

# Town of New Market

## Budget Report Fiscal Year 2015

### Summary

The FY' 15 budget anticipates revenue of \$579,905.00. This is an increase of \$47,632.00 over the FY '14 budget. This increase is mostly attributable to increases in Real Property Tax revenue. Anticipated expenses have increased by \$37,359.00 over the FY '14 budget. Total FY'15 expenditures are budgeted to be \$379,469.00. This is mostly attributable to increases in Waste Collection (\$21,088.00) and Legal fees (\$10,000.00). Waste Collection has increased disproportionately due to the fact that per household waste has increased 10lbs/week. Legal fees have been budgeted higher in anticipation of more legal action from Friends of Frederick County and Cleanwater Linganore. This leads to excess revenue of over expenditures (Unappropriated Reserve) of \$200,436.00. This is a \$3,489.00 increase from last year's budget.

**The Town is not raising your taxes. Our policy is to expand and diversify our tax base.**

The greatest threat to the Town's finances is the size of its tax base. Specifically, we have depended too much on State monies such as Highway User Revenue, Income Taxes and Tax Equity from the County. Due to State cut backs, the Town has lost as much \$30,000 in SHUR over the last few years. Likewise, the State took a share of our local portion of Income Tax a couple of years ago. The previous Board of County Commissioners significantly cut back our Tax-Equity revenue. This year the new BOCC increased our Tax-Equity share by more than \$76,000.00 this year as compared to final year of the previous County Board. Since it is uncertain that future County Boards will be this generous, the Town can not simply assume it will receive an extra \$76,000.00 annually in Tax Equity. Further, once the Orchard is built out, we will no longer receive the \$1,000 per unit impact fee. Thus if you deduct the Tax Equity and the Developer Contributions from our budget, that would lead to an Unappropriated Reserve of only \$105,436.00.

We should remember that this is a cash budget. Our Unappropriated Reserve must cover the cost of amortization of our roads and other infrastructure. Taking from the fiscal impact study conducted for the Smith-Cline annexation we know that once all our current subdivisions are completed total annual amortization costs will be \$112,766.00. The current amount based on our road inventory is \$89,259.00. Thus we are only covering total operating and amortization costs by \$16,177.00. This does not include \$5,575.00 of anticipated street maintenance and snow and ice removal for Main St. once Streetscape is completed. This decreases that figure to \$10,602.00. The study predicts without Smith-Cline the Town should cover these costs by \$19,336.00 and \$134,464.00 with Smith-Cline. Thus you can see that this annexation provides a greater cushion for future expenses.

## Town of New Market Budget Report Fiscal Year 2015 -- continued

It should be particularly noted that the amortization cost for Main St. is \$37,809.00 once Streetscape is completed. This accounts for 37% of road, curb & Gutter and sidewalk amortization costs. Streetscape is a \$4.9 million State project that will repair drainage, landscaping and make our sidewalks ADA compliant. The Town must by law make the Historic District sidewalks ADA compliant. The Town does not have \$4.9 million for these repairs. However, in exchange for this project, the Town must take ownership of Main St. Although Streetscape is not commenced, it is due to start within the next year. Therefore we have included it in our capital budget. The Town's road inventory is provided in the table below.

	<u>Total</u> <u>Miles</u>	Current <u>Inventory</u>	%	Annual Cost <u>Roads</u>	Current <u>Amount</u>	Annual Cost <u>Curb &amp;</u> <u>Gutter</u>	Current <u>Amount</u>	Annual Cost <u>Sidewalks</u>	Current <u>Amount</u>
Sponseller's	0.52	0.52	1.00	1,624.00	1,624.00	0.00	0.00	0.00	0.00
Royal Oaks	1.63	0.65	0.40	8,172.00	3,258.77	9,210.00	3,672.70	4,580.00	1,826.38
Brinkley Manor	1.01	1.01	1.00	3,948.00	3,948.00	5,770.00	5,770.00	7,195.00	7,195.00
The Orchard	1.23	0.56	0.46	4,636.00	2,110.70	7,215.00	3,284.88	7,060.00	3,214.31
Alleys & Parking Lot	1.74	1.74	1.00	3,188.00	3,188.00	0.00	0.00	0.00	0.00
Hazelnut (w/o bridge)					0.00		0.00		0.00
Parkway Bridge					0.00		0.00		0.00
Main St.	1.10	1.10	1.00	11,824.00	11,824.00	5,035.00	5,035.00	20,950.00	20,950.00
Total	7.23	5.58		33,392.00	25,953.47	27,230.00	17,762.58	39,785.00	33,185.69

