



FY2026 Budget Highlights

SPECIAL BUDGET MEETING #1
JANUARY 17, 2025

FY2026 Budget Schedule

- January 17th, 2025 – Special Budget Meeting #1 (Overview presentation of FY26 budget, Capital Improvement Plan)
- February 10th, 2025 – Special Budget Meeting #2 (General Fund presentation by department, discussion to include Mayor & Commissioners salary)
- February 21st, 2025 – Special Budget Meeting #3 (Enterprise Fund presentation by department)
- March 10th, 2025 – Special Budget Meeting #4 (Community partner contributions, discussion to include grant requests, final questions and comments)
- March 21st, 2025 – Vote to approve FY26 Annual Budget



Draft FY2026 Annual Budget Highlights

Total Budget

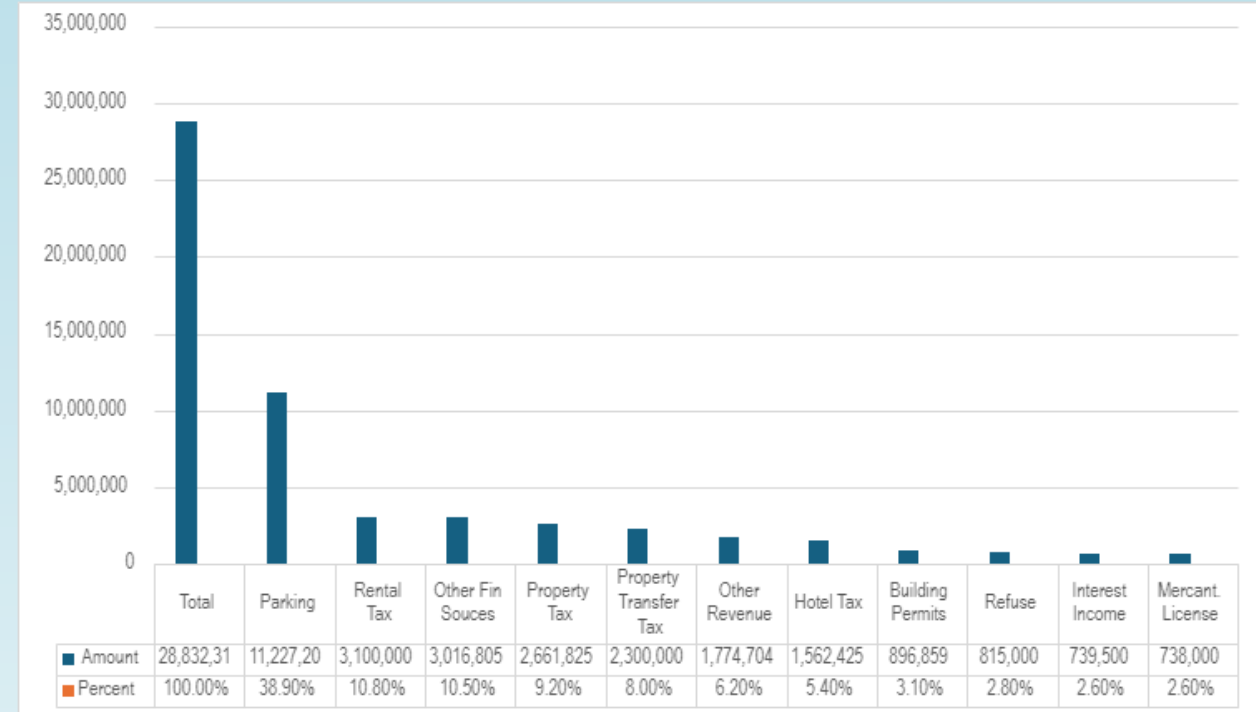
- FY2026 Annual Budget
 - Total Revenues: \$43,897,117
 - Total Expenses: \$43,744,063
 - Revenue in excess: \$153,054

Funds and Capital Outlay

- General Fund Revenues: \$28,832,318
- General Fund Expenses: \$28,568,438
- Enterprise Fund Revenues:
 - Water: \$4,959,500
 - Wastewater: \$9,930,028
- Enterprise Fund Expenses:
 - Water: \$3,927,503
 - Wastewater: \$11,072,851
- Capital Budget: \$11,561,180

Revenues

- **Property Tax:** Rate unchanged; increased revenue by 1% due to new construction/improvements.
- **Property Transfer Tax:** Increased by 3%, \$450,000, to \$2.3M.
- **Rental Tax:** No increase, remains at \$3.1M.
- **Parking Revenue:** Gross revenue increased by \$349,400 and growth in pay-by phone transactions reflected, reducing other forms of transactions.
- **Building Permit Revenue:** Increased by 3% to \$896,859 due to additional commercial projects on the horizon.
- **Hotel Accommodations Tax:** Flat at \$1.56M.
- **Refuse Rates:** No increase; reduced by \$10,000.
- **Loan Proceeds:** Increased by \$3.02M from Beach Patrol facility financing.
- **Interest Income:** Budgeted at \$600,000 from U.S. Treasury investments.



