



Mayor and City Council of Cumberland

Mayor Raymond M. Morriss
Councilman Seth D. Bernard
Councilman Richard J. "Rock" Cioni
Councilman Eugene T. Frazier
Councilwoman Laurie P. Marchini

City Administrator Jeffrey D. Rhodes
City Solicitor Michael S. Cohen
City Clerk Marjorie A. Woodring

AGENDA

Work Session
City Hall Second Floor Conference Room

DATE: May 19, 2020

- I. **5:30 PM** – Convene in Open Work Session
- II. Presentation of updates to the Draft Fiscal Year 2021 Annual Budget
- III. Adjournment

Item Attachment Documents:

- II. Presentation of updates to the Draft Fiscal Year 2021 Annual Budget

City of Cumberland

FY 2021 Budget Follow-up
May 19, 2020

FY 2021 Budget Highlights

- COVID-19 UNCERTAINTY
 - New - potential for new federal stimulus package for State & Local Gov
- General Fund break-even
- The assessable base is expected to increase 1.2%.
- Health insurance rate increase of ONLY 4.6%, refund projected at \$786K
- Recommend final year of the planned 3 annual Water rate increases of 5%.
- MPA requires General Fund assistance of \$132K and DDC requires GF assistance of \$32K.
- New equipment and capital projects debt issues – General Fund - \$2.2 million, Water Fund \$3.2 million, Sewer \$7.9 million.
- New Grant and other financial assistance – General - \$15.1 million, Water \$2.5 million, Sewer \$50.4 million.

FY 2021 Changes from Initial Presentation

- Lowered property rehabilitation funds from \$100K to \$30K for this trial program (\$10K max per property)
- Lowered the nuisance abatement from \$300K to \$200K
- Added a discretionary Sewer Fund transfer of \$50K.
- Baltimore St Access project start date is being delayed from October 2020 to April 2021.

FY 2020 COVID-19 Concerns

- MPA Parking revenue (business closings, travel restrictions)
- Tax collections & penalty/interest income (no tax sale)
- Hotel Motel (travel restrictions)
- Income tax allocation (State Comptroller announcement)

**City of Cumberland
General Fund
FY 2020 Budget**

COVID-19 Reductions	Initial Budget	COVID-19 Change	Current
MPA Cash Assistance	\$ (119,000)	\$ (65,748)	\$ (184,748)
RE Tax Penalties & Interest	400,000	(95,000)	305,000
Hotel/Motel	350,000	(103,000)	247,000
Income Tax Allocation	1,400,000	(129,458)	1,270,542
		<u>\$ (393,206)</u>	

- Potential COVID-19 impacts on FY 2020 Results
- Tax collection penalty and interest is likely a timing difference

FY 2021 COVID-19 Concerns

- Income tax allocation
- Highway User Revenue
- Hotel Motel
- Interest Income
- Penalties & Interest (incr.)
- *Police Protection*
- *Traders' Licenses*
- *Building Permits*
- *Tax Collections*
- *Water / Sewer delinquencies*

**City of Cumberland
General Fund
FY 2021 Budget**

COVID-19 Reductions	Initial Budget	COVID-19 Change	Current
Income Tax Allocation	\$ 1,410,000	\$ (352,500)	\$ 1,057,500
Highway User Revenue	1,221,433	(305,358)	916,075
Hotel/Motel	382,000	(191,000)	191,000
Interest	117,000	(58,500)	58,500
MPA Cash Assistance	(114,000)	(18,000)	(132,000)
Admissions & Amusement	16,400	(8,200)	8,200
RE Tax Penalties & Interest	420,000	100,000	520,000
Police Protection	495,000	-	495,000
Trader's License	44,300	-	44,300
Building Permits	25,600	-	25,600
		<u>\$ (833,558)</u>	

COVID-19 reductions are placeholders pending more concrete data

Assessable Real Property Tax Base

Dollar Figures are in Thousands (000's)				
Fiscal Year Ending	Constant Yield Notice Assessable Base Estimate	Tax Rate	Tax Levy	Year-to-Year Inc (Dec)
6/30/2013	\$ 844,797	\$ 0.9654	\$ 8,155.7	\$ (502.3)
6/30/2014	\$ 859,193	\$ 0.9654	\$ 8,294.6	\$ 138.9
6/30/2015	\$ 867,489	\$ 0.9654	\$ 8,374.7	\$ 80.1
6/30/2016	\$ 843,326	\$ 0.9654	\$ 8,141.5	\$ (233.2)
6/30/2017	\$ 858,693	\$ 0.9654	\$ 8,289.8	\$ 148.3
6/30/2018	\$ 864,731	\$ 1.0595	\$ 9,161.8	\$ 872.0
6/30/2019	\$ 863,802	\$ 1.0595	\$ 9,152.0	\$ (9.8)
6/30/2020	\$ 890,094	\$ 1.0595	\$ 9,430.5	\$ 278.5
6/30/2021	\$ 902,502	\$ 1.0595	\$ 9,562.0	\$ 131.5

Key Points

- Constant yield rate is \$1.0466.
- Keeping the same rate as FY 2020 represents a revenue increase \$116,000

Personnel Costs FY 21

- COLA increases of 2% for employees (subject to union negotiations).
- Health insurance increase of 4.6%. National average 7-8% annual increase.
- Projecting a FY 2020 health insurance refund of \$786K (\$200K, - FY 19 \$600K - FY 18, \$400K – FY 17). Ironically the large health claim refund may be caused by the pandemic due to reductions in non-emergency Dr visits and surgical procedures.
- Plan option existing staff mix = 22% Individual, 29% 2-party, 33% Family and 16% opt-outs- currently there are 10 vacant positions.
- General Fund personnel cost comprise 70.2% of the expenditure budget.
- Budget prepared at full staffing level with allowance for 5 vacancies.

