



Town of LAUREL DELAWARE

EXECUTIVE SUMMARY FY 2024 BUDGET

May 24, 2023

Along with the Department Heads, I am pleased to present the Town's proposed FY2024 Budget. The Department Heads have worked hard to achieve a balanced budget, while understanding the increased cost to operate the various sectors of the municipal government and balancing that without financially burdening our citizens.

Building construction of new homes continued in FY2023 and we are anticipating it to continue, with at least four additional single family homes and 28 town homes (14 units). We anticipate construction of two sets of commercial storage units to begin during FY2024. We have approved Preliminary Site Plans for the construction of a 400 unit residential development and a 180 unit planned mixed use development. Although both those development received preliminary approval in FY2023, neither have begun construction. We are hoping that by the end of FY2024, site work will begin. The town continues to work with a commercial developer for the construction of a commercial business to be located on U. S. Route 13 as well.

We understand the difficulty and the strain on some of our property owners in regard to their annual tax bill. As stated in the FY2023 Budget, to sustain a balanced budget for long term, especially with the increased costs to operate our various departments, due to increases in materials, increases in broken infrastructure, chemicals, electric, federal requirements, personnel costs, etc. the town will need to see an increase in tax revenue. The options for that include an increase in our tax rate and/or an increase in our tax base. We are seeing the tax base gradually increase in residential properties, and I can assure you, that this

town staff is working with developers to increase our tax base with more commercial development as well. However, the increase in tax base is not moving as quickly as we had hoped. Also note Sussex County re-assessments will not be finalized until 2025.

The town is seeing a continuous increase in crime, violent crime to be exact. We currently have a total of 19 Police Officers budgeted. Currently we have one vacancy and we have two cadets in the Police. The Chief of Police and his administrative staff continue to work to fill the last vacant position. When the Police Department is fully staffed, this allows for three officers per shift, but does not take into account vacation, sick, workers comp, required training, court, etc. that pulls officers from their regular shift, which causes a reduction to two officers for the majority of shifts. Public safety and officer safety are top priorities within the Police Department and to better provide both of those, the town needs to add additional officers to our force. This budget proposes an additional two officers to our current slotted 19.

As I mentioned we have are seeing a significant increase in our water department. mainly due to increases in costs of chemicals, 25% increase in electric, and increase in the water tank maintenance program, and new line items for two federal mandates. These increases total more than \$100,000. In order to cover the total increase, the town will be paying off a loan early and will increase our water rates. To explain better why a rate increase is needed, please be advised of the following: An increase in the rates sustains the utility by providing the financial resources necessary to maintain the service levels our customers expect while continuing to comply with the regulations mandated by the state and federal government. By federal law, the water and sewer systems are enterprise funds, which means they are to be fully funded by the system users and not supported by any other funding sources, including taxes, grants, etc. Any surplus that may be realized in enterprise funds is technically to be set aside into a reserve fund for improvements, upgrades and unforeseen maintenance in that particular fund. It should not be used to offset shortfalls in the general budget.

Below are the highlights of the budget:

Revenues:

- Increase in Real Estate Taxes of 30%. (Currently 82% of properties are assessed at less than \$30,000.00.
- Increase of water rates - Base - \$2.00 per customer and \$1.00 per/1,000 gal. Over a five year span, the town has increased water on average \$4/month, that is \$0.13 a day
- Increase of Availability Fee
- Increase in Rental and Business License
- We have seen a decrease in septic receiving in the amount of \$100,000. Our usual haulers are still dumping, however their amount is less and attribute to people not getting septic pumped as often as they have previously plus we maintenance is being completed to the septic receiving station, which does not allow for 24/7 dumping by haulers.

Expenditures:

- 5% increase in health insurance.
- Pay increase for all staff
- Increase electric cost by 25%
- Continued the line item for MS4 expenses (Federal Mandate)
- Include expenses for Federal Mandate of Lead and Copper Testing on privately owned properties.
- Increase in water tower maintenance, per contract in the amount of \$54,000
- Majority of Department expenses remained close to the same as FT2023, however there were increases to repairs and maintenance Line Items, process chemical, and electric, which are the areas in which we are seeing an increase in prices.

A formal Public Hearing will be held on Monday, June 5, 2023 at 7:00 p.m. on the proposed budget. At that time, citizens can offer comments or questions they may have. We will also be posting the proposed budget to our webpage (www.townoflaurel.net, under forms and documents, then select general category). Anyone who has any questions or comments that cannot attend the public hearing, may email the town manager with those comments or questions. The email for the Town Manager is laureltn@comcast.net. The Budget will be presented for adoption on June 19, 2023.

