

Budget & Annual Assessment for 2019-2020

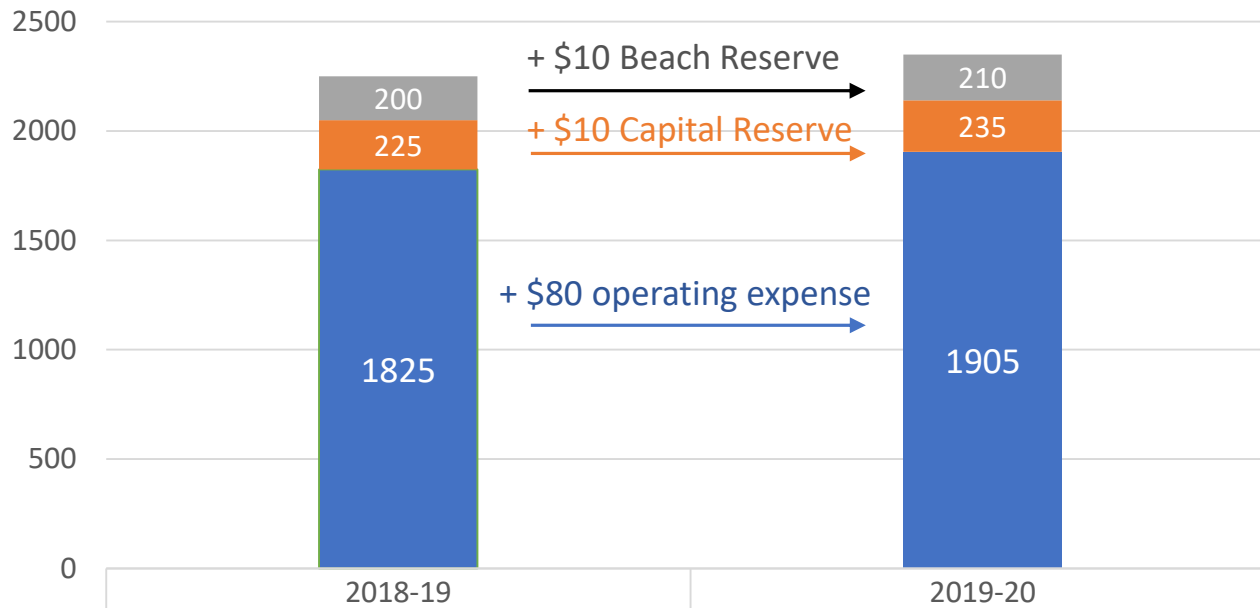
Middlesex Beach Association

Community Meeting

May 4, 2019

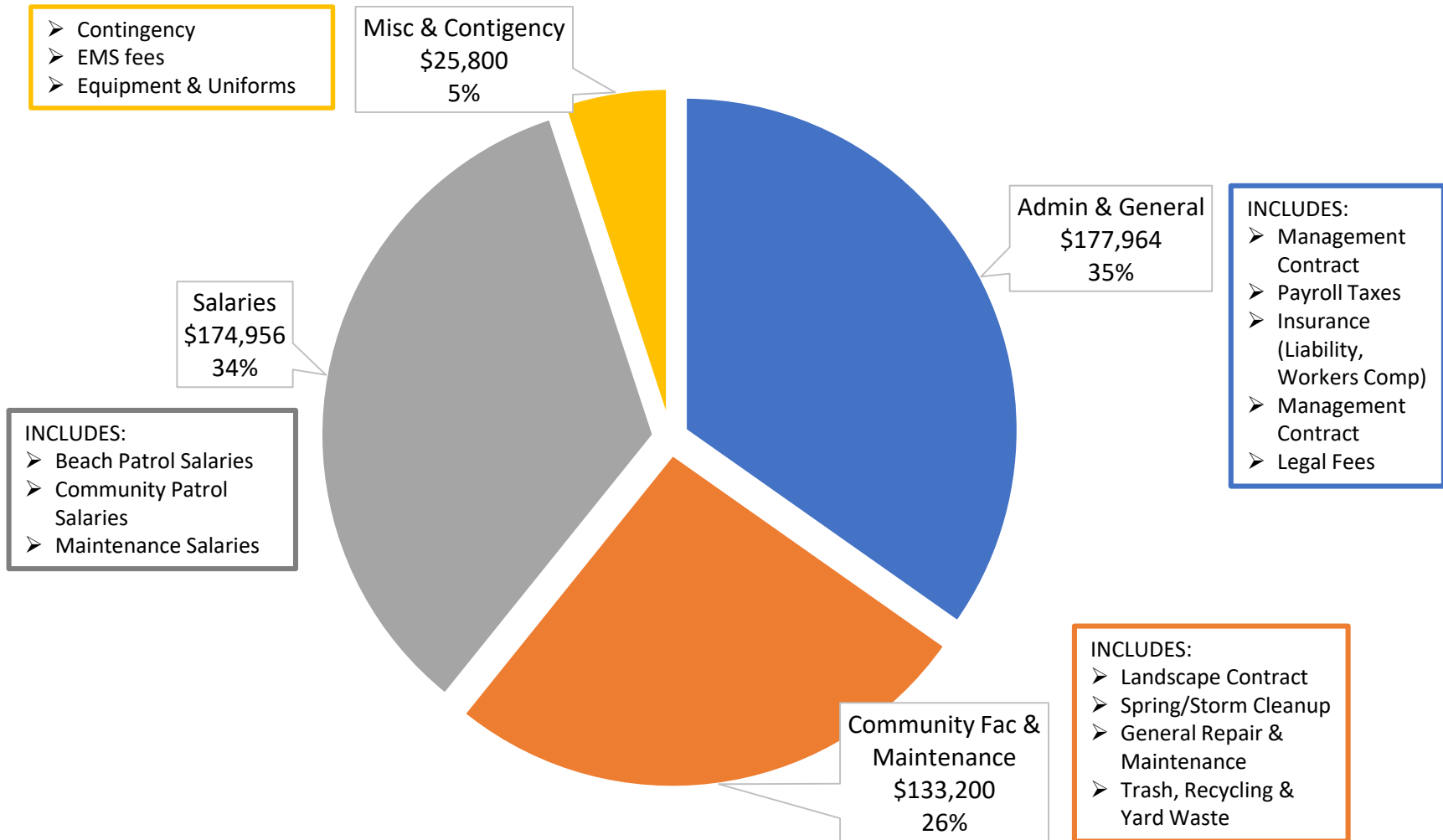
Summary of Proposed MBA Annual Assessment for 2019-2020

Current: \$ 2250 → **Proposed: \$ 2350** + \$100 4.4% overall increase



	2018-19	2019-20
■ Beach Reserves	200	210
■ Capital Reserves	225	235
■ Operating	1825	1905

Three Types of Spending Account for 95% of the MBA Budget*



*(%'s are percent of Total Proposed 2019-2020 Operational Expenses of \$511,920)

2019-2020 Budget Environment

OPERATING BUDGET:

- Sussex County is experiencing employment growth (2X the national average) and wage increases
- Surrounding Beaches have substantially increased starting wages for Beach Patrols for 2019
- Due to difficulty in fully staffing Community Patrol last year, wage increases are needed to attract acceptable candidates.
- MBA is experiencing higher incidence of non-residents seeking to use the MBA beach, requiring additional Community Patrol Staff on duty at north and south beach borders.
- Republic Trash has decided to cut Saturday pickups due to maximum work hour limitations associated with increasing traffic challenges.
- Although the Board seeks multiple bids for outside work where possible, in some cases there are limited options for either affordable or acceptable outside contractors

