



## **BUDGET REPORT**

# **FISCAL YEAR 2017**

*Prepared by: Mayor Winslow Burhans III &  
Debra Butler, Clerk-Treasurer*

## Summary

The FY '17 budget anticipates revenue of \$695,365. This is \$56,094 over the FY '16 budget. This increase is mostly attributable to an increase in Cable TV Franchise Fees, Income Tax, and Real Property Taxes. There is a decrease in Tax Equity (down \$5,770). There is also a decrease in Charges for Services, due mostly to the build out of the Orchard and the end of the DRRRA Developers Contribution of \$1,000 per unit along with the corresponding permit and subdivision fees. Anticipated expenses are projected to be \$470,862. This is an increase of \$56,965 over last year's budget. This is mostly attributable to increases in Snow & Ice Removal (\$9,704), Engineering (\$12,400), Sidewalk Maintenance (\$5,000), Town Planner (\$12,100), and additional clerical staff hours (\$11,357). This leads to excess revenue over expenditures (Unappropriated Reserve) of \$224,503. This is only \$871 less than last year's budget.

It should be noted that while revenues tend to increase linearly as the Town grows, expenses are more likely to spike at transition points when new staff or services are required for the population that establishes that transition and as infrastructure such as roads are transferred to the Town. The Town believes we are at a transition point as evidenced by the increases in clerical staff, planning and engineering and road maintenance and amortization. Expenses should now grow more linearly until we reach the next population transition point. The Town has collected data from other municipalities of varying sizes. We will examine this information in order better identify these transition points, services provided and resources needed to provide the services.

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

The Town is not raising its real or personal property rates. However, the amount you pay may go up periodically due to the increase in your property assessment. This is how the Town keeps up with inflation on its expenses.

The greatest threat to the Town's finances is the size of its tax base. In the past both the State and the County have made significant cuts to SHUR (\$36,042 in FY' 10) and Tax Equity (\$82,245 differential from FY' 12). Any shared revenue has a component of risk.

Our policy has been to expand our tax base such as not to be dependent on state and county government. However, the County has zoned land for development all around the Town. For example, **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

## Budget Report – Fiscal Year 2017 - continued

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 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 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 from \$90,000 to \$100,000 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 serious.

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 (not including Smith-Cline) are completed total annual amortization costs will be \$112,766 (\$100,407 Roads, \$12,359 Buildings). The current amount based on our road inventory (road inventory is a function of the number of homes completed in our new villages) is \$89,259 (\$76,900 Roads, \$12,359 Buildings). We are covering these amortization costs by \$133,293. If our Unappropriated Reserve reflected the previously mentioned losses of Tax Equity (\$82,245) and SHUR (\$36,042), the Town would only cover these expenses by \$15,006. Had we not annexed Adventure Park, we would have lost another \$90,000. We would then have a \$74,994 deficit on amortization costs. This demonstrates the importance of the Town's expand and diversify policy. It allows us to avoid raising taxes.

The Fiscal Impact Study predicts without Smith-Cline the Town should cover these costs by \$19,336 and \$134,464 with Smith-Cline. The reason these numbers are lower than current coverage is attributable to the fact the not all the roads in our villages have been transferred to the Town (see the table) as well as Main St. and all the homes have not been completed in Royal Oaks. The Town will approach another transition point when Royal Oaks is completed. It should also be noted that the Fiscal Impact Study assumed no Tax Equity.

It should be noted that the amortization cost for Main St. is \$37,809 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

## Budget Report – Fiscal Year 2017 - continued

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. The Town’s road inventory, including Main St., is provided in the table below.

	<u>Total</u>	Current		Annual	Current	Annual	Current	Annual	Current
	<u>Miles</u>	<u>Inventory</u>	<u>%</u>	<u>Cost</u>	<u>Amount</u>	<u>Cost</u>	<u>Amount</u>	<u>Cost</u>	<u>Amount</u>
				<u>Roads</u>		<u>Curb/Gutter</u>		<u>Sidewalks</u>	
Main St. Historic District Alleys/ Parking Lot	1.11	0.00	0.00	11,824.00	0.00	5,035.00	0.00	20,950.00	0.00
Sponseller's The Orchard	0.75	0.75	1.00	1,624.00	1,624.00	0.00	0.00	0.00	0.00
Brinkley Manor	1.22	1.22	1.00	4,636.00	4,636.00	7,215.00	7,215.00	7,060.00	7,060.00
Royal Oaks	1.05	0.00	0.00	3,948.00	0.00	5,770.00	0.00	7,195.00	0.00
Calumet Parkway (w/o bridge)	1.63	0.66	0.40	8,172.00	3,308.91	9,210.00	3,729.20	4,580.00	1,854.48
Parkway Bridge	6.59	0.00	0.00						
	1.86	0.00	0.00		0.00		0.00		0.00
	0.09	0.00	0.00		0.00		0.00		0.00
<b>Total</b>	<b>15.99</b>	<b>4.32</b>		<b>33,392.00</b>	<b>12,756.91</b>	<b>27,230.00</b>	<b>10,944.20</b>	<b>39,785.00</b>	<b>8,914.48</b>

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 in previous years on New Market days and Christmas in New Market combined, the City of Brunswick spends \$28,000 on its Railroad Days alone.

