

Town of Chincoteague FY23 Budget Presentation

May 2, 2022





TO: Mayor Leonard and Council Members

FROM: Michael Tolbert, Town Manager

DATE: May 2, 2022

SUBJECT: FY23 Budget Presentation

Enclosed for your review and consideration is the proposed FY23 Budget. The goal of this budget as always is to provide and maintain high quality services and facilities while using the Town's resources both wisely and efficiently.

This budget is the product of many hours of research and planning by the Town staff and Council.

1. General Fund		\$6,879,147
a. General Government	\$1,903,404	
b. Emergency Services	\$1,198,404	
c. Public Works	\$1,366,281	
d. Mosquito Control	\$ 133,838	
e. Roads	\$ 742,722	
f. Police	\$1,241,208	
g. Dispatch	\$ 293,468	
2. Harbor Fund		\$1,135,273
3. Trolley Fund		\$ 262,652
4. Water Fund		\$1,144,400
5. Center Fund		\$ 438,194
Total FY2023 Budget		\$9,859,666

Highlights of this budget are;

- The addition of the Chincoteague Recreation and Civic Center Fund.
- An increase in employer contribution to the Virginia Retirement System of 2.81%.
- An increase in employee health care contributions of 5%.
- The addition of two new CPD positions.
- Continued funding of street maintenance and paving.

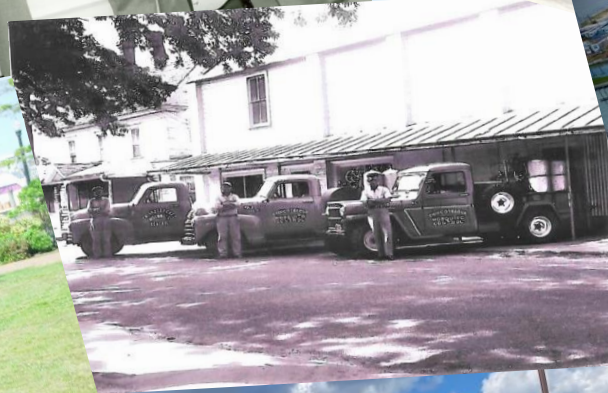
Continued funding of notable capital improvement projects;

- Rebuild of the Memorial Park boat ramp
- Replacement of a Public Works Backhoe
- A New CPD patrol vehicle
- Replacement of Cropper Street Water and Storm Sewer lines
- Replacement of last wooden finger pier at Curtis Merritt Harbor

The following presentation attempts to explain the budget process as well as the sources of revenue, operational expenses and capital improvements to give the citizens of Chincoteague a more clear understanding of use of their tax dollars.

What does the Town fund?

- 24 Hour Police Protection
- 24 Hour Emergency Services
- Public Works
- Domestic Water Utility
- Town Administration
- Parks and Recreation
- Tourism & Economic Development
- Street Maintenance
- Trash Collection
- Mosquito Control
- Harbor of Refuge
- Boat Ramps
- Civic Center
- Cemetery Care
- Trolley Service



Budget Structure

The Town Budget consists of 5 separate funds.

- General Fund (Government)
- Harbor Fund (Enterprise)
- Trolley Fund (Hybrid)
- Water Fund (Enterprise)
- Center Fund (Hybrid)

Government General Funds receives revenue primarily from Taxes.

Enterprise Funds receive revenue primarily from user fees and services.

Each fund must balance independently.

The Budget Process

Preparation

- *The Town Manager Meets with Department heads to review needs for the next fiscal year.*
- *Year to date expenditures are reviewed in early January to gauge budget discipline and forecast accuracy.*
- *Conversations with local business owners assist in projecting the level of business and thus revenues for the next season.*

Balancing

- *The first draft budget is presented as unbalanced with all department requests and Capital Improvement items included.*
- *Subsequent drafts are fine tuned with input from Council by department and finally presented in balanced form.*
- *Each of the 5 funds must balance independently.*

Approval

- *Per Virginia State Code, the budget must be advertised in the local paper.*
- *The budget is formally presented at a public hearing where the citizens have an opportunity to voice their opinions on the completed document.*
- *The Council approves and appropriates the budget.*

FY23 Highlights

➤ *The addition of the Chincoteague Recreation and Civic Center Fund.*

➤ *An increase in employer contribution to the Virginia Retirement System of 2.81%.*

