

Town of Delmar

Budget
Fiscal Year 2024



July 1, 2023 - June 30, 2024

INTRODUCTION

The Town of Delmar budget represents the priorities and goals of our local government. Working together, our elected officials, department heads and staff provide services such as administration, code enforcement, public safety, community/economic development, streets and parks maintenance, water treatment/distribution and wastewater treatment/collection.

Our Towns are governed by two separate Charters however we maintain one common goal and vision; to improve the quality of life for the citizens of Delmar. Our administration strives to maintain an equitable fee structure for sufficient revenues while monitoring and controlling expenditures. As a growing community, we are presented with the task of increasing services through the efficient and prudent use of available resources.

The financial highlights of the town are presented in the Budget Message. As a narrative introduction to the budget, the message provides concise and specific data accompanied with explanations of significant financial matters. The budget message is a tool used to help gain a greater understanding of the town's financial position and improve community participation in the budget process.

Prepared by:

Jeffrey Fleetwood, Town Manager
Heather Chandler, Chief Financial Officer

Approved on May 15, 2023 by:

Delmar, Maryland

Benjamin Jordan, Mayor
Jack Lenox, Deputy Mayor
Lloyd Unsell, Commissioner
Jacob Boothe, Commissioner
Cory Shaffer, Commissioner

Delmar, Delaware

Thomas Bauer, Mayor
Odell Jones, Vice Mayor
Michael McClure, Council Member
Todd Lanier, Council Member

BUDGET 2023-2024

	Operating	Capital	TOTAL
Delmar, Maryland	\$ 2,954,224.00	\$ 416,986.00	\$ 3,371,210.00
Delmar, Delaware	\$ 1,966,830.00	\$ 124,220.00	\$ 2,091,050.00
Delmar Utility Commission*	\$ 2,978,395.00	\$ 725,472.00	\$ 3,703,867.00
TOTAL	\$ 7,899,449.00	\$ 1,266,678.00	\$ 9,166,127.00

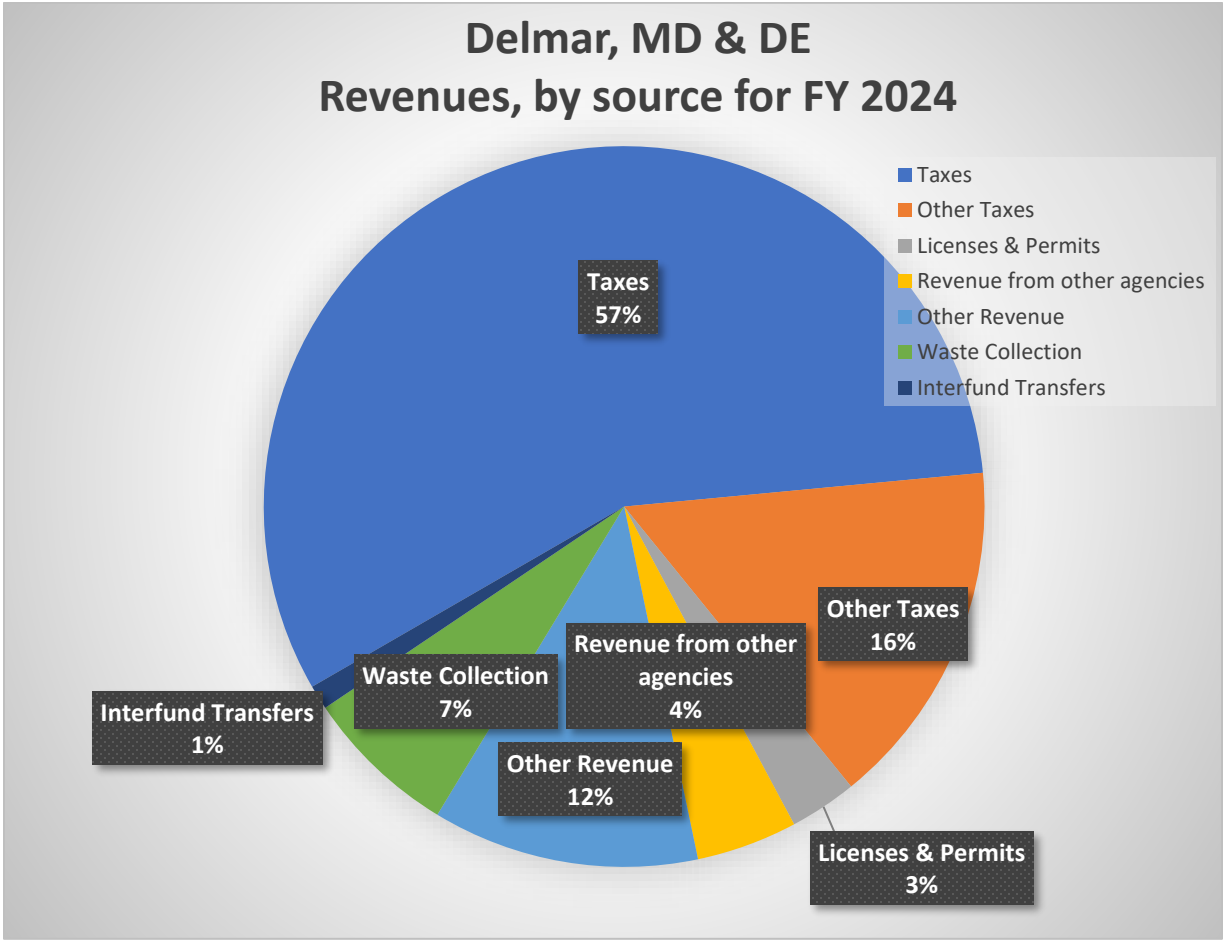
*The Delmar Utility Commission is a joint venture of the Mayor & Commissioners and Mayor and Council. It is not a component unit of either town and is therefore reported separately. The Utility Commission is referenced in the Town of Delmar Budget Message for disclosure and the details are presented in a separate budget document.