Staffing Levels – Full Time & Elected

City of Cumberland, Maryland												
Annual Budget Approved Employees by Function												
Function	Requested	Current	Adopted									
Function	2021	2020	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Fund Departments												
General Government												
Mayor & Council	5	5	5	5	5	5	5	5	5	5	5	5
City Administrator	1	1	1	1	1	1	1	1	1	1	2	2
City Clerk	2	2	2	2	2	2	2	2	2	1	1	1
Personnel	2	2	2	2	2	2	2	2	2	2	2	2
Finance	11	11	11	11	11	11	11	11	11	11	11	12
IT	4	4	4	4	4	4	4	4	4	4	4	4
Central Services	6	5	6	6	6	6	6	6	5	1	1	1
Public Safety												
Police Department	55	50	55	54	54	56	56	51	50	48	51	53
Police Full-time Grant	2	2	3	3	3	2	2	5	3	3	3	-
Fire Department	51	51	51	49	49	54	61	56	58	59	58	58
Fire Full-time Grant	-	-	-	-	-	-	-	6	8	8	9	-
Public Works:												
Administration	2	2	2	2	3	3	3	3	4	4	4	4
Engineering	8	9	8	8	9	8	8	9	8	8	9	8
Vehicle Maintenance	4	4	4	4	4	4	4	4	4	4	4	4
Street Department	16	15	16	15	15	16	16	15	15	16	17	17
Recreation												
Recreation	1	1	1	1	1	1	1	1	1	1	1	1
Parks	3	3	3	4	4	4	4	4	4	4	4	4
Community Development												
Community Development	9	9	9	7	8	10	12	11	9	10	11	13
Economic Development	3	3	3	3	3	3	2	2	2	2	2	2
Downtown Development	3	2	3	3	4	4	4	3	1	1	1	1
Total Governmental Funds	188	181	189	184	188	196	204	201	197	194	200	192
Proprietary Fund Departments:												
Water Distribution	21	20	21	21	21	21	21	22	20	21	22	22
Water Filtration	10	10	10	10	11	10	10	10	8	8	9	9
Wastewater Treatment	12	12	13	13	13	13	13	13	14	14	15	16
Flood/Sewer	14	14	14	14	14	13	11	13	12	12	12	13
Utility Services	4	4	4	3	1	-	-	-	-	3	3	3
Municipal Parking Authority	1	1	1	1	2	2	2	2	1	1	1	1
Total Proprietary Funds	62	61	63	62	62	59	57	60	55	59	62	64
Total Full-time and Elected	250	242	252	246	250	255	261	261	252	253	262	256

5/19/2020

Staffing Levels – Part Time & Seasonal

City of Cumberland
Part-Time and Seasonal Staff Budgets

Minimum Wage		FY 2021			FY 2020		
		\$ 11.00 - \$11.75			\$ 10.10 - \$11.00		
Department	Description	Part-Time	Seasonal	Hours	Part-time	Seasonal	Hours
Governmental Funds							
City Clerk	Record Retention	1		780	1		780
City Clerk	Phones	1		1,300	1		1,300
Risk Manager	Risk assesement	1		416	1		390
Code Enforcement	DDC Mall Enforcement	3		4,305	3		4,180
Police	Admin	2		1,560	2		1,530
Police	Facilities	1		1,300	1		1,300
C3I	Admin	1		1,248	1		1,300
C3I Narcotics	Admin	1		520	1		520
Engineering	Former Director	1		500	1		500
Engineering	GIS Intern		1	208		1	650
Engineering	Intern		1	208		1	650
Recreation Activities	Day Camp		2	785		2	925
Recreation Activities	Counselors		11	1,732		11	4,070
Recreation Activities	Watchman		3	447		3	1,050
Recreation Activities	Custodial		1	383		1	900
Swimming Pool	Management		2	414		2	900
Swimming Pool	Life Guards		15	2,100		15	4,875
Swimming Pool	Cashier		3	260		3	600
Parks	Mowing - Maintence		2	1,920		2	1,920
Community Development	Admin	1		1,560	1		1,560
Community Development	Planning	1		260			
Community Development	Admin	1		1,300	1		1,300
Community Development	Shade Tree		1	784		1	784
Proprietary Funds							
Treatment Plants	Mowing - Maintence		2	1,300		2	1,300
Flood Control	Mowing - Maintence		1	952		1	1,000
MPA	Meter Attendant	2		1,454	2		2,800
MPA	Manager	1		488	1		975
MPA	Parking Attendant	1		832	1		1,664
City-Wide Part-time and Seasonal Staff		19	45	29,316	18	45	39,723

