

Public Hearing for Citizen Input



January 10, 2012

Reason for Hearing

- 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.

Key Dates – March 2012

- March 13, 2012 Budget Work Session – General Fund – General Government – Commissioners/*Council*, Administrator, Budget, Purchasing, Human Resources, Treasurer/*Finance*, IT, Board of Elections, Liquor Board, Planning, Board of Appeals, Planning Commission, Critical Area, Facilities Management, Ethics Board (Elk Room) – 1:00 PM
- March 20, 2012 Budget Work Session – Public Works – Administration, Engineering and Construction, Development Services, Weed Control, Wastewater, Solid Waste, Roads, Central Garage (Elk Room) – 1:00 PM

Key Dates – April 2012

- April 3, 2012 Budget Work Session –Cecil College, Cecil College Scholarships, Cecil Libraries (Elk Room) – 1:00 PM
- April 4, 2012 Budget Work Session – Public Safety – States’ Attorney, Law Enforcement, Detention Center, Work Release, Community Work Service, DES/EMS, Volunteer Fire Companies, Permits and Inspections, Cecil SPCA, Circuit Court, Orphan’s Court (Elk Room) – 1:00 PM
- April 10, 2012 Budget Work Session – Health Department, Social Services, Domestic Violence, Neighborhood Youth Panel, Senior Services and Community Transit, Housing (Elk Room) – 1:00 PM
- April 17, 2012 Budget Work Session – Board of Education, Non-Profit Agencies (Elk Room) – 1:00 PM
- April 19, 2012 Budget Work Session – Economic Development, Agricultural Extension, Soil Conservation, Parks and Recreation (Elk Room) – 1:00 PM

Key Dates – May 2012

- May 8, 2012 Public Hearing on Constant Yield and 2013 Budget (Elk Room) 2PM, 7:00PM
- May 22, 2012 Formal Adoption of Tax Rates and 2013 Budget (Elk Room) Time 2:00PM

