

FY 2016 FINANCIAL PLAN

Approved July 24, 2015

FY 2016 Financial Plan Summary

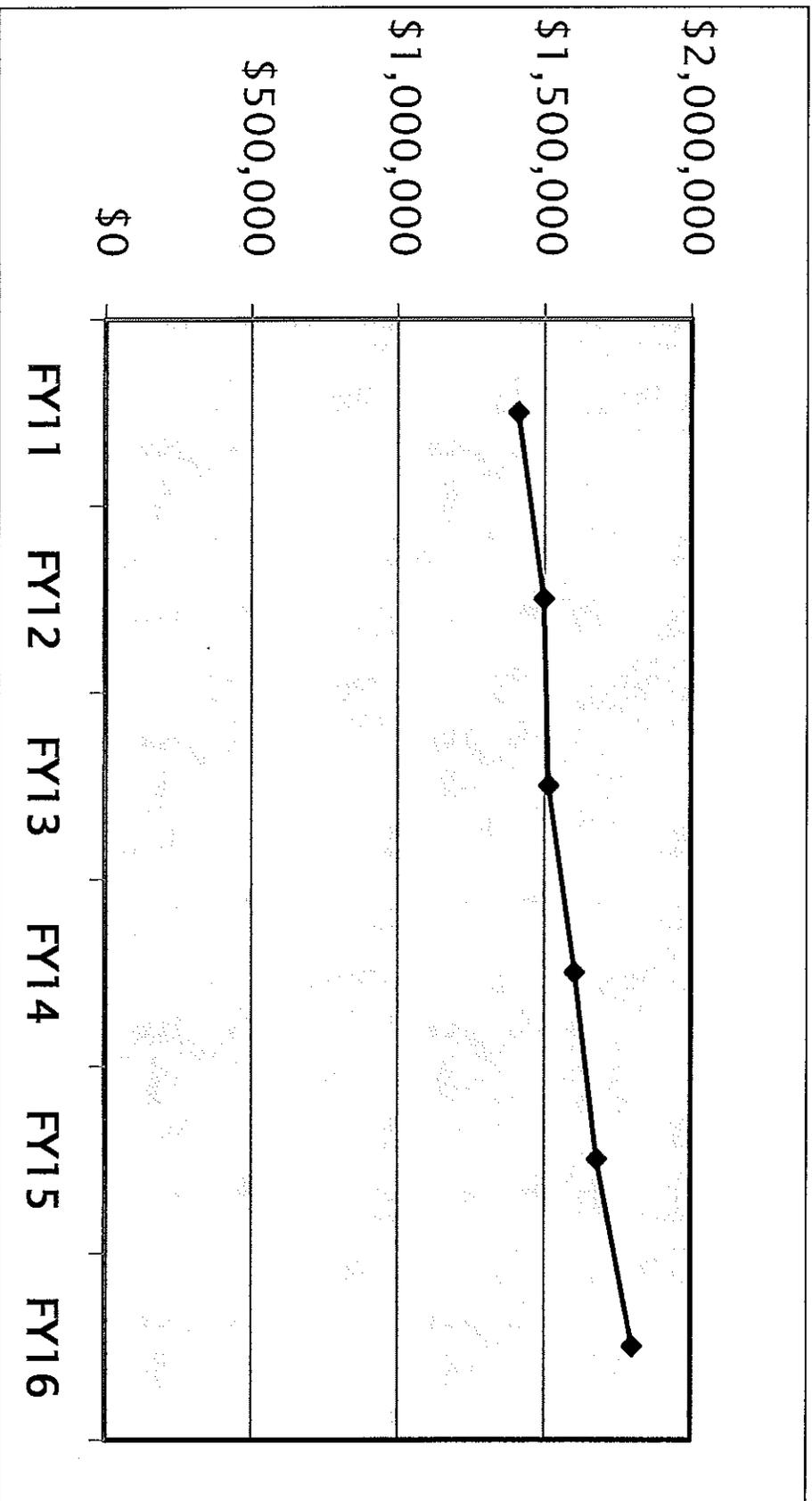
- ▶ **Balanced Operating Budget**
- ▶ **Strategic Capital Improvement Plan (CIP) funding**
- ▶ **No increase in real estate property taxes**
- ▶ **Manage reserve accounts efficiently seeking high yields**
- ▶ **Continue to allocate 10% of Realty Transfer Tax (RTT) into Dedicated Street Fund**
- ▶ **Allocate 5% of RTT to Parks Fund**
- ▶ **Funding provided for 24/7 public safety coverage**
- ▶ **Nominal increase in health care insurance rates**
- ▶ **Add yard waste service collection during season**

