

Kent County, Maryland

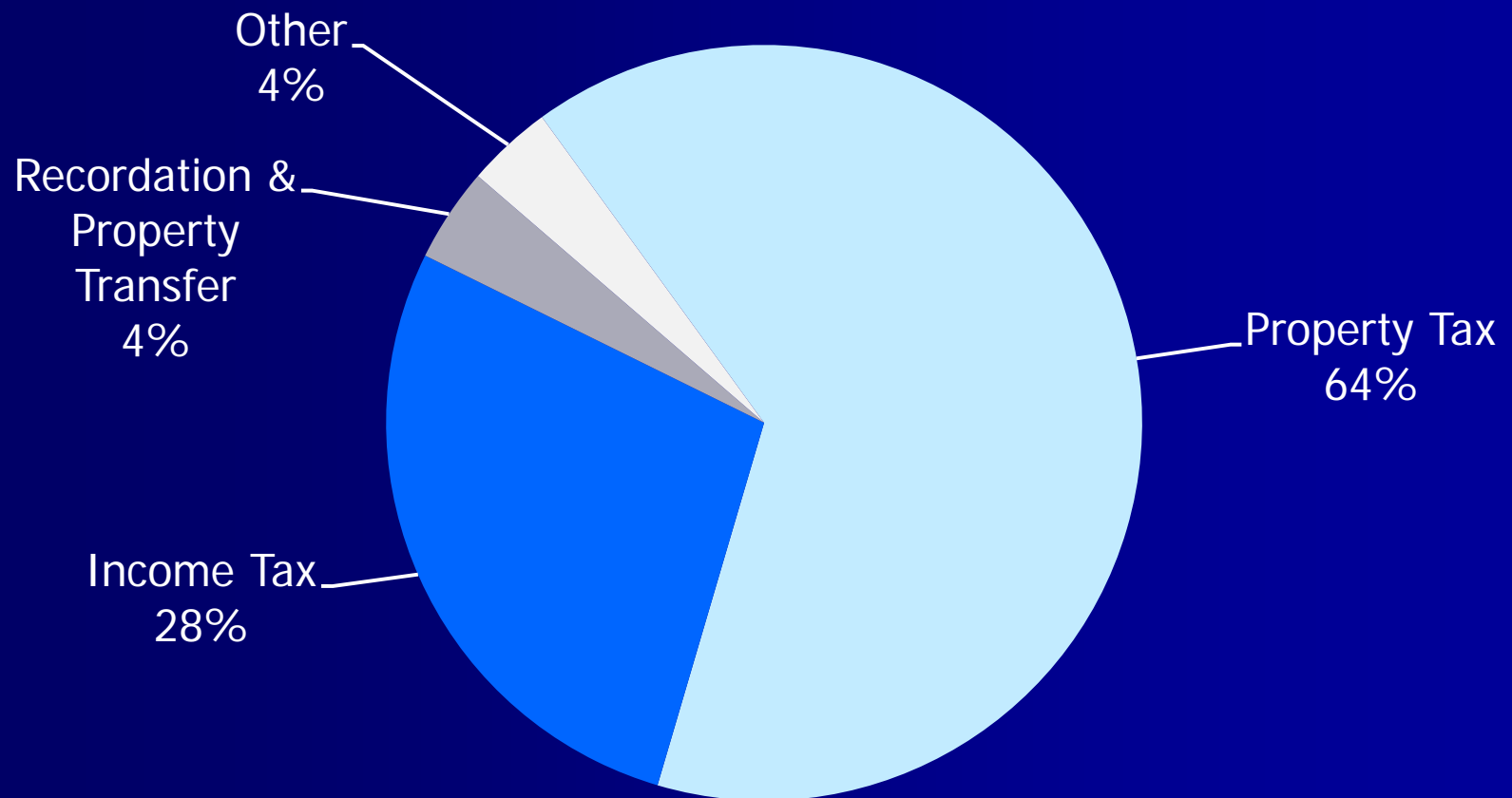
Proposed Budget FY2016

**Public Hearing
June 2, 2015**

Highlights

- Maintains a strong fiscal position
 - Adequate fund balance
 - No new debt
 - Paying off \$1,800,000 of existing debt
- Enhances the Homeowners Credit
 - Raising the household income for eligibility from \$25,000 to \$30,000 in 2017
- Invests in technology and infrastructure
 - Broadband project, roads, facilities
- Focuses on Economic Development
 - Creates a separate department & reestablishes the revolving loan fund