➤ *An increase in employee health care contributions of 5%.*

➤ *The addition of two new CPD positions.*

➤ *Continued funding of street maintenance and paving.*

Capital Improvement Highlights

➤ *Rebuild of the Memorial Park boat ramp*

➤ *Replacement of a Public Works Backhoe*

➤ *A New CPD patrol vehicle*

➤ *Replacement of Cropper Street Water and Storm Sewer lines*

➤ *Replacement of last wooden finger pier at Curtis Merritt Harbor*

The FY 23 Budget Summary

1. General Fund		\$6,879,147
a. General Government	\$1,903,404	
b. Emergency Services	\$1,198,404	
c. Public Works	\$1,366,281	
d. Mosquito Control	\$ 133,838	
e. Roads	\$ 742,722	
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2. Harbor Fund		\$1,135,273
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5. Center Fund		\$ 438,194
<u>Total FY2023 Budget</u>		<u>\$9,859,666</u>

REVENUES

WATER

\$1,144,400 – 12%

Real Estate Taxes

\$657,000 – 7%

Meals Tax

\$1,400,000 – 12%

Transient Occupancy Tax

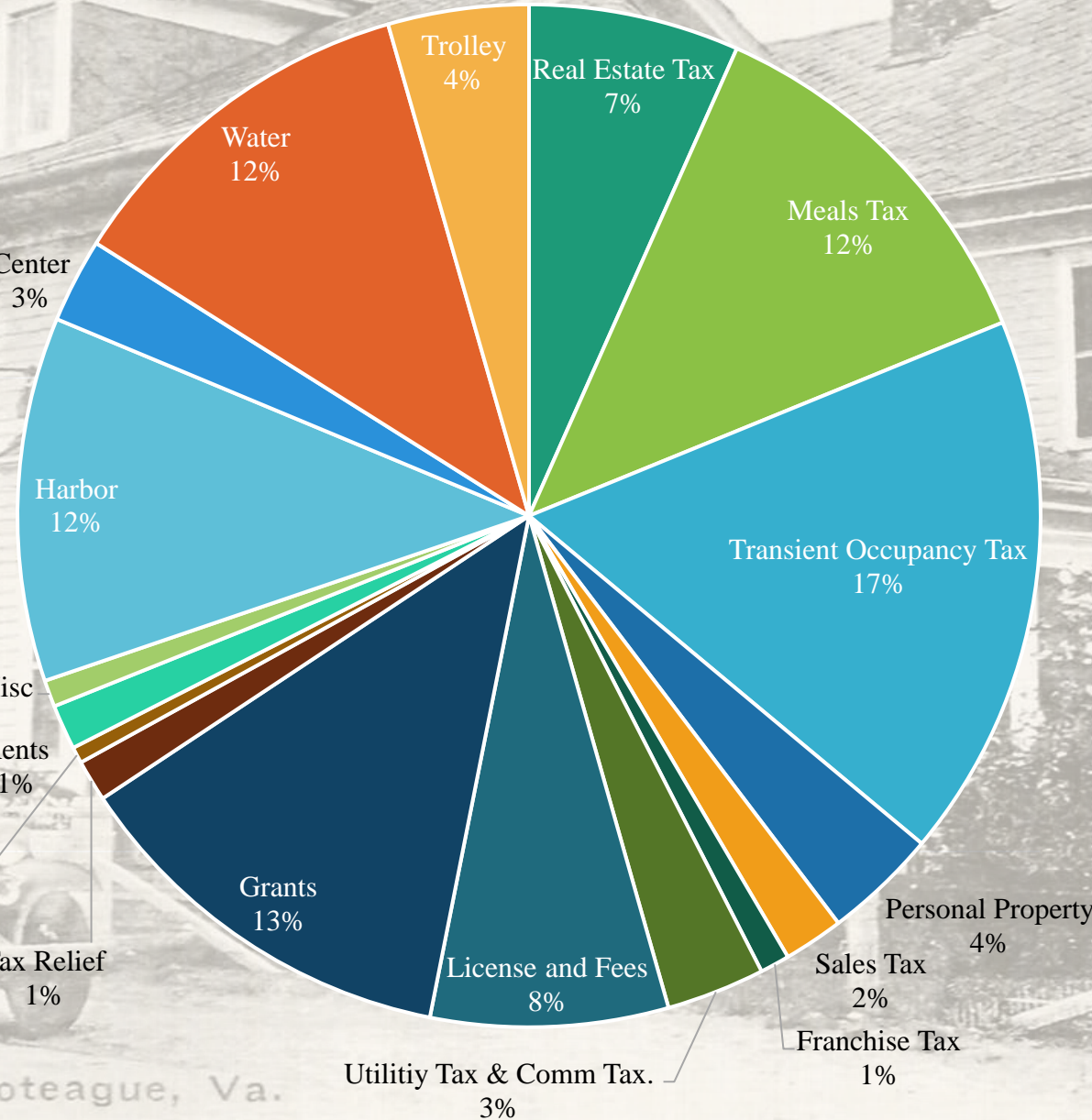
\$1,700,000 – 17%

Harbor

\$1,135,273 – 12%

Grants

\$1,239,729 - 13%



Interest and Penalty
1%

Tax Relief
1%

Rents
1%

Donations and Misc
1%

Utility Tax & Comm Tax.
3%

Franchise Tax
1%

