



Town of LAUREL DELAWARE

EXECUTIVE SUMMARY

FY 2020 Budget

May 21, 2019

On behalf of the Department Heads, I am proud to present the Town's proposed FY2020 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, we continue to minimize municipal spending 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 the least amount of transfer from our only reserve fund, the realty transfer tax. We as a town are aware that we cannot keep relying on the transfer of funds to balance our budget. It is understood the importance that the town continue to work to build up our reserve funds in water, wastewater and realty transfer tax and get to a financial point where we will no longer have to transfer from the realty transfer tax to assist with balancing a budget. In order to sustain our budget without transfers or increases in fees, the town needs to see substantial growth. Although, we do have projections for growth with new residential properties and a commercial project, it will not provide the necessary increase in our tax revenue to sustain the budget. To help spur development and growth, this budget includes incentives for the U. S. Route 13 Commercial Corridor, which will be explained further down in the summary.

The overall budget increase is a 5% increase. The increase is due to the maintenance agreement the town is entering into for two of our water towers at

\$100,000, increases in personnel costs that include health insurance costs (12%) and negotiated union contract and non union employee personnel costs (3%), along with establishing a Capital Improvement Reserve Fund (\$58,000).

To help offset the cost of the water tower maintenance agreements, personnel cost and capital improvement reserve fund, the following increases are proposed: \$1.00 on the base rate of water utility bill, increase in rental and business licenses, increase in administrative fees for services billed, increase in fees for repeat violators of Grass & Weed Ordinance, and a 5% increase to Real Estate taxes. Rental and Business Licenses have already been approved to be increased by \$25.00 per unit/business. Administrative fees for services billed will increase to 35%. Fee for repeat violators for Grass & Weed Ordinance will increase by 25% for each repeat violation. The 5% tax real estate transfer tax is an average increase of \$30.00 per household.

It is the staffs' goal to see substantial growth within our community and improvement to properties. In order to do so we are proposing a Route 13 Commercial Corridor Incentives for new commercial businesses. The incentive will be the reduction of impact fees for any commercial business with 3 or more EDU's. We have reached out to other municipalities that have seen growth over the last few years and reduction of impact fees has been the main item to help those communities see additional growth. The incentive is proposed for this upcoming budget only and will be re-evaluated during the next budget year process.

The establishment of a Capital Improvement Reserve Fund is something that this staff has been working towards for the last three years and we have finally been able to include it in the proposed budget. The Capital Improvement Reserve Fund is proposed at \$58,000 and proposed to be utilized for capital projects to include, but not limited to infrastructure repairs, town owned building repairs, and/or demolition of properties. It is proposed to not be utilized until at least half way through the budget year, and at that time, evaluate the most feasible project.

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

2019 - 2020

FY 2020 REVENUES

DEPARTMENT	FY 2018	FY 2019 (Budget)	FY 2019 as of 4/30/19	FY 2020 (Proposed)
General Government				
<u>Operating Revenue</u>				
Taxes				
Real Estate Taxes	\$ 1,054,326	\$ 1,107,042	\$ 1,147,564	\$ 1,207,564
Delinquent Taxes	\$ 64,518	\$ 75,000	\$ 31,744	\$ 50,000
Transfer Taxes	\$ 76,915	\$ 60,000	\$ 61,895	\$ 70,000
Licenses				
Business	\$ 33,055	\$ 33,000	\$ 36,330	\$ 43,700
Professional	\$ 1,500	\$ 1,500	\$ 1,300	\$ 1,625
Rental	\$ 80,050	\$ 81,000	\$ 78,600	\$ 101,000
Grants				
Municipal Street Aid	\$ 68,990	\$ 68,990	\$ 82,394	\$ 82,394
Police	\$ 246,976	\$ 167,766	\$ 203,854	\$ 220,204
General		\$ 75,000		\$ 75,000
Rents	\$ 94,221	\$ 96,055	\$ 79,654	\$ 96,055
Interest & Penalties	\$ 12,192	\$ 20,250	\$ 8,785	\$ 20,250
Franchise Fees	\$ 54,118	\$ 54,500	\$ 30,914	\$ 48,500
Services Billed	\$ 35,432	\$ 36,000	\$ 37,542	\$ 42,000
Permits	\$ 60,486	\$ 31,300	\$ 22,728	\$ 26,300
Reviews, Inspections	\$ 3,650	\$ 5,000	\$ 7,500	\$ 5,000
User Fees	\$ 18,140	\$ 13,000	\$ 17,182	\$ 33,000
Fines	\$ 389,854	\$ 377,500	\$ 307,896	\$ 391,500
Insurance Claims	\$ 59,490			
Vacant Houses		\$ 30,000	\$ 6,250	\$ 30,000
<u>Capital Revenue</u>				
Sale of Surplus Property	\$ 11,750	\$ 37,000	\$ 18,400	
Fire Dept. Impact Fees	\$ 500	\$ -	\$ 3,500	\$ -
Public Facilities Impact Fees	\$ 5,002	\$ 10,000	\$ 15,222	\$ 10,000
Transfers	\$ 395,000	\$ 100,000		\$ 99,000
TOTAL	\$ 2,706,675	\$2,479,903	\$ 2,199,254	\$ 2,653,092