Revenues



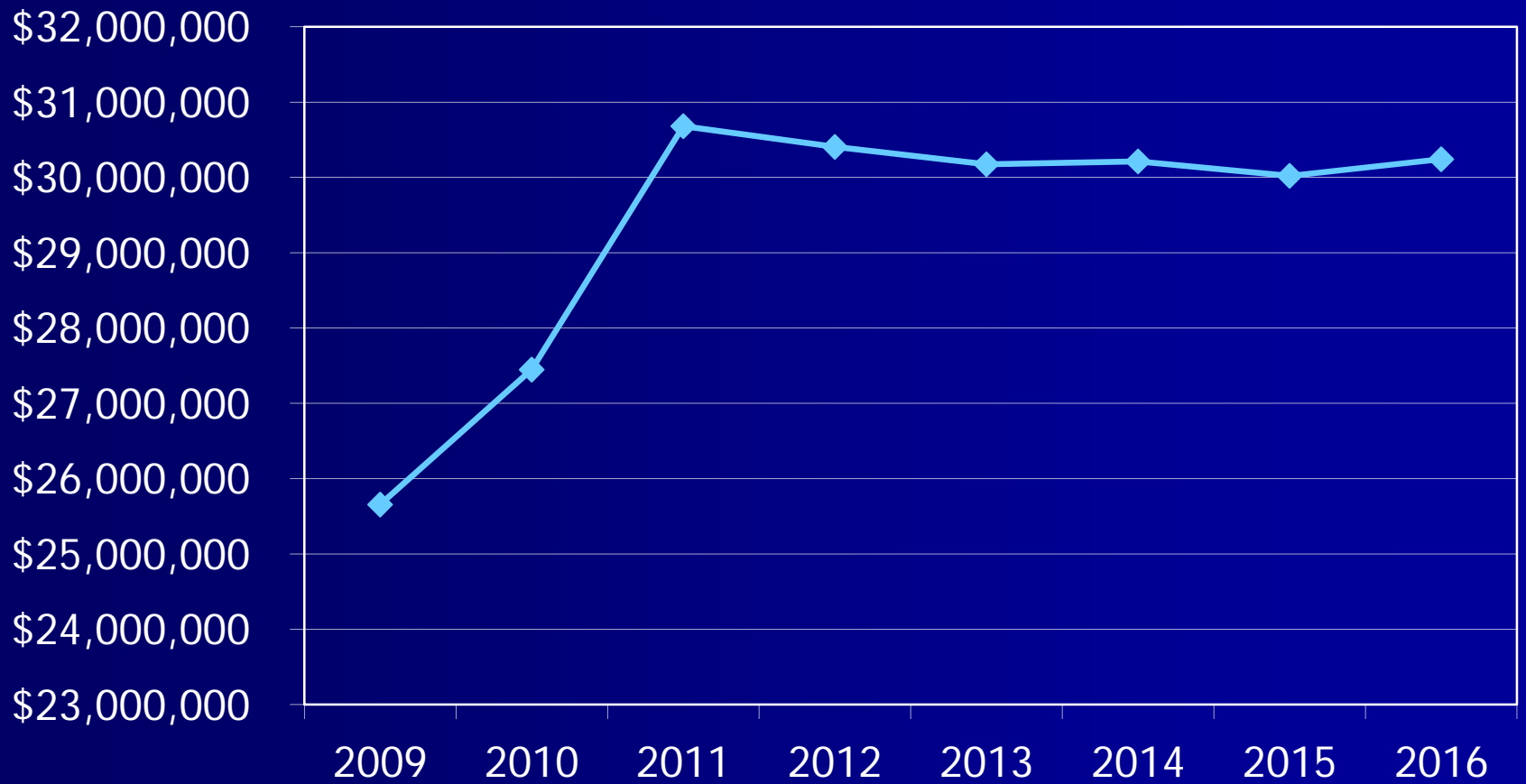
Property Tax

- The fiscal year 2016 property tax rate will remain at \$1.022 per \$100 of assessed value
- The “constant yield” property tax rate is \$1.0255
- Based on the State’s March projections, both assessed and taxable values will begin rising in fiscal year 2017