FY 2016 Operating Budget

▶ The Town of Fenwick Island Operating Budget is the Financial Plan that guides the community over a fiscal year. The FY16 Operating Budget was drafted with input from management, staff and department supervisors to be considered by the Town Budget Committee. The Operating Budget addresses future municipal needs while responsibly meeting the daily demands and challenges of a coastal community.

▶ The proposed FY16 Operating Budget takes into consideration an improving local economy, yet is sensitive to nominal increases in health insurance rates, maintenance costs and personnel expenses.

Operating Budget History



FY 2016 Revenue Summary

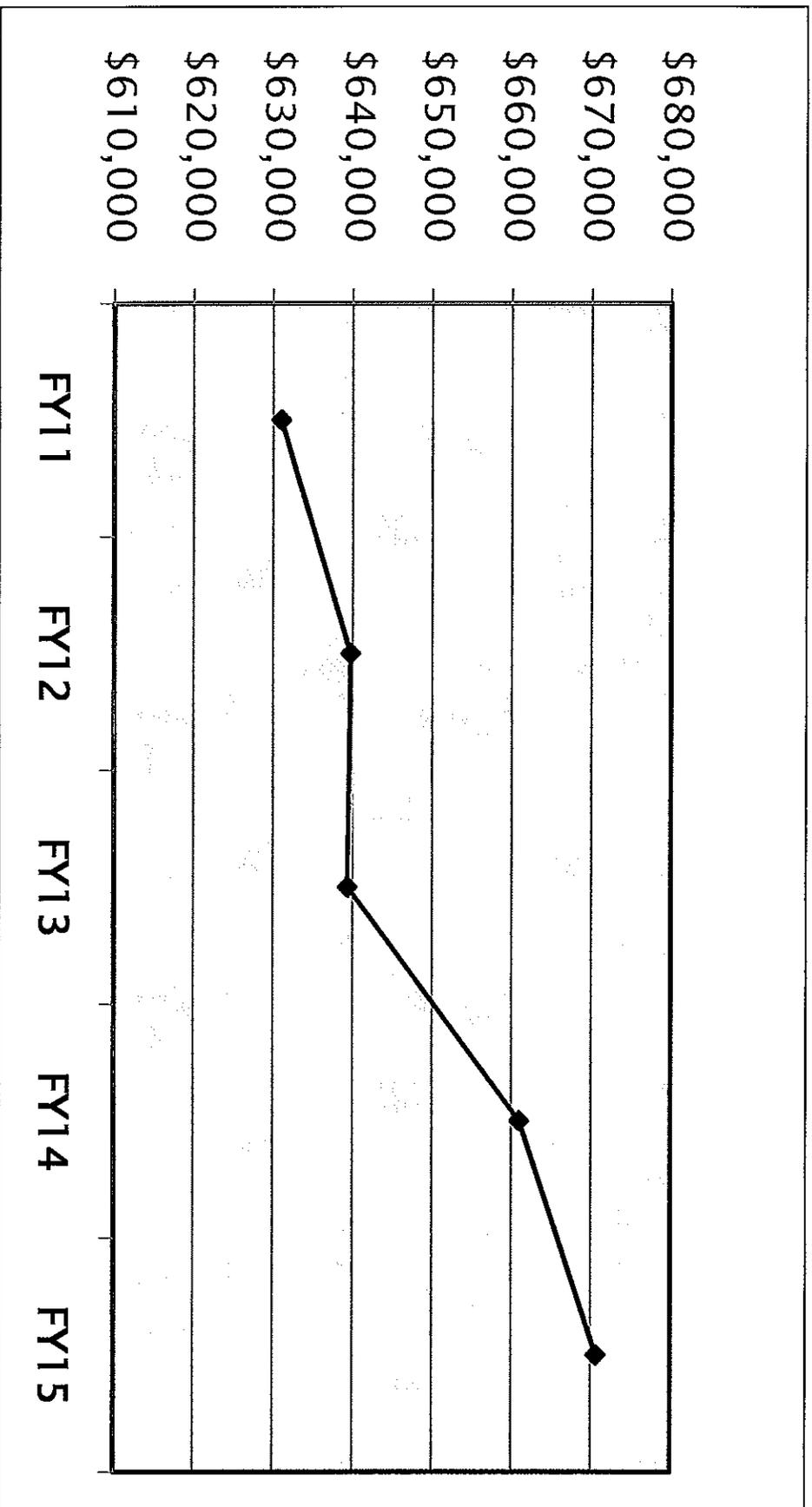
▶ **Increases**

- Real Estate Property Taxes
- Rental Receipt Taxes
- Building Permit Fees
- Realty Transfer Taxes (capital improvement plan projects)
- 2015 Beach Concession Service (State Line Beach)

▶ **Decreases**

- Lifeguard Sponsorship Program

Real Estate Property Tax History



FY 2016 Expense Summary

▶ <u>Departments</u>	<u>FY 2015 (approved)</u>	<u>FY 2016 (proposed)</u>
◦ Police	\$561,803	\$602,731
◦ Lifeguard	\$252,123	\$247,024
◦ Public Works	\$210,605	\$203,076
◦ Administration	\$324,891	\$322,496
◦ General Gov.	\$359,341	\$425,005

