent tax rate on the average tax bill

| | |
|---|-----------|
| For example, a dwelling unit assessed at | \$250,000 |
| Generates a tax bill based on \$1.0665 per \$100 assessed value (includes Fire & Rescue) of | \$2,668 |
| Additional tax based on a one cent tax rate increase equals | \$25 |
| Total tax | \$2,693 |

INCOME TAX

- Income tax is legislatively capped at a maximum rate of 3.2% and was last changed in FY2002
 - An Income tax rate increase from 2.9% to 3.0% yields \$1,692,000
 - Set the tax rate to offset the BUDGET DEFICIT (increase from 2.9% to 3.2%) generates... \$5,076,000

Effect of a 0.1% change in the income tax rate

| | |
|--|---------|
| Based on a \$53,000 average net taxable income tax return a 0.1% increase in the local rate equals approximately | \$53 |
| Total tax bill would equal | \$1,590 |

TAX DIFFERENTIAL

Fiscal Note:

| Option 1 | La Plata | Indian Head | Total Tax Credit |
|------------------------------------|-------------|-------------|------------------|
| 1.A. Current Tax Differential Rate | 8.5 cents | 2.8 cents | |
| Estimated tax credit | \$933,100 | \$79,700 | \$1,012,800 |
| 1.B. Formula based rate | 10.9 cents | 4.4 cents | |
| Estimated tax credit | \$1,199,600 | \$122,500 | \$1,322,100 |

GENERAL FUND

| | FY2012 Approved | FY2013 Request | FY2013 Proposed | Variance FY13 Proposed to FY12 Approved |
|---|----------------------|-----------------------|----------------------|---|
| Revenues | | | | |
| Property Taxes | \$190,213,000 | \$181,446,700 | \$183,155,700 | (\$7,057,300) |
| Income Taxes | 88,744,000 | 98,113,000 | 98,113,000 | 9,369,000 |
| Recordation Tax | 10,000,000 | 10,500,000 | 10,500,000 | 500,000 |
| Highway User Tax | 480,000 | 854,000 | 854,000 | 374,000 |
| Other Local Taxes | 1,908,100 | 1,790,000 | 1,850,000 | (58,100) |
| Interest Income | 500,000 | 500,000 | 400,000 | (100,000) |
| Licenses & Permits | 923,800 | 926,400 | 926,400 | 2,600 |
| Intergovernmental | 1,718,300 | 1,720,100 | 1,720,800 | 2,500 |
| Service Charges | 6,288,100 | 6,376,100 | 6,368,600 | 80,500 |
| Fines & Forfeitures | 1,291,800 | 2,151,000 | 1,562,100 | 270,300 |
| Rent/Miscellaneous | 1,998,600 | 1,943,700 | 2,111,200 | 112,600 |
| Operating Revenues | \$304,065,700 | \$306,321,000 | \$307,561,800 | \$3,496,100 |
| Other Financing Sources | 2,429,300 | 1,730,000 | 2,150,000 | (279,300) |
| Fund Balance Reserves | | | | |
| One Time Costs | 102,000 | 500,200 | 712,900 | 610,900 |
| Housing Authority | 255,600 | 76,000 | 76,000 | (179,600) |
| CIP Appropriation | 771,000 | 856,000 | 856,000 | 85,000 |
| Excise Tax Debt Subsidy | 0 | 2,685,800 | 2,685,800 | 2,685,800 |
| Bond Premium | 0 | 666,000 | 666,000 | 666,000 |
| Total Revenues and Other Sources | \$307,623,600 | \$312,835,000 | \$314,708,500 | \$7,084,900 |
| Appropriations | | | | |
| Board of Education | \$145,620,700 | \$158,357,200 | \$149,557,200 | \$3,936,500 |
| College of Southern Maryland | 9,115,200 | 9,384,900 | 9,115,200 | 0 |
| Library | 2,186,600 | 3,790,000 | 3,790,000 | 1,603,400 |
| Other Education | 47,100 | 47,100 | 47,100 | 0 |
| Sheriff's Operations | 64,611,100 | 68,652,700 | 68,652,700 | 4,041,600 |
| County Government | | | | |
| Community Services | 5,886,300 | 6,226,600 | 6,124,600 | 238,300 |
| Fiscal & Administrative Services | 5,553,900 | 5,564,800 | 5,546,500 | (7,400) |
| Planning & Growth Management | 2,427,000 | 2,501,200 | 2,435,900 | 8,900 |
| Public Works | 16,932,500 | 17,363,700 | 17,027,200 | 94,700 |
| Human Resources | 641,000 | 720,200 | 720,200 | 79,200 |
| Emergency Services | 11,531,500 | 12,300,900 | 11,964,300 | 432,800 |
| Economic Development | 654,800 | 1,059,900 | 983,900 | 329,100 |
| Commissioners, Co. Admin., Co. Attorney | 3,100,900 | 3,161,600 | 3,140,700 | 39,800 |
| Subtotal County Government | 46,727,900 | 48,898,900 | 47,943,300 | 1,215,400 |
| Debt Service | 20,987,000 | 20,515,100 | 20,526,900 | (460,100) |
| State's Attorney | 2,246,800 | 3,222,800 | 2,455,000 | 208,200 |
| Circuit Court, Liquor Board | 1,410,200 | 1,819,600 | 1,418,400 | 8,200 |
| Health | 3,117,300 | 3,133,500 | 3,133,500 | 16,200 |
| Central Services | 5,385,300 | 6,128,200 | 6,534,600 | 1,149,300 |
| Social Services/Other Agencies | 3,038,600 | 5,825,200 | 2,922,600 | (116,000) |
| Capital Project Transfer | 3,104,800 | 1,100,000 | 1,100,000 | (2,004,800) |
| Reserve for Contingency | 25,000 | 100,000 | 100,000 | 75,000 |
| Excise Tax Subsidy | 0 | 2,685,800 | 2,685,800 | 2,685,800 |
| Fringe Benefit Adjustments | | | (300,500) | (300,500) |
| Subtotal Other County Government | 39,315,000 | 44,530,200 | 40,576,300 | 1,261,300 |
| Total Expenditures | \$307,623,600 | \$333,661,000 | \$319,681,800 | \$12,058,200 |
| Baseline Surplus (Deficit) | \$0 | (\$20,826,000) | (\$4,973,300) | (\$4,973,300) |
| Additional Costs Beyond the Baseline Budget: | | | | |
| Salary Adjustment (one-step increase) - All Employees | | | 874,600 | |
| Surplus (Deficit) | | | (\$5,847,900) | |