## **Revenues**

### ***Intergovernmental***

#### **City-County Tax Equity Program**

The BOCC has generously provided \$84,571 in Tax Equity for FY '17. This amount is \$5,670 less than the current fiscal year. However, the Town cannot rely on this amount on an annual basis, as this amount has seen large fluctuations (\$7,966 in FY '12 to \$90,241 in FY '16) according to who is currently serving at the county level.

### ***Licenses & Permits***

#### **Cable TV (franchise) Fees**

The Town has collected \$8,505 to date. Cable TV fees were \$7,507 in FY '13, \$9,037 in FY '14, and \$10,407 in FY '15; the fee is derived from the number of subscriptions to local cable TV (Comcast). As the number of households has increased, so have the cable franchise fees. Fees should remain similar to FY '16 for the coming fiscal year, as there are a limited number of homes expected in FY '17. This budget estimates \$10,000 for FY '17.

#### **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. There are currently 31 businesses on the tax roll that will be billed for FY '16. The Town collected \$1,350 in business licenses in FY '15, and \$1,250 in FY '14. This budget conservatively proposes \$750 for FY '17.

#### **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 \$870 in FY '14, \$1,520 in FY '15, and so far, \$658 in FY '16. The Town proposes to budget \$600 for FY '17. This is slightly under the three-year average of \$680.

### ***Local Taxes***

#### **Admission & Amusement Tax**

The Amusement Tax collections through April are \$72,992. This is about the same amount as this time last year. If the fourth quarter collection this year is equivalent

## Budget Report – Fiscal Year 2017 - continued

to last years, we will collect roughly the same amount (\$95,381) for this fiscal year. FY '14 collections were \$99,919, and FY '13 revenue was \$93,752. This budget proposes \$90,000 in Amusement Tax revenue.

### Bank Shares

The Town collected \$73 in bank shares in FY '14, FY '15, and FY '16. The Town budgets \$50 for FY '17.

### Business Corporations (Incorporated)

Current collections are \$9,905 The Town collected \$7,494 in FY '12, \$4,255 in FY '13, \$6,696 in FY '14, and \$7,191 in FY '15. This budget proposes \$5,000.

### Income Tax

The ten-year average income taxes collected are \$137,507. FY '15 Income Tax revenue was \$220,573. This is attributable to the increased number of new homes in town. Over the past three years, the Town has added forty-six new homes in FY '14, twenty-six new homes in FY '15, and an additional ten homes in FY '16. Current year collections are \$149,249 through three quarters of FY '16. It is not unusual for two of the largest disbursements to be received in the last quarter of the fiscal year. From the table below one can see that the Town has not collected less than \$111,000 over the past five years. There is a clear upward trend. This result was achieved in spite of an economic downturn that began in 2008.

<u>Fiscal Year</u>	<u>Income Taxes Collected</u>
FY 2007	114,063
FY 2008	104,059
FY 2009	90,740
FY 2010	114,864
FY 2011	111,986
FY 2012	127,423
FY 2013	180,839
FY 2014	192,778
FY 2015	220,573
Avg. (10 yrs)	137,507

The Town currently only has one development with available lots. This budget assumes only six (6) 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 at

## Budget Report – Fiscal Year 2017 - continued

the lowest income level for a new home is \$197 ( $\$52,100 \times .75 \times .0296 \times .17$ ). However, at the beginning of FY '16 (July 2015) there were 462 homes in New Market. We collected \$220,573 in Income Taxes for FY '15. This yields \$477/home. Thus, using the lowest income grossly underestimates Income Tax Revenue. There are currently 472 homes in New Market, with a projected six new homes being added in FY '17. This budget estimates FY '17 Income Taxes to be \$228,006 or \$477/home.

### **Personal Property (Unincorporated)**

The Town has currently collected \$704 in Unincorporated Personal Property taxes. The Town collected \$713 in Unincorporated Personal Property in FY '15, \$393 in FY '14, and \$484 in FY '13. This budget proposes \$250.

### **Railroad & Public Utilities**

Collections for FY '16 are \$9,967. This is slightly less than the collected amount of \$10,207 in FY '15. The Town collected \$9,004 in FY '11, \$8,607 in FY '12, \$9,592 in FY '13, and \$10,207 in FY '14. The Town will budget \$9,000 for FY '17.

### **Real Property**

The current year real property taxes collected are \$206,025. The Constant Yield Tax Rate Certification provided by SDAT estimates net assessable base for July 2016 at \$175,794,080. At the current real property tax rate of \$.12/100, real property tax revenue should be \$210,953. The Town has grown by ten new homes to date this year. The Town has no more homes in the Orchard or Brinkley Manor subdivisions. With construction in Calumet still in the future, the Town estimates it will grow by six (6) homes in FY '17. 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 price for a home in Royal Oaks is approximately \$500K. This budget assumes a conservative \$400K 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 '17 from the sale of one new home would be \$480 ( $\$400k \times .12 / 100$ ) or \$2,880 for the six new homes projected. 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 \$2,160. This brings the total Real Property revenue to \$213,113. The Constant Yield Certification is provided on the next page.