Water Enterprise	FY 2018	FY 2019 (Budget)	FY 2019 as of 4/30/19	FY 2020 (Proposed)
<u>Operating Revenue</u>				
User Fees				
Water Fees	\$ 810,559	\$ 800,000	\$ 651,785	\$ 817,000
Penalties	\$ 8,500	\$ 12,000	\$ 5,276	\$ 12,000
Availability Fees	\$ 19,497	\$ 20,000	\$ 19,198	\$ 20,000
Connection Fees	\$ 2,400		\$ 7,325	
Water Meter Fees	\$ 1,566	\$ 2,000	\$ 10,107	\$ 2,000
<u>Capital Revenue</u>				
Water Impact Fees	\$ 4,200		\$ 20,400	
TOTAL	\$ 846,722	\$ 834,000	\$ 714,091	\$ 851,000
Wastewater Enterprise				
<u>Operating Revenue</u>				
User Fees				
Wastewater Fees	\$ 1,339,337	\$ 1,300,000	\$ 1,088,678	\$ 1,315,452
Penalties	\$ 8,500	\$ 12,000	\$ 5,976	\$ 12,000
Availability Fees	\$ 39,747	\$ 40,000	\$ 39,147	\$ 40,000
Connection Fees	\$ 4,800		\$ 16,000	
<u>Capital Revenue</u>				
Wastewater Impact Fees	\$ 6,600		\$ 27,200	
TOTAL	\$ 1,398,984	\$ 1,352,000	\$ 1,177,001	\$ 1,367,452
Septic Receiving Enterprise				
<u>Operating Revenue</u>				
Septic Receiving Fees	\$ 785,321	\$ 802,000	\$ 893,636	\$ 900,000
Permit Fees	\$ 950	\$ 1,800	\$ 1,175	\$ 1,800
TOTAL	\$ 786,271	\$ 803,800	\$ 894,811	\$ 901,800
Trash Enterprise				
<u>Operating Revenue</u>				
Trash Fees	\$ 508,991	\$ 506,000	\$ 435,688	\$ 514,500
TOTAL	\$ 508,991	\$ 506,000	\$ 435,688	\$ 514,500
TOTAL REVENUE	\$ 6,247,643	\$ 5,975,703	\$ 5,420,845	\$ 6,287,844

