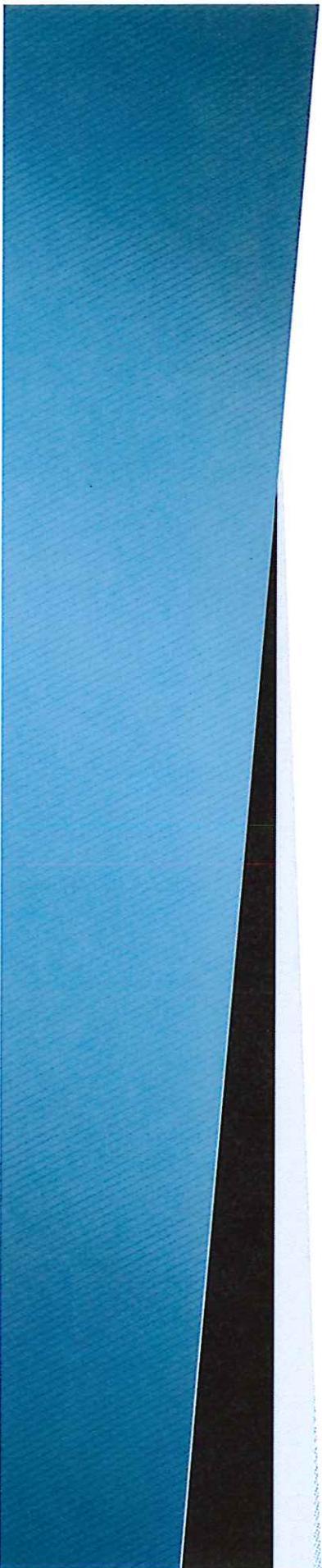


FY 2017 FINANCIAL PLAN

Adopted May 27, 2016

Fenwickisland.delaware.gov



Town of Fenwick Island Facts

- ▶ Incorporated 1953, Council-Manager Gov.
- ▶ Coastal community with 1 mile beach
- ▶ 817 tax parcels (3 town properties)
- ▶ Approximate 60 commercial spaces
- ▶ Departments: Admin. (4 employees), Public Works (3 employees), Beach Patrol (30 guards) and Police (6 officers)
- ▶ 2 Public Parks
 - Fenwick Island Community Park (2 playgrounds)
 - Cannon Street Park (ADA kayak launch, rain garden)

