

**TOWN OF SOUTH BETHANY
TOWN COUNCIL WORKSHOP MEETING MINUTES
APRIL 23, 2015**

MEETING CALLED TO ORDER

Mayor Voveris called the April 23, 2015, Town Council Workshop Meeting to order at 5:00 p.m.

ATTENDANCE

PRESENT: Council Members Sue Callaway, Tony Caputo, Jim Gross, George Junkin, Al Rae, Tim Saxton, and Mayor Pat Voveris; Town Manager Melvin Cusick; Chief Troy Crowson; and Finance Director Renee McDorman

APPROVAL AND VOTE OF THE AGENDA

A motion was made by Councilman Junkin, seconded by Councilman Gross, to approve the agenda as published. The motion was unanimously carried.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADOPTION OF MINUTES

- **Town Council Budget Workshop Meeting Minutes, February 26, 2015** – A motion was made by Councilman Junkin, seconded by Councilwoman Callaway, to accept the February 26, 2015, Town Council Budget Workshop Meeting Minutes as amended as follows (where applicable, additions are **highlighted** and deletions **marked through**):

Page 2, Delmarva Power Costs, Second Bullet: Delmarva provides maintenance of light products and lights at no charge. (**Administrative Assistant's Note: See Page 3, Paragraph 4, for further clarification.**)

The motion was unanimously carried.

- **Town Council Public Meeting on the FY 2016 Draft Budget Minutes, March 13, 2015** – A motion was made by Councilman Junkin, seconded by Councilman Rae, to accept the March 13, 2015, Town Council Public Meeting on the FY 2016 Budget Minutes. The motion was unanimously carried.
- **Town Council Regular Meeting, March 13, 2015** - A motion was made by Councilman Junkin, seconded by Councilman Rae, to accept the March 13, 2015, Town Council Regular Meeting Minutes as amended as follows (where applicable, additions are **highlighted** and deletions **marked through**):

Page 2, Middle Paragraph, Third Sentence: FEMA will no longer subsidize flood insurance since ~~they are~~ **FEMA is** millions in the red due to Katrina and Sandy. (**Administrative Assistant's Note: At the April 23, 2015, Town Council Workshop Meeting, Councilman Gross stated that FEMA will subsidize for a number of years until FEMA catches up. Councilman Gross stated that FEMA plans to phase out subsidizing over time.**)

The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON THE 2015 BUDGET AMENDMENTS

Council had a copy of the budget amendment request. The Finance Director reviewed the budget amendment request:

- It is requested that the following Expenditure accounts have money transferred from the Fund Balance to the General Fund: 1) Deferred Compensation (\$5,400), 2) G & A – Salaries (\$11,444), 3) G & A – Health Insurance (\$4,452), and 4) DPS – Maintenance Repair Computers (\$6,710). The total amount requested from the Fund Balance is \$28,006.
- The below requested changes highlighted in yellow are inter-department transfers and do not require any additional funding. They are required to be approved by Town Council since they require monies to be moved to and from payroll and line items associated with payroll.

Inter-Department Expenditure Amendments:

		Original Budget	Amended Budget	Total Budget	Notes
DEPARTMENT OF PUBLIC WORKS (DPW)					
01-250-5100	DPW - Salaries	73,654.00	5,621.00	79,275.00	
01-250-5145	DPW - FICA Town's Contribution	500.00	220.00	720.00	
01-250-5151	DPW - Health Insurance Town's Cont.	21,779.00	-271.00	21,508.00	
01-250-5153	DPW - Pension Town's Contribution	4,740.00	388.00	5,128.00	
01-250-5298	DPW - Canal Maintenance	6,000.00	-2,200.00	3,800.00	
01-250-5360	DPW - Rental Equipment	1,500.00	-590.00	910.00	
01-250-5421	DPW - Walkways/Dunes	10,000.00	-1,588.00	8,412.00	Total to transfer to Salaries/FICA and Pension is \$6,229.00. Total transferred from listed accounts \$6,229.00.
01-250-5424	DPW - Beach Clean Up	3,000.00	-700.00	2,300.00	
01-250-5540	DPW - Contingency Fund	845.00	-580.00	265.00	
01-250-5550	DPW - Utilities Street Lights	15,000.00	-300.00	14,700.00	
	Total To/From Transfer:	137,018.00	0.00	137,018.00	
DEPARTMENT OF PUBLIC SAFETY (DPS)					
01-350-5100	DPS - Salaries	435,750.00	-7,183.46	428,566.54	
01-350-5145	DPS - FICA Town's Contribution	33,335.00	1,583.46	34,918.46	(FICA overage due to separation bonus)
01-350-5180	DPS - Training	8,055.00	600.00	8,655.00	
01-350-5280	DPS - Supplies	1,500.00	500.00	2,000.00	
01-350-5290	DPS - Office Supplies & Equipment	1,500.00	250.00	1,750.00	
01-350-5293	DPS - Office Expense/Maintenance	950.00	500.00	1,450.00	
01-350-5295	DPS - Car Maintenance	5,000.00	100.00	5,100.00	
01-350-5300	DPS - Advertising	1,446.45	250.00	1,696.45	Total to transfer from Salaries to all
01-350-5340	DPS - Dues & Memberships/Consultation	700.00	200.00	900.00	\$7,183.46. Total transferred to
01-350-5350	DPS - Uniforms	3,500.00	3,000.00	6,500.00	all other listed accounts \$7,183.46.
01-350-5510	DPS - Utilities - Gas	500.00	100.00	600.00	
01-350-5520	DPS - Utilities Electric	4,900.00	100.00	5,000.00	
	Total To/From Transfer:	497,136.45	0.00	497,136.45	

Motion and Vote: After discussion, a motion was made by Councilman Junkin, seconded by Councilman Saxton, that Council accept the budget amendments as presented by the Finance Director. The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON THE INVESTMENT POLICY STATEMENT

Councilman Saxton stated that the Investment Policy Statement has gone through Budget and Finance Committee review and the committee has approved it for submission to the Council for Council's review and consideration.

Council agreed to the following:

Section 3.1 – Change to: The Finance Director, with the approval of the Town Treasurer **or Town Manager**, is responsible for Investment decisions and activities. The Finance Director shall maintain written procedures for the operations of the investment program consistent with this investment policy.

Section 4 – Personal Responsibility – Change the numbering as follows:

- 4.1 The degree of care to be used by the Finance Director in managing the overall portfolio is the “prudent person” standard.
- 4.2 The Finance Director and Town Council acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for the credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- 4.3 Investments shall be made using proper judgment and care under circumstances then prevailing and always with prudence, discretion and intelligence. Investments are never to be speculative, but designed with the goal of safety of principal first and income second.

Section 6.1, First Sentence – Change "executive" to "execution".

Section 7.1 – Change to: The ~~investment Officer~~ **Finance Director** may **only** invest funds in the following:

- a. United States Government Securities: Issued and supported by the full faith and Credit of the U.S. Government & Treasury.
- b. Certificates of Deposit, Time Deposits and Bankers Acceptances
- c. Money Market Accounts in commercial banks
- d. Commercial Bank Saving Accounts

Mayor Voveris also noted the inconsistent use of uppercase in Section 7.1

Section 8.1, Last Sentence – Change to: The ~~Investment Officer~~ **Finance Director** shall maintain a file of current collateralization statements from each banking institution.

Section 10.1, First Sentence – Change to: To the extent possible the ~~Investment Officer~~ **Finance Director** shall attempt to match the investments with anticipated cash flow requirements.

Section 11.1 – Regarding "a market average rate of return", reference *The Wall Street Journal*.

Councilman Junkin complimented the person who put the policy together and said that it was well done. The Finance Director and Councilman Saxton said it was Steve Farrow who put the policy together. Mayor Voveris said she will send an email to Steve Farrow from the Council.

Councilman Caputo said this is a policy versus a guideline. Councilman Caputo said a guideline is how you generally operate and a policy is something absolute. Councilman Saxton agreed. Councilman Caputo said it goes along with the Budget Control Guidelines and the Fixed Asset Policy which have been passed by Council. Councilman Caputo suggested that the Town should have a policy and guidelines book. Councilman Caputo said the documents need to be enumerated and put in order.

Councilman Saxton said he will make the changes and bring the Investment Policy Statement back to Council at the next meeting.