FY 2020 OPERATIONAL EXPENDITURES

DEPARTMENT	FY 2018	FY 2019 (Budget)	FY 2019 as of 4/30/19	FY 2020 (Proposed)
General Government				
Contractual Services	\$ 253,887	\$ 161,423	\$ 282,636	\$ 193,100
Supplies & Materials	\$ 38,669	\$ 20,800	\$ 87,824	\$ 22,000
Other Projects & Grants	\$ 36,572	\$ 110,500	\$ 84,550	\$ 109,500
Debt Service	\$ 291,097	\$ 70,000	\$ 12,872	\$ 128,674
TOTAL	<u>\$ 620,225</u>	<u>\$ 362,723</u>	<u>\$ 467,882</u>	<u>\$ 453,274</u>
Administration				
Personnel	\$ 234,961	\$ 246,212	\$ 221,514	\$ 284,509
Contractual Services	\$ 24,205	\$ 23,984	\$ 22,172	\$ 24,140
Supplies & Materials	\$ 46,235	\$ 46,600	\$ 60,093	\$ 47,100
TOTAL	<u>\$ 305,401</u>	<u>\$ 316,796</u>	<u>\$ 303,779</u>	<u>\$ 355,749</u>
Public Works				
Personnel	\$ 136,356	\$ 199,602	\$ 112,598	\$ 198,408
Contractual Services	\$ 137,932	\$ 100,924	\$ 84,543	\$ 87,100
Supplies & Materials	\$ 105,626	\$ 120,200	\$ 136,041	\$ 120,200
TOTAL	<u>\$ 379,914</u>	<u>\$ 420,726</u>	<u>\$ 333,182</u>	<u>\$ 405,708</u>
Code Enforcement				
Personnel	\$ 122,833	\$ 137,519	\$ 109,546	\$ 145,389
Supplies & Materials	\$ 17,806	\$ 10,500	\$ 10,153	\$ 9,700
TOTAL	<u>\$ 140,639</u>	<u>\$ 148,019</u>	<u>\$ 119,699</u>	<u>\$ 155,089</u>
Alderman Court				
Personnel	\$ 122,914	\$ 184,620	\$ 135,169	\$ 175,048
Supplies & Materials	\$ 11,447	\$ 10,400	\$ 14,558	\$ 10,700
TOTAL	<u>\$ 134,361</u>	<u>\$ 195,020</u>	<u>\$ 149,727</u>	<u>\$ 185,748</u>
Police Department				
Personnel	\$ 1,553,716	\$ 1,724,274	\$ 1,362,300	\$ 1,837,848
Contractual Services	\$ 43,907	\$ 42,900	\$ 41,356	\$ 44,000
Supplies & Materials	\$ 214,664	\$ 112,800	\$ 172,289	\$ 116,500
TOTAL	<u>\$ 1,812,287</u>	<u>\$ 1,879,974</u>	<u>\$ 1,575,945</u>	<u>\$ 1,998,348</u>
Mayor & Council				
Personnel	\$ 3,672	\$ 5,840	\$ 3,278	\$ 8,398
Supplies & Materials	\$ 1,837	\$ 2,400	\$ 1,986	\$ 2,684
TOTAL	<u>\$ 5,509</u>	<u>\$ 8,240</u>	<u>\$ 5,264</u>	<u>\$ 11,082</u>