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BUDGET MESSAGE - REVENUES, by source

Delmar, MD & DE Revenues, by source for FY 2024



REVENUES, by source

Delmar, MD	Budget 2023-2024	Budget 2022-2023	Budget 2021-2022
Taxes	\$ 1,816,381.00	\$ 1,667,938.00	\$ 1,568,000.00
Other Taxes	\$ 680,094.00	\$ 585,594.00	\$ 473,496.00
Licenses & Permits	\$ 113,050.00	\$ 136,900.00	\$ 101,000.00
Waste Collection	\$ 246,703.00	\$ 255,303.00	\$ 231,388.00
Revenue From Other Agencies	\$ 127,286.00	\$ 710,395.00	\$ 120,000.00
Other Revenue	\$ 368,762.00	\$ 707,371.00	\$ 143,500.00
Interfund Transfers	\$ 18,934.00	\$ 18,934.00	\$ 18,934.00
Total Revenues	\$ 3,371,210.00	\$ 4,082,435.00	\$2,656,318.00

Delmar, DE	Budget 2023-2024	Budget 2022-2023	Budget 2021-2022
Taxes	\$ 1,288,219.00	\$ 1,229,562.00	\$ 1,151,000.00
Other Taxes	\$ 175,000.00	\$ 110,000.00	\$ 50,000.00
Licenses & Permits	\$ 52,100.00	\$ 33,625.00	\$ 23,750.00
Waste Collection	\$ 129,955.00	\$ 116,960.00	\$ 118,250.00
Revenue From Other Agencies	\$ 120,186.00	\$ 315,217.00	\$ 123,681.00
Other Revenue	\$ 284,590.00	\$ 49,900.00	\$ 46,700.00
Interfund Transfers	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00
Total Revenues	\$ 2,091,050.00	\$ 1,896,264.00	\$1,554,381.00

TAXES:

Real property taxes are the primary source of revenue for Delmar, Maryland & Delmar, Delaware. The annual real property tax bills are mailed directly to the property owners in July and August. A 5% discount is only offered through an application process to senior citizen homeowners, age 65 and older, on current property taxes. The senior citizen discount offer expires September 30th. The annual due date for all tax payments is September 30th. All unsatisfied real property taxes are delinquent as of October 1st and begin accruing 1.5% interest per month as a penalty.

Additional revenue sources 1) Operating property taxes are collected from utility companies that provide electric, communications, and railway services in both towns. 2) Personal property taxes are collected in Delmar, Maryland only from corporations and sole proprietors based upon legal entity certifications of assessed values of tangible personal property provided by the State of Maryland. Local governments in Delaware do not assess personal property taxes. Operating and personal property taxes are billed upon receipt of

assessment values throughout the fiscal year. Taxes are due within thirty days of the statement date; payments received after that time frame is considered delinquent and assessed a 1.5% interest rate penalty each until satisfied.

Delmar, Maryland – Assessments for FY 24 increased by \$7,479,119.00. The Constant Yield Tax Rate (CYTR) proposed by the State of Maryland was 0.6684. The Mayor & Commissioners voted to maintain their current tax rate of 0.69, exceeding the CYTR by 3.2%. Operating taxes will remain at \$3.00 per 100 of assessed value. Personal property tax rates will also remain constant at \$2.50 per 100 of assessed value.

