

Budget amendments are predominately used to adjust for changes in expenditure level or a decrease in revenues. An increase in revenues is not necessarily adjusted for unless the increased revenue leads to further expenditures, like happened the past couple of years.

When writing a policy for a budget amendment, it is recommended that the policy not be limiting in nature nor be overly broad. Either situation can lead to the process being a chore instead of a basic function.

It is also a best practice to not focus on month-to-month changes but rather have a set time, such as after November in the case of Dewey Beach because all major revenue streams are received by that point. This gives a better understanding of where the Town is financially going into the last part of the fiscal year. Also, most expenses are highest in the summer months, so they are also on a more even basis at this point of the year.

Furthermore, making a line-by-line adjustment, while it may seem the most accurate way to make the adjustments, will not necessarily make for a more accurate ending budget to actual comparison. A budget is a guideline for spending. A budget amendment is just to adjust for situations where circumstances changed that could not be prepared for when doing the original budget.

In FY23, Rehoboth’s budget was only adjusted because a grant was received that was not budgeted for and its usage caused expenses to increase.

Lewes did the same thing in their FY23 budget amendment. All changes were based on increased actual expenditure or reduction in expected expenditure due to revenue not being available to pay for the expenditure.

With this in mind, it is the recommendation of staff that the following be presented to the Commissioners for their approval. This hits major revenue and expenditure changes.

	Original	Amendment	Difference
Income			
4000200 · Accommodations Tax	775,000.00	745,000.00	(30,000.00)
4000250 · Hotel Tax	450,000.00	425,000.00	(25,000.00)
4010100 · Rental License	119,375.00	122,000.00	2,625.00
4010300 · Commercial Business	279,985.00	325,000.00	45,015.00
4010500 · Seasonal	370,000.00	425,000.00	55,000.00
4010600 · Daily	660,000.00	734,000.00	74,000.00
4010700 · Parking Meters	385,000.00	350,000.00	(35,000.00)
4010800 · Building Permits	550,000.00	600,000.00	50,000.00
4010850 · Building Permit Application Fees	15,000.00	25,000.00	10,000.00

4010900 · Beach Fire	25,000.00	30,000.00	5,000.00
4011100 · Dog Licenses	45,000.00	57,000.00	12,000.00
4020100 · Parking Tickets	190,000.00	245,000.00	55,000.00
4040800 · Pension State Funding	56,000.00	60,000.00	4,000.00
Gross Profit	3,920,360.00	4,143,000.00	222,640.00
Expense			
6010600 · Audit Fees	45,000.00	55,000.00	10,000.00
6012200 · Trash	70,000.00	65,000.00	(5,000.00)
6030100 · Year Round Police Salary & Wages	942,045.00	1,100,000.00	157,955.00
6030110 · Year Round Police Payroll Taxes	71,611.00	91,000.00	19,389.00
6030130 · Year Round Police Employee Benefits	204,678.00	212,000.00	7,322.00
6030105 · Year Round Police Special Event Payroll	20,000.00	47,000.00	27,000.00
6030150 · Year Round Police Uniforms	5,000.00	60,000.00	55,000.00
6030200 · Police Administration Salary & Wages	169,105.00	200,000.00	30,895.00
6030300 · Seasonal Police Salary & Wages	270,000.00	210,000.00	(60,000.00)
6030310 · Seasonal Police Payroll Taxes	24,300.00	18,000.00	(6,300.00)
6080300 · Seasonal Lifeguards Salary & Wages	376,285.00	365,000.00	(11,285.00)
6080320 · Local Taxes	3,762.85	1,426.85	(2,336.00)
Total Expense	2,201,786.85	2,424,426.85	222,640.00
Net Ordinary Income	1,718,573.15	1,718,573.15	-