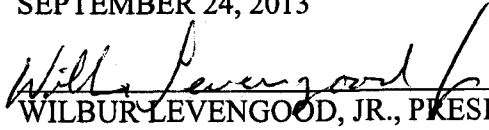


**COUNTY COMMISSIONERS OF CAROLINE COUNTY, MARYLAND**

**LEGISLATIVE BILL #2013-3**

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INTRODUCED BY: COMMISSIONERS LEVENGOOD, JR., GHRIST & PORTER  
INTRODUCED ON: SEPTEMBER 24, 2013  
ATTEST:   
WILBUR LEVENGOOD, JR., PRESIDENT  
PUBLIC HEARING: OCTOBER 8, 2013; BEGINNING AT 9:00 AM  
COURTHOUSE, 109 MARKET STREET, ROOM 106, DENTON,  
MARYLAND  
THIRD READING: October 15, 2013  
ENACTED: October 15, 2013  
EFFECTIVE: November 30, 2013

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**Chapter 50 – County Budget Laws – Requirements – Administration**  
AN Act concerning County Budget Laws – Requirements – Administration;  
FOR the purpose of establishing procedures for annual budget preparation and administration;  
BY adding §50-1 through 50-13 to the Code of Caroline County, Maryland.

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**WHEREAS**, in order to increase the transparency and public understanding of the budget process, the County Commissioners of Caroline County wish to enact a new and separate chapter of the Code regarding budget requirements, processes, administration, and amendments.

**WHEREAS**, this Bill shall also been known by its short title the “Chapter 50 – County Budget Laws – Requirements - Administration.”

**NOW, THEREFORE**, be it enacted by the County Commissioners of Caroline County, Maryland, that:

**SECTION 1.** The Code of Public Local Laws of Caroline County, Maryland are hereby amended to add Chapter 50 to read as follows:

Chapter 50  
**BUDGET**

**§50-1. Purpose.**

The purpose of this Chapter is to establish orderly procedures for budgeting and finance. This includes facilitating a budget process that is open and transparent, developing an annual budget

that accurately reflects the goals and priorities of the County Commissioners, and implements a prudent financial plan ensuring the sound management and operation of County government and allied agencies while minimizing the burden on the taxpayer to the extent practicable.

#### **§50-2. Definitions.**

As used in this Chapter, the following terms shall be defined as follows:

#### **ALLIED AGENCIES**

Governmental or nongovernmental agencies funded in whole or part by the County

#### **BUDGET DIRECTOR**

The person designated by the County Administrator to supervise the County's budgetary process.

#### **CAPITAL BUDGET**

The plan of the County to receive and expend funds for capital projects during the first fiscal year included in the approved capital improvement plan (CIP).

#### **CAPITAL IMPROVEMENT PLAN (CIP)**

The plan of the County to receive and expend funds for capital projects during the fiscal year covered by the capital budget and for the next succeeding five (5) fiscal years. The capital improvement plan (CIP) shall include but is not limited to:

- A. A clear general summary;
- B. A list of all capital improvements and other capital expenditures which are proposed to be undertaken during the six fiscal years next ensuing, with appropriate supporting information as to the necessity for each;
- C. Cost estimates and recommended time schedules for each improvement or other capital expenditure;
- D. Method of financing upon which each capital expenditure is to be reliant;
- E. A feasibility study demonstrating the need for any facility to be constructed or acquired; and
- F. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

#### **CAPITAL PROJECT**

Any physical public betterment or improvement and any preliminary studies and surveys relative thereto; the acquisition of property of a permanent nature for public use; or the purchase of equipment for any public betterment or improvement when first constructed. For the purpose of this Chapter, Capital Project shall be further defined by the purchase cost and/or the estimated useful life per generally accepted accounting procedures.

#### **COUNTY or COUNTY GOVERNMENT**

The County Commissioners of Caroline County, a body corporate and politic, and all departments thereof.

