

FY2023 Annual Budget

OCTOBER 1, 2022 -
SEPTEMBER 30, 2023

Charter Section 28

- Town Manager shall prepare a rough draft of the Town Budget for presentation in July.
- Town Budget shall contain the debt of the town, an itemized statement of all estimated expenses, and an estimate of money received from taxes, water rents, license fees, and all other sources of income.

Process before Presentation

- Supervisors prepare and submit budget documents to the Town Manager
- Town Manager reviews, compares to current facts and past year budget performance
- Review comments are communicated to the supervisors for revised budget documents
- Consumer Price Index/Bureau of Labor Statistics is reviewed for pay scale and cost of goods (data point of year ending May)
- Current and past budgets are reviewed for projections of a fee schedule
- Town Manager completes a last review of department budgets, revises revenues and expenses to present a balanced budget document to Mayor and Town Council

What makes a town budget?

REVENUES	EXPENSES	GRANTS	CAPITAL
Taxes Fees Restricted Sources/Reserves	Employees Operations Maintenance	Sussex County (PD & RTT) State Bond Bill ORPT/RC&D/MSA Police sources	Infrastructure & Planning Buildings Equipment
Property Tax Realty Transfer Tax Emer Ser/Com Enhancement Franchise Fees Building Permits / Licenses Water Rents Waste Collection Water Impact	Salaries/Benefits Supplies and Overhead Buildings and Equipment SRF Debt	ADA/Pedestrian Connectivity Street Resurfacing/Rehab Signage/Traffic Control Drainage and Bulkhead Police Equipment/Sp Duty Police Vehicles	Well / Treatment Plant Streets / Crosswalks Public Works Facility PW Dump Truck* PW Vac Machine*
Revenues must be sustainable, provide for operational needs	Strict adherence for continuity of governance and to meet community services	Enhances revenues/expenses	Community investment

Municipal Street Aid

Funding to municipalities from the States Motor Fuel Tax

- State funded at \$6,000,000, 57 municipalities

Uses codified in Delaware Code Title 30

Streets improvements:

- construction, reconstruction, repair and maintenance of streets...
- purchase and installation of street identification signs and traffic control signs...
- construction, reconstruction and repair of sidewalks...
- other necessary expenses in connection with such street improvements, defined in Title 30.

Increase from \$86,000 to \$93,000 (based on population and mileage)

Realty Transfer Tax

Municipalities receive 1.5% of the value of real property being transferred (few exceptions)

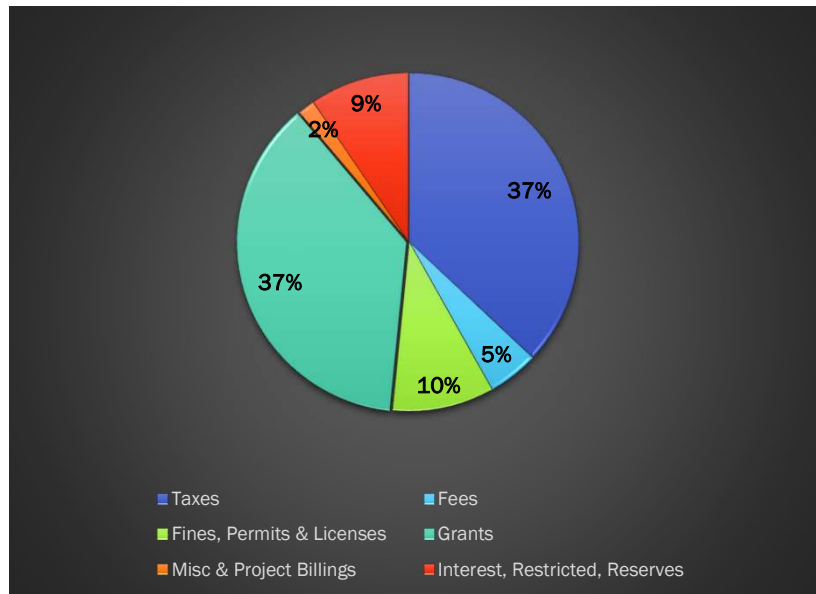
Uses codified in Delaware Code, Title 22, Chapter 16

- Capital and operating costs of public safety services
- Economic development programs
- Public works services
- Capital projects and improvements
- Infrastructure projects and improvements, and debt thereon