Personal Property
4%

Sales Tax
2%

License and Fees
8%

Grants
13%

Harbor
12%

Center
3%

Water
12%

Trolley
4%

Real Estate Tax
7%

Meals Tax
12%

Transient Occupancy Tax
17%

General Fund

❑ General Government - \$1,903,404

❑ Police - \$1,534,676

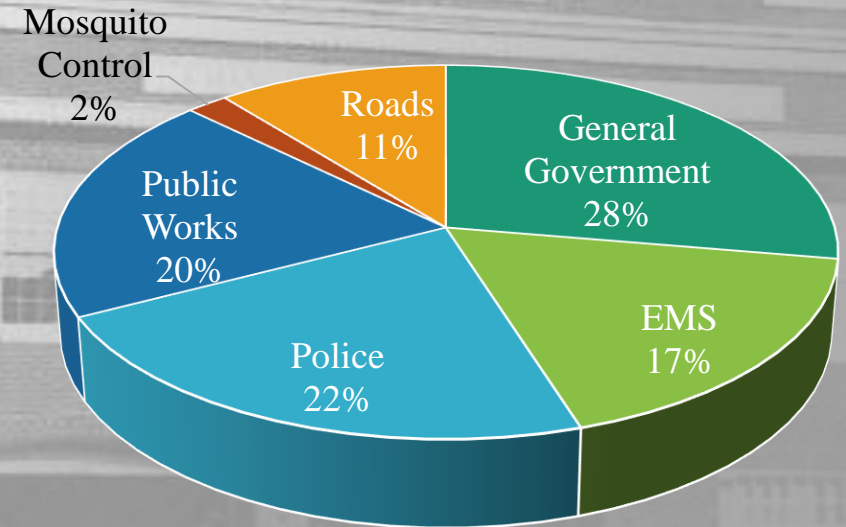
❑ Public Works -\$1,366,281

❑ EMS - \$\$1,198,226

❑ Roads - \$742,722

❑ Mosquito Control - \$133,838

Expenditures



Harbor Fund

☐ Capital Improvements -\$617,424

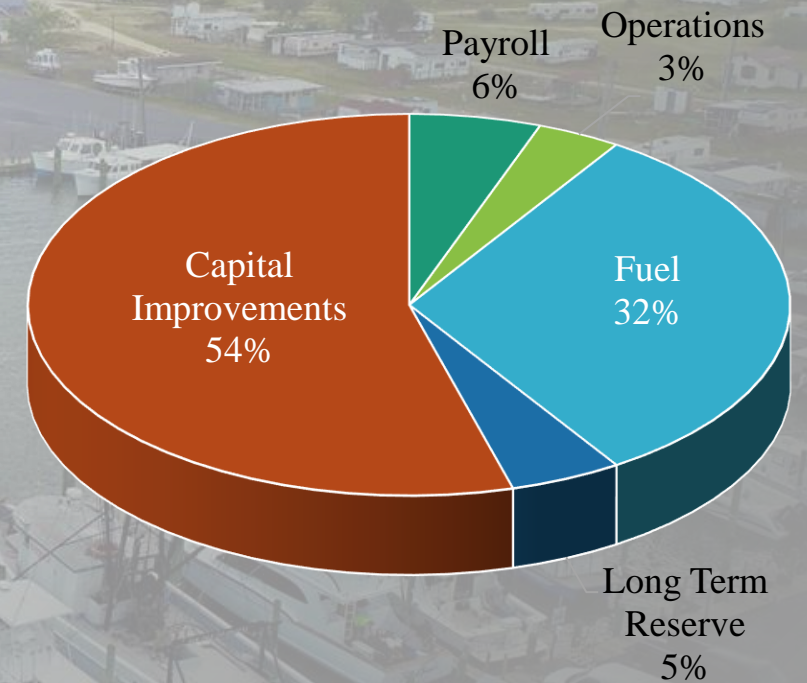
☐ Fuel - \$360,000

☐ Payroll - \$63,349

☐ Long Term Reserve - \$54,000

☐ Operations - \$40,500

Expenditures