Note: Highlighted area indicates COVID-19 reductions

Health Insurance Costs

City of Cumberland							
FY 2021 Projected Health Care Costs							
Fund		City Expense		Employee / retiree Cost			Total Insurance
		Health Insurance Cost	Retiree Health Ins	Employee Cost	Retiree Cost	Over 65 Retiree Cost	
001	General	\$ 2,996,036	\$ 31,170	\$ 251,800	\$ 27,404	\$ -	\$ 3,306,410
002	Water	706,783	15,113	26,530	28,313	-	776,739
003	Sewer	786,701	21,538	29,560	38,470	-	876,269
017	DDC	44,797	-	4,400	-	-	49,197
020	MPA	37,941	-	1,634	-	-	39,575
111	CDBG	33,283	-	3,269	-	-	36,552
Total		\$ 4,605,541	\$ 67,821	\$ 317,193	\$ 94,187	\$ -	\$ 5,084,742

FY 2021 Projected Health Care Cost Increase							
Fund		City Expense		Employee / retiree Cost			Total Insurance
		Health Insurance Cost	Retiree Health Ins	Employee Cost	Retiree Cost	Over 65 Retiree Cost	
001	General	\$ 137,818	\$ 1,434	\$ 11,583	\$ 1,261	\$ -	\$ 152,095
002	Water	32,512	\$ 695	1,220	1,302	-	35,730
003	Sewer	36,188	991	1,360	1,770	-	40,308
017	DDC	2,061	-	202	-	-	2,263
020	MPA	1,745	-	75	-	-	1,820
111	CDBG	1,531	-	150	-	-	1,681
Total		\$ 211,855	\$ 3,120	\$ 14,591	\$ 4,333	\$ -	\$ 233,898

FY 2021 Capital Equipment

		Existing Debt	CDA 20 - 7	CDA 20 - 10	CDA 20 - 30	Total	Total - New Debt
General Fund							
IT	Cisco Switches	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ -
IT	Windows 10 Upgrades	12,320				12,320	-
Police	Admin	50,000	-	-	-	50,000	-
Police	Patrol Vehicles	226	199,774			200,000	199,774
Fire	Utility Vehicle		40,000			40,000	40,000
Fire	Marshal Pickup		40,000			40,000	40,000
Eng	Tahoe Rep		28,000			28,000	28,000
Street	Hot box trailer	39,000				39,000	-
Street	Caterpillar Loader	125,000				125,000	-
Total General Fund		258,546	307,774	-	-	566,320	307,774
Water Fund							
Dist	Brushhog attachment	-		10,000		10,000	10,000
Dist	Backhoe	27,840	-	82,160		110,000	82,160
Filt	Sludge Thickner Mixer			15,000		15,000	15,000
Total Water Fund		27,840	-	107,160	-	135,000	107,160
Sewer Fund							
WWTP	3/4 Ton Pickup		35,000			35,000	35,000
Sani	2500 Tool Truck		47,000			47,000	47,000
Sani	Trench shoring	12,000				12,000	-
Fld	Drill, Tripod, safety clutch	13,000				13,000	-
Total Sewer Fund		25,000	47,000	-	-	72,000	47,000
Combined		\$ 311,386	\$ 354,774	\$ 107,160	\$ -	\$ 773,320	\$ 461,934

Ladder Truck on order – expected delivery early in FY 2022 - \$1.3 million

5/19/2020

Capital Expenditures Ongoing Projects Summary

Combined	Expenditures				Funding Sources		
	Prior Years	FY 2021	FY 2022 +	Total	Existing Debt	New debt	Grant
General	\$ 761,132	\$ 5,088,507	\$ 12,913,961	\$ 18,763,600	\$ 1,755,860	\$ 1,932,700	\$ 15,075,040
Water	108,400	4,463,900	1,729,765	6,302,065	666,410	3,164,705	2,470,950
Sewer	858,260	8,068,740	49,948,260	58,875,260	621,471	7,878,914	50,374,875
Combined	\$ 1,727,792	\$ 17,621,147	\$ 64,591,986	\$ 83,940,925	\$ 3,043,741	\$ 12,976,319	\$ 67,920,865

- Significant multi-year projects are in process or planned.
- New debt will be required
- Significant financial assistance is expected (grants).
- Debt & grants will be drawn down as construction progresses on multi-year projects

