

**TOWN OF SOUTH BETHANY
TOWN COUNCIL PUBLIC MEETING ON FY2017 DRAFT BUDGET
MEETING MINUTES
MARCH 11, 2016**

MEETING CALLED TO ORDER

Mayor Voveris called the March 11, 2016, Town Council Public Meeting on FY2017 Draft Budget to order at 6:00 p.m.

ATTENDANCE

PRESENT: Council Members Sue Callaway, George Junkin, Tim Saxton, Carol Stevenson, Frank Weisgerber, and Mayor Pat Voveris; Town Manager Melvin Cusick; Finance Director Renee McDorman; and Administrative Assistant Pam Smith

PRESENT BY REMOTE ACCESS: Councilman Wayne Schrader

REMARKS AND PRESENTATION OF FY 2017 DRAFT BUDGET (TIM SAXTON AND RENEE MCDORMAN)

Councilman Saxton stated that the budget for FY 2017 has gone through a review by the Budget and Finance Committee with recommendations sent to Council. At the February 26, 2016, Town Council Budget Workshop Meeting Council discussed the Budget and Finance Committee's recommendations and other issues raised by members of Council. The result is the FY 2017 Draft Budget being presented at this meeting. The FY 2017 Draft Budget was posted on the Town's website and paper copies were available on the meeting sign-in table. Councilman Saxton said to keep in mind that it is a draft and there could be additional changes made.

Finance Director Renee McDorman projected the Town of South Bethany Budget for FY 2017 PowerPoint Presentation on the overhead projector screen. The PowerPoint presentation was prepared by Councilman Saxton and Finance Director Renee McDorman. Councilman Saxton (Treasurer and Budget and Finance Committee Chairperson) reviewed the following information in the PowerPoint presentation:



FY 2017 Budget Considerations

- Budget is based on current tax rate
- Property tax to be based on Sussex County Assessments as of March 1, 2016
- Budget currently is balanced with \$2,307,947 Operating Revenue/Expenditures
- Capital Expenditures of \$114,396
- All known Grants are included but significantly down from FY 2016

FY 2017 Budget Considerations Proposed Operating Revenue

Revenue Line Item	Projected Year End FY 2016	Projected FY 2017
Property Taxes	\$508,00	\$509,774
Building Permits	\$195,000	\$155,000
Realty Transfer Tax (RTT)	\$420,000	\$355,000
Rental Tax	\$511,000	\$510,000
Magistrate Fines	\$55,000	\$55,000
Mercantile Licenses	\$35,000	\$35,000
Rental Licenses	\$35,000	\$35,000
Trash Total*	\$374,682	\$308,606

FY 2017 Budget Considerations Proposed Operating Expenses

Department/Committee	Current FY 2016 Budget	Proposed FY 2017 Budget
General Administration	709,469	649,394
E Jones – Deferred Compensation	500	500
Public Works	237,109	251,456
Public Safety**	766,042	708,205
Beach Patrol	233,462	237,983
Community Enhancement Committee	13,300	25,100
Canal Water Quality	153,200	20,700
Sea Level Rise Committee	19,500	4,000
Planning Commission	-	-
Public Relations Committee	4,220	6,975
Municipal Street Aid	7,524	7,024
Police Grants – SALLE & EIDE	7,658	7,658
Trash	374,683	308,606
Ambulance	74,359	74,147
Transfer Tax	6,500	6,200
Total Operating Expenditures	2,607,526	2,307,947

**PS - \$51,871 moved to a reserve in FY 2017

FY 2017 Budget Considerations Proposed Capital Expenses		
Proposed Capital Expenses by Department:	Current FY 2016 Budget	Proposed FY 2017 Budget
General Administration	-	-
Public Works	4,000	41,078
Public Safety	-	73,318
Beach Patrol	-	-
Community Enhancement Committee	-	-
Canal Water Quality	-	-
Sea Level Rise Committee	-	-
Planning Commission	-	-
Public Relations Committee	-	-
Municipal Street Aid	-	-
Total Capital Expenditures	4,000	114,396

Budget includes Capital Expenditures of \$114,396:

- 2 Police Vehicles \$73,318
- Decking Replacement (TH & PD) \$18,040
- Town Hall Carpet Replacement \$5,100
- ATV with snow plow \$17,938

Capital Expenditures funded as follows:

- Capital ARM Reserve \$91,358
- General Fund \$23,038

FY 2017 Budget Considerations

- Significant differences between Fiscal Years
 - Grants/donations down by Approx. \$190,000
 - Trash down by Approx. \$66,000
 - Real Estate Transfer Tax down \$65,000
 - Building Permits down Approx. \$40,000

FY 2017 Budget Considerations Reserves

- Budget shows Reserves as follows:
 - Operating Reserves 3-4 months
 - Capital (ARM) Reserves Based on Depreciation schedule
 - MSA Reserves
 - Accrued sick/Vacation Liability (50% accrued)
 - Accrued Retirement Bonus
 - Police Department Donations
 - Special Projects

FY 2017 Budget Considerations Reserves

	Reserve Account Budget Recommendations						<u>Projected Balance 4/30/2017</u>
	<u>Projected Fund Balances 4/30/2016</u>	<u>Budgeted Reserve Expenditures</u>				<u>Projected Funding Requirement Needed by EOY</u>	
			<u>General Fund</u>	<u>Transfer Tax</u>	<u>MSA</u>		
Operational Reserve*	\$588,000						\$588,000
MSA Reserves	\$227,943	\$7,024			\$49,680		\$270,599
Capital (ARM) Reserves	\$988,606	\$91,358				\$144,243	\$1,041,491
Accrued Liabilities/Separation Bonus	\$32,146					\$34,189	\$66,335
Anna Panco Donation (Police Reserve)**	\$50,000						\$50,000
Unassigned	\$300,920	\$23,037				-\$144,243	\$133,640
Special Projects***	\$56,740						\$56,740
Accrued Vacation/Sick Leave Balances	\$59,012						\$59,012
Restricted by Other Government	\$137,530						\$137,530
Total	<u>\$2,440,897</u>	<u>\$121,419</u>	<u>\$0</u>	<u>\$0</u>	<u>\$49,680</u>		<u>\$2,403,347</u>

* Operational Reserves - Fund balance reflects approximately 3 - 4 months of operating reserve in case of a catastrophic event.

