



OFFICE OF THE  
COUNTY COMMISSIONERS

GERALD T. MASON  
CHIEF ADMINISTRATIVE OFFICER  
JOHN E. "SONNY" BLOXOM  
COUNTY ATTORNEY

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## Worcester County

GOVERNMENT CENTER  
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

March 11, 2011

Worcester County Commissioners  
One West Market Street  
County Government Center - Room 1103  
Snow Hill, MD 21863

RE: **Requested** FY2011/2012 Operating Budget

Commissioners:

In accordance with Section 4-201 of the County Government Article of the Code of Public Local Laws of Worcester County MD, enclosed are the Worcester County Departmental Operating Budget Requests for Fiscal Year 2011/2012.

General fund revenues based on current tax rates are estimated to be \$162,955,499. Requested general fund operating expenditures total \$166,108,791. This leaves a difference of \$3,153,292 which must be reconciled, either with reductions in expenditures, additional revenues or a combination of the two.

### Anticipated General Fund Revenues

The total estimated revenues for FY2012 total \$162,955,499 which is a decrease of \$250,312 or less than 2% from the current year. Since State budget cuts are not finalized the County could be further burdened by continued State cuts, additional unfunded mandates and/or transfer of State responsibilities. Listed below are budgets as compared to the prior year:

- Net Property Taxes increased by \$763,151, primarily as a result of reduced homestead tax credits and decreasing assessments. These estimates are based on the current tax rate of \$.70 per \$100 of the assessed value for the real property tax rate.
- Income Tax revenues are anticipated to decline by \$1,576,000 from the current year. This represents a 15% decline due to economic conditions. The County's current tax rate remains at 1.25%.
- Other Local Taxes increased \$750,000; Recordation Tax by \$500,000 and Transfer Tax at \$250,000 due to the current economic outlook and market conditions.
- State Shared Taxes decreased \$40,230 mainly due to loss of 911 fees from decreased

- phone lines and loss of interest income due from the State.
- Distribution from Liquor Control Board increased \$81,375 due to the anticipated County take-over as a County run department.
- Federal grants are anticipated to decrease \$1,069,775 which includes a reduction of Homeland Security and CDBG funds.
- State grants have decreased \$10,974 overall in various accounts.
- Licenses and Permits decreased \$21,825 due to economic conditions.
- Charges for Services increased by \$1,450,010 by an increase in Jail Use Fees.
- Fines and Forfeitures decreased by \$34,000 due to Court fines.
- Interest on Investments decreased \$50,000 due to the current rate of return.
- Miscellaneous revenue increased \$36,103 based on actual.
- Transfer In decreased by \$528,147 since the current year included unspent roads money which will not be carried over to FY12.

#### Major Requested General Fund Expenditures

The total estimated expenditures for FY2012 total \$166,108,791 which is an increase of \$2,902,980 or 2% more than the current year.

#### **Board of Education**

- The Board of Education has requested \$72,487,163 from the County, an increase of \$610,334 over the current year budget as shown below. School construction debt is paid on behalf of the Board of Education. It is not reflected in the Board's budget; however, it is included in the County's operating budget. The Board's operating budget is \$72,487,163 plus debt of \$9,170,792 which totals \$81,657,955 or 50.1% of the County's total estimated revenue.

	FY12 Est.Budget	FY11 Budget	+/- FY11
County Appropriation – MOE	\$71,939,828	\$71,339,072	+600,756
County Appropriation -Retirement Expense for Non Teachers	547,335	537,757	+9,578
Sub-Total County Appropriation	<u>\$72,487,163</u>	<u>\$71,876,829</u>	<u>+610,334</u>
State and Other Funding Sources	18,174,610	18,174,610	0
Sub-Total Unrestricted Budget	<u>\$90,661,773</u>	<u>\$90,051,439</u>	<u>+610,334</u>
Restricted: State and Federal Programs	5,617,695	8,264,322	-2,646,627
Restricted: State funded Teachers Retirement & Pensions	8,502,066	8,070,000	+432,066
FY12 Estimated Operating Budget	<u>\$104,781,534</u>	<u>\$106,385,791</u>	<u>-1,604,227</u>

- The Board's submission does not include salary increases for cost of living allowance, longevity or step increments.

