DRUMMOND ISLAND TOWNSHIP

FY2026-2027 Budget Update

First Quarter Report to the Board and Public

Where We Stand

One quarter into the fiscal year

$900,684

Total Approved Budget

across all Township funds

37%

Spent Through Q1

of the annual budget

17%

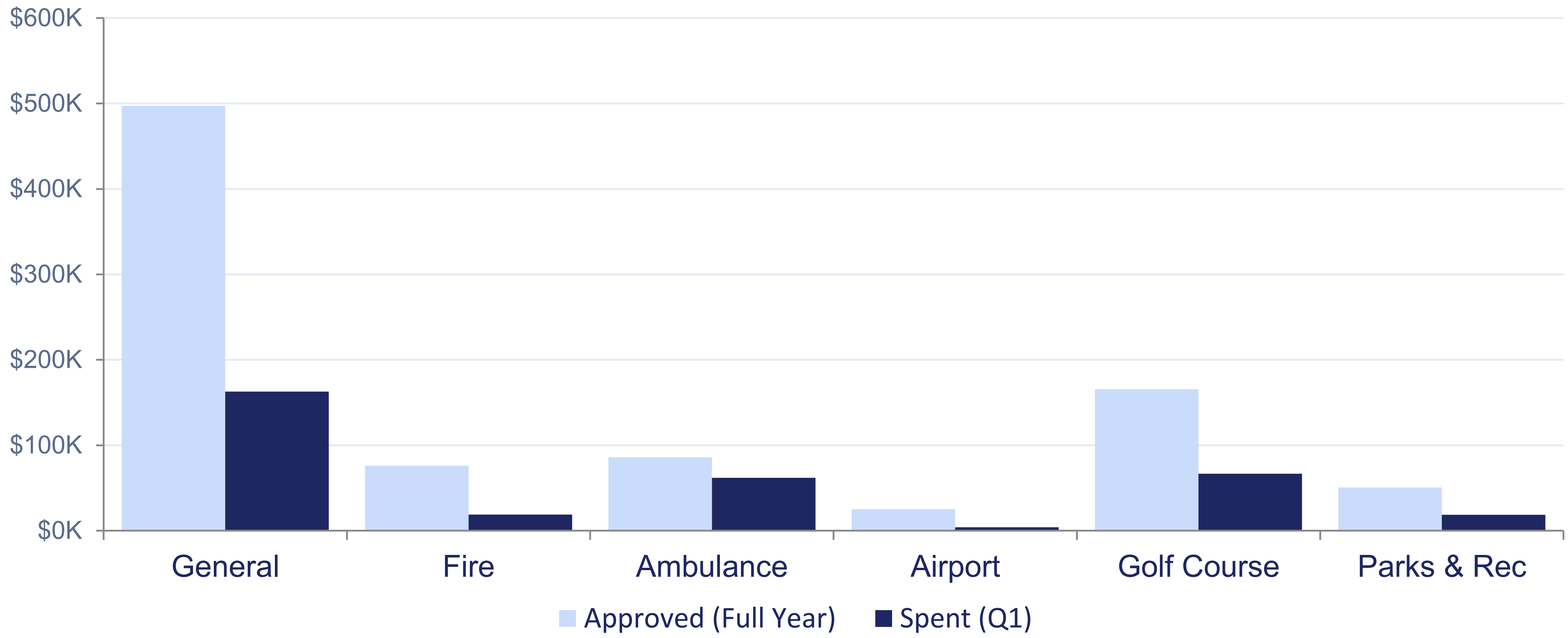
Revenue Collected Through Q1

of the annual budget

Spending is running slightly ahead of a flat quarterly pace, which is normal this time of year: insurance premiums, salaries, and seasonal start-up costs concentrate early in the year, while property tax and other major revenue typically arrive later.