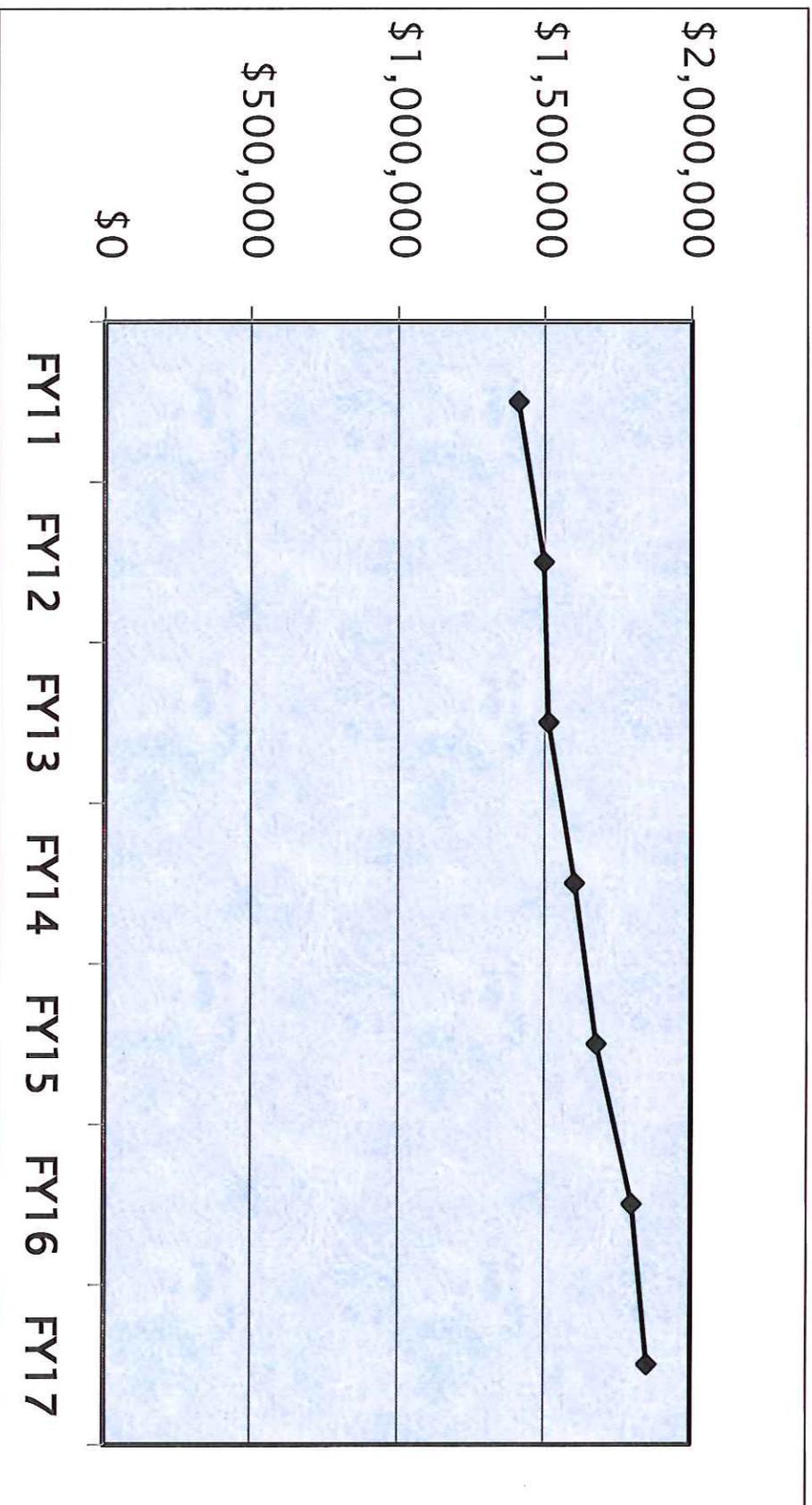
FY 2017 Financial Plan Summary

- ▶ Proposed balanced Operating Budget
- ▶ Capital Improvement Plan (CIP) Budget funding
- ▶ No increase in real estate property taxes
- ▶ Manage reserve accounts efficiently, high yields
- ▶ Allocate 10% of Realty Transfer Tax (RTT) into Dedicated Street Fund (DSF)
- ▶ Allocate 5% of RTT to Park Fund
- ▶ Provide funding for 24/7 public safety coverage
- ▶ Nominal increase in health care insurance rates

FY 2017 Operating Budget

- ▶ The Town of Fenwick Island Operating Budget is a component of the Financial Plan that guides the community over a fiscal year. The Operating Budget was drafted with input from management, department supervisors and staff 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 FY17 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 2017 Revenue Summary