**Many new residents may not know that the New Market Shopping Center (Food Lion, CVS Pharmacy, Citgo, Duncan Donuts, etc...) is not actually in the town. We do not collect one penny from this development.** If the Town is to pass along an economically viable and commercially and residentially vibrant town that preserves our history and cultural identity to future generations, we must have both a sound financial and comprehensive plan. This requires thinking long term and not becoming complacent with the status quo. Moreover, if the Town wants to increase its level of public safety and host first class special events, and engage in more proactive economic development to deliver better shops and restaurants as well as park facilities the Town has no other option than to expand its commercial tax base both within the current town where possible and through annexation. Else, the town is in danger of becoming a small town surrounded by

## **Town of New Market Budget Report Fiscal Year 2015 -- continued**

larger county development. This can only be expected, as we are located off a major interstate interchange. Thus, we will always be confronted with pressure for development. This is why the Smith-Cline-Delaplaine annexation is so important. This budget recognizes that inevitability. As such, it is also consistent with our Master Plan. **The goals of our Master Plan are consistent with our budget.**

An example of expanding our tax base through annexation is Adventure Park. This property has provided between \$60,000.00 to \$70,000.00 annually over the last three years. Had we not been successful in annexing it, our financial situation during those years would have been much more dire. Currently, Friends of Frederick County (Janice Wiles), Cleanwater Linganore (Betsy Smith) and RALE (Pam Abramson) are challenging our ability to expand our tax base through annexation. They are trying to collect enough signatures to force a referendum. Their desire is for the residents to overturn the annexations. If this happens the Town will be surrounded by County development with no control and no tax base.

The Town develops its budget very conservatively. This is particularly evident in anticipated revenues. Since the Town must adopt a balanced budget, this builds in an automatic constraint on spending. The Town provides for the basic needs of small town government such as General Administration, Public Safety and Public Works. The Town spends very little comparatively on Recreation and Culture. For example while the Town has spent as much as \$6,000.00 in previous years on New Market days and Christmas in New Market combined the City of Brunswick spends \$28,000.00 on its Railroad Days alone.

The Town's operating budget is a cash budget. It does not take into account amortization of long-term capital outlays on infrastructure such as roads, drainage systems and other structures. As part of the Smith, Cline and Delaplaine annexations, the Town conducted a fiscal impact study. This study used a capital asset worksheet that the Town's Engineer, Wilson T. Ballard, prepared. It concludes that when the exiting villages (Sponseller's, Historic District, Royal Oaks, Brinkley Manor and The Orchard) are completed, the Town will have \$112,766.00 in annual amortization costs. None of the roads in Royal Oaks and Brinkley Manor have been dedicated to the Town. Only .56 miles of roads in The Orchard have been transferred to the Town. However, all of the roads in Brinkley Manor are anticipated to be transferred in FY '15. It is anticipated that roads in Royal Oaks and The Orchard will also likely be transferred in FY '15. Given the Town's proposed budget, it is not recommended that FY '15 Unappropriated Reserve fall below \$112,776.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

**Revenues**

Amusement Tax

The Amusement Tax collections through March are \$73,618.00. This is about the same amount as this time last year. Last year's fourth quarter collections were \$24,990.00. FY '13 collections were 93,752.00. If fourth quarter collections this year is equivalent to last years we will collection roughly the same as last year. This budget proposes \$90,000.00 in Amusement Tax revenue.