Property Assessments



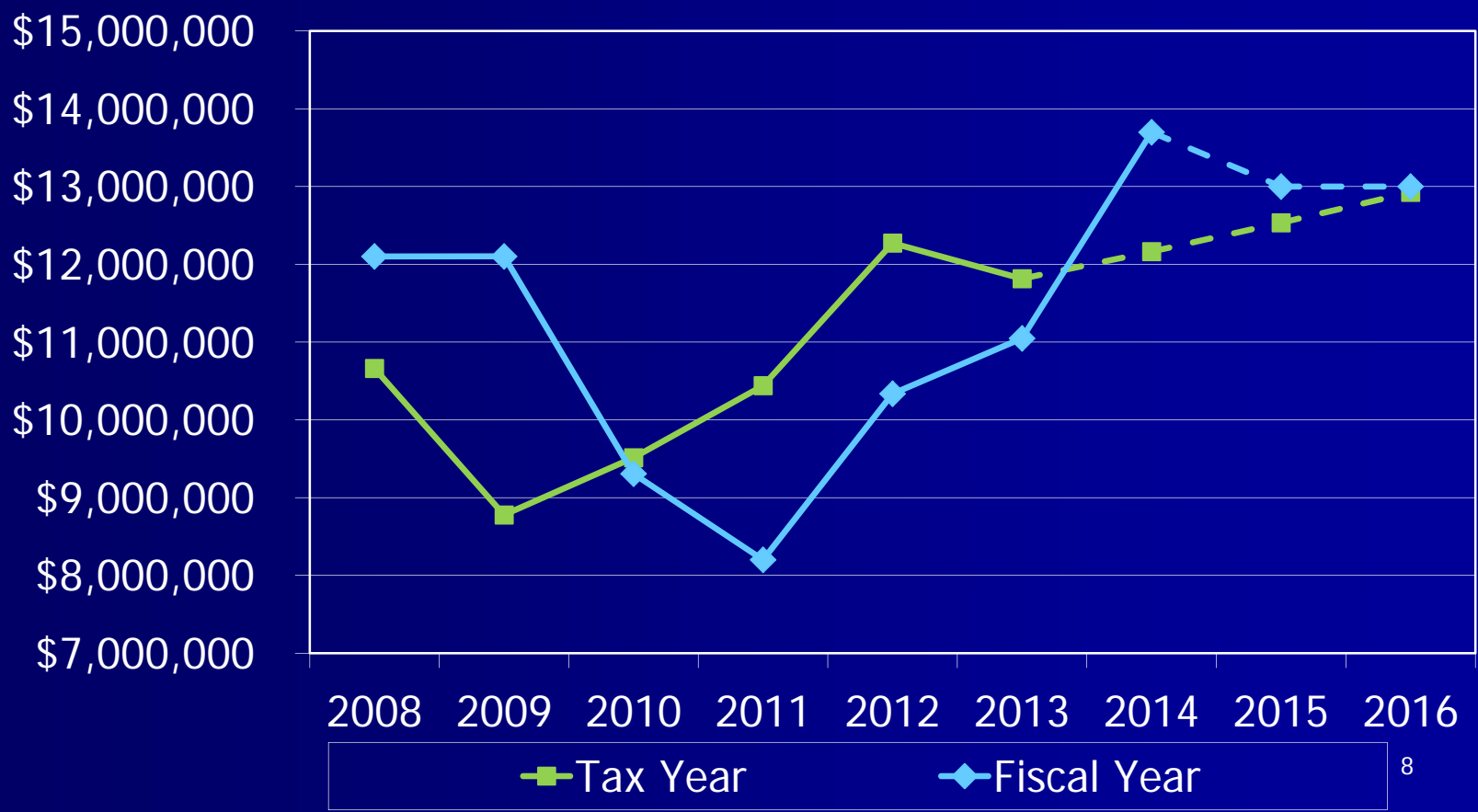
Property Tax Revenue



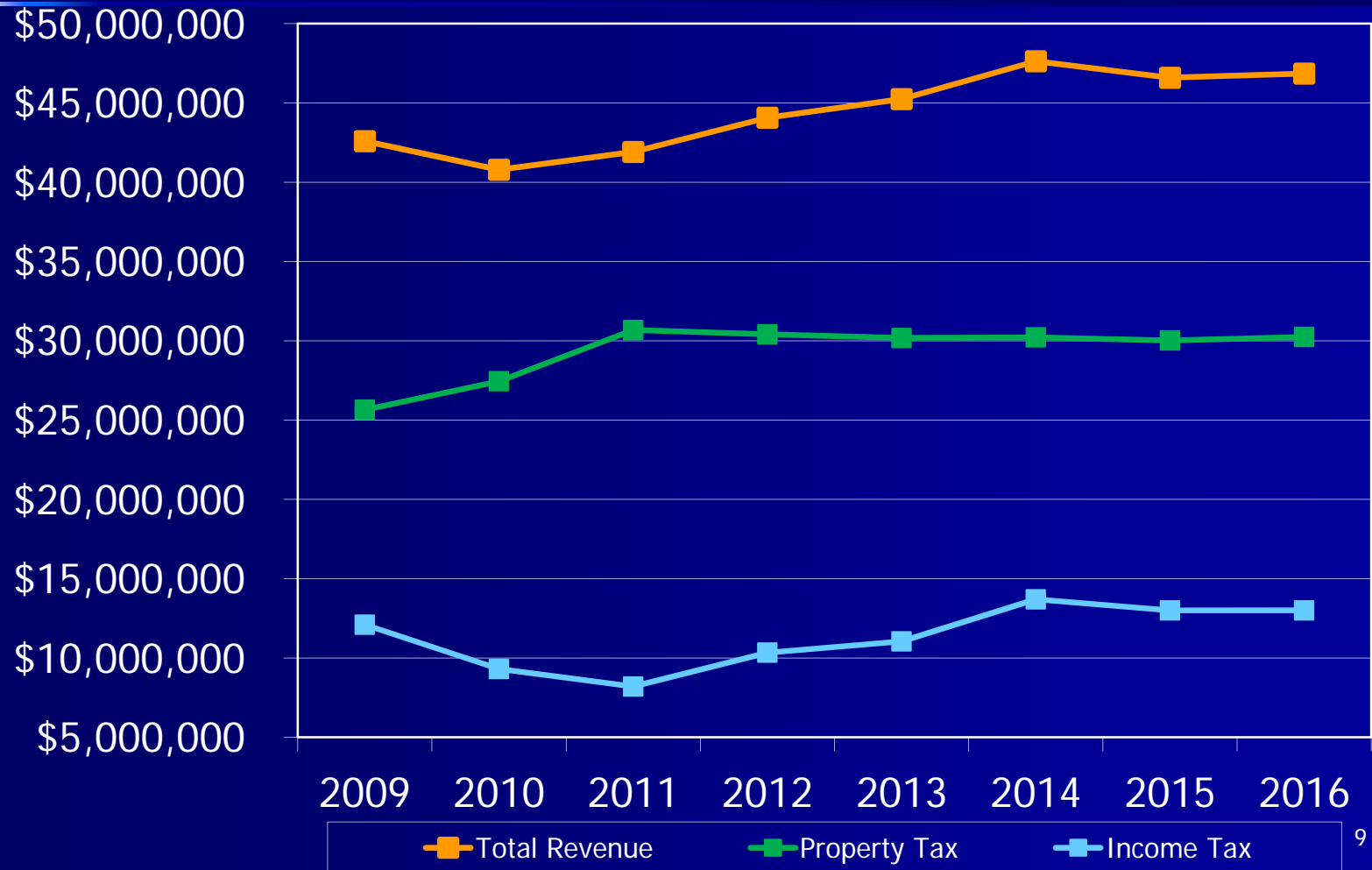
Income Tax

- The fiscal year 2016 income tax rate will remain at 2.85%
- Fiscal year 2015 is projected to be the second year we have experienced income tax revenues above the prerecession levels of 2009