## County Departments and Agencies

- Treasurer's office decreased by \$326,284 due to the transfer of the Information Technology personnel and operations to Emergency Services Department.
- Election's office request decreased \$80,743 as there is a presidential primary and 7 days of early voting as compared to 2 elections and early voting in FY11. The inclusion of State mandated equipment for additional Pollbooks and early voting equipment is also included.
- Development, Review & Permitting increased \$198,544 largely due to the increase of a State paid Septic grant which covers the added expense.
- Other General Government reflects an increase of \$940,877 mainly due to the partial transfer of State Responsibility for paying the State Department of Assessment operating expense of \$611,266 as presented by the State. The remaining \$329,611 is comprised of increases for building maintenance, vehicle fuel, increased energy costs and additional capital match requested by Shore Transit.
- Emergency Services decreased \$475,098 mainly due to a decrease of Homeland Security Grant funds.
- Jail expense increased by \$100,597 to cover personnel and an additional nurse due to an increase in inmate population. This additional expense is offset by fee income.
- Volunteer Ambulance grants increased by \$249,104 based on the current formula due to increased credit runs.
- Volunteer Fire Company grants decreased by \$289,672 based on the current law due a decline in real property assessments.
- The Roads budget decreased \$122,178 over the current year due to the elimination of vacant positions.
- Recreation Department decreased by \$76,152 primarily due to the elimination of vacant positions and various program reductions.
- Natural Resources increased \$84,680 due to the Beach Maintenance allocation as required by the agreement with the State.
- Economic Development decreased \$362,300 primarily due to a reduction in CDBG industrial grant funds.
- Grant to Towns increased \$1,353,359 over the prior year budget. The Town requests were presented to the County Commissioners on March 1, 2011.
- Insurance and Benefits increased \$991,240. Increases include Property and Liability insurance, Workers Compensation Insurance and Medical and prescription drug premiums. Other Post Employment Benefit is budgeted level with FY2011.

Salary accounts for the County employees do not include longevity, cost-of-living allowances or step increases. This budget does not include furloughs or layoffs which may be considered during budget work sessions.

## Budget Adoption Schedule

The first budget review session with selected County Departments and Agencies was held March 8<sup>th</sup> and another is scheduled for March 22<sup>nd</sup>. These sessions provide the opportunity for your detailed review of the various budget requests. The Public Hearing on the Requested Operating Budget is scheduled for Tuesday, May 3, 2011 at 7:00 p.m. at Snow Hill High School. Additional budget work sessions are scheduled for May 10 and May 31, 2011. The date for final adoption of the FY2011/2012 Operating Budget is June 7, 2011.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gerald T. Mason". The signature is fluid and cursive, with a prominent flourish at the end.

Gerald T. Mason  
Chief Administrative Officer

GTM:kjw  
FY12 summary budget request to comm  
Attachments:

**WORCESTER COUNTY**  
**Summary**  
**FY2011/2012 Revenue Estimate**

	2010/2011 Estimate	2011/2012 Estimate	(\$) Difference (%)	
Property Taxes	120,210,559	120,973,710	763,151	0.6%
Income Taxes	10,776,000	9,200,000	(1,576,000)	-14.6%
Other Local Taxes	20,710,000	21,460,000	750,000	3.6%
State Shared	657,569	617,339	(40,230)	-6.1%
Distribution from Liquor Control Board	168,625	250,000	81,375	48.3%
Federal Grants	1,723,339	653,564	(1,069,775)	-62.1%
State Grants	1,726,704	1,715,730	(10,974)	-0.6%
Licenses & Permits	1,712,150	1,690,325	(21,825)	-1.3%
Charges for Services	4,261,350	5,711,360	1,450,010	34.0%
Fines & Forfeits	77,550	43,550	(34,000)	-43.8%
Interest on Investments	250,000	200,000	(50,000)	-20.0%
Misc./Sale of Assets/Other Revenue	403,818	439,921	36,103	8.9%
Transfers In	528,147	0	(528,147)	-100.0%
<b>TOTAL REVENUES</b>	<b>163,205,811</b>	<b>162,955,499</b>	<b>(250,312)</b>	<b>-0.2%</b>

**FY 2011/2012 Requested General Fund Budget**

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>County Commissioners &amp; Admin.</b>				
Personnel Services	864,323	864,323	0	0.0%
Supplies & Materials	38,200	38,200	0	0.0%
Maintenance & Services	8,600	46,100	37,500	436.0%
Other Charges	38,000	38,000	0	0.0%
Interfund Charges	(141,489)	(141,489)	0	0.0%
Capital Equipment	0	0	0	N/A
	<b>807,634</b>	<b>845,134</b>	<b>37,500</b>	<b>4.6%</b>
<b>Circuit Court</b>				
Personnel Services	851,073	851,073	0	0.0%
Supplies & Materials	253,903	266,539	12,636	5.0%
Maintenance & Services	88,448	124,348	35,900	40.6%
Other Charges	13,950	13,950	0	0.0%
Capital Equipment	0	0	0	N/A
	<b>1,207,374</b>	<b>1,255,910</b>	<b>48,536</b>	<b>4.0%</b>
<b>Orphan's Court</b>				
Personnel Services	15,000	15,000	0	0.0%
Supplies & Materials	0	0	0	N/A
Other Charges	5,390	5,390	0	0.0%
	<b>20,390</b>	<b>20,390</b>	<b>0</b>	<b>0.0%</b>