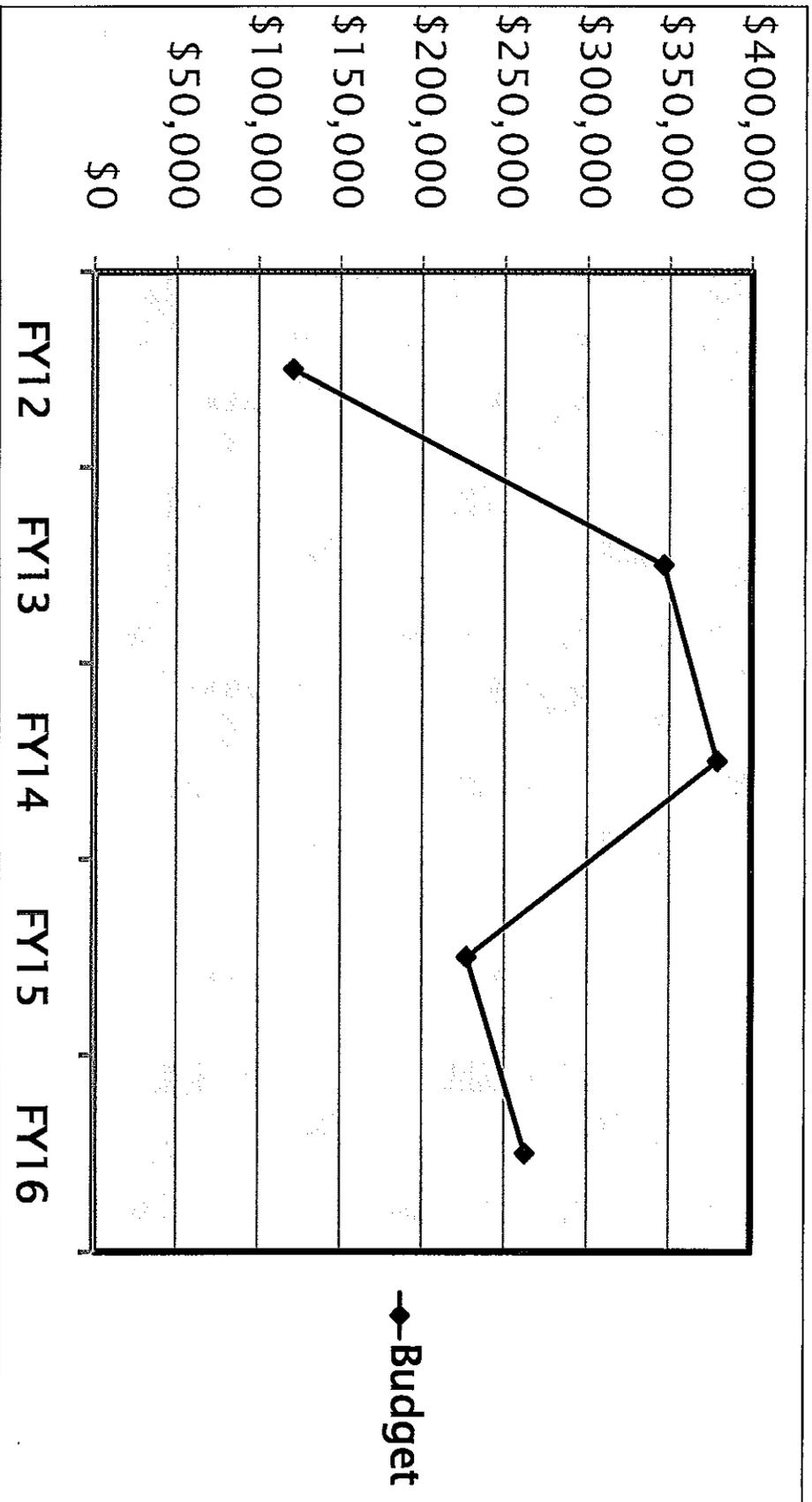
Primary Expense Categories

- Insurance
- Operations
- Moved workers' compensation from department budgets to general government

Capital Improvement Plan Budget Details

- Public Works Department
 - Resurfacing and paving projects
 - Drainage projects
 - Stone
 - Facilities maintenance
- Police Department
 - New motor vehicle (vehicle replacement program)
 - AED replacement
- Administration
 - Technology projects
 - Professional development

Capital Improvement Plan Budgets



FY 2016 Financial Plan Summary

- No property tax increases proposed
- Continued 24/7 public safety coverage
- Offer competitive personnel benefits
- Provide professional growth opportunities
- Provide high level of customer service
- Effective resource allocation
- Strategic reinvestment of capital improvement funds
- Continue to search for alternative income sources

Thank You

Merritt Burke IV, MPA, Town Manager

In Coordination With:

Town Budget Committee

Gardner Bunting, Town of Fenwick Island Treasurer

Kristy Brittingham, Administrative Clerk

Linda Poole, Town Clerk

William Boyden, Chief of Police

Pat Schuchman, Building Official

Bryan Reed, Public Works Supervisor

Tim Ferry, Beach Patrol Captain

TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR 2016 OPERATING BUDGET

The Fenwick Island Town Council approved the following as its recommendation for the FY16 Operating Budget – fiscal year beginning August 1, 2015.

In accordance with Section 23 part (1) of the Town of Fenwick Island Charter (The Charter), the attached document details the expenses of conducting each department in the ensuing fiscal year.