Real Property

Current year real property taxes collected is \$162,706.00. The Constant Yield Tax Rate Certification provided by SDAT estimates net assessable base for July 2014 at \$143,692,864.00. At the current real property tax rate of \$.12/100, real property tax revenue should be \$172,431.00. The Town has grown by 47 new homes to date this year. The Town has 19 more homes in the Orchard and 5 in Brinkley Manor. Royal Oaks has grown by 7 new homes in FY '14. Assuming M&S and DR Horton will sell all its remaining homes and Oak Hill Properties sells 7 new homes again this year, the Town estimates it will grow by 31 homes in FY '15. The County bills real property taxes every six months on July 1 and January 1. Further, the billings in January are on a pro-rata basis. The sale prices for Royal Oaks, Brinkley Manor and the Orchard range from \$350k to over \$500k respectively. This budget assumes a conservative \$350k average. Assuming a home is equally likely to sell in any one month of the fiscal year, the additional real property tax realized in FY '15 from the sale of one new home would be \$420.00 ( $\$350k \times .12 / 100$ ) or \$13,020. However, only half will be billed at the full year amount and the other will be billed at half-year assessment. Thus, real property tax revenue attributable to new construction is \$9,765.00. This brings the total Real Property revenue to \$182,196.00 The Constant Yield Certification is provided on the next page.

# Town of New Market Budget Report Fiscal Year 2015 -- continued

State of Maryland  
Department of Assessments and Taxation

February 14, 2014

## 2014 Constant Yield Tax Rate Certification

Taxing authority: New Market  
in Frederick County

1	1-Jul-2013	Gross assessable real property base	\$ 140,634,300
2	1-Jul-2013	Homestead Tax Credit	- 989,000
3	1-Jul-2013	Net assessable real property base	139,645,300
4	1-Jul-2013	Actual local tax rate (per \$100)	x 0.1200
5	1-Jul-2013	Potential revenue	\$ 167,574
6	1-Jul-2014	Estimated assessable base	\$ 158,040,833
7	1-Jan-2014	Half year new construction	- 7,884,430
8	1-Jul-2014	Estimated full year new construction*	- 5,000,000
9	1-Jul-2014	Estimated abatements and deletions**	- 1,463,539
10	1-Jul-2014	Net assessable real property base	\$ 143,692,864
11	1-Jul-2013	Potential revenue	\$ 167,574
12	1-Jul-2014	Net assessable real property base	+ 143,692,864
13	1-Jul-2014	Constant yield tax rate	\$ 0.1166

# EXEMPT

Certified by

*Robert S. Young*  
Director

\* Includes one-quarter year new construction where applicable.  
\*\*Actual + estimated as of July 1, 2014, including Homestead Tax Credit.  
CYTR #1

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Unincorporated Personal Property

The Town has currently collected \$392.00 in Unincorporated Personal Property taxes. The Town only collected \$484.00 in Unincorporated Personal Property in FY '13. The amount is down from \$2,500.00 in FY '11. This budget proposes \$250.00

### Business Corporations

Current collections are only \$4,361.00 of \$5,249.00 budgeted. The Town does not receive these assessments from SDAT until April. The Town collected 7,494.00 in FY '12 and only \$4,255.00 in FY '13. This budget proposes \$4,500.00.

### Public Utilities

Current collections are only \$3,437.00 of the \$8,607.00 budgeted. The Town collected \$9,004.00 in FY '11, \$8,607.00 in FY' 12 and \$9,592 in FY '13. The Town will budget \$8,500.00 for FY '15.

### Bankshares

The Town collected \$73.00 in bankshares in FY '14. The Town budgets \$50.00 for FY '15.

### Penalties & Interest

The Town has not collected any penalty revenue in FY '13.

### Income Tax

The eleven-year average income taxes collected are \$123,783.00. FY '13 Income Tax revenue was \$180,839.00. This is attributable to the increased number of new homes in town. The Town has added 33 new homes to date this year. Current year collections are \$102,829.00 through 3 quarters of FY '14. It is not unusual to receive the largest disbursements in the last quarter of the fiscal year. From the table below one can see that the Town's has not collected less than \$111,000.00 over the past four years. There is a clear upward trend. This result was achieved in spite of an economic downturn that began in 2008.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

<u>Fiscal Year</u>	<u>Income Taxes</u> <u>Collected</u>
FY 2002	63,289.00
FY 2003	62,653.00
FY2004	64,099.00
FY 2005	86,080.00
FY 2006	117,740.00
FY 2007	114,063.00
FY 2008	104,059.00
FY 2009	90,740.00
FY2010	114,864.00
FY2011	111,986.00
FY2012	127,423.00
FY2013	180,839.00
Avg. (11 yrs)	123,783.50