▶ **Estimated Revenue Increases**

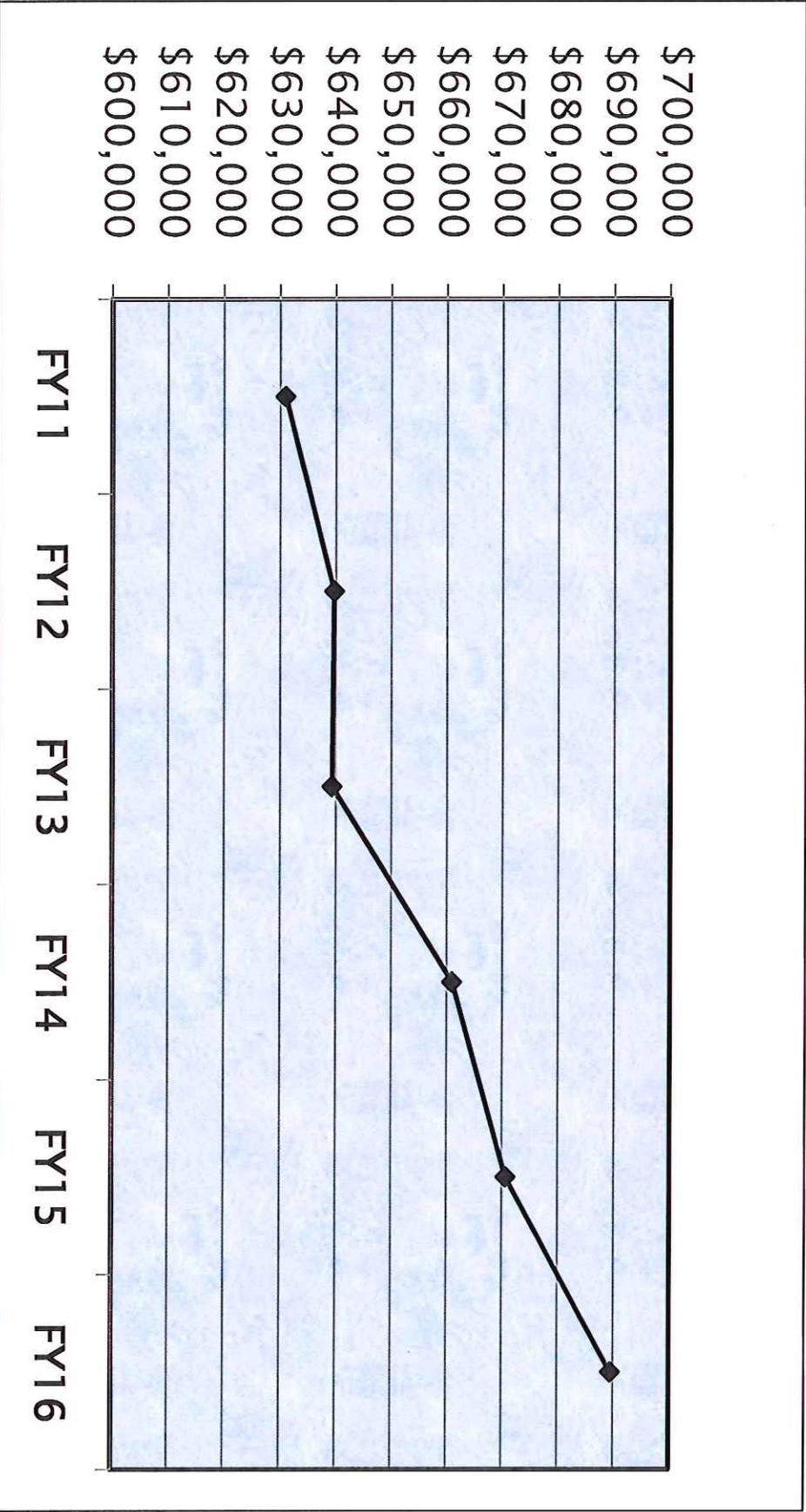
- Real Estate Property Taxes
- Gross Rental Receipt Taxes
- Building Permit Fees
- Realty Transfer Taxes

