

In accordance with the requirements of the Talbot County Charter, the County Council of Talbot County is proposing the following County Current Expense Budget and Capital Budget & Program for the fiscal year July 1, 2009 through June 30, 2010 (FY 2010). The Annual Budget and Appropriation Ordinance is to be introduced by legislative action of the Talbot County Council on April 21, 2009 and passed on May 28, 2009.

The FY 2010 Proposed Current Expense Budget totals \$77,752,000, which represents a decrease of 5.2 percent, or \$4,248,000, from the FY 2009 Approved Budget. Reductions come from all areas of the budget and are attributable to expected declines in income, transfer and recordation taxes, as well as over \$2.3 million in reduced funding from the State of Maryland. County Departments have reduced their operating budgets by a total of 3.0 percent, General Fund contributions to capital projects have been reduced by 21.0%, and operating expenses for the Talbot County Public Schools will be funded at the State mandated maintenance of effort level. Total funding for the public schools, including annual debt service obligations for prior year school building improvement projects totals \$37.5 million and represents 48.3 percent of the total General Fund budget. In broad terms, the net reduction in the Proposed Expense Budget is comprised of the following:

Public Schools Operating	(\$296,559)	0.9%↓
Public Safety	11,783	0.1%↑
Public Health	(89,485)	4.0%↓
Capital Projects	(1,591,167)	21.0%↓
All Other County Operating	<u>(2,282,572)</u>	<u>8.4%↓</u>
Total Change	(\$4,248,000)	5.2% ↓

Projected operating revenues total \$68.1 million; therefore, almost \$9.7 million of the General Fund reserve balance will be required to balance the budget. In total, the available funding of \$77.8 million fulfills the County's obligation to propose a balanced budget. The graphs on the next page summarize the distribution of revenues and expenses by major categories.

Property tax revenues are projected to generate \$28.0 million, or 41.1 percent of total operating revenues. The revenue estimate is based on a real property tax rate of \$.432 per \$100 of assessed valuation for properties located outside of the incorporated limits of the Towns of Easton, Oxford, Queen Anne, St. Michaels and Trappe. This rate is \$.017 less than the current County property tax rate. The County Council is continuing to grant tax differentials to the incorporated towns in FY 2010. The tax rate differential for each town will be as follows: Easton, \$.129; Oxford, \$.113; Queen Anne, \$.057; St. Michaels, \$.123; and Trappe, \$.084. The total estimated County real property base subject to the tax levies is \$7,068,267,861.

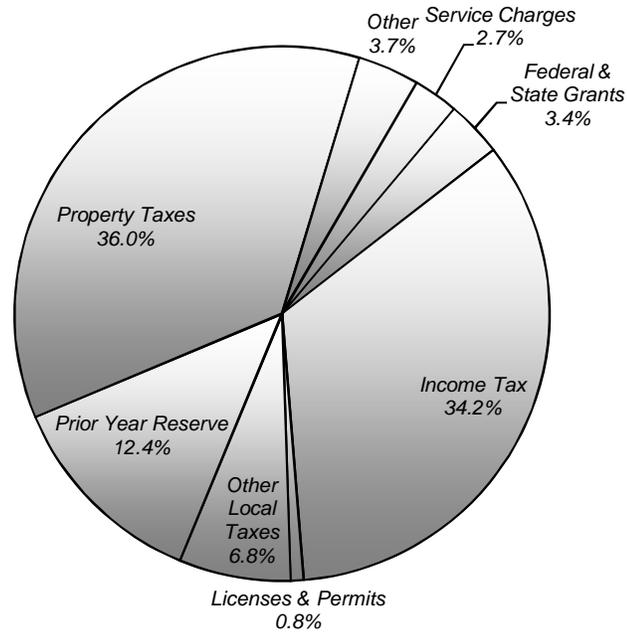
The local income tax, based on a rate 2.25% of Maryland Taxable Income, is projected to generate \$26,600,000, or 39.1 percent of total operating revenues.

A Statement of Long-Term Debt Outstanding accompanies the Budget, as well as a Statement of Debt Service Requirements for the upcoming year. In FY 2010, annual debt service payments will equal 6.3 percent of projected General Fund revenues.

