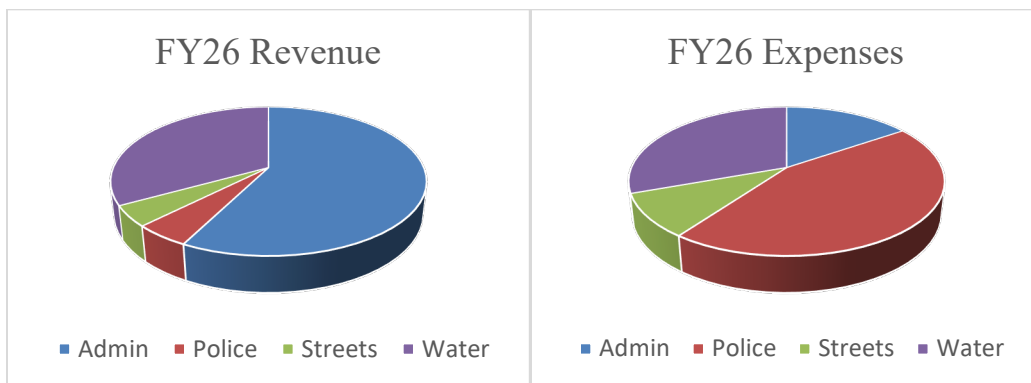


# TOWN OF BRIDGEVILLE

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## FY26 Operating Budget Summary

REVENUE			FY26
General- Administrative Dept			\$ 1,753,300
General- Police Dept			\$ 150,000
General- Street Dept			\$ 136,560
	General Fund		2,039,860
Enterprise- Water Dept			
	Enterprise Funds		\$ 1,006,500
	Income Total =		\$ 3,046,360
EXPENSE			
General-Administrative Dept			\$ 505,134
General- Police Dept			\$ 1,457,173
General- Street Dept			\$ 309,116
	General Fund		\$ 2,271,423
Enterprise- Water Dept			
	Enterprise Funds		\$ 997,110
	Expense Total =		\$ 3,268,534
	General Net		\$ (231,563)
	Enterprise Net		\$ 9,390
	<b>Approved Reserves (RTT) for PD</b>		\$ 232,000.00
	New General Fund Net		\$ 437
	New Enterprise Net		\$ 9,390



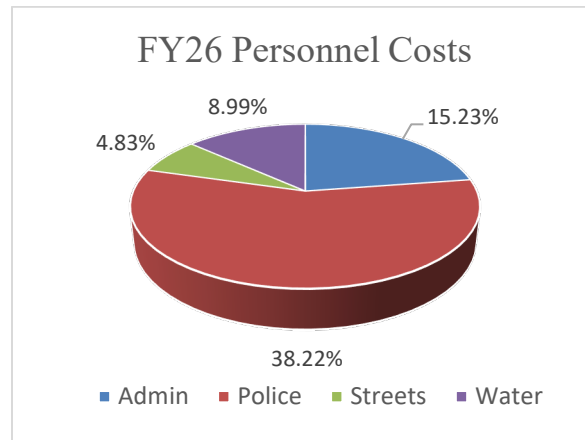
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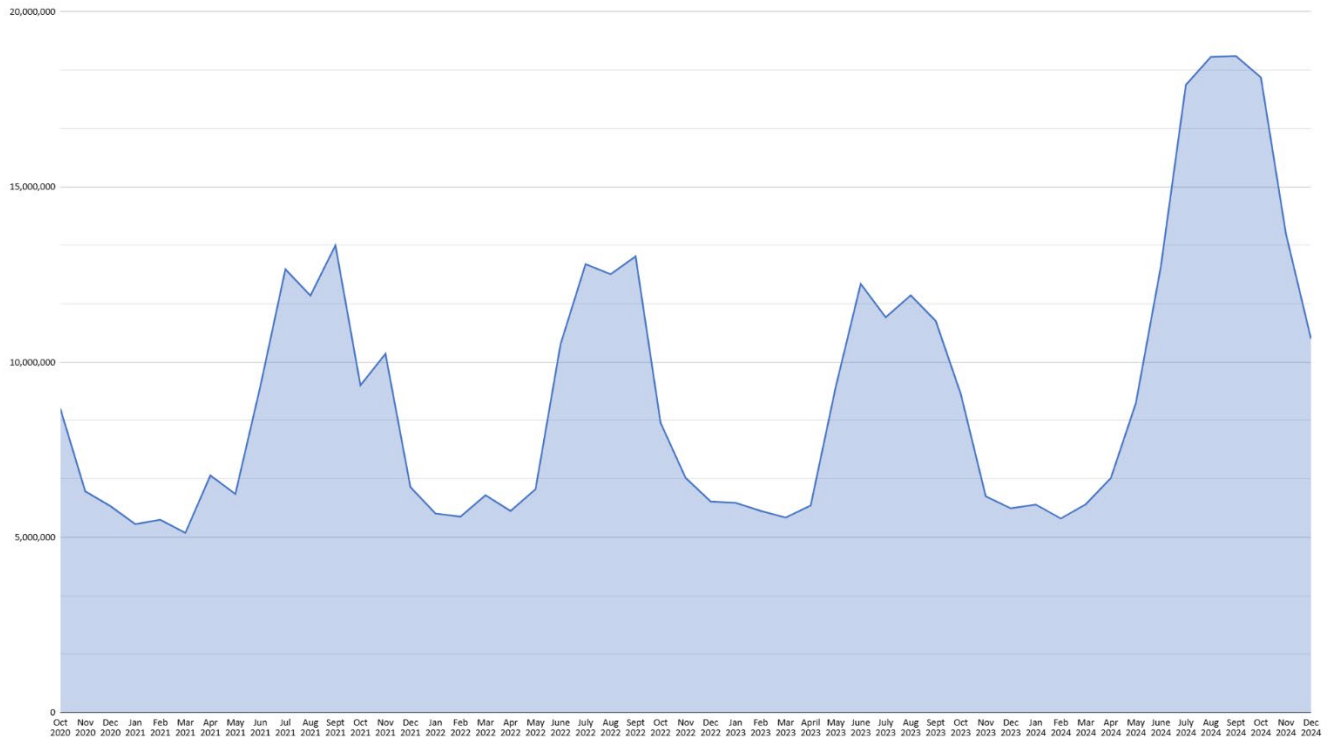
## Key Points of the FY26 Budget

