



FY 2015 FINANCIAL PLAN

August 1, 2014 - July 31, 2015

Merritt Burke IV, Town Manager

Gardner Bunting, Town Treasurer

Fenwickisland.org



FY 2015 Financial Plan Overview

The Town of Fenwick Island was incorporated in 1953 and is governed by a Town Council consisting of seven (7) members with the President or Mayor having general supervision of the affairs of the Town. The Charter specifically states that the Town Treasurer shall be the custodian of all Town funds. Additionally, there shall be an annual audit that is performed after the end of the fiscal year and presented to the Town Council.

Annually each year, the Town Council shall prepare a budget containing the financial plan for conducting the affairs of the Town for the ensuing fiscal year. The budget shall contain a detailed statement of expenses for managing each department, the value of supplies and materials on hand, the amount of debt and an estimate of the amount of money to be received from taxes and all other anticipated revenue.

The FY 2015 Financial Plan was drafted by the Town Budget Committee in May 2014. There were two public budget committee meetings held at Town Hall where the Budget Committee reviewed a statement of expenses, a statement of revenues and a statement of capital improvement budget expenses.

Overall, the Town is in a good financial position with over \$2 million in reserves (from past realty transfer taxes and operating surpluses) and minimal debt. Town debt consists of approximately \$150,000 (less a \$50,000 mortgage payment in FY15) owed on the public safety building. All other equipment and vehicles are owned outright except for the monthly vehicle lease on a Toyota van.

The FY 2015 Operating Budget was balanced by appropriating the accumulated surplus from FY14. Expenses increased 4% due to workers' compensation insurance, salaries, a second facility and a nominal increase in goods and services. Revenues also increased due to slight increases in property taxes, rental receipt taxes, a nominal increase in license fees and an increase in the solid waste administration and collection fee.

The Town of Fenwick Island provides the following services: a full-time, certified professional police department; three full-time public works department employees; an administration department that includes a building official / code enforcement officer, a town clerk, an administrative clerk and a professional town manager; and a seasonal beach patrol of thirty professional lifeguards. Additionally, the town has several volunteer committees that contribute to budgeting, emergency management, parking, ordinances and environmental issues.

In FY 2015, the Town of Fenwick Island will deliver municipal services through a \$1.7 million operating budget with capital improvement expenses of \$227,000, Municipal Street Aid expenses of \$30,000 and law enforcement grants of \$20,000.

TOWN OF FENWICK ISLAND
FY 2015 OPERATING BUDGET

(August 1, 2014 – July 31, 2015)

The Fenwick Island Town Council approved the following as its recommendation for the FY 2015 Operating Budget – fiscal year beginning August 1, 2014.

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, 2013, per the Town Audit was:

Buildings	\$	977,656
Vehicles	\$	344,065
Office Equipment	\$	117,116
Police Equipment	\$	209,813
Street Signs and Fixtures	\$	62,487
Machinery and Equipment	\$	244,462
Beach and Lifeguard Equipment	\$	139,148
Recreation Equipment	\$	33,579
Land and Improvement	\$	1,628,633
Accumulated Depreciation	\$	(1,134,707)

The condition of the equipment, etc. (ref. Section 23, part 2) was examined in the course of the Capital Improvement 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 of approximately \$150,000 on a fixed mortgage note.

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 2015 Operating Budget is presented with a nominal deficit. The property tax rate will remain at \$1.92 per \$100 of assessed value. The Ambulance Service fee was increased to \$53 per year to assist with the purchase of a new ambulance and long-term capital improvements due to higher demand for emergency services. Business license fees will increase \$25 from \$150 to \$175 and the solid waste administration and disposal fee will increase \$30 from \$269 to \$299.

The FY 2015 Operating Budget is approximately 4% more in revenue and expenses than the FY 2014 Operating Budget. Revenues such as property taxes, gross rental receipt taxes, building permit fees and Comcast cable fees are all forecasted higher due to an improving economy related to residential construction and stronger demand for retail goods and services. Expenses such as workers' compensation insurance premiums, health care insurance rates, maintenance (equipment, facilities and vehicles) and personnel salaries are all forecasted to be higher due to inflationary increases in goods and services. Overall, the budget is fiscally conservative and provides the resources for staff to provide governmental services efficiently and effectively.

