

FY2024 Annual Budget

OCTOBER 1, 2023 -
SEPTEMBER 30, 2024

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 considerations
- 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

FY2023 Budget Performance

- Target 75% at July 1
 - Overall General Fund = 86% of Revenues, 63% of Expenditures
 - Included \$1,161,043 of RTT and General Fund Reserves
 - Overall Proprietary Fund = 70% of Revenues, 79% of Expenditures
 - Included \$76,000 of Proprietary Fund Reserves
- Mix of fee increases and reserves
- At six-month review, revenues were not on target. Revenues have produced a favorable result since April.

What makes a town budget?

REVENUES	EXPENSES	GRANTS	CAPITAL
Taxes Fees Restricted Sources/Reserves	Employees Operations Maintenance	ARPA ORPT 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	Federal Well & Treatment Planning Lavinia St Street Resurfacing/Rehab Police Equipment/Sp Duty	Town Hall Roof & Siding Magnolia/Gov Walk Decking ADA Improvements Police Vehicles (2) Memorial Park Gazebo repairs Park Brick/Paver Program Water Infrastructure/Meters Utility Truck
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, Chapter 51

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.

Decrease from \$93,130 to \$91,830 (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

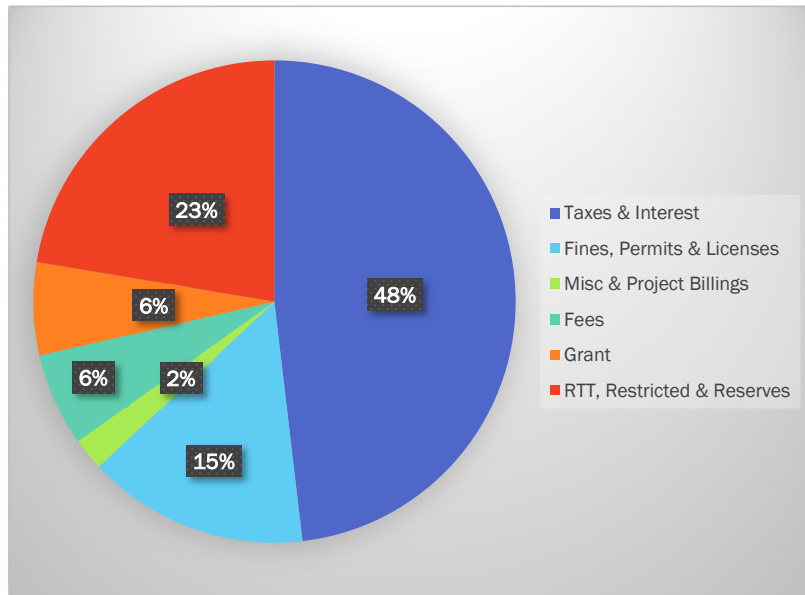
- Capital and operating costs of public safety services
- Economic development programs
- Public works services
- Capital projects and improvements
- Infrastructure projects and improvements, and debt thereon

