

**TOWN OF SOUTH BETHANY  
BUDGET AND FINANCE COMMITTEE MEETING MINUTES  
NOVEMBER 18, 2011**

The SBBF Committee met at Town Hall on Friday, November 18, 2011, at 3:00 pm at Town Hall.

In attendance were Pat Voveris, Renee McDorman, Kent Stephan, Steve Farrow, John Fields, Keith Krenz, and Dan West.

**CALL TO ORDER AND APPROVAL OF MINUTES**

The meeting was called to order and minutes from last meeting were approved.

Two agenda schedule changes were made by Pat to have the Temporary Mercantile License topic moved to slot #3 and the Executive Session moved to precede Investment Ideas.

**TEMPORARY MERCANTILE LICENSE DISCUSSION**

The Temporary Mercantile License as previously recommended by the B&F Committee met with resistance by the Council at the November 17th Workshop.

After lively discussion, the Committee agreed to bring the concept back to the Council as follows:

- 30 day license for \$30
- one allowed per year, coinciding with the full mercantile license

This temporary mercantile license is being considered in response to property owners who want vendors in for jobs of short duration not being subject to the cost of a full license.

**PUBLIC COMMENT PERIOD**

In public comments, resident Sue Callaway proposed crediting the temporary license cost towards a full license purchase. The Committee concurred if this purchase was made while the vendor had the temporary license, such credit should be recommended to the Council.

**PERMITS AND FEES**

Kent brought forth discussion regarding permit fees and whether a permit should be required for items such as roofs, docks, deck repairs, etc. because there was some concern

that it created resentment by property owners because they had to get a permit to keep their property looking nice.

Information was presented by Dan from neighboring jurisdictions, Bethany Beach and Fenwick Island, which outlined their permit fee schedule. Bethany requires a permit for all repairs at a minimum cost of \$30.00 and \$10.00 there after. They charge fees for new construction based on the ICC Building Valuation Data, which determines the construction cost per foot and then multiplied by 3% of the construction cost.

Fenwick requires a permit for projects over \$1000.00 of the cost and as much as 3% of the project cost, with a minimum permit fee of \$50.

Dan further explained that South Bethany does not require a permit for any repair/remodel that cost less than \$500. For new construction and substantial repairs we charge \$2.30 per square foot, which is less than what Fenwick and Bethany charges, with a minimum cost of \$50.00. South Bethany does not require permits for general repairs such as one for one replacement. By eliminating any permit would be reducing revenue because Bethany and Fenwick charge more than we do and we do not have commercial development.

A comparison in cost of the 3% construction based on ICC data would be as follows:

$$3500 \text{ sq. ft.} \times \$101.90 = \$356,650.00 \times 3\% = \$10,699.50$$

#### South Bethany Fee Schedule

3500 sq. ft. x \$2.30 = \$8,050.00. (Not all square footage is based on \$2.30 because open decks per sq. ft. is \$.50 per sq. ft.) example only

The consensus of the committee was to pursue examination of recommending to Council a change in fee for new construction and considering abolishment of some existing fees.

### **AUDITOR SERVICES**

Renee presented information on the current Auditor Services in place for six years. The Committee concurred this service should go out for bid on completion of the current contract.

### **EXECUTIVE SESSION – PERSONNEL MATTERS**

(Review of Employee Health Care Premium)

An Executive Session then took place regarding employee health care contribution and a recommendation was formulated to bring to the Council in the December Workshop.

### **INVESTMENT IDEAS**

Investment Policy was then discussed with Steve presenting several scenarios for proportionate investment. The policy will be written and brought to the Council for consideration of implementation.

### **FINANCIALS FOR SIX MONTHS ENDING OCT. 31<sup>ST</sup>**

Financials were then presented by Renee, highlighting budget attainment and comparison to some areas in the prior fiscal year.

### **INFLATIONARY FACTOR TO CONSIDER ON PROPERTY TAXES**

Discussion took place about inflation and the importance to plan for future revenue need in the only constant revenue area – property taxes. Forecasting for future budget needs will be projected, and factors of municipality index and others will be studied by the Committee.

### **DEPRECIATION SCHEDULE WITH INFLATIONARY FACTOR**

Depreciation Schedule and Inflationary Factor was then reviewed by Keith. The need to have replacement costs at a future date is critical for South Bethany.

### **TOWN MANAGER'S SMALL PROJECT LIST**

The Town Manager's project list and other proposed projects were presented in a developmental form produced by Pat. The form shows projected costs and residual costs to see projects through fruition.

### **CAPITAL PROJECT RESERVES & LONG TERM RESERVES**

Renee's agenda topic of Capital Project Reserves and Long Terms Reserves was postponed to a future meeting to allow adequate time for discussion.

### **PLAN NEXT MEETING**

The next meeting was scheduled for January 27th at 3:00 p.m. at Town Hall.

### **ADJOURNMENT**

The meeting was adjourned at 5:15 p.m.