Income Tax Revenue



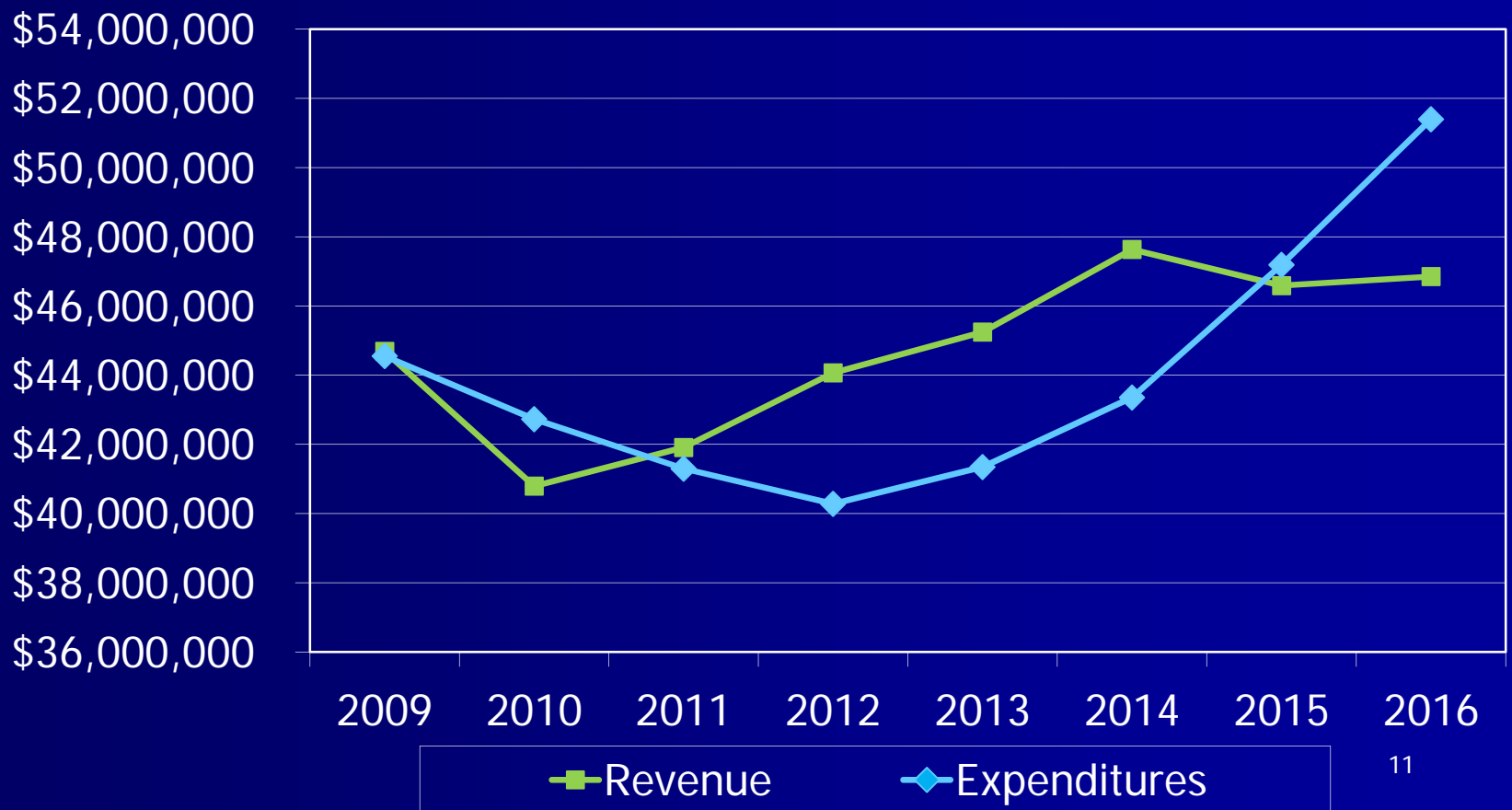
Revenues



Revenue Changes FY15 to FY16

\$ 46,850,000	FY16 Revenue
<u>46,589,000</u>	FY15 Revenue
\$ 261,000	Increase in Revenue
\$ 316,000	Recordation & Property Transfer
221,000	Property Tax
(200,000)	Sale of Assets
<u>(76,000)</u>	Other
\$ 261,000	Increase in Revenue

