



Town of LAUREL DELAWARE

EXECUTIVE SUMMARY FY 2027 BUDGET

May 29, 2026

The Town's proposed FY2027 Budget totals \$8,572,944, representing an increase of just over 13%. Department Heads were conscientious in preparing their budget requests, recognizing both the increasing costs associated with operating the various sectors of municipal government and the importance of balancing those needs without placing an unnecessary financial burden on our citizens.

Residential construction continued throughout FY2026 and is expected to remain into FY2027, alongside commercial development within the Town. The Town is currently working closely with a commercial developer on a project along U.S. Route 13 that is anticipated to include the construction of four businesses and one additional pad site for future development.

Budget includes new structures of incentives for Downtown Development District.

Sussex County has completed its property reassessments, and the Town has adjusted its tax structure to establish two separate tax rates: one for residential properties and one for commercial properties.

During the process of reviewing and calculating the proposed tax rates, it became evident that many residential properties experienced significantly higher assessed values than commercial properties. In many cases, residential assessments were heavily influenced by the age of the property and the timing of renovations or improvements. Older homes, particularly those that have not undergone recent renovations, generally experienced larger increases in assessed value.

Taking these factors into consideration, the proposed tax rates have been structured to ensure the Town is able to meet its financial obligations while also working to minimize the tax burden placed on our property owners.

The Budget includes increased expenses for consultant costs, demolition costs, infrastructure repairs, Capital Improvement Project, debt service, personnel costs, insurance cost and general increases to supplies, materials, repairs.

The town staff continues to work daily to be sure we are in compliance with all regulations mandated by the state and federal government.

We work diligently daily to continue 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 realized is transferred to help offset the general fund to help offset costs that would otherwise impact the general fund and property tax rates.

Below are the highlights of the budget:

Revenues:

- R/E Tax penalties, is an increase of \$62,985.00
- Proposed Tax Rate for Residential Properties is \$0.47 per \$100 of the assessed value and \$0.98 per \$100 of the assessed value.
- Increase to water usage and sewer rate of \$0.50 to each per 1,000 gallons, along with \$0.50 to each base rate.
- Increase Rental License to \$175.00.
- Flat rate of Business License established at \$225
- Plan Review for Residential of \$150/hr.
- Inspection and Plan Review for Commercial of \$0.05% of Total Cost.
- Towing fee amended to include Admin Fee of \$50
- Septic Receiving increase of \$0.005 per gallon.

- Court Security \$20 increase
- Amendment to COPS Grant to add \$65,000 to the budget.
- With the increase in new residential properties we will see an increase in the over all income to water, sewer, trash and taxes.

Expenditures:

- Increases to all insurances
- Debt Service increase.
- Funds to hire consultant to rewrite the Zoning Ordinance
- Personnel compensation adjustments.
- Funds for Demolition of Derelict Properties
- Increase Repairs to Infrastructure.
- Loss of the Laurel School District paying for the School Resource Officer.
- Wastewater Treatment Plant Capital Improvement Project.
- Continued the line item for MS4 expenses (Federal Mandate)
- Include expenses for Federal Mandate of Lead and Copper Testing on privately owned properties.
- Majority of Department expenses remained close to the same as FY2026, with some minor adjustments.

DDD Incentive Structure:

- DDD Incentives for Building permit waive up to 30% depending on the cost of construction. For Tax Abatement on improvements change to an incremented abatement starting with 50% year 1, 40% year 2, 30% year 3, 20% year 4, and 10% year five

A formal Public Review and Comment will be held on Monday, June 1, 2026 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 or under Mayor and Council and select Budget). 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 laureltm@comcast.net. The Budget will be presented for adoption on June 15, 2026.