▶ **Estimated Revenue Decreases**

- Motor Vehicle Fines
- Lifeguard Advertising Sponsorship Program



Real Estate Property Tax History



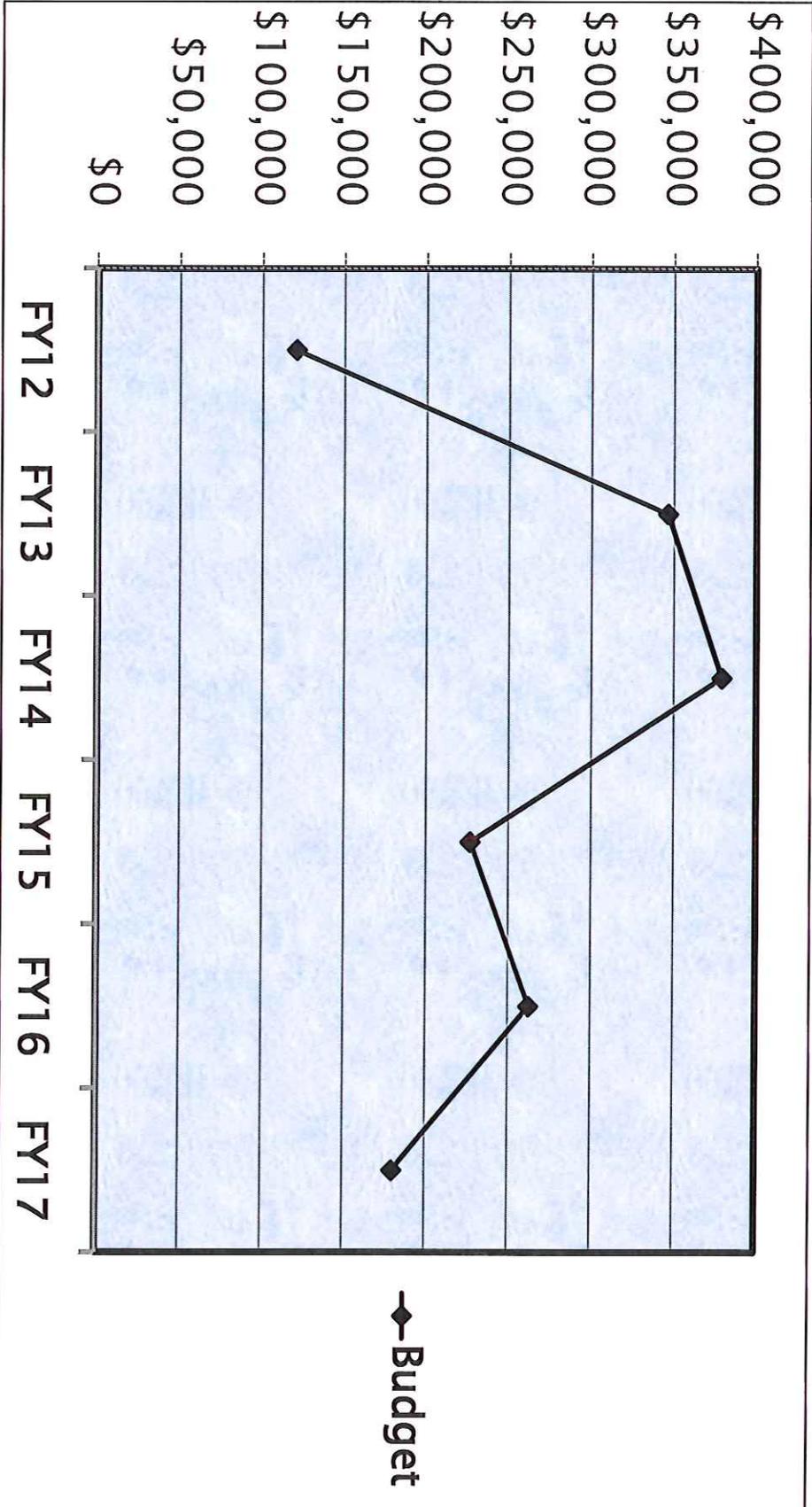
Department Expense Summary

| ▶ <u>Departments</u> | <u>FY 2016 (audit)</u> | <u>FY 2017 (adopted)</u> |
|--|------------------------|--------------------------|
| • Police | \$637,452 | \$609,225 |
| • Lifeguard | \$258,454 | \$279,277 |
| • Public Works | \$216,689 | \$211,504 |
| • Administration | \$341,368 | \$347,831 |
| • General Gov. | \$399,201 | \$578,938 |
| • Workers' compensation was transferred from departments to general gov. | | |

Primary Expense Categories

- Insurance (workers' compensation, health)
- Operations (personnel)
- Facility expenses (parks, town hall)

Capital Improvement Plan Budgets



Capital Improvement Plan Budget Details

- **Lifeguard Department**
 - Essex Street storage shed
 - Rescue board
 - Lifeguard stand repairs
- **Public Works Department**
 - Drainage projects
 - Garage heaters
 - Check valves
 - Town Hall exterior door (replacement)
- **Police Department**
 - New motor vehicle
 - Ammunition
- **Administration**
 - Comprehensive Plan consultant
 - Community Branding Workshop



FY 2017 Financial Plan Summary

- No property tax increase proposed
- Continued 24/7 public safety coverage
- Offer competitive salary and benefits
- Provide professional growth opportunities
- Provide high level of customer service
- Effective resource allocation
- Strategic replacement of capital improvement assets
- Apply for available grants to offset operational expenses

TOWN OF FENWICK ISLAND, DELAWARE
FY 2017 FINANCIAL PLAN (OPERATING BUDGET)

The Fenwick Island Town Council approved the following as its recommendation for the FY17 Operating Budget – fiscal year beginning August 1, 2016.