Capital Project Expenditures General Fund

General Fund	Expenditures				Funding Sources			
	Prior Years	FY 2021	FY 2022 +	Total	Existing Debt	New debt	Grant	New
MSC Sprinklers	\$ -	\$ 20,885	\$ -	\$ 20,885	\$ -	\$ 20,885	\$ -	
MSC Fence Replacement	-	25,218	-	25,218	-	25,218	-	
MSC Pole Building	-	23,478	-	23,478	-	23,478	-	
Cap Cavanaugh Field (Fence Rep)	-	13,926	-	13,926	-	13,926	-	
Cap Long Field Imp	-	165,000	-	165,000	-	15,000	150,000	CDA 2020
Cap 19 Frederick St	-	200,000	-	200,000	-	100,000	100,000	CDA 2020
Cap Intersection Lights	-	50,000	-	50,000	50,000	-	-	CDA 2020
Cap McMullen Bridge	-	310,000	-	310,000	44,728	17,272	248,000	CDA 2020
Cap Cumberland St Bridge	100,000	100,000	4,500,000	4,700,000	-	-	4,700,000	CDA 2020
Cap Baltimore St Bridge	29,000	1,930,000	1,500,000	3,459,000	29,000	686,000	2,744,000	CDA 2020
Cap Mall Access	632,132	2,000,000	6,913,961	9,546,093	1,382,132	1,030,921	7,133,040	CDA 2020
St Imp Misc Street Paving	-	250,000	-	250,000	250,000	-	-	
Total General Fund	\$ 761,132	\$ 5,088,507	\$ 12,913,961	\$ 18,763,600	\$ 1,755,860	\$ 1,932,700	\$ 15,075,040	

Future

Bridge Fayette St Bridge	\$ 43,218		\$ 2,800,000	\$ 2,843,218		\$ -	\$ 2,843,218	CSX/FHA
Bridge Washington St Bridge	36,218		4,000,000	4,036,218	36,218	800,000	3,200,000	FHA
Bridge Valley St Bridge			240,000	240,000		240,000		TBD
Bridge Marion St Bridge			100,000	100,000		100,000		TBD
Bldg City Hall - P.S. Bldg HVAC			1,420,000	1,420,000		1,420,000		TBD
Bldg City Hall - P.S. Bldg Elevator			430,000	430,000		430,000		TBD
Total Future	\$ 79,436	\$ -	\$ 8,990,000	\$ 9,069,436	\$ 36,218	\$ 2,990,000	\$ 6,043,218	

- The Baltimore St Access (BSA) new funding sources – CDBG \$636K, Community Legacy \$393K, Heritage Area \$100K
- \$632K Previously issued street improve debt was utilized for BSA design. In addition, \$750K of the 1.0 million FY 20 Street improvement debt is earmarked for the BSA project. The remaining \$250K of these funds are earmarked for misc. street paving in FY 21.
- An additional \$1.03 million in new debt is expected to be required to complete the BSA project. Amount depends on construction bids, additional funding approval, no state pullback

Capital Project Expenditures Water Fund

Water Fund		Expenditures				Funding Sources			
		Prior Years	FY 2021	FY 2022 +	Total	Existing Debt	New debt	Grant	New
Dist	Cross connections Program	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -	CDA 2020
Dist	Hydrant/Valve Replacement	-	150,000	-	150,000	-	150,000	-	CDA 2020
Dist	Water main replacement	-	82,000	-	82,000	-	82,000	-	CDA 2020
Dist	Cole Street Valve Equip	-	50,000	-	50,000	-	50,000	-	CDA 2020
Dist	Industrial Blvd Bridge Waterline	-	300,000	111,515	411,515	-	411,515	-	CDA 2020
Filt	Intake Screening	108,400	746,900	-	855,300	616,410	238,890	-	CDA 2020
Filt	DAF Concrete Repair at Scrapper	-	35,000	-	35,000	-	35,000	-	CDA 2020
Filt	SCADA System	-	50,000	-	50,000	50,000	-	-	CDA 2020
Filt	Koon Dam Repairs	-	300,000	-	300,000	-	300,000	-	CDA 2020
Dist	Decatur St Waterline	-	2,500,000	1,618,250	4,118,250	-	1,647,300	2,470,950	DWSRF 2020
Total Water Fund		\$ 108,400	\$ 4,463,900	\$ 1,729,765	\$ 6,302,065	\$ 666,410	\$ 3,164,705	\$ 2,470,950	

Future

Filt	Filter Building	-	-	18,500,000	18,500,000	-	-	-	TBD - 2025
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Recent Completions

Dist	Willowbrook Road Waterline	724,790	-	-	724,790	604,490	724,790	120,300	
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Capital Project Expenditures Sewer Fund

Sewer Fund	Expenditures				Funding Sources			
	Prior Years	FY 2021	FY 2022 +	Total	Existing Debt	New debt	Grant	New
WWTP SCADA System	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 24,721	\$ 25,279	\$ -	CDA 2020
WWTP Electrical Switch Gear	-	307,000	-	307,000	238,490	68,510	-	CDA 2020
WWTP Influent Screen Design/Const	-	75,000	-	75,000	-	75,000	-	CDA 2020
WWTP Ammonia-Nitrogen & Nitrate Probes	-	50,000	-	50,000	-	50,000	-	CDA 2020
Fld Flood Control Concrete Rep	-	250,000	-	250,000	-	62,000	188,000	CDA 2020
Sani Mill Race 78" Pipeline	715,000	7,000,000	43,785,000	51,500,000	215,000	6,785,625	44,499,375	WQSRF 2020-1
Sani Evitts Creeek CSO P-3	143,260	336,740	6,163,260	6,643,260	143,260	812,500	5,687,500	WQSRF 2020-2
Total Sewer Fund	\$ 858,260	\$ 8,068,740	\$ 49,948,260	\$ 58,875,260	\$ 621,471	\$ 7,878,914	\$ 50,374,875	