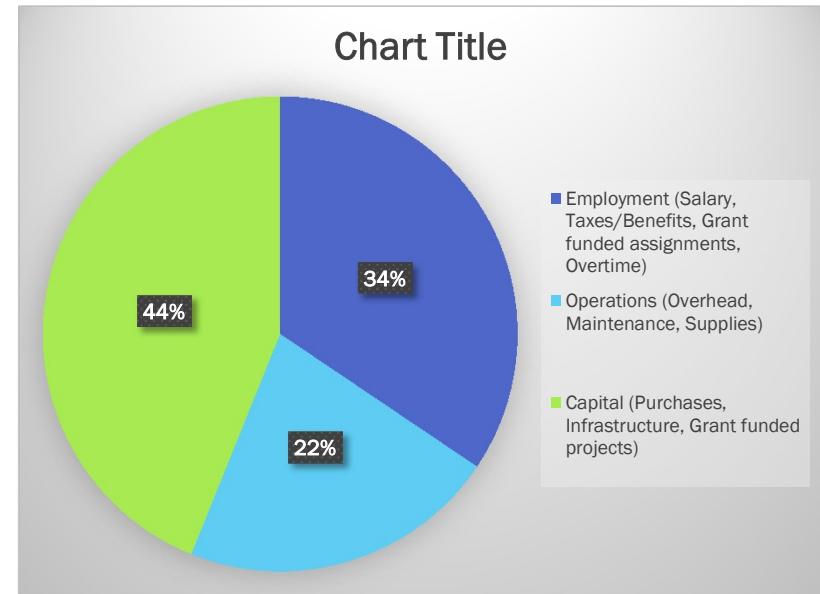
Strive to lessen dependence on RTT funding for operating costs of public safety services

General Fund

REVENUES

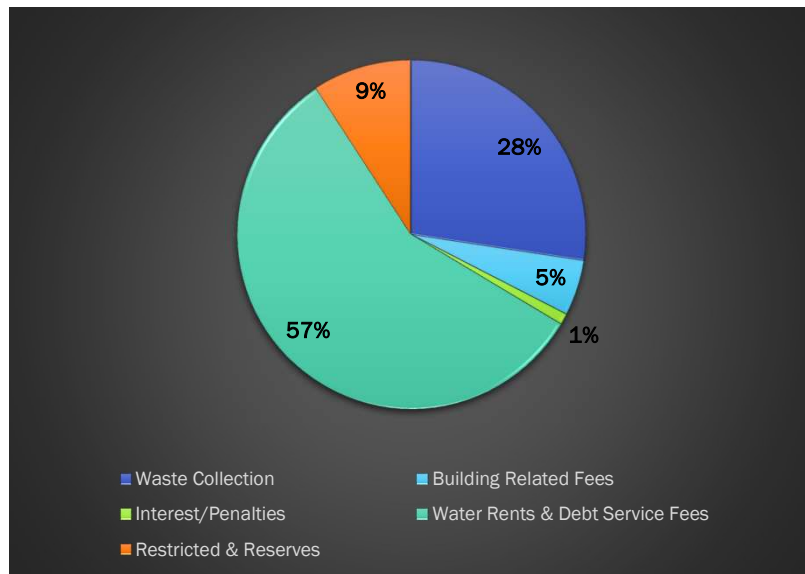


EXPENSES

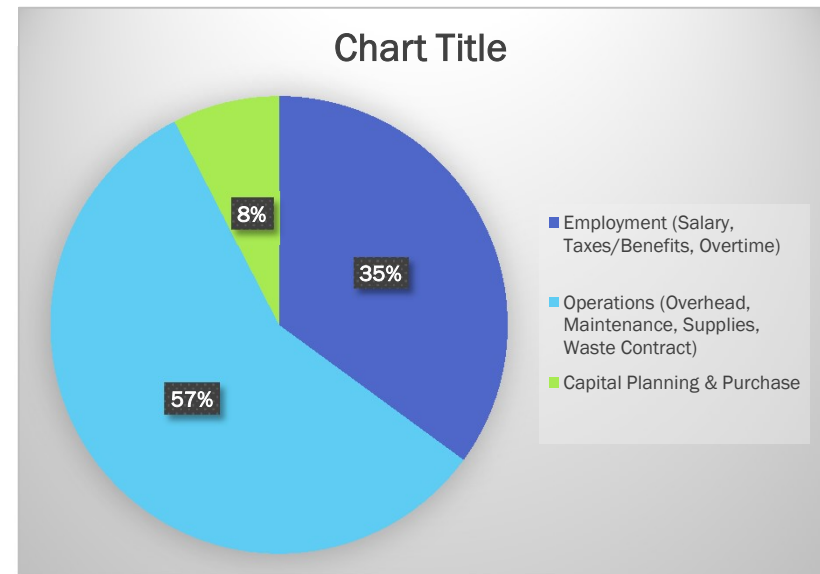


Proprietary (Utility) Fund

REVENUES



EXPENSES



Summary of FY2023

❖ General Fund

❖ Revenues: Taxes, Fees, Reserves, and Grants

❖ \$4,755,322 (Reserves \$380,043, Grants \$1,772,594, Restricted Funds \$60,000)