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, 2015, per the Town Audit (capital assets at year-end net of accumulated depreciation) was:

| | |
|-------------------------------|----------------|
| Builidngs | \$ 975,823 |
| Vehicles | \$ 336,256 |
| Office Equipment | \$ 84,810 |
| Police Equipment | \$ 173,252 |
| Street Signs and Fixtures | \$ 62,487 |
| Machinery and Equipment | \$ 245,110 |
| Beach and Lifeguard Equipment | \$ 126,826 |
| Recreation Equipment | \$ 41,156 |
| Land and Improvement | \$ 1,763,853 |
| Accumulated Depreciation | \$ (1,179,773) |

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 FY 2017.

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 FY 2017 Operating Budget is balanced. The real estate property tax rate will remain at \$1.92 per \$100 of total assessed value.

The FY 2017 Operating Budget is approximately slightly more than the FY 2016 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 and personnel are all forecasted to be slightly higher in FY 2017.

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 2017 FINANCIAL PLAN | |
|----------------------------------|--|--|-------------------|
| Revenue | | (operating and capital improvement plan budgets) | |
| 43000 | · Taxes and Grants | | |
| | | 41020 · Property Taxes | \$ 682,153 |
| | | 42010 · Gross Rental Receipt Taxes | \$ 275,000 |
| | | 43000 · Municipal Street Aid | \$ 32,000 |
| Total 43000 | · Taxes and Grants | | \$ 989,153 |
| 44550 | · Charges for Services - Administration | | |
| | | 43010 · License Fees (outside contractors) | \$ 51,800 |
| | | 43020 · License Fees (rental units) | \$ 27,010 |
| | | 43030 · License Fees (resident merchants) | \$ 25,550 |
| | | 44010 · Waste Administration Fees | \$ 182,382 |
| | | 44020 · Comcast Cable Fees | \$ 34,000 |
| | | 44030 · BBVFC EMS Fees | \$ 45,580 |
| | | 45100 · Building Permit Fees | \$ 175,000 |
| Total 44550 | · Charges for Services - Administration | | \$ 541,322 |
| 44800 | · Fines and Forfeitures | | |
| | | 46100 · Penalties | \$ 4,500 |
| | | 46200 · Traffic Fines | \$ 20,000 |
| | | 46300 · Parking Violation Fees | \$ 12,000 |
| | | 44800 · Fines and Forfeitures (other) | \$ 500 |
| Total 44800 | · Fines and Forfeitures | | \$ 37,000 |
| 45000 | · Investments | | |
| | | 45030 · Interest - Investments | \$ - |
| | | 47100 · Interest Income | \$ 2,500 |
| Total 45000 | · Investments | | \$ 2,500 |
| 46430 | · Revenue - Administration | | |
| | | 45320 · Contractor Decals | \$ 2,500 |
| | | 45330 · Bonfire Permits | \$ 8,500 |
| | | 46400 · Realty Transfer Taxes | \$ 274,088 |
| | | 47120 · Town Hall Rental Fees | \$ 1,400 |
| | | 47150 · Photo/Audio Copy Fees | \$ 50 |
| | | 47170 · FOIA Fees | \$ 100 |
| | | 47200 · Parking Permits | \$ 18,000 |
| | | 47250 · Subdivision Application Fees | \$ - |
| | | 47275 · Public Hearing Fees | \$ - |
| | | 47300 · Income (FI Sponsorship Program) | \$ 6,200 |
| | | 47800 · Sale of Equipment | \$ - |
| | | 48100 · Insurance Reimbursements | \$ - |
| | | 48200 · Income Restrict Purpose | \$ 500 |
| Total 46430 | · Revenue - Administration | | \$ 311,338 |
| 46440 | · Other Types of Revenue - Police | | |
| | | 47160 · Police Accident Report Fees | \$ 250 |
| | | 46441 · Police Revenue - Pension | \$ 25,000 |
| | | 47161 · Salary OT Reimbursement | \$ 7,500 |
| Total 46440 | · Other Types of Revenue - Police | | \$ 32,750 |
| 47000 | · Intergovernmental Revenue Lifeguard | | |
| | | 47280 · State Line Beach (State of DE) | \$ 45,000 |