# Budget Report – Fiscal Year 2017 - continued

State of Maryland  
Department of Assessments and Taxation

February 12, 2016

## 2016 Constant Yield Tax Rate Certification

Taxing authority: **New Market  
in Frederick County**

1	1-Jul-2015	Gross assessable real property base	\$	172,667,100
2	1-Jul-2015	Homestead Tax Credit	-	493,433
3	1-Jul-2015	Net assessable real property base		172,173,667
4	1-Jul-2015	Actual local tax rate (per \$100)	x	0.1200
5	1-Jul-2015	Potential revenue	\$	206,608
6	1-Jul-2016	Estimated assessable base	\$	181,962,632
7	1-Jan-2016	Half year new construction	-	3,163,600
8	1-Jul-2016	Estimated full year new construction*	-	1,500,000
9	1-Jul-2016	Estimated abatements and deletions**	-	1,504,952
10	1-Jul-2016	Net assessable real property base	\$	175,794,080
11	1-Jul-2015	Potential revenue	\$	206,608
12	1-Jul-2016	Net assessable real property base	÷	175,794,080
13	1-Jul-2016	<b>Constant yield tax rate</b>	\$	<b>0.1175</b>

# EXEMPT

Certified by



Director

\* Includes one-quarter year new construction where applicable.  
\*\*Actual + estimated as of July 1, 2016, including Homestead Tax Credit.  
CYTR #1



## **Budget Report – Fiscal Year 2017 - continued**

### ***Miscellaneous Revenue***

#### **Interest & Dividends**

The Town received \$3,151 interest revenue in FY '15. Cash funds earn a nominal interest rate and a large portion of the cash funds will be disbursed in FY '16 and FY '17 for the Streetscape and Marley Street Widening projects. Funds in the Certificate of Deposit should remain the same. This budget proposes \$3,000 for FY '17.

### ***Service Charges for Current Services***

#### **Developer's Contributions – The Orchard**

The Orchard development is complete; therefore this line item has been eliminated.

#### **New Construction Permit Fees**

The Town has only collected \$2,500 in new home construction fees to date in FY '16. As of now, the only new home permits in FY '17 will be for the Royal Oaks subdivision. In FY '11 they added three homes, two homes in FY '12, five homes in FY '13, eleven homes in FY '14, and nine in FY '15. So far there have been ten homes in FY '16. The six-year average for Royal Oaks new construction permits is six; therefore, this budget proposes \$1,500 for new construction permits in FY '17.

#### **Renovation Zoning and HDC Fees**

These are fees collected for permit applications for home improvements. The Town collected \$1,150 in FY '11, \$2,725 in FY '12, \$3,600 in FY '13, \$4,675 in FY '14, and \$4,250 in FY '15. The Town has collected \$1,950 to date in FY '16. Many of the renovation permits in the last several years, have been for decks and fences in the new neighborhoods. Since, new construction is slowing down for now, this budget proposes \$1,500 for FY '17.

#### **Sales of Maps & Publications**

This is an insignificant portion of the budget.

#### **Subdivision Admin Fees**

The Town collected \$6,770 in subdivision fees in FY '13, \$7,482 in FY '14, and \$4,906 in FY '15. To date this year, we have received \$10,225. This increase is attributed to the review of the Calumet Master Plan and Preliminary Plat. Next year, developments needing reviews will include Royal Oaks, Marley Square and Calumet. This budget proposes \$6,400 for FY '17.

## Budget Report – Fiscal Year 2017 - continued

### State Shared Taxes

#### Governor's FY '16 Transportation Grant

Governor Hogan has proposed transportation funding for FY '17 for the municipalities. New Market is expected to receive \$29,978.

#### Highways

To date, the Town has received \$9,535 of the \$11,025 budgeted in FY '16. The Town collected \$8,560 in FY '15, \$12,087 in FY '14, \$8,327 in FY '13, and \$9,846 in FY '11. It collected \$3,394 in FY '10. The State cut the local share by 90% in FY '10. The Town collected \$43,000 in FY '08. Thus, the Town has lost over \$40,000 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 \$11,647 in FY '17.

**SHA**  
State Highway  
Administration

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor

Pete K. Rahn, Secretary  
Gregory C. Johnson, P.E., Administrator

RECEIVED  
JAN 7 2016  
By *MS*

January 4, 2016

Ms. Debra J. Butler  
Clerk-Treasurer  
Town of New Market  
P.O. Box 27  
New Market, MD 21774

**SCANNED**  
*1/7/16 MS*

RE: Highway User Revenue Revised Estimates - Fiscal Years 2016 and 2017

Dear Ms. Butler:

The Maryland Department of Transportation has revised the estimated Highway User Revenues (HUR) for Fiscal Year 2016 and Fiscal Year 2017. This revision was based on an updated revenue forecast.

