

TOWN OF MAGNOLIA – ANNUAL BUDGET
Fiscal Year July 2026 – June 2027

Income	
Building Permits	200.00
Municipal Street Aid	2,500.00
Tower Cellular Rental	60,000.00
Property Taxes	13,000.00
Transfer Taxes	15,000.00
Water System	60,000.00
Interest Income	200.00
Uncategorized Income	500.00
Total Income	151,400.00

Expenses	
Bank Service Charges	200.00
Bond Renewal	250.00
Community Events	250.00
Computer Hardware / Supplies	500.00
Contributions	100.00
Dues and Subscriptions	850.00
Election	200.00
Insurance (Property /Casualty)	15,000.00
Insurance (Workers' Compensation)	1,000.00
Lawn Care / Groundskeeping	3,000.00
Maintenance / Supplies	10,500.00
Meetings	400.00
Merchant Fees	750.00
Office Supplies / Copies	500.00
Payroll Expenses and Taxes	60,000.00
Postage / Printing	500.00
Professional / Legal Fees	1,500.00
Utilities	
Electric - Street Lights	6,000.00
Gas and Electric	6,000.00
Gas Heating	1,300.00
Telephone	2,500.00
Water System Operations	12,000.00
Water Tower Renovation	7,500.00
Total Expenses	130,800.00

Projected Surplus	\$ 20,600.00
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APPROVED BY TOWN COUNCIL JUNE 8, 2026 TO BECOME EFFECTIVE JULY 1, 2026

 **TOWN CLERK**

FISCAL NOTES

FY 2026

Upgrades to the Town's aging water system infrastructure continue to make the greatest demands on time and resources.

A. Water Storage Tower Project

Mayor Frazier, working closely with staff members of Senator Cristopher Coons and Senator Lisa Blunt-Rochester, as well as Representative Sarah McBride, received notification that \$1,200,000 of Congressionally Directed Spending (CDS) was appropriated to the Town towards the projected \$2,000,000 that will be needed to construct the new water storage tower. Application was again made in March 2026 for \$300,000 from the State's Community Reinvestment Fund (CRF) to augment the CDS funding. Having already received \$119,800 from the CRF last year for the project, other funding sources, such as a loan or the Town's "rainy day" funds, are being investigated to make up the remaining difference.

B. Lead Service Line Inventory Project

The \$1,800,000 in funding requested from the DE Office of Drinking Water's WIAC for lead-service line replacement is still in progress and is awaiting successful completion of a Median Household Income (MHI) survey being produced with the help of staff of the University of MD. The SERCAP residents survey was sent out via mail but responses have fallen short of the required 80% of residents required. Efforts are underway to boost that response rate, which in turn is intended to achieve more favorable loan conditions with the granting authorities.

C. Magnolia Volunteer Fire Company (MVFC) Utility Task Vehicle (UTV)

Once again, the Town assisted MVFC with the purchase of a new Utility Task Vehicle (UTV) with \$49,921 of Community Transportation Funds courtesy of four State

legislators. Per State of DE requirements, the funds need to process through the Town initially and are then reimbursed by the State of DE.

D. PFAS Class Action Suit

The PFAS (forever chemicals) lawsuit that the Town joined last year required additional detailed sample testing, which showed absolutely no PFAS contamination in the Town's water. Although this result precludes the Town from receiving any monetary damages from the manufacturers, documents were filed to receive reimbursement for the costs of testing.

E. Property Tax Rates

No action was taken this year with this initiative.

F. Water Asset Management Plan Update

At the invitation of the State's DHSS/Division of Public Health, the Town engaged staff of Eastern Research Group (ERG) to research and produce an update to its Water Asset Management Plan, first issued in 2019. This edition will include improvements made to the water system since that time. Funding for the update is provided by DE Department of Health and Social Services at no cost to the Town.

G. DNREC Service Usage Fee

The DNREC Service Usage Fee, a new State of DE fee, was approved by the Legislature and went into effect January 2026. It will initially cost the Town about \$100 per month going forward.

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