The Town's inventory of new home lots is rapidly diminishing. This budget assumes only 24 new units for this fiscal year. The income required to qualify for a \$350k home is \$52,100, \$72,200 for a \$450k home and \$88,200 for a \$550k home. These incomes assume a 20% down payment and a rate of 5.5% along with a low debt to income ratio. The municipal share of the County portion of actual taxes paid is 17%. The County rate is 2.96%. Assuming that 75% of gross income is taxable, the minimum amount of income tax revenue each new home generates is \$197 ( $\$52,100 \times .75 \times .0296 \times .17$ ). However, this would be for taxes paid next April and therefore would not be recognized as income for the Town until FY '16. Thus, as you can discern, there is a lag between when expenses and revenues are realized. Specifically, services, such as waste collection, are paid out well before the majority of the revenue is received. This budget conservatively estimates FY '15 Income Taxes to be \$125,000.00.

Highways

The Town has received \$28,807.00 of the \$32,482.00 to date in FY '14. The Town collected \$8,327.00 in FY'13, \$9,846.00 in FY '11. It collected \$3,394.00 in FY '10. The State cut the local share by 90% in FY' 10. The Town collected \$43,000.00 in FY '08. Thus, the Town has lost over \$40,000.00 each year since FY' 10. This provides evidence that the Town must expand and diversify its tax base. The Town cannot be dependent on state and federal shared revenue for its economic viability. SHA has notified the Town it can expect \$10,356.00 in FY' 15.

# Town of New Market Budget Report Fiscal Year 2015 -- continued

Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor



James T. Smith, Jr., Secretary  
Melinda B. Peters, Administrator

December 30, 2013

Mayor Winslow F. Burhans III  
Town of New Market  
P.O. Box 27  
New Market, MD 21774

RE: Highway User Revenue Revised Estimates - Fiscal Years 2014 and 2015

Dear Mayor Burhans III:

The Maryland Department of Transportation has revised the estimated Highway User Revenues (HUR) for Fiscal Year 2014 and Fiscal Year 2015. This revision was based on an updated revenue forecast.

The revised HUR estimates for Town of New Market for Fiscal Years 2014 and 2015 are \$10,003.07 and \$10,356.45, respectively. Please note that these estimates are based on the most recent registration and mileage data on file. If a change to this data is anticipated for Fiscal Year 2015, you may want to adjust your internal HUR estimate accordingly.

If you have any questions or require further assistance, please feel free to contact Norly Belforti at (410) 545-5535 or me at (410) 545-5510.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Okey I. Odiammadu'.

Okey I. Odiammadu, Chief  
Accounting Operations Division  
Office of Finance

Cc: Mike Mikolajczyk, MDOT  
Bill Bertrand, SHA  
Norly Belforti, SHA

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Liquor Licenses

The State Assembly passed legislation during its 2013 session eliminating this revenue from municipalities.

### Town Business Licenses

Town business license renewals are billed at the end of each fiscal year. The Town collected \$1,450.00 in business licenses in FY' 10, \$1,366.00 in FY '11, \$2,534.00 in FY'12 and \$1,350 in FY '13. The current tax roll only indicates potential for \$500.00 in FY' 15.

### Traders Licenses

Trader's license revenue is 92% of the fee paid to the Clerk of the Circuit Court for annual trader's licenses renewals. Trader's licenses are billed late in each fiscal year. The Town collected \$1,092.00 in Traders License fees in FY '10, \$1,328.00 in FY' 11 but only \$103.00 in FY'12 and nothing in FY' 13. This year's collections to date are only \$15.00. The Town proposes to budget \$100.00 for FY '15.

### Cable TV (franchise) Fees

The Town has collected \$6,714.00 to date. Cable TV fees were \$5,667.00 in FY '08, \$5,312.00 in FY '09, \$5,578.00 in FY '10, \$6,078.00 in FY '11, \$4,835.00 in FY '12 and \$7,507.00 in FY '13. The fee is derived from the number of subscriptions to local cable TV (Comcast). This budget estimates \$6,500.00 for FY '15.

### City-County Tax Equity Program

The BOCC has generously provided \$87,803.00 in Tax Equity for FY'15. Under the current BOCC we have received \$78,902.00 in FY'14, and \$54,705.00 in FY'13. This is 10 times more than the \$7,996.00 the Town received from the previous BOCC. The Town should not rely on this amount on an annual basis, as a future BOCC may not be as generous.

