



# Town of LAUREL DELAWARE

## EXECUTIVE SUMMARY

FY 2017 Budget

June 6, 2016

On behalf of the Department Heads, I am proud to present the Town's proposed FY2017 Budget. The Department Heads have worked hard to achieve a budget that balances estimated true revenues with anticipated expenses, provides for fair and effective provision of public services, and minimizes our existing residents' expenses while maintaining high quality of service for them. In order to do this, municipal spending has been minimized across all departments within the town government and only necessary increases in budgeted expenses have been proposed.

The Department Heads have worked diligently to draft a budget with a decreased amount of transfer from our only reserve fund, the realty transfer tax. The difficulty with this budget lies with the town being at a point in which our only reserve fund that has funds in it, is at an amount that there will NOT be enough money to transfer to balance next year's budget. The town cannot keep relying on the transfer of funds to balance our budget. It is important that the town begin working to build up our reserve funds in water, wastewater and realty transfer tax. The purpose of building up our reserve funds allows the town to have funds set aside to make necessary repairs, upgrades, maintenance, etc. to our infrastructure such as water lines, water towers, sewer lines, pumps, pump stations, treatment plant maintenance, etc.

In order to balance our budget without transferring from the three reserve funds, the town would have to increase tax revenue by 27%. We have two ways of increasing tax revenue and that is an increase in tax base i.e., development of new buildings/homes or the annexation of properties. Due to the fact new development is unforeseen in the near future, this budget does include an increase in our real estate taxes in the amount of 8%. What this means for our citizens, is, based on the average assessment of residential dwellings located within the town, the average property owner will see an increase of \$40 a year in real estate taxes. The proposed 8% tax increase will allow the town to reduce the amount necessary to transfer to balance the budget from our realty transfer tax reserves from \$85,000 to approximately \$60,000.

The budget also includes an increase in the water usage fee. The increase proposed is \$1.00 per 1,000 gallons of water used. \$0.50 of the increase will be used to balance the short fall in the Water Department, the additional \$0.50 will be set aside in a sludge reserve fund to allow us to

continue to move forward with sludge removal at the wastewater treatment plant. This project is anticipated to be a three year project.

There is an increase proposed for business license fees, from \$75.00 per fiscal year to \$100.00 per fiscal year; availability fee increase of \$15.00 a quarter, which has not been increased since 2008. There is not an increase proposed for trash, recycling or yard waste services or septic receiving.

The increases in expenditures includes a three percent in all salaries for administrative departments, and Police Administrative Staff, which is the amount equal to the police increases in the current police contract. The budget was again to include filling the vacancy of the Operations Manager; however, that position has been cut in this proposed budget.

Other notable changes in the budget expenditures include the increase in maintenance/equipment for the wastewater and public works departments. Additionally, the budget includes a 10% increase in health insurance costs. Our health insurance currently is contracted until December 1, 2016. Beginning in October 2016, we will begin obtaining quotes from insurance companies and choose the best plan that is within our financial boundaries.

In all, the proposed budget provides a balanced plan for spending, maintaining and enhancing the reserve funds that will ensure high quality of service, allow for future maintenance of infrastructure, and long term financial sustainability for the Town and its residents.