Jamie T. Smith
Town Manager

FY 2024 REVENUES

DEPARTMENT	FY 2022	FY 2023 (Budget)	FY 2023 as of 4/30/23	FY 2024 (Proposed)
General Government				
<u>Operating Revenue</u>				
Taxes				
Real Estate Taxes	\$ 1,213,490	\$ 1,227,564	\$ 1,227,564	\$ 1,595,833
Delinquent Taxes	\$ 250,630	\$ 260,000	\$ 38,400	\$ 315,000
Transfer Taxes	\$ 303,717	\$ 130,000	\$ 187,722	\$ 150,000
Licenses				
Business	\$ 28,885	\$ 35,000	\$ 25,115	\$ 35,000
Rental	\$ 99,250	\$ 100,000	\$ 99,000	\$ 120,000
Grants				
Municipal Street Aid	\$ 83,663	\$ 87,000	\$ 85,107	\$ 87,000
Police	\$ 441,979	\$ 199,153	\$ 205,700	\$ 120,000
General	\$ 105,000		\$ 17,593	\$ -
Rents	\$ 96,782	\$ 97,500	\$ 88,819	\$ 98,472
Interest & Penalties	\$ 9,507	\$ 20,250	\$ 7,735	\$ 20,700
Franchise Fees	\$ 38,407	\$ 47,500	\$ 19,387	\$ 45,500
Services Billed	\$ 89,208	\$ 78,000	\$ 24,311	\$ 50,000
Permits	\$ 18,916	\$ 26,700	\$ 24,565	\$ 26,800
Reviews, Inspections	\$ 5,150	\$ 5,000	\$ 5,400	\$ 7,000
User Fees	\$ 55,514	\$ 43,100	\$ 48,653	\$ 46,100
Fines	\$ 310,086	\$ 397,500	\$ 212,354	\$ 397,500
Insurance Claims	\$ 30,497		\$ 20,415	
Vacant Houses	\$ 2,700	\$ 10,000	\$ 500	\$ 10,000
<u>Capital Revenue</u>				
Sale of Surplus Property	\$ -			
Fire Dept. Impact Fees	\$ 3,500	\$ -	\$ 1,000	\$ -
Public Facilities Impact Fees	\$ 13,260	\$ 10,000	\$ 14,446	\$ 12,000
Transfers		\$ 100,000		\$ 100,000
TOTAL	\$ 3,200,141	\$ 2,874,267	\$ 2,353,786	\$ 3,236,905

Water Enterprise	FY 2022	FY 2023 (Budget)	FY 2023 as of 4/30/23	FY 2024 (Proposed)
<u>Operating Revenue</u>				
User Fees				
Water Fees	\$ 835,309	\$ 889,000	\$ 707,169	\$ 986,488
Penalties	\$ 7,500	\$ 16,000	\$ 10,000	\$ 16,000
Availability Fees	\$ 17,535	\$ 20,000	\$ 17,424	\$ 20,000
Connection Fees	\$ 7,000		\$ 3,000	
Water Meter Fees	\$ 5,852	\$ 3,000	\$ 8,592	\$ 3,000
<u>Capital Revenue</u>				
Water Impact Fees	\$ 15,000		\$ 9,000	
TOTAL	\$ 888,196	\$ 928,000	\$ 755,185	\$ 1,025,488
Wastewater Enterprise				
<u>Operating Revenue</u>				
User Fees				
Wastewater Fees	\$ 1,291,474	\$ 1,340,000	\$ 1,079,243	\$ 1,340,000
Penalties	\$ 7,500	\$ 16,000	\$ 10,000	\$ 16,000
Availability Fees	\$ 35,810	\$ 40,000	\$ 35,510	\$ 40,000
Connection Fees	\$ 16,400		\$ 6,000	
<u>Capital Revenue</u>				
Wastewater Impact Fees	\$ 16,800		\$ 12,000	
TOTAL	\$ 1,367,984	\$ 1,396,000	\$ 1,142,753	\$ 1,396,000
Septic Receiving Enterprise				
<u>Operating Revenue</u>				
Septic Receiving Fees	\$ 472,929	\$ 650,000	\$ 437,752	\$ 550,000
Permit Fees	\$ 2,000	\$ 1,800	\$ 1,700	\$ 1,800
TOTAL	\$ 474,929	\$ 651,800	\$ 439,452	\$ 551,800
Trash Enterprise				
<u>Operating Revenue</u>				
Trash Fees	\$ 545,301	\$ 552,000	\$ 458,797	\$ 552,000
TOTAL	\$ 545,301	\$ 552,000	\$ 458,797	\$ 552,000
TOTAL REVENUE	\$ 6,476,551	\$ 6,402,067	\$ 5,149,973	\$ 6,762,193