Assessments (*estimated)			
Type	<u>July 1, 2021</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
Real Property	213,867,113	231,851,453	239,330,572*
Tax Rates, per 100 of assessed value			
Type	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Real Property	.6622	.69	.69
Operating Property	3.00	3.00	3.00
Personal Property	2.50	2.50	2.50

Delmar, Delaware – The Mayor & Council real property tax will increase to 0.70 (per 100 of assessed value). The 2008 assessments continue to be used for the assessable tax base. Reassessment of Delaware properties would have to occur through private reassessment agency services at the expense of Delmar, Delaware residents. Operating Property tax rate will remain at \$3.00 per 100 of assessed value.

Assessments (*estimated)			
Type	<u>July 1, 2021</u>	<u>July 1, 2022</u>	<u>July 1, 2023</u>
Real Property	176,583,500	177,918,500	1,783,170*
Tax Rates, per 100 of assessed value			
Type	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Real Property	.62	.66	.70
Operating Property	3.00	3.00	3.00

OTHER TAXES:

- Franchise fees are collected from Comcast Cablevision of Delmarva, Inc. and are anticipated based on prior year’s revenues.
- Highway User fees in Delmar, MD are based on a budget estimate provided by the Maryland State Highway Administration.
- Local Income Tax in Delmar, MD continues to be a difficult revenue to forecast due to the State of Maryland improperly allocating taxes for several

years. Income Tax is based upon businesses taxable income located within Delmar’s corporate limits which are paid to the State of Maryland consequently specified to our municipality.

- Mobile Home Park Tax is based on 15% of Gross Monthly Charges (less 2% for Collection). In Delmar, MD, taxes will continue to be collected from Wicomico Mobile Home Park and Colonial Mill Estates and are anticipated based on prior year’s revenues.
- Real Estate Transfer tax in Delmar, DE is 1.5% of the sale proceeds (1% for first time homebuyers). Transfer tax relief in the amount of \$15,000 is received annually from Sussex County if transfer tax revenues received in the fiscal year are less than \$5,000.

LICENSES & PERMITS:

Rates for Business Licenses and Building Permits will remain the same. Rental License fees will remain constant at \$75.00 for both Maryland & Delaware.

WASTE COLLECTION:

Waste Collection fees will remain constant for Maryland at \$215.00 per unit while Delaware will increase to \$235.00 per unit. Both Maryland and Delaware will receive garbage service through Chesapeake Waste. Delaware residents will continue to receive curbside recycling every other week. The fees will continue to be collected by the Town on the annual tax bill. Both towns also receive a minimal amount of additional revenue for special garbage pickups.

Waste Collection Fees	
Residential - DE	\$235.00
Residential – MD	\$215.00

REVENUES FROM OTHER AGENCIES:

Expenditures generally match revenues from federal and state agencies. These include grants and contributions such as Maryland State Aid for Police Protection, Maryland Block Grant Programs, Delaware Legislative Revenue, COPS Federal Grant, USDA-Rural Development, Program Open Space, Maryland Department of the Environment and Delaware Department of Justice funding.

OTHER REVENUE:

- In Delmar, Delaware, fines and tickets include minor infractions, such as parking violations and speeding tickets. All infractions with the exception of parking violations are paid through the State of DE and sent from the J.P. Court and the Court of Common Pleas.

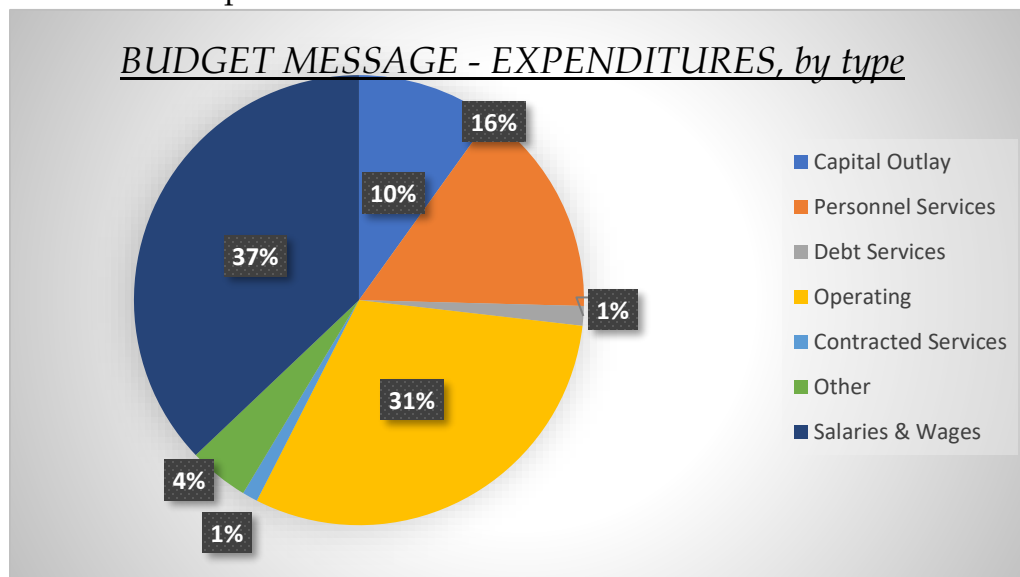
- Requests of Services by Developer and/or annexation requests are revenues based on a reimbursable basis for any associated costs incurred by the Town and billed to the property owner (i.e., engineer services, legal fees, advertisements, etc.). Due to existing developments under construction which may require engineering and inspection services for utilities installation we have anticipated revenue based on current growth.
- Every year the Town has paid for one-half the cost of one full-time, senior paramedic as determined by a mutual agreement between the Town and the Fire Department however for FY 24 both Maryland and Delaware agreed to cover the full cost. Currently this has only been committed for FY 24 but will be reviewed on an annual basis in consideration of continuance.
- Interest Income has rebounded and is anticipated to be significantly higher.