❖ Expenditures: Employment, Operations and Maintenance, Grants, Capital

❖ \$4,693,570

❖ Proprietary (Utility) Fund

❖ Revenues: Fees

❖ \$1,482,463 (Reserves \$56,000, Restricted \$80,000)

❖ Expenditures: Employment, Operations and Maintenance, and Capital

❖ \$1,401,540

Statement of Debt

Three loans through Drinking Water State Revolving Fund:

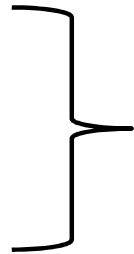
- 2001 Water main and treatment plant improvements
 - Loan amount \$635,620.99, maturity 10/1/2023
- 2018 Wagamons water main extension (“loop”)
 - Loan amount \$395,000, maturity 6/1/2039
- 2018 Shipbuilders well and treatment facility
 - Loan amount \$500,000, maturity 6/1/2039

Capital Program

ADA Transition Plan

Pedestrian connectivity

Street resurfacing



Funded by Sussex County RTT and MSA

Magnolia Street Drainage and Bulkhead Rehabilitation – Funded by ORPT, RC&D, State Bond Bill

Planning of Federal Street Well and Treatment Facility

Purchase of Dump Truck and Vac Machine (not purchased as funded in FY21) – Reserves

What's included in FY23

Building revenues and expenses calculated on 40 units

2 additional public works employees, time to restructure for growth

10% (estimated) increase in liability insurance

8.6% adjustment to the pay scale

Economic development initiatives

Public Policy Decisions and Goals

Parks and Recreation (including Boat Docks) – Review of program and fees

Employee benefits – Review for equity

Public Works Facility – Affordability and financing

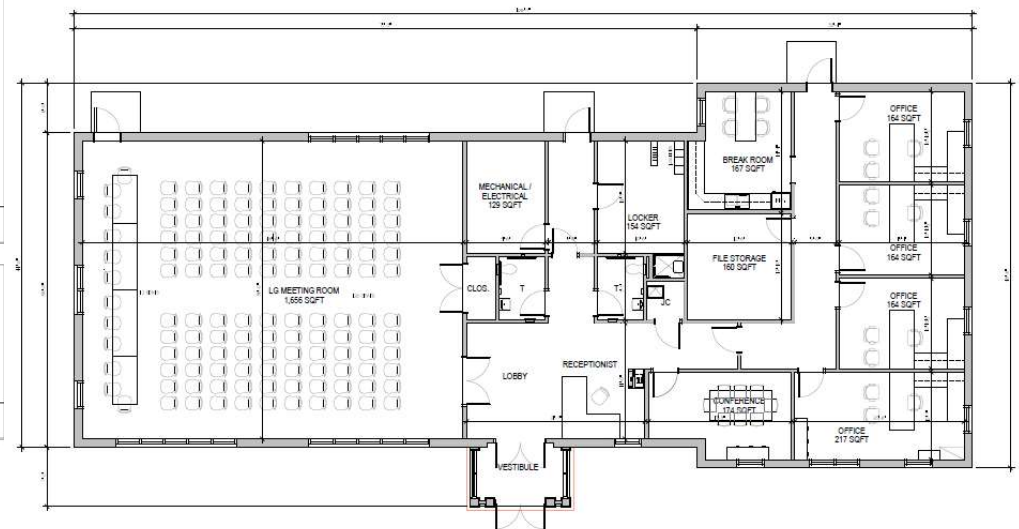
Department staffing – Future growth

Incremental tax rates – Prevent future large increases

Emergency Services Fund and Community Enhancement Fund – Threshold and disbursement

Public Works Facility

Estimated cost of \$6,340,000, not including off-site utilities (water, sewer, and electric)



Good, Bad, **UGLY**

Past and current performance: Services, Grant receipts, and Initiatives/projects

- Past audits and 15 months (GF) and 22 months (PF) in operating reserves

State of the economy: slow down of market coupled with high inflation and competitive wages from private sector

Fee Increases:

- Property Tax Rate: .252 to .299 (approx. 19%)
- Business and Rental Licenses: variable (approx. 15%)
- Waste Collection: \$61.50 to \$63.50 per quarter (approx. 3%)
- Water Availability: In-town: \$40 to \$45 per quarter & Out-of-town: \$80 to \$90 per quarter (approx. 12.5%)
- Water Usage: \$3.50 to \$3.95 per 1,000 gallons (approx. 12.5%)

Schedule of Meetings

Finance Committee begins July 26

Town Council agenda August 1

Town Public Hearing August 15

Town Council vote September 12