DISCUSSION AND POSSIBLE VOTE ON PROPOSALS FROM ENGINEERING FIRMS TO ATTEND FEMA MEETING

Mayor Voveris explained that FEMA has asked for a meeting on 5/21/15 with South Bethany town officials, DNREC, Army Corps of Engineers, and RAMPP (FEMA's mapping company). After discussion, Council agreed that Mayor Voveris, Councilman Junkin, and Councilman Saxton would attend the meeting.

Council had copies of proposals from engineering firms to attend the 5/21/15 meeting.

Motion: After discussion, a motion was made by Councilman Junkin, seconded by Councilman Rae, that the Town hire a consultant to attend the 5/21/15 meeting with the purpose of learning what the Town's issues are and coming up with a recommendation on whether it is warranted to file an appeal. Councilman Junkin included in the motion to limit the amount to \$5,000. Councilman Junkin also included in the motion to allow Mayor Voveris, Councilman Junkin, Councilman Saxton, and the Town Manager to decide on which consultant to hire.

Amended Motion: After discussion, Councilman Saxton made a motion, seconded by Councilman Junkin, to amend the motion to limit the amount to \$10,000.

Vote: The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON COMMUNITY WIDE MAILING TO NOTIFY ALL PROPERTY OWNERS OF THE JUNE 12, 2015, FEMA PUBLIC MEETING

A motion was made by Councilman Gross, seconded by Councilman Junkin, that the Town do a community wide mailing to notify all property owners of the June 12, 2015, FEMA public meeting. The motion was unanimously carried.

ADMINISTRATIVE MATTERS – APPROVAL OF 2015 ELECTION WORKERS

- **Appointment of Marge Schaefer**

A motion was made by Councilman Junkin, seconded by Councilman Saxton, to appoint Marge Schaefer as a 2015 Election Worker. The motion was unanimously carried.

- **Appointment of Lora Caputo – Alternate**

A motion was made by Councilman Junkin, seconded by Councilwoman Callaway, to appoint Lora Caputo as a 2015 Election Worker Alternate. The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON USE OF TOWN HALL

- **Draft Guidelines for Use of Town Hall Facilities**

Council agreed to the following:

- Add language with regards to the applicant being present during use of the facility.
- Section 2.1, Sentence 2 – Change to: In all instances the capacity of the Conference Room is not to exceed ~~128~~ **100** people ~~as set by the State Fire Marshall.~~
- Revise Section 2.2 regarding responsibility.

A majority of Council agreed to the following:

Section 3.2, First Sentence – Change to: “Personal Use Groups”, such as family gatherings, are not **permitted. encouraged but may be permitted to use the Conference Room, only if it is approved by Town Council.**

Councilman Junkin stated that the "For Personal Use Group Only" box at the bottom of the application can be deleted.

Because the charge on the application was regarding Personal Use Groups, Mayor Voveris stated that now there will be no charge. Councilman Junkin agreed. No one disagreed.

Councilman Caputo will make the changes to the guidelines and the application. Council will vote on the guidelines at the May 8, 2015, Town Council Regular Meeting.

- **Draft Application for Use**

There was no further discussion regarding the application.

DISCUSSION AND POSSIBLE VOTE ON THE BUDGET STABILIZATION RESERVE FUND POLICY

Councilman Saxton stated that Councilman Caputo wrote the Budget Stabilization Reserve Fund Policy.

Council agreed to the following four changes:

1. Change the name of the policy to Operating Reserve Fund Policy.
2. In Section 1.1 make the following change in the first sentence: The purpose of the Budget Stabilization Reserve Fund is to meet unbudgeted expenditures and/or revenue shortfalls, **as well as support possible investment grade credit rating.**
3. In Section 2.1 change the word "will" to "shall".
4. Change "Budget Stabilization Reserve Fund" to "Operating Reserve Fund" throughout the document.

A motion was made by Councilman Junkin, seconded by Councilman Saxton, that Council accept the Budget Stabilization Reserve Fund Policy with the four changes discussed (see above). The motion was unanimously carried.

Councilman Caputo noted that this policy needs to be enumerated and included in the book of policies and guidelines.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADJOURNMENT

A motion was made by Councilman Junkin, seconded by Councilman Gross, to adjourn the April 23, 2015, Town Council Workshop Meeting at 6:55 p.m. The motion was unanimously carried.