INTERFUND TRANSFERS:

This category, previously known as Operating Transfers In, contains the transfers from Special Revenue Funds such as Municipal Street Aid. Delmar, DE also makes a payment to Delmar, MD annually for reimbursement of expenses for the renovations to the Town Hall building.

SALLE and EIDE funds are received from the State of Delaware and are specified for police overtime and equipment however funding is minimal due to a reduction in annual appropriations.

Municipal Street Aid grant funds are received from the State of Delaware to assist Delaware municipalities with cost associated with street lighting, maintenance and improvements to street infrastructure.



EXPENDITURE BUDGET, by type

Delmar, MD	Budget 2023-2024	Budget 2022-2023	Budget 2021-2022
Salaries and Wages	\$ 1,241,834.00	\$1,047,973.00	\$ 883,343.00
Capital Outlay	\$ 416,986.00	\$1,422,588.00	\$ 190,704.00
Personnel Services	\$ 519,872.00	\$ 431,606.00	\$ 380,325.00
Debt Services	\$ 34,265.00	\$ 68,792.00	\$ 56,769.00
Operating	\$ 1,022,096.00	\$ 982,220.00	\$1,023,727.00
Contracted Services	\$ 22,000.00	\$ 20,500.00	\$ 22,000.00
Other	\$ 114,157.00	\$ 108,756.00	\$ 99,450.00
Total Expenditures	\$ 3,371,210.00	\$4,082,435.00	\$2,656,318.00

Delmar, DE	Budget 2023-2024	Budget 2022-2023	Budget 2021-2022
Salaries and Wages	\$ 783,706.00	\$ 666,347.00	\$ 558,021.00
Capital Outlay	\$ 124,220.00	\$ 239,187.00	\$ 79,889.00
Personnel Services	\$ 327,113.00	\$ 270,676.00	\$ 232,918.00
Debt Services	\$ 42,699.00	\$ 40,582.00	\$ 34,489.00
Operating	\$ 653,491.00	\$ 562,155.00	\$ 519,930.00
Contracted Services	\$ 38,300.00	\$ 25,200.00	\$ 26,700.00
Other	\$ 121,521.00	\$ 92,117.00	\$ 102,434.00
Total Expenditures	\$ 2,091,050.00	\$1,896,264.00	\$1,554,381.00

SHARED COST ALLOCATION:

Historically, all shared costs were split evenly between Delmar, Maryland and Delmar, Delaware. In FY 06 it was agreed by the Joint Council to reallocate the cost share based upon the census population data which determined the split should be 60/40 in the Police, Executive and Finance Department's expenses. Also, it was agreed beginning FY 12 by the Joint Council to reallocate the cost share based upon actual road mileage between Delmar, Maryland and Delaware. Based upon the data received State Highway Administrations in FY 11 the split should be 73/27, therefore, where applicable the expenses within the Street & Highways Department allocated as determined. A written agreement was signed by the Joint Council, which stipulated that the cost allocation of all departments to be reviewed annually during budget preparations.

SALARIES & WAGES:

A cost-of-living adjustment of 6% was included in this year's budget for all employees except sworn officers. Sworn officers will receive a one-step increase per the Step and Grade that is currently in place through FY 24. Additional employee counts were approved for Town Hall (1), Public Works (1), and Police Department (2). A part-time position was approved for WTP.