Future

Sani Evitts Creek CSO P-4	-	-	8,150,000	8,150,000	-	1,018,750	7,131,250	WQSRF 2021
Sani North End CSO	-	-	2,600,000	2,600,000	-	412,500	2,187,500	WQSRF 2021
Total Future	\$ -	\$ -	\$ 10,750,000	\$ 10,750,000	\$ -	\$ 1,431,250	\$ 9,318,750	

Recent Completions

WWTP CSO Tank	28,584,755	-	-	28,584,755	2,864,002	-	25,720,753	WQSRF 2017
WWTP Air Blower System	1,329,800	-	-	1,329,800	286,700	-	1,043,100	CDA 2015
Total Recent	\$29,914,555	\$ -	\$ -	\$ 29,914,555	\$ 3,150,702	\$ -	\$ 26,763,853	

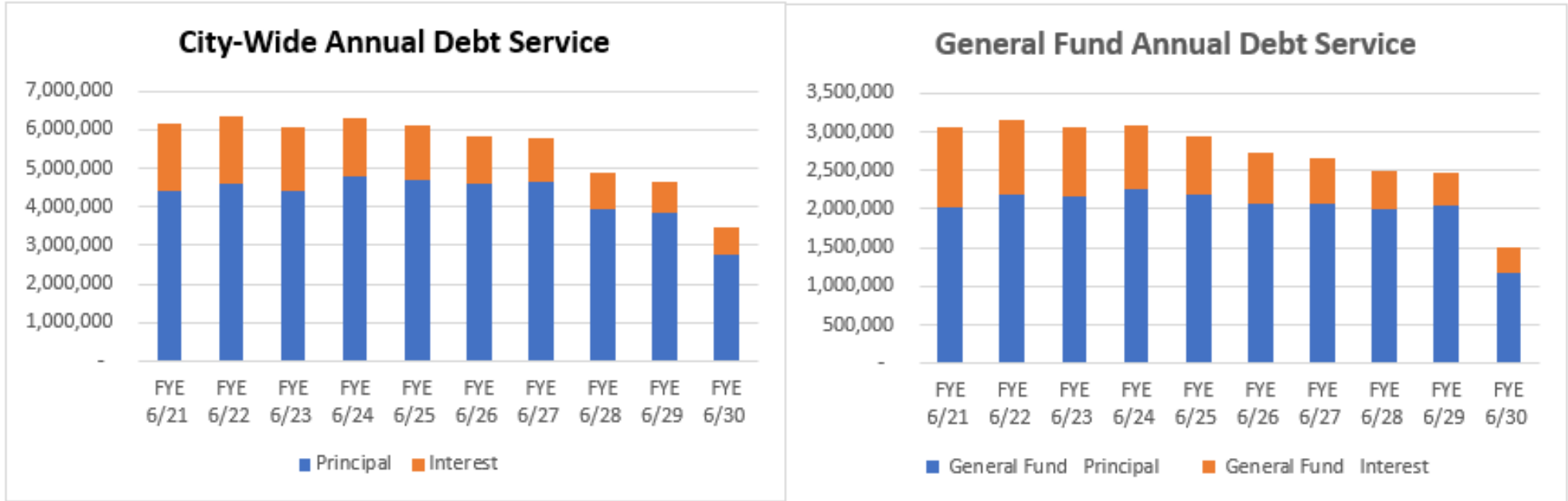
- Mill Race Pipeline and Evitts Phase 3 funding approved
- Evitts Creek Phase 4 requested

City-Wide Debt Service Requirements (000's)

Year	Governmental Funds		Proprietary Funds		City-Wide		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	\$ 2,084	\$ 1,090	\$ 2,314	\$ 694	\$ 4,398	\$ 1,784	\$ 6,182
2022	2,297	1,064	2,283	694	4,580	1,758	6,338
2023	2,287	985	2,126	669	4,413	1,654	6,067
2024	2,381	901	2,387	636	4,768	1,537	6,305
2025	2,325	821	2,359	588	4,684	1,409	6,093
2026 - 2030	9,896	2,822	9,908	2,049	19,804	4,871	24,675
2031 - 2035	6,100	1,158	5,913	1,008	12,013	2,166	14,179
2036 - 2040	2,138	194	3,254	504	5,392	698	6,090
2041 - 2045	-	-	2,692	269	2,692	269	2,961
2046 - 2050	-	-	2,530	98	2,530	98	2,628
2051 - 2055	-	-	642	7	642	7	649
Total	\$ 29,508	\$ 9,035	\$ 36,408	\$ 7,216	\$ 65,916	\$ 16,251	\$ 82,167

- Expected debt service on new 2021 debt is reflected in the table above.

Annual Debt Service Requirements



City-wide annual debt service requirements for existing and new FY 2021 debt is manageable.