Expenditures

- General Fund:
 - Increased by \$2.76M, primarily in operating expenses (+\$2.58M).
 - Capital outlay budget decreased by \$713,820.
 - Debt service increased by \$904,000 due to new facility loan.
- Salaries and Benefits:
 - Total salaries increased by \$1.6M to \$9.53M.
 - Includes hiring of in-house City Solicitor and Planner to reduce contracted services.
 - Includes 3% COLA and up to a 3% merit increase for eligible employees.
 - Medical insurance increased by \$175,000 to \$1.7M.
 - Increase to the State's health insurance program.
 - Funding 100% of employee health insurance while retaining 80/20 for dependents.



Department Highlights

- Police Department
 - Reached tentative agreement on three-year Union Contract.
 - Total budget increased by \$1.36M.
 - Salaries (including overtime/part-time) increased by \$623,000.
 - Vehicle lease budget increased by \$278,000 to accommodate take home vehicle program.
 - Maintenance contracts increased by \$126,000 – restructured to expire at same time.
- Parks Department
 - Budget increased by \$429,000 primarily for canal dock improvements (\$400K).
- Finance Department
 - Increased due to hiring staff accountant, planned accounting assistant (\$41,000 medical insurance increase).
 - Annual audit cost of \$45,000 moved from Admin to Finance.



Department Highlights Cont.

- Administration
 - Salaries increased by \$339,000, mostly due to budgeting for in-house City Solicitor.
 - Legal services reduced from \$100,000 to \$50,000.
 - Planning Commission budget increased by \$10,000; Board of Adjustment decreased by \$10,000.
- Parking Meter Operations:
 - Increased by \$310,000 due to higher Pay-by-Phone processing fees (+\$175,000) and credit card fees (+\$74,000).
- Information Technology:
 - Promotion of Support Technician to Endpoint Administrator and hiring replacement.



Utility Departments

- Water
 - Budget increased by \$521,000.
 - Includes \$500,000 for PFAS filter tanks and \$150,000 for treatment design.
- Wastewater
 - Expenditures increased by \$1.88M due to \$1.84M capital budget increase.
 - Revenue flat; includes \$2.6M in prior year encumbered funds.
 - \$986,000 capital contributions from Sussex County for debt share.



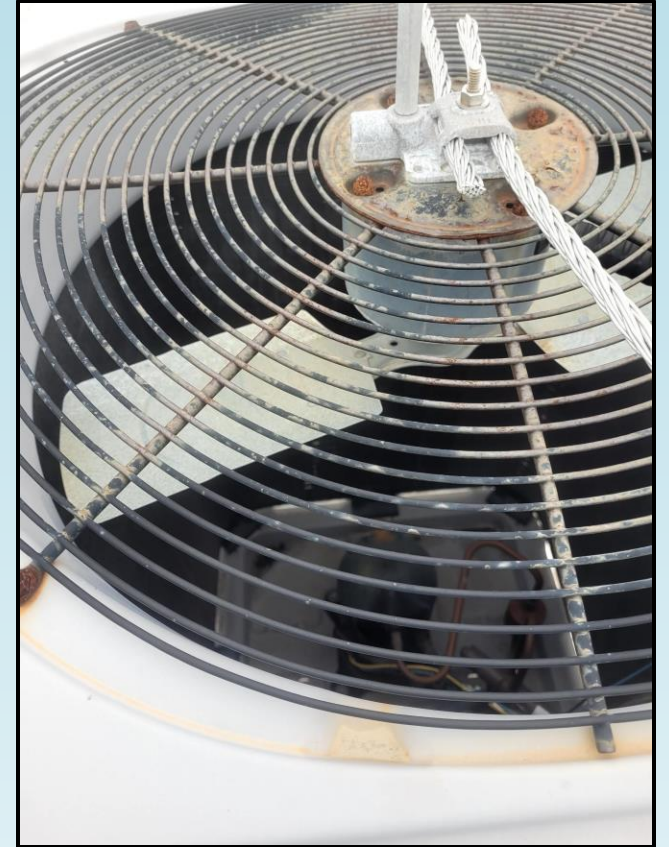


Draft FY2026 Capital Budget

Buildings & Grounds



Replace HVAC Units and Heat Pump System in Conference Rooms



\$37,000

Replace Tables



\$10,000

Comfort Stations



Temporary Restrooms



\$75,000

Baltimore Ave Restroom/BP Headquarters (Construction/CM)