### Subdivision Fees

The Town collected \$6,770.00 in subdivision fees in FY '13 and \$6,433.00 to date this year. This is mostly attributable to Miller and Smith (Orchard) and the New Market Commons project. As this project is completed over the next 12 months this revenue will sharply decline. This budget conservatively proposes \$5000.00 for FY' 15.

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### New Construction Permit Fees

The Town has only collected \$11,300.00 in new home construction fees to date in FY '14. This budget predicts 31 new homes in FY' 15. This represents potential revenue of \$7,750.00.

### Renovation Zoning and HDC Fees

These are fees collected for permit applications for home improvements. The Town collected \$1,150.00 in FY '11, \$2,725.00 in FY' 12 and \$3,600.00 in FY '13. The Town has collected \$3,125.00 to date in FY'14. As the Town grows the number of homes requiring renovation permits will also grow. This budget proposes \$2,000.00 for FY' 15.

### Orchard DRRA Contributions

As part of the Orchard DRRA, the developer agrees to pay \$1,000 per unit at the time each goes to settlement. To date the Town has collected \$27,000.00. The Town anticipates this revenue for the 19 remaining homes this year. This yields \$19,000.00 for FY' 15. Once these last homes are sold, this revenue item will be eliminated.

### Sales of Maps & Publications

This is an insignificant portion of the budget.

### Interest & Dividends

The Town received \$5,353.00 interest revenue in FY' 13. The Town anticipates \$5,400 in interest revenue for FY '15.

### Rents & Concessions

The Town has decided not to rent the upstairs apartment.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

**Expenditures**

ADA Survey

The Town is required under Title III of the Federal ADA Law to conduct a survey of our facilities for compliance. The Town has budgeted \$5,000.00 for this task.

Advertising

Current FY '14 advertising expenditures are \$3,987.00. This is \$1,987.00 over budget. This is attributable to the additional public hearing advertising for Smith-Cline and Delaplaine. These expenses will be offset by monies set to be paid to the Town by Miller & Smith, if and when the annexations become effective. This budget proposes \$2,000.00 for advertising.

Auditing & Accounting

This year's auditing contract is \$9,710.00. However, I highly recommend quarterly reviews in order to catch problems early. The cost for three quarters ending 9/30, 12/31 & 3/30 would be \$1,800.00. The cost to outsource payroll is \$75.00 per pay period or \$1,950.00 annually. This brings the total auditing and accounting amount to \$13,460.00.

Board of Zoning Appeals

The Town has incurred \$707.00 of the \$850.00 budgeted for cases heard this year. The Zoning and HDC fees offset this expense. The Town will budget the same amount (\$850.00) as in FY '14.

Clerk's Salaries

The service provided by the Town Office may be perhaps the most essential of all Town functions. The Town recognizes the need to retain those who provide this service. Thus, this budget proposes a 4% increase of 2,657.00 for a total amount of \$69,093.00.

Unemployment Insurance

This amount is unchanged from last year's budget.

Social Security & Medicare

This amount is simply a function of total salaries.

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Engineering

This line item is established for the purpose of miscellaneous engineering. This entails examining and investigating problems that may arise in a capital asset. It also includes costs incurred for studies such as the development of the Capital Asset Worksheet and Traffic Studies, preparation of RFP's and other analysis as needed. The Town has spent \$5,022.00 of the \$6,000.00 budgeted in FY '14. There will likely be additional expenses incurred related to developing costs for this year's CIP. This budget proposes an appropriation of \$7,500.00.

### Conferences & Continuing Education

The Town should encourage board members to attend pertinent conferences for educational purposes. The Town has not spent any of the FY '14 appropriation. The Town will budget \$250.00 again this year.

### Donations

The Town is currently \$75 under budget. The Town proposes to budget \$250.00 for FY15.

### Dues & Subscriptions

The Town has spent \$4,937.00 to date. This is \$2,237.00 over budget. We have incurred over \$1,200.00 in copier fees mostly attributable to FOIA requests from Friends of Frederick County. So that all costs for the copier/printer will be under the same line item, the cost of the copier maintenance (\$400.00) will be moved to the line item Office Supplies & Technology. The Town proposes to budget \$5,000.00 in FY '15 for Dues & Subscriptions in anticipation of more FOIA requests.