## **COUNTY FUNDS**

Any money appropriated or approved by the County Commissioners or to which the County may at any time have legal or equitable title.

## **ENTERPRISE FUND**

Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

## **FISCAL YEAR**

The 12-month period used for the purposes of accounting, budgeting, and taxation and the period upon which all financial statements, financial reports and financial audits are based.

## **GENERAL FUND**

The chief operating fund of the County. The general fund is used to account for all financial resources not accounted for in some other fund.

**OPERATING BUDGET** - The plan of the County to receive and expend funds for charges incurred for operation, maintenance, interest and other charges for the ensuing fiscal year.

### **§50-3. Fiscal year.**

The fiscal year shall begin on July 1 each year and close on June 30 the following year.

### **§50-4. County budget.**

The County budget shall be a comprehensive financial plan showing:

- A. Expenses and revenues from the prior fiscal year;
- B. Budgeted expenses and revenues for the current fiscal year;
- C. Projected expenses and revenues for the upcoming fiscal year;
- D. A Capital Budget and Capital Improvement Plan;
- E. Summary information for enterprise and other funds;
- F. Debt service requirements;
- G. An estimate of the unrestricted general fund balance at the end of the fiscal year;
- H. A table of the bonded and other indebtedness of the County;
- I. A line item amount set aside for contingency within the general fund;
- J. Other information the County Commissioners, the County Administrator, or the Budget Director deem advisable.

### **§50-5. Balanced budget required.**

The budget adopted or at any time thereafter amended by the County Commissioners shall be balanced as to revenues and expenditures for all funds.

### **§50-6. Budget preparation.**

A. Budget Director

Pursuant to § 18-7.C(4) of the Caroline County Code, the County Administrator shall prescribe the form of the County's budgets, supervise and direct the preparation of the County's budgets and prepare all materials or messages related to those budgets. The County Administrator may assign a County employee to serve as the Budget Director and may delegate to that person any or all of the following responsibilities:

- (1) Fix a calendar or schedule for budget preparation, submission of estimates, review, presentation, public hearings and enactment and related budget and accounting matters;
- (2) Provide for the submission of departmental and allied agency budget requests including the scope of services to be provided and other justifications with the budget estimates;
- (3) Prepare a draft budget for submission to the County Commissioners;
- (4) Facilitate public hearings for the public to comment upon the budget requests and the proposed budget;
- (5) Facilitate workshops as necessary for the County Commissioners to deliberate upon the proposed budget;
- (6) Coordinate the preparation of the proposed budget and any legislative action necessary for the levy of taxes, issuance of debt, and other actions required to implement the County's budget;

B. Annual budget requests

No later than January 31 of each year, the County Administrator or the Budget Director shall send to each department, commission and board of the County and to every allied agency or other entity funded in whole or part by the County notice of the annual budget process and those forms required to submit an annual budget request. All departments, agencies and entities desiring County funding shall submit annual operating and capital budget requests on or before the deadline established by the County Administrator or Budget Director. All such requests shall include any other information and/or supporting documentation as may be requested.

C. Annual municipal property tax set off requests

1. In accordance with Section 6-306 of the Tax-Property Article of the Annotated Code of Maryland and as may be amended from time to time, on or before December 1 of each year, any municipal corporation in the County that desires a property tax set off shall submit a request in writing to the County. This request shall include:
  - a) The desired level of property tax setoff for the next fiscal year;

- b) A description of the scope and nature of the services or programs provided by the municipal corporation instead of similar services or programs provided by the County;
  - c) Financial records and other documentation regarding municipal revenues and expenditures. Such records shall include a copy of the municipal budget for the preceding year, a copy of the municipal budget for the current fiscal year, and financial records pertaining to the services provided in Subsection 2 as determined by the County Administrator or Budget Director.
2. Nothing in this Chapter shall limit the ability of the County Commissioners to make grants to individual incorporated municipalities including but not limited to planning grants or "hold harmless" grants.