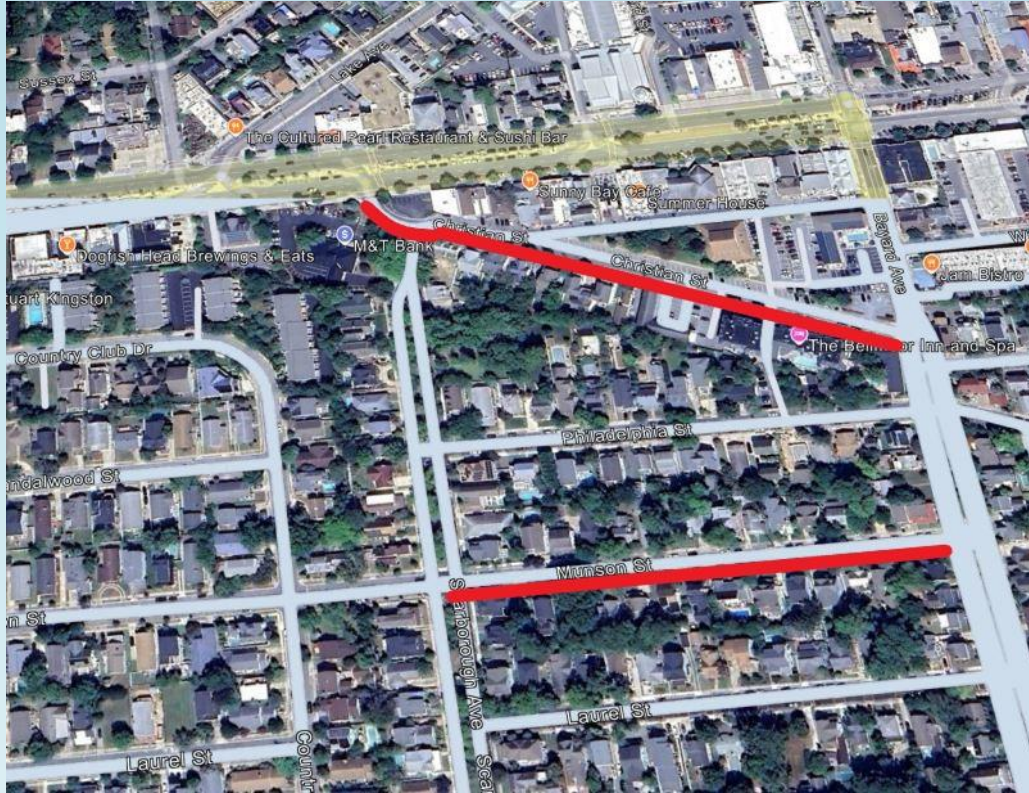


\$2,483,000

Streets Department



City-wide Paving



\$585,000

City Sidewalk Improvements



\$100,000

Storm Sewer Assessment and Repairs



\$200,000

Replace Boardwalk EV Trash Truck



Beach Rake Refurbishment



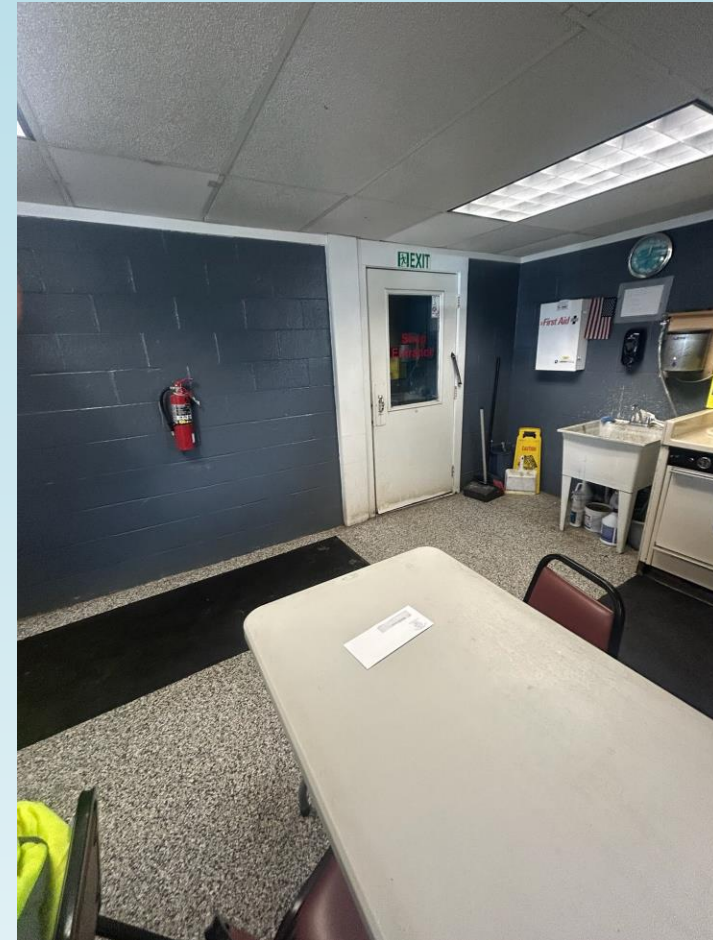
\$20,000

LED Retrofit – Rehoboth Ave Streetlights (Median)



\$105,000

Public Works Facility (Design & Construct)



\$50,000

Replace Hook Hoist Container Truck (1999 Volvo)



