

**THE COUNTY COMMISSIONERS
OF KENT COUNTY, MARYLAND
BUDGET WORK SESSION
AGENDA**

April 19, 2022

3:00 PM Call to Order/Pledge of Allegiance/Moment of Silence

Outside Agency Budget Requests

Robert Baldwin, District Manager, Kent Soil and Water Conservation District

Rick Carter, Delmarva Craft, LLC.

Transportation Request

General Fund Overview

Pat Merritt, Chief Finance Officer, Office of Finance

Open Session Personnel

Marty Hale, Director, Human Resources

Correctional Officers Retirement System (CORS)

Marty Hale, Director, Human Resources

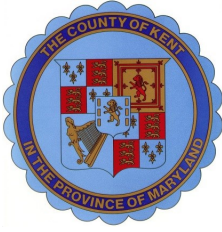
Personnel

Closed Session Personnel

Marty Hale, Director, Human Resources

Personnel

The meeting was closed under the Annotated Code of Maryland, General Provisions Article § 3-305(b) (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals.



AGENDA ITEM BRIEFING

**Robert Baldwin, District Manager, Kent Soil and Water Conservation
District
4/19/2022
Budget Work Session**

ATTACHMENTS:

Description

Budget Request - kent soil & water - memo

March 7, 2022

Kent County Commissioners
400 High Street
Chestertown, MD 21620

Dear President Mason and Commissioners Fithian and Jacob,

2022 marks our 84th year of providing technical and financial assistance to Kent County farmers and landowners to solve soil erosion and water quality related concerns. From our beginning in 1938, Kent County has been one of our original partners and steadfast supporters. We value and appreciate your support and Thank You for all that you do for our District.

Attached is our Budget Request for Fiscal Year 2023, the Budget Request Justification, and a copy of our latest audit report. We have a very good history of being both realistic in our requests and being wise stewards of our budgets. This year's request reflects the harsh realities of the current employment situation and how inflation has changed the cost of doing business.

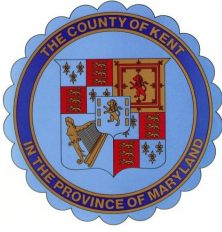
The most significant portion of our Budget Request is salaries, and we are requesting funding that will provide for a 6% salary adjustment for our 3 County supported positions. This proposed adjustment will keep us in line with recent salary adjustments of County employees. The operating portion of the Budget Request reflects a nominal increase adjusting for IRS mileage reimbursement rates and the increased costs of goods and services that we purchase.

As in the past, we look forward to meeting with you to answer any questions you may have about our Budget Request.

On behalf of the Board of Supervisors, our 14 employees, our State and Federal partners and our farmer and landowner cooperators, we thank you for your consideration of this request.

Sincerely,

Robert Baldwin
District Manager



AGENDA ITEM BRIEFING

Rick Carter, Delmarva Craft, LLC. 4/19/2022 Budget Work Session

Item Summary:

Transportation Request

ATTACHMENTS:

Description

Budget Request - Delmarva Craft Presentation - FY2023 (1)

Budget Request - Delmarva Craft Revenue & Expenditures

04.14.22 Aaron Brable, Chair, Economic and Tourism Development Commission, Transportation Support

04.11.22 David Foster, Mayor, Town of Chestertown, Shuttle

Delmarva Craft, LLC.

Kent County Maryland - Budget Request FY 2023



Introduction

Delmarva Craft, LLC. was founded in 2019 with the goal of providing tourism experiences and economic development / marketing services in Rock Hall, Kent County and throughout the Upper Eastern Shore of Maryland. The plan included development of festivals and events, tours to local breweries, wineries, historic sites and events, development of a microbrewery and tavern, provision of audio-visual production and marketing services and provision of technology services.

Notably not included in this plan was a global pandemic that would render the business dormant through 2020, except for some technology consulting services. The pandemic brought with it serious obstacles for hospitality businesses and great uncertainty in the labor market. In 2021, Delmarva Craft continued providing technology consulting and marketing services. We began providing private tours on a limited basis. We also worked on numerous fundraising efforts for local charities to help volunteer fire companies and other organizations that were adversely affected by the pandemic.

During this time we were approached by numerous local businesses and individuals about providing shuttle service in, and around, Rock Hall during the summer tourism season. We did so for several months. It is perceived by local Rock Hall government and businesses that having such transportation available is critical to growing tourism in the town. Delmarva Craft agrees with this assessment. However, This service was not profitable based on operating revenues. Local business support allowed the service to function.