Respectfully Submitted,



Jamie Smith  
Town Manager

***TOWN OF LAUREL***

**PROPOSED  
OPERATING BUDGET**

**FISCAL YEAR  
2016-2017**

# FY 2017 REVENUES

DEPARTMENT	FY 2015	FY 2016 (Budget)	FY 2016 as of 4/30/16	FY 2017 (Proposed)
<b>General Government</b>				
<u>Operating Revenue</u>				
Taxes				
Real Estate Taxes	\$ 893,459	\$ 916,280	\$ 913,728	\$ 989,582
Delinquent Taxes	\$ 27,540	\$ 100,000	\$ 25,814	\$ 100,000
Transfer Taxes	\$ 39,073	\$ 40,000	\$ 24,966	\$ 25,000
Licenses				
Business	\$ 21,242	\$ 21,500	\$ 18,380	\$ 25,000
Professional	\$ 1,050	\$ 1,050	\$ 1,125	\$ 1,500
Rental	\$ 77,800	\$ 79,000	\$ 80,650	\$ 81,000
Grants				
Municipal Street Aid	\$ 71,014	\$ 71,014	\$ 70,142	\$ 70,142
Police	\$ 141,173	\$ 93,000	\$ 58,995	\$ 93,000
Rents	\$ 92,072	\$ 93,757	\$ 78,131	\$ 95,164
Interest & Penalties	\$ 15,124	\$ 20,700	\$ 15,303	\$ 20,270
Franchise Fees	\$ 39,644	\$ 34,000	\$ -	\$ 39,500
Services Billed	\$ 33,368	\$ 30,000	\$ 28,106	\$ 32,000
Permits	\$ 62,774	\$ 101,700	\$ 66,824	\$ 66,450
Reviews, Inspections	\$ 2,800	\$ 4,000	\$ 6,375	\$ 3,250
User Fees	\$ 14,409	\$ 12,870	\$ 15,254	\$ 12,100
Fines	\$ 178,472	\$ 191,500	\$ 193,900	\$ 216,000
Miscellaneous Revenue	\$ -		\$ 2,895	
<u>Capital Revenue</u>				
Sale of Surplus Property	\$ 7,832	\$ 30,000	\$ 2,700	\$ 17,000
Fire Dept. Impact Fees	\$ -	\$ -	\$ 1,500	\$ -
Public Facilities Impact Fees	\$ 7,006	\$ 35,000	\$ 7,744	\$ 10,000
Transfers	\$ 85,000	\$ 80,000		\$ 59,000
TOTAL	\$ 1,810,852	\$ 1,955,371	\$ 1,612,532	\$ 1,955,958

<b>Water Enterprise</b>	<b>FY 2015</b>	<b>FY 2016 (Budget)</b>	<b>FY 2016 as of 4/30/16</b>	<b>FY 2017 (Proposed)</b>
<u>Operating Revenue</u>				
User Fees				
Water Fees	\$ 577,087	\$ 656,900	\$ 531,716	\$ 738,570
Penalties	\$ 10,867	\$ 12,000	\$ 4,557	\$ 12,000
Availability Fees	\$ 17,262	\$ 17,000	\$ 16,642	\$ 25,000
Connection Fees	\$ 4,500	\$ 2,350	\$ 7,000	
Water Meter Fees	\$ 15,000		\$ 5,573	
<u>Capital Revenue</u>				
Water Impact Fees	\$ 11,000	\$ 22,350	\$ 19,000	\$15,100
<b>TOTAL</b>	<b>\$ 635,716</b>	<b>\$ 710,600</b>	<b>\$ 584,488</b>	<b>\$ 790,670</b>
<b>Wastewater Enterprise</b>				
<u>Operating Revenue</u>				
User Fees				
Wastewater Fees	\$ 1,137,514	\$ 1,241,400	\$ 1,045,497	\$ 1,241,400
Penalties	\$ 10,000	\$ 16,000	\$ 7,805	\$ 16,000
Availability Fees	\$ 34,519	\$ 34,000	\$ 33,380	\$ 37,000
Connection Fees	\$ 6,000	\$ 7,200	\$ 16,000	
<u>Capital Revenue</u>				
Wastewater Impact Fees	\$ 16,526	\$ 29,800	\$ 25,000	\$ 20,086
<b>TOTAL</b>	<b>\$ 1,204,559</b>	<b>\$ 1,328,400</b>	<b>\$ 1,127,682</b>	<b>\$ 1,314,486</b>
<b>Septic Receiving Enterprise</b>				
<u>Operating Revenue</u>				
Septic Receiving Fees	\$ 459,604	\$ 450,000	\$ 421,116	\$ 450,000
Permit Fees	\$ 750	\$ 700	\$ 950	\$ 900
<b>TOTAL</b>	<b>\$ 460,354</b>	<b>\$ 450,700</b>	<b>\$ 422,066</b>	<b>\$ 450,900</b>
<b>Trash Enterprise</b>				
<u>Operating Revenue</u>				
Trash Fees	\$ 469,200	\$ 485,376	\$ 401,849	\$ 486,876
<b>TOTAL</b>	<b>\$ 469,200</b>	<b>\$ 485,376</b>	<b>\$ 401,849</b>	<b>\$ 486,876</b>
<b>TOTAL REVENUE</b>	<b>\$ 4,580,681</b>	<b>\$ 4,930,447</b>	<b>\$ 4,148,617</b>	<b>\$ 4,998,890</b>