TOWN OF FENWICK ISLAND, DELAWARE

FISCAL YEAR 2015 OPERATING BUDGET

Revenue			
43000 · Taxes			
	41020 · Property Taxes	\$	658,372
	42010 · Rental Receipt Taxes	\$	255,000
	43000 · Taxes (Other)	\$	-
Total 43000 · Taxes		\$	913,372
44550 · Charges for Services - Administration			
	43010 · License Fees (Outside Contractors)	\$	49,000
	43020 · License Fees (Rental Units)	\$	25,550
	43030 · License Fees (Resident Merchants)	\$	25,550
	44010 · Solid Waste Collection and Administration Fees	\$	204,815
	44020 · Comcast Cable Fees	\$	33,000
	44030 · BBVFC Ambulance Service Fees	\$	46,269
	45100 · Building Permit Fees	\$	160,000
		\$	544,184
Total 44550 · Charges for Services - Administration			
44800 · Fines and Forfeitures			
	46100 · Penalties	\$	4,500
	46200 · Traffic Fines	\$	36,000
	46300 · Parking Violation Fees	\$	10,000
	44800 · Fines and Forfeitures - Other	\$	500
		\$	51,000
Total 44800 · Fines & Forfeitures			
45000 · Investments			
	45030 · Interest - Investments	\$	-
	47100 · Interest Income	\$	3,000
		\$	3,000
Total 45000 · Investments			

TOWN OF FENWICK ISLAND, DELAWARE
46430 - Revenue - Administration

FISCAL YEAR 2015 OPERATING BUDGET

45320 - Contractor Decals	\$	2,500
45330 - Bonfire Permits	\$	5,500
46400 - Other Income	\$	13,894
47120 - Town Hall Rental Fees	\$	1,000
47150 - Photo/Audio Copy Fees	\$	50
47200 - Parking Permits	\$	19,250
47250 - Subdivision Application Fees	\$	275
47275 - Public Hearing Fees	\$	275
47300 - Income (F1 Sponsorship Program)	\$	10,000
47800 - Sale of Equipment	\$	-
48100 - Insurance Reimbursements	\$	-
48200 - Income Restrict Purpose	\$	500
Total 46430 - Revenue - Administration	\$	53,244
46440 - Other Types of Revenue - Police		
47160 - Police Accident Report Fees	\$	250
46440 - Police Revenue - Pension	\$	21,000
47161 - Salary OT Reimbursement	\$	7,500
Total 46440 - Other Types of Revenue - Police	\$	28,750
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	\$	9,000
42795 - State Police Grant	\$	-
Total 47050 - Intergovernmental Revenue Police	\$	34,000
48150 - Junior Lifeguard Program	\$	6,500
49000 - Beach / Concession Services	\$	14,712
TOTAL REVENUE	\$	1,708,762

TOWN OF FENWICK ISLAND, DELAWARE
 Expense
 61100 - POLICE DEPARTMENT

FISCAL YEAR 2015 OPERATING BUDGET

61110 · Police Salaries	\$ 340,200
61140 · Police Life Insurance	\$ 1,471
61150 · Police Health Insurance	\$ 55,528
61155 · Police Dental Insurance	\$ 1,591
61160 · Police Payroll Taxes	\$ 29,133
61170 · Police Pension (DE Police Pension)	\$ 44,000
61180 · Police Workers' Compensation	\$ 28,000
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	\$ 8,800
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	\$ 561,803

TOWN OF FENWICK ISLAND, DELAWARE

FISCAL YEAR 2015 OPERATING BUDGET

Expense

61500 - LIFE GUARD DEPARTMENT

61510 · Lifeguard Salaries - Fenwick	\$	196,200
61515 · Lifeguard Salaries - State	\$	-
61530 · Lifeguard Payroll Taxes - Fenwick	\$	19,723
61535 · Lifeguard Payroll Taxes - State	\$	-
61540 · Lifeguard Workers' Compensation	\$	17,000
61610 · Lifeguard Supplies and Equipment - Fenwick	\$	5,000
61735 · Lifeguard Supplies and Equipment - State	\$	-
61620 · Lifeguard Uniforms	\$	6,000
61630 · Lifeguard Junior Guard Program	\$	1,500
61640 · Lifeguard Chair and Sign Maintenance	\$	3,000
61665 · Lifeguard Professional Development	\$	500
61670 · Lifeguard USLA Certification	\$	1,200
61673 · Lifeguard Vehicle Maintenance	\$	500
61675 · Lifeguard Fuel	\$	500
61680 · Lifeguard Employee Relations	\$	700
61710 · Lifeguard Awards and Competitions	\$	300
Total 61500 - LIFE GUARD DEPARTMENT	\$	252,123