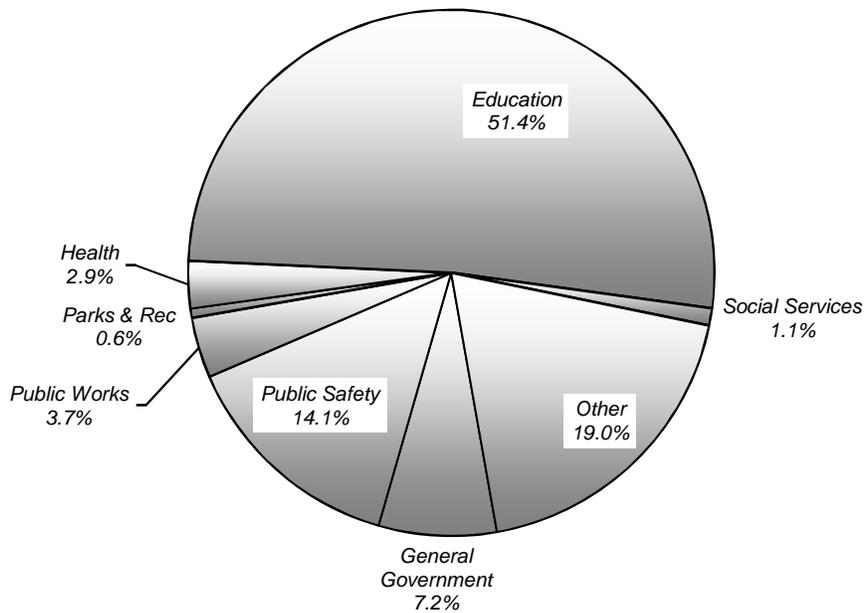
The Proposed Capital Budget for FY 2010 totals \$18.9 million -- \$1.0 million from General Fund reserves, \$16.3 million from Federal and State Grants, and \$1.6 million from Capital Fund reserves. The General Fund budget also sets aside \$4.3 million for future year capital projects.

Other FY 2010 Operating and Capital Budgets presented in this document include the Development Impact Fund, Talbot County Community Center, Hog Neck Golf Course, Environmental Operations, Easton Airport, Community Pools, Narcotics Task Force, and the Talbot Family Network.

GENERAL FUND REVENUE SOURCES



GENERAL FUND EXPENDITURES



TALBOT COUNTY, MARYLAND
REVENUE & APPROPRIATION BUDGET

<u>REVENUES</u>	<u>FY 2009 BUDGET</u>	<u>FY 2010 PROPOSED</u>
Property Tax (Rate of \$.432 per \$100 of assessed valuation on properties outside the Towns of Easton, Oxford, Queen Anne, St. Michaels & Trappe. Rate of \$.303 in the Town of Easton. Rate of \$.319 in the Town of Oxford. Rate of \$.375 in the Town of Queen Anne. Rate of \$.309 in the Town of St. Michaels. Rate of \$.348 in the Town of Trappe.)	26,865,000	27,980,000
Income Tax (2.25% of MD Taxable Income)	24,663,600	26,600,000
Other Local Taxes	10,118,000	5,252,000
Federal and State Grants	1,899,776	1,920,546
State Shared Taxes	3,389,292	710,161
Licenses, Permits & Fees	808,060	613,700
General Government	2,144,658	2,114,350
Interest Income	1,540,000	1,800,000
Miscellaneous	132,000	1,098,500
Development Impact Fees	1,436,000	0
Unexpended Funds From Prior Years	9,003,614	9,662,743
	82,000,000	77,752,000
 <u>APPROPRIATIONS</u>		
EDUCATION		
Board of Education	34,053,966	33,757,407
Debt Service	3,793,298	3,791,074
Chesapeake College	1,497,418	1,377,685
Other Education	45,005	45,005
 COUNTY ROADS MAINTENANCE		
	3,073,187	2,073,709
 PUBLIC SAFETY		
Detention Center	2,677,322	2,638,818
Emergency Management	1,062,569	1,119,441
School Crossing Guards/D.A.R.E.	97,517	132,928
Volunteer Fire Departments	1,288,532	1,265,120
Emergency Medical Services	3,064,341	3,227,385
Hazardous Materials	80,750	45,000
Sheriff (67%)	1,257,794	1,239,799
Highway Safety Program/Hot Spots	36,000	68,000
 HEALTH SERVICES		
	2,237,147	2,147,662
 JUDICIAL		
Circuit Court	468,465	521,776
State's Attorney	780,302	787,026
Orphan's Court	18,150	17,600
Sheriff (33%)	619,510	610,648
 COUNTY SERVICES		
Aging Services	147,566	171,742
Animal Control	379,715	358,886
Economic Development/Tourism	630,548	566,420
Extension Service	183,296	175,964
Library	1,009,406	957,479
Other Social Services	353,847	341,967
Parks & Recreation	509,031	443,833
Planning & Zoning	619,364	555,610
Public Landings	238,405	233,758
Public Works	632,094	547,050
Permits & Inspections	425,480	331,246
Recycling	42,950	41,172
Housing	271,574	273,094
Other Recreation	12,000	11,520
Natural Resources Conservation	30,069	22,850
Weed Control/Mosquito Control	220,929	206,602
Debt Service	419,526	422,119
 GENERAL GOVERNMENT		
County Council	121,500	120,200
Board of Appeals	93,013	92,946
County Administration	499,509	492,925
Elections	350,075	273,875
Financial Administration	589,091	588,208
Information Technology	513,698	394,470
Liquor Board	63,919	63,265
County Attorney	256,918	247,440
Facilities Maintenance	763,706	810,743
Insurance/Safety	122,570	118,775
Payments to Municipalities	870,000	741,500
Employee Benefits	3,757,500	3,841,500
Other Operating Expenses	90,500	86,880
 RESERVE FOR CONTINGENCIES		
	1,349,966	1,167,006
 TRANSFER TO CAPITAL FUND		
	7,441,167	1,000,000
 TRANSFER TO RECREATION FUND		
	1,034,781	1,762,723
 TRANSFER TO POOL FUND		
	144,014	92,149
 TRANSFER TO BENEFITS TRUST		
	1,611,000	1,000,000
 RESERVED FOR FUTURE CAPITAL PROJECTS		
	0	4,300,000
 IMPACT FEE RESERVES		
	50,000	30,000
	82,000,000	77,752,000