# FY 2017 OPERATIONAL EXPENDITURES

DEPARTMENT	FY 2015	FY 2016 (Budget)	FY 2016 as of 4/30/16	FY 2017 (Proposed)
<b>General Government</b>				
Contractual Services	\$ 159,851	\$ 136,541	\$ 173,261	\$ 119,773
Supplies & Materials	\$ 74,972	\$ 23,900	\$ 34,232	\$ 21,200
Other Projects & Grants	\$ 41,980	\$ 29,500	\$ 29,431	\$ 33,500
Debt Service	\$ 92,073	\$ 81,099	\$ 63,800	\$ 81,098
TOTAL	<u>\$ 368,876</u>	<u>\$ 271,040</u>	<u>\$ 300,724</u>	<u>\$ 255,571</u>
<b>Administration</b>				
Personnel	\$ 170,946	\$ 183,990	\$ 150,336	\$ 190,122
Contractual Services	\$ 30,755	\$ 20,479	\$ 20,469	\$ 20,584
Supplies & Materials	\$ 35,423	\$ 32,100	\$ 30,870	\$ 29,100
TOTAL	<u>\$ 237,124</u>	<u>\$ 236,569</u>	<u>\$ 201,675</u>	<u>\$ 239,806</u>
<b>Public Works</b>				
Personnel	\$ 123,844	\$ 131,977	\$ 112,425	\$ 135,343
Contractual Services	\$ 87,006	\$ 101,500	\$ 73,860	\$ 102,541
Supplies & Materials	\$ 115,609	\$ 96,300	\$ 73,849	\$ 94,300
TOTAL	<u>\$ 326,459</u>	<u>\$ 329,777</u>	<u>\$ 260,134</u>	<u>\$ 332,184</u>
<b>Code Enforcement</b>				
Personnel	\$ 96,737	\$ 138,752	\$ 114,662	\$ 150,398
Supplies & Materials	\$ 16,143	\$ 11,900	\$ 9,057	\$ 11,600
TOTAL	<u>\$ 112,880</u>	<u>\$ 150,652</u>	<u>\$ 123,719</u>	<u>\$ 161,998</u>
<b>Alderman Court</b>				
Personnel	\$ 105,923	\$ 86,936	\$ 87,519	\$ 100,803
Supplies & Materials	\$ 12,621	\$ 14,931	\$ 6,042	\$ 9,900
TOTAL	<u>\$ 118,544</u>	<u>\$ 101,867</u>	<u>\$ 93,561</u>	<u>\$ 110,703</u>
<b>Police Department</b>				
Personnel	\$ 1,241,297	\$ 1,282,457	\$ 1,022,611	\$ 1,315,484
Contractual Services	\$ 41,405	\$ 47,500	\$ 43,009	\$ 36,000
Supplies & Materials	\$ 175,568	\$ 118,500	\$ 96,433	\$ 103,500
TOTAL	<u>\$ 1,458,270</u>	<u>\$ 1,448,457</u>	<u>\$ 1,162,053</u>	<u>\$ 1,454,984</u>
<b>Mayor &amp; Council</b>				
Personnel	\$ 6,353	\$ 6,210	\$ 4,738	\$ 6,210
Supplies & Materials	\$ 3,260	\$ 3,500	\$ 1,912	\$ 3,492
TOTAL	<u>\$ 11,688</u>	<u>\$ 9,710</u>	<u>\$ 6,650</u>	<u>\$ 9,702</u>