We have been approached about providing this service in 2022 and extending it to provide service between Rock Hall and Chestertown on Fridays and Saturdays. We have been encouraged to seek assistance from local business and government. Hence, this request.

Rock Hall - Chestertown Shuttle Budget Request

Delmarva Craft would like to expand service to 24 hours per week for 20 weeks and add several trips per day between Rock Hall and Chestertown, as well as Tolchester and Rock Hall. This service would operate from Memorial Day through FallFest in October. In 2021 we provided 12 hours per week.

We believe this service will add to a positive visitor experience in Kent County, helping to grow tourism, while also providing an additional transportation option for local residents.

Our service rates are projected to be \$5 for a round trip in the Rock Hall Area, \$10 for a Day Pass and \$100 for a Season Pass. We project our costs to be \$ 38,800 to provide this service, based on current fuel costs.

We are soliciting financial support from local businesses in Rock Hall. As of March 6, 2022, we have received \$3,000 in commitments.

We propose to raise \$10,000 from Rock Hall businesses. We are asking Kent County to provide \$15,000 in financial support and Delmarva Craft will assume the risk for the balance. These funds will be used to cover the costs of fuel, labor, insurance and vehicle maintenance.

Absent County support, Delmarva Craft has notified Rock Hall businesses that we will need to raise \$12,000 in order to provide the same 12 hours of service that was delivered in 2021.

We see this proposed service as creating a mechanism for travel between 3 key tourist regions in Kent County during the core of our visitor season. Many people access Kent County via boat. Once they arrive they are essentially confined to the area immediately adjacent to their host marina because there is little, or no, available transportation. This expanded mobility will broaden the appeal of Kent County to potential visitors.

We respectfully request the Commissioners of Kent County consider our request and the value it can have in helping Rock Hall, and the surrounding area, grow its economy.

Expanded Funding for Extended Service and Usage Study

We also offer two options for expanded service and a ridership study spanning the period from Memorial Day, May 30 through October 14. This is a 20 week span.

With a total funding provision of \$30,000 we can add a weekday with 8 hours of service.

With a total funding provision of \$45,000 we can add 2 weekdays with 8 hours of service each.

These weekdays are in addition to the 12 hours specified in the \$15,000 request.

Routes and schedules are negotiable. We would like to experiment with weekday service between Chestertown and Rock Hall, Betterton, Tolchester, Galena and Millington.

Our goal would be to mesh these schedules to link with the existing Queen Anne's County bus service, allowing Kent County riders to travel throughout the Eastern Shore, and beyond, efficiently.

As part of this funding we will provide marketing to promote the service and we will meet with officials in each incorporated municipality in Kent County to solicit their input on the transportation services that are needed. We will also provide a survey tool to each town to gain input from the residents.

We will perform a study of ridership during this 20 week period. We will provide these results to the County Commissioners and the Kent County Local Management Board to assist with their planning for Kent County's future transportation needs.

Previous Funding

To date, Delmarva Craft, LLC. has been 100% self-funded by Rick Carter. No grant funds from Federal, State or Local sources have been received. There has been no grant funding previously requested or provided from Kent County, Maryland. There are no loans or financing provided by any external sources.

**KENT COUNTY FUNDING REQUEST
FISCAL YEAR 2023 BUDGET
CONTACT INFORMATION**

Delmarva Craft, LLC
ORGANIZATION

5914 Rock Hall Road
ADDRESS (LINE 1)

Rock Hall, MD 21661
ADDRESS (LINE 2)

Richard Carter
BUDGET REQUEST SUBMITTED BY

CEO
TITLE

443-370-7916
TELEPHONE #

delmarvacraft@gmail.com
EMAIL

KENT COUNTY FUNDING REQUEST FISCAL YEAR 2023 BUDGET

SCHEDULE OF ORGANIZATIONS TOTAL REVENUES

Instructions:

This schedule should reflect your organization's total revenue for the fiscal years indicated. Revenues should be reported in the categories shown if possible. Attach additional pages if necessary.

