

Public Hearing for Citizen Input



January 13, 2009

Reason for Hearing

- The reason for this hearing is to provide a forum for the exchange of meaningful information between the public and the County Commissioners in the early stages of the budget development process.
- The goal is to provide preliminary budget information to the public and to receive feedback regarding critical issues facing all citizens of Cecil County.

Budget Mission 2010

To develop a fair and equitable budget that adequately utilizes projected resources to departments and agencies that provide critical services to our citizens.



Issues Facing Md. Governments

- Impact of collapsing National Economy – ‘recession’ is here...
- Serious decline in home sales and construction
- State of Maryland budget - \$1.9 B shortfall for 2010
- 2008 Legislative actions to reduce income tax revenues to Counties
- Ever-increasing demand for services in all service areas
- All actions cause increasing County reliance on property tax revenues

County feels same “Pinch” as Consumers

- Rising utility costs – electricity, natural gas, heating oil
- Rising healthcare costs – projected to increase 5 %
- Rising costs of insurance – workers’ compensation, property, liability insurance
- Capital project costs continue to rise faster than Consumer Price Index – November CPI = 1.1 %
- Market for borrowing for Capital Projects is unstable...
- Governments must be prepared to do “more with less”
- Citizens seem to want MORE services...

Assessable Base Overview

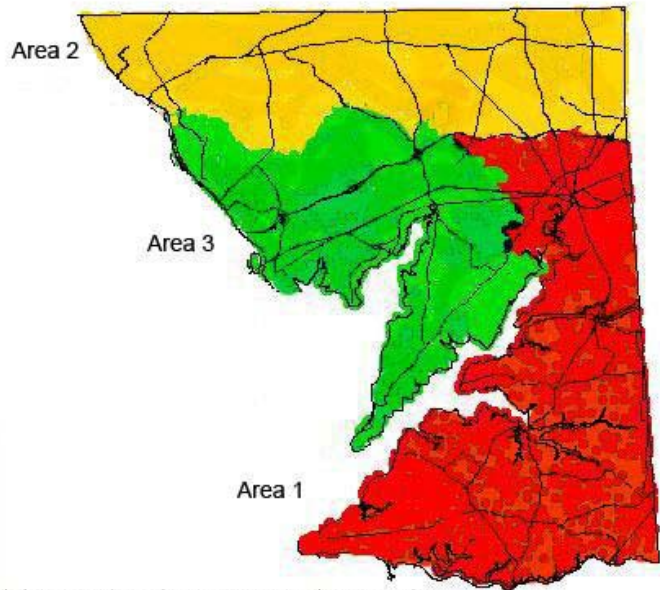
- SDAT determines assessments of real property independent of the County
- Assessments are good for three years – “tri-annual”
- Base estimates became available to County 12/9/2008

	<u>Assessment</u>	<u>Increase</u>
Gross Real Property 2009	10,045,644,000	
Gross Real Property 2010	10,700,000,000	6.51%
Gross Real Property 2011	10,700,000,000	0.00%

Assessment Map and Cycle

Cecil County

Legend



State Department of Assessments & Taxation
August 2005

- **Assessment Area 2 will be reassessed for January 1, 2011**
- **Assessment Area 3 has been reassessed for January 1, 2009**
- **Assessment Area 1 will be reassessed for January 1, 2010**