Proprietary Funds FY 2021 Budget

	Water	Sewer	Non-Major		Total
			Trash	MPA	
Operating Revenues:					
Charges for Services:					
Domestic	\$ 2,633,000	\$ 5,609,000	\$ 1,781,100	\$ -	\$ 10,023,100
Industrial	2,436,000	788,000	3,900	-	3,227,900
Sanitary commissions	-	4,190,000	-	-	4,190,000
Water companies	2,408,000	-	-	-	2,408,000
Rents/Concessions	-	-	-	356,933	356,933
Connection Charges	150,000	3,000	-	-	153,000
Other	204,700	661,500	21,475	16,000	903,675
Total Operating Revenues	7,831,700	11,251,500	1,806,475	372,933	21,262,608
Operating Expenses:					
Personal services	3,085,609	3,293,712	-	177,885	6,557,206
Utilities	196,300	474,500	-	13,200	684,000
Supplies	286,900	493,900	-	-	780,800
Repairs and maintenance	865,800	380,750	-	13,700	1,260,250
Landfill and recycling	200	7,000	515,125	-	522,325
Depreciation	1,291,125	2,441,467	-	138,738	3,871,330
Contractual services	279,500	1,073,904	1,097,103	18,000	2,468,507
Other operating expenses	1,386,210	939,145	197,153	55,781	2,578,289
Total Operating Expenses	7,391,644	9,104,378	1,809,381	417,304	18,722,707
Non-Operating Revenues (Expenses):					
Interest income	105,000	132,000	-	-	237,000
Interest expense	(444,284)	(183,960)	-	(80,929)	(709,173)
Other nonoperating revenue	-	-	-	-	-
Total Non-Operating Income (Loss)	(339,284)	(51,960)	-	(80,929)	(472,173)
Net Income Before Contributions, Special Items, and Transfers					
Contributions, Special Items, and Transfers	100,772	2,095,162	(2,906)	(125,300)	2,067,728
Transfers-In and other sources					
Grant Income	1,500,000	6,317,148	-	-	7,817,148
Transfers-out PILOT	(360,341)	(2,241,033)	-	-	(2,601,374)
Transfers-in (out)	-	(50,000)	-	132,195	82,195
Other Uses	-	-	-	-	-
Total other Sources (Uses)	1,139,659	4,026,115	-	132,195	5,297,969
FY 2021 Projected Net Income	\$ 1,240,431	\$ 6,121,277	\$ (2,906)	\$ 6,895	\$ 7,365,697

5/19/2020

Proprietary Funds FY 2021 Budget *continued*

	Water	Sewer	Non-Major		Total
			Trash	MPA	
FY 2021 Projected Net Income	\$ 1,240,431	\$ 6,121,277	\$ (2,906)	\$ 6,895	\$ 7,365,697
Add Depreciation	1,291,125	2,441,467	-	138,738	3,871,330
Add Financing Proceeds	3,098,900	2,026,593	-	-	5,125,493
Less Capital Purchases	(4,598,900)	(8,216,251)	-	-	(12,815,151)
Less Principal Payments	(1,145,124)	(1,022,833)	-	(145,633)	(2,313,590)
Cash Flow	\$ (113,568)	\$ 1,350,252	\$ (2,906)	\$ -	\$ 1,233,778
Cash/Investments expected at 6-30-2021	4,340,145	13,185,172	307,976	-	17,833,292

- **Water Fund** - In FY 19 we recommended a series of 3 annual 5% water rate increases. The FY 21 budget reflects this increase (the average inside residential customer will experience a \$0.91 per month increase).
- **Water Fund** - includes a \$50K timber sale in the water supply watershed.

Proprietary Funds FY 2021 Budget *continued*

- **Sewer Fund** - The large Sewer Fund profit is primarily due to the BRF Grant from the State of Maryland, which will be utilized on the Race Mill Pipeline project. The cash flow is expected to be \$1.4M, bringing sewer fund cash to over \$13 million.
- **Trash Fund** – the slight projected negative cash flow is manageable with cash balance of over \$300K.
- **MPA** – Budget includes \$185K and \$132K General Fund subsidies in FY 20 & 21 respectively. Both years reflect revenue reductions and personnel cuts due to COVID-19 pandemic.