TOWN OF FENWICK ISLAND, DELAWARE

Expense

61800 · PUBLIC WORKS DEPARTMENT

FISCAL YEAR 2015 OPERATING BUDGET

61810 · Public Works Salaries	\$ 116,418
61830 · Public Works Life Insurance	\$ 720
61840 · Public Works Health Insurance	\$ 35,492
61845 · Public Works Dental Insurance	\$ 387
61850 · Public Works Payroll Taxes	\$ 10,460
61870 · Public Works Pension	\$ 8,247
61880 · Public Works Workers' Compensation	\$ 13,000
61905 · Public Works Professional Development	\$ 500
61910 · Public Works Office Supplies	\$ 200
61920 · Public Works Shop Supplies	\$ 3,500
61930 · Public Works Shop Equipment	\$ 3,000
61940 · Public Works Safety Equipment	\$ 600
62010 · Public Works Printing and Advertising	\$ 100
62015 · Public Works Utilities	\$ 5,615
62020 · Public Works Building Maintenance	\$ 2,000
62025 · Public Works Uniforms	\$ 750
62030 · Public Works Fuel	\$ 4,500
62035 · Public Works Vehicle Maintenance	\$ 2,500
62060 · Public Works - Yard Waste	\$ 1,500
62075 · Public Works CDL Testing	\$ 1,000
62100 · Public Works Contract Service	\$ 115
Total 61800 · PUBLIC WORKS DEPARTMENT	\$ 210,605

TOWN OF FENWICK ISLAND, DELAWARE
Expense
62200 · ADMINISTRATION DEPARTMENT

FISCAL YEAR 2015 OPERATING BUDGET

62210 · Admin Salaries	\$	203,101
62220 · Admin Group Life Insurance	\$	903
62230 · Admin Health Insurance	\$	57,303
62235 · Admin Dental Insurance	\$	1,796
62240 · Admin Payroll Taxes	\$	17,609
62250 · Admin Pension	\$	19,910
62255 · Admin Workers' Compensation	\$	1,900
62260 · Admin Financial Services	\$	2,928
62310 · Admin Office IT Maintenance	\$	1,500
62320 · Admin Office Supplies	\$	3,500
62330 · Admin Travel Reimbursement	\$	600
62332 · Admin Vehicle Acquisition	\$	4,140
62334 · Admin Vehicle Fuel and Maintenance	\$	4,600
62340 · Admin Printing and Advertising	\$	4,200
62350 · Admin Professional Development	\$	500
62360 · Admin Personnel Supplies	\$	400
62410 · Admin Capital Expenditures	\$	-
Total 62200 · ADMINISTRATION DEPARTMENT	\$	324,891

TOWN OF FENWICK ISLAND, DELAWARE

FISCAL YEAR 2015 OPERATING BUDGET

Expense
63200 · GENERAL GOVERNMENT

63205 · Gen Gov Insurance	\$	70,729
63210 · Gen Gov Telephone	\$	4,800
63220 · Gen Gov Website	\$	2,500
63225 · Gen Gov Legal	\$	13,000
63230 · Gen Gov Audit	\$	9,000
63235 · Gen Gov Postage	\$	3,160
63240 · Gen Gov Printing and Advertising	\$	1,000
63245 · Gen Gov Utilities	\$	9,700
63250 · Gen Gov Appraisal	\$	4,200
63255 · Gen Gov Emergency Management	\$	500
63260 · Gen Gov Sewer	\$	1,200
63265 · Gen Gov Dues	\$	2,174
63270 · Gen Gov Service Grants	\$	-
63271 · Gen Gov Recycling and Yard Waste	\$	43,784
63272 · Gen Gov Building Maintenance	\$	3,500
63273 · Gen Gov Cell Phones	\$	4,800
63274 · Gen Gov Contract Services	\$	2,880
63275 · Gen Gov Town Hall and Public Safety Copiers	\$	1,300
63280 · Gen Gov Contingencies	\$	500
63281 · Gen Gov Employee Relations	\$	2,700
63285 · Gen Gov Codification	\$	5,200
63290 · Gen Gov Pension Administration	\$	3,300
63296 · Gen Gov Interest	\$	9,200
63300 · Gen Gov Government Liaison	\$	1,500
63305 · Gen Gov Median Landscape Maintenance	\$	7,980
63310 · Gen Gov Community Projects	\$	2,500
63320 · CRS Flood Program	\$	1,000
63325 · Gen Govt BBVFC Ambulance Service	\$	46,375
63330 · Gen Govt Solid Waste Collection	\$	97,859
63370 · Gen Gov Parking Permits	\$	3,000
63380 · Gen Gov Expense Restricted Purpose	\$	-