Jamie T. Smith
Town Manager

TOWN OF LAUREL

FY2027

PROPOSED

OPERATING BUDGET

Fiscal Year

2026-2027

FY 2027 REVENUES

DEPARTMENT	FY 2025 (Budget)	FY 2026 (Budget)	FY 2027 (Proposed)
General Government			
<u>Operating Revenue</u>			
Taxes			
Real Estate Taxes	\$ 1,596,000	\$ 1,606,249	\$ 2,108,394
Delinquent Taxes	\$ 315,000	\$ 380,000	\$ 250,000
Transfer Taxes	\$ 150,000	\$ 160,000	\$ 191,000
Licenses			
Business	\$ 35,000	\$ 35,000	\$ 55,125
Rental	\$ 123,000	\$ 130,500	\$ 142,625
Grants			
Municipal Street Aid	\$ 88,000	\$ 84,000	\$ 83,000
Police	\$ 199,500	\$ 286,500	\$ 334,900
General	\$ -	\$ -	\$ 20,000
Rents	\$ 99,467	\$ 87,000	\$ 82,000
Interest & Penalties	\$ 75,700	\$ 107,700	\$ 171,000
Franchise Fees	\$ 45,500	\$ 45,500	\$ 39,500
Services Billed	\$ 60,000	\$ 55,000	\$ 52,000
Permits	\$ 66,800	\$ 70,450	\$ 92,300
Reviews, Inspections	\$ 8,000	\$ 19,000	\$ 40,000
User Fees	\$ 46,500	\$ 38,500	\$ 11,000
Fines	\$ 407,000	\$ 387,500	\$ 387,500
Insurance Claims			
Vacant Structure	\$ 10,000	\$ 10,000	\$ 10,000
<u>Capital Revenue</u>			
Sale of Surplus Property			
Fire Dept. Impact Fees	\$ -	\$ 5,000	\$ 5,000
Public Facilities Impact Fees	\$ 30,000	\$ 30,000	\$ 45,000
Storm Water Impact Fee		\$ 13,000	\$ 15,000
P & R Impact Fee		\$ 6,500	\$ 7,000
Police Impact Fee		\$ 6,500	\$ 7,000
Fire Sprinkler Yrly Fee		\$ 500	\$ 1,700
Fire Sprinkler Impact Fee		\$ 5,000	\$ 5,000
Transfers	\$ 100,000	\$ 100,000	\$ 200,000
TOTAL	\$ 3,455,467	\$ 3,669,399	\$ 4,356,044

Water Enterprise	FY 2025	FY 2026	FY 2027
<u>Operating Revenue</u>	(Budget)	(Budget)	(Proposed)
User Fees			
Water Fees	\$ 990,000	\$ 1,030,000	\$ 1,170,400
Penalties	\$ 28,000	\$ 87,000	\$ 125,000
Availability Fees	\$ 30,000	\$ 30,000	\$ 30,000
Connection Fees			\$ 15,000
Water Meter Fees	\$ 3,000	\$ 5,000	\$ 10,000
<u>Capital Revenue</u>			
Water Impact Fees			\$ 33,000
 TOTAL	<hr/> \$ 1,051,000	<hr/> \$ 1,152,000	<hr/> \$ 1,383,400
 Wastewater Enterprise			
<u>Operating Revenue</u>			
User Fees			
Wastewater Fees	\$ 1,340,000	\$ 1,390,000	\$ 1,546,000
Penalties	\$ 20,000	\$ 43,500	\$ 55,000
Availability Fees	\$ 57,000	\$ 57,000	\$ 25,000
Connection Fees			\$ 29,000
Grease Trap Insp. Fee		\$ 1,000	\$ 1,000
<u>Capital Revenue</u>			
Wastewater Impact Fees			\$ 42,000
 TOTAL	<hr/> \$ 1,417,000	<hr/> \$ 1,491,500	<hr/> \$ 1,698,000
 Septic Receiving Enterprise			
<u>Operating Revenue</u>			
Septic Receiving Fees	\$ 565,000	\$ 560,000	\$ 605,000
Permit Fees	\$ 3,100	\$ 4,200	\$ 4,500
 TOTAL	<hr/> \$ 568,100	<hr/> \$ 564,200	<hr/> \$ 609,500
 Trash Enterprise			
<u>Operating Revenue</u>			
Trash Fees	\$ 511,500	\$ 518,000	\$ 520,000
			\$ 6,000
 TOTAL	<hr/> \$ 511,500	<hr/> \$ 518,000	<hr/> \$ 526,000
 TOTAL REVENUE	<hr/> <hr/> \$ 7,003,067	<hr/> <hr/> \$ 7,395,099	<hr/> <hr/> \$ 8,572,944