The total number compensated positions are:

<u>Department</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Elected/ Appointed</u>	<u>VACANT</u>
Executive & Financial	9	0	10	1
Public Works & WWTP	9	1	0	2
Police & Public Safety	20	2	0	3
TOTALS	38	3	10	6

CAPITAL OUTLAY:

The Town of Delmar's capital asset policy establishes \$2,500 as the threshold for recognizing General Fixed Assets and Asset Improvements. Certain requests may total over \$2,500 but when reviewed by quantity/amount, they don't qualify as a fixed asset so those requests are then placed into the appropriate operating line item. Items are earmarked within that operating line.

<u>Capital Outlay</u>	<u>Delmar, MD</u>	<u>Delmar, DE</u>
Executive	\$0.00	\$0.00
Municipal Buildings	\$0.00	\$0.00
Police Department	\$136,015.00	\$90,677.00
Streets & Highways Department	\$275,071.00	\$27,643.00
Parks	\$5,900.00	\$5,900.00
TOTAL	\$416,986.00	\$124,220.00

In FY 24 the Capital Outlay projects will include paving areas in Maryland with Highway User Revenue. The Police Dept. will be purchasing (4) new vehicles and all required outfitting in addition to a new outbuilding and fencing. Public Works will be receiving 2 new trucks, a landscaping trailer, 2 salt spreaders, a Bushmaster MX401-42SL to assist with mowing, and a Linelazer V3900 to assist with curb painting. Public Works will also have site work, paving, and electrical work at their new location. The downtown area of N. Pennsylvania Avenue will receive electrical/lighting at the trees.

PERSONNEL SERVICES:

Personnel services includes FICA, health insurance premiums and deficits, life insurance, long-term care insurance, pension contributions, training, uniforms and workman’s compensation insurance.

The Town will continue to cover 100% of the cost for the employee for health, life, and dental insurance. In FY 23 the Town began covering 50% of dependent costs and will cover 70% for FY 24. New for FY 24 will be composite rates for insurance costs, which will result in overall better rates for all employees. In doing so, insurance premiums will no longer be expensed specific to the department and will now be categorized under “Miscellaneous.” The general pension contributions shall be 8% of wages for employees. The police pension plan is through the State of Delaware’s Pension Plan and contributions shall be 12.74% of base wages for police officers, which is split 60/40 between Maryland and Delaware.

DEBT SERVICE:

In FY 24, the debt service for Delaware will consist of principal/interest payments for loans that were established for the purpose of renovating the new Public Safety Building that was completed in FY 14. Maryland paid off this debt in FY 23.

Maryland and Delaware currently have 4 Police vehicles and 1 Public Works vehicle leased through Ford Motor Credit. The Council and Commission approved the purchase of 4 more Police vehicles and 2 more Public Works vehicles for FY 24. All leased vehicles are leased with 100% ownership at the end of the lease. The current loan for our Bobcat equipment will be paid off in November 2023.

OPERATING EXPENDITURES:

Operating expenses have increased from the prior year due to increased costs. Certain line items have increased due to requests made during the budget workshop that would have impacted those specific line items. i.e., Items that totaled \$2,500 or more but did not qualify as a fixed asset.

CONTRACTED SERVICES:

The Town of Delmar will contract with Lank, Johnson & Tull for an independent audit at a total estimated cost of \$28,500.00, which is \$11,200.00 less than the audit cost for FY 23. Additional accounting services are also performed throughout the year for an hourly rate.

Although the Town reserves the right to solicit Request for Proposals, its engineering services are performed by Davis, Bowen & Friedel, Inc. Costs for

“on-call services” & special projects vary based upon the requests and needs of the town. These costs were budgeted based on prior year activity.

OTHER EXPENDITURES:

Property & Liability Insurance are projected to increase slightly.