FY 2024 OPERATIONAL EXPENDITURES

DEPARTMENT	FY 2022	FY 2023 (Budget)	FY 2023 as of 4/30/23	FY 2024 (Proposed)
General Government				
Contractual Services	\$ 339,172	\$ 257,767	\$ 374,576	\$ 346,450
Supplies & Materials	\$ 24,919	\$ 20,750	\$ 19,565	\$ 23,400
Other Projects & Grants	\$ 163,272	\$ 35,500	\$ 73,763	\$ 37,500
Debt Service & Reserve	\$ 13,539	\$ 11,400	\$ 18,460	\$ 20,000
TOTAL	<u>\$ 540,902</u>	<u>\$ 325,417</u>	<u>\$ 486,364</u>	<u>\$ 427,350</u>
Administration				
Personnel	\$ 294,325	\$ 309,085	\$ 247,096	\$ 318,516
Contractual Services	\$ 23,111	\$ 22,240	\$ 21,391	\$ 27,772
Supplies & Materials	\$ 45,199	\$ 44,650	\$ 44,248	\$ 47,800
TOTAL	<u>\$ 362,635</u>	<u>\$ 375,975</u>	<u>\$ 312,735</u>	<u>\$ 394,088</u>
Public Works				
Personnel	\$ 204,389	\$ 212,679	\$ 140,340	\$ 195,726
Contractual Services	\$ 96,711	\$ 94,300	\$ 79,432	\$ 99,600
Supplies & Materials	\$ 150,052	\$ 105,000	\$ 150,969	\$ 128,750
TOTAL	<u>\$ 451,152</u>	<u>\$ 411,979</u>	<u>\$ 370,741</u>	<u>\$ 424,076</u>
Code Enforcement				
Personnel	\$ 150,942	\$ 167,454	\$ 129,349	\$ 172,397
Supplies & Materials	\$ 31,290	\$ 11,400	\$ 12,485	\$ 12,400
TOTAL	<u>\$ 182,232</u>	<u>\$ 178,854</u>	<u>\$ 141,834</u>	<u>\$ 184,797</u>
Alderman Court				
Personnel	\$ 147,329	\$ 205,763	\$ 155,325	\$ 211,225
Supplies & Materials	\$ 15,684	\$ 11,100	\$ 11,475	\$ 10,400
TOTAL	<u>\$ 163,013</u>	<u>\$ 216,863</u>	<u>\$ 166,800</u>	<u>\$ 221,625</u>
Police Department				
Personnel	\$ 1,806,617	\$ 2,014,339	\$ 1,407,800	\$ 2,139,728
Contractual Services	\$ 48,536	\$ 49,000	\$ 45,247	\$ 49,000
Supplies & Materials	\$ 325,565	\$ 141,500	\$ 297,533	\$ 157,000
TOTAL	<u>\$ 2,180,718</u>	<u>\$ 2,204,839</u>	<u>\$ 1,750,580</u>	<u>\$ 2,345,728</u>
Mayor & Council				
Personnel	\$ 3,391	\$ 4,880	\$ 2,977	\$ 4,225
Supplies & Materials	\$ 3,435	\$ 3,000	\$ 1,316	\$ 3,000
TOTAL	<u>\$ 6,826</u>	<u>\$ 7,880</u>	<u>\$ 4,293</u>	<u>\$ 7,225</u>