Water Fund

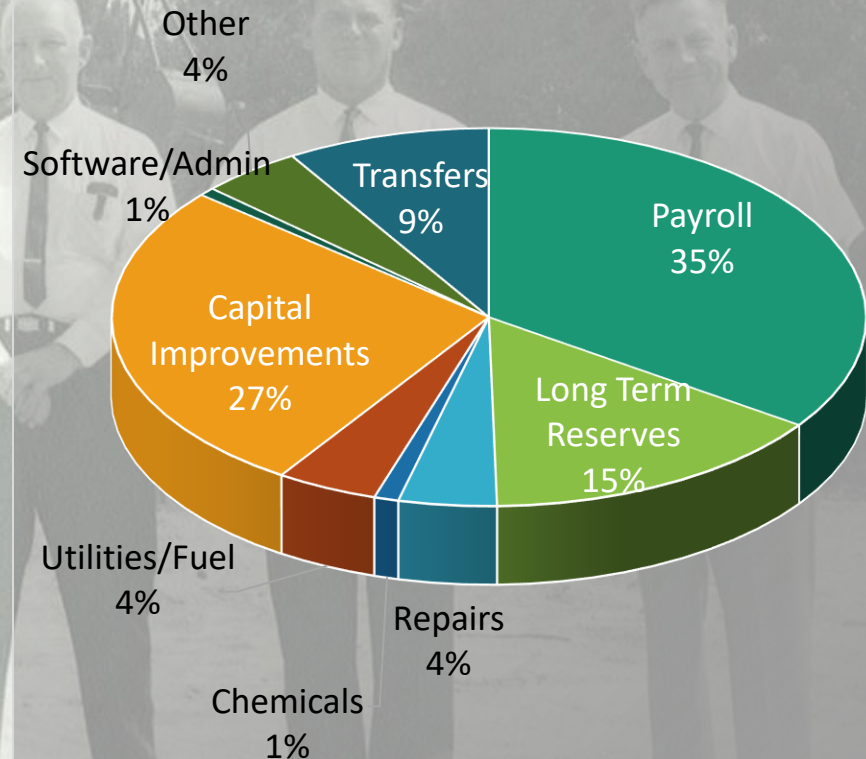
☐ Payroll - \$396,775

☐ Capital Improvement -\$308,297

☐ Long Term Reserves -\$171,450

☐ Transfers - \$100,000

Expenditures



Trolley Fund

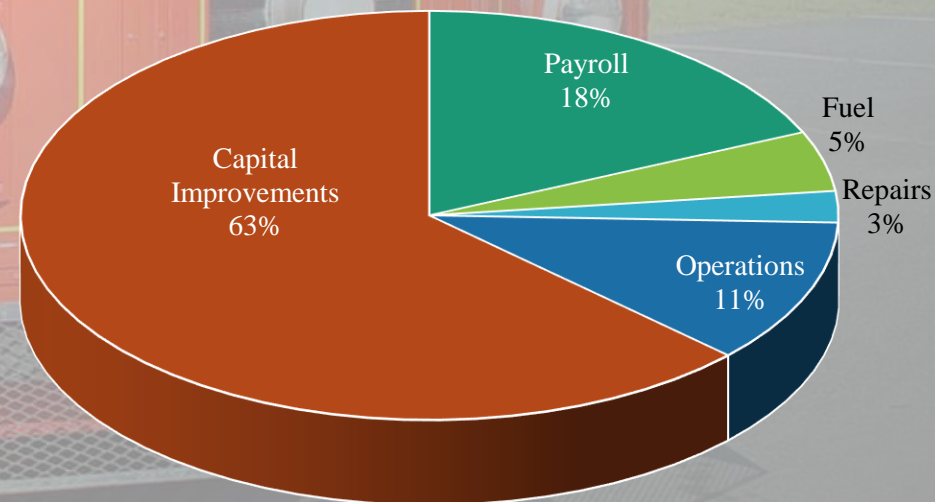
❑ Capital Improvements -\$165,500

❑ Payroll - \$48,152

❑ Operations - \$30,000

❑ Fuel -\$12,500

Expenditures



Center Fund

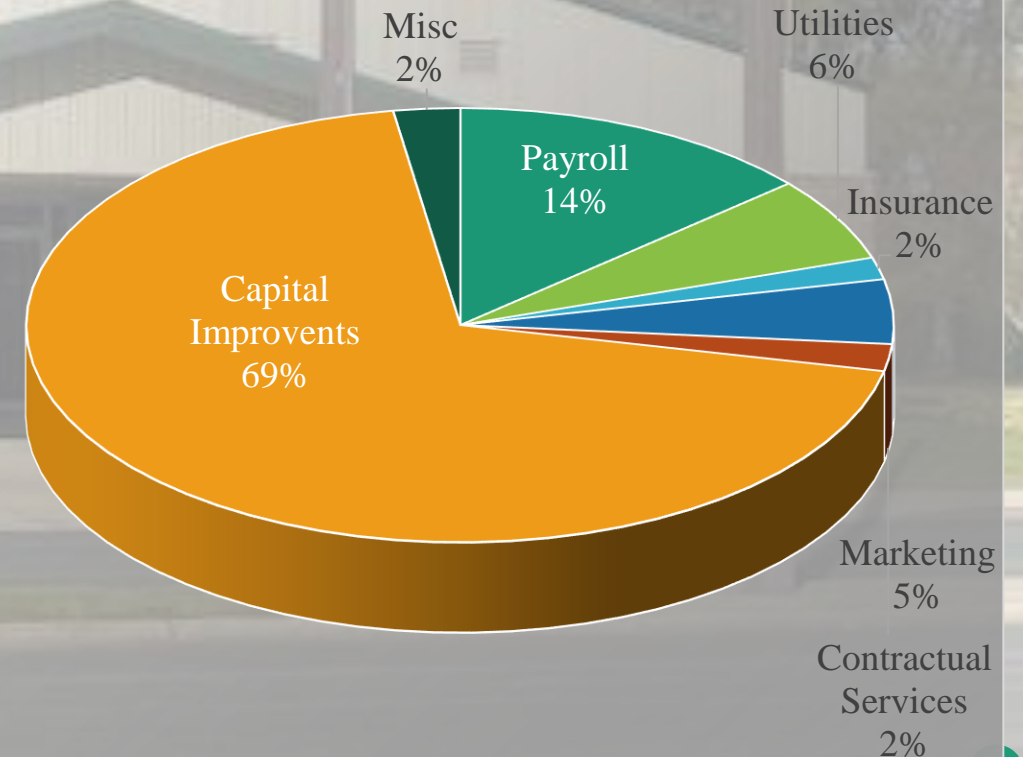
❑ Capital Improvements - \$302,823

❑ Payroll - \$51,921

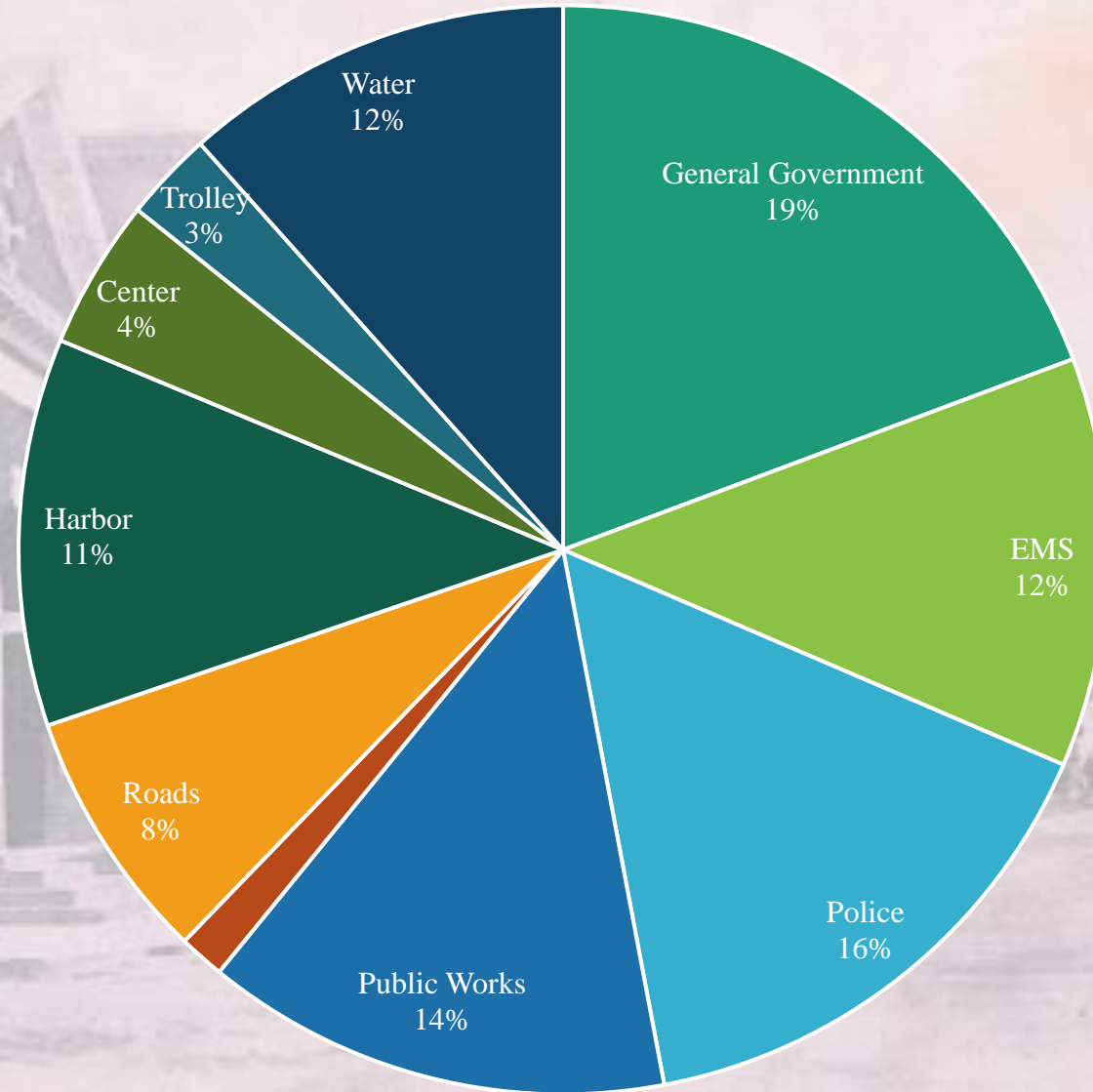
❑ Utilities - \$27,500

❑ Marketing - \$11,000

Expenditures



EXPENDITURES



Water
\$1,144,400

Harbor