\$257,680

New EV Charging System



\$150,000

Fleet Services



Remove and Replace Vehicle Lift



Police



Shed for Police Equipment



Wastewater Department

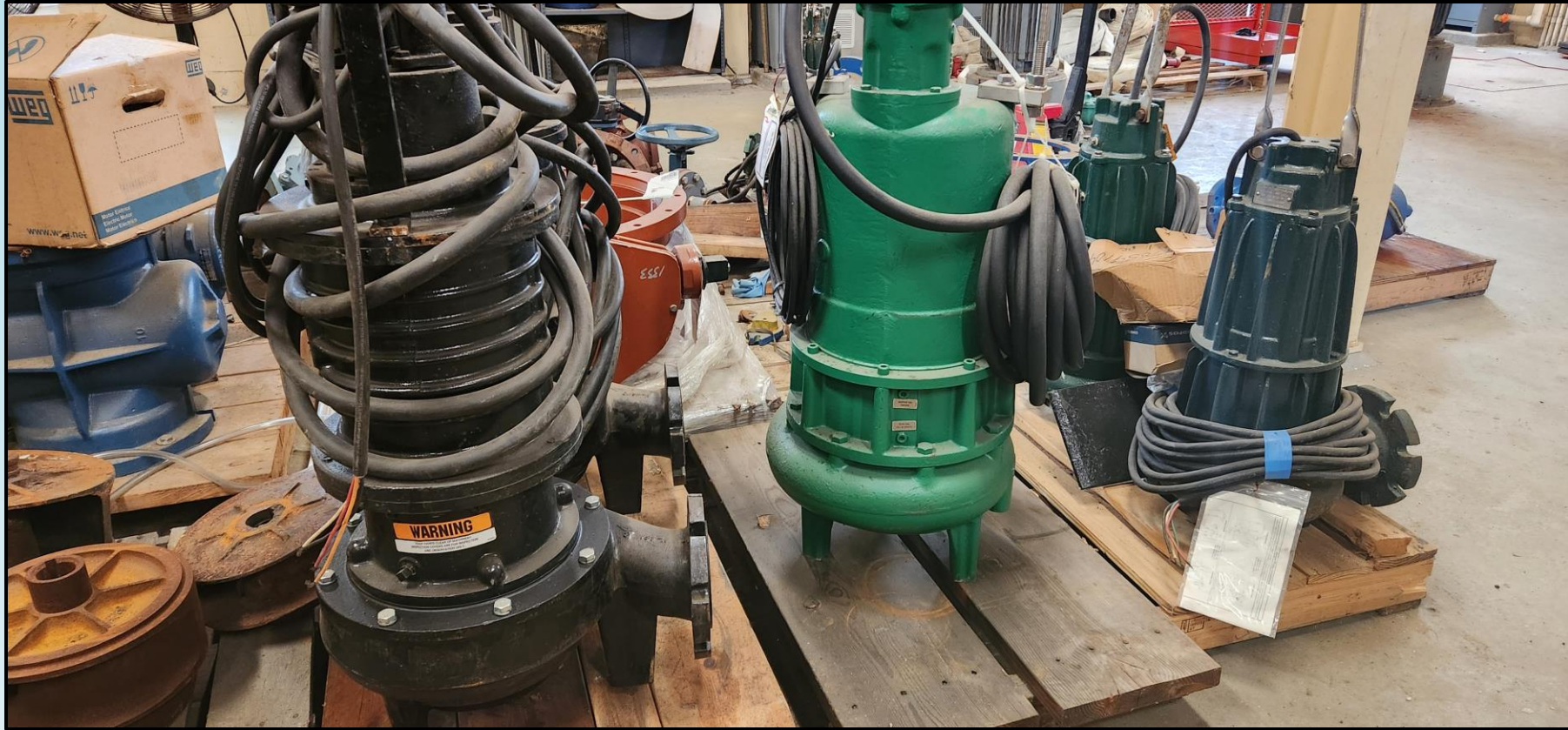


WWTP Rehab - Phase 3B



\$2,400,000

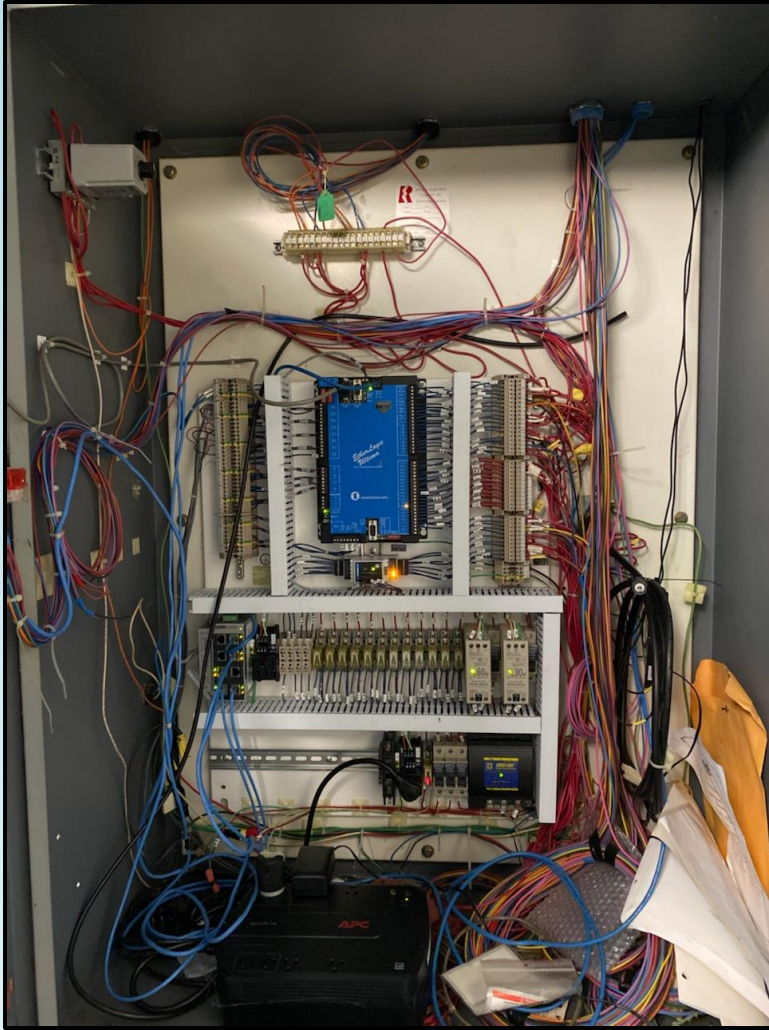
Miscellaneous Pump Replacements



\$45,000



PLC Replacement (North Shores 1)