DEPARTMENT	FY 2015	FY 2016 (Budget)	FY 2016 as of 4/30/16	FY 2017 (Proposed)
<b>Water Enterprise</b>				
Personnel	\$ 169,063	\$ 233,470	\$ 195,978	\$ 239,033
Contractual Services	\$ 20,438	\$ 9,864	\$ 3,606	\$ 9,064
Supplies & Materials	\$ 99,990	\$ 58,000	\$ 65,450	\$ 76,000
Repairs & Maintenance	\$ 122,103	\$ 51,500	\$ 19,035	\$ 41,500
Debt Service	\$ 118,204	\$ 286,308	\$ 285,538	\$ 309,757
Capital Reserve		\$ 22,350	\$ 19,000	\$ 15,065
Sludge Removal Reserve		\$ 48,600	\$ 37,558	\$ 88,600
TOTAL	\$ 529,798	\$ 710,092	\$ 626,165	\$ 779,019
<b>Wastewater Enterprise</b>				
Personnel	\$ 357,924	\$ 345,108	\$ 288,090	\$ 359,183
Contractual Services	\$ 20,162	\$ 20,000	\$ 14,516	\$ 18,000
Supplies & Materials	\$ 197,054	\$ 215,700	\$ 188,928	\$ 211,100
Repairs & Maintenance	\$ 121,378	\$ 111,000	\$ 77,828	\$ 110,000
Debt Service	\$ 315,931	\$ 489,585	\$ 477,388	\$ 443,792
Capital Reserve	\$ 16,526	\$ 29,800	\$ 25,000	\$ 20,086
Sludge Removal Reserve		\$ 48,600	\$ 36,918	\$ 48,600
TOTAL	\$ 1,028,975	\$ 1,259,793	\$ 1,108,668	\$ 1,210,761
<b>Septic Receiving Enterprise</b>				
Personnel	\$ 31,447	\$ 49,638	\$ 42,048	\$ 50,525
Contractual Services	\$ 6,166	\$ 5,500	\$ 3,832	\$ 5,500
Supplies & Materials	\$ 20,857	\$ 24,000	\$ 33,101	\$ 24,000
TOTAL	\$ 58,470	\$ 79,138	\$ 78,981	\$ 80,025
<b>Trash Enterprise</b>				
Contractual Services	\$ 382,271	\$ 353,642	\$ 291,282	\$ 363,309
TOTAL	\$ 382,271	\$ 353,642	\$ 291,282	\$ 363,309
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,633,355</b>	<b>\$ 4,950,737</b>	<b>\$ 4,253,612</b>	<b>\$ 4,998,062</b>

## FY 2017 RATES AND FEES

<u>TAXES</u>	FY 2015	FY 2016	FY 2017 (Proposed)
Property Tax, per \$100 assessed value	\$ 2.29	\$ 2.34	\$ 2.53
Realty Transfer Tax Rate	1.5%	1.5%	1.5%
Delinquent Tax Penalty	3%/month	3%/month	3%/month

Note: Town of Laurel property tax is levied on 100% of the 1974 assessed value of a property (or a calculated equivalent), as determined by the Sussex County Tax Assessor's Office. Property taxes are considered delinquent if not paid in full on or before December 1 following the date they are first levied.

<u>UTILITIES</u>	FY 2015	FY 2016	FY 2017 (Proposed)
<b>Water Delivery, per EDU, monthly</b>			
Base Rate, (res, in town)	\$ 12.50	\$ 12.50	\$ 12.50
Base Rate, (com, in town)	\$ 15.50	\$ 15.50	\$ 15.50
Base Rate, (res, out of town)	\$ 25.00	\$ 25.00	\$ 25.00
Base Rate, (com, out of town)	\$ 31.00	\$ 31.00	\$ 31.00
Use Rate, (res, in town)	\$ 3.50/kgal	\$ 4.25/kgal	\$ 5.25/kgal
Use Rate, (com, in town)	\$ 4.00/kgal	\$ 4.75/kgal	\$ 5.75/kgal
Use Rate, (res, out of town)	\$ 7.00/kgal	\$ 8.50/kgal	\$ 10.50/kgal
Use Rate, (com, out of town)	\$ 8.00/kgal	\$ 9.50/kgal	\$ 11.50/kgal
<b>Wastewater Delivery, per EDU, monthly</b>			
Base Rate, (res, in town)	\$ 36.50	\$ 37.50	\$ 37.50
Base Rate, (com, in town)	\$ 43.50	\$ 44.50	\$ 44.50
Base Rate, (res, out of town)	\$ 73.00	\$ 75.00	\$ 75.00
Base Rate, (com, out of town)	\$ 87.00	\$ 89.00	\$ 89.00
Use Rate, (res, in town)	\$ 4.50/kgal	\$ 5.75/kgal	\$ 5.75/kgal
Use Rate, (com, in town)	\$ 5.50/kgal	\$ 6.75/kgal	\$ 6.75/kgal
Use Rate, (res, out of town)	\$ 9.00/kgal	\$ 11.50/kgal	\$ 11.50/kgal
Use Rate, (com, out of town)	\$ 11.00/kgal	\$ 13.50/kgal	\$ 13.50/kgal
<b>Trash Service, monthly</b>			
Service Fee	\$ 31.00	\$ 32.00	\$ 32.00