**Current estimated balance for EOY. Balance will be adjusted at EOY to properly reflect available balance for use by the Police Department.

*** Special Projects - Established to provide monies to be set aside for long term projects such as Clean Canal Water projects, Bldg expansions, etc.

FY 2017 Budget Considerations

• New Initiatives:

- New Town Welcome Signage for each end of Town on Rt 1
- Street lighting initiative – \$6,000 set aside for use once comprehensive plan is completed.
- Creation of a display of S. Bethany historic photos along perimeters of Richard Hall Memorial Park
- South Bethany Fine Arts & Craft Show - partnership with York Beach Mall and local artists to host a community art show
- PRC to add 4 new community activities - \$1500
- CWQC – Circulation Study - \$10,000

Regarding the street lighting initiative, Councilwoman Callaway stated that she did not remember the Council straw voting or saying that it would only be based on a comprehensive plan. Councilman Saxton stated that the Budget and Finance Committee discussed this at its meeting today and the committee recommends that nothing get spent until there is a comprehensive plan. Councilman Saxton said this is because the survey results on this issue were comments from people across town and not just one section of town. Councilman Saxton added that his recollection from the February 26, 2016, Town Council Budget Workshop Meeting was that

Council did agree to have a comprehensive plan before putting up street lights. Councilman Saxton stated that the \$6,000 was still in the budget.

Regarding the \$10,000 for the CWQC Circulation Study, Councilman Saxton confirmed with Councilman Junkin that \$10,000 was approved for the FY 2016 Budget and therefore the \$10,000 for the FY 2017 Budget is probably not a new initiative.



PUBLIC COMMENT PERIOD FOR FY 2017 DRAFT BUDGET

John Stefani (6 N. 3rd St.) – Referring to *Special Projects – Established to provide monies to be set aside for long term projects such as Clean Canal Water projects, Bldg. expansions, etc.* on the presentation slide titled *FY 2017 Budget Considerations Reserves*, Mr. Stefani asked if Town Hall Expansion would go to a referendum that the people in the town would vote on. Mayor Voveris stated that it is a substantial project and there is not anything that is going to be done lightly without a lot of investigation and without bringing it to the public. In response to Councilman Junkin's statement that a referendum would be required to spend that much money, the Town Manager said "no" not according to the new policy which he believes is based on a percentage of operating revenue.

Mayor Voveris reiterated that anything as significant as Town Hall expansion would have public input and lots of study and conversation along the way.

George Junkin (South Bethany Historical Society Member) – Stated that at the Historical Society meeting this morning the members agreed that the Historical Society did not need the \$1,000 donation from the Town, but the Historical Society members are excited about their joint effort (partnership) with the Community Enhancement Committee regarding the signs project. After discussion, Council agreed not to give a donation of \$1,000 to the Historical Society in the FY 2017 Budget and for the Town to fund the whole signs project but include the South Bethany Historical Society as joint participants in the signs project. Mayor Voveris said \$500 will go back in the budget, and what to do with that \$500 can be up for discussion at the March 24, 2016, Town Council Budget Workshop Meeting. Councilman Saxton agreed.

Jim Gross (1 S. 3rd St.) – Inquired if the reduction in the proposed Operating Expenses was not all grant money. Councilman Saxton said two-thirds of the reduction is basically grant money. Councilman Saxton added that some of it is due to the reduction in the Trash line item.

John Stefani (6 N. 3rd St.) – Commented that in looking at the overall budget, the Police Department is roughly 30 to 32 percent of the overall Town budget, and by the looks of things it is projected to do some growth. Mr. Stefani asked if the Town ever does any comparisons, not only with the Police Department, but everything in the Town to see how the Town stacks up against other jurisdictions of like size. Councilman Saxton said the Town has started to do some of that, but more comparisons need to be done. Councilman Saxton stated that in this year's budget the Police Department is pushing \$900,000. Mr. Stefani asked how high is the Town prepared to let that percentage go. Councilman Saxton said that is a Council decision. Councilman Saxton said it is not just salaries in the Operating Budget it is also the Capital Budget where the Town is

contributing to cars and other things. Councilman Saxton said it is the same for the Town Hall side – Capital Expenses are included in order to build true costs.

Mayor Voveris thanked the Town Manager, the Finance Director, and all of the department heads for putting together a tight sound budget. She also thanked Councilman Saxton for the oversight he presented at this meeting.

ADJOURN PUBLIC MEETING ON FY 2017 DRAFT BUDGET

A motion was made by Councilman Junkin, seconded by Councilman Weisgerber, to adjourn the Town Council Public Meeting on FY 2017 Draft Budget at 6:45 p.m. The motion was unanimously carried.

PHS:Meeting for Public Input Regarding FY 2017 Budget 3 11 16 Amended & Adopted 3 24 16