Total 63200 · GENERAL GOVERNMENT

66900 · Reconciliation Discrepancies

TOTAL EXPENSE

Net Ordinary Income

Total 63200 · GENERAL GOVERNMENT	\$	359,341
66900 · Reconciliation Discrepancies	\$	-
TOTAL EXPENSE	\$	1,708,762
Net Ordinary Income	\$	(0)

TOWN OF FENWICK ISLAND, DELAWARE

FISCAL YEAR 2015 OPERATING BUDGET

Capital Improvement Budget Revenue	FISCAL YEAR 2015 CAPITAL IMPROVEMENT BUDGET
42795 · State of Delaware Police Grants	
41030 · Realty Transfer Taxes (RTT)	Average \$200,000 per fiscal year
41100 · General Government Grants	
41200 · Letter of Credit Proceeds	
45020 · Appropriation from Reserve Funds	
45030 · Interest-Investments	
Total	\$ 227,000
Capital Improvement Budget Expense	
61410 · Police Department	\$ 36,000
62120 · Public Works Department	\$ 128,000
62140 · Emergency Services	\$ 5,000
62160 · Lifeguard Department	\$ -
63350 · Municipal Street Aid	\$ -
63360 · Municipal Street Lighting	\$ -
63410 · General Government	\$ 55,000
63430 · Administrative Department	\$ 3,000
Total	\$ 227,000
Net Other Income	\$ -
Total Net Income	\$ (0)

TOWN OF FENWICK ISLAND
FY 2015 CAPITAL IMPROVEMENT BUDGET

(August 1, 2014 – July 31, 2015)

The Fenwick Island Town Council has approved funding for **\$227,000** of expenditures as its Capital Improvement Budget (CIB) for the fiscal year beginning August 1, 2014.

Capital Improvement Budget Balance (Realty Transfer Taxes):

Capital Improvement Plan / Budget expenditures are primarily supported by existing Realty Transfer Tax (RTT) account reserve funds and existing saving account reserve funds.

YEAR	2011	2012	2013	2014
BALANCE	\$1,584,987	\$1,803,572	\$1,694,724	\$1,520,720

The May 2014 Realty Transfer Tax (RTT) account balance is **\$1,520,720** of which **\$208,792** is in General Reserve Accounts and **\$1,311,927** 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 **\$2,119,949** 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 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 2015 or consider for replacement in subsequent fiscal years.

Authorized Capital Improvement Budget Expenses:

- Approved funds for information technology projects
- Approved funds for emergency management
- Approved the purchase of one motor vehicle for police department (replacement)
- Approved the purchase of a new work truck for the public works department
- Approved funds for street and drainage projects
- Approved funding to reduce the public safety building mortgage note

Please see attached approved Capital Improvement Budget for details.

TOWN OF FENWICK ISLAND

FY 2015

APPROVED CAPITAL IMPROVEMENT BUDGET

<u>Department</u>	<u>Asset</u>	<u>Value</u>	<u>Depreciation</u>	<u>Reserve Fund</u>
Administration	Information Technology	\$5,000	Various	PNC (Realty Transfer Tax)
	Conferences	\$3,000		PNC (RTT)
Emergency Services	Emergency Supplies	\$5,000		PNC (RTT)
Police	Bank of Ocean City	\$50,000		PNC (RTT)
	Motor Vehicle	\$30,000	5 years	PNC (RTT)
	Ammunition	\$6,000		PNC (RTT)
Public Works	W. Dagsboro Drainage Project	\$75,000		PNC (RTT)
	Truck and Plow	\$40,000	10 years	PNC (RTT)
	Drainage Projects	\$10,000		PNC (RTT)
	Stone Project	\$3,000	5 years	PNC (RTT)
Grand Total		\$227,000		

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