



The Town of Fenwick Island

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Ad Hoc Financial Meeting Minutes – March 24, 2017

Present: Chair Richard Mais, Julie Lee, Richard Benn, Roy Williams, Mark Tingle, Bernie Merritt, Bill Weistling, Terry Tieman, Pat Schuchman

Discussion:

Richard Mais called the meeting to order at 10:00 a.m. The items for discussion are fees, taxes and license fees.

Richard Benn stated he believes there is a disparity in the commercial gross rental fee of 3% and the residential gross rental fee of 7.5% and believes there is a severe under-reporting of rental fees compared to other Towns. He commented that the state has an 8% accommodation tax but was informed that such a tax only applies to rentals that rent by the day.

Mr. Benn also mentioned that the \$750 fee for a Board of Adjustment hearing is not high enough to cover the cost of a hearing which includes attorney fees.

He believes that the restaurants in Town do not pay a fair share stating that most residents in Town pay higher taxes than the restaurants.

Terry Tieman answered that a tax rate can be structured higher for a restaurant and that a business license class can be set for different types of businesses.

Julie Lee added that she would be in favor of a Town tax for liquor sales in restaurant. Mr. Mais stated there may be a state law prohibiting such a tax. Ms. Tieman agreed and added that HB333 states any new fees must be cleared through the state legislature and would require a Charter amendment. She will research fees and Board of Adjustments fees for other municipalities and what is required to increase taxes and fees for commercial properties.

Bernie Merritt stated that he attended the Business Development Meeting and a very productive Fenwick Island Business Owners meeting held on March 23, 2017 and cautioned that the Town should be sensitive to and not alienate businesses.

Mr. Benn stated there was also a need to increase taxes to cover beach replenishment and dredging canals and reserve accounts needed to be increased.

Bill Weistling commented that the last increase for gross rental tax was 23 to 25 years ago and would support increasing both residential and commercial gross rental tax.

Roy Williams observed that the discussion didn't seem to generate all that much in extra revenue. He suggested an assessment of total square footage of individual properties and set a tax that would be equally distributed based on size. This could then be set aside for needs such as canals or the beach and determine which is most important.

Mark Tingle added that canals being dredged is not feasible saying the state will not consider dredging.

Mr. Mais referred to the \$25,000 requested by the Environmental Committee to fund a study on dredging the canals and stated he is not in favor of funding such a study at this time.

Mr. Tingle further commented that realty transfer funds (RTT) should be placed in a reserve account for beach replenishment to prevent the state of taking it back.

Mr. Benn disagreed, saying the RTT should be placed in a capital improvements reserve because if it is earmarked for a particular need the state will require the money be used before it will grant any money for that project.

Ms. Tieman reminded everyone that public funds must be carefully invested. There should be at the least an emergency reserve, capital infrastructure improvement reserve and a fixed asset reserve.

Mr. Weistling stated that the Municipal Street Aid Fund is in good shape and may be able to fund sidewalks. He suggested considering installing one sidewalk per year which may cost up to \$50,000 each.

It was also discussed that 5% of RTT funds should be reserved for parks with a cap of \$10,000.

Mr. Mais referred to fire service/first responders looking for funding from the surrounding areas. Mr. Weistling suggested this should also be a shared expense similar to the "Big 4" expense sharing for ambulance service. He would like to see this discussed at an ACTS meeting.

Ms. Tieman will schedule a budget meeting with an Ad Hoc Financial meeting to follow.

Richard Benn made a motion to adjourn the meeting, seconded by Julie Lee. Motion passed. Meeting adjourned at 11:05 a.m.