

**MAYOR & CITY COUNCIL**  
**February 21, 2019**  
**Budget Workshop**  
**MINUTES**

The Mayor & City Council met on **February 21, 2019 in Council Chambers at Lewes City Hall**, in accordance with proper notification, with the following members present: Mayor Ted Becker, Deputy Mayor Fred Beaufait, Councilpersons Bonnie Osler, Dennis Reardon & Rob Morgan. Also in attendance were: City Manager Ann Marie Townshend, Financial Officer Ellen Lorraine McCabe and Recording Secretary Alice Erickson.

1. **Call to Order:** *Mayor Becker* called the meeting to order at **1:00pm**

2. **Presentation & consideration of the Draft Budget for the FY 2019-2020.**

- **Lewes Fire Department:** *Gordon Davis, Chair, Financial Planning Committee, Lewes Fire Department*, gave a PowerPoint presentation outlining the history of the fire department and its financial status, including EMS and fire services.

The Lewes Fire Department responds to a 54 square mile area. Properties within the county portion are 21,230 with the city of Lewes representing 3,351 properties. The Lewes Fire District is the 5<sup>th</sup> busiest EMS service in the state of Delaware and they believe calls for service will only grow over the next 5 years, with a projection of 7,000 EMS incidents by 2024.

- ✓ In 2016-2018, the Lewes Fire Department responded to 2,310 calls in the city of Lewes, which represents approximately 16% of the total call volume.

The Lewes Fire Department's income and expenses are budgeted at approximately \$2.6 million per year of which approximately 41% of their expenses are for paid EMS personnel. They are estimating a loss of \$200,000 for EMS services.

- ✓ The city of Lewes and BPW donations represent 3% of their income. The current contribution by the city is a total of \$43,000, which is 1.7% of their budget. Responses to the city of Lewes are 16% which represents \$415,000 of the department's budget.

*Mr. Davis* stated as the Lewes area grows, there will be more and more traffic in and around the city, making it increasingly difficult to get outside resources into the city. Also, with the relocation of Beebe's emergency services to Route 24, those ambulances will not be available to respond to the Lewes community. They are projecting that in the future, there will need to be a standalone facility to serve the city of Lewes.

They appreciate all the donations from the city of Lewes. In the short term, they are requesting an increase in the city's donation to the Fire Department. In the long term, they are looking for a revenue source to specifically support fire and EMS services in the city of Lewes. They know this won't happen overnight, but it is a critical part of public safety that needs to be supported by the city.

*Councilperson Osler* stated she appreciated their presentation. She clarified that the fire department is currently on solid financial ground and they are looking for a steady source of income for the future. She questioned how other communities handle this?

*Mr. Davis* explained Sussex County has a building permit enhancement fee which goes directly to the Lewes Fire Department. There are smaller communities that have a public safety impact fee, which be a flat rate collected by the city and paid annually to the fire department.

*Mayor Becker* stated the BPW is a separate entity from the city and they are contributing \$25,000 to the Lewes Fire Department. He encouraged them to give this presentation to the BPW. He requested a breakdown of what private donations are being collected from city of Lewes residents. *Mr. Davis* stated that can be difficult to determine but they will be working on it.

*Councilperson Osler* stated they should also share this with the Lewes Chamber of Commerce for the business community.

*Ms. Townshend* stated a survey could be put out through the City Manager's Association to see what funding mechanisms other local government are using and provide that information to council.

- **Budget changes from prior meeting:** *Ms. McCabe* reviewed changes made from the last budget meeting in draft #3:

General Fund Expenditures total:	-\$ 167,115 <b>decrease</b>
Prior year reserve balance after changes:	\$ 70,825 required to balance the budget

General Capital Projects Fund Expenditures total:	+\$ 109,000 <b>increase</b>
Prior year reserve balance after changes:	\$ 110,300

- **Police Department, Parking Enforcement & Lifeguards:** Chief of Police Tom Spell and Lt. James Azato were present. Chief Spell reviewed the proposed budget as follows:

- ✓ **Parking Enforcement:** \$128,850 total proposed budget, **increase** 15.48%

*Prof Serv Software Supp:* \$25,505, new expense related to the parking meters back office software

- ✓ **Life Guards:** \$76,050 total proposed budget, **decrease** -1.62%

- ✓ **Police Department:** \$1,140,405.80 total budget, **decrease** -1.02%.

*Maint K-9:* There was discussion regarding care for the police department's dog. Funding will be depleted in the FY 2020 budget year and then it will become a city expense.

*Consulting/Prof Serv:* \$3,000 includes the new health and wellness program for the police department.

*Vehicles:* \$10,000, reduced 50%. *Chief Spell* distributed and reviewed information on the status of the police fleet, including age of vehicles and updated mileage. There are two vehicles that are approaching 80,000 miles and foresees an increase in maintenance on these vehicles.

