



The Town of Fenwick Island

800 Coastal Highway, Fenwick Island, DE 19944-4409

302-539-3011 (302-539-1305 fax)

www.fenwickisland.delaware.gov

BUDGET AND FINANCE COMMITTEE MEETING

June 20, 2024

MINUTES

APPROVED

COMMITTEE MEMBERS IN ATTENDANCE:

W. Rymer and B. Waide at Town Hall

J. Napolitano, L. Lear, S. Rubenstein, W. Hayden, N. Magdeburger and R. Benn via Zoom

ALSO IN ATTENDANCE (in person or via zoom):

Mike Morrissey, D. Gary, E. Ellinger and L. Dabbondanza were in person.

Rymer called the meeting to order at 10:05am and the Committee did the Pledge of Allegiance.
FY2025 Budget:

The committee reviewed an updated draft of the FY25 Budget. Only a few minor changes existed in the second draft when compared to the first draft: increased revenues by \$8,000 related to state-provided police pension revenues and overall expenses decreased by \$2,000 related to final salaries. Ultimately, the operating loss decreased from \$134,406 in the first draft to a loss of only \$124,170. The committee agreed to offset these losses by general reserve funds. There are no property tax increases reflected in this FY25 Budget draft.

The committee then discussed the updated capital expenditure plan and related impact to forecasted cashflows. Three capital expenditure items were updated for the second draft:

- \$102,500 to be spent to match a BRIC grant for a resiliency study. These funds will only be spent if the BRIC grant (\$307,500) is awarded to the town.
- \$25,000 preliminary estimate related to potential new data management system. Project is in preliminary research stages and proposal has been presented to the Town Council.
- Total spend of \$2.15 million on the dredging project. The total cost of the project is estimated to be \$2.35 million but \$200,000 will be spent in June and July (current fiscal year and not FY25 budget). The town has been awarded \$1 million of state-provided grants and just recently awarded \$800,000 from Sussex County Council. The budget reflects an allocation of an additional \$545,000 from the RTT reserve account to cover the remaining costs. The cashflow budget forecasts that the town will have \$2.35 million in cash reserves as of July 31, 2025, which represents 10.2 months of operating expenses. This \$2.35 million of reserves far exceeds the stated goals of the town council to retain between 3-6 months of operating expenses on hand as reserves against future economic downturns or emergencies (approx. \$1 million more in reserves than this goal).

After an extensive discussion, the committee voted unanimously (8-0) to accept the FY25 Budget as presented and to recommend to the Town Council to approve the FY25 Budget. The original motion was made by Richard Benn and seconded by Ben Waide.



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The committee then reviewed the FY25 Fee Schedule. There were a few increases in the fees related to Board of Adjustment hearings as well as hearings in front of the Town Council. These increased fees relate to increased legal and stenographer costs for these hearings. The fee increases are not intended to generate income, simply offset town expenses. During the discussion, there was a request to remove Item #5 under Parking Permit Fees which relates to a fee of \$500 in connection with the sale of Additional Residential Hang Tags (Blue). The town did not sell additional Blue Tags this year. After a discussion, the committee voted 7-1 (N. Magdeburger was the dissenting vote) in favor of removing the sale of Blue Tags and removing the fee as listed on the schedule. Ben Waide made a motion, and Richard Benn seconded the motion to approve the new FY25 Fee Schedule as modified (Hearing related fees and removal of Blue Tag permit sales) and recommend to the Town Council to approve this new Fee Schedule. The committee voted unanimously in support of the motion.

The committee then discussed May 20, 2024, draft minutes that were previously provided. N. Magdeburger made the original motion to approve the minutes, and Ben Waide seconded the motion. This motion related to May 20, 2024, draft minutes was approved in a vote of 7 in favor and one abstain (R Benn was not out previous meeting so he abstained).

New Business:

- Ben Waide mentioned that he supported the current budget with no property tax increases but feels the committee should consider a “feathering” approach to introducing increases in property taxes in the FY26 Budget in smaller increments over several years as opposed to waiting a few more years and then approving a single-larger property tax increase.
- Rymer mentioned that the state legislature has not yet voted on whether it will introduce a new tax on residential rental accommodation revenues. If the state does approve such a measure, the committee will have a follow-up meeting to discuss changes to the town’s current tax rates on all rental revenues. The FY25 Budget will remain “as is” and the goal would be to make any changes to the tax rates within the town as overall “revenue neutral”.

The meeting was then opened to public participation.

- No public comments were made.

The committee’s next meeting will be scheduled at a later date.

ADJOURNMENT:

A motion was made by B. Waide and seconded by R. Benn to adjourn the meeting. The motion was passed unanimously, and the meeting was adjourned at 10.45am.