

Town Funds Explained

Dear Denton Resident, Ordinance #723 was enacted December 6, 2021. This ordinance increases the quarterly water meter replacement fee from \$4.00 per quarter to \$10.00 starting the 2nd quarter of 2022. The increase is necessary due to the rise in cost of purchasing new water meters. Meters have increased from \$350 to \$600. All other water and sewer rates will remain the same.

In an effort to help our residents understand the fee increase and how it applies to Enterprise Funds and General Funds, we are providing the following information.

Water and Sewer Enterprise Funds:

What is it? An independent account set up to support and maintain the Water and Sewer systems, where operations are financed in a manner similar to private businesses.

How is it supported? An Enterprise Fund is self-supporting by water and sewer fees collected from Town users in exchange for services provided. If water and sewer expenses increase then revenues used to support this fund must also increase. No other Town funds are used to supplement the Enterprise accounts.

What does it do? It keeps the water/sewer system running using money collected from water/sewer fees, including replacing and installing new water meters.

A **Water/Sewer Rate Study** is available on the Town website. This is used to provide budget and operating costs for the system.

Turn over for more info...

General Fund:

What is it? A government's basic operating fund, a fund which accounts for everything not accounted for in another fund.

How is it supported? It relies primarily on revenues obtained through the assessment and collection of taxes from property, business taxes, personal property, railroad and public utility, hotel tax, and admissions and amusement taxes. Other revenues come from business licenses, permits, state police aid, franchise fees, other miscellaneous revenues and outside funding.

What does it do? General funds are used to cover the cost of operations for staffing and maintaining a safe and healthy Town. The Denton Police Dept. provides 24 hours coverage; Public Works maintains streets, parks, garbage and special collections; Planning & Codes manages building inspections and property maintenance; Finance handles the accounting for billing, collections, as well as human resources, information technology, Elections, etc.

Please scan the QR code below or visit the Town website at <https://dentonmaryland.com/enterprise-fund-information/> for additional details about the funds and studies, or contact the Denton Town Office Finance Dept. at 410-479-2050.

