

**TOWN OF SOUTH BETHANY
TOWN COUNCIL BUDGET WORKSHOP MEETING MINUTES
FEBRUARY 26, 2015**

MEETING CALLED TO ORDER

Mayor Voveris called the February 26, 2015, Town Council Budget Workshop Meeting to order at 5:00 p.m.

ATTENDANCE

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

PRESENT BY REMOTE ACCESS: Councilman George Junkin

APPROVAL AND VOTE OF THE AGENDA

A motion was made by Councilman Gross, seconded by Councilman Saxton, to approve the agenda as published. The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADOPTION OF MINUTES - Town Council Workshop Meeting Minutes, December 18, 2014

A motion was made by Councilman Gross, seconded by Councilwoman Callaway, to accept the December 18, 2014, Town Council Workshop Meeting Minutes. The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.

DISCUSSION AND POSSIBLE VOTE REGARDING THE USE OF THE SUSSEX COUNTY 2015 ECONOMIC DEVELOPMENT AND INFRASTRUCTURE GRANT IN THE AMOUNT OF \$10,000 TOTAL

- **Possible lighting for Canal Drive**

Councilwoman Callaway proposed the following:

Introduction – Canal Drive is located on the west side of South Bethany and is known for its proximity to beautiful wetlands. It has also been identified by our citizens and police as an extremely dark area of South Bethany at night. Canal Drive provides vehicular access to and from a densely populated area and because of its gorgeous views and sunsets and lack of sidewalks, it is consistently used for walking, biking, strolling and dog-walking – day and night. In

response to recent safety and security issues along Canal Drive and in learning about the availability of Delmarva Power's free-standing decorative street light options, the South Bethany Maintenance Department and the Community Enhancement Committee (CEC) have gathered information from Delmarva Power concerning specific installation costs, design, wattage options and monthly utility costs. This decorative lighting alternative introduces a better design and type of light compared to the typical cobra style street lights affixed to wooden utility poles.

Currently, there is some lighting along Canal Drive. There are street lights mounted on the wooden utility poles at the following locations: W. 5th; W. 9th; and the intersection of Canal and Tamarack Drives.

Canal Drive has similar use characteristics as Ocean Drive. Solar lighting has been very well-received by Ocean Drive property owners and has enhanced that area's safety and usability at night. However, free-standing street lamps as proposed in this overview are not an available option for Ocean Drive.

Style Selected: Granville - Combines the aesthetic appeal of early 20th century acorn lights with advanced optics for superior performance. (Councilwoman Callaway provided Council with a Delmarva Power pamphlet with information on the Granville.)

Delmarva Power Costs:

- DP does not charge for the products but only for installation. Installation costs for a total of 9 lights (one for each intersecting street along Canal Drive) – \$6,074
- Delmarva provides maintenance of light products and lights at no charge. (*Administrative Assistant's Note: See Page 3, Paragraph 4, for further clarification.*)
- Monthly electrical costs are as follows:
 - o 150 Watt LED (Light Emitting Diodes) is \$25.45 per light per month
 - o 150 Watt HPS (High Pressure Sodium) is \$18.61 per light per month
 - o 70 Watt HPS is \$15.64 per light per month
 - o Yearly cost for LED would be a little bit more than the yearly cost for HPS
 - o Yearly costs for HPS wattage will be lower

(Councilwoman Callaway provided Council with additional information comparing LED and HPS.)

Community Input: The CEC will mail an opinion letter (Councilwoman Callaway provided Council with a draft of the letter), this proposal, and the description and picture of the Granville light fixture to South Bethany property owners who are located adjacent and/or near to Canal Drive. The letter will serve to notify them of the proposed lighting initiative and to seek their input.

Funding: The CEC is requesting that \$6,500 of the 2015 Sussex County \$10,000 grant for community improvements be used for this safety project.

Council Discussion:

Councilwoman Callaway stated that there are two existing Cobra style street lights along Canal Dr. which the Town currently pays about \$400 a year for both lights.