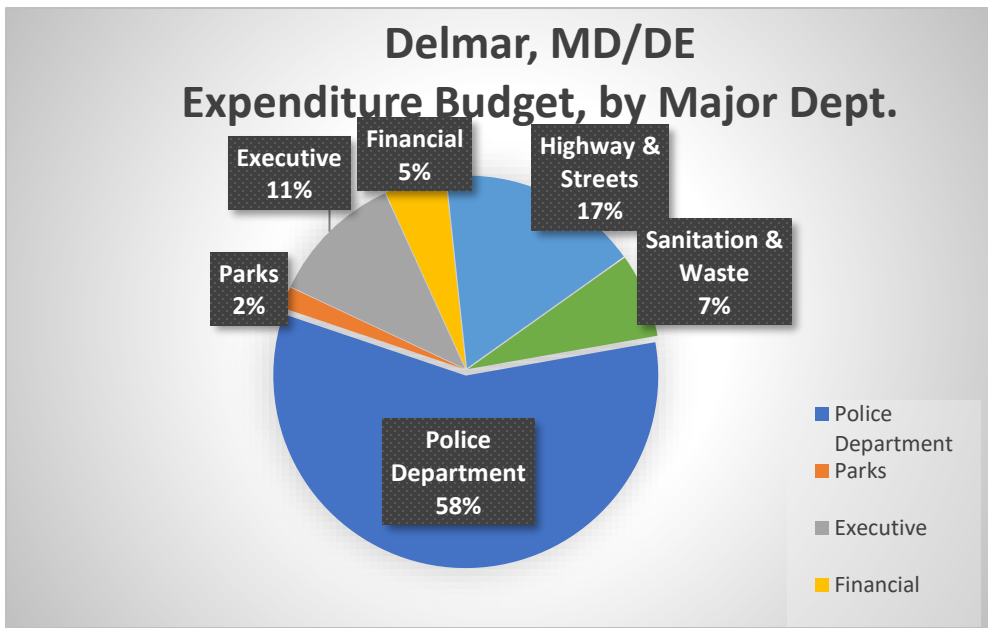
As much as the budget will allow without increasing rates for the citizens of Delmar, the Town continues its annual contribution of support to the Delmar Public Library and Delmar Fire Dept.

As in prior years, the Mayor and Council waive the library’s annual fees such as assessment taxation and garbage service. Quarterly utility fees for water and sewer services are also waived by the Delmar Utility Commission which totals approximately \$500.00. For FY 24 the Town will provide a contribution of \$10,000.00 and share the cost 50/50.

The Town of Delmar will provide a total of \$30,000.00 to the Delmar Fire Dept. for undesignated use at the discretion of the department in addition to the previously mentioned cost of 1 senior paramedic. The cost share between Maryland and Delaware is 50/50 for this donation.

EXPENDITURE BUDGET, by department

The Town of Delmar distributes the operating and capital budget by Department. Department heads are required to submit their annual budget requests to the Supervisor of Finances and the Town Manager. The Town Manager and the Department Heads present their budget request to the Joint Council for consideration. The Joint Council assesses the needs of each budget presentation and advises the Supervisor of Finances and the Town Manager how to proceed with the overall budget preparation.