In accordance with Section 23 part (2) of The Charter, the value (balance) of supplies and materials (capital assets) on hand, as of July 31, 2014, per the Town Audit (capital assets at year-end net of accumulated depreciation) was:

Buildings	\$ 975,823
Vehicles	\$ 289,719
Office Equipment	\$ 75,149
Police Equipment	\$ 139,627
Street Signs and Fixtures	\$ 62,487
Machinery and Equipment	\$ 242,289
Beach and Lifeguard Equipment	\$ 126,826
Recreation Equipment	\$ 28,008
Land and Improvement	\$ 1,692,690
Accumulated Depreciation	\$ (983,739)

The condition of the equipment, etc. (ref. Section 23, part 2) was examined in the course of the Capital Improvement Plan (CIP) Budget proceedings. The current value of such assets will be re-evaluated as an integral component of the audit process at the close of the current fiscal year.

In accordance with Section 23 part (3) of The Charter, the Town Council reports that the Town will carry minimal debt into FY16.

In accordance with Section 23 part (4) of The Charter, the estimate of amounts to be received in the next fiscal year is provided with the proposed expenses, as detailed within each department.

The proposed FY16 Operating Budget is balanced. The real estate property tax rate will remain at \$1.92 per \$100 of total assessed value.

The FY 2016 Operating Budget is approximately 4.5% more than the FY 2015 Operating Budget. Revenues such as property taxes, gross rental receipt taxes, and building permit fees are all forecasted slightly higher due to an improving economy related to residential construction and stronger demand for retail goods and services.

Expenses such as health care insurance premiums, maintenance (equipment, facilities and vehicles) and salaries are all forecasted to be slightly higher in FY16.

Overall, the Fenwick Island Town Council has adopted a fiscally responsible operating budget that allows staff to provide efficient and effective municipal services to the property owners and business community of the Town of Fenwick Island.

TOWN OF FENWICK ISLAND, DELAWARE

FISCAL YEAR 2016 OPERATING BUDGET

Revenue
43000 · Taxes

41020 · Property Taxes	\$	689,483
42010 · Rental Receipt Taxes	\$	260,000
43000 · Taxes (other)	\$	-

Total 43000 · Taxes

\$ 949,483

44550 · Charges for Services - Administration

43010 · License Fees (outside contractors)	\$	51,800
43020 · License Fees (rental units)	\$	27,010
43030 · License Fees (resident merchants)	\$	27,010
44010 · Solid Waste Collection and Administration Fees	\$	204,815
44020 · Comcast Cable Fees	\$	33,000
44030 · BBVFC Ambulance Service Fees	\$	45,686
45100 · Building Permit Fees	\$	175,000

Total 44550 · Charges for Services - Administration

\$ 564,321

44800 · Fines and Forfeitures

46100 · Penalties	\$	4,500
46200 · Traffic Fines	\$	36,000
46300 · Parking Violation Fees	\$	12,000
44800 · Fines and Forfeitures (other)	\$	500

Total 44800 · Fines & Forfeitures

\$ 53,000

45000 · Investments

45030 · Interest - Investments	\$	-
47100 · Interest Income	\$	3,000

Total 45000 · Investments

\$ 3,000

46430 · Revenue - Administration

45320 · Contractor Decals	\$	2,500
45330 · Bonfire Permits	\$	8,500
46400 · Other Income	\$	48,531
47120 · Town Hall Rental Fees	\$	1,000
47150 · Photo/Audio Copy Fees	\$	50
47200 · Parking Permits	\$	18,000
47250 · Subdivision Application Fees	\$	275
47275 · Public Hearing Fees	\$	275
47300 · Income (FI Sponsorship Program)	\$	8,000