Councilman Junkin stated that he is not in favor of putting in HPS lights. He believes that if the Town puts in lights, the lights should be LED lights.

Councilman Junkin believes the \$10,000 grant should be spent on something that is already in the budget rather than trying to come up with something new.

Councilman Gross suggested that the Town could use \$2,000 of the \$10,000 grant to buy the other lights for Ocean Drive and take \$2,000 off of the FY16 budget.

Councilman Gross stated that he does not think the Town should install lights on Canal Drive before the upcoming community survey to all property owners has been done. Councilman Gross said the implications are that all property owners will pay for it, and it sets up a precedent for a particular style of light that other people are going to say they want.

It was noted that the monthly electrical costs are more than electricity. The cost includes leasing the fixture and leasing the service to fix broken lights. Also, the lights are not metered – the electric costs are estimated by Delmarva Power.

Councilwoman Callaway said there are 12 freestanding lights (various styles) throughout town – one on Bayshore Dr., two on Tern Dr., and nine in the Cat Hill area. Councilwoman Callaway said they are in bad shape. The Town has talked to Delmarva Power about this, and Delmarva Power will replace the 12 existing freestanding lights at no cost to the Town. This would provide the opportunity to take a look at the LED lights or the HPS lights (depending on what Council wants). There would be an increase in costs for LED lights because LED lights cost more than HPS lights. If Council chooses to replace the 12 freestanding lights, the Town Manager recommended going with LED lights rather than HPS lights. The Town Manager stated that people complain about HPS lights shining in their windows. Councilwoman Callaway said the LED lights for all 12 freestanding lights would cost about \$720 a year which would be an increase in the budget. Noting that this is a separate issue from the use of the \$10,000 grant, Councilman Rae suggested that this should be put on a meeting agenda so that the people affected will know that Council is going to be talking about their lighting. Mayor Voveris agreed and said it could be on the next council meeting agenda.

Sensing that there was not support to use the grant money for the Canal Dr. Lighting Proposal, Mayor Voveris moved on to the next proposal.

- **Possible architectural drawing for the expansion of Town Hall**

Referring to her memo to Council regarding this agenda item, Mayor Voveris stated that she misspoke when she wrote, "The Town Hall architectural drawing initiative by Town Manager Cusick proposes a reasonable expansion for civilized operation in a building where no thought of future growth was considered at the time of its inception." Mayor Voveris said the people who worked on the design of the South Bethany Town Hall building were volunteers who worked hard, did a good job, and tried to think as far ahead as they could (20 years). They thought about staff and land use, but what they couldn't have foreseen was the growth of committees and the use of the building.

Council had a memo from the Town Manager which included the following:

- The current work area for the staff and Town Council is limited.
- A suggestion that the future addition include a conference room, additional restrooms for the public meeting room area, and additional office and storage.
- Reasons a conference room is needed:
 - To accommodate the additional meetings that are now held at Town Hall.

- To be used by Council when Executive Sessions are scheduled. This would allow Council to recess to the conference room for the Executive Session instead of requiring the public and the media to exit the meeting room and stand in the lobby while the Executive Session is being conducted.
 - To be used when the Town audits are being conducted. This past year, the Auditor worked in the meeting room while various committee meetings were being held.
 - The Code Enforcement Constable could use the space for meetings with homeowners and contractors when reviewing plans for construction. The current space is very limited for this type of activity.
- It should also be noted that space for expansion on the property is very limited and will determine if all of the above can be included.
 - The Sussex County grant allows the Town to have expansion plans completed at no cost to the Town. The plans will include construction estimates. This will give Council the opportunity to plan when and if the expansion would be undertaken.

The following information was in a proposal from Ryan Architecture, LLC (the same firm that completed the plans for the existing Town Hall and Police Department buildings) for services to produce architectural drawings for a small expansion to Town Hall:

Basic Services will include:

- Conduct a site visit to measure and layout the existing building in the area of proposed construction and meet with the Owner
- Review existing Site Conditions
- Prepare Preliminary Architecture Floor Plan
- Prepare a Preliminary Construction Cost Estimate
- Attend one additional Owner Meeting to present the Plan and Cost Estimate.

