

**TOWN OF SOUTH BETHANY  
BUDGET AND FINANCE COMMITTEE MEETING MINUTES  
JUNE 25, 2011**

The Budget and Finance Committee met at Town Hall on Saturday, June 25<sup>th</sup> at 10:00 a.m. In attendance were Pat Voveris, John Fields, Keith Krenz, Steve Farrow, and Kent Stephan. The meeting followed the agenda posted 6/17/11.

Each member took the time to detail their background to include education and work experience. The Committee offers diverse and substantial resumes.

Pat described plans for future meetings to be held every other month through the Fall when budget information would require more frequent review and discussions. Additionally, the meetings would be more of a team input and include budget information review by Renee.

Budget numbers for May were briefly discussed with consensus that the next meeting, to be held in August, should include a more detailed look for the trend of three months that begins with May.

Pat proposed to work closely with Melvin and Renee to understand and refine plans for long term reserves. Melvin's projection for dredging was reviewed. Keith pointed out the importance of including dredging and bulkheads in long term reserves, particularly since most bulkheads have been fully depreciated. Dredging time table will need to be reviewed with Melvin to accurately plan for this significant expense.

The final part of the agenda review was to discuss the Committee's ability to take on project work for the Town. Pursue ideas, gather information, and make recommendations for implementation. Project details would be discussed in the last phase of the meeting.

2011 highlights included charts prepared by Pat as a "snapshot" for surplus in 2011. One chart highlighted General Fund Revenue vs. Expenses. Another chart highlighted savings on electricity for the Town with Melvin and Renee working to switch South Bethany to a co-op. Lastly, a chart for 2010 was distributed showcasing Revenue vs. Expenses, using audited numbers. Savings created in electricity with the co-ops, general insurance with the switch to DFIT, and fuel with the switch to Fuel Man were highlighted and credited to work done by Melvin and Renee to enlist the plans. Once the audit is done in July, actual numbers in the 2011 chart will reflect audited numbers.

Project considerations and assignments comprised the final part of the meeting. John pointed out that Town fees were reviewed and raised with the property tax increase three years ago. Pat will ask Melvin, Dee, and Dan to review our fee structure (not to include Mercantile License) against neighboring towns and report back for review at the August Budget and Finance meeting.

Charter review on financial areas were discussed by all members to include dollar value in today's dollars vs. 1969 Charter establishment. John will bring forward ideas and recommendations for increases. Steve will research statistics that can be applied to reflect Charter values or Code values to our current year.

It was agreed by all members that an investment policy should be created and presented to Town Council for approval and adoption. Steve presented a document presented by an investment expert involved in overseeing a 30 million dollar fund of which Steve serves as a Trustee. The document needs shortening and refinement and Steve will bring a revision back for review. The consensus was even though South Bethany may not have enough to invest to warrant an outside firm with fees involved, putting a policy in place would provide a direction for such time that rates grow or funds substantially increase.

The Budget Request Form was distributed for consideration of changes. Since no completed forms were available, John agreed to provide input on whether any changes were needed once he completes the form for a fencing project needing consideration this Fall.

Keith offered to survey what other beach towns were doing to monitor rentals from the internet and subsequent assurance those rental revenues were received by the towns. Keith mentioned he personally uses VRB to advertise his property rental, and 40 to 50 percent of his renters were garnered from there.

Kent offered to research possible avenues to assist in rental revenue projections. His plan is to reach out to key realtors or realty companies, and possibly, homeowners. He further mentioned enlisting the aid of a volunteer he holds close ties with, his wife, Bobbe.

The Mercantile License was the last item of consideration on the project list. Substantial revenue growth was tracked on the budget history. Discussion took place on the fee similarity of the business building a house and the domestic work of a single individual at a single property. Pat offered to compile information of neighboring towns and their procedure for the Mercantile License.

The next meeting date was tentatively set for Saturday, August 27<sup>th</sup>. Each committee member will present findings of their project research.

Pat distributed articles from the June 14<sup>th</sup> Wave on Rentals being up, Sand-safe wheelchairs, Yard Waste Ban with quotes from Mayor Headman, and the News Journal article on State Parks needing lifeguards and lifeguards pay scale that was provided by Melvin.

The meeting was adjourned at noon.