*Councilperson Morgan* questioned if they could continue with the current fleet, and not purchase a new high-speed pursuit vehicle this year. These vehicles cost much more than a regular vehicle and questioned if our police department really needs it. There are alternative vehicles that would cost less.

*Chief Spell* stated he feels a police rated vehicle is essential for our police officers.

*Councilperson Morgan* would like to have a more in-depth discussion about what kind of vehicles the Lewes Police Department requires. Given the type of environment in Lewes, he doesn't believe they require this level of a vehicle.

*Deputy Mayor Beaufait* disagreed. If an older vehicle stops running and a police officer needs the power, it is a problem. Council relies on the police chief to determine what is needed. He doesn't want to go with a lesser vehicle unless the chief feels it is appropriate.

There was discussion about the status of the police vehicles and if there was any way to extend the life of the current fleet. *Chief Spell* will review the fleet to determine how it could be extended and return to council.

*Ms. Townshend* distributed a list of potential revenues to include **fine increases**. They looked at other beach towns that have metered parking and their fines are \$30 in all categories. She reviewed information on estimated revenue based on an increased fine to \$30. The additional revenue, based on current data, would be \$64,520.

They also proposed to increase the 72 hour overdue time period to 7 days. At 7 days the fine would go to \$50- and 30-days overdue fines would go to \$75. Based on current data the additional revenue would total \$133,078.

*Councilperson Morgan* stated he doesn't feel 7 days is enough. *Councilperson Osler* stated it is in line with other towns. *Mayor Becker* agreed 7 days is reasonable. *Ms. McCabe* stated the last time there was an increase in the meter fines was in 2009. *Ms. Townshend* stated this change will require a Code amendment.

*Ms. Townshend* stated at council's strategic planning retreat there was discussion about adding the capability for **audio-streaming to the city's website**. They are currently transitioning to iCompass, which is a system for agendas and minutes. They have a module for audio-streaming which usually costs \$2,500 and they have a special this month for \$2,000. Council will need to determine what meetings will be streamed and they will need to develop a clear policy on the use. *Mayor Becker* stated city council would be a good place to start and then they can determine which commissions would be included.

*Councilperson Morgan* asked about **merit increases**. *Ms. Townshend* explained they are working on developing a better evaluation form and once job descriptions are updated, they will be in a better position to look at a merit increase system. It will not happen in this budget cycle.

*Deputy Mayor Beaufait* stated he is concerned about the **hydrologist**. Fisher's Cove development will be changing the topography of the land and could cause problems for the residents on Rodney and Harborview. He feels the developer should be paying for this expense and be able to justify to the planning commission there is or is not a problem. They will also be paying for a study on the Canary Creek drainage area. He doesn't know what the scope of that study will be, what they are looking for, what they want to evaluate, what they will get and how they will use it when they get it. He is not questioning if a study is appropriate, he is questioning what it is they are looking for and what they will do with the results. Most of the area included in the study is in Sussex County. Why should the city be paying for a study for the county? He feels the county should be paying not the city. He is worried it will be a report that is put on the shelf and not used. They need to question what they are purchasing and be very careful with our expectations.

*Councilperson Morgan* questioned if it would make sense to ask the Fisher's Cove developer to pay for the study when it will cover more than that development. *Deputy Mayor Beaufait* stated they could separate out the expense for just that study. *Mr. Morgan* questioned if council has the authority to do this? *Councilperson Reardon* stated Chapter 170 gives the city the authority to hire any expertise required and to bill applicant.

*Councilperson Osler* agreed that if the developer is going to potentially cause an issue, they need to demonstrate that their proposal is sensible, but she doesn't want to rely on the developer's consultant. She would support the developer paying for the city's hydrologist. On the overall issue of what they will be looking at whether the land is in the city or the county, the drainage is going to end up in the city. There is a critical need to understand the dynamics of the Canary Creek basin. What they will do with the information will depend on what the study tells them, but until they have the information, they cannot make that determination.

*Mayor Becker* stated the scope has been defined and *Ms. Townshend* will send out the information. He feels they need to ask the county to make a contribution towards this study as they will benefit too.

*Ms. Osler* stated at the end of the day, the Great Marsh is in Lewes but water running off of developed land will flow into the Great Marsh and most of those developments will be in the county. *Mayor Becker* agreed, everything upstream from the Great Marsh would be included and most of it is in the county. *Ms. Townshend* stated there may be information obtained that they can use as a basis for grant applications regarding mitigation measures.

*Councilperson Reardon* stated the developer's consultant will be looking at different things than the city's consultant will. Our scope will go beyond it and they don't want to rely of the developer's report, we want the total picture.

*Ms. Townshend* explained how the study could be used. The city will end up with code changes from this study. It will give them something to tell the public because the public is very concerned.

*Mayor Becker* stated it will also help them in communicating with the county should the city not be successful with the annexation property within the area.

**3. Adjourn:** The meeting adjourned at **3:36pm**

Minutes submitted by,

Alice Erickson  
Recording Secretary

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