| | | | |
|--|--|----|-----------|
| Total 47000 · Intergovernmental Revenue Lifeguard | 47290 · State Line Beach (Sussex County, DE) | \$ | 15,000 |
| 47050 · Intergovernmental Revenue Police | | \$ | 60,000 |
| | 47285 · Sussex County Police Grant | \$ | 25,000 |
| | 47050 · Intergovernmental Revenue Police | \$ | 4,000 |
| | 42795 · State Police Grant | \$ | - |
| Total 47050 · Intergovernmental Revenue Police | | \$ | 29,000 |
| | 48150 · Junior Lifeguard Program | \$ | 8,000 |
| | 49000 · Beach / Concession Services | \$ | 15,712 |
| TOTAL REVENUE | TOTAL REVENUE | \$ | 2,026,775 |
| Department Expenses | | | |
| 61100 · POLICE DEPARTMENT | | | |
| | 61110 · Police Salaries | \$ | 382,174 |
| | 61140 · Police Life Insurance | \$ | 1,496 |
| | 61150 · Police Health Insurance | \$ | 92,393 |
| | 61155 · Police Dental Insurance | \$ | 1,804 |
| | 61160 · Police Payroll Taxes | \$ | 32,862 |
| | 61170 · Police Pension (DE Police Pension) | \$ | 46,815 |
| | 61180 · Police Workers Compensation | \$ | - |
| | 61210 · Police Supplies | \$ | 3,000 |
| | 61220 · Police Office Supplies | \$ | 2,000 |
| | 61310 · Police Office IT Maintenance | \$ | 500 |
| | 61320 · Police Printing and Advertising | \$ | 600 |
| | 61330 · Police Uniforms | \$ | 5,000 |
| | 61335 · Police Mobile Computer Access | \$ | 2,930 |
| | 61340 · Police Vehicle Maintenance | \$ | 6,500 |
| | 61345 · Police Fuel | \$ | 15,000 |
| | 61350 · Police Communication Equipment | \$ | 1,000 |
| | 61370 · Police Vehicle Acquisition | \$ | - |
| | 61380 · Police Professional Development | \$ | 4,000 |
| | 61100 · Police Department, Payroll Expense | \$ | - |
| | 61390 · Police Public Safety Building | \$ | 11,150 |
| Total 61100 · POLICE DEPARTMENT | | \$ | 609,225 |
| 61500 · LIFEGUARD DEPARTMENT | | | |
| | 61510 · Lifeguard Salaries – Fenwick | \$ | 235,195 |
| | 61515 · Lifeguard Salaries – State | \$ | - |
| | 61530 · Lifeguard Payroll Taxes – Fenwick | \$ | 22,492 |
| | 61535 · Lifeguard Payroll Taxes – State | \$ | - |
| | 61540 · Lifeguard Workers Compensation | \$ | - |
| | 61610 · Lifeguard Supplies and Equipment - Fenwick | \$ | 4,500 |
| | 61735 · Lifeguard Supplies and Equipment - State | \$ | - |
| | 61620 · Lifeguard Uniforms | \$ | 6,000 |
| | 61630 · Lifeguard Junior Guard Program | \$ | 2,000 |
| | 61640 · Lifeguard Chair and Sign Maintenance | \$ | 4,440 |
| | 61665 · Lifeguard Professional Development | \$ | 1,000 |
| | 61670 · Lifeguard USLA Certification | \$ | 1,200 |