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>State's Attorney</b>				
Personnel Services	1,294,225	1,241,329	(52,896)	-4.1%
Supplies & Materials	29,846	55,208	25,362	85.0%
Maintenance & Services	34,075	34,900	825	2.4%
Other Charges	9,926	44,500	34,574	348.3%
Interfund Charges	(53,000)	(53,000)	0	0.0%
Capital Equipment	24,074	16,000	(8,074)	-33.5%
	<u>1,339,146</u>	<u>1,338,937</u>	<u>(209)</u>	<u>0.0%</u>
<b>Treasurer</b>				
Personnel Services	1,466,739	1,148,781	(317,958)	-21.7%
Supplies & Materials	69,986	69,860	(126)	-0.2%
Maintenance & Services	20,650	20,650	0	0.0%
Other Charges	14,250	6,050	(8,200)	-57.5%
Interfund Charges	(366,376)	(366,376)	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>1,205,249</u>	<u>878,965</u>	<u>(326,284)</u>	<u>-27.1%</u>
<b>Elections Office</b>				
Personnel Services	334,903	361,051	26,148	7.8%
Supplies & Materials	390,185	290,792	(99,393)	-25.5%
Maintenance & Services	72,820	100,470	27,650	38.0%
Other Charges	21,694	21,546	(148)	-0.7%
Capital Equipment	141,200	106,200	(35,000)	-24.8%
	<u>960,802</u>	<u>880,059</u>	<u>(80,743)</u>	<u>-8.4%</u>
<b>Human Resources</b>				
Personnel Services	327,361	327,361	0	0.0%
Supplies & Materials	17,525	17,975	450	2.6%
Maintenance & Services	24,970	24,120	(850)	-3.4%
Other Charges	3,355	3,355	0	0.0%
Interfund Charges	(62,198)	(62,198)	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>311,013</u>	<u>310,613</u>	<u>(400)</u>	<u>-0.1%</u>
<b>Development Review &amp; Permitting</b>				
Personnel Services	2,364,490	2,364,490	0	0.0%
Supplies & Materials	110,756	314,800	204,044	184.2%
Maintenance & Services	167,230	161,730	(5,500)	-3.3%
Other Charges	39,750	39,750	0	0.0%
Interfund Charges	(91,822)	(91,822)	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>2,590,404</u>	<u>2,788,948</u>	<u>198,544</u>	<u>7.7%</u>
<b>Other General Government</b>				
Supplies & Materials	407,287	448,435	41,148	10.1%
Maintenance & Services	925,702	1,164,439	238,737	25.8%
Other Charges	334,700	995,692	660,992	197.5%
Capital Equipment	0	0	0	N/A
	<u>1,667,689</u>	<u>2,608,566</u>	<u>940,877</u>	<u>56.4%</u>

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>Sheriff's Department</b>				
Personnel Services	4,277,480	4,257,480	(20,000)	-0.5%
Supplies & Materials	361,014	351,014	(10,000)	-2.8%
Maintenance & Services	331,650	361,650	30,000	9.0%
Other Charges	29,500	29,500	0	0.0%
Capital Equipment	130,125	130,125	0	0.0%
	5,129,769	5,129,769	0	0.0%
<b>Emergency Services</b>				
Personnel Services	1,200,848	1,498,806	297,958	24.8%
Supplies & Materials	1,478,241	714,035	(764,206)	-51.7%
Maintenance & Services	192,608	192,700	92	0.0%
Other Charges	4,500	10,250	5,750	127.8%
Interfund Charges	(13,500)	(28,192)	(14,692)	108.8%
	2,862,697	2,387,599	(475,098)	-16.6%
<b>County Jail</b>				
Personnel Services	5,096,728	5,198,525	101,797	2.0%
Supplies & Materials	1,148,325	1,157,125	8,800	0.8%
Maintenance & Services	756,425	746,425	(10,000)	-1.3%
Other Charges	17,350	17,350	0	0.0%
Capital Equipment	0	0	0	N/A
	7,018,828	7,119,425	100,597	1.4%
<b>Fire Marshal's Office</b>				
Personnel Services	291,873	291,873	0	0.0%
Supplies & Materials	39,355	39,355	0	0.0%
Maintenance & Services	22,100	22,100	0	0.0%
Other Charges	35,325	35,325	0	0.0%
Capital Equipment	0	55,125	55,125	N/A
	388,653	443,778	55,125	14.2%
<b>Volunteer Fire &amp; Ambulance</b>				
Maintenance & Services	16,090	16,090	0	0.0%
Other Charges	5,792,491	5,746,863	(45,628)	-0.8%
	5,808,581	5,762,953	(45,628)	-0.8%
<b>Maintenance Dept</b>				
Personnel Services	840,684	840,684	0	0.0%
Supplies & Materials	24,945	21,096	(3,849)	-15.4%
Maintenance & Services	68,460	72,309	3,849	5.6%
Other Charges	410	410	0	0.0%
Capital Equipment	0	0	0	N/A
	934,499	934,499	0	0.0%
<b>Roads Department</b>				
Personnel Services	1,485,334	1,363,654	(121,680)	-8.2%
Supplies & Materials	142,725	142,860	135	0.1%
Maintenance & Services	477,452	477,119	(333)	-0.1%
Other Charges	1,300	1,000	(300)	-23.1%
Interfund Charges	(29,150)	(29,150)	0	0.0%
Capital Equipment	0	0	0	N/A
	2,077,661	1,955,483	(122,178)	-5.9%