GENERAL FUND OPERATING BUDGET

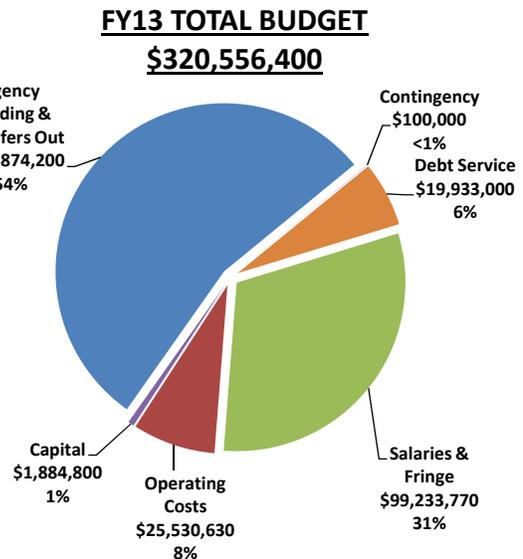
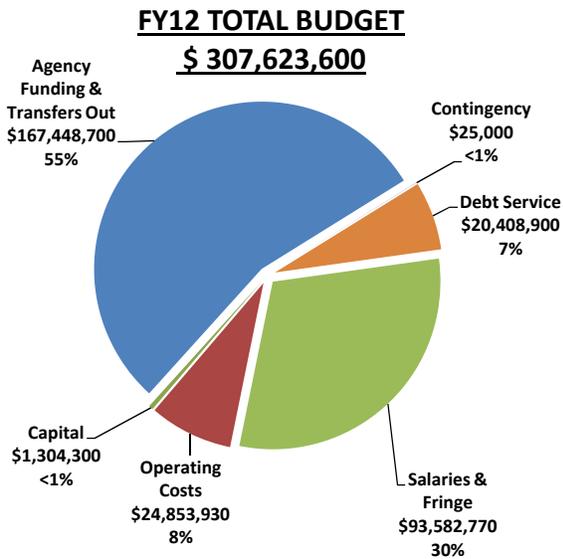
| | <u>FY2012</u> <u>Adopted</u> | <u>FY2013</u> <u>Request</u> | <u>FY2013</u> <u>Proposed</u> | <u>\$ Change</u> <u>from FY2012</u> | <u>%</u> <u>Chg.</u> |
|--|---------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| EXPENDITURES BY DIVISION | | | | | |
| <u>EDUCATION</u> | | | | | |
| Board of Education | \$145,620,700 | \$158,357,200 | \$149,557,200 | \$3,936,500 | 2.7% |
| College of Southern Maryland | 9,115,200 | 9,384,900 | 9,115,200 | 0 | 0.0% |
| Library | 2,186,600 | 3,790,000 | 3,790,000 | 1,603,400 | 73.3% |
| Other | 13,600 | 13,600 | 13,600 | 0 | 0.0% |
| Total Education | \$156,936,100 | \$171,545,700 | \$162,476,000 | \$5,539,900 | 3.5% |
| <u>PUBLIC SAFETY</u> | | | | | |
| Sheriff | \$47,324,000 | \$51,223,500 | \$51,220,400 | \$3,896,400 | 8.2% |
| Corrections | 16,247,800 | 16,179,500 | 16,206,600 | (41,200) | -0.3% |
| Automated Enforcement Unit (AEU) | 1,002,500 | 1,212,900 | 1,211,300 | 208,800 | 20.8% |
| Fingerprinting Service | 36,800 | 36,800 | 36,800 | 0 | 0.0% |
| Subtotal: Sheriff's Office | \$64,611,100 | \$68,652,700 | \$68,675,100 | \$4,064,000 | 6.3% |
| Emergency Services Administration | 306,300 | 306,200 | 303,500 | (2,800) | -0.9% |
| False Alarm Reduction Unit | 166,100 | 165,500 | 164,000 | (2,100) | -1.3% |
| Animal Control | 565,200 | 696,100 | 621,200 | 56,000 | 9.9% |
| Animal Shelter | 785,100 | 876,300 | 780,100 | (5,000) | -0.6% |
| Fire/EMS Communications | 2,891,200 | 2,924,400 | 2,915,800 | 24,600 | 0.9% |
| Career Emergency Medical Services | 6,641,800 | 6,880,800 | 6,857,700 | 215,900 | 3.3% |
| Tactical Response Team | 127,300 | 402,700 | 236,700 | 109,400 | 85.9% |
| Emergency Management | 48,500 | 48,900 | 47,900 | (600) | -1.2% |