Revenue & Expenditures FY09 – FY16



Debt

	County	Water & Wastewater	Total
FY12 Beginning Debt	21,647,000	19,605,000	41,252,000
FY12 Debt Retired Early	0	2,772,000	2,772,000
FY13 Debt Retired Early	1,448,000	2,946,000	4,394,000
FY15 Debt Retired Early	1,782,000	0	1,782,000
Total Debt Retired Early	3,230,000	5,718,000	8,948,000
% Debt Retired Early	15%	29%	22%

Debt Service

	County	Water & Wastewater	Total
FY12 Debt Service	2,960,000	1,126,000	4,086,000
FY13 Debt Service Reduction	0	204,000	204,000
FY14 Debt Service Reduction	360,000	191,000	551,000
FY16 Debt Service Reduction	564,000	0	564,000
Total Debt Service Reduction	924,000	395,000	1,319,000
% Debt Service Reduction	31%	35%	32%

Expenditures

\$46,850,000	FY16 Revenue
<u>51,395,000</u>	FY16 Expenditures
(\$4,545,000)	Expenditures Exceed Revenues
\$46,985,000	Recurring Expenditures
4,410,000	Non-recurring Expenditures
	<u>Fund Balance Used</u>
\$135,000	Recurring Expenditures
4,410,000	Non-recurring Expenditures

Fund Balance

\$8,906,000	FY15 ending fund balance – 18.6%
261,000	FY16 addition to fund balance Primarily income, recordation & property transfer tax
<u>(4,806,000)</u>	FY16 reduction to fund balance Primarily due to non recurring items
\$4,361,000	FY16 ending fund balance – 8.5%
\$3,855,000	FY16 target fund balance – 7.5%

Expenditures

	2015 Budget	2016 Budget	Increase/ (Decrease)
Public Schools	18,056,000	18,078,000	22,000
Salaries & Benefits	14,012,000	14,949,000	937,000
Operating	5,722,000	6,695,000	973,000
Allocations	3,476,000	3,510,000	34,000
Transfers - Other Funds	1,123,000	1,509,000	386,000
Debt Service	1,620,000	1,094,000	(526,000)
Contingency	400,000	400,000	0
Capital	750,000	750,000	0
Total Recurring	45,159,000	46,985,000	1,826,000
Non-Recurring	2,029,000	4,410,000	2,381,000
Total Expenditures	47,188,000	51,395,000	4,207,000

Non-Recurring Expenditures

Projects

\$2,200,000	Broadband Expansion Project
200,000	Public Safety Facilities
193,000	Public Landing Repairs
787,000	Garnett Roof & HVAC
41,000	Library Renovations
20,000	Technology Upgrades
<u>29,000</u>	Park Enhancements (10% match)
\$3,470,000	

Non-Recurring Expenditures

Equipment, Vehicles, Technology, Capital Repairs

\$760,000	Equipment – Primarily Public Works
246,000	Technology Equipment
317,000	Facility Repairs & Relocation
361,000	Vehicles
<u>6,000</u>	Furniture
\$1,690,000	Total Expenditures
750,000	Recurring
940,000	Non-Recurring

Recurring Expenditures

Salary & Benefits - \$937,000

- 2 New Positions
 - Economic Development Coordinator & Correctional Officer
- Pay & Classification Study
 - Created new salary scale based on comparable market data
 - Updated all job specifications
 - Average % increase 4.7%
 - Average \$ increase \$2,000
- Health Insurance increase – 3%
- Workers Compensation increase

Recurring Expenditures

Operating - \$974,000

- \$247,000 – Road and guardrail repairs
- \$125,000 – Comprehensive plan update
- \$120,000 – Remediation at the Nicholson facility
- \$94,000 – Inmate medical & housing costs
- \$64,000 – Technology maintenance contracts and communication lines
- \$42,000 – New voting machines

Recurring Expenditures

Transfer to Other Funds - \$386,000

- Revolving Loan Fund (\$200,000)
- Water and Wastewater Services Fund - primarily for capital needs, a flow meter at the Worton facility and a truck