FY 2027 OPERATIONAL EXPENDITURES

DEPARTMENT	FY 2025 (Budget)	FY 2026 (Budget)	FY 2027 (Proposed)
General Government			
Contractual Services	\$ 360,354	\$ 363,984	\$ 434,380
Supplies & Materials	\$ 23,300	\$ 18,500	\$ 30,200
Other Projects & Grants	\$ 39,550	\$ 30,000	\$ 56,500
Debt Service & Reserve	\$ 80,000	\$ 25,000	\$ 140,000
TOTAL	\$ 503,204	\$ 437,484	\$ 661,080
Administration			
Personnel	\$ 322,499	\$ 305,062	\$ 222,939
Contractual Services	\$ 27,772	\$ 27,600	\$ 27,700
Supplies & Materials	\$ 46,300	\$ 48,725	\$ 42,375
TOTAL	\$ 396,571	\$ 381,387	\$ 293,014
Public Works			
Personnel	\$ 203,600	\$ 228,452	\$ 128,779
Contractual Services	\$ 102,500	\$ 92,550	\$ 154,250
Supplies & Materials	\$ 106,450	\$ 115,750	\$ 200,000
TOTAL	\$ 412,550	\$ 436,752	\$ 483,029
Code Enforcement			
Personnel	\$ 179,401	\$ 159,168	\$ 166,646
Supplies & Materials	\$ 38,100	\$ 33,020	\$ 63,900
TOTAL	\$ 217,501	\$ 192,188	\$ 230,546
Alderman Court			
Personnel	\$ 218,293	\$ 209,722	\$ 220,461
Supplies & Materials	\$ 10,600	\$ 10,600	\$ 10,236
TOTAL	\$ 228,893	\$ 220,322	\$ 230,697
Police Department			
Personnel	\$ 2,325,018	\$ 2,757,146	\$ 3,292,704
Contractual Services	\$ 64,000	\$ 78,700	\$ 76,000
Supplies & Materials	\$ 163,500	\$ 295,200	\$ 337,800
TOTAL	\$ 2,552,518	\$ 3,131,046	\$ 3,706,504
Mayor & Council			
Personnel	\$ 4,125	\$ 4,125	\$ 5,000
Supplies & Materials	\$ 3,000	\$ 2,000	\$ 2,000
TOTAL	\$ 7,125	\$ 6,125	\$ 7,000

DEPARTMENT	FY 2025 (Budget)	FY 2026 (Budget)	FY 2027 (Proposed)
Water Enterprise			
Personnel	\$ 332,355	\$ 328,880	\$ 547,295
Contractual Services	\$ 114,500	\$ 98,000	\$ 97,500
Supplies & Materials	\$ 136,500	\$ 139,500	\$ 129,500
Repairs & Maintenance	\$ 33,500	\$ 31,000	\$ 31,000
Debt Service	\$ 155,200	\$ 169,748	\$ 171,318
Capital Reserve			
Sludge Removal Reserve	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL	\$ 822,055	\$ 817,128	\$ 1,026,613
Wastewater Enterprise			
Personnel	\$ 506,199	\$ 532,704	\$ 642,745
Contractual Services	\$ 13,000	\$ 12,500	\$ 13,500
Supplies & Materials	\$ 235,500	\$ 242,500	\$ 237,000
Repairs & Maintenance	\$ 70,500	\$ 74,500	\$ 154,500
Debt Service	\$ 387,815	\$ 264,686	\$ 269,802
Capital Reserve			
Sludge Removal Reserve	\$ 88,600	\$ 88,600	\$ 88,600
TOTAL	\$ 1,301,614	\$ 1,215,490	\$ 1,406,147
Septic Receiving Enterprise			
Personnel	\$ 119,161	\$ 138,677	\$ 65,814
Contractual Services	\$ 10,375	\$ 10,500	\$ 12,500
Supplies & Materials	\$ 35,000	\$ 28,000	\$ 50,000
TOTAL	\$ 164,536	\$ 177,177	\$ 128,314
Trash Enterprise			
Contractual Services	\$ 380,000	\$ 380,000	\$ 400,000
TOTAL	\$ 380,000	\$ 380,000	\$ 400,000
 TOTAL EXPENDITURES	 \$ 6,986,567	 \$ 7,395,099	 \$ 8,572,944