The revised HUR estimates for Town of New Market for Fiscal Years 2016 and 2017 are \$11,576.45 and \$11,646.60, 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 2017, 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,

*Norly Belforti*  
Norly Belforti, Chief  
Accounting Operations Division  
Office of Finance

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

## **Expenditures**

### ***General Administration***

#### **Age 65 Rebates**

The Town budgets \$500 in FY '17.

#### **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 for this task.

#### **Advertising**

The current amount spent for advertising expenditures in FY '16 is \$141. In FY '14 expenditures were \$6,450. This was attributable to public hearing advertising for Smith-Cline & Delaplaine. Since the annexation became effective, these expenses have been billed to Miller & Smith. In previous years the advertising costs were as follows: \$1,389 in FY '10, \$1,230 in FY '11, \$650 in FY '12, \$3,713 in FY '13, and \$591 in FY '15. This budget proposes \$2,000 for advertising.

#### **Auditing & Accounting**

The amount expected for the FY '16 audit and quarterly reviews is expected to be \$11,790. The cost to outsource payroll is \$91.83 per pay period and year-end reporting brings the annual payroll costs to \$2,492. This budget proposes \$14,500 for FY '17.

#### **Board of Zoning Appeals**

The Town has incurred \$575 of the \$850 budgeted for cases heard this year. The Zoning and HDC fees offset this expense. The Town will budget the same amount (\$850) as in FY '14, FY '15 and FY '16.

#### **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 to the salaries for the Clerk to Council, Clerk Treasurer, and Town Admin Clerk. In addition, we are proposing an increase from 16 hours a week to 30 hours a week for the Town Admin Clerk. With the development of Calumet and the expansion of the Town, we have a greater demand of personnel and additional tasks that need to be addressed. These include but are not limited to a town database, continuation of ShoreScan cloud storage, more frequent website and social media updates, and the development of a records retention plan. The amount budgeted for FY '17 is \$99,096.

## Budget Report – Fiscal Year 2017 - continued

### Code Enforcement Officer

This line item has been moved under the title “Zoning Administrator & Code Enforcement Officer”.

### Conferences & Continuing Education

The Town should encourage board members to attend pertinent conferences for educational purposes. The Town has spent \$149 of the FY '16 appropriation. The Town will budget \$250 again this year.

### Donations

The Town has spent \$485 in donations this year. This included a donation to the Linganore High School Safe & Sane program. The Town proposes to budget \$750 for FY '17.

### Dues & Subscriptions

To date, the Town has spent \$2,485 of the \$3,000 originally budgeted. This category includes items such as member dues for the Maryland Municipal League, the Frederick Chamber of Commerce, the Historic District Commission, as well as items such as the rental of the safe deposit and post office boxes. The Town proposes to budget \$3,000 in FY '17 for Dues & Subscriptions.

### Employee Benefits

The Town does not currently offer employee benefits.

### 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, Forest Conservation reporting, preparation of RFP's, and other analysis as needed. The Town has spent \$27,484 to date in FY '16. This is \$19,984 over the amount budgeted. Part of the overage is due to engineering charges that were for work performed in FY '15 but not billed until FY '16 (\$6,076). Other costs incurred were for the preparation of a Forest Conservation Biennial Review and the Forest Conservation Annual Report. Both of these items were unknown at the time of the FY '16 budget preparation. The engineering fees for the past four years are listed below in the year that they occurred:

FY '13	\$9,219.00
FY '14	\$14,197.00
FY '15	\$17,500.00
FY '16	\$21,409.00
<b>4 Year Average</b>	<b>\$15,581.25</b>

## Budget Report – Fiscal Year 2017 - continued

With the increase in roads and infrastructure, there has been an increase in engineering fees. This budget proposes \$19,900 for FY '17 as depicted below:

<u>Category</u>	<u>Amount</u>
Forest Conservation Services	\$8,300
Forest Conservation Annual Report	\$2,000
Roads/Sidewalks	\$4,000
Miscellaneous	\$5,600
<b>TOTAL</b>	<b>\$19,900</b>

Forest Conservation Services includes the rewrite of the current Forest Conservation Service Ordinance. This is a one-time expense for an unfunded state mandate, that the Forest Conservation ordinances be updated. The Forest Conservation Annual Report is state required reporting. Roads and sidewalks covers the inspection and evaluation of projects not included in the CIP budget. Miscellaneous covers state and county reports, such as the Annual Highway Report, Capital Asset Analysis, and other engineering tasks as assigned by the Mayor and Council that are not covered by the above categories.

### **General Maintenance Labor**

The Town has currently spent \$1,503 on this item. That is only slightly over budget (\$3.00). The Town proposes to budget \$1,500 for FY '17.

### **General Maintenance Supplies**

The Town has currently spent \$398 of \$1500 budgeted. The Town proposes to budget \$1,500 for FY '17.