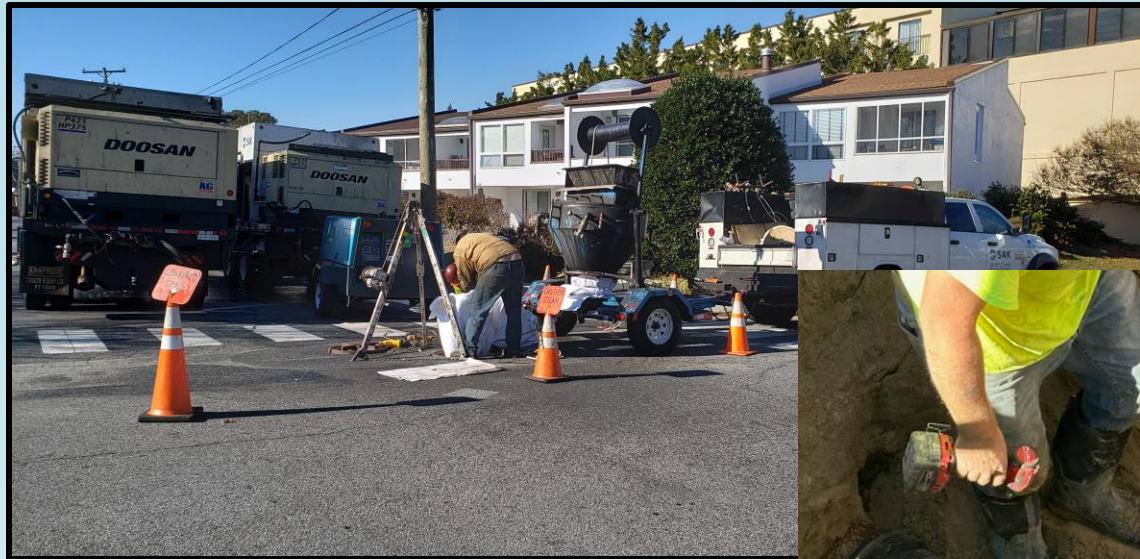
\$100,000

Pump Station Valve Replacement



\$110,000

Sewer Pipe Rehabilitation Program



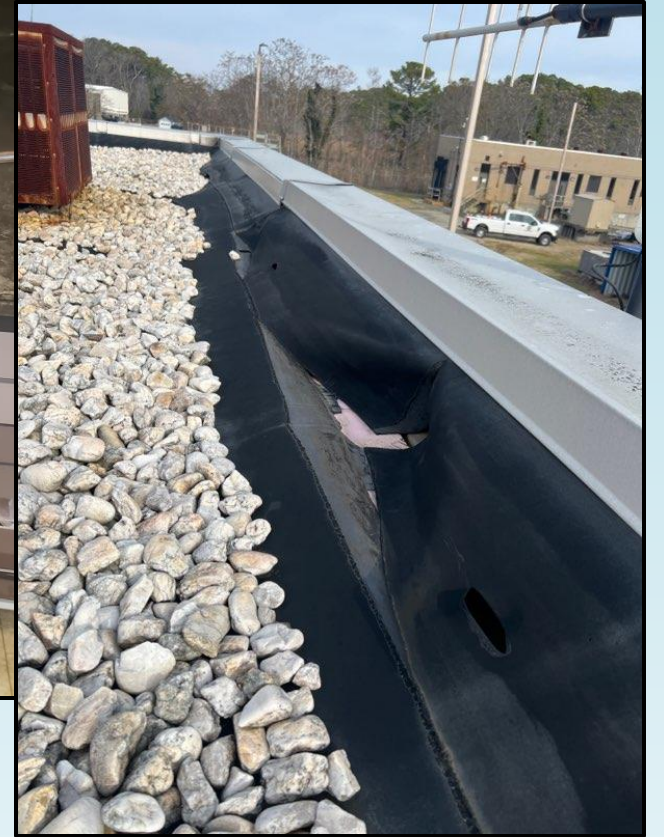
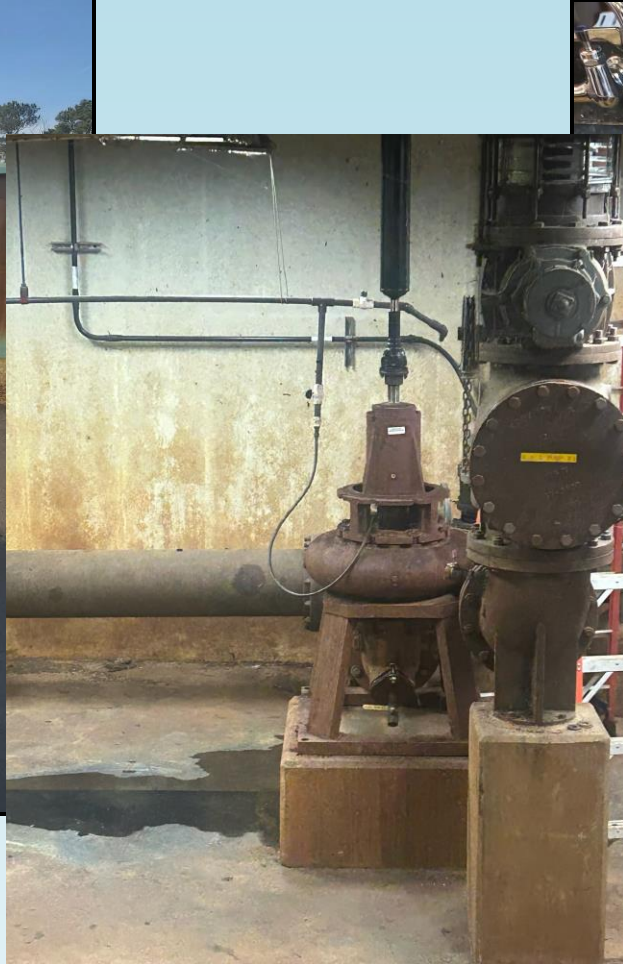
\$150,000