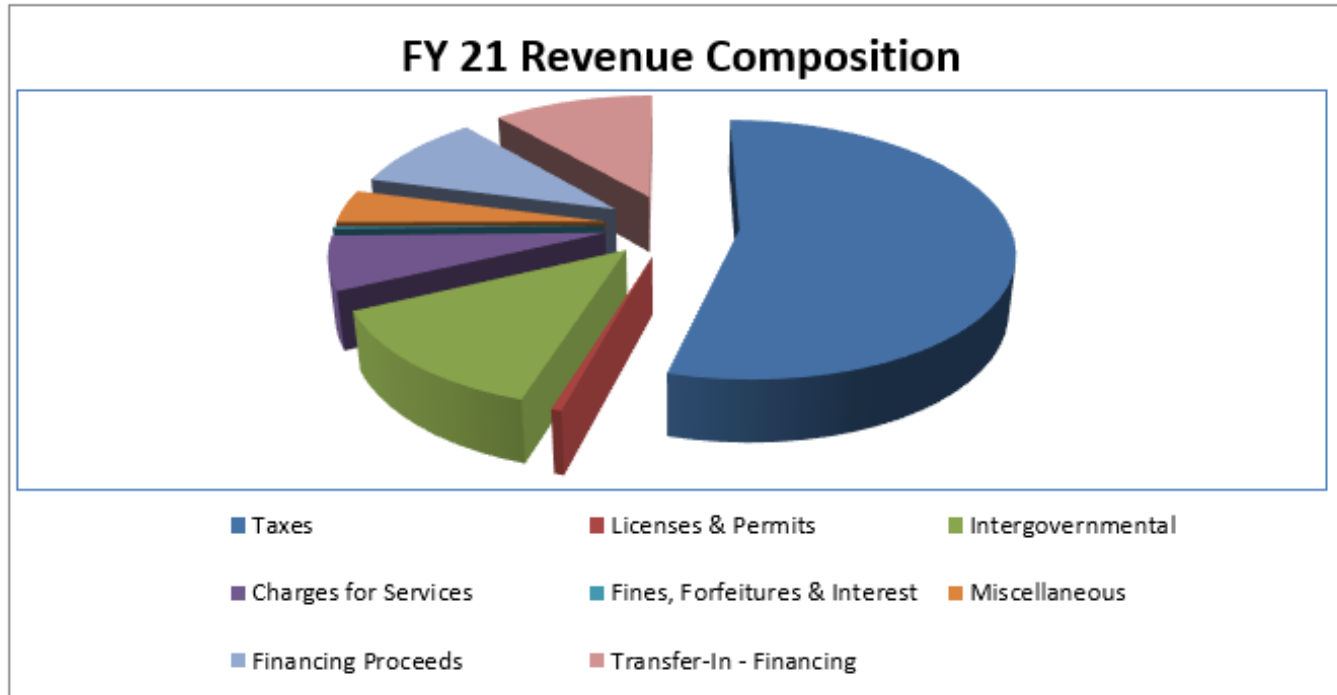
Governmental Funds FY 2021 Budget

	General Fund	Housing Assistance	Non-Major Governmental Funds							Total	
			DDC	TIF District	CDBG	Police Grants	Special Projects	Community Legacy	Capital Projects		Street Improve
Revenues											
Taxes	\$ 12,701,280	\$ -	\$185,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,886,914
Licenses & Permits	122,900	-	-	-	-	-	-	-	-	-	122,900
Intergovernmental	3,089,824	2,192,573	-	-	865,902	495,049	1,018,140	320,000	3,652,420	-	11,633,908
Service Charges	1,569,450	-	-	-	-	-	-	-	-	-	1,569,450
Fines, Forfeitures & Interest	59,200	-	1,700	-	16,400	-	-	-	-	-	77,300
Misc	982,000	-	25,000	-	-	-	-	-	100,000	-	1,107,000
	18,524,654	2,192,573	212,334	-	882,302	495,049	1,018,140	320,000	3,752,420	-	27,397,472
Expenditures											
General Government	1,786,435	-	323,968	-	-	-	-	-	-	-	2,110,403
Public Safety	11,684,675	-	-	-	-	500,049	-	-	-	-	12,184,724
Public Works	2,740,055	-	-	-	-	-	-	-	-	-	2,740,055
Recreation	708,834	-	-	-	-	-	-	-	-	-	708,834
Community Dev. & Housing	1,359,178	2,192,573	-	-	126,288	-	1,213,140	320,000	-	-	5,211,179
Capital Outlay	-	-	-	-	679,614	-	-	-	4,848,507	250,000	5,778,121
Debt Service	3,097,380	-	-	-	76,400	-	-	-	-	-	3,173,780
	21,376,557	2,192,573	323,968	-	882,302	500,049	1,213,140	320,000	4,848,507	250,000	31,907,096
Revenue in Excess of (less than) expenditures	(2,851,903)	-	(111,634)	-	-	(5,000)	(195,000)	-	(1,096,087)	(250,000)	(4,509,624)
Other Financing Sources (Uses)											
Financing Proceeds	2,240,474	-	-	-	-	-	-	-	-	-	2,240,474
Payment in Lieu of Taxes	2,601,374	-	-	-	-	-	-	-	-	-	2,601,374
Transfers-In	50,000	-	31,941	-	-	5,000	195,000	-	1,096,087	250,000	1,628,028
Transfers-out	(1,710,223)	-	-	-	-	-	-	-	-	-	(1,710,223)
Utilize Restricted Fund Balance	(328,067)	-	-	-	-	-	-	-	-	-	(328,067)
Unassigned surplus (deficit)	\$ 1,656	\$ -	\$ (79,693)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,038)

Governmental Funds FY 2021 Notes

- **DDC** – Deficit represents the balance of the Fund’s unrestricted cash (includes Cochran Baltimore Street Access project design costs of \$106K over the last two years.
- **Non-Major Gov Funds** - other than DDC are zero balance funds established for specific purposes.
 - The Capital Projects and Street Imp funds rely on outside grants and General Fund transfers funded through General Fund debt issuance/draws.
 - The Special Projects include:
 - Carver Center (\$100K grant - \$100K City match)
 - Jane Frazier Playground (\$149K – Parks & Playground Grant (P&P))
 - ACM Volleyball Courts (\$98K – P&P grant)
 - Johnson Height Parks (\$285K – P&P grant)
 - Allegany County Comm. Enhancement projects – Va. Ave and 600 Block Md Ave - \$481K with \$386K County grant and \$95K remaining City match funds.