### **Green Team Initiative**

This is a new budget item for FY '17. The Town has put together a group in response to the state's initiative to have all municipalities become sustainable communities. The Green Team will be initiating projects and activities to earn points towards certification as a sustainable community. The costs covered under this line item include project materials and advertising. In addition, there will be fees for the Town Planner to attend the Green Team planning meetings. The fees for this will be included under the "Town Planner" line item. The amount budgeted for Green Team Initiative in FY '17 is \$6,500.

### **HDC/ARC Guidelines**

This item has been moved under the "Town Planner" category.

### **HDC/ARC Administrative Approvals**

The Town has not engaged in this activity yet.

## Budget Report – Fiscal Year 2017 - continued

### Insurance

The Town paid LGIT \$2,709 in premiums in FY '16. The Town proposes \$3,100 for this budget. LGIT has not advised the Town of anticipated premiums for FY '17.

### Legal Council

For FY '17, this budget proposes \$19,000. This is \$7,000 less than our 14-year average.

<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
FY 2014	39,281.00
FY 2015	10,299.00
<b>Avg. (14 yr.)</b>	<b>26,076.79</b>

### Library

No proposed spending at this time.

### Mayoral Expense Account

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

### Mayoral Salary

No change has been made.

### MML Meeting

The Town budgets \$200 annually to host one Frederick County Chapter of the MML meeting.

### Municipal Building Utilities

The Town has spent \$3,744 to date; a similar amount as the same time last year. It spent \$4,847 in FY '12, \$4,877 in FY '13, \$4,336 in FY '14, and \$4,555 in FY '15. The Town proposes to budget \$5,000 for FY '17.

## Budget Report – Fiscal Year 2017 - continued

### Office Supplies, Equipment & Online Services

This budget item includes categories, such as Printing and Website that used to be budgeted elsewhere. To date, the Town has spent \$10,321 of the \$12,380 budgeted. The Town budgets \$15,000 for FY '17 as per the chart below. The equipment category includes the purchase of a contingency cost for computer and other equipment failure.

<u>Category</u>	<u>Projected Costs</u>
Website	\$600
QuickBooks Licensing	\$550
ShoreScan Online Storage	\$2,600
Printing	\$1,800
Equipment	\$6,650
Office Supplies	<u>\$2,800</u>
TOTAL	\$15,000

### Permits & Inspections

This line item has been moved under the title “Zoning Administrator/Code Enforcement Officer”.

### Planning Commission Master Planner

This line item has been moved to the item labeled “Town Planner”.

### Postage

These fees were previously included in Dues & Subscriptions. Postage fees to date are \$1,330. This is \$330 over budget. Most of this is attributable to code violation certified mailings, as well as five issues of the newsletter this year instead of four. For FY '17 this budget proposes \$1500.

### Printing

These fees are now included in the “Office Supplies, Equipment & Online Services” category.

### Public Restroom Labor

There has been no increase in the labor fees for this item in several years. An increase of ten percent from \$5,175 to \$5,693 is proposed.

### Public Restroom Supplies

The Town has spent \$125 on this item to date. This is \$125 under budget. The Town proposes to budget \$250 for FY '17.

### Social Security & Medicare

This amount is a function of total salaries.

## Budget Report – Fiscal Year 2017 - continued

### Telephone/Internet

The Town has spent \$1,470 on telephone charges in FY '16 to date. The Town spent \$1,559 in FY '14 and \$1,318 in FY '15. The Town proposes to budget \$1,860 for FY '17.

### Town Planner

This is a new title for this category. It was previously listed under "Planning Commission Master Planner".

The Town has spent \$10,015 to date. The original amount budgeted for FY '16 was \$6,300. An additional \$6,300 was allocated during FY '16 for the review and rewrite of the Town Master Plan. This work will continue into the next fiscal year. Master Plans and the Land Development Ordinance are an every six-year expense attributable to the Master Plan Update cycle. The Town incurs \$150/month for attending P&Z meetings and \$50/hour for writing Master Plans and other similar documents. Other planning services are generally charged as an administrative fee to the applicant (see subdivision fees above). The Town proposes a total of \$18,650 as per the chart listed below:

Planning Commission Meetings (12 meetings)	1,800.00
Master Plan Update	3,500.00
Land Development Ordinance & Map Update	5,000.00
County/Town Planning Meetings	3,000.00
Green Team Support	3,500.00
HDC Design Code Changes	800.00
Priority Funding Boundary Revision	800.00
County/State Reporting	250.00

**TOTAL \$18,650.00**

### Unemployment Insurance

To date this year the Town has spent \$130. The amount of \$300 is budgeted for FY '17.

### Website/Newsletter

These items are included in the Office Supplies category.

### Workman's Compensation

The workman's compensation quote for FY '16 is \$761. The fees for FY '15 were \$684. The amount budgeted for FY '17 is \$800.