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>Public Works Department</b>				
Personnel Services	444,319	444,319	0	0.0%
Supplies & Materials	21,015	19,640	(1,375)	-6.5%
Maintenance & Services	46,596	96,596	50,000	107.3%
Other Charges	2,880	2,880	0	0.0%
Interfund Charges	(120,577)	(120,577)	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>394,233</u>	<u>442,858</u>	<u>48,625</u>	<u>12.3%</u>
<b>Boat Landings</b>				
Supplies & Materials	75,000	75,000	0	0.0%
Maintenance & Services	6,850	6,850	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>81,850</u>	<u>81,850</u>	<u>0</u>	<u>0.0%</u>
<b>Health Department</b>				
Supplies & Materials	3,000	3,000	0	0.0%
Maintenance & Services	408,659	495,574	86,915	21.3%
Other Charges	4,085,660	4,053,365	(32,295)	-0.8%
Capital Equipment	0	0	0	N/A
	<u>4,497,319</u>	<u>4,551,939</u>	<u>54,620</u>	<u>1.2%</u>
<b>Mosquito Control</b>				
Personnel Services	35,796	35,796	0	0.0%
Supplies & Materials	1,046	1,130	84	8.0%
Maintenance & Services	13,120	25,470	12,350	94.1%
Other Charges	133,378	120,944	(12,434)	-9.3%
Capital Equipment	0	0	0	N/A
	<u>183,340</u>	<u>183,340</u>	<u>0</u>	<u>0.0%</u>
<b>Commission on Aging</b>				
Supplies & Materials	8,500	7,500	(1,000)	-11.8%
Maintenance & Services	284,265	269,744	(14,521)	-5.1%
Other Charges	636,344	651,865	15,521	2.4%
Capital Equipment	0	0	0	N/A
	<u>929,109</u>	<u>929,109</u>	<u>0</u>	<u>0.0%</u>
<b>Social Service Groups</b>				
Personnel Services	0	0	0	N/A
Other Charges	515,623	515,464	(159)	0.0%
	<u>515,623</u>	<u>515,464</u>	<u>(159)</u>	<u>0.0%</u>