**§50-7. Budget hearings.**

A. Budget requests public hearing

The County Commissioners shall schedule and hold at least one public hearing to hear comment on the budget requests. The County Commissioners shall publish in one or more newspapers of general circulation in the county a notice stating the place where copies of the budget requests are available for inspection by the public, and the time and place, not less than 10 days after such publication, where the public hearing will be held.

B. Proposed budget public hearing

After presentation of the draft budget and prior to adoption, the County Commissioners shall schedule and hold at least one public hearing to hear comment on the proposed budget. The County Commissioners shall publish in one or more newspapers of general circulation in the county a notice stating the place where copies of the proposed requests are available for inspection by the public, and the time and place, not less than 10 days after such publication, where the public hearing will be held.

**§50-8. Budget adoption.**

- A. After the public hearing on the proposed budget as required by this Chapter, the County Commissioners shall consider all comments and direct the preparation of a final proposed budget which then shall be adopted by Resolution on or before second Tuesday in June. The County Commissioners may adopt the budget with or without amendment. In amending the budget, the County Commissioners may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service, or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income. The adopted budget shall take effect on the first day of the fiscal year.

- B. If the County Commissioners fail for any reason to adopt the proposed budget on or before the second Tuesday of June, effective July 1, the County shall continue operating based on the previous fiscal year's adopted budget except that no capital expenditures shall be made until a new budget is adopted in accordance with this Chapter.

**§50-9. Budget administration.**

Pursuant to § 18-7.C(4) of the Caroline County Code, the County Administrator or his or her designee shall administer the County's budget where such responsibilities but are not limited to:

- A. Providing for the enacted budget to be reproduced and available to the public upon request;
- B. Providing for the allotment of appropriations to control the rate of expenditure and prevent deficits;
- C. Providing for the control of the transfer of appropriations in conformance with this Chapter;
- D. Establishing and maintaining revenue and expenditure account classifications so as to ensure a uniform system of general fund accounting and for enterprise fund accounting;
- E. Ensuring that all expenditures are made in conformance with the adopted budget or adopted capital budget or in conformance with the amended budget where an amendment has been approved by a majority vote of the County Commissioners;
- F. Requiring that the departments, allied agencies and entities funded by the County to prepare and transmit routine financial reports related to the use of County funds.

All disbursements of County funds shall conform to the approved budget. No obligation shall be incurred against, and no payment shall be made from, any budget account adopted unless there is a sufficient unencumbered balance in the account and sufficient funds are or will be available to meet the obligation.

**§50-10. Budget amendments.**

Once adopted by the County Commissioners, the County's budget shall be amended in conformance with the following:

- A. Transfers of appropriations between general classifications of expenditures in the current operating budget, within the same department and within the same fund, may be authorized by majority vote of the County Commissioners.
- B. Transfers between agencies of the County government and within the same fund of the current operating budget may be authorized by the County Commissioners by Resolution.
- C. Adjustments in County's operating or capital budget to reflect the receipt of grant funds from the State, federal government, or a nonprofit source in any fiscal year in which the grant funds are received but were not included in the current operating or capital budgets

or received after the adoption of the current operating or capital budgets may be authorized by majority vote of the County Commissioners.

- D. Adjustments in County's operating or capital budget to reflect the loss of grant funds from the State, federal government, or a nonprofit source in any fiscal year in which the grant funds were anticipated but not received may be authorized by majority vote of the County Commissioners.
- E. By majority vote, the County Commissioners may make additional or supplementary appropriations from unexpended and unencumbered funds set aside for contingencies in the County budget, provided that the County Administrator shall first certify that such funds are available for such appropriation. No supplementary appropriation shall exceed the amount of funds so certified. The expenditure of funds from the contingency budget line item shall only be done where the proposed expenditure is included in the published agenda for a County Commissioners' meeting.
- F. Nothing contained herein shall be construed to prevent the County Commissioners, from providing, by law, for interfund cash borrowings to meet temporary cash requirements or to prevent reimbursements among funds for goods supplied or services rendered.
- G. Notwithstanding other requirements of this Chapter, the County Commissioners may acquire real or personal property under installment, lease-purchase, or similar long-term arrangements by appropriating funds for each year sufficient to meet the contractual obligations for that year.