FISCAL YEAR 2009-2010 PROPOSED BUDGET

SUMMARY OF CAPITAL BUDGET

FY 09-10 APPROPRIATION

SOURCE OF FUNDS

County Facilities	17,489,995	Local Funds	2,600,595
Waterways and Wharves	474,000	Federal and State Grants	16,324,000
Highways and Streets	25,000		
Recreation and Park Facilities	15,000		
Public Schools	920,600		
TOTAL	18,924,595		18,924,595

SUMMARY OF DEVELOPMENT IMPACT FUND BUDGET

EXPENDITURES

REVENUES

Impact Fees

Increase Fund Balance	319,000	Library	25,000
		Parks & Rec	22,000
		Public Schools	130,000
		General Government	48,000
		Community College	5,000
		Transportation - East	3,000
		Transportation - West	6,000
		Transportation - Easton	50,000
		Transportation - Trappe	0
		Interest	30,000
TOTAL	319,000		319,000

SUMMARY OF RECREATION FACILITIES BUDGET

REVENUES

	<u>Community Center</u>	<u>Hog Neck Golf Course</u>	<u>Total</u>
Operating Income	632,100	1,209,700	
County Appropriation	584,225	478,498	
TOTAL	1,216,325	1,688,198	2,904,523

EXPENDITURES

Salaries & Benefits	428,304	869,272	
Operating Expense	575,075	673,550	
Debt Service	190,446	145,376	
Capital Outlay	22,500	0	
TOTAL	1,216,325	1,688,198	2,904,523

SUMMARY OF RECREATION FUND CAPITAL BUDGET

CAPITAL BUDGET

SOURCE OF FUNDS

Community Center - Facility Renovation	700,000	Transfer from General Fund	700,000
TOTAL	700,000		700,000

SUMMARY OF SANITARY DISTRICTS BUDGET

REVENUES

	<u>District 1 UTMC</u>	<u>District 2 St. Michaels</u>	<u>District 2 RONB</u>	<u>District 2 Martingham</u>	<u>District 5 Tilghman</u>	<u>Septage Receiving</u>	<u>OSDS</u>
Service Charges	105,600	944,240	232,800	210,000	227,000	200,000	
Ready-To-Serve Charges		72,000	24,000		9,000		
Penalties & Interest/Other Income	1,865	8,724	7,321	29,500	10,370	30,000	
State Grants							1,420,256
Interest Income	1,500	20,000	3,500		8,145		
TOTAL	108,965	1,044,964	267,621	239,500	254,515	230,000	1,420,256

EXPENDITURES

Operating Expenses	59,833	623,851	166,355	173,339	206,339	168,577	1,124,266
Administrative Expense	2,475	14,550	4,400	17,050	8,500	18,850	1,925
Debt Service	38,677	373,753	92,611	44,000	36,514	28,914	0
Repair & Replacement Fund	7,980	32,810	4,255	5,111	3,162	13,659	294,065
TOTAL	108,965	1,044,964	267,621	239,500	254,515	230,000	1,420,256

SUMMARY OF EASTON AIRPORT BUDGET

REVENUES

	<u>Operations</u>	<u>Fuel Facility</u>	<u>Hangars</u>	<u>Total</u>
Operating Income	753,862	1,797,422	512,448	3,063,732

EXPENDITURES

Salaries & Benefits	316,733	0	0	
Operating Expense	147,900	1,660,780	21,000	
Tower Operations/Maintenance	70,000	0	0	
Capital Outlay	50,000	0	0	
Repair & Replacement Fund	0	0	32,588	
Debt Service	81,729	15,998	178,434	
FAA Match	87,500	0	0	
Transfer to Operations	n/a	120,644	280,426	
TOTAL	753,862	1,797,422	512,448	3,063,732

SUMMARY OF EASTON AIRPORT CAPITAL BUDGET

CAPITAL BUDGET

SOURCE OF FUNDS

Remove Runway Obstructions 4-22 & 15-33	750,000	State and Federal Grants	4,241,250
Rehabilitate GA Apron	3,600,000	Cost Sharing	108,750
TOTAL	4,350,000		4,350,000

SUMMARY OF COMMUNITY POOLS BUDGET

REVENUES

EXPENDITURES

Operating Income	141,300	Salaries & Benefits	164,929
County Appropriation	92,149	Operating Expenses	68,520
TOTAL	233,449		233,449

SUMMARY OF NARCOTICS TASK FORCE BUDGET

REVENUES

EXPENDITURES

Operating Income	20,000	Operating Expenses	20,000
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SUMMARY OF TALBOT FAMILY NETWORK BUDGET

REVENUES

EXPENDITURES

State and Federal Grants	522,111	Administration	210,111
		State & Federal Grants	312,000
TOTAL	522,111		522,111