Allocations - \$34,000

- Agencies received an average increase in funding of 1.0%

Recurring Expenditures

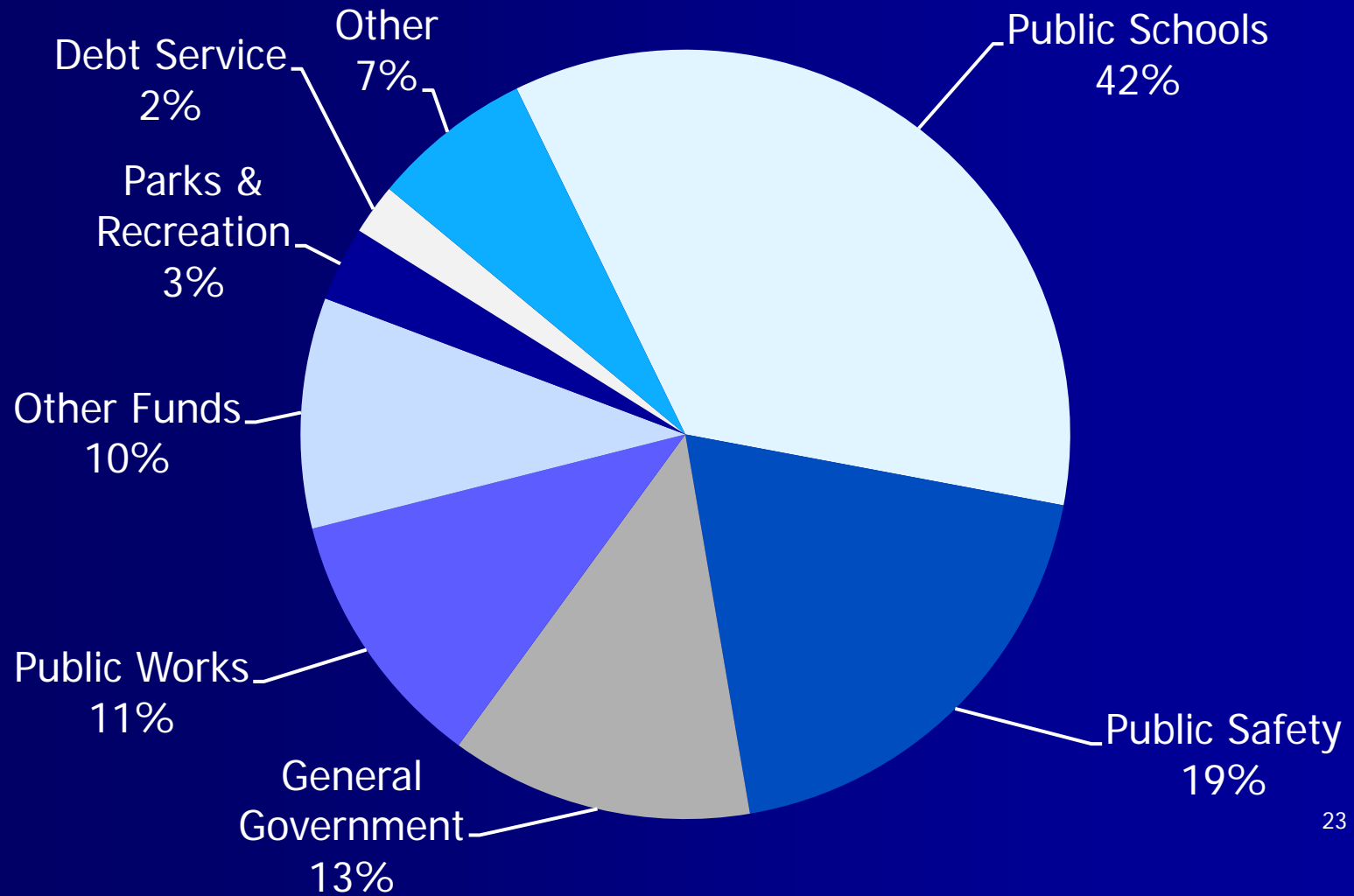
Public Schools - \$22,000

- Maintenance of Effort decreased (25 less students)
- Retirees health insurance (\$350,000)
- Laptops for ninth grade (\$144,000)

Debt Service - (\$744,000)

- \$1,782,000 debt retired early, reduced debt service by \$564,000

Expenditures



The FY16 Budget

- Invests in technology & infrastructure
- Focuses on economic development
- Invests in our workforce
- Maintains a strong fiscal position
- Includes no tax increases
- Includes no new debt
- Reduces existing debt
- Enhances the homeowners credit in 2017