



Town of Dewey Beach

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RESOLUTION NO.

A RESOLUTION TO AMEND THE FISCAL YEAR 2026 BUDGET TO REFLECT THE PREVIOUSLY APPROVED PURCHASE OF A POLICE PATROL VEHICLE

8 **WHEREAS**, on February 21, 2025, the Town Council of the Town of Dewey Beach adopted the
9 Fiscal Year (FY) 2026 Operating Budget to provide for the orderly funding of municipal services and
10 operations; and

11 **WHEREAS**, the Town has experienced increases in both revenue and expenses during the
12 current fiscal year; and

13 **WHEREAS**, amendments to the FY 2026 budget to reflect these changes are necessary to adhere
14 to proper government accounting practices.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE TOWN OF DEWEY BEACH THAT:

16 The Mayor and Town Council hereby amends the FY 2026 budget attached hereto and incorporated
17 herein by this reference as though restated in full.

18 **SO RESOLVED**, this 16th day of January, 2026.

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Mayor, William Stevens

Town Manager, Bill Zolper

Expenditures:

General & Administrative:

- Collection Agency Fees – never budget for these because we never know what will get collected on past items (Parking Tickets & Fines – 35% of amount collected)
- Beach & Marketing Events – costs associated with Dewey Goes to the Dogs and other events – costs recouped and revenues in “4040900 – Misc”
- Donation / Sponsorship Purchases – costs recouped in 4040550 – Marketing Donations
- IT – Software & Support / IT – Hardware & Supplies – had multiple computers across various departments, all over 6 years old, go around the same time. This caused costs to be higher than expected
- Payroll Expenses – W2 / Pension Issues – see Attachment 1
- Administrative Salaries / Wages / Overtime – slightly over for the first nine months of the year but should come in at budget as more vacation is taken over the last three months of the year where half of staff hasn’t taken vacation during season.
- Building Maintenance – part is covered by the funds allocated in the Capital Expenditures Budget for repairs to the building due to the age of the building (10k approved)
- Parking Seasonal Wages high due to having more employees that were willing to work more hours than in past. Parking Fines higher than in past because of education and enforcement of Parking Ambassadors

Public Safety:

- Year Round Officers – Salary / OT / Pay Jobs / Additional Coverage / Grant OT – In the past all this was one amount and only separated after asked for by commissioners in April (?) so budget allocations are estimates.
 - OT hours based on past hours
 - Special Duty – Race / Pay Jobs higher than originally projected because agreements with local establishments not signed until after budget finalized. It has been asked that any agreements with the local establishments be finalized prior to budget finalized to better budget revenues / expenses. Offset with 4040700 – Police Extra Duty Pay Jobs
 - Grant OT not budgeted due to not knowing how many hours the officers will be able to work. Offset with 4040750 – Police Grant Duty
- Year Round Officer Uniforms high due to new officer needing to be outfitted.

- Administrative Police Uniforms high due to turnover in staffing
- Auto Repairs & Maintenance – older vehicles – engine; other repairs offset with insurance monies from accidents
- Dues Publications & Subscriptions / Equipment Asset Purchases (not depreciable) – items purchased with grants (some reimbursed already, some funds still pending) and subscriptions for maintenance & support due to new purchases.

Streets / Maintenance:

- Bayard Avenue Operating -Pump station repairs

Beach Safety:

- Seasonal Employee Wages & OT – coverage hours higher than in past due to extra coverage on beach as well as new time system – Attachment 2
- Donations and Donation purchases were not budgeted for but offset each other.

Attachment 1

In 2022 when payroll brought in-house, payroll was set up with assistance of Quickbooks Payroll Assist. The pension for both PD & Admin employees were set up after-tax instead of pre-tax. In March of 2025 it was brought to town's attention. Intuit (Quickbooks) was contacted and they "corrected" it and did W2-C's. When documents reviewed, it wasn't correct. This went on until September (I think) when we asked Faw Casson if they could look at the W2's and the payroll for 2022 – 2024. The W2-C's were redone by Faw Casson for the PD and Admin employees who participated in the pension plans during those three years. The employees were contacted and told of the issue and given the W2-C's. The Town is paying for the refiling. Either Faw Casson could do the refilings, or the employees could have their accountant do the refilings and the town would reimburse them.

