



Town of Milton

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Dear Mayor Kanakos and Town Council members:

Within sections of the "Fiscal Year 2022 Annual Budget" binder, there are many documents for your review. First is a spreadsheet titled "Town of Milton, Fiscal Year 2022 Budget, Town Managers Proposed Revenues and Expenditures", which details anticipated annual revenues and budgeted expenditures. The additional documents are the proposed FY22 Fee Schedule, Proposed FY22 Pay Scale including a summary of department salary allocations, each department supervisors' budget submission, list of town-owned vehicles, debt summary of the Towns Drinking Water State Revolving Fund (SRF) loans, Capital Improvements Program, Statement of Revenues and Expenditures as of June 30, 2021, and lastly a copy of the Annual Budget Presentation.

An overview of the Fiscal Year 2022 budget is as follows:

- General Fund Revenues total \$3,349,465 (which includes use of \$379,150¹ in reserves) while expenditures total \$3,348,525. The result is a surplus of \$940.
- Proprietary Fund Revenues total \$2,975,150, while expenditures total \$2,855,510. A gross surplus of \$119,640 remains of which \$94,000 is water impact fees. The revenue and expenditure totals include the DWSRF \$1,670,000 for 2021 Water System Improvements Project, though awarded in FY2021. The water impact fees anticipated in FY22 are not allocated for expenditures. The resulting proprietary fund budget surplus is \$25,640.

Notable items:

- Realty Transfer Tax (RTT) utilized in the FY22 budget is \$230,000 for operational expenses of public safety. (Use of RTT is codified in Delaware Code Title 22, Chapter 16). This amount is equal to the 2021 budget.
- Fee schedule increases are as follows: base building permit fee (\$30 to \$45), lien certificate fee (\$35 to \$45), park usage and security deposit fees (based on size of event), and the quarterly trash/recycle/yard waste collection fee (\$58 to \$61.50).
- Revenues, such as building permits, water impact fees, water meter / tap fees, sewer permits / impact fees, are based on 47 new construction units.
- Town insurance is calculated at a 10% increase. The renewal period will begin in August/September; definitive renewal rates will not be received until October.
- Pay scale increase of 5% based on the May 2021 Bureau of Labor Statistics report.
- Additional employee in both the Planning/Code Department and Police Department.

- Capital projects, such as the Magnolia Street Drainage/Bulkhead and Water System Improvements 2021 are included again in the FY22 budget as the Town has received funding commitments and previously approved the projects. To follow is a funding breakdown:
 - Magnolia Street Drainage is estimated in the FY22 budget at \$814,150. The Town has received \$535,000 in grant funding. The remainder of the project, \$279,150 is budgeted from general fund reserves. This project has been submitted for permits. Once received the Town can proceed to bid. I have filed for an additional grant towards this project which a response will not be received until January.
 - The Water System Improvements 2021 project is again noted in the FY22 budget as the project has been awarded, but construction has not started.
- Capital purchases in FY22 are routine upgrades to computers, building repairs to Town Hall and the Police Department, a police patrol vehicle fleet. Planning of a public works facility on Sam Lucas Road is also included.
- Each department supervisors' budget reports are provided; however, the budget may vary in certain line items from the department requests.
- Lastly, this budget does not include use of American Rescue Plan Act funds.

I look forward to discussing the draft annual budget. As you review the documents, please let me know of any questions.

Respectfully Submitted,

Kristy L. Rogers
Town Manager

¹ In FY2021, the Magnolia Street Drainage/Bulkhead project has only progressed to the level of permitting, as of July 9, 2021. The project is not yet out-to-bid. Of the reserve noted in the General Fund revenues, \$279,150 is from FY2021, as well as the capital expense. This is not an additional withdrawal of savings or expenditure.