| | | | |
|--|---|-----------|----------------|
| | 61673 · Lifeguard Vehicle Maintenance | \$ | 400 |
| | 61675 · Lifeguard Fuel | \$ | 450 |
| | 61681 · Lifeguard Employee Relations | \$ | 1,100 |
| | 61710 · Lifeguard Awards and Competitions | \$ | 500 |
| Total 61500 · LIFEGUARD DEPARTMENT | | \$ | 279,277 |
| 61800 · PUBLIC WORKS DEPARTMENT | | | |
| | 61810 · Public Works Salaries | \$ | 122,785 |
| | 61830 · Public Works Life Insurance | \$ | 645 |
| | 61840 · Public Works Health Insurance | \$ | 42,942 |
| | 61845 · Public Works Dental Insurance | \$ | 840 |
| | 61850 · Public Works Payroll Taxes | \$ | 10,947 |
| | 61870 · Public Works Pension | \$ | 8,465 |
| | 61880 · Public Works Workers Compensation | \$ | - |
| | 61905 · Public Works Professional Development | \$ | - |
| | 61910 · Public Works Office Supplies | \$ | - |
| | 61920 · Public Works Shop Supplies | \$ | 4,000 |
| | 61930 · Public Works Shop Equipment | \$ | 3,800 |
| | 61940 · Public Works Safety Equipment | \$ | 600 |
| | 62010 · Public Works Printing and Advertising | \$ | - |
| | 62015 · Public Works Utilities | \$ | 5,615 |
| | 62020 · Public Works Building Maintenance | \$ | 1,000 |
| | 62025 · Public Works Uniforms | \$ | 1,500 |
| | 62030 · Public Works Fuel | \$ | 4,000 |
| | 62035 · Public Works Vehicle Maintenance | \$ | 3,000 |
| | 62061 · Public Works - Yard Waste | \$ | 500 |
| | 62075 · Public Works CDL Testing | \$ | 750 |
| | 62100 · Public Works Contract Service | \$ | 115 |
| Total 61800 · PUBLIC WORKS DEPARTMENT | | \$ | 211,504 |
| 62200 · ADMINISTRATION DEPARTMENT | | | |
| | 62210 · Admin Salaries | \$ | 220,583 |
| | 62220 · Admin Group Life Insurance | \$ | 903 |
| | 62230 · Admin Health Insurance | \$ | 60,679 |
| | 62235 · Admin Dental Insurance | \$ | 1,813 |
| | 62240 · Admin Payroll Taxes | \$ | 18,947 |
| | 62250 · Admin Pension | \$ | 20,458 |
| | 62255 · Admin Workers Compensation | \$ | - |
| | 62260 · Admin Financial Services | \$ | 2,258 |
| | 62310 · Admin Office IT Maintenance | \$ | 3,000 |
| | 62320 · Admin Office Supplies | \$ | 3,000 |
| | 62330 · Admin Travel Reimbursement | \$ | 1,000 |
| | 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 | \$ | 3,000 |
| | 62360 · Admin Personnel Supplies | \$ | 400 |

| | | | |
|--|---|------------------------------------|------------|
| Total 63200 · ADMINISTRATION DEPARTMENT | | 62410 · Admin Capital Expenditures | \$ - |
| | | | \$ 347,831 |
| 63200 · GENERAL GOVERNMENT | | | |
| | 63205 · Gen Gov Insurance | \$ 160,866 | |
| | 63210 · Gen Gov Telephone | \$ 4,320 | |
| | 63220 · Gen Gov Website | \$ 3,427 | |
| | 63225 · Gen Gov Legal | \$ 15,000 | |
| | 63230 · Gen Gov Audit | \$ 9,000 | |
| | 63235 · Gen Gov Postage | \$ 3,660 | |
| | 63240 · Gen Gov Printing and Advertising | \$ 2,000 | |
| | 63245 · Gen Gov Utilities | \$ 9,700 | |
| | 63250 · Gen Gov Appraisal | \$ 4,250 | |
| | 63255 · Gen Gov Emergency Management | \$ 500 | |
| | 63260 · Gen Gov Sewer | \$ 1,200 | |
| | 63265 · Gen Gov Dues | \$ 2,389 | |
| | 63270 · Gen Gov Service Grants | \$ - | |
| | 63271 · Gen Gov Recycling and Yard Waste | \$ 35,244 | |
| | 63272 · Gen Gov Building Maintenance | \$ 4,000 | |
| | 63273 · Gen Gov Cell Phones | \$ 5,500 | |
| | 63274 · Gen Gov Contract Services | \$ 4,200 | |
| | 63276 · Gen Gov Town Hall and Public Safety Copiers | \$ 1,576 | |
| | 63280 · Gen Gov Contingencies | \$ - | |
| | 63281 · Gen Gov Employee Relations | \$ 3,200 | |
| | 63285 · Gen Gov Codification | \$ 4,195 | |
| | 63290 · Gen Gov Pension Administration | \$ 3,300 | |
| | 63296 · Gen Gov Interest | \$ - | |
| | 63300 · Gen Gov Government Liaison | \$ 1,200 | |
| | 63305 · Gen Gov Median Landscape Maintenance | \$ 7,762 | |
| | 63310 · Gen Gov Community Projects | \$ 7,500 | |
| | 63320 · CRS Flood Program | \$ 800 | |
| | 63325 · Gen Govt BBVFC Ambulance Service | \$ 45,474 | |
| | 63330 · Gen Govt Solid Waste Collection | \$ 101,475 | |
| | 63370 · Gen Gov Parking Permits | \$ 3,000 | |
| | 63380 · Gen Gov Expense Restricted Purpose | \$ 134,200 | |
| Total 63200 · GENERAL GOVERNMENT | | \$ 578,938 | |
| 66900 · Reconciliation Discrepancies | | \$ - | |
| TOTAL EXPENSE | | \$ 2,026,775 | |
| Net Ordinary Income | | \$ 0 | |

