

Town of Smyrna 2022 Draft Budget

Finance Committee Meeting
September 28, 2021



2022 Draft Budget Adoption Timeline

- ❑ July/August/September 2021
 - Staff review of expenses and revenues
 - Departmental submissions and review with Manager's Office/Finance Department
- ❑ August 24, 2021 Finance Committee Meeting
 - Review of 2021 Revenue Expense report
- ❑ September 24, 2020 Finance Committee Meeting
 - Presentation of full 2022 Draft Budget, Operating and Capital Budgets
 - Comments and feedback to be incorporated to presentation to Council
- ❑ October 18, 2021 Town Council Meeting
 - Presentation of 2022 Draft Budget, Operating and Capital Budgets
- ❑ November 15, 2021 Town Council Meeting
 - Second 2022 Draft Budget discussion or potential approval of Budget
- ❑ December 6, 2021 Town Council meeting
 - Approval of 2021 Budget, if necessary

What's New in 2022?

Draft 2022 Budget has a \$2.7M Increase over 2021 Budget.

Major increases include:

1. \$842,000 in inflationary increases. Bureau of Labor Statistics August 2021 CPI is 4.6%
 - a) 2022 Draft Budget used 3.5%
2. \$275,000 in organizational-wide wage contractual wage or merit growth increases.
3. \$625,000 in new position wages
 - a) \$410,000 in Public Safety
 - b) \$120,000 in Public Works
 - c) \$95,000 in Admin/Planning & Inspections
4. \$300,000 in contractual service increases across the organization
5. \$260,000 public safety required radio upgrade
6. ARPA – the majority of all capital activity in 2022 is planned ARPA-eligible projects
7. Revenue enhancements for 2022 include:
 - Year Three of the Water, Sewer and Electric Rate Plan
 - Reduction in 6% Discount on Real Estate Taxes to 2%
 - Implement Lodging Tax ordinance

2022 Goal? Pull all the Data Together

- 2021 is the year to 'clean up' the allocations and GL assignments.
- 2022 Draft Budget better represents actual costs to departments.
- 2022 Draft Budget simplifies GL (reduced PD GLs by 3x vs 2021)
- 2022 Draft Budget creates actual capital improvement funds (CIP) and will not book to operating budget.



Multi-Fund Accounting and Revenues



Where do the operating dollars come from?

1. Real Estate Taxes
2. Transfer Tax
3. Electric Utility Sales
4. Water Utility Sales
5. Sewer Utility Sales
6. Permits and Fees
7. Grants
8. Inter-Governmental Funding
9. Loans/Bonds

Town Public Utility Funding Model



The use of multiple funding sources provides diversity of revenue for overall town governmental services.

Without town public utilities, tax rates would be an estimated 37% higher to receive the same level of town services.

The Town website: Smyrna.Delaware.gov/budget will be updated with detailed information for transparency throughout the budget process. All materials from the September

Thank You

PLEASE PROVIDE QUESTIONS TO ANDREW HAINES, TOWN MANAGER

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