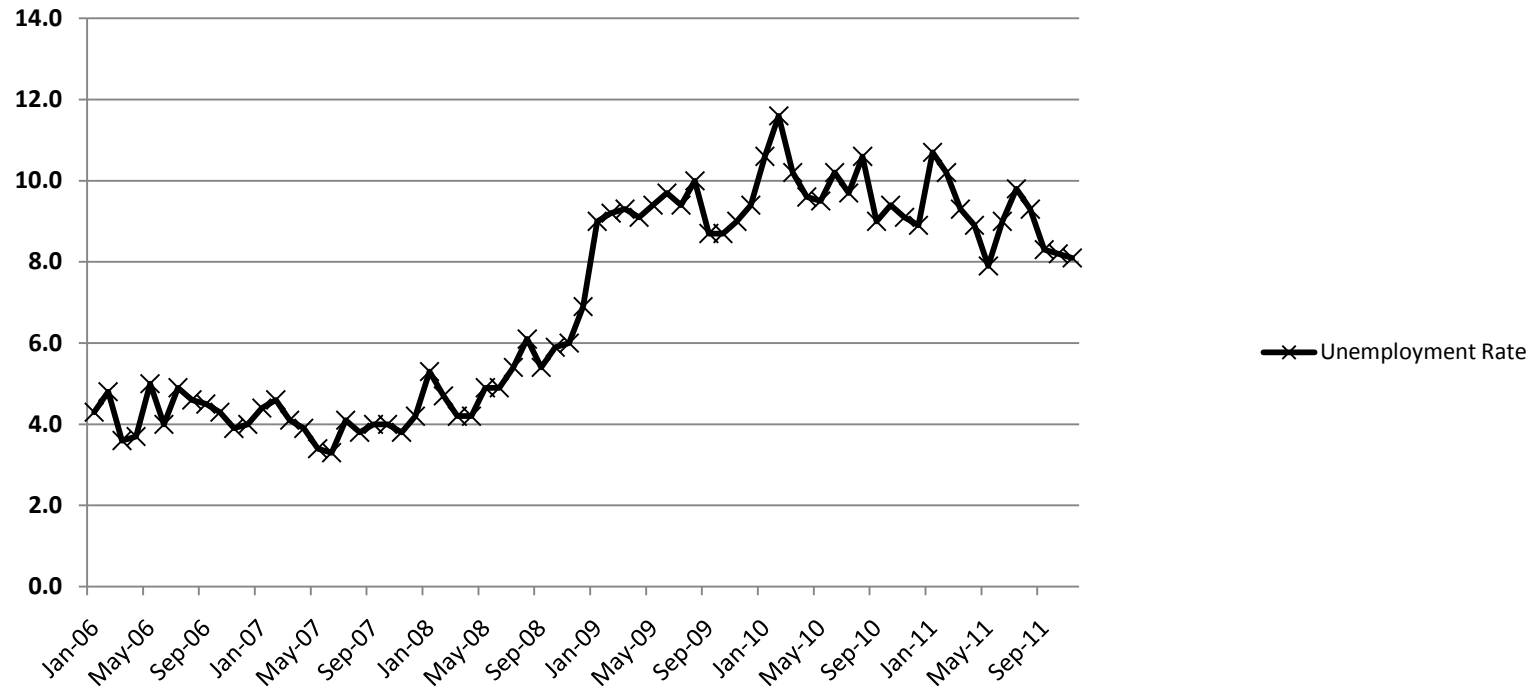
Issues Facing Maryland

- National economy has expanded through 2011, but recovery should be considered the most sluggish in the past six decades
- Employment growing with population growth - slowly
- State of Maryland budget – estimated \$1.1 B shortfall for 2013
- General Assembly looks to alter gas tax, flush tax, to stimulate economy through jobs creation in construction segment
- Federal spending makes up one third of Maryland economy – cutbacks direct effect not to be felt until 2014

Issues Facing Cecil County

- Modest decline of unemployment rate – translated into incremental increase in income tax receipts – est. \$900,000 increase in 2013, 2%

Cecil County Unemployment



Issues Facing Cecil County

- Continuing concerns over increased costs of pensions
 - Rate to County for State Pension increased from 10.49% to 13.99 % of gross pay – 28% increase, or \$420,000 for 2013
 - Does not factor in any changes to how pensions are administered through any reform that arises from the legislative session
 - Mitigating factor has been wage stability/decline, but tempered with volatile investment growth of period
 - Ongoing environmental concerns, including watershed implementation, PlanMaryland impacts, etc.

Revenues 2013

- Revenues projected to be \$164.5 million, or .77 percent increase
- Decline of certain revenue streams for 2013 versus 2012

DESCRIPTION	CY ORIG BUD	REQUEST	CHANGE
STATE AID - HIGHWAYS	575,352	0	(575,352)
HEALTHY MARRIAGE GRANT	556,000	0	(556,000)
INTEREST EARNINGS	875,000	480,000	(395,000)
ARRA-HIGHWAY PROJECT FUNDING	255,500	0	(255,500)
RECORDATION TAX	4,000,000	3,750,000	(250,000)
WATERWAY IMPROVEMENT GRANT	174,000	0	(174,000)
DRUG TREATMENT COURT GRANT	293,600	160,000	(133,600)
INTR OPER TRNSFR-150 CASINO	751,000	620,800	(130,200)
COURT FINES	150,000	50,000	(100,000)
ST HMLND SEC FRNT-PRGM	340,559	246,684	(93,875)
FAMILY SERVICES - STATE GRANT	314,323	225,000	(89,323)
COPS GRANT	80,363	0	(80,363)

Issues Facing Cecil County

- Increase of certain revenue streams for 2013 versus 2012

<u>DESCRIPTION</u>	<u>CY ORIG BUD</u>	<u>REQUEST</u>	<u>CHANGE</u>
INCOME TAX	44,836,172	45,732,895	896,723
PAYMNT IN LIEU OF TX-ROCK SPGS	1,500,000	2,000,000	500,000
PERS PROP TAX-CORP-FOREIGN	1,728,093	2,197,391	469,298

Budget Directives for 2013

- Operating Expense budget requests must be submitted at the **MINIMUM** level to operate the department. The Commissioners request that each expense line item be justified. This, essentially, is a zero-based budget.
- The salary schedules effective July 1, 2011 will be used as the basis for budgeting FY 2013 salaries. The Budget Manager will add additional funding needed for any potential cost of living allocations or collectively bargained costs.
- No additional funds should be budgeted for step increases. Steps will not be entertained during the FY 2013 budget.
- Requests for position reclassifications for any employees will not be entertained during the FY 2013 Budget.