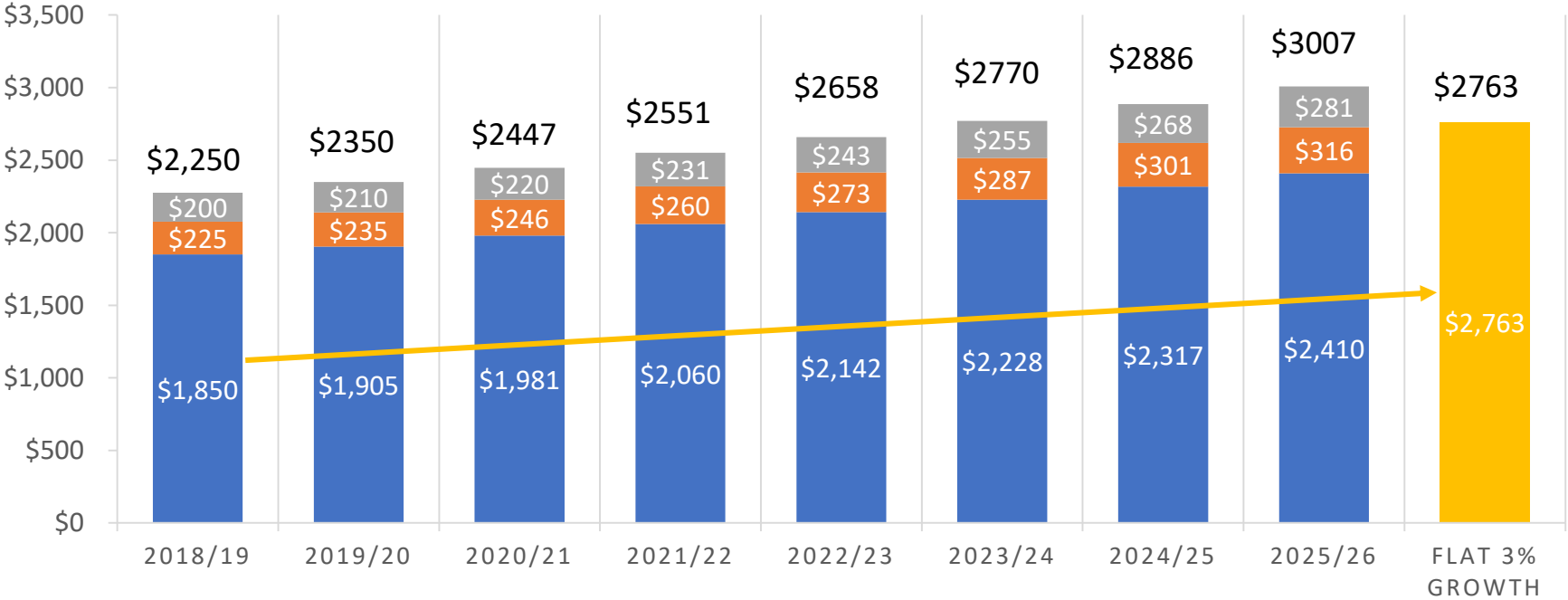
RESERVE BUDGETS:

- Budget Committee recommended increasing the rate of contributions to the MBA Capital Reserves to better align with recommendations of the MBA Reserve Study
- Increased incidence of major storms and increased risk of major beach erosion led Budget Committee to recommend increasing the contributions to the Beach Reserve Fund to enhance funding for future beach replenishment projects.

Sample 7 Year Projection for MBA Annual Assessment

- Assumptions:**
- 4% Annual Increase in operating budget Assessment
 - 5% Annual Increase in Capital Reserves Assessment*
 - 5% Annual increase in Beach Fund Assessment*