### Employee Benefits

The Town does not currently offer employee benefits.

### General Maintenance Labor

The Town has currently spent \$3,783.00 on this item. That is \$2,148.00 over budget. This is attributable to the \$2,260.00 for installing electrical service to the Fire Pond in anticipation of a future fountain to mitigate duckweed. The Town proposes to budget \$1,500.00 for FY '15.

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### General Maintenance Supplies

The Town has currently spent \$95.00 of \$250.00 budgeted. The Town proposes to budget \$250.00 for FY '15.

### HDC Guidelines

The Town has not spent any money on this activity in FY '14. A modest amount of \$250.00 may be needed to develop guidelines if the Food Lion annexation is completed.

### HDC/ARC Administrative Approvals

The Town has not engaged in this activity yet.

### Insurance

The Town paid LGIT \$2,527.00 in premiums in FY '14. The Town proposes \$3,100.00 for this budget. LGIT has not advised the Town of anticipated premiums for FY '15.

### Legal Council

The Town has incurred \$34,716.00 in legal fees to date in FY '14 to date. This is \$4,716.00 over budget. This is most attributable to the Friends of Frederick County lawsuit and the annexations. It is important to note that there is \$90,000.00 set aside in the Smith-Cline Annexation agreement in order to pay all expenses related to the annexation including defending another anticipated lawsuit by Friends of Frederick County and Cleanwater Linganore. However, this money is only collectable once the Town gets by any referendum and the annexation becomes effective. In anticipation of continued legal challenges from Friends of Frederick County and Cleanwater Linganore, the Town budgets \$40,000.00 for FY '15.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

<u>Fiscal Year</u>	<u>Legal Fees</u>
FY 2002	22,522.00
FY 2003	15,626.00
FY2004	26,229.00
FY 2005	17,517.00
FY 2006	12,033.00
FY 2007	58,919.00
FY 2008	20,367.00
FY 2009	17,658.00
FY 2010	17,550.00
FY 2011	38,379.00
FY 2012	30,544.00
FY 2013	38,151.00
Avg. (12 yr.)	35,055.00

Mayoral Expense Account

No recommended change. The Mayor generally shares this account with P&Z and HDC.

Mayoral Salary

No change has been made.

Municipal Building Utilities

The Town has spent \$3,610.00 to date; a similar amount as the same time last year. It spent \$4,847.00 in FY '12 and \$4,877.00 in FY '13. The Town proposes to budget \$5,000.00 for FY '15.

MML Meeting

The Town budgets \$200.00 annually to host one Frederick County Chapter of the MML meeting.

Office Supplies & Technology

The Town has spent \$7,811.00 to date. That is \$376.00 over budget. The Town spent \$4,217.00 in FY '12. The Town budgets \$8,000.00 for FY15.

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Planning Commission Master Planner

The Town has only spent \$2,590.00 to date. That is \$3,710.00 under budget. The Town incurs \$150/month for attending P&Z meetings and \$50/hour for writing Master Plans. Other planning services are generally charged as an administrative fee to the applicant (see subdivision fees above). The Town proposes to budget \$1,800.00 for P&Z meetings and 90 hours @ \$50/hour to complete the 2014 Master Plan and related activities. This is a total of \$6,300.00.

### Permits & Inspections

The Town has currently spent \$2,320.00 on this activity. This is \$1,080.00 under budget. Permits and Inspections expenditures depend upon the level of building activity. These costs are related to and offset by the New Construction and Renovation Fees. The fee revenue generally just offsets the cost to the Town for the activity. This is not a profit center. Building activity is increasing, the Town should budget a similar amount as in FY '15 (\$3,400.00).

### Code Enforcement Officer

Currently the Town has spent \$115.00. The Town proposes to budget \$2,000.00 for FY '15.

### Printing

With the lease of the new copier/printer, our printing needs should be met with the in-house equipment instead of outsourcing. This line item will be combined with Office Supplies and Technology.

### Public Restroom Labor

It is not anticipated that this will cost more than in previous years with the current cleaner.

### Public Restroom Supplies

The Town has not spent any money on this item to date. This is \$250.00 under budget. The Town proposes to budget \$250.00 for FY '15.

### Telephone

The Town has spent \$1,299.00 on telephone charges in FY '14 to date. The Town spent \$1,961.00 in FY '12. The Town proposes to budget \$2,000.00 for FY '15.