## Budget Report – Fiscal Year 2017 - continued

### Zoning Administrator/Code Enforcement Officer

Two categories, “Code Enforcement Officer” and “Permitting & Inspections”, have been combined into this one line item, as well as items that were previously under the “Planning Commission Master Planner” category. The total amount proposed for this new combined line item is \$6,600. The projected cost breakdown is as follows:

Code Enforcement	\$2,000.00
Inquiries	\$1,200.00
Permitting & Inspections	\$3,400.00
<b>TOTAL</b>	<b>\$6,600.00</b>

*Code Enforcement Officer* – Currently the Town has spent \$225 of the \$2000 budgeted.

*Inquiries* – This item was previously in the budget item “Planning Commission Master Planner”.

*Permitting & Inspections* – This item was previously listed as an individual budget item and is now being included here. The Town has currently spent \$2,242 on this activity for FY ‘16. This is \$1,157 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 Permit fees. The fee revenue generally just offsets the cost to the Town for the activity. This is not a profit center. Building activity will continue with Royal Oaks and the Marley Square center in FY ‘17.

## Public Safety

### Police Protection

This year’s tax equity provides \$1,800 for police protection.

### Volunteer Fire Department

The NMFVD appropriation has been \$2,000 for many, many years. As the town has grown, this contribution has not. The County 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 \$17,839 for FY ‘16. 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. Using the same formula as the previous year, the amount for FY ‘17 is \$18,892.

## Budget Report – Fiscal Year 2017 - continued

### Public Works

#### Mowing

The mowing contract for this season is \$7,168. The current mowing contract expires at the end of the mowing season in November 2016. The budget proposes \$7,168.

#### Recycling

The County provides recycling services.

#### Sidewalk Maintenance

The Town did not spend any funds in FY '16. All of the sidewalks on Main Street are being replaced with ADA compliant pedestrian walkways as part of the Streetscape project. An amount of \$5,000 is set aside for any sidewalk repairs required throughout the town in FY '17.

#### Snow & Ice Removal

The Town spent \$17,893 in FY '10, \$15,668 in FY '11 and \$1,325 in FY '12, \$6,007.50 in FY '13, \$20,532 in FY '14, \$14,800 in FY '15, and \$15,153 in FY '16. This covered snowstorms of historic proportions in FY '10 as well as in FY '14 and an unusually cold winter for FY '11. With the increase in the number of miles that we now must clear, we have taken the average spent per mile (\$3,963.65) over the last seven years and multiplied that by the current number of miles of road that we service (4.32) along with the mileage for the roads in Brinkley Manor (1.05) and Main Street (1.11). Both Brinkley Manor roads and Main Street are expected to come online in FY '17. This brings the total miles in town to 6.48 miles for a budgeted amount of \$25,684 for FY '17.

Fiscal Year	Snow Expenditures	Miles	Amt Per Mile
FY 2010	\$13,867	2.44	\$5,683
FY 2011	\$15,668	3.00	\$5,223
FY2012	\$1,325	3.00	\$442
FY2013	\$6,007	3.00	\$2,002
FY2014	\$20,533	3.00	\$6,844
FY2015	\$14,800	3.66	\$4,044
FY2016	\$15,153	4.32	\$3,508
<b>Avg Per Mile (7 years)</b>			<b>\$3,963.65</b>

#### Street & Park Lighting

The Town has spent \$4,262 thus far in FY '16. The Town spent \$5,913 in FY '11, \$5,787 in FY '12, \$6,147 in FY '13, \$6,580 in FY '14, and \$4,877 in FY '15. The majority of the old streetlights are being removed and will be replaced by new energy efficient lights (part of the Main Street renovation project). These will come

## **Budget Report – Fiscal Year 2017 - continued**

on line in FY '17. The power company has given us an estimate of \$3,024 for the new lights. The Town proposes to budget \$3,500 for FY '17 for the new streetlights as well as the few remaining lights.

### **Street Maintenance**

The Town has spent \$15,165 of the \$20,000 budgeted on this item in FY '16 to date. The Town spent \$4,877 in FY '15, \$4,892 in FY '14, and \$9,187 in FY '13. The four-year average is \$8,530. With the increasing number of roads the Town must service, this budget proposes \$20,000 for this item to cover routine repairs and maintenance.

### **Town Cleanup**

Each year there are usually two Town Cleanup days (spring/fall). Typically a small amount is needed for supplies. This budget proposes \$250 for FY '17.

### **Town Hall Exterior Painting**

The Town Hall was painted in FY '16. No funds are required for exterior painting in FY '17.

### **Tree Management**

The Town has spent \$2,150 to date in FY '16. The Town spent \$2,965 in FY '10, \$2,000 in FY '11, \$2,927 in FY '12, \$5,840 in FY '13, and \$6,580 in FY '14. The large numbers in FY '13 and FY '14 were attributable to programmed tree trimming along Main St. and some large trees were removed. The Town proposes to budget \$4,000 in FY '17.