\$1,135,273

Public Works
\$1,366,281

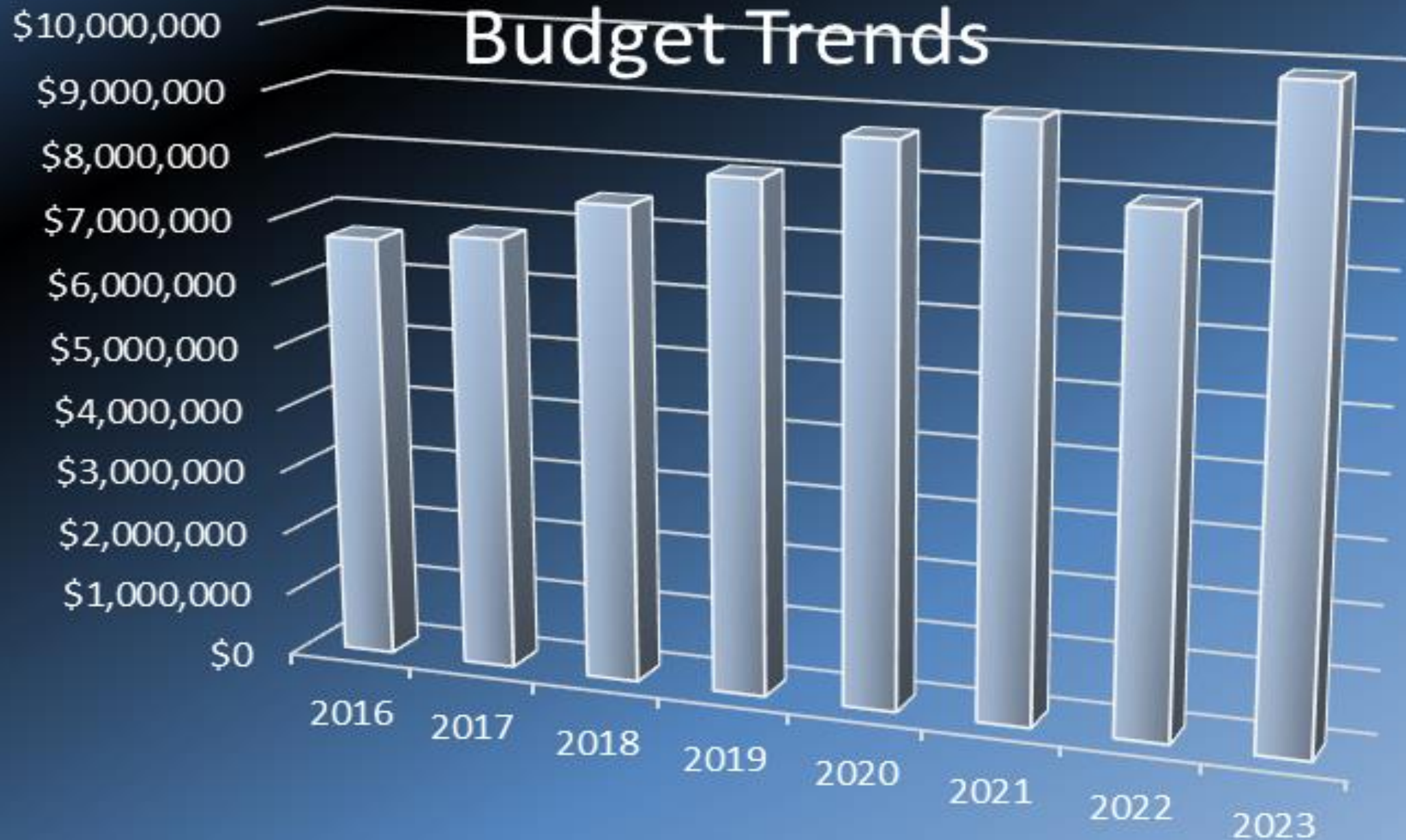
*General
Government*
\$1,903,404

EMS
\$1,198,226

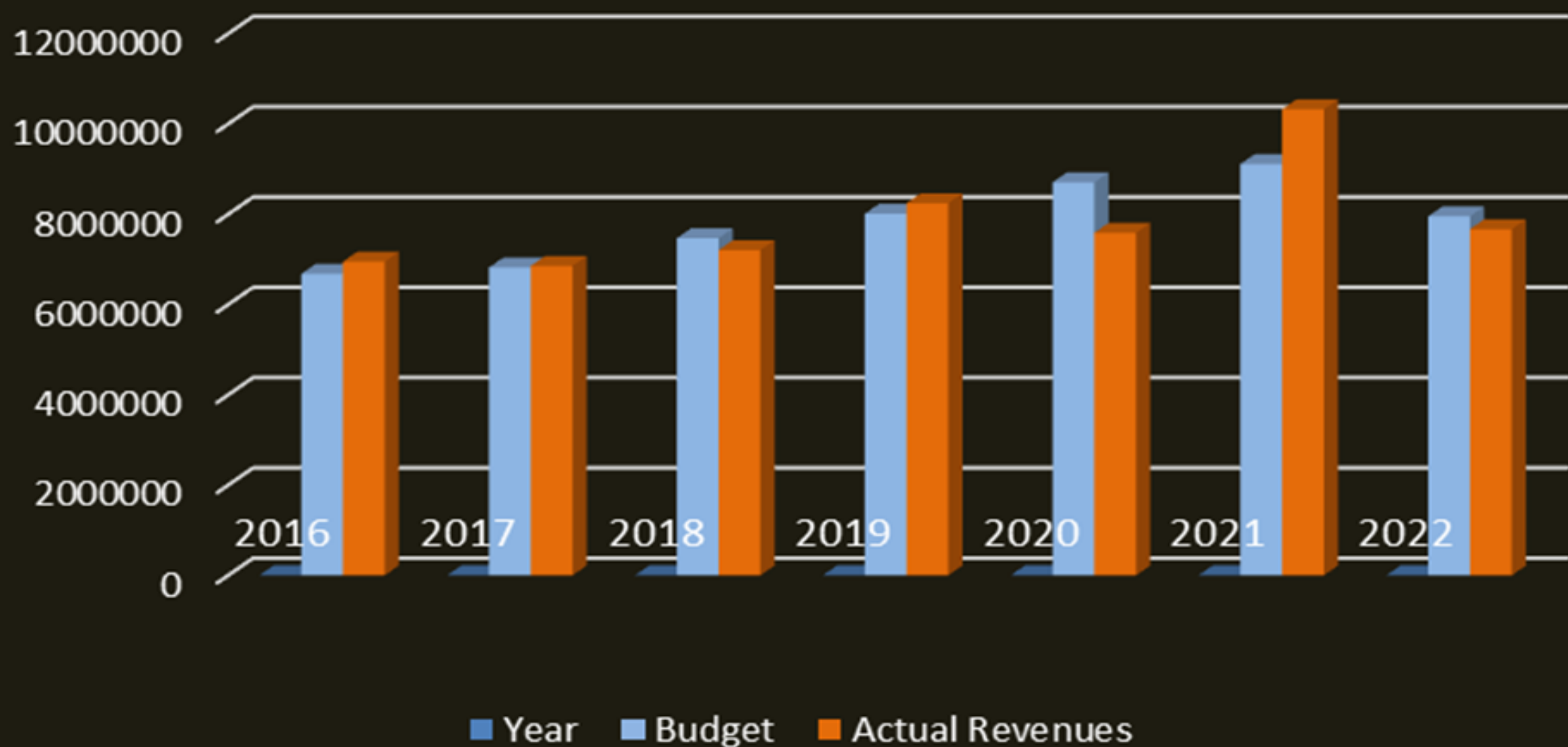
Police
\$1,534,676

South Main St., Chincoteague, Va.

Budget Trends



Budget Vs. Actual Performance



Reserve Commitment

In order to properly address emergencies as well as known future needs, The Town of Chincoteague has established several reserve funds.



Reserves and Long-Term Savings

	<u>LGIP</u>	<u>Long Term Savings</u>	
Harbor	\$ 208,243	\$ 99,392	
Water	\$ 496,680	\$ 204,050	
General Fund Savings			