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Tourism

The Town has budgeted \$500.00 for Tourism. This is mainly for the purpose of joining the Frederick County Chamber of Commerce. This will provide networking opportunities that will benefit both government and businesses. Further, it will allow us to participate in energy co-opting opportunities.

### Website/Newsletter

This is now handled in-house with the acquisition of the new copier.

### Workman's Compensation

The workman's compensation quote for FY '15 is \$723.00.

### Age 65 Rebate.

The Town budgets \$500.00 in FY '15.

### Electric for Fire Pond

This item has been eliminated.

### Police Protection

This year's tax equity provides \$10,400.00 for police protection.

### Volunteer Fire Department

The NMFVD appropriation has been \$2,000.00 for many, many years. As the town has grown, this contribution has not. The County is provided \$15,000 to the NMVFD in FY' 14. That is 9.8 cent per \$1,000 of assessed base for the out of town portion of NMVFD's service area. Applying the same ratio to the in-town assessed base provides \$14,508.00 for FY' 15. This formula will allow NMVFD contributions for vital services to grow as the town grows. Thus, there is a direct benefit to the NMVFD anytime the town annexes a new property.

### Mowing

The mowing contract for this season is \$7,168.00.

## Town of New Market Budget Report Fiscal Year 2015 -- continued

### Snow & Ice Removal

The Town spent \$17,893.00 in FY '10, \$15,668.00 in FY' 11 and \$1,325.00 in FY '12, \$6,007.50 in FY '13 and \$20,532.00 in FY '14. This covered snowstorms of historic proportions in FY 10 as well as in FY '14 and an unusually cold winter for FY '11. Due to the recent significant increases in Snow Removal expenditures over the last two years, the Town conducted a more sophisticated statistical analysis to find an amount that is with a 95% confidence interval. We can predict with 95% confidence that expenditures on snow removal will be between \$2,293.00 and \$8,918.00. The analysis is provided in the table below. The Town proposes to budget \$13,565.00.

Fiscal Year	Snow Expenditures
FY 2001	1,617.00
FY 2002	10,358.00
FY2003	5,242.00
FY 2004	3,441.00
FY 2005	2,815.00
FY2006	4,584.00
FY 2007	3,587.00
FY2008	3,528.00
FY2009	17,893.00
FY 2010	13,867.00
FY 2011	15,668.00
FY2012	1,325.00
FY2013	6,007.00
FY2014	20,532.00
Avg (13 yr)	6,917.85
Significance Level (95%)	0.05
Standard Deviation ( $\sigma$ )	6,499.83
Sample Size	13.00
Confidence Factor	3,533.29
Confidence Interval	\$10,032 + or - \$3,533

# **Town of New Market**

## **Budget Report Fiscal Year 2015 -- continued**

### Street Maintenance

The Town has spent \$4,891.00 of the \$5,000.00 on this item in FY '14 to date. Thus, the Town proposes to budget \$5,000.00 for this item.

### Sidewalk Maintenance

The Town spent \$3,617.00 for on sidewalk repair in FY '14. In anticipation of Streetscape in the Town does not anticipate any more expenditure for this item.

### Street & Park Lighting

The Town has spent \$4,770.00 thus far in FY '14. The Town spent \$5,494.00 in FY' 10, \$5,913.00 in FY '11, \$5,787.00 in FY '12 and \$6,147.00 in FY '13. There has been a slight upward trend (approximately 3% per year). The Town proposes to budget \$6,550.00 in FY '15.

### Tree Management

The Town has spent \$4,891.00 to date in FY '14. The Town spent \$2,965.00 in FY'10, \$2,000.00 in FY '11, \$2,927.00 in FY '12 and \$5,840.00 in FY'13. The large number in FY '13 was attributable to programmed tree trimming along Main St. and one large tree removal. The Town proposes to budget \$4,000.00 in FY '15.

### Recycling

The County provides recycling services.

### Waste Collection

The Town began the fiscal year with 389 units disposing trash and currently has 436 units disposing trash. The Town anticipates growing by 31 units or 2.5 units per month in FY' 15. Current landfill billing data indicates that each household is putting out 61.46 lbs/wk. That is 10.23 lbs/wk more than last year. The Town's trash ordinance allows 70 gallons per household per week. That equates to 40 lbs/household/week. The Town is growing a rate of 2.5 homes per month. Assuming the new units come online in equally each month, annual waste collection can be broken down per the table below. This table does not include bulk trash collection.