DEPARTMENT	FY 2018	FY 2019 (Budget)	FY 2019 as of 4/30/19	FY 2020 (Proposed)
Water Enterprise				
Personnel	\$ 241,863	\$ 297,921	\$ 194,345	\$ 303,609
Contractual Services	\$ 11,769	\$ 9,600	\$ 7,777	\$ 109,700
Supplies & Materials	\$ 121,436	\$ 90,800	\$ 117,427	\$ 122,800
Repairs & Maintenance	\$ 15,207	\$ 15,000	\$ 15,393	\$ 12,500
Debt Service	\$ 314,312	\$ 367,682	\$ 343,192	\$ 385,684
Capital Reserve	\$ 4,200		\$ 20,400	
Sludge Removal Reserve	\$ 105,245	\$ 48,600	\$ 29,786	\$ 48,600
TOTAL	<u>\$ 814,032</u>	<u>\$ 829,603</u>	<u>\$ 728,320</u>	<u>\$ 982,893</u>
Wastewater Enterprise				
Personnel	\$ 354,769	\$ 390,270	\$ 302,451	\$ 394,793
Contractual Services	\$ 12,632	\$ 17,300	\$ 9,154	\$ 17,300
Supplies & Materials	\$ 229,787	\$ 218,500	\$ 198,906	\$ 220,500
Repairs & Maintenance	\$ 152,807	\$ 87,000	\$ 255,328	\$ 85,000
Debt Service	\$ 524,012	\$ 415,559	\$ 387,156	\$ 424,575
Capital Reserve	\$ 6,600		\$ 27,200	
Sludge Removal Reserve	\$ 62,133	\$ 88,600	\$ 54,000	\$ 88,600
TOTAL	<u>\$ 1,342,740</u>	<u>\$ 1,217,229</u>	<u>\$ 1,234,195</u>	<u>\$ 1,230,768</u>
Septic Receiving Enterprise				
Personnel	\$ 54,453	\$ 57,514	\$ 47,477	\$ 61,151
Contractual Services	\$ 7,327	\$ 5,500	\$ 8,100	\$ 8,500
Supplies & Materials	\$ 25,905	\$ 163,000	\$ 33,651	\$ 63,000
TOTAL	<u>\$ 87,685</u>	<u>\$ 226,014</u>	<u>\$ 89,228</u>	<u>\$ 132,651</u>
Trash Enterprise				
Contractual Services	\$ 369,186	\$ 369,151	\$ 311,696	\$ 376,534
TOTAL	<u>\$ 369,186</u>	<u>\$ 369,151</u>	<u>\$ 311,696</u>	<u>\$ 376,534</u>
TOTAL EXPENDITURES	<u><u>\$ 6,011,979</u></u>	<u><u>\$ 5,973,495</u></u>	<u><u>\$ 5,318,917</u></u>	<u><u>\$ 6,287,844</u></u>

FY 2020 RATES AND FEES

<u>TAXES</u>	FY 2018	FY 2019	FY 2020
Property Tax, per \$100 assessed value	\$ 2.73	\$ 2.87	\$ 3.01
Realty Transfer Tax Rate	1.5%	1.5%	1.5%
Delinquent Tax Penalty	3%/month	5%/month	5%/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.

A 1% discount applies if taxes are paid before October 1 after the date levied.

<u>UTILITIES</u>	FY 2018	FY 2019	FY 2020 (Proposed)
Water Delivery, per EDU, monthly			
Base Rate, (res, in town)	\$ 13.50	\$ 13.50	\$ 14.50
Base Rate, (com, in town)	\$ 16.50	\$ 16.50	\$ 17.50
Base Rate, (res, out of town)	\$ 27.00	\$ 27.00	\$ 29.00
Base Rate, (com, out of town)	\$ 33.00	\$ 33.00	\$ 35.00
Use Rate, (res, in town)	\$ 5.25/kgal	\$ 5.25/kgal	\$ 5.25/kgal
Use Rate, (com, in town)	\$ 5.75/kgal	\$ 5.75/kgal	\$ 5.75/kgal
Use Rate, (res, out of town)	\$ 10.50/kgal	\$ 10.50/kgal	\$ 10.50/kgal
Use Rate, (com, out of town)	\$ 11.50/kgal	\$ 11.50/kgal	\$ 11.50/kgal
Wastewater Delivery, per EDU, monthly			
Base Rate, (res, in town)	\$ 37.50	\$ 37.50	\$ 37.50
Base Rate, (com, in town)	\$ 44.50	\$ 44.50	\$ 44.50
Base Rate, (res, out of town)	\$ 75.00	\$ 75.00	\$ 75.00
Base Rate, (com, out of town)	\$ 89.00	\$ 89.00	\$ 89.00
Use Rate, (res, in town)	\$ 5.75/kgal	\$ 5.75/kgal	\$ 5.75/kgal
Use Rate, (com, in town)	\$ 6.75/kgal	\$ 6.75/kgal	\$ 6.75/kgal
Use Rate, (res, out of town)	\$ 11.50/kgal	\$ 11.50/kgal	\$ 11.50/kgal
Use Rate, (com, out of town)	\$ 13.50/kgal	\$ 13.50/kgal	\$ 13.50/kgal
Trash Service, monthly			
Service Fee	\$ 33.00	\$ 33.00	\$ 33.00
Delinquent Utility Penalty	3%/month	5%/month	5%/month