TOWN OF FENWICK ISLAND, DELAWARE
FY 2017 FINANCIAL PLAN (CAPITAL IMPROVEMENT PLAN BUDGET)

The Fenwick Island Town Council has approved funding for **\$180,700** of expenditures as its Capital Improvement Plan (CIP) Budget for the fiscal year beginning August 1, 2016.

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 2013 | FY 2014 | FY 2015 | FY 2016 (April 30 balance) |
|---------|-------------|-------------|-------------|-------------------------------|
| BALANCE | \$1,694,724 | \$1,520,720 | \$1,628,725 | \$1,485,927 |

The April 30, 2016 Realty Transfer Tax (RTT) account balance is **\$1,485,927**, of which **\$211,209.11** is in General Reserve Accounts and **\$1,274,718** 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 **\$2,120,571** 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 FY 2017 or consider for replacement in subsequent fiscal years.

Authorized CIP Budget Expenses:

- Approved funds for comprehensive planning consultant
- Approved funds for flood mitigation check valves
- Approved funds for a matching DNREC grant for drainage projects
- Approved the purchase of one motor vehicle for police department (replacement)
- Approved funds for a new rescue board and shed for the lifeguard department

Please see attached CIP Budget for details.

FY 2017
CAPITAL BUDGET

TOWN OF FENWICK ISLAND, DELAWARE

FY 2017 Capital Improvement Plan (CIP) Budget

| | Expense | MSA | DSF | RTT | CTF |
|--|------------------|-----------------|-----------------|-----------------|-----------------|
| Administration Department | | | | | |
| Comprehensive Plan Consultant | \$7,500 | \$7,500 | | | |
| ICMA Conference | \$1,800 | | | \$1,800 | |
| Police Department | | | | | |
| Motor Vehicle (replacement) | \$30,000 | | | \$30,000 | |
| Ammunition | \$2,000 | | | \$2,000 | |
| Lifeguard Department | | | | | |
| Lifeguard Stand (repairs) | \$3,600 | | | \$3,600 | |
| Essex Street Shed | \$2,500 | | | \$2,500 | |
| Rescue Board | \$1,000 | | | \$1,000 | |
| Public Works Department | | | | | |
| Commercial Drainage Project (construction) | \$60,000 | | | | \$60,000 |
| Commercial Drainage Project (engineering) | \$15,000 | | \$15,000 | | |
| W. Bayard Street (engineering) | \$5,000 | | \$5,000 | | |
| W. Bayard Street (construction) | \$15,000 | | \$15,000 | | |
| Garage Heaters | \$12,800 | | | \$12,800 | |
| Town Hall Exterior Door (replacement) | \$8,000 | | | \$8,000 | |
| Check Valves (12") | \$6,400 | \$6,400 | | | |
| Check Valves (6") | \$2,800 | \$2,800 | | | |
| Town Hall Folding Chairs | \$2,300 | | | \$2,300 | |
| Business Development Committee | | | | | |
| Community Branding Workshop | \$5,000 | | | \$5,000 | |
| Total CIP Budget | \$180,700 | \$16,700 | \$35,000 | \$69,000 | \$60,000 |
| * Municipal Street Aid (MSA) | | | | | |
| * Dedicated Street Fund (DSF) | | | | | |
| * Realty Transfer Tax (RTT) | | | | | |
| * Community Transportation Fund (CTF) | | | | | |

Thank You

Merritt Burke IV, MPA, Town Manager

In Coordination With:

Mayor and Town Council

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

