



The Town of Fenwick Island

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BUDGET COMMITTEE MAY 16, 2018 AT 10:30 AM

MINUTES

In Attendance

Gardner Bunting, Richard Benn, Chief Boyden, Vicki Carmean, Dean Gary, Charlie Hastings, Gene Langan, Julie Lee, Richard Mais, Bernie Merritt, Bryan Reed, Terry Tieman, Mark Tingle, Ben Waide, Bill Weistling, Roy Williams

Absent

Scott Mumford

Gene called the meeting to order at 10:30 AM. He thanked Terry, Gardner, and the Finance Committee for their work on the budget.

Approval of Minutes

A motion was made by Vicki, seconded by Richard Benn, to accept the minutes from the May 12, 2017 meeting. The motion passed unanimously.

Discussion

Terry gave her presentation of the proposed budget and capital improvement plan:

- The organizational chart shows the addition of the 2nd Police Corporal. The position was approved by the Town Council.
- Revenue highlights:
 - o Contractor's License Fee is increasing to \$200
 - o New Business License Fee of \$200 added for ATMs
 - o Parking Permit Fees increased and an hourly rate has been added; also, hours have been increased to 10:00 PM
 - o Gross Rental Receipt percentage increase (8% for residential; 3.5% on hotels; 4% on other commercial), effective 11/1/18
 - o An average of \$241,975 is received yearly on Transfer Tax; with the increase last year to \$280,633, Terry has budgeted \$265,000 to be received next fiscal year
 - o Majority of revenue received yearly is from property taxes; the same as this fiscal year, \$718,000, has been budgeted for next fiscal year
 - o Rental Receipts revenue has been slightly increased to \$307,000 for next fiscal year
 - o Solid Waste Fees will remain the same at \$184,000
 - o Building Permit revenue will remain the same at \$210,000

- Expenses:
 - o Majority of the expenses are for public safety (the Police Department)
 - Bill Weistling asked why the Police Pension was increasing. Terry responded that it was due to the actuary study completed by the State and also due to salary increases.
 - o Capital Projects:
 - Bayard Street drainage project, which consists of installing a drainage line from behind Town Hall to W. Bayard Street extended, will be \$25,000, with a \$5,000 grant from the Sussex Conservation District
 - The replacement of mobi mats at 6 streets will cost of \$20,000
 - Bulkhead replacement for the area behind the Bank of Ocean City will cost \$10,200
 - Vicki suggested that the bulkheads be looked at every year to identify areas of replacement. Terry responded that a 5-year plan will be implemented and put in next year's capital plan. The bulkhead project this year is a major replacement, so the \$10,200 budgeted for this year may be less next year.
 - W. Maryland Avenue drainage project, which consists of constructing a new storm sewer, will be \$32,550
 - Street microsurfacing project – the bid for the project is budgeted at \$10,000 and the actual project is budgeted at \$75,000. Both will be paid out of the Dedicated Street Fund.
 - Property re-valuation is budgeted at \$76,000, which has not been done since 1976
 - Terry noted that Maryland requires their properties to be re-valued every 5 years and Delaware does not. She suggested that the Town Council update the Code for re-valuation to be done at least every 10 years.
 - Terry added that eventually property taxes will need to be raised since there have been no increases since 2003. Richard Mais commented that the Finance Committee took into consideration raising taxes, but decided that the re-valuation was fairer.
 - Terry presented the remainder of the items in the Capital Budget. Most of the other items are standard items included yearly for the Police, Public Works, and Lifeguards.

Questions

Mark questioned why dredging was not listed on the capital budget. Gene responded if the dredging project does happen in the next year, the Town Council can amend the budget.

Since the trash rate is increasing 3%, Bill asked why we are not increasing the Waste Collection Fee. Terry responded that raising the fee would not make a huge difference in revenue.

Vicki questioned why the projected tax receipts for 2018 are up by \$10,000. Terry responded that the figure is based on actual received.

In regards to the solid waste pick up, Ben asked after you add the solid waste and recycling charges, you still have \$30,000 and what is this amount contributed to. Terry responded that the \$30,000 are administrative charges and the amount could be made smaller but she would like to see an increase in the tax rate before we do that.

Charlie questioned if there would be a revenue increase this year for the lifeguards guarding the State beach. Terry responded that the contract is up for renewal this year and the rate will be re-negotiated.

Ben asked after the Budget Committee accepts the budget, does the Town Council need to approve. Terry responded yes, that it is done by resolution. The Town Council adopts the resolution, then the budget is approved.

Mark asked when the re-valuation is approved in the budget, when will the re-valuation be completed. Terry responded that first she will do an RFP, then Town Council would need to approve the selected bid. Beforehand, she plans to do PR work this summer to inform residents of the re-valuation. Bill stated that the best PR is to show everyone what each property currently pays. Richard Benn added that the re-valuation was unanimously approved by the Finance Committee. Charlie asked if there would be an appeal process for the re-valuation. Terry responded yes – with the contractor who completes the re-valuation and with the Town.

Charlie is concerned about the parking hours increasing to 10:00 PM and if this change should have been completed in zones instead of changing the hours throughout the whole Town. Richard Benn stated that the Finance Committee thought the change was fair, and eventually a parking permit can be obtained via a phone app. Mark commented that there are limited spaces as is, so the hour change eliminates people just parking on the street.

Ben Waide asked if the Business Development Committee was involved in the increase in parking hours. Mark responded that this change should help businesses, not hurt them. Terry commented that the Finance Committee compared the hours with other local towns and no changes to the parking fees or hours have been made since 2010. She added that there is also a new hourly rate of \$2.50 per hour with a 2-hour limit that will also help businesses. Julie noted that the Finance Committee can revisit the fees and hours next year if any problems are experienced this year. Richard added that any concerns to the parking hours should be addressed with the Town.

Gardner then asked for a motion to accept the budget. The motion was made by Julie, seconded by Ben, to accept the budget. The motion passed unanimously.

Adjournment

The meeting adjourned at 11:37 AM.