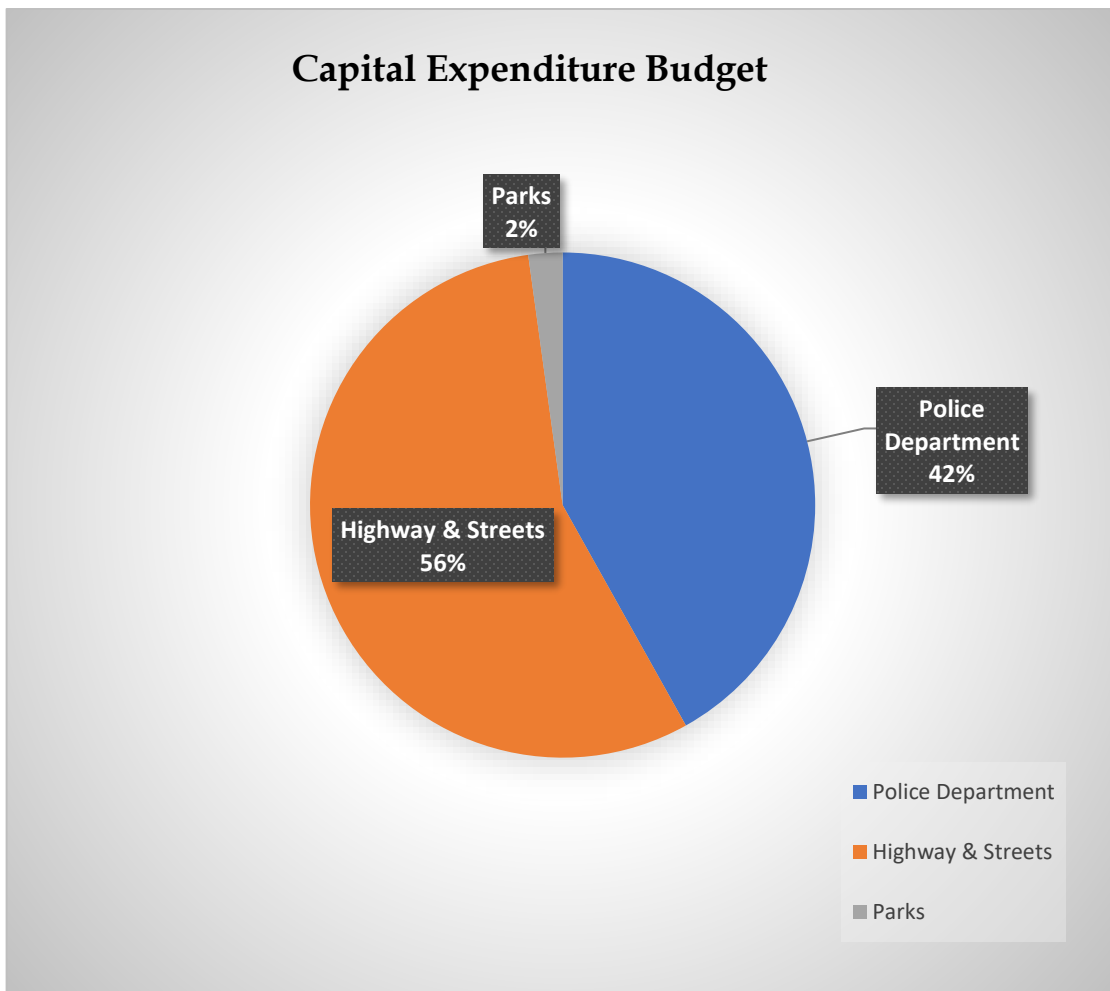
EXPENDITURE BUDGET, by department

Delmar, MD	Budget 2023- 2024	Budget 2022- 2023	Budget 2021- 2022
Executive	\$ 312,305.00	\$ 287,596.00	\$ 313,505.00
Financial	\$ 157,246.00	\$ 152,817.00	\$ 141,784.00
Law	\$ 12,000.00	\$ 22,000.00	\$ 52,000.00
Planning & Zoning	\$ 31,450.00	\$ 36,450.00	\$ 36,450.00
Municipal Buildings	\$ 17,000.00	\$ 268,750.00	\$ 17,000.00
Police & Public Safety	\$ 1,606,448.00	\$ 1,380,799.00	\$ 1,109,325.00
Fire Department	\$ 52,000.00	\$ 26,000.00	\$ 26,000.00
Sanitation & Waste Removal	\$ 210,557.00	\$ 203,500.00	\$ 187,950.00
Highways & Streets	\$ 617,699.00	\$ 1,474,240.00	\$ 462,935.00
Parks & Recreation Council	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00
Parks	\$ 41,967.00	\$ 32,734.00	\$ 70,884.00
Housing & Urban Dev.	\$ 36,689.00	\$ 42,104.00	\$ 39,175.00
Community Dev.	\$ 15,500.00	\$ 51,000.00	\$ 101,000.00
Miscellaneous	\$ 255,349.00	\$ 100,445.00	\$ 94,310.00
Total Expenditures	\$ 3,371,210.00	\$ 4,082,435.00	\$ 2,656,318.00