| Subtotal: Dept. of Emergency Services | 11,531,500 | 12,300,900 | 11,926,900 | 395,400 | 3.4% |
| Total Public Safety | \$76,142,600 | \$80,953,600 | \$80,602,000 | \$4,459,400 | 5.9% |
| <u>DEBT SERVICE</u> | | | | | |
| Principal | \$13,963,900 | \$12,964,600 | \$12,975,500 | (\$988,400) | -7.1% |
| Interest | 6,445,000 | 6,956,600 | 6,957,500 | 512,500 | 8.0% |
| Miscellaneous | 578,100 | 593,900 | 593,900 | 15,800 | 2.7% |
| Total Debt Service | \$20,987,000 | \$20,515,100 | \$20,526,900 | (\$460,100) | -2.2% |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Central Services | \$1,338,100 | \$1,484,000 | \$1,484,000 | \$145,900 | 10.9% |
| OPEB Contribution | 250,000 | 500,000 | 500,000 | 250,000 | 100.0% |
| SDAT Cost Share | 1,010,000 | 1,010,800 | 1,010,800 | 800 | 0.1% |
| Election Board | 961,000 | 991,500 | 991,500 | 30,500 | 3.2% |
| Liquor Board | 205,700 | 203,000 | 202,200 | (3,500) | -1.7% |
| Orphan's Court | 46,500 | 47,000 | 47,000 | 500 | 1.1% |
| Circuit Court | 1,204,500 | 1,616,600 | 1,203,400 | (1,100) | -0.1% |
| State's Attorney | 2,246,800 | 3,222,800 | 2,430,200 | 183,400 | 8.2% |
| Retiree Fringe | 1,657,700 | 1,739,800 | 1,739,800 | 82,100 | 5.0% |
| Subtotal: Other General Govt. | \$8,920,300 | \$10,815,500 | \$9,608,900 | \$688,600 | 7.7% |
| County Commissioners | \$444,000 | \$511,500 | \$511,700 | \$67,700 | 15.2% |
| Administrative Services | 1,424,300 | 1,278,000 | 1,222,900 | (201,400) | -14.1% |
| County Attorney | 891,500 | 885,400 | 873,900 | (17,600) | -2.0% |
| Human Resources | 641,000 | 720,200 | 713,300 | 72,300 | 11.3% |
| Subtotal: County Administered | \$3,400,800 | \$3,395,100 | \$3,321,800 | (\$79,000) | -2.3% |
| General Government | | | | | |
| Total General Government | \$12,321,100 | \$14,210,600 | \$12,930,700 | \$609,600 | 4.9% |