### **Waste Collection**

The Town began the fiscal year with 462 units disposing trash and currently has 472 units disposing trash. The Town anticipates growing by 9 units or 0.75 units per month in FY '17. Current landfill billing data indicates that each household is putting out 52.80 lbs/wk. That is 0.30 lbs/wk less than last year, however it is still more than the 40 lbs./household/week allowed under the Town ordinance. The Town rate of growth for FY '17 is nine units. Assuming the new units come online equally each month, annual waste collection can be broken down per the following table. This table does not include bulk trash collection (not currently offered).

## Budget Report – Fiscal Year 2017 - continued

### Projected FY '17 Waste Collection

	472	Collect	Collection	lbs/week	Projected	Landfill	Monthly	Total
	<u>Rate</u>	<u>Rate</u>	<u>Fee</u>	<u>per</u>	<u>Monthly</u>	<u>Rate</u>	<u>Amount</u>	<u>Monthly</u>
				<u>Household</u>	<u>Tonage</u>			<u>Waste</u>
								<u>Collection</u>
Jul	472.75	13.49	6,377.40	52.80	54.04	76	4,107.12	10,484.51
Aug	473.50	13.49	6,387.52	52.80	54.13	76	4,113.63	10,501.15
Sep	474.25	13.49	6,397.63	52.80	54.21	76	4,120.15	10,517.78
Oct	475.00	13.49	6,407.75	52.80	54.30	76	4,126.66	10,534.41
Nov	475.75	13.49	6,417.87	52.80	54.38	76	4,133.18	10,551.05
Dec	476.50	13.49	6,427.99	52.80	54.47	76	4,139.69	10,567.68
Jan	477.25	13.49	6,438.10	52.80	54.56	76	4,146.21	10,584.31
Feb	478.00	13.49	6,448.22	52.80	54.64	76	4,152.73	10,600.95
Mar	478.75	13.49	6,458.34	52.80	54.73	76	4,159.24	10,617.58
Apr	479.50	13.49	6,468.46	52.80	54.81	76	4,165.76	10,634.21
May	480.25	13.49	6,478.57	52.80	54.90	76	4,172.27	10,650.85
Jun	481.00	13.49	6,488.69	52.80	54.98	76	4,178.79	10,667.48
<b>Total</b>			<b>77,196.53</b>				<b>49,715.43</b>	<b>126,911.96</b>

## Recreation & Culture

### Christmas in New Market

This has been combined with New Market Days into a new item “Special Events”.

### New Market Days

This has been combined with Christmas in New Market into a new item “Special Events”.

### Parks & Recreation

The Town spent \$760 in FY '12, \$1,302 in FY '13, \$6,918 FY '14, and \$2,060 in FY '15. The amount in FY '14 was attributable to repairing the drainage around the play areas. The Town has spent \$438 of the \$3,600 allocated for FY '16. The Town proposes \$4,000 for FY '17. This will include \$1,000 to open and close the Messanelle Park fountain each year.

### Special Events

This category includes both traditional events such as New Market Days and Christmas in New Market, as well as other newer events that have been planned during the last few years. The budgeted amount for FY '17 is \$8,000.

## **Capital Improvement Program (CIP)**

The Town's CIP anticipates \$3,708,488 in capital projects over the next 34 years. The Capital Improvement Program (CIP) proposes capital projects of \$1,162,579 for FY '17. The projects that comprise FY '17 spending are the Pedestrian Lighting Project, Sixth Alley Drainage and Reconstruction, Marley St. Widening Project, Community Park ADA Project and the LOUYAA Fields Walking Path. The road projects are all related to Streetscape and will be completed concurrently with that project. The CIP also contains \$234,580 in FY '17 for installation of new storm drainage facilities for outfall systems 1 (Second Alley to North Alley), 2 (East side of Fifth Alley), 4 (Strawberry Alley) and Sixth Alley. This includes \$266,200 to reconstruct Fourth, Fifth, Seventh, Eighth, Bye and Strawberry Alleys. There is \$25,425 to do ADA compliance renovations to the Community Park and \$17,600 to create a concrete walking path from Isaac Russell St. to the LOUYAA Fields. There is \$25,000 budgeted for traffic mitigations and control devices such as flashing lights at E. Wainscot Dr. and Old New Market Road and speed humps on North Alley and E. Wainscot Dr. Lastly, the CIP includes \$2,545,909 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 need. The Town projects an unassigned fund balance of \$1,978,805 for FY' 17. This is \$304,160 greater than last year. The difference of the Town's unassigned funds and total CIP is shown as loans. Simply re-stated this is the amount the Town must save in order to have the money to pay for these projects when they come due without incurring debt. As long as the Town's Unappropriated Reserve is greater than the \$112,766 projected in the fiscal analysis, the Town will have sufficient cash to pay for these future projects without borrowing money in 18 years. It should be noted that although these projects that only come due once every 20-50 years, they are, however, recurring and should never be removed from the CIP.