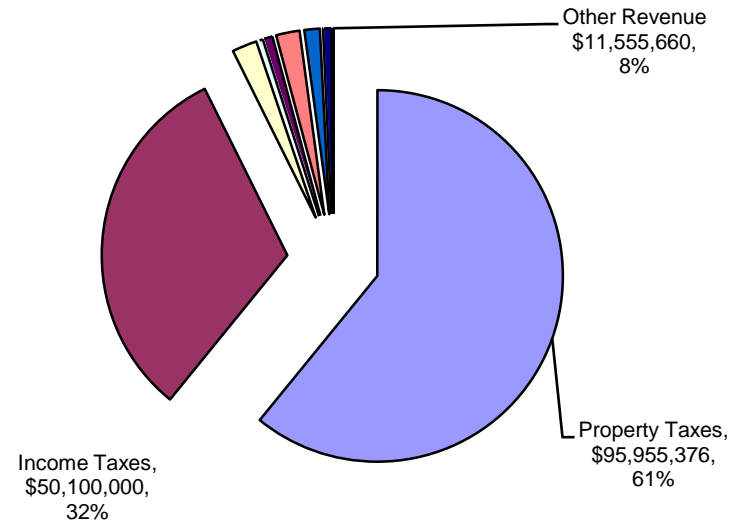
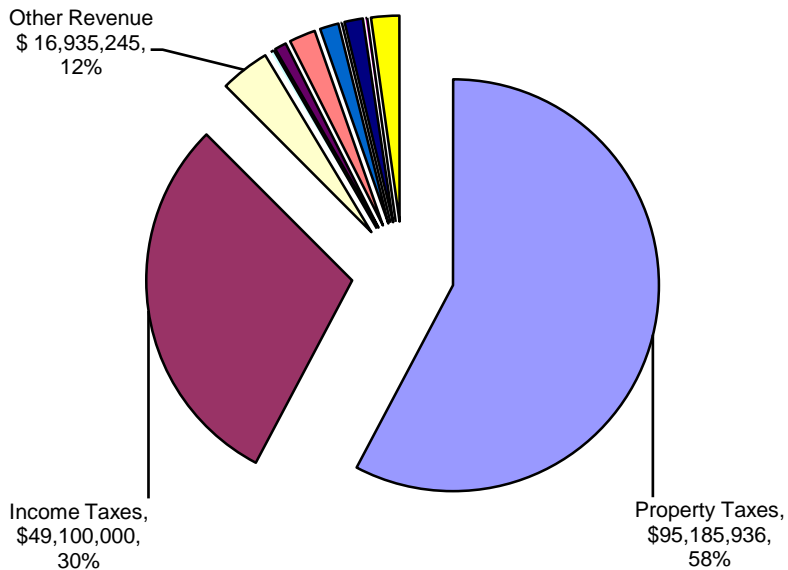
2010 Estimated General Fund Revenues

			FY 08	FY 09	FY 10	+/-	
			Actual	Orig. Budget	Estimated	FY 09 Budget	% Chg.
SUMMARY							
REVENUES BY ACCOUNT CLASSIFICATION							
Property Taxes			\$ 86,108,074	\$ 95,185,936	\$ 95,955,376	\$ 769,440	0.8%
Income Taxes			50,192,279	49,100,000	50,100,000	1,000,000	2.0%
State Shared Taxes			6,641,506	6,375,000	3,375,000	(3,000,000)	-47.1%
Other Local Taxes			469,935	450,000	457,000	7,000	1.6%
Licenses and Permits			1,504,416	1,492,180	1,148,200	(343,980)	-23.1%
Revenue from Other Agencies			3,989,028	3,415,231	3,198,560	(216,671)	-6.3%
Charges for Services			2,274,932	2,415,297	2,117,900	(297,397)	-12.3%
Fines and Forfeitures			218,951	157,500	133,500	(24,000)	-15.2%
Interest Earnings			3,518,812	2,400,000	1,000,000	(1,400,000)	-58.3%
Miscellaneous Revenue			387,435	230,037	125,500	(104,537)	-45.4%
Total Operating Revenues			\$ 155,305,369	\$ 161,221,181	\$ 157,611,036	\$ (3,610,145)	-2.2%
Fund Balance Appropriation			0	3,641,100	0	(3,641,100)	-100.0%
TOTAL REVENUES			\$ 155,305,369	\$ 164,862,281	\$ 157,611,036	\$ (7,251,245)	-4.4%