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

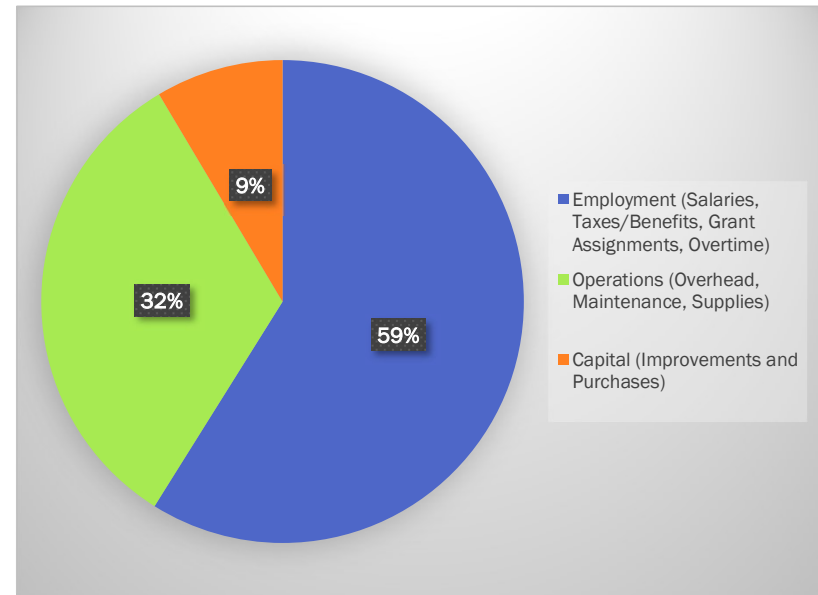
Increase \$321,000 to \$620,000

General Fund

REVENUES

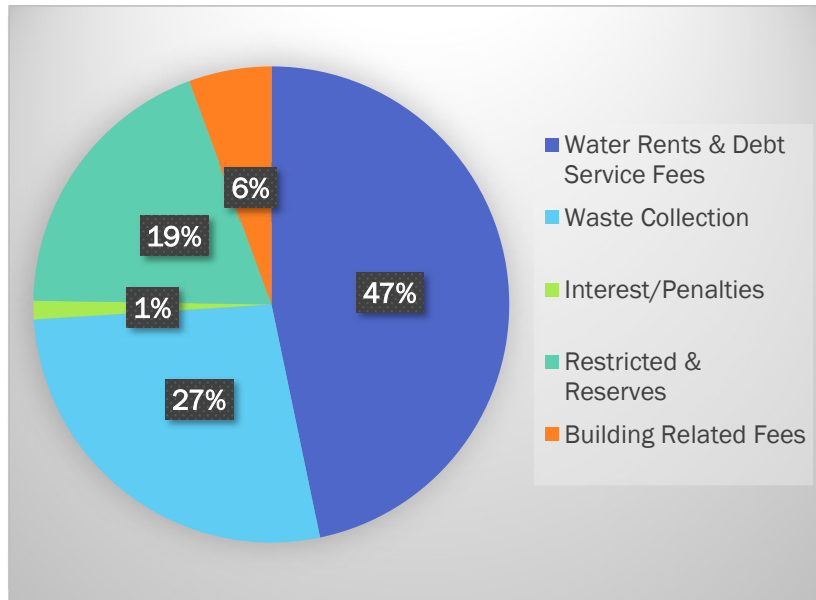


EXPENSES



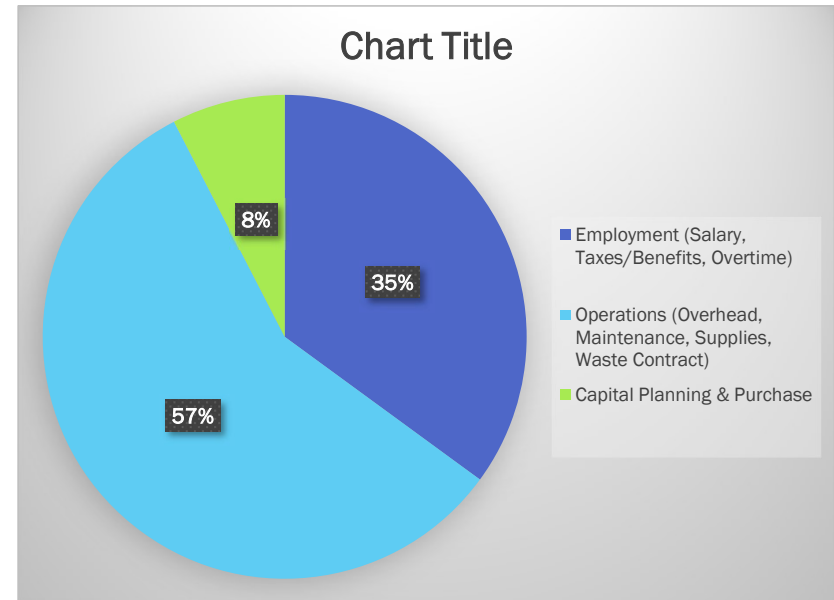
Proprietary (Utility) Fund

REVENUES



EXPENSES

Chart Title



Summary of FY2024

❖ General Fund

❖ Revenues: Taxes, Fees, Reserves, and Grants

❖ \$3,560,420 (Reserves \$736,000, Grants \$221,410, Restricted Funds \$60,750)

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

❖ \$3,496,670

❖ Surplus of \$3,000 (holding \$60,750 of restricted sources)

❖ Proprietary (Utility) Fund

❖ Revenues: Fees

❖ \$1,671,850 (Reserves \$230,000, Restricted \$90,000)

❖ Expenditures: Employment, Operations and Maintenance, and Capital

❖ \$1,580,650

❖ Surplus of \$1,200 (holding \$90,000 of restricted sources)

Statement of Debt

Three loans through Drinking Water State Revolving Fund:

- 2001 Water main and treatment plant improvements
 - Paid off as of July 2023
- 2021 Water main replacements
 - Loan amount \$1,151,409.69 (100% principally forgiven)
- 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

What's included in FY24

Building revenues and expenses calculated on 45 units

20% (estimated) increase in liability insurance

10% (estimated) increase in health insurance

3% adjustment to the pay scale

Reserve funds

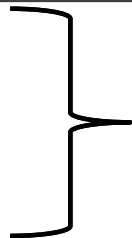
Capital improvements and purchases

Capital Program

ADA Transition Plan

Pedestrian connectivity

Street resurfacing



Funded by Reserves, ORPT and MSA

Town Hall Roof & Siding – Reserves

Deck boards at Governors' Walk / Magnolia Street - Reserves

Purchase of 2 patrol vehicles – Sussex County grant / Reserves

Memorial Park Gazebo Repairs, and Brick/Paver Program - Reserves

Federal Street Well and Treatment Facility - ARPA

Purchase of Utility Body Truck, water main repairs and meter replacement program – Reserves

Bank Balances

June 30, 2022

Total Cash: \$9,628,903

General Fund:

- Operating Sources \$1,414,897
- Restricted Sources \$5,066,240
- Money Market \$1,630,260

Proprietary Fund:

- Operating Sources \$774,890
- Restricted Sources \$742,616

June 30, 2023

Total Cash: \$9,751,804

General Fund:

- Operating Sources \$1,000,750
- Restricted Sources \$5,590,402
- Money Market \$1,636,189

Proprietary Fund:

- Operating Sources \$702,503
- Restricted Sources \$821,960

Facts & Fees

- FY2022 Audit: 8 months (GF) and 15 months (PF) in operating reserves
 - GFOA minimum is 2 months
- State of the economy: slow down of market coupled with high inflation and competitive wages from private sector and local governments

Fee Increases:

- Property Tax Rate: .295 to .324
- Police Staff Fee: \$50 to \$65
- Waste Collection: \$63.50 to \$70 per quarter
- Water Disconnect / Reconnect Fee: \$50 to \$75
- Public Works Emergency Call-in: \$100

Public Policy Decisions and Goals

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

Employee benefits – Review for equity

Facilities – Affordability and financing

Incremental tax rates – Prevent future large increases

Emergency Services Fund and Community Enhancement Fund – Threshold and disbursement

Water System Improvements – Affordability and financing

Special Development District – Projects and financing methodology

Schedule of Meetings

Town Council agenda August 7

Town Public Hearing August 21

- Ideal for Finance Committee to complete review in time for the Public Hearing

Town Council vote September 11