



**TOWN OF SOUTH BETHANY
BUDGET AND FINANCE COMMITTEE MEETING MINUTES
SEPTEMBER 7, 2012**

The Budget and Finance Committee met at Town Hall at 3:00 p.m. on Friday, September 7, 2012. In attendance were Pat Voveris, Renee McDorman, Steve Farrow, Tony Caputo, Joe Conway, and Mark Damato.

First on the agenda was finalization of our Financial Policy recommendation by Steve. Per the State of Delaware policy, Steve added some restrictions on activities. Joe suggested further addition of wording per Town Charter, specifically with respect to the authority of the Town Council to expend funds, per § C-14 of the Town Charter, from the designated ARM account. All agreed this was a good idea. Steve will add to our policy recommendation for our next meeting.

Tonnage for trash, recycle, and yard waste was then reviewed. Pat compiled numbers for June, July, and August of 2012 as compared to the same period, 2011. Trash is down 14%. Recycle is down 4%. Yard waste is up 1%. There appears no appreciable change with recycle numbers by moving pick up to Saturday, and reducing trash pickups during summer to just 2 times has resulted in more trash on our streets and more work for Maintenance. Just 2 summer trash pickups resulted in a yearly savings of \$6.00 per property, however, Keith Krenz of Budget and Finance last year pointed out the change resulted in 18.4% less in contract services for a mere 3.2% of savings.

Renee then reported on delinquent property tax. Currently there are 18 delinquent owners that owe \$11,721.55 in property taxes and \$358.14 in delinquent fees.

A presentation for ARM Modifications of the FY 2013 Budget was then reviewed. Joe suggested we compile total replacement costs for our bulkheads in addition to having the projected maintenance costs that our Town Manager compiled. He will work on this for next Budget and Finance Committee meeting.

The review included the amount for ARM funding, the future source of a ½% of Transfer Tax, the use of MSA, and the maintaining of excess balance on hand to cover buildings and inflation that have not been funded.

Renee spoke to some concerns on removing grant items and will closely monitor as replacements are needed whether grant money is still available. These items are particular to our Public Safety Department.

The overall reserve picture was then discussed. For FY 2014 Pat suggested not having a Recycle Reserve and moving that money to Long Term, considering maintaining a minimum in Long

Term to cover beach, canal water, catastrophe, and considering the use of Long Term to balance the budget, if needed.

She further spoke of considering a Grant Reserve to fund those unexpected opportunities that might come to South Bethany.

Renee and Pat then spoke about some new handouts to include in budget presentations, as recommended by Tony from his auditing experience. Currently, budget handouts from Delaware, Annapolis, and Frederick are being considered.

Since the FY 2012 audit report arrived the day before our meeting, Renee gave copies to all members to review. She asked everyone to submit questions that could be addressed by our auditor. Tony asked for the Management Letter to be distributed. Renee reviewed GASB writing on fund designation.

Joe spoke to bond rating, Moody's, and the process. He will prepare handouts for a future meeting about how to obtain a bond, the value of such as pertaining to South Bethany, and the financial need that a catastrophic event could necessitate.

During Public Comments Jim Gross commented on the number of Reserve categories we should have, favoring fewer than more.

Sue Callaway commented on the potential value of a Grant Reserve if the Reserves will not be made available for spontaneous access as matching grant funds.

In future meeting will include review of employees accrued leave value, rental revenues, and budget recommendations for Council.

The next Budget and Finance Committee Meeting is scheduled for October 19, 2012.

The meeting adjourned at approximately 4:30 p.m.

PV/phs:9.7.12