

TO: Mayor and Council Members
FROM: Dave Davis, Chair, Dewey Budget & Finance Committee
SUBJECT: Recommendations for Council from the Budget & Finance Committee

Dear Mayor & Commissioners:

Despite the very late start, the Dewey Budget & Finance Committee is pleased to report that we have reached our goals for the committee year, with both assisting the Town Manager in the development and oversight of the town's budget for the current budget year, and developing a series of approved recommendations for new revenue streams for you to consider and hopefully approve.

I am pleased to report that the budget process is both well managed by Scott Koenig and his staff, and the town is likely to achieve its goals for the budget year. While we are somewhat behind in revenue, especially for unpredictable revenue streams Transfer Tax and Building Permits, we believe, and agree with the Town Manager that we are likely catch up on these items beginning in the fall and off-season, when most construction and property sales occur. While no one can predict the future, it is likely that we will achieve our goal of a surplus, as we have for the last several budget years.

The Committee also voted unanimously to recommend that Council request that the Town Manager and future Budget & Finance Committees begin to build an operating surplus that is equal to one to one and a half times the annual town revenues, based on a running three-year average. This represents approximately \$3.5 – \$5.25 mm based on the current three-year average.

Finally, the Committee spent considerable time developing and discussing new revenue streams that will prepare the town for the future. We voted unanimously and believe that it is imperative that the next Council begin to implement these measures, as the town is in dire need of funding for major infrastructure and bayside flooding projects, let alone the enormous cost to deal with sea level rise that is on our long-term horizon. The chart enclosed with this memo is self-explanatory, and many of you attended the meetings in which these matters were discussed.

Thank you for your support and assistance in helping the Dewey Budget & Finance Committee reach its goals, and we look forward to seeing our recommendations discussed and implemented.

Sincerely,

Dave Davis, Chair