Sanitary Sewer System Cleaning/CCTV



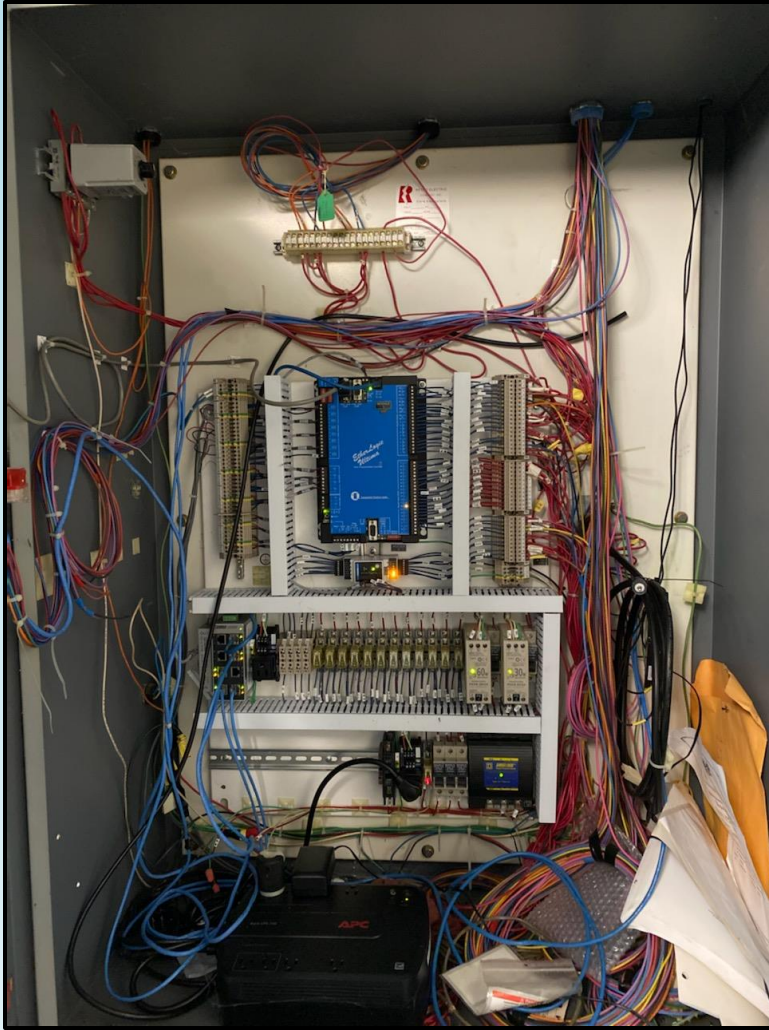
\$25,000

WWTP Rehab - Phase 4



\$2,300,000

North Shores Control Panel Replacement



\$50,000

Spare Main Breaker



\$70,000

Water Department



Water Meter Replacements



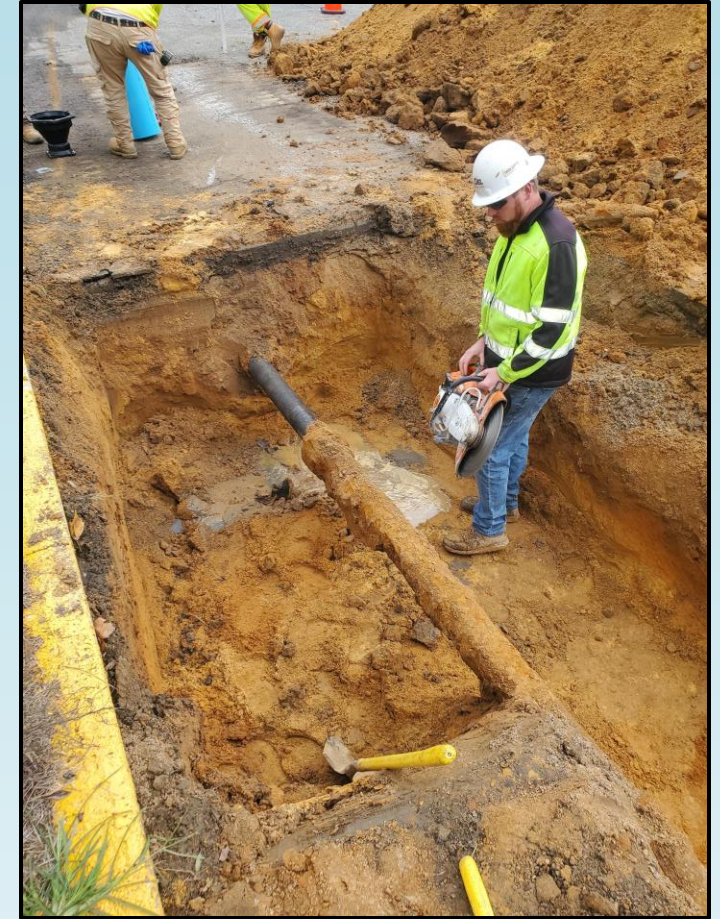
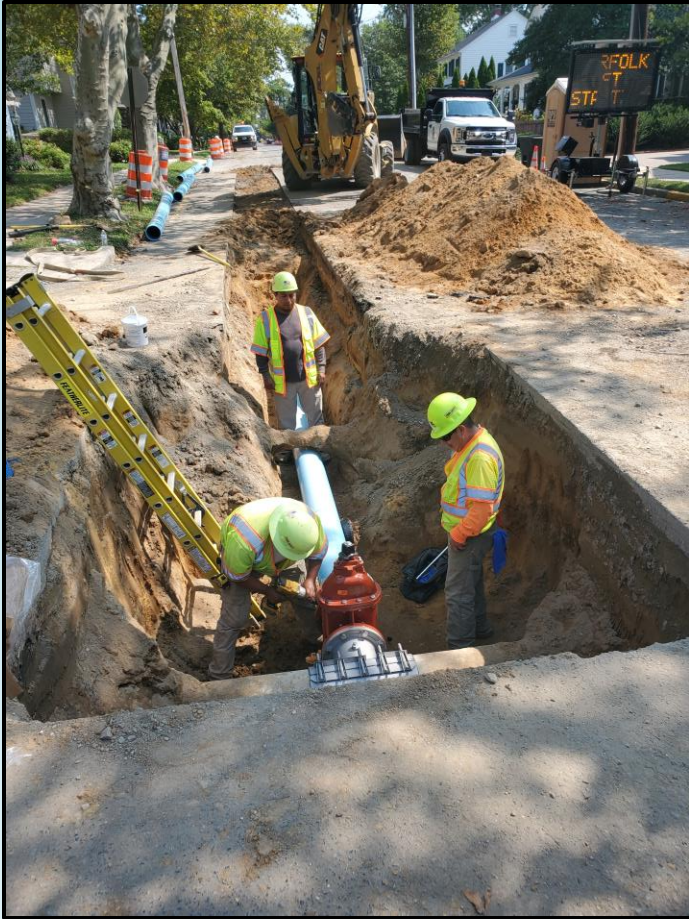
\$475,000

Lynch Plant High Lift Pump Rehab



\$50,000

Water Main Replacement



\$350,000

Replacement Trailer (Backhoe)



\$40,000

PFAS Treatment Upgrade (Design)



\$150,000

PFAS Filter Media Tanks and Piping (Wells 7 and 8)



\$500,000

Metered Interconnect with Tidewater Utilities



\$50,000

Information Technology



Computer Lifecycle Replacements



\$44,000

Radio Replacements



\$10,000



Copier Replacements



\$20,000

Parks & Recreation



Grove Park Canal Access Dock Stabilization



\$400,000

QUESTIONS?

