

**TOWN OF SOUTH BETHANY
TOWN COUNCIL WORKSHOP MEETING MINUTES
MAY 24, 2018**

MEETING CALLED TO ORDER

Mayor Voveris called the May 24, 2018, Town Council Workshop Meeting to order at 2:00 p.m.

ATTENDANCE

PRESENT: Councilmembers Don Boteler, Sue Callaway, Tim Saxton, Carol Stevenson, Frank Weisgerber, and Mayor Pat Voveris; Town Manager Maureen Hartman; Chief Troy Crowson; Finance Director Renee McDorman; and Administrative Assistant Pam Smith

EXCUSED ABSENCE: Councilmember Tim Shaw

ADOPTION OF MINUTES

- **Town Council Executive Session Minutes, May 11, 2018** – A motion was made by Councilmember Saxton, seconded by Councilmember Stevenson, to accept the May 11, 2018, Town Council Executive Session Minutes. The motion was unanimously carried.
- **Town Council Regular Meeting Minutes, May 11, 2018** – A motion was made by Councilmember Boteler, seconded by Councilmember Callaway, to accept the May 11, 2018, Town Council Regular Meeting Minutes. The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON A \$200 DONATION FROM THE TOWN OF SOUTH BETHANY TOWARD THE 2018 SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN. (SUE CALLAWAY)

Motion: A motion was made by Councilmember Callaway, seconded by Councilmember Saxton, to contribute \$200 from the Town of South Bethany toward the 2018 Special Olympics Law Enforcement Torch Run.

Councilmember Callaway noted that the South Bethany Police Department is participating in the Torch Run as the lead car.

Vote: The motion was unanimously carried.

DISCUSSION AND POSSIBLE VOTE ON ALLOWING OUR CHIEF OF POLICE TO USE HIS TOWN SUPPLIED VEHICLE FOR LOCAL, PERSONAL USE. (MAUREEN HARTMAN AND TROY CROWSON)

The Town Manager stated that she had provided the Town Council with a memo regarding updates on insurance coverage from the Town's insurance company. One of the things that the insurance company brought up was in regard to take home vehicles. There was a question regarding the Chief's take home vehicle because he uses the vehicle on a personal level. The insurance company said the Town needs to be careful of that. The Town Manager reached out to the insurance company for further explanation and the Town Manager forwarded the insurance company's response to the Town Council.

A motion was made by Councilmember Stevenson, seconded by Councilmember Weisgerber, to table the discussion and possible vote on this motion until Council has adequate time to review all of the information which is coming to Council on a daily basis and all of the relevant documents.

Councilmember Stevenson stated that Council has an obligation to both the Chief of Police and to the Town to make the right informed decision and not put either party at risk.

The Town Manager stated that the Council possibly needs to review and amend the Town's Personnel Policy Manual and Employee Handbook for the Town of South Bethany, Delaware, which Council revised and approved December 8, 2017. Council may also need to review the Chief's contract.

Chief Crowson stated that his usage of the vehicle is local and limited. He stated that he does not take it on vacation and he does not drive it out of state. Chief Crowson said it is a rare occasion when he has to use the vehicle for incidental usage.

Councilmembers expressed concerns regarding the liability to the Town when someone other than a Town employee is in the vehicle. The Town Manager stated that there is no issue with the Chief using the vehicle for incidental usage. The Town Manager stated that the Chief's personal insurance would cover anyone else in the vehicle. Councilmember Weisgerber stated that it is a town vehicle and therefore he has concerns the Town could be exposed to a law suit.

Mayor Voveris stated that she polled a few towns and it seems to be a common practice to use the vehicle for incidental use even though they are not allowed to use the vehicle personally.

There was consensus that policy and practice have to be the same.

After discussion Council agreed that they needed clarification on the liability to the Town.

Councilmember Saxton questioned if this qualifies as a fringe benefit under the IRS guidelines. He would like to have that looked into because it is a financial impact on the Town and the Chief because it becomes a taxable item.

Council took comments from the public.

Mayor Voveris asked the Town Manager to gather more information and bring it back for the June meeting so that everybody makes an informed decision.

Council tabled this agenda item to allow time for additional research.

DISCUSSION OF RESERVES AND RESERVES POLICY. (DON BOTELER)

Councilmember Boteler reviewed the following Monthly Treasurer's Report – As of Apr 30, 2018. Councilmember Boteler pointed out that the operating deficit for FY2018 (year end 4/30/18) is going to be about \$96,000.