**§50-11. Minimum general fund balance.**

The County shall maintain an undesignated and unrestricted minimum general fund balance. The amount of this balance shall be at five (5) percent of annual operating budget expenditures or a great amount as established by Resolution. In the event the general fund balance falls below this minimum, the County Commissioners shall replenish the balance to the required level within two (2) years. In the event the fund balance exceeds the required minimum, the County Commissioners may encumber or expend the excess balance in accordance with this Chapter.

**§50-12. Unexpended appropriations.**

Unless otherwise provided by law, all unexpended and unencumbered general appropriations in the current operating budget remaining at the end of the fiscal year shall revert into the County general fund balance. All unexpended and unencumbered enterprise revenue shall revert to the fund balance for the enterprise fund. No appropriation for a capital project in the capital budget shall lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned by the County Commissioners.

**§50-13. Unanticipated budgetary events.**

Whenever it appears to the County Administrator or the County Commissioners that the actual and probable revenues in any fund will be significantly less than the estimated revenues upon which appropriations from such fund were based, or that the actual and probable expenses in any fund will be significantly greater than the estimated expenses upon which the budget was based, the County Administrator shall present to the County Commissioners recommendations which, if adopted, will prevent expenditures from exceeding available revenues for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both. Within thirty (30) days of receiving this information the County Commissioners shall amend the budget by resolution to reduce appropriations or approve such measures as are necessary to provide revenues sufficient to equal appropriations or both.

**SECTION 2.** The Recitals to this Bill are incorporated herein and deemed a substantive part of this Bill.

**SECTION 3.** The provisions of this Bill are declared to be severable. If any section, subsection, sentence, clause, phrase, or portion of this Bill is for any reason held invalid or unconstitutional by any court or competent jurisdiction, the same shall be deemed separate, distinct, and independent from, and such holding shall not affect the validity of, the remaining portions of this Bill, it being the intent of the County that this Bill shall stand, notwithstanding the invalidity of any section, subsection, sentence, clause, phrase, or portion hereof.

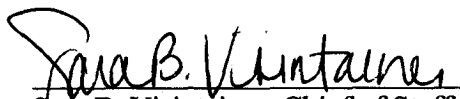
**SECTION 4.** All portions of the Code inconsistent with the provisions of this Bill are hereby repealed to the extent of such inconsistency.

**SECTION 5.** The title of this Bill, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Bill for publication and all other purposes.

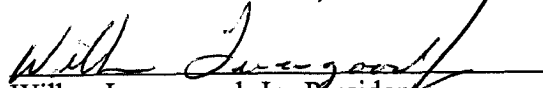
**SECTION 6.** This Bill shall take effect on November 30, 2013.

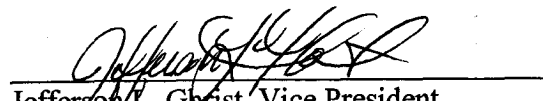
Enacted this 15<sup>th</sup> day of October, 2013.

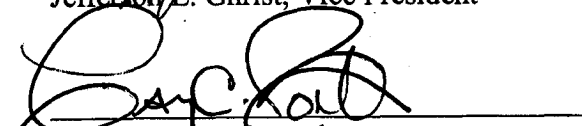
**ATTEST:**

  
Sara B. Visintainer, Chief of Staff

**COUNTY COMMISSIONERS OF  
CAROLINE COUNTY, MARYLAND**

  
Wilbur Levengood, Jr., President

  
Jefferson L. Ghrist, Vice President

  
Larry C. Porter, Member