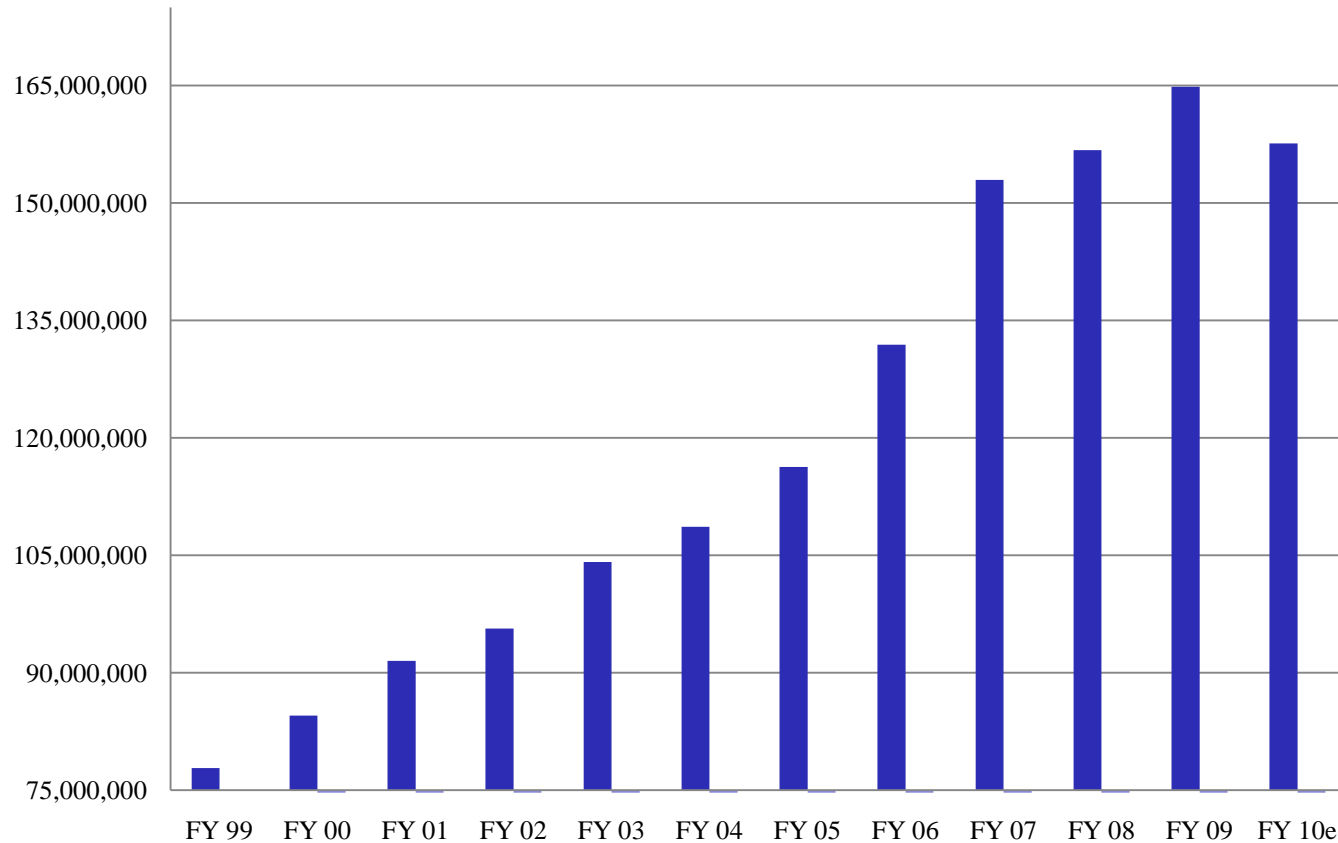
Comparison of Revenues 2009 - 2010

2009 Approved Budget Revenues

2010 Estimated Budget Revenues



General Fund Budgets 1999 – 2010e



12/16/2008 Budget Actions by BOCC

- Eliminated 11.25 unfilled positions
- Eliminated 15 take-home use vehicles from non-public safety fleet
- Vacant positions are reviewed individually by BOCC
- Consolidated phone services provided to County at an annual savings of \$ 40,000
- Restricting travel, training, publications and dues expenses
- Directed that departments reduce 2009 approved budget by 5%, which yielded approximately \$2 MM

Budget Assumptions for 2010

- Expense budget requests must be at least 5% less than the FY 2009 Amended Budget.
- No proposed Cost of Living wage increase (COLA).
- No new positions should be requested.
- Machinery & Equipment – no new/additional equipment will be considered; replacement equipment will be considered on an individual basis, although it is expected that the County will severely restrict these potential purchases.
- Capital Expenditures will be severely reduced.
- Capital projects that are not currently under construction will be deferred for the near future.