TOWN OF FENWICK ISLAND, DELAWARE

	47800 · Sale of Equipment	\$	-
	48100 · Insurance Reimbursements	\$	-
	48200 · Income Restrict Purpose	\$	500
Total 46430 · Revenue - Administration		\$	87,631
46440 · Other Types of Revenue - Police			
	47160 · Police Accident Report Fees	\$	250
	46441 · Police Revenue - Pension	\$	24,000
	47161 · Salary OT Reimbursement	\$	7,500
Total 46440 · Other Types of Revenue - Police		\$	31,750
47000 · Intergovernmental Revenue Lifeguard			
	47280 · State Line Beach (State of DE)	\$	45,000
	47290 · State Line Beach (Sussex County, DE)	\$	15,000
Total 47000 · Intergovernmental Revenue Lifeguard		\$	60,000
47050 · Intergovernmental Revenue Police			
	47285 · Sussex County Police Grant	\$	25,000
	47050 · Intergovernmental Revenue Police	\$	3,000
	42795 · State Police Grant	\$	-
Total 47050 · Intergovernmental Revenue Police		\$	28,000
	48150 · Junior Lifeguard Program	\$	8,000
	49000 · Beach / Concession Services	\$	15,712
TOTAL REVENUE	TOTAL REVENUE	\$	1,800,897

TOWN OF FENWICK ISLAND, DELAWARE

Department Expenses

61100 · POLICE DEPARTMENT

61110 · Police Salaries	\$	376,756
61140 · Police Life Insurance	\$	1,607
61150 · Police Health Insurance	\$	85,864
61155 · Police Dental Insurance	\$	1,778
61160 · Police Payroll Taxes	\$	31,930
61170 · Police Pension (DE Police Pension)	\$	45,715
61180 · Police Workers Compensation	\$	-
61210 · Police Supplies	\$	4,500
61220 · Police Office Supplies	\$	2,000
61310 · Police Office IT Maintenance	\$	600
61320 · Police Printing and Advertising	\$	600
61330 · Police Uniforms	\$	6,000
61335 · Police Mobile Computer Access	\$	2,930
61340 · Police Vehicle Maintenance	\$	6,500
61345 · Police Fuel	\$	19,800
61350 · Police Communication Equipment	\$	1,000
61370 · Police Vehicle Acquisition	\$	-
61380 · Police Professional Development	\$	5,000
61100 · Police Department, Payroll Expense	\$	-
61390 · Police Public Safety Building	\$	10,150
Total 61100 · POLICE DEPARTMENT	\$	602,731

61500 · LIFE GUARD DEPARTMENT

61510 · Lifeguard Salaries – Fenwick	\$	204,760
61515 · Lifeguard Salaries - State	\$	-
61530 · Lifeguard Payroll Taxes – Fenwick	\$	20,664
61535 · Lifeguard Payroll Taxes – State	\$	-
61540 · Lifeguard Workers Compensation	\$	-
61610 · Lifeguard Supplies and Equipment - Fenwick	\$	5,000
61735 · Lifeguard Supplies and Equipment - State	\$	-
61620 · Lifeguard Uniforms	\$	6,000
61630 · Lifeguard Junior Guard Program	\$	2,000
61640 · Lifeguard Chair and Sign Maintenance	\$	4,000

TOWN OF FENWICK ISLAND, DELAWARE

61665 · Lifeguard Professional Development	\$	1,000
61670 · Lifeguard USLA Certification	\$	1,200
61673 · Lifeguard Vehicle Maintenance	\$	500
61675 · Lifeguard Fuel	\$	600
61681 · Lifeguard Employee Relations	\$	800
61710 · Lifeguard Awards and Competitions	\$	500
Total 61500 · LIFE GUARD DEPARTMENT	\$	247,024

61800 · PUBLIC WORKS DEPARTMENT

61810 · Public Works Salaries	\$	121,149
61830 · Public Works Life Insurance	\$	705
61840 · Public Works Health Insurance	\$	38,862
61845 · Public Works Dental Insurance	\$	-
61850 · Public Works Payroll Taxes	\$	10,822
61870 · Public Works Pension	\$	5,957
61880 · Public Works Workers Compensation	\$	-
61905 · Public Works Professional Development	\$	500
61910 · Public Works Office Supplies	\$	100
61920 · Public Works Shop Supplies	\$	3,500
61930 · Public Works Shop Equipment	\$	3,800
61940 · Public Works Safety Equipment	\$	600
62010 · Public Works Printing and Advertising	\$	100
62015 · Public Works Utilities	\$	6,115
62020 · Public Works Building Maintenance	\$	1,500
62025 · Public Works Uniforms	\$	1,000
62030 · Public Works Fuel	\$	4,500
62035 · Public Works Vehicle Maintenance	\$	2,500
62061 · Public Works - Yard Waste	\$	500
62075 · Public Works CDL Testing	\$	750
62100 · Public Works Contract Service	\$	116
Total 61800 · PUBLIC WORKS DEPARTMENT	\$	203,076

