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RESOLUTION NO.

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A RESOLUTION ESTABLISHING FUND BALANCE SUMMARY AND ALLOCATIONS FOR FY 2026 AND BEGINNING BALANCE FOR FY 2027

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WHEREAS, the Commissioners of the Town of Dewey Beach have reviewed the year-end financial position and fund balances as of March 31, 2026; and

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WHEREAS, adjustments to fund balances are necessary to align with approved expenditures and future planning priorities.

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NOW THEREFORE, BE IT RESOLVED by the Mayor and Town Council of Dewey Beach Delaware, that the Town Manager is authorized to implement the following fund balance allocations and transfers:

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Rainy Day Fund

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Due to code changes during the 2026 year, the RainyDay Fund target was revised from ½ of the current year budget to ½ of prior year budget. Accordingly, the beginning balance of \$2,899,450 shall be maintained as the ending balance for March 31, 2026.

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The Rainy Day Fund, historically funded by five percent (5%) of transfer tax revenues, received an additional \$61,525 during Fiscal Year 2026. This excess shall be transferred to the Unassigned Fund.

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For Fiscal Year 2027, thirteen percent (13%) of daily parking fee revenues shall be designated to restore and maintain the Rainy Day Fund at its target balance of \$3,074,172.

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Capital Improvements

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The Town Council has approved Fiscal Year 2027 capital expenditures totaling \$121,300. As of March 31, 2026, the Capital Improvement Fund balance is \$25,222. To fully fund approved projects, \$96,078 shall be transferred from the Unassigned Fund to the Capital Improvement Fund.

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Comprehensive Plan

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The Town Council has authorized proceeding with the development of a Comprehensive Plan to be completed over the next two fiscal years. A designated Comprehensive Plan Fund is hereby reestablished, with \$45,000 to be transferred from the Unassigned Fund as of March 31, 2026.

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Unassigned Fund

31 The required Unassigned Fund balance for Fiscal Year 2027 is 15% of the total budget, or
32 \$922,252. Based on current estimates (subject to audit adjustments), activity within the
33 Unassigned Fund is summarized as follows:

- 34 • Beginning Balance: \$1,635,749
- 35 • Transfer from Rainy Day Fund: +\$61,525
- 36 • Transfer to Capital Improvements: (\$96,078)
- 37 • Transfer to Comprehensive Plan: (\$45,000)

38 **Net Unassigned Fund Balance: \$1,556,196**

39 After reserving the required balance of \$922,252, the remaining \$633,944 shall be transferred to the
40 Capital Improvement – Town Hall Fund.

41 Any audit adjustments affecting fund balances shall be applied to the Capital Improvement – Town Hall
42 Fund and shall not impact the required Unassigned Fund balance.

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44 Approved by majority vote of the Dewey Beach Town Council on April 17, 2026.

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Mayor, William Stevens

Town Manager, Bill Zolper