Compensation for the above services will be a fixed fee of \$2,000.

During discussion Councilman Junkin asked what the cost to expand would be. The Town Manager said he did not know the cost to expand - that is the purpose of the preliminary architectural services. Once the Plan and Cost Estimate has been received then it can go to Council and/or the Budget and Finance Committee to determine what to do.

A motion was made by Councilwoman Callaway, seconded by Councilman Caputo, to move forward with the proposed architectural plans for Town Hall expansion at a cost of \$2,000 using the Sussex County grant funds. The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.

- **Possible Code review by the University of Delaware**

Council had emails from the Chair of the Charter and Code Committee, the Chair of the Board of Adjustment, and the Chair of the Planning Commission in support of this initiative. Mayor Voveris also provided Council with the bio of Linda Raab, Senior Land-Use Planner with the University of Delaware who recently worked with the Town of Ocean View on their Code. Council had a copy of the following handout which Mayor Voveris prepared:

**South Bethany Code Review and Recommendations
Initial Work by the University of Delaware**

Scope of Work and Study Program

Agenda Item for February 26, 2015 Workshop

PROPOSED COVERAGE BY SUSSEX COUNTY GRANT PROVISION:

Initial Study/Review Phase

1. Preliminary review of entire Code as written
2. Prepare list of identifiable concerns
3. Suggest priorities and specific Code sections for study and review
4. Estimate level of effort and cost necessary to complete the work

COST: \$1,500

FURTHER ACTION BY C&C AND/OR UNIVERSITY OF DELAWARE:

Final Study Phase – To be based on approved results of the above

Study Objectives: To be drafted

General Scope of Work (SOW)

1. **Address** inconsistencies or undefined administrative procedure and requirements (including terms and definitions)
 - Determine** the following:
 2. Administrative & enforcement procedures are well defined
 3. Code requirements are clear and enforceable
 4. References used within the Code are clear and appropriate
5. **Prepare** a list of and prioritize the issues determined
6. **Recommend** corrections and/or clarifications for priority issues
7. **Present** a report of the findings and recommendations to Town Council.

After discussion a motion was made by Councilman Gross, seconded by Councilman Saxton, to approve the \$1,500 expenditure pending Council's acceptance of a more definitive proposal and the bios attached thereto. Mayor Voveris asked for a general motion where she could go to Rebecca Quinn if the University of Delaware says they can't do it. Councilman Gross said his motion is stated in a general way. Councilman Saxton agreed. The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.

Council discussed ways to use the remaining grant money. Councilman Saxton brought up the subject of audio for the Town Council Meeting Room. The Finance Director noted that there is \$5,000 in the FY15 Budget for audio upgrades and she has met with a representative from a company on the state contract regarding upgrading the Town's audio system and is waiting for a quote. The Finance Director suggested that if the quote came in higher than \$5,000 maybe the Town could use some of the grant money for that. Council agreed that the audio system needs upgrading noting that the remote access capability needs improving.

A motion was made by Councilman Junkin, seconded by Councilman Caputo, to use \$2,000 of the Sussex County 2015 Economic Development and Infrastructure Grant for the lights on Ocean Dr. After discussion, the voting was as follows:

FOR THE MOTION: Councilpersons Caputo, Gross, Junkin, Rae, Saxton

AGAINST THE MOTION: Councilwoman Callaway and Mayor Voveris

The motion carried with a 5-2 vote.

A motion was made by Councilman Junkin that whatever money from the Sussex County 2015 Economic Development and Infrastructure Grant is left is spent for the audio visual upgrades and if more than that is needed then Council will put it into the next year's budget. During discussion it was agreed to take the following out of the motion: "and if more than that is needed then Council will put it into the next year's budget". The motion was amended to the following: Use the remaining Sussex County 2015 Economic Development and Infrastructure Grant money for the audio visual/remote access upgrades. Councilman Gross seconded the motion.