General Fund FY 20/ 21 Revenue Budget



	Taxes	Licenses & Permits	Intergov	Charges for Services	Fines, Forfeitures & Interest	Misc	Financing / Transfers	Total
FY 20 Revised	\$ 12,321,424	\$ 129,900	\$ 3,570,101	\$ 1,656,499	\$ 109,700	\$ 653,922	\$ 5,054,143	\$ 23,495,689
	52.4%	0.6%	15.2%	7.1%	0.5%	2.8%	21.5%	100.0%
FY 21 Budget	\$ 12,701,280	\$ 122,900	\$ 3,089,824	\$ 1,569,450	\$ 59,200	\$ 982,000	\$ 4,891,848	\$ 23,416,502
	54.2%	0.5%	13.2%	6.7%	0.3%	4.2%	20.9%	100.0%

6/19/2020

General Fund FY 20/ 21 Department Budget

	Revised FY 2020	Request FY 2021		Revised FY 2020	Request FY 2021		
General Government							
Mayors' Office	\$ 26,288	\$ 25,998		\$ 81,999	\$ 54,161		
City Council	32,249	32,536		162,152	187,979		
City Clerk	102,642	100,550		2,012,707	1,781,618		
City Administrator	107,380	105,391		153,193	296,297		
Comptroller	361,565	364,992		436,633	420,000		
Personnel	80,535	80,057					
City Solicitor	125,979	109,606					
HRDC 400 N Mech St	1,400	1,300					
City Hall	89,031	94,432					
Information Technologies	394,328	380,976					
Vehicle Maintenance	118,119	164,903					
Central Services	321,264	241,859					
Building Maintenance - HRDC	12,237	3,200					
Municipal Service Center	57,176	65,978					
Insurance	2,918	31,079					
Debt Alloc	(12,164)	(16,422)					
Total General Gov.	\$ 1,820,947	\$ 1,786,435	8.1%	\$ 2,846,684	\$ 2,740,055	12.7%	11.9%
Public Safety							
Police	\$ 5,375,021	\$ 5,861,191					
C3I	43,188	42,866					
C3I Narcotics & Fed Forfeitures	30,621	21,852					
DDC Code Enforcement	57,430	61,702					
Fire	5,450,684	5,543,246					
Public Safety Building	164,576	153,818					
Total Public Safety	\$ 11,121,520	\$ 11,684,675	49.5%				
Public Works							
Public Works	\$ 81,999	\$ 54,161					
Engineering Services	162,152	187,979					
Street Maintenance	2,012,707	1,781,618					
Snow Removal	153,193	296,297					
Street Lighting	436,633	420,000					
Total Public Works	\$ 2,846,684	\$ 2,740,055	12.7%				
Recreation							
Director of Parks & Rec	\$ 135,439	\$ 115,347					
Recreation Activities	127,541	76,357					
Swimming Pool	126,387	84,699					
Parks	538,590	432,431					
Total Recreation	\$ 927,957	\$ 708,834	4.1%				
Community Development							
Economic Development	\$ 350,000	\$ 350,000					
Community Development	927,702	894,502					
C.D. Special Projects	98,869	114,676					
Total Community Dev.	\$ 1,376,571	\$ 1,359,178	6.1%				
Debt Retirement							
	\$ 2,817,781	\$ 3,097,380	12.5%				
Transfers Out							
	\$ 1,579,334	\$ 1,710,223	7.0%				
Total Expenses & Outflows	\$ 22,490,794	\$ 23,086,780					

General Fund - Fund Balance (000's)

Fund Balance Detail 6/30/2019

Nonspendable	\$ 2,482	Prepays and deposits (Workers' Comp)
Restricted	1,970	Debt restricted for specific purposes
Unassigned	<u>2,748</u>	Free
	<u><u>\$ 7,200</u></u>	

Unassigned fund balance at 6/30/2019	\$ 2,748	
Expected FY 2020 Surplus	34	
Potential FY 2021 Deficit	<u>2</u>	
	<u><u>\$ 2,784</u></u>	
		<u><u>\$ 2,560</u></u> Gap

FY 2021 Budgeted Expenditures	\$ 21,377	
Fund Balance Policy	25%	Goal
Fund Balance Target	<u><u>\$ 5,344</u></u>	52.1%

Key Points

- General Fund balanced budget
- Significant reliance on State funding sources and general COVID-19 uncertainties
- Tax rate - current \$1.0595 or constant yield \$1.0466 (diff. \$116K) – public hearing today
- Water rate increase of 5%
- Capital expenditure/new debt – minor impact (\$104K in new G.F. debt service in FY 21)
- Sewer Fund transfer of \$50K
- Closely monitor COVID-19 impacts

Questions ??