62200 · ADMINISTRATION DEPARTMENT

62210 · Admin Salaries	\$	204,727
62220 · Admin Group Life Insurance	\$	1,000

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62230 · Admin Health Insurance	\$	56,415
62235 · Admin Dental Insurance	\$	1,787
62240 · Admin Payroll Taxes	\$	17,734
62250 · Admin Pension	\$	17,137
62255 · Admin Workers Compensation	\$	-
62260 · Admin Financial Services	\$	3,007
62310 · Admin Office IT Maintenance	\$	2,500
62320 · Admin Office Supplies	\$	3,000
62330 · Admin Travel Reimbursement	\$	700
62332 · Admin Vehicle Acquisition	\$	4,140
62334 · Admin Vehicle Fuel and Maintenance	\$	4,600
62340 · Admin Printing and Advertising	\$	3,050
62350 · Admin Professional Development	\$	2,300
62360 · Admin Personnel Supplies	\$	400
62410 · Admin Capital Expenditures	\$	-
Total 62200 · ADMINISTRATION DEPARTMENT	\$	322,496

63200 · GENERAL GOVERNMENT

63205 · Gen Gov Insurance	\$	151,984
63210 · Gen Gov Telephone	\$	4,200
63220 · Gen Gov Website	\$	2,800
63225 · Gen Gov Legal	\$	15,000
63230 · Gen Gov Audit	\$	9,000
63235 · Gen Gov Postage	\$	2,660
63240 · Gen Gov Printing and Advertising	\$	1,500
63245 · Gen Gov Utilities	\$	9,700
63250 · Gen Gov Appraisal	\$	4,250
63255 · Gen Gov Emergency Management	\$	500
63260 · Gen Gov Sewer	\$	1,000
63265 · Gen Gov Dues	\$	2,324
63270 · Gen Gov Service Grants	\$	-
63271 · Gen Gov Recycling and Yard Waste	\$	36,244
63272 · Gen Gov Building Maintenance	\$	3,500
63273 · Gen Gov Cell Phones	\$	4,800
63274 · Gen Gov Contract Services	\$	2,880

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63276 · Gen Gov Town Hall and Public Safety Copiers	\$	1,576
63280 · Gen Gov Contingencies	\$	500
63281 · Gen Gov Employee Relations	\$	2,700
63285 · Gen Gov Codification	\$	4,195
63290 · Gen Gov Pension Administration	\$	3,300
63296 · Gen Gov Interest	\$	-
63300 · Gen Gov Government Liaison	\$	1,500
63305 · Gen Gov Median Landscape Maintenance	\$	7,762
63310 · Gen Gov Community Projects	\$	2,500
63320 · CRS Flood Program	\$	1,000
63325 · Gen Govt BBVFC Ambulance Service	\$	45,580
63330 · Gen Govt Solid Waste Collection	\$	99,615
63370 · Gen Gov Parking Permits	\$	3,000
63380 · Gen Gov Expense Restricted Purpose	\$	-

Total 63200 · GENERAL GOVERNMENT \$ 425,570

66900 · Reconciliation Discrepancies \$ -

TOTAL EXPENSE \$ 1,800,897

Net Ordinary Income \$ 0

TOWN OF FENWICK ISLAND, DELAWARE

Capital Improvement Budget Revenue **FISCAL YEAR 2016 CAPITAL IMPROVEMENT BUDGET**