REVENUE CATEGORIES	2020 Actual	2021 Actual	2022 Budget	2023 Requested Budget
KENT COUNTY FUNDING		0		15000
FEDERAL FUNDING		0		
STATE FUNDING		0		
PRIVATE DONATIONS		0		
DUES & FEES		0		
OTHER (LIST BY TYPE)				
Tech Consulting		33800	50000	
Marketing & Promotion		10352	25000	
Festivals & Events		4100	8000	
Transportation		18655	30000	
Totals	0	66907	113000	15000

KENT COUNTY FUNDING REQUEST FISCAL YEAR 2023 BUDGET

SCHEDULE OF ORGANIZATIONS TOTAL EXPENDITURES

Instructions:

This schedule should reflect your organization's total expenditures for the fiscal years indicated. Expenditures should be reported in as much detail as possible. Attach additional pages if necessary.

EXPENDITURE CATEGORIES	2020 Actual	2021 Actual	2022 Budget	2023 Requested Budget
Building Maintenance		9458	12000	
Vehicle Maintenance		4854	5000	
Electricity		1255	1500	
Water & Sewer		735	900	
Fuel		4640	6000	
Insurance		7746	6000	
Phone & Internet		2284	2400	
Computer Equipment		2175	1000	
Postage		23	100	
Software Licenses		1421	1500	
Event Fees		2325	4000	
Software & Supplies		2065	2500	
Transportation Costs		1219	1500	
Advertising Costs		4200	5000	
Dues & Subscriptions		475	475	
Labor		23118	30000	
Owners Equity		-1086	33125	
TOTAL EXPENDITURES*		66907	113000	



Economic and Tourism Development Commission

April 14, 2022

Kent County Commissioners
P. Thomas Mason, President
Ronald H. Fithian, Member
Robert N. Jacob, Jr., Member
400 High Street
Chestertown, MD 21620

Dear County Commissioners,

It is with great pleasure that the Kent County Economic and Tourism Development Commission writes this letter of support. At its April 13, 2022 meeting, the Commission voted unanimously to support funding a Summer 2022 transportation shuttle that will service Rock Hall, Tolchester, Chestertown, and potentially other locations depending on the level of funding.

We recognize that tourism contributes significantly to the economic vitality and growth of Kent County, and therefore support this initiative to have transportation available to traditional tourists and our very own residents, whom we consider hometown tourists.

We are pleased that the County Commissioners consider transportation a priority and are exploring innovative ways to serve the needs of our tourists and citizens. We fully support a Summer 2022 transportation shuttle and look forward to helping promote the much-needed service to tourists and the community.

Sincerely,

Aaron Bramble
Chair



Town of Chestertown

118 N. Cross Street, Chestertown, MD 21620
tel: 410-778-0500 fax: 410-778-4378
email: office@chestertown.com
url: www.townofchestertown.com

Mayor
David Foster
Council
Tim O'Brien
Thomas A. Herz, Jr.
Jose Medrano
Meghan E. Efland
Town Manager
William S. Ingersoll

April 11, 2022

Commissioner Tom Mason, Chair
Commissioner Ron Fithian
Commissioner Bob Jacob
R. Clayton Mitchell, Jr. Kent County Government Center
400 High Street
Chestertown, MD 21620

Dear Commissioners Mason, Fithian, and Jacob:

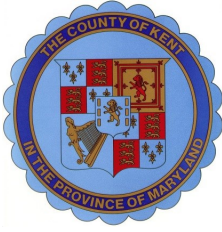
At the Town meeting of April 4, 2022, the Council learned of an initiative that the County Commissioners are considering funding of a shuttle that would service Rock Hall-Tolchester-Chestertown on Thursdays, Fridays, and Saturdays for 24hrs per week. The planned service would run from Memorial Day through mid-October, with a goal is to serve both tourists and our local residents.

The projected rates of \$5 one-way, \$10 a day or \$100 per season sound affordable for users. The expansion of a successful venture to two additional weekdays to service Betterton, Galena, and Millington would be a real plus.

The consensus among Council Members and business representatives at this meeting was that a shuttle of this type would not only be beneficial to Chestertown but would contribute to our overall goal of attracting more tourists to Kent County. Services of this type which encourage visitors to spend a weekend in Kent County rather than simply making a short visit to one of our towns could be a force multiplier for economic development.