GENERAL FUND OPERATING BUDGET

| | <u>FY2012</u> <u>Adopted</u> | <u>FY2013</u> <u>Request</u> | <u>FY2013</u> <u>Proposed</u> | <u>\$ Change</u> <u>from FY2012</u> | <u>%</u> <u>Chg.</u> |
|--|---------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| <u>FISCAL & ADMINISTRATIVE SERVICES</u> | | | | | |
| Administration | \$278,300 | \$276,700 | \$273,700 | (\$4,600) | -1.7% |
| Budget | 432,600 | 430,900 | 424,600 | (8,000) | -1.8% |
| Information Technology | 2,402,800 | 2,371,600 | 2,334,600 | (68,200) | -2.8% |
| Purchasing | 400,300 | 403,800 | 398,200 | (2,100) | -0.5% |
| Treasury | 1,034,500 | 1,079,100 | 1,068,500 | 34,000 | 3.3% |
| Accounting | 1,005,400 | 1,002,700 | 991,800 | (13,600) | -1.4% |
| Total Fiscal & Admin. Services | \$5,553,900 | \$5,564,800 | \$5,491,400 | (\$62,500) | -1.1% |
| <u>PUBLIC WORKS</u> | | | | | |
| Administration | \$764,000 | \$710,300 | \$703,400 | (\$60,600) | -7.9% |
| Building & Trades | 6,858,800 | 7,145,900 | 6,901,000 | 42,200 | 0.6% |
| Parks & Grounds | 3,678,800 | 3,778,700 | 3,710,600 | 31,800 | 0.9% |
| Vehicle Maintenance | 805,100 | 869,400 | 858,900 | 53,800 | 6.7% |
| Roads | 4,825,800 | 4,859,400 | 4,762,500 | (63,300) | -1.3% |
| Total Public Works | \$16,932,500 | \$17,363,700 | \$16,936,400 | \$3,900 | 0.0% |
| <u>COMMUNITY SERVICES</u> | | | | | |
| Administration | \$348,900 | \$330,400 | \$326,900 | (\$22,000) | -6.3% |
| Transportation | 2,160,300 | 2,441,700 | 2,437,700 | 277,400 | 12.8% |
| Aging Services | 1,348,200 | 1,344,000 | 1,333,000 | (15,200) | -1.1% |
| Recreation | 1,467,100 | 1,445,400 | 1,431,300 | (35,800) | -2.4% |
| Housing Authority | 561,800 | 665,100 | 562,200 | 400 | 0.1% |
| Total Community Services | \$5,886,300 | \$6,226,600 | \$6,091,100 | \$204,800 | 3.5% |
| <u>PLANNING & GROWTH MANAGEMENT</u> | | | | | |
| Administration | \$269,300 | \$262,100 | \$259,500 | (\$9,800) | -3.6% |
| Planning | 1,393,900 | 1,367,500 | 1,348,900 | (45,000) | -3.2% |
| Inspections & Enforcement | 320,500 | 318,100 | 314,900 | (5,600) | -1.7% |
| Codes & Permits | 295,500 | 389,400 | 325,400 | 29,900 | 10.1% |
| Resource & Infrastructure Mgmt. | 147,800 | 164,100 | 162,200 | 14,400 | 9.7% |
| Total Planning & Growth Mgmt. | \$2,427,000 | \$2,501,200 | \$2,410,900 | (\$16,100) | -0.7% |
| <u>HEALTH SERVICES</u> | | | | | |
| Health Department | \$2,326,600 | \$2,326,600 | \$2,326,600 | \$0 | 0.0% |
| Other Health Services | 289,000 | 304,300 | 304,300 | 15,300 | 5.3% |
| Water & Sewer Services | 194,800 | 180,700 | 180,700 | (14,100) | -7.2% |
| Mosquito Control | 100,000 | 115,000 | 115,000 | 15,000 | 15.0% |
| Total Health | \$2,910,400 | \$2,926,600 | \$2,926,600 | \$16,200 | 0.6% |
| <u>SOCIAL SERVICES</u> | | | | | |
| Department of Social Services | \$311,100 | \$311,000 | \$311,000 | (\$100) | 0.0% |
| Other Social Services | 8,000 | 8,000 | 8,000 | 0 | 0.0% |
| Other- Grants Advisory Panel | 900,000 | 1,634,000 | 841,800 | (58,200) | -6.5% |
| Total Social Services | \$1,219,100 | \$1,953,000 | \$1,160,800 | (\$58,300) | -4.8% |
| <u>ECONOMIC DEVELOPMENT</u> | | | | | |
| Economic Development Office | \$654,800 | \$1,059,900 | \$978,500 | \$323,700 | 49.4% |
| Tourism | 341,100 | 486,700 | 505,500 | 164,400 | 48.2% |
| Economic Development Advisory Board | 283,800 | 2,374,000 | 283,800 | 0 | 0.0% |
| Welcome Center | 75,000 | 0 | 0 | (75,000) | -100.0% |
| Other Economic Development Services | 84,000 | 84,000 | 84,000 | 0 | 0.0% |
| Total Economic Development | \$1,438,700 | \$4,004,600 | \$1,851,800 | \$413,100 | 28.7% |