- General	\$1,693,851	\$ 581,000	(Daily Receipts)
- Drainage	\$ 243,234	\$ 0	(5% MT Alt. Yrs.)
- Boat Ramp	\$ 229,235	\$ 0	(100% User fees)
- Land Acquisition	\$ 93,600	\$ 0	(As Needed)
- Playground Equipment	\$ 0	\$ 0	(5% MT Alt. Yrs.)
- Beach/Rec/Tourism	\$ 808,837	\$ 0	(As Needed)
- Retiree Prescriptions	\$ 38,127	\$ 0	(As Needed)
- Mosquito Control	\$ 119,104	\$ 44,999	(As Needed)
- Mosquito Control Drainage	\$ 20,450	\$ 0	(As Needed)
- Public Safety	\$ 0	\$ 393,455	(1% TOT)
Total all Reserve Accounts	\$3,951,361	\$1,322,896	Balances as of March 2022



FY23 Capital Improvement Projects

1. **Donald Amrien Gym Repairs \$25,000**
2. **Maddox Blvd. Restrooms \$100,000**
3. **Public Works Backhoe \$90,000**
4. **CPD Patrol Car \$40,000**
5. **Cropper Street Water Line Replacement \$128,000**
6. **AMI Bond \$86,564 (Water Meters)**
7. **Replace Water Works Filter Media \$40,000**
8. **Long Term Harbor Replacement \$54,000**
9. **Replace Wood Pier w/ Floating Pier \$215,000**
10. **Reconstruct MP Boat Ramp \$310,000**
11. **Replace Existing Trolley \$165,000**
12. **Replace Center HVAC \$213,000**
13. **Replace Center A/V System \$53,000**
14. **Center Kitchen Upgrade \$31,000**

U.S. POST OFFICE
CHICAGO, ILL. 60601

Questions ?