The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.

Mayor Voveris said she will go back to Sussex County to verify that the projects Council approved are an acceptable use of the grant money.

FY16 DRAFT BUDGET REVIEW

Councilman Saxton presented the following PowerPoint Presentation:

FY 2016 Budget Considerations

- Budget is based on current tax rate
- Budget is currently not balanced and has a shortfall of \$5,149
- Budget includes a COLA of 1.6%
- Budget shows the re-establishment of 3 reserve categories
 - Operating Reserves 3 months
 - ARM Reserves Based on Depreciation schedule
 - MSA Reserves

FY 2016 Budget Considerations

- Budget also has Funds to be assigned by Council for future Retirement Bonus
- Agreement needed on number of months to set aside in Operating Reserves (3 to 5 months)
- Budget includes all known Grants
- Budget includes all dollars requested by each Committee and Department. No cuts by B & F

FY 2016 Budget Considerations

- Need to review Sick time and vacation carry over to understand potential liability
- First need is to come to consensus on Revenue for FY 2106
 - Next slide has estimate of projected FY 2015 year end revenue for large revenue streams
 - Also has projected FY 2016 Revenue for these streams

FY 2016 Budget Considerations

<u>Revenue Line Item</u>	<u>Projected Year end FY 2015</u>	<u>Projected FY 2016</u>
Property Tax	\$504,000	\$506,873
Building Permits	\$125,000	\$120,000
RTT	\$425,000	\$305,000
Rental Tax	\$511,500	\$511,000
Magistrate Fines	\$39,000	\$45,000
Mercantile Licenses	\$42,000	\$45,000
Rental License	\$30,000	\$30,000
Trash Total	\$346,123	\$374,683

FY 2016 Budget Considerations

- Items still to be determined
 - Potential funding for Reserves at end of FY 2016
 - Potential Surplus projection for year end of FY 2015

Councilman Saxton referred to the following which was in the cover memo to Council regarding the FY 2016 Proposed Budget:

At this point the FY 2016 Budget is not balanced and has a shortfall of \$5,149 after capital expenses are included. We will be able to move the total depreciated funds (for a trailer) from the ARM Reserves to contribute to the Trailer purchase. The depreciated amount is \$3,000, which brings the shortfall to \$1,000. The Treasurer would recommend that the remaining cost of the trailer, \$ 1,000, come from the Arm Reserve as well. This will leave a budget shortfall of \$ 2,149. It is further recommended that the remaining shortfall be funded within the Operating budget for FY 2016.

Council reviewed and discussed the FY16 Draft Budget page by page. Council agreed to the following changes to the FY16 Draft Budget:

Public Works: Change Utilities Street Lights from \$14,500 to \$15,220 to cover additional costs if Council approves changing the 12 freestanding lights on Bayshore Dr., Tern Dr., and in the Cat Hill area.

Public Safety (PS): Change Dues & Memberships to Dues/Memberships/Special Consultant.

Community Enhancement Committee (CEC): Remove Alternate Lighting Test (\$2,000). This money will be paid from the Sussex County 2015 Economic Development and Infrastructure Grant.

Communications and Public Relations (PRC): Change the Boat Parade line item from \$660 to \$360.

Canal Water Quality Committee (CWQ): Move the CIB Donation to the G & A budget.

Sea Level Rise Committee (SLR): Council discussed the possibility of reducing the Grant Match of \$5,000 to \$3,000 if needed.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADJOURNMENT

A motion was made by Councilman Saxton, seconded by Councilman Gross, to adjourn the February 26, 2015, Town Council Budget Workshop Meeting at 7:53 p.m. The voting was as follows:

FOR THE MOTION: Councilpersons Callaway, Caputo, Gross, Junkin, Rae, Saxton, and Mayor Voveris

AGAINST THE MOTION: None

The motion carried with a 7-0 vote.