Sincerely,

David Foster
Mayor



AGENDA ITEM BRIEFING

Pat Merritt, Chief Finance Officer, Office of Finance
4/19/2022
Budget Work Session

ATTACHMENTS:

Description

General Fund Overview

General Fund - Revenues

	Revised Projection	FY22 Budget	FY23 Budget	Inc/(Dec) \$	%
Property Tax	31,819,854	31,877,575	32,658,297	780,722	2.4%
Income Tax	15,000,000	15,000,000	15,000,000	-	0.0%
Recordation	2,355,476	1,220,000	1,884,381	664,381	54.5%
Property Transfer	1,495,753	786,000	1,196,602	410,602	52.2%
Intergovernmental	760,597	762,983	772,845	9,862	1.3%
Other Taxes	365,000	304,000	323,000	19,000	6.3%
License & Permits	353,134	352,338	367,526	15,188	4.3%
Service Charges	510,828	464,003	542,205	78,202	16.9%
Lease Proceeds	233,540	483,172	532,662	49,490	10.2%
Transfers In	13,500	0	0	-	0.0%
Other	188,103	244,515	213,954	(30,561)	-12.5%
Total Revenues	53,095,785	51,494,586	53,491,472	1,996,886	3.9%

General Fund - Expenditures

FY23

	Revised Projection	FY22 Budget	Original Budget	Inc/Dec \$	%
Board of Education					
Operating	18,559,615	18,559,615	18,559,629	14	0.0%
Non Recurring	-	-		-	0.0%
Debt Service	215,747	215,747	215,747	-	0.0%
	18,775,362	18,775,362	18,775,376	14	0.0%
Salaries	11,498,932	12,149,939	13,534,552	1,384,613	11.4%
Benefits	5,765,121	6,263,033	7,143,643	880,610	14.1%
Capital	1,479,286	2,314,199	2,561,413	247,214	10.7%
Leased Capital	267,793	539,621	552,412	12,791	2.4%
County Allocations	3,850,675	3,915,504	4,498,587	583,083	14.9%
Operating	6,178,152	6,395,699	7,530,535	1,134,836	17.7%
Transfers	2,159,060	2,638,541	2,618,671	(19,870)	-0.8%
Contingency	400,000	400,000	400,000	-	0.0%
Debt Service	1,382,209	1,415,330	1,120,198	(295,132)	-20.9%
Total Expenditures	51,756,590	54,807,228	58,735,387	3,928,159	7.2%
Surplus/(Deficit)	1,339,195	(3,312,642)	(5,243,915)	(1,931,273)	58.3%

General Fund Balance

	FY22 Projection	FY22 Budget	FY23 Budget
Fund Balance:			
Beginning	8,907,882	8,907,882	10,247,077
Surplus/(Deficit)	1,339,195	(3,312,642)	(5,243,915)
Ending	10,247,077	5,595,240	5,003,162
	19.7%	10.2%	8.5%
Target Fund Balance (7.5%)	3,893,980	4,110,542	4,405,154
Available Fund Balance	6,353,097	1,484,698	598,008

General Fund Balance

Non Recurring Budget Items:

Revenues

Fund Balance	6,353,097
Lease Proceeds	532,662

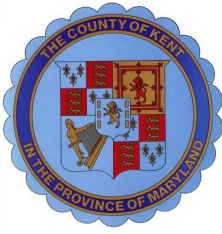
Expenses

Capital Expenditures	(2,561,413)
Leased Capital Expenditures	(552,412)
Capital Projects	(1,092,000)

Surplus / (Shortfall)	<u>2,679,934</u>
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Recurring Budget Items:

Revenues	52,958,810
Difference in Reserve	511,174
Expenditures (Personnel, Operating, Alloc, BOE, Other Transfers)	(54,529,562)
Surplus / (Shortfall)	<u>(2,081,926)</u>

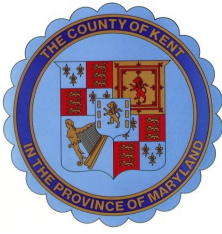


AGENDA ITEM BRIEFING

Marty Hale, Director, Human Resources 4/19/2022 Budget Work Session

Item Summary:

Correctional Officers Retirement System (CORS)



AGENDA ITEM BRIEFING

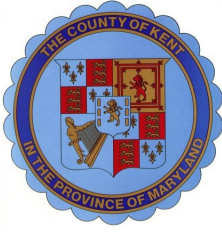
Marty Hale, Director, Human Resources **4/19/2022** **Budget Work Session**

Item Summary:

Personnel

ATTACHMENTS:

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