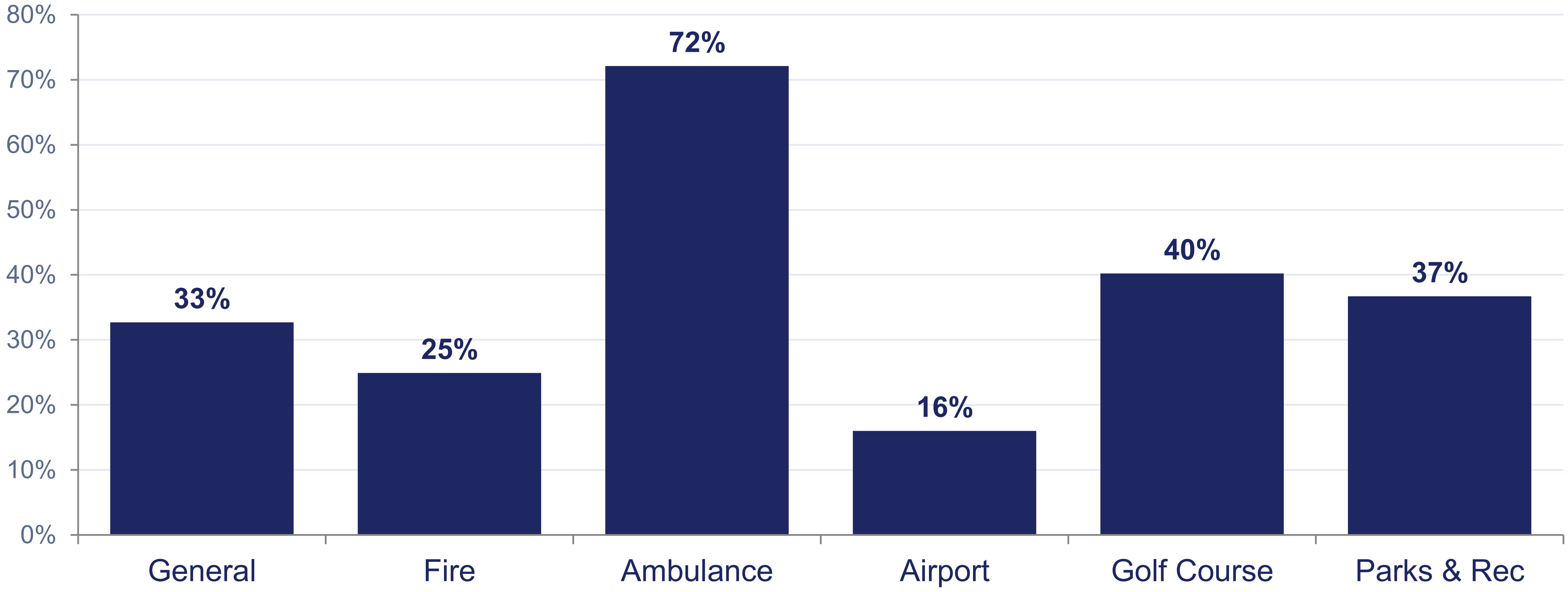
Spending by Fund

Approved annual budget vs. actual Quarter 1 spending



Percent of Budget Spent by Fund

Quarter 1 actual spending as a share of each fund's full-year approved budget



A fund spending exactly on pace would show 25% at the one-quarter mark. Funds above or below that line reflect known seasonal timing or planned funding strategies covered elsewhere in this update.

Revenue at a Glance

$958,600

Total Annual Revenue Budget

$159,904

Collected Through Q1 (17%)

This is expected for the first quarter. The majority of property tax revenue and several state distributions typically arrive in the second half of the fiscal year, while golf course and park fee revenue builds through the summer season.

Our Seasonal Funds

Golf Course & Parks and Recreation

Golf Course

Open May through October. Both spending and revenue naturally concentrate in the first half of the fiscal year as the season ramps up. Q1 activity is tracking consistently with that seasonal pattern.

Parks & Recreation

Also runs its primary season May through October, though fee revenue is collected throughout the year. Early-season costs are ahead of a flat pace, as expected, and revenue is tracking ahead of last year at this point.

Ambulance Service Transition

The Township's transition to contracted ambulance service (NEMSA) began in January 2026 and is proceeding as planned.

Ambulance service is being funded this year through a planned combination of the Township's Ambulance Fund and Emergency Fund, in a structure the Board has already approved. Spending in the Ambulance Fund reflects that plan, not an unplanned cost increase.

The Board will formally authorize the next step of this funding plan, a transfer into the Emergency Fund, at the August meeting.

Strengthening Our Financial Reporting

1

More Accurate Insurance Allocation

The Township completed a detailed review of how employee insurance costs are shared across departments, replacing prior estimates with an accurate, formula-based allocation.

2

Premium Came In Higher Than Budgeted

In addition to the allocation review, the insurance premium itself came in higher than what was originally budgeted Township-wide. That additional cost will be accounted for in the General Fund.

3

Full Budget Review Underway

With the corrected formula now in place, the Board will review all fund budgets to ensure they reflect it accurately going forward.

How We Calculated Insurance Costs

A formula-based approach that replaced prior estimates

1

Start With Real Coverage

For every position, the Township identified the actual health insurance plan and coverage level in place, rather than relying on a prior estimate.

2

Attribute by Department

Each employee's real insurance cost is assigned to the fund and department that employs them.

3

Apply Consistently

The same formula is applied the same way across every Township fund, so all departments are measured against one accurate standard.

This doesn't change how much the Township spends on insurance overall, only how accurately that cost is reflected in each fund's budget.

Costs We're Watching

Two items the Board is keeping an eye on for the rest of the year

Mileage Reimbursement

After the budget was adopted, the Township updated its mileage reimbursement rate to match the current IRS standard rate. Travel costs are within budget so far this year, and the Board is watching this closely going forward.

Fuel Costs

Gas prices are running higher than they were when this year's budget was built. Fuel-related costs are within budget so far, and the Board will continue to monitor this as the golf and park seasons continue through the summer.

Looking Ahead

- Detailed Q1 breakdowns have been shared directly with the Golf Course, Fire Department, and Parks & Recreation budget holders.
- The Board will continue its review of all fund budgets in light of the updated insurance allocation.
- A full Q1 financial report is available to the public upon request.

Thank You

Questions are always welcome. Contact the Supervisor's Office at Frank J. Sasso Township Hall.