GENERAL FUND OPERATING BUDGET

| | FY2012 <u>Adopted</u> | FY2013 <u>Request</u> | FY2013 <u>Proposed</u> | <u>\$ Change</u> from FY2012 | <u>%</u> <u>Chg.</u> |
|---|--------------------------|--------------------------|---------------------------|---------------------------------|-------------------------|
| <u>CONSERVATION OF NATURAL RESOURCES</u> | | | | | |
| University of MD Extension | \$228,300 | \$233,400 | \$216,600 | (\$11,700) | -5.1% |
| Soil Conservation | 348,800 | 347,000 | 342,500 | (6,300) | -1.8% |
| Weed Control | 15,100 | 15,100 | 15,100 | 0 | 0.0% |
| So. MD Resource Conservation | 8,200 | 11,600 | 8,200 | 0 | 0.0% |
| Gypsy Moth | 9,200 | 9,000 | 9,000 | (200) | -2.2% |
| Total Conservation of Nat. Resources | \$609,600 | \$616,100 | \$591,400 | (\$18,200) | -3.0% |
| CONTINGENCY | \$25,000 | \$100,000 | \$100,000 | \$75,000 | 300.0% |
| TOTAL EXPENDITURES | \$303,389,300 | \$328,481,600 | \$314,096,000 | \$10,706,700 | 3.5% |
| <u>FINANCING USES:</u> | | | | | |
| Transfer to Capital Project Fund | \$3,104,800 | \$1,100,000 | \$1,100,000 | (\$2,004,800) | -64.6% |
| Excise Tax Debt Service Subsidy | 0 | 2,685,800 | 2,685,800 | 2,685,800 | N/A |
| Capital Lease Agreement | 1,129,500 | 1,393,600 | 1,800,000 | 670,500 | 59.4% |
| Cost of STEP | | | 874,600 | 874,600 | N/A |
| TOTAL FINANCING USES | \$4,234,300 | \$5,179,400 | \$6,460,400 | \$2,226,100 | 52.6% |
| TOTAL EXPENDITURES & TRANSFERS OUT: | \$307,623,600 | \$333,661,000 | \$320,556,400 | \$12,932,800 | 4.2% |
| SURPLUS/(DEFICIT) | \$0 | (\$20,826,000) | (\$5,847,900) | (\$5,847,900) | |



- Agency Funding & Transfers Out represents the County's direct payment to agencies (for example the Board of Education, College of Southern Maryland, Library Board), support to the Enterprise funds, local matches for grants, transfers for Other Post Employment Benefits (OPEB), and transfers to the Capital Project fund.
- Capital includes capital outlay purchases, the assets value of the capital lease, and capital maintenance projects.