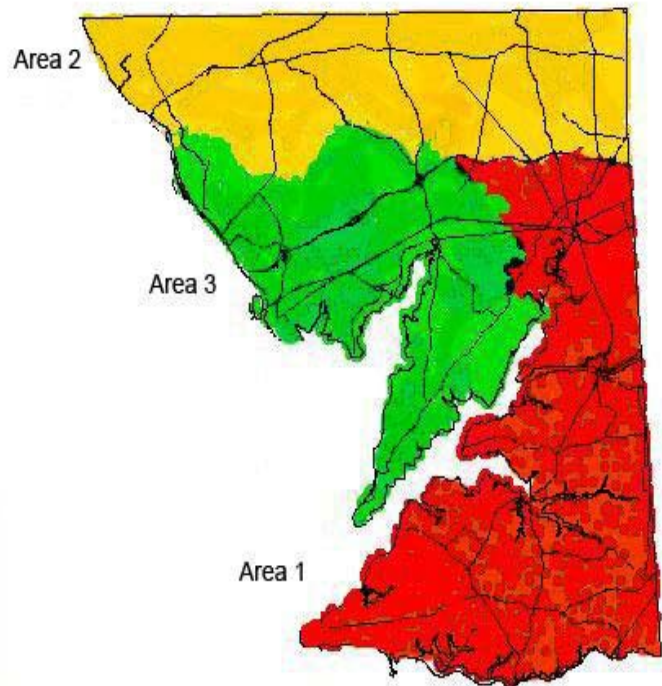
Budget Directives for 2013

- Every effort should be made to meet departmental needs within the existing workforce before requesting new positions.
- County will be expected to fund additional Correctional Officer positions for FY 13
- New positions may be entertained during the FY 2013 budget process. However, the following criteria must be met.
 1. There is a justified need for and a benefit from the new position based on quantifiable workload.
 2. The work cannot be absorbed by existing staff, performed by student help, inmate labor, or positions reallocated from other areas.
 3. The function is expected to be needed for at least three fiscal years.
 4. The need is for a full-time employee at least 40 weeks during the year.
- Machinery & Equipment – additional or replacement equipment will be considered on an individual basis, based on approved lifecycle and replacement guidelines.

Assessment Map and Cycle

Legend

- **Area 1 Assessment Area 1 will be reassessed for 1/1/2013**
- **Area 2 Assessment Area 2 will be reassessed for 1/1/2014**
- **Area 3 Assessment Area 3 was reassessed for 1/1/2012**



State Department of Assessments & Taxation
August 2005

Assessable Base Overview

- State Department of Assessments performs valuations of real property using their guidelines and procedures
- Assessments are valid for three years – “tri-annual”
- Base estimates available to County 12/1/2011
- Figures below represent net assessment – accounts for reduction due to Homestead Credit

Real Property 2012	10,054,934,000	-2.38%
Real Property 2013	9,587,945,000	-4.64%
Real Property 2014	9,465,384,000	-1.28%

Budget– Cecil County Public Schools

- Eliminated 143 positions in three years (7% of workforce) for a 2012 budget impact of \$9 million
- Healthcare changes for two year savings of \$4.6 million
- Reduced discretionary spending by 37% over four years for savings of \$5.3 million
- 2013 Budget Expense Projection = \$172.7 million, \$1.8 million less than 2012
- Capital Improvement Program includes three systemic projects – Rising Sun Elementary HVAC/Mechanical, Thomson Estates Doors/Windows, Conowingo Elementary chiller, cooling tower, HVAC

Maintenance of Effort - CCPS

- Established in 1984 to ensure that the cost of education was shared by the State and the counties and to ensure predictability and stability of funding for local boards of education.
- Requires a county to appropriate local funds for the school system in an amount that is not less than the per pupil amount provided in the prior year adjusted for enrollment.
- Legislature may address MOE requirements this year
- 2013 Maintenance of Effort = \$ 66.67 MM
- Reflects FTE students decline of 111, to 15,236

Budget– Cecil College

- May include per hour tuition increase
- Budget to assume flat State funding
- Estimated County request @ \$ 8.03 million, excluding small capital request – County projection
- Capital Improvement Program includes continuation of Tech Infrastructure project, start construction bid process of Science and Math building.

FY 2013 Public Hearing for Citizen Input

- Public Comment