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>Board of Education</b>				
Personnel Services	59,510,675	59,412,888	(97,787)	-0.2%
Supplies & Materials	2,374,117	2,242,696	(131,421)	-5.5%
Maintenance & Services	6,035,398	6,281,571	246,173	4.1%
Other Charges	21,806,023	22,199,958	393,935	1.8%
Interfund Charges	(18,248,119)	(18,174,610)	73,509	-0.4%
Capital Equipment	398,735	524,660	125,925	31.6%
<b>Total Operating Budget</b>	<b>71,876,829</b>	<b>72,487,163</b>	<b>610,334</b>	<b>0.8%</b>
School Debt Service	9,184,403	9,170,792	(13,611)	-0.1%
<b>Total Operating &amp; Debt Service</b>	<b>81,061,232</b>	<b>81,657,955</b>	<b>596,723</b>	<b>0.7%</b>
<b>Wor-Wic Community College</b>				
Other Charges	1,441,762	1,425,120	(16,642)	-1.2%
Capital Equipment	0	0	0	N/A
	1,441,762	1,425,120	(16,642)	-1.2%
College Debt Service	36,141	36,043	(98)	-0.3%
<b>Total Operating &amp; Debt Service</b>	<b>1,477,903</b>	<b>1,461,163</b>	<b>(16,740)</b>	<b>-1.1%</b>
<b>Recreation Department</b>				
Personnel Services	610,548	545,417	(65,131)	-10.7%
Supplies & Materials	128,392	109,160	(19,232)	-15.0%
Maintenance & Services	154,924	162,635	7,711	5.0%
Other Charges	4,700	5,200	500	10.6%
Capital Equipment	0	0	0	N/A
	898,564	822,412	(76,152)	-8.5%
<b>Parks Department</b>				
Personnel Services	248,949	248,949	0	0.0%
Supplies & Materials	36,583	39,308	2,725	7.4%
Maintenance & Services	97,486	90,735	(6,751)	-6.9%
Other Charges	445	575	130	29.2%
Capital Equipment	0	0	0	N/A
	383,463	379,567	(3,896)	-1.0%
<b>Library</b>				
Personnel Services	1,528,446	1,528,946	500	0.0%
Supplies & Materials	380,600	383,100	2,500	0.7%
Maintenance & Services	316,549	348,395	31,846	10.1%
Other Charges	7,000	8,000	1,000	14.3%
Capital Equipment	0	0	0	N/A
	2,232,595	2,268,441	35,846	1.6%
<b>Recreation &amp; Culture</b>				
Other Charges	0	0	0	N/A
	0	0	0	N/A

	2010/2011 Approved	2011/2012 Requested	(\$) Difference (%)	
<b>Extension Service</b>				
Personnel Services	0	0	0	N/A
Supplies & Materials	20,049	19,749	(300)	-1.5%
Maintenance & Services	23,470	23,770	300	1.3%
Other Charges	129,358	129,358	0	0.0%
Capital Equipment	0	0	0	N/A
	<u>172,877</u>	<u>172,877</u>	<u>0</u>	<u>0.0%</u>
<b>Natural Resources</b>				
Supplies & Materials	2,500	2,500	0	0.0%
Other Charges	380,450	465,130	84,680	22.3%
	<u>382,950</u>	<u>467,630</u>	<u>84,680</u>	<u>22.1%</u>
<b>Economic Dev. Department</b>				
Personnel Services	111,058	111,058	0	0.0%
Supplies & Materials	683,625	318,325	(365,300)	-53.4%
Maintenance & Services	12,900	15,400	2,500	19.4%
Other Charges	7,553	8,053	500	6.6%
Capital Equipment	0	0	0	N/A
	<u>815,136</u>	<u>452,836</u>	<u>(362,300)</u>	<u>-44.4%</u>
<b>Tourism Department</b>				
Personnel Services	121,090	192,918	71,828	59.3%
Supplies & Materials	206,576	131,269	(75,307)	-36.5%
Maintenance & Services	324,640	344,345	19,705	6.1%
Other Charges	84,300	74,800	(9,500)	-11.3%
Capital Equipment	0	0	0	N/A
	<u>736,606</u>	<u>743,332</u>	<u>6,726</u>	<u>0.9%</u>
<b>Taxes Shared W/Towns</b>				
Other Charges	13,304,763	13,305,419	656	0.0%
	<u>13,304,763</u>	<u>13,305,419</u>	<u>656</u>	<u>0.0%</u>
<b>Grants to Towns</b>				
Other Charges	4,784,500	6,137,859	1,353,359	28.3%
	<u>4,784,500</u>	<u>6,137,859</u>	<u>1,353,359</u>	<u>28.3%</u>
<b>Insurance &amp; Benefits</b>				
Maintenance & Services	10,000	10,000	0	0.0%
Health, OPEB & Other	14,091,365	15,082,605	991,240	7.0%
	<u>14,101,365</u>	<u>15,092,605</u>	<u>991,240</u>	<u>7.0%</u>
<b>Debt Service</b>				
Interfund Charges	11,005,675	10,987,942	(17,733)	-0.2%
Less: Alloc. Brd of Ed Debt	(9,184,403)	(9,170,792)	13,611	-0.1%
Less: Alloc. Wor-Wic Debt	(36,141)	(36,043)	98	-0.3%
	<u>1,785,131</u>	<u>1,781,107</u>	<u>(4,024)</u>	<u>-0.2%</u>
<b>Interfund</b>				
Interfund Charges	136,863	0	(136,863)	-100.0%
	<u>136,863</u>	<u>0</u>	<u>(136,863)</u>	<u>-100.0%</u>
<b>TOTAL EXPENDITURES</b>	<b>163,205,811</b>	<b>166,108,791</b>	<b>2,902,980</b>	<b>1.8%</b>