

Town of Georgetown

Budget Workshop - #2
Monday, April 26, 2021

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Reminder

This is a workshop and no
formal actions are to be taken.

Suggestions or action items identified
during the workshop may require formal
Town Council action at a properly noticed Regular
Town Council Meeting.

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Agenda

- Review Initial FY 2022 Budget
- Addressing the Deficit
- Other Considerations
- Next Steps

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Initial FY 2022 Budget

<u>REVENUES</u>	
General Fund Revenues	\$ 4,089,252
Water Revenues	\$ 1,363,500
Wastewater Revenues	\$ 2,058,500
TOTAL REVENUES	\$ 7,511,252
<u>EXPENDITURES</u>	
General Fund Expenses	\$ 5,977,557
Water Fund Expenses	\$ 1,556,301
Wastewater Fund Expenses	\$ 2,366,969
TOTAL EXPENDITURES	\$ 9,900,827
PROJECTED SURPLUS/(DEFICIT)	\$ 2,389,575

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Reminders

- Budget balancing:
 - Grow Revenues
 - Limited sources; Some fixed by legislation
 - Reduce Expenses
 - Few we directly impact (utilities, chemicals, etc.)
 - Minimize Transfers
 - Revenue greater than anticipated
 - Expenses less than expected
- Since 1st Workshop
 - No items proposed or presented for consideration

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Addressing the Deficit

- Revisions – Expenses
 - Remove 2% Spending Cap
 - Remove PD Capital Expenditure – Sally Port
 - Potential one time Bond Item
 - Remove PD Lease Purchase two vehicles
 - One new leased vehicle remains in the budget
 - Remove Streets Capital Expenditure
 - Pole Building
 - Street Sweeper

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Addressing the Deficit

- Revisions – Expenses

- Remove Wastewater Capital Expenditure – Tractor
- Remove New Water Meters
 - Potential funding from the American Rescue Plan Act 2021
- Personnel
 - Police Department
 - Remove New Hire Request (3)
 - Salary Adjustment for three replacement hires
 - Remove Additional step increases for all employees
 - Adjusted Salary for Town Council

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Addressing the Deficit

- Fund Transfers

- Sewer Impact Fee Account – Pay Sewer Debt Service
 - \$829,411 (Debt and Interest Expense)
 - Balance in Cash Account after payment \$611,192
- Water Impact Fee Account – Pay p/o Water Debt Service
 - \$75,000 (p/o Debt Payment)
 - Balance in Cash Account after payment \$45,215

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Addressing the Deficit

- Fund Transfers - Potential
 - Reserve Account – Pay Town Hall & Annex Debt Service
 - \$94,488 Debt & Interest Payment
 - Balance in Cash Account after payment \$364,439
 - Police Capital Savings Fund – p/o Lease Payments
 - \$40,000 p/o Lease Payments
 - Balance in Cash Account after payment \$10,755

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Addressing the Deficit

- Fund Transfers - Potential
 - Municipal Street Aid – Street Light Expense
 - \$65,000 Delmarva Power Street Light Expense
 - Balance in Cash Account after payment \$876,289
 - Realty Transfer Tax – Water Vehicle
 - \$70,000 per quote
 - Balance in Cash Account after payment \$833,451

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Addressing the Deficit

- Revisions – Revenues
 - Property Tax Rate Increase (1.9%) - \$30,098
 - Current Rate \$3.17 per \$100 Assessed
 - Proposed Rate \$3.23 per \$100 Assessed
 - \$.06 Increase
 - Court of Chancery Revenue – Increase by \$75,000
 - Other Suggestions

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Tax Rate Increase Impact - Examples
13.6% Increase - \$220,117 Additional Revenue
Old Rate \$3.17 New Rate \$3.60 (.43 increase)

Column1	Assessment	Old Rate	New Rate	Difference
Mayor	24,100	\$ 763.97	\$ 807.60	\$ 103.63
Ward 1	26,950	\$ 854.32	\$ 970.20	\$ 115.89
Ward 2	8,850	\$ 280.55	\$ 318.60	\$ 38.06
Ward 3	19,550	\$ 619.74	\$ 703.80	\$ 84.07
Ward 4	27,550	\$ 873.34	\$ 991.80	\$ 118.47

10% Increase - \$163,808 Additional Revenue
Old Rate \$3.17 New Rate \$3.49 (.32 increase)

Column1	Assessment	Old Rate	New Rate	Difference
Mayor	24,100	\$ 763.97	\$ 841.09	\$ 77.12
Ward 1	26,950	\$ 854.32	\$ 940.56	\$ 86.24
Ward 2	8,850	\$ 280.55	\$ 308.87	\$ 28.32
Ward 3	19,550	\$ 619.74	\$ 682.30	\$ 62.56
Ward 4	27,550	\$ 873.34	\$ 961.50	\$ 88.16

7.5% Increase - \$122,856 Additional Revenue
Old Rate \$3.17 New Rate \$3.41 (.24 increase)

Column1	Assessment	Old Rate	New Rate	Difference
Mayor	24,100	\$ 763.97	\$ 818.81	\$ 57.84
Ward 1	26,950	\$ 854.32	\$ 919.00	\$ 64.68
Ward 2	8,850	\$ 280.55	\$ 301.79	\$ 21.24
Ward 3	19,550	\$ 619.74	\$ 666.66	\$ 46.92
Ward 4	27,550	\$ 873.34	\$ 939.46	\$ 66.12

5% Increase - \$81,904 Additional Revenue
Old Rate \$3.17 New Rate \$3.33 (.16 increase)

Column1	Assessment	Old Rate	New Rate	Difference
Mayor	24,100	\$ 763.97	\$ 802.53	\$ 38.56
Ward 1	26,950	\$ 854.32	\$ 897.48	\$ 43.12
Ward 2	8,850	\$ 280.55	\$ 294.71	\$ 14.16
Ward 3	19,550	\$ 619.74	\$ 651.02	\$ 31.28
Ward 4	27,550	\$ 873.34	\$ 917.42	\$ 44.08

1.9% Increase - \$30,714 Additional Revenue
Old Rate \$3.17 New Rate \$3.23 (.06 increase)

Column1	Assessment	Old Rate	New Rate	Difference
Mayor	24,100	\$ 763.97	\$ 778.43	\$ 14.46
Ward 1	26,950	\$ 854.32	\$ 870.49	\$ 16.17
Ward 2	8,850	\$ 280.55	\$ 285.86	\$ 5.31
Ward 3	19,550	\$ 619.74	\$ 631.47	\$ 11.73
Ward 4	27,550	\$ 873.34	\$ 889.87	\$ 16.53

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Next Steps

- Review, Discuss, and Agree on Items to Address the Deficit
 - Present and Adopt FY 2022 Budget at April 28 Meeting

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