- The overall budget has a 3.42% increase in Revenue from FY25 (Including Reserves).
- The overall budget has a 4.59% increase in Expenses from FY25.
- Property Taxes fund 46.9% of the FY26 Budget, from 47.5% in FY25 and 43.1% in FY24.
- Property Taxes, as part of the Administrative Fund Revenue, cover any shortfalls in the Streets and Police Departments that are not high revenue generators.
- Approximately 44.5% of the Operating Budget is dedicated to the Police Department/Public Safety.
- The Consumer Price Index (CPI) average for 2024 is 2.9%.
- The FY26 Budget includes operating costs for major software and technology upgrades for the water department, permitting and code enforcement, and other much-needed changes to replace outdated software or manual pen and paper procedures.
- The Water Department is still operating sufficiently within the rates determined in 2022, and a review of the rate structure was determined as not needed for the FY26 Budget year. However, this will likely need to be completed on the predicted 3–5-year schedule for the FY27 Budget.
- The Water Department is budgeted conservatively based on usage and weather trends for the past three years. 2024 experienced an unseasonably hot and dry summer, leading to a significant increase in irrigation usage. If the summer of 2025 is not as drastic, then usage may return to more average amounts. The following chart shows trends in water usage from October 2020 to December 2024. Even with rate increases and new construction, usage follows consistent trends until the summer of 2024.

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Water Sold



## Changes from FY25

- FY24-25 included the addition of **4 Staff Members** to the existing 16 (In 3 Departments). Two existing employees are currently out on long-term leave, and no new positions have been added for FY26. The FY26 budget includes those absences.
- The FY26 budget addresses adjustments to the Police Department pay scale by raising the base wage to \$65,000 and remaining competitive with similar-sized agencies for recruitment and retention. The Police Department budget also includes four promotions.
- Health insurance has now increased **31.2%** in the last two years. FY25 showed a **27%** increase, with another **4.2%** for FY26 in Health Insurance passed down by the State of Delaware Health Insurance Plan. We have kept the same coverage structure as created in FY25.
  - Provides better coverage for employees under the State Health Plan by increasing coverage provided by the town for individual and family plans, which helps cover the significantly higher cost burden on employees and assists in increasing employee retention.
    - Allows for 100% of employee coverage