## Town of New Market Budget Report Fiscal Year 2015 -- continued

### Projected FY '15 Waste Collection

		Collection	Collection	Lbs/week Per <u>Household</u>	Projected Monthly <u>Tonnage</u>	Landfill Rate	Monthly <u>Amount</u>	Total Monthly Waste <u>Collection</u>
Existing	436.00			61.46				
July	438.50	12.24	5,367.24	61.46	58.35	76.25	4,448.97	9,816.21
August	441.00	12.24	5,397.84	61.46	58.68	76.25	4,474.34	9,872.18
Sept	443.50	12.24	5,428.44	61.46	59.01	76.25	4,499.70	9,928.14
Oct	446.00	12.24	5,459.04	61.46	59.35	76.25	4,525.07	9,984.11
Nov	448.50	12.24	5,489.64	61.46	59.68	76.25	4,550.43	10,040.07
Dec	451.00	12.24	5,520.24	61.46	60.01	76.25	4,575.80	10,096.04
Jan	453.50	12.24	5,550.84	61.46	60.34	76.25	4,601.16	10,152.00
Feb	456.00	12.24	5,581.44	61.46	60.68	76.25	4,626.53	10,207.97
March	458.50	12.24	5,612.04	61.46	61.01	76.25	4,651.89	10,263.93
April	461.00	12.24	5,642.64	61.46	61.34	76.25	4,677.26	10,319.90
May	463.50	12.24	5,673.24	61.46	61.67	76.25	4,702.62	10,375.86
June	467.00	12.24	5,716.08		62.14	76.25	4,738.13	10,454.21
Total			66,438.72				55,071.91	121,510.63

#### Grants to Businesses

Eliminated.

#### Town Library

No proposed spending at this time. The Town contemplates a small community library in its Municipal Growth Element if the Franklin Smith home is donated to the Town as part of a potential Smith-Cline-Delaplaine annexation.

#### New Market Days

Traditional amount of \$3,000.00 is initially proposed. New Market Days and Christmas in New Market have both been placeholders for Town Special Events that are not either New Market Days or Christmas in New Market. Rather, these are small events that are more manageable for the current size of the business community.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

Christmas in New Market

The Christmas in New Market Committee for 2011 has not been formed. The traditional appropriation is \$3,000.00.

Parks & Recreation

The Town spent \$760.00 in FY'12, \$1,302.00 in FY'13 and \$5,564.00 FY' 14. This would attributable to repair drainage around the play areas. The Town proposes \$2,000.00 for FY'15.

**Town of New Market**  
**Budget Report Fiscal Year 2015 -- continued**

**Capital Improvement Program (CIP)**

The Town currently has \$1,099,407.00 in the bank. The Town does not have any capital projects for FY' 15. The Capital Improvement Program (CIP) proposes capital projects of \$927,500.00 for FY' 16. These are projects that are related to Streetscape and will be completed concurrently with that project. The CIP contains \$2,545,909.00 in road, curb & gutter and sidewalk projects that would not come due for a 20 to 50 year time period. This is simply a placeholder in order that this Town Council and future Town Councils account for this future needs. The difference of the Town's current cash balance and total CIP is shown as loans. This is alarm no one. As long as the Town's Unappropriated Reserve is greater than the \$112,766.00 projected in the fiscal analysis, the Town will have sufficient cash to pay for these future projects without borrowing money.

The Town has not executed the Streetscape MOU for pedestrian lighting and thus is not committed any spending for it. It is included in the CIP in order to properly plan for it.

Storm Drainage and Alley Repaving in the Historic District is planned to occur after the completion of streetscape. This is attributable to the changes in the grade of Main St. that is entailed in the drainage portion of streetscape. This should not be confused with the ordinary repair and maintenance proposed in the operating budget.

The Marley Street project is intended to widen Marley St. at Main St. to accommodate two lanes of traffic. This will allow it to become two ways rather than one way in only. This will divert traffic away from East Wainscot. The desire is not to have Marley Sq. traffic exit through the residential portion of Brinkley Manor.