### **Pedestrian Lighting Project**

The purpose of this project is to replace the current Colonial Streetlamps with up to date (but historically appropriate) pedestrian lighting along Main St. The initial budget for this item was established at \$310,500 based on SHA estimates. Actual bids were received in September 2014. The bid was \$314,626. The Town added \$20,167 for the Town's Engineer to monitor (Partnering) construction progress and \$7,866 for General CM. This provided a final amount of \$340,659.

During FY' 15, \$660.93 was spent on Partnering. Through February 2016, \$7,499.08 was spent on Partnering and Construction Management. It is anticipated that another \$7,499.08 will be spent to June 30, 2016 (the end of FY' 16) on those two functions. Thus, through FY' 16, \$15,659.09 will have been spent on the item. This leaves \$324,999.91 to be budgeted for FY' 17.

## Budget Report – Fiscal Year 2017 - continued

### *Pedestrian Lighting Project*

Construction (SHA bid)		314,626.00
Construction Mgmt		
	Partnering	20,167.00
	General CM	<u>7,866.00</u>
		28,033.00
Total		342,659.00

FY' 15 Expenditures		
	Construction	0.00
	General CM	0.00
	Partnering	<u>660.93</u>
		660.93

FY' 16 Expenditures		Actual through 2-2016	Expected 3-2016 to 6-2016
	Construction	0.00	Construction 0.00
	General CM	6,664.76	General CM 3,332.38
	Partnering	<u>8,333.40</u>	Partnering <u>4,166.70</u>
		14,998.16	7,499.08
			7,499.08

FY' 17 CIP		326,999.91
	Construction	314,626.00
	General CM	1,201.24
	Partnering	<u>11,172.67</u>
		326,999.91

### **Historic District Stormwater Drainage Project**

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. This project entails the installation of new storm drainage facilities for outfall systems 1 (Second Alley to North Alley), 2 (East side of Fifth Alley) and 4 (Strawberry Alley). The estimates for this project have increased by \$19,100 from last year. This project is related to and will be completed at the same time as the reconstruction of Fourth, Fifth, Seventh, Eighth, Bye and Strawberry Alleys.

## Budget Report – Fiscal Year 2017 - continued

### *HD Storm Drain Project*

	2015 EST	2016 EST
Construction	149,700.00	166,800.00
Design	18,000.00	20,000.00
Construction Mgmt	16,800.00	16,800.00
Total	184,500.00	203,600.00

### **HD Alley Reconstruction**

This project is related to the HD Storm Water Reconstruction Project. The purpose is to reconstruct the alleys as storm drainage is reconstructed along them. Revised estimate for this project have decrease from last year by \$31,100.

### *HD Alley Reconstruction Project*

	2015 EST	2016 EST
Construction	241,200.00	214,000.00
Design	29,000.00	28,000.00
Construction Mgmt	27,100.00	24,200.00
Total	297,300.00	266,200.00

### **Sixth Alley Drainage and Reconstruction**

This project installs new drainage along Sixth Alley (outfall area 4) and reconstructs it concurrently with the Streetscape project. Thus, it is anticipated to be completed before the other outfall systems in the Historic District. \$10,132.46 has been spent on this project in FY' 16. This leaves \$30,980.04 for FY' 17.

### *6th Alley Reconstruction*

Budget Amend 11/15	1,112.50
Construction	26,000.00
Design	8,000.00
Construction Mgmt	6,000.00
Total	41,112.50

### **Marley St.-Widening**

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

## Budget Report – Fiscal Year 2017 - continued

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 and The Orchard.

It *may* have the consequence of diverting traffic from East Wainscot although the Town has no study on this. It will provide residents with more options to get from Brinkley Manor to Md. Rt. 75.

The Town budgeted \$340,000 in FY '15 based on engineering estimates. The bid came in at \$256,720 including SHA overhead, but not including utility relocation, right of way acquisition, monitoring, partnering and construction management. The itemized amounts and FY '15 and total anticipated FY'16 expenditures are provided below. This leaves \$266,774.26 for FY' 17.

### ***Marley Street Widening***

SHA Bid (includes OH)		256,720.00		
Verizon		14,878.00	Paid Oct. 2014	
DUSWM (FH Reloc + SHA OH)		12,329.00		
Potomac Edison		12,669.00	Paid Dec. 2014	
Excavation		0.00		
Construction Mgmt		0.00		
	Monitoring	15,000.00		
	Partnering			
	(22,000/24x2)	1,833.00		
	General CM	12,836.00		
				29,669.00
R/W Acquisition		2,200.00	Paid March 2015	
Total		328,465.00		
FY 15 Expenditures				
	SHA Bid	1,983.65		
	PE	12,670.00	Dec. 2014	
	R/W Acquisition	2,200.00	Mar. 2015	
	Construction Mgmt	0.00		
	Verizon	<u>14,878.00</u>	Oct. 2014	
				31,731.65
FY 16 Expenditures				
	SHA Bid	14,667.61		Actual through 3/2016
	DUSWM	12,329.00		Expected through 6/16
	Construction Mgmt	2,962.48		
				11,667.61
				0.00
				1,962.48
				29,959.09
FY 17 CIP				266,774.26