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- Allows for 100% employee coverage, plus 50% spouse
- Allows for 100% employee coverage, plus 50% children
- Allows for 100% employee coverage, plus 75% family
- \*\*Cost varies by plan choice, but at a minimal amount at equal plan levels.
- Costs for Dental Insurance increased by an average of 3% and are still out-of-pocket options for employees.
- The Town entered into the State's Vision Plan for FY26, and costs are out-of-pocket for employees.
- Continued reduced dependency on estimated building permit applications to balance the budget. The prior three years had seen a surge in development, which greatly helped to cover costs, but it has dropped significantly in the past year as the COVID and post-COVID construction boom has calmed.
- The FY26 Budget uses \$232,000 in Realty Transfer Taxes in reserves to balance the budget by continuing to support the Police Department. The Commissioners previously approved up to \$255,000 in FY25 to expand the department, but will move the remaining unused funds from unfilled positions in FY25 to help cover the shortfall for FY26.
- For FY25, the implemented 22% increase to \$3.66 per 100 of assessed value helped balance the budget by generating a \$269,666 increase in revenue.
- However, even with another shortfall, the property tax rate will remain **UNCHANGED** for FY26. The Town anticipated revisiting FY26 with the court-mandated reassessment project and calculating how those changes impact the Town Budget. Changes were anticipated to be revenue-neutral, and the decision was made in FY25 to be cautious and wait for the results rather than create an even larger increase than necessary in FY25.
- Sussex County began utilizing the new assessments after March 31, 2025. However, that data is not certified until June 30, 2025 (at the earliest). Per Bridgeville Charter, the Town Budget must be adopted at the June meeting. Also, a property tax rate, as a code amendment, must be adopted by ordinance, which would require two months of meetings before property tax bills could be generated. Due to the timing of the County's certification of reassessment data, the Commission has had to utilize the 1974 assessments as of March (per the last certification by the County) for FY26.
- Preliminary data testing of uncertified new assessments is not revenue-neutral for Bridgeville. The Commission will likely submit a Charter change in FY26 to more fairly structure a property tax rate for FY27, unless broader, sweeping legislation is adopted by the state in response to the drastic impacts of reassessment, as most municipal charters do not allow for flexibility in tax rate structure.
- By not increasing the tax rate for FY26, Town reserves are impacted more deeply than anticipated. A lack of increase also does not address inflation. However, between windfalls and conservative spending in FY25, the amount of necessary reserves needed for FY25 was reduced and can be reallocated to FY26.

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## Property Tax Rate History

Tax Increase Records				% Increase
1997		\$ 1.10	Ordinance 97-1	
	Missing Data			
2006	Reduced from \$1.83	\$ 1.73	Ordinance A06-3	57%
2010	Increased from \$1.73	\$ 2.00	Ordinance A10-4	15.6%
2014	Increased from \$2.00	\$ 2.40	Ordinance 14-4	20%
2018	Planned 5-Year Increase 25% over 5 Years		Ordinance 2018-03	
2019		\$ 2.52	Ordinance 2018-03	5%
2020		\$ 2.64	Ordinance 2018-03	5%
2021		\$ 2.76	Ordinance 2018-03	5%
2022		\$ 2.88	Ordinance 2018-03	5%
2023		\$ 3.00	Ordinance 2018-03	5%
2024	Increased from \$3.00	\$ 3.66	Ordinance 2024-02	22%
2025		\$ 3.66		

## CPI Data from the Same Period

CPI	Dec-Dec %	Avg Change	Matching to PTAX Rate Increases
1997	1.7	2.3	
1998	1.6	1.6	
1999	2.7	2.2	
2000	3.4	3.4	
2001	1.6	2.8	
2002	2.4	1.6	
2003	1.9	2.3	
2004	3.3	2.7	
2005	3.4	3.4	22%
2006	2.5	3.2	
2007	4.1	2.8	
2008	0.1	3.8	
2009	2.7	-0.4	9.4%
2010	1.5	1.6	

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2011	3	3.2	
2012	1.7	2.1	
2013	1.5	1.5	<b>7.7%</b>
2014	0.8	1.6	
2015	0.7	0.1	
2016	2.1	1.3	
2017	2.1	2.1	
2018	1.9	2.4	
2019	2.3	1.8	
2020	1.4	1.2	
2021	7	4.7	
2022	6.5	8	
2023	3.4	4.1	<b>28.2%</b>
2024	2.9	2.9	<b>2.9%</b>

## Key Takeaways from Data (From FY25)

- For most of the past increases, the amount built into the property tax rate did not cover the average CPI percentage for the same time period.
- The 2018-2023 increase at 5% per year, with the prior rate change in 2014, was intended to wean the Operating Budget off the dependence of realty transfer taxes and the impending loss/sale of the wastewater system. In that same time period, the CPI was 28.2% on average. This means the increases were not actual increases in revenue; they did not replace other sources of revenue; they were still 3.2% less than the inflation.