



CITY OF WESTMINSTER

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UPDATE ON FY 2011 BUDGET

Westminster Mayor and Common Council discuss FY2011 Budget

Westminster, MD – Mayor Kevin R. Utz presented a \$12.6M balanced budget to the City of Westminster Common Council along with a proposal to add a levy to the property tax to enable the City to complete the numerous capital improvement projects that cannot be completed within the current revenue structure.

“Using the new automated financial system to analyze data over a ten year period, it was possible to identify a number of important trends in the City’s finances that were previously not clear. These trends did not present an optimistic picture, in fact they show that the City’s has struggled to keep current expenses paid by current revenues since 2001 and has relied on one-time only and special purpose funds to sustain the balanced budget. The current dismal national economic situation has only exacerbated this disparity between revenues and expenditures,” stated Gary Ehlers, Acting Director of Finance.

Mayor Utz outlined the measures the City of Westminster has taken over the past three years to scale down the size of government including staff reductions, hiring freezes, elimination of merit increases for staff, modified employee benefit packages, delayed the purchase of cars, trucks and other equipment.

“In fact, staff prepared a balanced budget keeping all of these measures in place and only three Capital Projects already underway were included. The Capital Improvement Program (CIP) identified \$3.5M in projects for 2011 alone that were not included in the balanced budget they presented,” commented Mayor Utz.

The FY2011 CIP projects not included were \$210,500 of technology projects, \$194,000 in replacement Police cars, \$340,000 in public works vehicles, \$156,000 in public works equipment, \$1,568,244 in street work, \$855,000 in storm drain repair and replacement and \$175,000 in repairs to City owned buildings.

The proposed FY2011 budget is over \$1M smaller than the FY2010 budget; the State of Maryland cut funding for police protection and highway user revenue in September, 2009.

	FY2010	FY2011
General Government	2,048,239	2,040,686
Public Safety	5,871,685	5,855,686
Public Works	4,371,170	3,586,415
Community Support	152,124	100,743
Recreation and Parks	<u>1,392,905</u>	<u>1,050,352</u>
Total Operating Expense Budget	13,836,123	12,644,883

“The longer we delay in repairing our infrastructure, the more it costs. Delayed maintenance on storm drains can lead to major disasters like the Green Street sinkhole. This costs far more to repair than repairing the storm drain before it collapses. Some of our streets are in bad shape—if you have driven on Uniontown Road or Bond Street, you don’t need me to point this out to you. Our parks, ball fields and trails are utilized from dawn to dusk and need constant maintenance to keep them in playing condition,” continued Mayor Utz. “I realize that these are tough times for all of our residents—they are also tough times for governments having to maintain services as tax revenues are flat or decreasing and aid from other levels of government becomes more and more scarce. This levy is a small price to pay to insure that our streets are safe to drive on, our parks are preserved in playing condition, our storm drains prevent flooding, and our employees have the equipment they need to enforce the law, remove snow and cut grass.”

To fund these capital improvement projects would require an additional tax levy of 19 cents dedicated to these capital projects. For the owner of a property with a taxable assessment of \$250,000, this means an increase of \$475/year or \$39/mo.

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The City of Westminster Administration Department is located at 56 West Main Street. The department is responsible for overseeing the Planning, Zoning and Development, Finance, and Housing Departments.

For more information, call 410-848-9000 or visit www.westminstermd.gov.