■ Operating
 ■ Capital Reserves
 ■ Beach Reserves



* See following discussion on MBA reserves for assumptions

Capital Reserves: Major Assets Supported by MBA Capital Reserve Funds

Streets/Asphalt

- Paving - Addy Road - Commercial
- Paving - Addy Road - East
- Paving - Addy Road - West
- Paving - Bayberry Road - Commercial
- Paving - Bayberry Road - East
- Paving - Bayberry Road - West
- Paving - Beach Plum Road
- Paving - Bridge Road - Commercial
- Paving - Bridge Road - East
- Paving - Bridge Road - West
- Paving - Dune Road - Section 1
- Paving - Dune Road - Section 2
- Paving - Errett Road - Commercial
- Paving - Errett Road - East
- Paving - Errett Road - West
- Paving - Evergreen Road - East
- Paving - Short Road - Commercial
- Paving - Short Road - East
- Paving - Short Road - West

Fencing/Security

Beach Plum Road Fencing East - 6' Stockade
Beach Plum Road Fencing East - 6' Stockade
Beach Plum Road Fencing West - 6' Shadowbox
Dune Crossings Fencing - Post and 2-rail
Guard House Fencing - 6' Stockade
Kent Avenue Fencing 6' Shadowbox
Pine Rd. Area Fencing - 6' Chain Link
Route 1 Fencing - 6' Shadowbox Lot 1
Route 1 Fencing - 6' Shadowbox Lot 2
Route 1 Fencing - 6' Shadowbox Lot 3
Short Road Fencing - 6' Shadowbox