Attachment 2

In past, if lifeguards reported to work then were sent home because they were not needed, they were not paid. They were also only paid for 8 hours even though they were required to be there at 9am and often didn't get back to LSS till 530 (8.5hours). The budget for FY27 will be based on this year's actual hours.

FY26 Budget Amendment Justification

Revenue:

Fines: \$14,000 increase

Total fines are already \$210,000 over the annual budget projection for the year. An estimated \$14,000 for the following four months of the fiscal year.

Intergovernmental: \$275,000 increase

Grants are not budgeted for as they are not guaranteed. Grant funds are not recognized as revenue until all requirements of the grant are met. So far for FY26 there has been roughly \$268,000 in grants have already been received and recognized with an additional \$7,000 in grants in the final recognition stages over the next four months.

Public Safety: \$39,000 increase

This increase is due to ex higher Police Extra Duty – Pay Jobs. The agreements for coverage at local establishments for police coverage on weekends was not finalized until after the budget was finalized.

Beach Safety: \$15,000 increase

The increase is due to donations to the Beach Patrol. Donations are not projected at the beginning of the budget due to donations are never guaranteed.

Investment Income: \$77,750 increase

This increase is due to the additional interest earned when the funds from Brown Advisory were transferred to local bank where they earned higher interest with lower fees (none)

Expenses:

General & Administrative Expenses: \$137,000 increase

YTD expense are \$136,905 above projected YTD expenses

Public Safety Expenses: \$147,000 increase

YTD expenses are \$146,328 above projected YTD expenses

Streets Expenses: 10,000 increase

YTD expenses are \$9,621 above projected YTD expenses

Beach Safety Expenses: \$112,000 increase

YTD expenses are \$111,732 above projected YTD expenses

YTD BUDGET						
	Original Budget	Amended Budget	Actual	Variance Favorable / (Unfavorable)	YTD Budget	YTD Variance Favorable / (Unfavorable)
REVENUE						
Taxes and assessments	2,135,000.00	2,135,000.00	1,887,273.39	(247,726.61)	1,757,250.00	130,023.39
Licenses, permits and fees	3,180,000.00	3,180,000.00	3,058,990.04	(121,009.96)	2,874,432.00	184,558.04
Fines	477,000.00	700,000.00	686,083.92	209,083.92	417,297.00	268,786.92
Intergovernmental		275,000.00	267,924.47	267,924.47	-	267,924.47
<i>Donations and other revenue</i>				-		-
Public safety	86,000.00	125,000.00	124,423.08	38,423.08	50,667.00	73,756.08
Beach safety		15,000.00	15,649.29	15,649.29	-	15,649.29
Investment income --	250,000.00	400,000.00	322,250.54	72,250.54	166,667.00	155,583.54
Unrealized loss on investments --			(7,975.30)	(7,975.30)	-	(7,975.30)
Other	64,000.00	64,000.00	39,564.74	(24,435.26)	9,333.00	30,231.74
Total revenue	6,192,000.00	6,894,000.00	6,394,184.17	202,184.17	5,275,646.00	1,118,538.17
EXPENDITURES						
General and administrative	1,571,899.00	1,708,899.00	1,237,431.85	334,467.15	1,100,527.00	(136,904.85)
Public safety	3,309,812.00	3,456,812.00	2,413,470.52	896,341.48	2,267,143.00	(146,327.52)
Streets	341,558.00	351,558.00	239,761.66	101,796.34	230,141.00	(9,620.66)
Beach safety	575,630.00	687,630.00	658,450.26	(82,820.26)	546,718.00	(111,732.26)
Capital outlay	392,500.00	392,500.00	334,590.22	57,909.78	322,938.20	(11,652.02)
Total expenditures	6,191,399.00	6,597,399.00	4,883,704.51	1,307,694.49	4,467,467.20	(416,237.31)
Net changes in fund balances	601.00	296,601.00	1,510,479.66	1,509,878.66	9,743,113.20	702,300.86

Revenue in green means that revenues are above expectations

Revenues in red - below expectations

Expenditures in green means they are below expectations.

Expenditures in red means they are above expectations.