



Town of South Bethany FY 2013 Budget Presentation

Flt from So. Bethany Beach

Photo by Paul Rodgers

Agenda

- ❑ A Message from the Mayor
- ❑ SBBFC Committee Membership
- ❑ FY 2012 Budget Status
- ❑ FY 2012 Budget Accomplishments
- ❑ FY 2013 Budget Process
- ❑ Budget Highlights
- ❑ FY 2013 Budget Summary
- ❑ Next Steps

Budget and Finance Committee Members

- ❑ Pat Voveris
- ❑ Keith Krenz
- ❑ Steve Farrow
- ❑ John Fields
- ❑ Kent Stephans
- ❑ Melvin Cusick
- ❑ Renee McDorman

FY 2012 Budget Status as of 02/29/12

□ Revenue

Revenues are 94% collected.

- Building Permits are up 22%
- Mercantile Licenses are up 28%
- Rental Tax is up 4%
- Parking Permits are up 1%

Transfer Tax has only been collected at 60% and will probably experience about a 15% to 20% shortfall.

□ Expenses

Tracking to meet budget

FY 2012 Budget Accomplishments

- Reviewed Depreciation Schedule to determine appropriate funding and inflationary levels.
- Re-named Depreciation Reserve to Asset Replacement & Maintenance Reserve.
- Reviewed and updated three Reserve Accounts (Operational, ARM and Long Term)
- Revised Rental Application for Internet Tracking.
- Conducted a small survey of other resort communities regarding the impact of internet vacation rental sites on rental taxes and steps being taken to insure reporting compliance.
- Reviewed SB Fee Schedule and are recommending a change to New Construction Fee and Deck Repair.
- Recommended a Temporary Mercantile License (30-day license)
- Prepared a “snapshot” for the Budget Surplus generated FY 2010 & 2011

Next Steps

- Review useful life on Asset Replacement and Maintenance List (formerly called Depreciation)
- Recommend a Financial Policy for Council
- Review the Revenue Stream for incremental Property Tax projections

FY 2013 Budget Process

- ✓ Initial draft developed by Melvin Cusick and Renee McDorman
- ✓ Undergone 2 reviews by SBBFC
- ✓ Recommended Draft Budget then presented to Council for review at February 23rd Workshop

FY 2013 Budget Highlights

FY 2013 Budget Revenue Projection

- No Property Tax increase \$ 494,700
- Rental Tax Revenue increased by 6% \$ 498,200
- Transfer Tax reduced by 50% \$ 200,000
- Interest income raised by 16% \$ 14,000

FY 2013 Waste Removal Proposal

Trash Removal	\$ 265,150
Recycle	\$ 61,950
Yard Waste	\$ 26,529

Price per property \$ 283.13

Trash	\$212.29
Recycling	\$ 49.60
Yard Waste	\$ 21.24

Final costs TBD at March 22nd Town Council Workshop

FY 2013 Budget Major Expenses

- Staff salary increase of 2.5% (Step) and 1.5% (COLA)
- Part-time Maintenance position increased to a Full-time position

FY 2013 Budget Projects to be Considered for Approval

- 2 Year Aerator Pilot \$ 23,300
- Ocean Drive Signage \$ 9,383
- Water Study for East Side \$ 12,000

FY 2013 Budget Summary

FY 2013 Budget Summary

Total Revenue: \$ 2,065,819

Total Expenditures: \$ 2,065,819

Extra Long Term Reserve Funding: \$ 19,359

Asset Replacement Maintenance Reserve
(formerly called Depreciation)

ARMR fully funded through available surplus funds and reallocation of unspecified reserves, for \$ 248,832

FY 2013 Budget

Revenue

	\$ 494,700	- Property Tax 2% ↑
	\$ 200,000	- Transfer Tax 50% ↓
	\$ 498,600	- Rental Revenue 6% ↑
	\$ 372,230	- Other 2% ↑
Transfer to Long Term Reserves	<u>\$ (19,359)</u>	
Total Operating Revenue	\$1,546,171	

Expenses

	\$ 507,800	- G & A 3.5% ↑
	\$ 186,157	- Public Works 25.7% ↑*
	\$ 609,547	- Public Safety 2.1% ↑
	\$ 214,867	- Beach Patrol 2.7% ↑
	\$ 23,500	- Community Enhancement Committee △
	<u>\$ 4,300</u>	- Canal Water Quality Committee △
Total Expenses	\$1,546,171	

*Increase reflects the addition of a Full-time Maintenance position

Next Steps

- Consider Public Input
- Council Workshop on March 22nd
- Council approval of 2013 Budget at April 13th Town Council Meeting