5/22/2018

Town of South Bethany
Monthly Treasurer's Report - As of Apr 30, 2018
 by Don Boteler, Treasurer

**Fiscal 2018 Year-to-Date (5/1/17 – 4/30/18) Revenues and Expenditures**

	<u>Adopted Budget</u>	<u>Amended</u>	<u>Total Budget</u>	<u>Actual</u>	<u>%</u>
Total Operating Revenue	\$2,278,867	\$162,700	\$2,441,567	\$2,234,325	92%
Total Operating Expenditures	<u>\$2,278,867</u>		<u>\$2,278,867</u>	<u>\$2,386,414</u>	<u>105%</u>
Revenue less Expenditures	\$0	\$162,700	\$162,700	(\$148,634)	
Revenue from Grants/Donations	\$136,421	\$0	\$136,421	\$146,212	107%
Expenditures from Grants/Donations	<u>\$136,421</u>	<u>\$0</u>	<u>\$136,421</u>	<u>\$90,524</u>	<u>66%</u>
Revenue less Expenditures	\$0	\$0	\$0	\$55,688	
Capital/Reserve Revenue (from Fund Balance)	\$586,102	(\$150,788)	\$435,314	\$288,922	66%
Capital/Reserve Expenditures	<u>\$586,102</u>	<u>(\$28,938)</u>	<u>557,164</u>	<u>288,922</u>	<u>52%</u>
Revenue less Expenditures	\$0	(\$121,850)	(\$121,850)	\$0	
Total Revenue - All Funds	\$3,001,390	\$11,912	\$3,013,302	\$2,669,459	89%
Total Expenditures - All Funds	<u>\$3,001,390</u>	<u>(\$28,938)</u>	<u>\$2,972,452</u>	<u>\$2,765,860</u>	<u>93%</u>
Revenue less Expenditures	\$	-	\$40,850	-\$96,401	

Fiscal 2018 (5/1/17 – 4/30/18) Summary of Year-to-Date Departmental Budget to Actual

<u>Revenues:</u>	<u>Budget</u>	<u>Amended</u>	<u>Total Budget</u>	<u>Actual</u>	<u>%</u>
Property Taxes	\$511,206		\$511,206	\$513,011	100%
Realty Transfer Taxes	\$355,000	\$52,700	\$407,700	\$455,117	112%
Gross Rental Taxes	\$540,000		\$540,000	\$559,171	104%
Grants	\$136,421		\$136,421	\$146,212	107%
All other revenue	\$872,661	\$110,000	\$982,661	\$707,026	72%
Appropriated Fund Balance	<u>\$586,102</u>	<u>(\$150,788)</u>	<u>\$435,314</u>	<u>\$288,922</u>	<u>66%</u>
Total Revenue	\$3,001,390	\$11,912	\$3,013,302	\$2,669,459	89%
	\$0				
<u>Expenditures:</u>					
General & Administrative Department	\$648,721	\$93,933	\$742,654	\$688,279	93%
Public Works Department	\$260,628	\$3,661	\$264,289	\$238,417	90%
Trash	\$317,865		\$317,865	\$317,924	100%
Public Safety Department	\$704,489	\$60,255	\$764,744	\$772,631	101%
Ambulance	\$74,306		\$74,306	\$77,692	105%
Beach Patrol Department	\$251,422	\$21,000	\$272,422	\$270,087	99%
Town Committee	\$29,495		\$29,495	\$21,384	73%
Grants	\$136,421	-\$25,338	\$111,083	\$90,524	81%
Other (Capital)	<u>\$578,043</u>	<u>-\$182,450</u>	<u>\$395,593</u>	<u>\$288,922</u>	<u>73%</u>
Total All Expenses	\$3,001,390	-\$28,938	\$2,972,452	\$2,765,860	93%

Highlights on Revenue

Revenues are tracking to budget.
 There are 4 properties with delinquent property taxes.

Highlights on Expenditures

Expenditures are tracking to budget.

Town of South Bethany FY 2018/19 Budget - Reserves			
As of 5/1/17	Beginning of year reserve balances	FY 2018 Adjustments	Estimated end of year reserve balances
Operational Reserve*	\$588,000	26,175	\$614,175 Required to maintain 3 month of operational reserve
MSA Reserve	\$223,848	(153,996)	\$69,852 Used to complete microsurfacing Phase I
Capital (ARM) Reserve	\$1,135,106	66,600	\$1,201,706 Needed to fully fund ARM
Accrued Liabilities/Separation Bonus	\$54,393		\$54,393
Police Department Donation (Police Reserve)**	\$50,000		\$50,000
Unassigned Reserves	\$133,640	(122,576)	\$11,064 Reduced by Operating Deficit and Operating Reserve
Special Projects***	\$72,074		\$72,074
Accrued Vacation/Sick Leave Balances	\$48,079	(48,079)	\$0 Paid out in FY 18 for approved leave payouts
Restricted by Other Government	\$255,835	(66,600)	\$189,235 Transfer to Operating and Arm
Total Reserves	\$2,560,975	(298,476)	\$2,262,499 Projected Fund Balances as of 4/30/18 - subject to audit review

Councilmember Boteler reviewed the above schedule of reserves to show where the \$96,000 operating deficit is coming from.

Councilmember Boteler stated that the Budget and Finance Committee will work on the reserve balances in more detail at its upcoming meetings.

Council had a discussion regarding Councilmember Boteler's presentation.