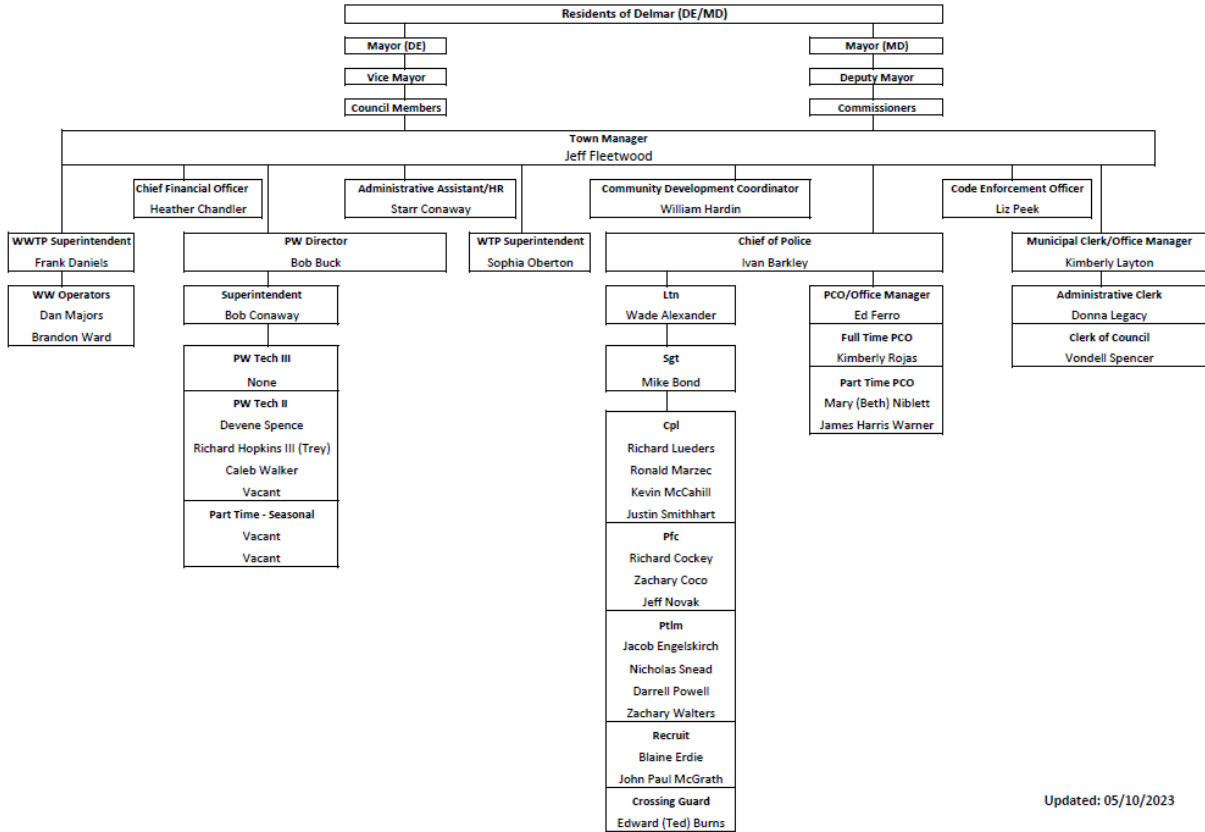
Delmar, DE	Budget 2023- 2024	Budget 2022- 2023	Budget 2021- 2022
Executive	\$ 209,523.00	\$ 201,634.00	\$ 200,934.00
Financial	\$ 80,812.00	\$ 80,959.00	\$ 75,227.00
Law	\$ 11,800.00	\$ 30,300.00	\$ 10,300.00
Planning & Zoning	\$ 1,450.00	\$ 1,450.00	\$ 6,450.00
Municipal Buildings	\$ 17,000.00	\$ 18,750.00	\$ 17,000.00
Police & Public Safety	\$ 1,092,439.00	\$ 940,024.00	\$ 747,001.00
Fire Department	\$ 52,000.00	\$ 26,000.00	\$ 26,000.00
Sanitation & Waste Removal	\$ 117,990.00	\$ 118,437.00	\$ 116,236.00
Highways & Streets	\$ 167,649.00	\$ 357,217.00	\$ 177,421.00
Parks	\$ 41,967.00	\$ 32,734.00	\$ 70,884.00
Housing & Urban Dev.	\$ -	\$ -	\$ -
Community Dev.	\$ 75,500.00	\$ 5,200.00	\$ 10,200.00
Miscellaneous	\$ 222,920.00	\$ 83,559.00	\$ 96,728.00
Total Expenditures	\$ 2,091,050.00	\$ 1,896,264.00	\$ 1,554,381.00

CAPITAL IMPROVEMENT PLAN

One of the primary responsibilities of local government officials is to preserve, maintain, and improve a community's stock of buildings, roads, parks, water and wastewater facilities, and equipment. Planning for capital improvements is a matter of prudent financial management as well as sound development practices. The Capital Improvement Plan is guidance for the Council in adoption of the regular annual budget and the Council may delete items or make revisions as deemed appropriate and may arrange items in the order of priority.



Delmar Organizational Chart

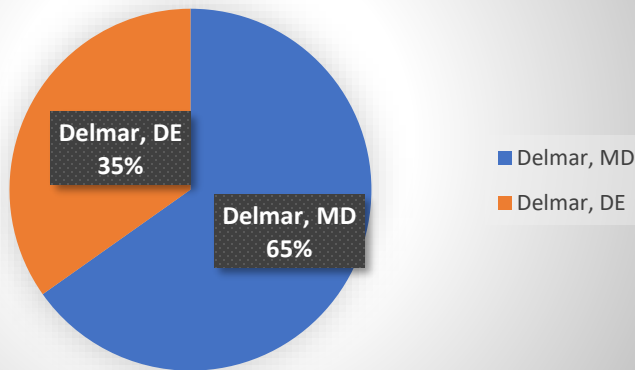


Updated: 05/10/2023

Statistical Information:

	Delmar, Maryland	Delmar, Delaware
Population, 2020 census	3,798	2,027
Area	1.7 square miles	0.94 square mile
Median Age	37.7	39.6
Median Household Income	\$66,987	\$49,130

Population, 2020 Census



Town of Delmar
 100 S. Pennsylvania Avenue
 Delmar, MD/DE 21875
 Phone : (410) 896-2777 or
 (302) 846-2664
 Email : townhall@townofdelmar.us
 Web site: www.townofdelmar.us