42795 · State of Delaware Police Grants		
41030 · Realty Transfer Taxes (RTT)	\$	262,600
41100 · General Government Grants		
41200 · Letter of Credit Proceeds		
45020 · Appropriation from Reserve Funds		
45030 · Interest-Investments		
Total	\$	262,600

Capital Improvement Budget Expense

61410 · Police Department	\$	34,000
62120 · Public Works Department	\$	185,600
62140 · Emergency Services	\$	5,000
62160 · Lifeguard Department	\$	-
63350 · Municipal Street Aid	\$	-
63360 · Municipal Street Lighting	\$	-
63410 · General Government	\$	25,000
63430 · Administrative Department	\$	13,000
Total	\$	262,600

Net Other Income	\$	-
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Total Net Income	\$	0
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TOWN OF FENWICK ISLAND, DELAWARE
FY 2016 CAPITAL IMPROVEMENT PLAN BUDGET

The Fenwick Island Town Council has approved funding for \$262,600 of expenditures as its Capital Improvement Plan (CIP) Budget for the fiscal year beginning August 1, 2015.

CIP Budget Balance (Realty Transfer Taxes):

The CIP Budget expenditures are primarily supported by existing Realty Transfer Tax (RTT) account reserve funds and existing saving account reserve funds.

YEAR	FY 2012	FY 2013	FY 2014	FY 2015 (May 31 balance)
BALANCE	\$1,803,572	\$1,694,724	\$1,520,720	\$1,628,725

The May 31, 2015 Realty Transfer Tax (RTT) account balance is \$1,628,725 of which \$210,049 is in General Reserve Accounts and \$1,418,675 is in General Non-Reserve Accounts. Town management continues to sustain reserve account balances through annual RTT allocations, surplus funding, non-matching grants, fiscal discipline and strategic financial management.

Overall, the Town of Fenwick Island has a grand total of \$2,312,004 in all accounts. Town management, with the assistance of the Town Treasurer, consistently manages each applicable account not to exceed the Federal Deposit Insurance Corporation (FDIC) of \$250,000 per insured bank.

The Town Budget Committee considered the condition, remaining life expectancy and replacement value of capital assets by department and prioritized those items which were likely to fail in the short-term. Town management reviewed descriptions of existing equipment and offered reasonable recommendations to replace in FY16 or consider for replacement in subsequent fiscal years.

Authorized CIP Budget Expenses:

- Approved funds for technology projects, maintenance and repairs
- Approved funds for emergency management
- Approved funds for a matching DNREC grant for Fenwick Island Community Park improvements
- Approved the purchase of one motor vehicle for police department (replacement)
- Approved funds for street and drainage projects

Please see attached CIP Budget for details.

TOWN OF FENWICK ISLAND, DELAWARE
FISCAL YEAR 2016 CAPITAL IMPROVEMENT PLAN BUDGET

<u>Department</u>	<u>Asset</u>	<u>Value</u>	<u>Reserve Fund</u>
Administration	Technology	\$5,000	Realty Transfer Tax (RTT)
	Comprehensive Planning	\$5,000	RTT
	Professional Development	\$3,000	RTT
General Government	F.I. Community Park Playground	\$25,000	RTT (project funded by 50% DNREC grant)
Emergency Services	Emergency Supplies	\$5,000	RTT
Police	Motor Vehicle (replacement)	\$30,000	RTT
	AED (upgrade)	\$4,000	RTT
Lifeguard	N/A		
Public Works	Street Patching and Sealing	\$80,000	RTT / DSF / MSF
	W. Dagsboro Street Project	\$50,000	RTT
	Commercial Property Drainage	\$30,000	DSF / RTT
	W. Dagsboro Street Drainage	\$10,000	DSF / RTT
	Town Hall Window Replacement	\$5,000	RTT
	Town Hall Painting	\$3,400	RTT
	Stone Project	\$3,000	RTT
	Check Valve	\$2,200	RTT
	Skid Sprayer	\$2,000	RTT
Grand Total		\$262,600	