DISCUSSION AND POSSIBLE VOTE TO ELIMINATE THE CURRENT TOWN COMMITTEE MEMBERSHIP REQUIREMENT TO BE A SOUTH BETHANY OWNER OR RESIDENT. (FRANK WEISGERBER)

The Town Council and the public participated in a discussion that included pros and cons of allowing non-owners and non-residents of South Bethany to be members of Town of South Bethany committees.

A motion was made by Councilmember Boteler, seconded by Councilmember Callaway, to amend the definition of Citizen in the South Bethany Committee Guidelines as follows (additions are **highlighted**): Citizen – Any person who owns property in the Town of South Bethany or has been a full-time resident for a minimum of six months. Only citizens may serve as **voting** members of any Committee. The voting was as follows:

FOR THE MOTION: Councilmembers Boteler, Saxton, Callaway, Stevenson, and Weisgerber

AGAINST THE MOTION: Mayor Voveris

The motion carried with a 5-1 vote.

The Administrative Assistant will check the Town Charter/Code for the definition of citizen to confirm that there is not a limit within the Charter for the definition of citizen. The Administrative Assistant will advise the Town Council if there is a conflict. *Administrative Assistant's Post Meeting Note: The Administrative Assistant searched and found no definition of citizen in the Town Charter/Code.*

DISCUSSION AND POSSIBLE VOTE TO HAVE ONLY NON-VOTING RIGHTS FOR TOWN COMMITTEE MEMBERS THAT ARE NOT OWNERS OR RESIDENTS OF SOUTH BETHANY. (FRANK WEISGERBER)

A motion was made by Councilmember Weisgerber, seconded by Councilmember Stevenson, to have only non-voting rights for town committee members that are not owners or residents of South Bethany. The motion was unanimously carried.

DISCUSSION ON LONG TERM PLANNING. (TIM SAXTON)

Councilmember Saxton stated that this has been a discussion point that has been going on since 2009. Councilmember Saxton proposed developing a long-term capital plan to prioritize and set aside funding for expensive projects such as road surfacing, canal water quality, and beach access.

Councilmember Saxton pointed out that the Town's 2016 Comprehensive Plan states the following regarding long range planning: "The Town, acting in conjunction with the B&F Committee should assure that life cycle costs are estimated, reviewed and considered and the project/expenditure should provide a complete cost estimate of the asset over the expected life prior to seeking Council approval for such acquisition."

Councilmember Saxton distributed to Council a sample spreadsheet prepared by Planning Commission Member Joe Conway that could be used as a starting point. The sample was titled Major Town Projects Approved/Anticipated in 2016 Comprehensive Plan. The sample contained the following columns: 1) Project, 2) Estimated Cost, 3) \$ Available, 4) Planning Commission Point of Contact, 5) Town Point of Contact, and 6) Plan/Schedule.

Councilmember Saxton recommended that Council talk about this further at a June Town Council meeting and form a small ad hoc committee to work on this project. Councilmember Saxton believes the ad hoc committee would last three to four months to get the initial identification and format together and then turn it over to the Budget and Finance Committee as stated in the Comprehensive Plan. Councilmember Saxton suggested that the ad hoc committee consist of a Chair (either Don Boteler or Tim Saxton), a member from the Planning Commission, a member from the Budget and Finance Committee, the Town Manager, and a community member.

Councilmember Saxton stated that it is important to present it to the public once the prioritization is put together.

DISCUSS DEVELOPMENT OF GUIDELINES FOR USE OF THE DISCRETIONARY FUNDS CATEGORY BY TOWN COUNCIL. WE SHOULD DETERMINE APPROPRIATE APPROVAL OF EXPENSES AND CLARIFICATION OF USES OF THE FUND. (CAROL STEVENSON)

Councilmember Stevenson stated that in the spirit of transparency all expenses should be clearly and openly reported to the Council and perhaps Council should look at the expenses at every workshop. Councilmember Stevenson stated that she wants the citizens to know where the Town is spending their tax dollars and the Town needs to be mindful of how the Town dollars are spent. In that spirit, Councilmember Stevenson had asked the Finance Director to write some guidelines for discretionary fund expenditures. Council had copies of the draft guidelines. After discussion, Mayor Voveris stated that Council will bring this back to a June Town Council meeting. Councilmember Stevenson said she was surprised at some of the things that the discretionary funds were used for, and she thinks it needs to be tightened up.

PUBLIC COMMENT PERIOD

There were no comments from the public.

The Town Manager stated that the Town received a Certificate of Appreciation from the DeLea Founders Insurance Trust (DFIT) Safety Committee to which South Bethany Maintenance Worker Rick Gentile is the Secretary.

The Town Manager noted that on Town Election day the Town Hall kitchen and bathrooms will be closed, but the Police Department lobby bathroom will be open to the public.

ADJOURNMENT

A motion was made by Councilmember Boteler, seconded by Councilmember Callaway, to adjourn the May 24, 2018, Town Council Workshop Meeting at 3:15 p.m. The motion was unanimously carried.

phs:2018 05 24 Workshop Minutes Approved 6 11 18