DEPARTMENT	FY 2022	FY 2023 (Budget)	FY 2023 as of 4/30/23	FY 2024 (Proposed)
Water Enterprise				
Personnel	\$ 193,848	\$ 320,033	\$ 191,829	\$ 318,701
Contractual Services	\$ 186,976	\$ 97,986	\$ 100,911	\$ 151,500
Supplies & Materials	\$ 125,230	\$ 135,500	\$ 93,474	\$ 188,000
Repairs & Maintenance	\$ 71,688	\$ 26,500	\$ 46,149	\$ 33,500
Debt Service	\$ 275,529	\$ 323,382	\$ 245,865	\$ 254,802
Capital Reserve	\$ 15,000		\$ 9,000	
Sludge Removal Reserve	\$ 28,350	\$ 48,600	\$ 34,000	\$ 48,600
TOTAL	<u>\$ 896,621</u>	<u>\$ 952,001</u>	<u>\$ 721,228</u>	<u>\$ 995,103</u>
Wastewater Enterprise				
Personnel	\$ 362,913	\$ 429,120	\$ 351,254	\$ 438,391
Contractual Services	\$ 11,820	\$ 12,300	\$ 9,737	\$ 12,000
Supplies & Materials	\$ 228,560	\$ 214,000	\$ 216,062	\$ 225,900
Repairs & Maintenance	\$ 140,795	\$ 77,000	\$ 95,476	\$ 63,500
Debt Service	\$ 334,218	\$ 371,763	\$ 285,279	\$ 391,194
Capital Reserve	\$ 16,800		\$ 12,000	
Sludge Removal Reserve	\$ 46,350	\$ 88,600	\$ 56,800	\$ 88,600
TOTAL	<u>\$ 1,141,456</u>	<u>\$ 1,192,783</u>	<u>\$ 1,026,608</u>	<u>\$ 1,219,585</u>
Septic Receiving Enterprise				
Personnel	\$ 48,438	\$ 54,674	\$ 48,338	\$ 56,116
Contractual Services	\$ 10,097	\$ 8,400	\$ 11,319	\$ 10,250
Supplies & Materials	\$ 121,105	\$ 49,000	\$ 102,570	\$ 34,000
TOTAL	<u>\$ 179,640</u>	<u>\$ 112,074</u>	<u>\$ 162,227</u>	<u>\$ 100,366</u>
Trash Enterprise				
Contractual Services	\$ 414,216	\$ 420,000	\$ 338,096	\$ 430,000
TOTAL	<u>\$ 414,216</u>	<u>\$ 420,000</u>	<u>\$ 338,096</u>	<u>\$ 430,000</u>
TOTAL EXPENDITURES	<u><u>\$ 6,519,411</u></u>	<u><u>\$ 6,398,665</u></u>	<u><u>\$ 5,481,506</u></u>	<u><u>\$ 6,749,943</u></u>

FY 2024 RATES AND FEES

<u>TAXES</u>	FY 2022	FY 2023	FY 2024
Property Tax, per \$100 assessed value	\$ 3.01	\$ 3.01	\$ 3.98
Realty Transfer Tax Rate	1.5%	1.5%	1.5%
Delinquent Tax Penalty	5%/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 2022	FY 2023	FY 2024 (Proposed)
Water Delivery, per EDU, monthly			
Base Rate, (res, in town)	\$ 14.50	\$ 14.50	\$ 16.50
Base Rate, (com, in town)	\$ 17.50	\$ 17.50	\$ 19.50
Base Rate, (res, out of town)	\$ 29.00	\$ 29.00	\$ 33.00
Base Rate, (com, out of town)	\$ 35.00	\$ 35.00	\$ 39.00
Use Rate, (res, in town)	\$ 5.25/kgal	\$ 6.00/kgal	\$ 7.00/kgal
Use Rate, (com, in town)	\$ 5.75/kgal	\$ 6.50/kgal	\$ 7.50/kgal
Use Rate, (res, out of town)	\$ 10.50/kgal	\$ 12.00/kgal	\$ 14.00/kgal
Use Rate, (com, out of town)	\$ 11.50/kgal	\$ 13.00/kgal	\$ 15.00/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

Water Availabilty Fee, Quarterly

Less than 1 Acre	\$ 25.00	\$ 25.00	\$ 35.00
1 up to 5 Acres	\$ 40.00	\$ 40.00	\$ 65.00
5 up to 15 Acres	\$ 55.00	\$ 55.00	\$ 80.00
15 up 20 Acres	\$ 100.00	\$ 100.00	\$ 135.00
1 up to 5 Acres	\$ 180.00	\$ 180.00	\$ 240.00

Sewer Availabilty Fee, Quarterly

Less than 1 Acre	\$ 50.00	\$ 50.00	\$ 65.00
1 up to 5 Acres	\$ 85.00	\$ 85.00	\$ 105.00
5 up to 15 Acres	\$ 105.00	\$ 105.00	\$ 130.00
15 up 20 Acres	\$ 195.00	\$ 195.00	\$ 260.00
1 up to 5 Acres	\$ 365.00	\$ 365.00	\$ 485.00

Delinquent Utility Penalty	5%/month	5%/month	5%/month
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