

MAYOR & CITY COUNCIL
March 4, 2019
Budget Workshop
MINUTES

The Mayor & City Council met on **March 4, 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. Also in attendance were: City Manager Ann Marie Townshend, Financial Officer Ellen Lorraine McCabe and Recording Secretary Alice Erickson. Rob Morgan was not present.

1. CALL TO ORDER: *Mayor Becker* called the meeting to order at **1:30pm**

2. PRESENTATION & CONSIDERATION OF THE DRAFT BUDGET FOR THE FY 2019-2020.

Lewes in Bloom: *Marylyn Vai, 4 Seashell Place*, presented their budget request for the FY2020 plantings in the city of Lewes. The city has been paying LIB \$10,000 per year and they are requesting an increase to \$12,000. Several commissioners on Parks & Recreation requested an increase to \$15,000.

Warren Golde, Parks & Recreation Commission and Lewes in Bloom (LIB), explained LIB is required to submit an expense sheet to parks & rec each year and in 2018 it was \$15,191. Locations included are privately owned properties and a couple of city properties. The watering on Second Street is reflected in the parks & rec budget.

Parks & Recreation Commission: *Alison Kirk, Chairperson, Parks & Recreation Commission*, presented their proposed FY2020 budget. *Ms. Kirk* did an overview of activities during the FY2019 budget year. They are expecting to receive grants from DDOA and from WSFS towards the 2019 summer concert series and a matching grant for planting trees on W. Fourth Street.

Capital budget items include: repaving tennis courts grant match \$35,000, Canalfront Park irrigation system \$20,300, Second Street bump-out removal of existing plantings and replanting with self-watering containers & mulching estimate \$17,750, and Zwaanendael Park installation of 6 large flower planters on brick pads \$4,300.

Ms. McCabe explained the \$35,000 for the tennis courts is already in the General Capital budget. A portion of the \$36,500 for the playground equipment will be spent in FY2019. *Ms. Kirk* stated it could be lowered by \$26,000, therefore they will only require \$10,000 in FY2020.

There was discussion about the 1812 parking lot planting bed against Front Street. The initial planting and mulching are in the BPW project, but maintenance will need to be budgeted by the city. *Ms. Kirk* will get an estimate for maintenance and bring it back to council.

Marina: The budget includes mostly maintenance to Net House and the marina's docks.

Parks & Marina Administration: No significant changes.

Councilperson Reardon brought up the subject of designating three (3) 15-minute parking spaces at the Beach 1 parking lot. These spaces would be for use of the restrooms and for loading and unloading passengers. *Ms. Osler* suggested starting with one space to determine how much it is used. There was discussion about use and enforcement. It would be important for it to be located close to the rest room. *Mayor Becker* suggested locating it near the designated passage from the beach to the restrooms.

Councilperson Reardon stated the Beach District Parking Review Committee made a recommendation to have a survey done of the streets between Cedar and Bay Avenue to determine the right of way lines. The cost would be approximately \$15,000. There was discussion if any of these streets were surveyed during the renovations to Bay Avenue. *Ms. Townshend* explained they surveyed a portion of the street closer to Bay Avenue but not the entirety. *Mr. Reardon* believes something was done subsequent to the rehabilitation of Bay Avenue. *Mayor Becker* stated he believes it was done on the emergency access streets. *Mr. Beaufait* stated if there were no permanent markers installed, they will still have the problem of determining the right of way. *Ms. Townshend* will check with the city engineer and return to council.

Ms. McCabe reviewed **changes to the budget (draft 5) from the last budget meeting.**

General Fund:

Increase in revenues:	\$ 20,000	Increase based on BPW budget
Increase in expenditures:	\$ 20,000	

Prior Reserve Balance in last draft: \$ 0

Prior Year Reserves balance after changes: \$ 0

1 & ½ % Transfer Tax Fund:

Increase in revenues:	\$1,300,000	Tennessee Avenue proceeds
Increase in expenditures:	\$1,308,475	Cost to improve Tennessee Avenue & proceeds from sale

Prior Year Reserves balance in last draft: -\$ 8,475

Prior Year Reserves balance after changes: \$ 0

General Capital Projects Fund:

Increase in revenues:	\$ 16,686	Reimburse for Tennessee Ave Rehab
Increase in expenditures:	\$ 63,600	includes TN Ave gas install & Beach 2 restroom balance

Prior Year Reserves balance in last draft: \$123,800

Prior Year Reserves balance after changes: \$170,715

Ms. McCabe explained that as of the end of January there was \$789,118.71, in cash and investments. She anticipates revenues and dividends for February and March and a reimbursement from the General Fund. There will also be a number of expenses they are anticipating coming out of this fund. She estimates they will have \$666,749 in this account as of the end of FY2019. Out of this balance they will have to pull the \$170,715 to balance the General Capital Project Fund, drawing out of the cash reserves first. At this time, they will not pull funds out of the prior year reserves for the operating budget.

There was discussion about **1½% Transfer Tax Capital projects**, as follows:

- Phase 23 Street Improvements: \$179,000
- Beach 1 parking lot: \$185,000 (\$70K MSA for total cost of \$255K)
- Savannah Road construction in fall 2019: \$120,000
- Overlook end of American Legion Road: \$ 25,000 (DNREC grant match)

There was discussion about the Overlook. Ms. Townshend stated DNREC has suggested the city modify the grant so we can get additional funding, but it would still be a matching grant. Ms. Osler firmly stated further discussion is needed before they move forward. Mr. Beaufait agreed. He feels it is a waste of funds and needs to be as simple as possible. Ms. Townshend has requested the city engineer look at the project and determine what would be structurally needed.

There was discussion about the swing bridge and the need to determine what the city's position will be.

Finance Department: Ms. McCabe reviewed the Finance Department budget, as follows:

- Financial payroll: increased 13%
- Increase prof services audit: increased 40%, they will be doing an RFP for auditing services and based on what is received this may need to be increased even more
- Conference/seminar/travel: increased 16.67%
- Dues/subscriptions: increased 100%

Operating Budget: Ms. McCabe & Ms. Townshend reviewed highlights of the Operating Budget as follows:

- Financial bank charges: increased 56.25%, regarding meter fees to the city

There was discussion about tacking on a service fee for credit card use. There is a higher fee for credit card use at the parking meters. Ms. McCabe will look into the accessing of a convenience fee for credit cards used at the parking meters.

- Auto insurance: increased 15.63%
- Building Maintenance: increased 15.87%
- Professional Service engineering: increased 22.40%
- Website/Internet: **decreased: 41.18%**
- Advertising General: **decreased: 50%**
- Prof Serv Software Supp: increased: 30.36%
- Motor Fuel Gas: increased: 16.67%
- Motor Fuel Diesel: **decreased: 37.50%**
- Debt Service Principal and Interest: **decreased: 100%** (moved to capital funds)

Total Operating Budget: **decrease 45.04%**

3. EXECUTIVE SESSION: Council went into Executive Session at **3:25pm**

4. ACTION ON MATTERS DISCUSSION IN EXECUTIVE SESSION to discussion personnel related items.

Council return to open session at:

5. ADJOURN: The meeting adjourned at

Minutes submitted by,

Alice Erickson
Recording Secretary