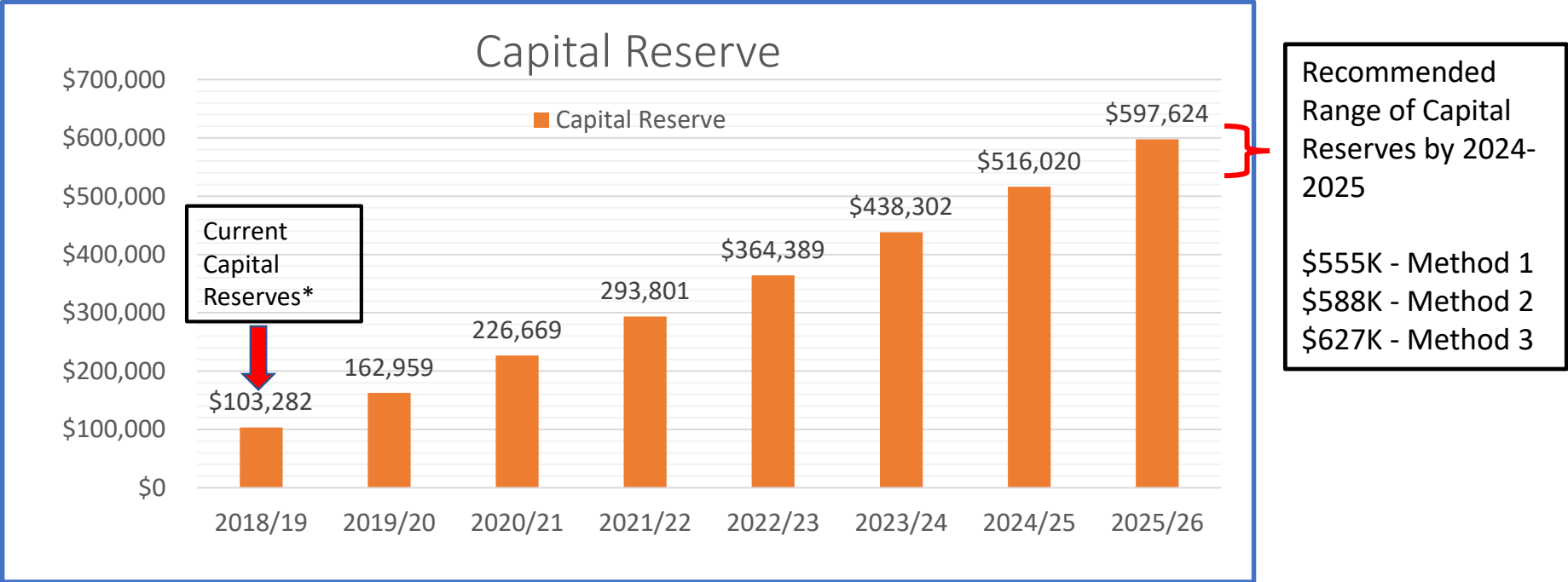
Equipment

All-terrain Vehicle
Golf Cart
Watering Tank and Trailer

Grounds Components

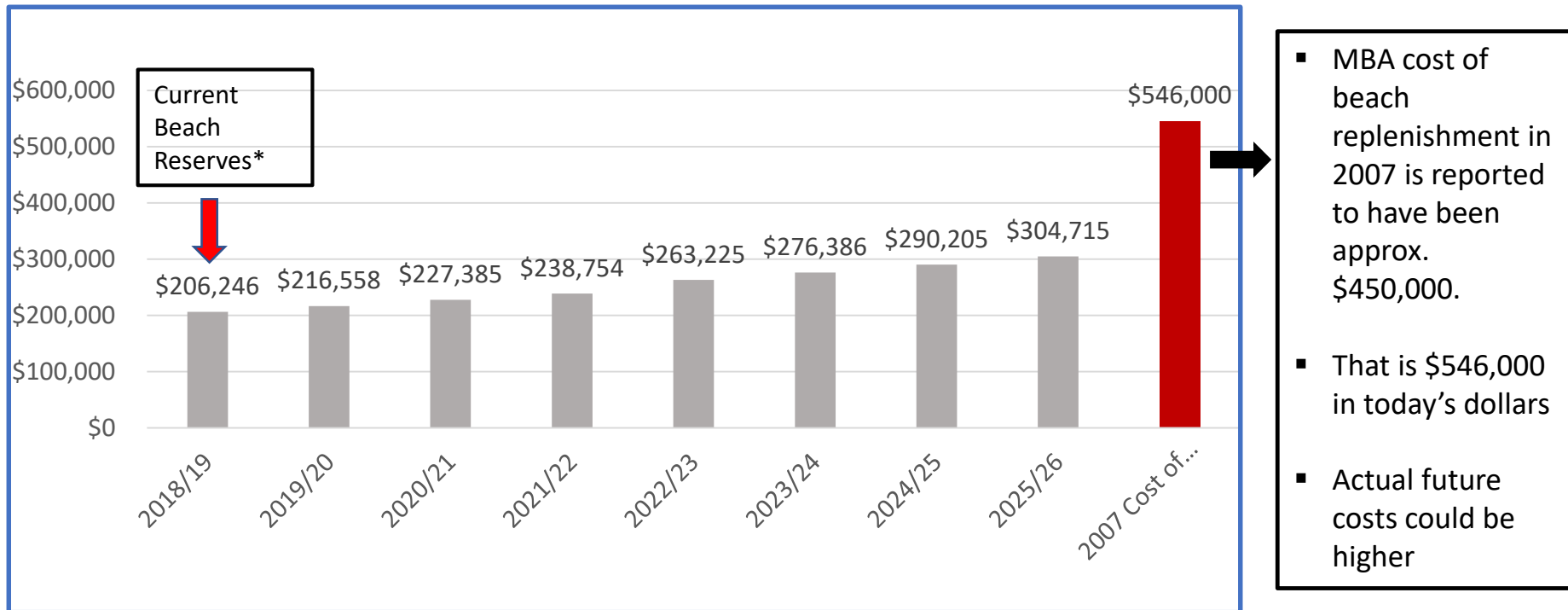
Beach Access Ways
Guardhouse
Storage Shed
Community Signs

Path to Meeting Recommendations of the MBA Reserve Study for 2024-25 Capital Reserves: *5% increase in assessment for Reserves per year*



*As of March 2019

Meeting Basic Beach Reserves: a 5% per year increase achieves \$304,715 by 2025-2026



- MBA cost of beach replenishment in 2007 is reported to have been approx. \$450,000.
- That is \$546,000 in today's dollars
- Actual future costs could be higher

*As of March 2019