Budget Assumptions for 2010

- The Board has directed that the first draft of the budget will be based on the assumed constant yield tax rate ... the rate will be published February 15th... this is likely to cause a reduction in levels of services provided to citizens.
- Current budget model does not take into account the likelihood that the Legislature may pass through some form of “teacher pension costs” to the County.
- Current budget model assumes that Board of Education operating expenditures will remain at \$ 69.9 MM from the County, a 0% increase.

Budget Initiatives – Board of Education

- Wage package to includes a 1.1% increase for teachers
- Completion of Calvert Elementary School renovation/expansion project – \$ 1.3 MM in bonds.
- Leeds Elementary School HVAC systemic upgrades, a portion of which is funded from savings associated with the Perryville Middle School project.
- BOE has undertaken a variety of cost containment initiatives totaling approximately \$3 MM.

Budget Initiatives – Cecil College

- Cecil College operating budget could include tuition increases.
- Cecil College has restricted discretionary spending, such as supplies, travel & training and other forms of cost containment.
- \$751 K in funding for completion of renovation and expansion of Cecil College PE building.

Budget Initiatives – Libraries

- Continue to look for a solution to relocating HQ facility from within Elkton Main Branch to temporary (10 year) off-site location to allow for reallocation of branch space.
- Support matching CIP funding (\$800 K) for land acquisition for future North East Branch Library, construction likely to occur after 2014.
- Operating budget increases to include increased materials costs, utilities, and health insurance.

Budget Initiatives – Public Safety

- Replace 12 patrol vehicles – have replaced 100 since 2002
- Construction funds to renovate/expand Detention Center
- Request likely to include 5 additional Deputy positions for Law Enforcement, and 5 additional Correctional Officer positions due to expansion of the Detention Center.

Budget Initiatives – Public Works

- Responsible for Roads, Water, Wastewater, Solid Waste,
- Budget request reduced
- Multiple initiatives – CIP initiatives to include expansion of Seneca Point WWTP, Central Landfill expansion, Landfill Gas-to-Energy Beneficial Use project, open 5 replaced bridges annually.
- Budget anticipates closing of sale of water and identified wastewater assets to Artesian.

Budget Work Sessions - Key Dates – March 2009

- March 17, 2009 1:00 PM Elk Room - General Fund – General Government – Commissioners, Administrator, Budget, Purchasing, Human Resources, Treasurer, IT, Board of Elections, Liquor Board, Planning, Board of Appeals, Planning Commission, Critical Area, Facilities Management
- March 24, 2009 1:00 PM Elk Room - Public Works – Administration, Engineering and Construction, Development Services, Weed Control, Water, Wastewater, Solid Waste, Roads, Central Garage
- March 31, 2009 1:00 PM Elk Room - Public Safety – States’ Attorney, Law Enforcement, Detention Center, Work Release, Community Work Service, CARC, DES/EMS, Volunteer Fire Companies, Permits and Inspections, Cecil SPCA, Circuit Court, Orphan’s Court

Budget Work Sessions - Key Dates – April 2009

- April 7, 2009 1:00 PM Elk Room – Board of Education, Cecil College, Cecil College Scholarships, Cecil Libraries
- April 14, 2009 1:00 PM Elk Room – Health Department, Social Services, Domestic Violence, Healthy Marriage Initiative, Neighborhood Youth Panel, Senior Services and Community Transit, Housing
- April 17, 2009 9:00 AM Elk Room – Non-Profit Agencies
- April 21, 2009 1:00 PM Elk Room - Economic Development, Agricultural Extension, Soil Conservation, Parks and Recreation
- April 24, 2009 Advertise for Constant Yield in Newspaper and Website
- April 30, 2009 Advertise Proposed Budget and Budget Hearing Notice in Newspaper and Website

Budget Adoption Process - Key Dates – May 2009

- May 12, 2009 2:00 PM Elk Room - Constant Yield and 2010 Budget
- May 12, 2009 7:00 PM Elk Room - Constant Yield and 2010 Budget
- May 26, 2009 2:00 PM Elk Room - Formal Adoption of Tax Rates and
2010 Budget

FY 2010 Public Hearing for Citizen Input

- Public Comment