

**FINANCE COMMITTEE**  
**August 6, 2018**  
**MINUTES**

The Finance Committee met on **August 6, 2018 at 10:00am** in Council Chambers in city hall with the following members present: Councilperson Bonnie Osler, Councilperson Fred Beaufait, Ken Casazza, Carol Disabatino, Mary Lou Wellbrock-Reeves. Also, in attendance were City Manager Ann Marie Townshend, Assistant City Manager Ellen Lorraine McCabe, Building Official Henry Baynum and Recording Secretary Alice Erickson.

- 1. Call to Order & Comments:** *Councilperson Osler* called the meeting to order at **10:00am** and introduced new committee member Mary Lou Wellbrock-Reeves. *Ms. Wellbrock-Reeves* gave a brief overview of her background as a financial planner and is currently a full-time resident of Lewes living in the Cape Shores community. She served on the city council in Rockaway, NJ for eight years.

*Ms. Osler* also welcomed Ellen Lorraine McCabe, who was recently been promoted to Assistant City Manager.

- 2. Review and approval of minutes.** *Councilperson Beaufait* made a motion to approve the minutes of the April 23, 2018 meeting as presented, seconded by *Mr. Casazza*, all voting in favor, motion carried.

- 3. Review of City investments.**

*Chairperson Osler* distributed a report regarding the city's investments with UBS. The benchmark for the city has been 3% and we are well above that.

*Ms. McCabe* distribute and reviewed a monthly summary on the city's investments with UBS. As of June 30, 2018, the city's total investments are \$4,664,244.77.

*Ms. Osler* explained the auditors have consistently stated the city should have 3-6 months of operating funds available. The city currently has approximately 4 months in reserves.

- 4. Review and discussion of current financial statements.**

*Ms. McCabe* distributed and reviewed the financial report as of June 30, 2018. The city is currently at 25% of budget.

*Ms. Osler* questioned the status of the new software for the city appraiser. *Ms. McCabe* stated they are hoping to have it in by the end of the current fiscal year. She was informed by the company that it would be at least one year before they could start the transition.

*Mr. Beaufait* brought up the question if it was time to have an independent audit of the city's finances. *Ms. Osler* agreed this is a good point. *Ms. Townshend* will look into it.

- 5. Update and discussion of capital projects.**

*Ms. Townshend* distributed and reviewed the capital projects agenda, listing past, current and future capital projects as follows:

**Architectural Projects:**

- **Beach 1 restroom:** 99% complete,
- **City Hall space planning:** Still looking into the options
- **Beach 2 restroom:** To be determined
- **Street Department breakroom:** Currently breakroom is very bad, and they need a decent breakroom to include working showers and a meeting area

### **Street Projects:**

- **Beach 2 parking lot:** Dealing with an issue with the state and hope to have it closed out soon. \$35,000 was received from Senator Lopez
- **Tennessee Avenue paving:** BPW in process of installing water and sewer and then paving so the city can sell three lots. It should be done in September.
- **Fourth Street crack seal & patching:** They will be crack sealing and patching in an effort to extend the life of Fourth Street from New Road to Park Street. The cost will be approximately \$50,000 and will be funded by Rep. Smyk's Community Transportation Funds.
- **Phase 23 street projects:** GMB is working on the bid documents, which includes repaving of Dewey & Beebe Avenues, Mill & Overlay of Beach 1 parking lot, including upgrading of accessibility to the restrooms.

**Other Items:** The following need to go to the Capital Projects Committee for consideration: Devries Circle Alley & Grease Alley, sidewalk replacements, parking meter replacement, solar panel on city buildings, replacement of trash truck, street inventory, development of Asset Management Program and Capital Improvement Program and repaving Milton Ave, Ocean View Blvd and Shipcarpenter Square.

## **6. Update and discussion of grants and grant applications.**

*Ms. Townshend* stated Alison Kirk has been working with the Parks & Recreation Commission holding workshops about what the residents want regarding the children's playground in George HP Smith Park. There are grant funds, city funds and private donations involved in this project.

There is a grant for the overlook to be located along Savannah Road but are waiting to see where the Savannah Road Bike Improvement project is going before moving forward.

Ms. Kirk has applied for a grant to reconstruct the tennis courts. They have been resurfaced but the problem has become structural and there needs to be a complete rehabilitation. GMB will be doing borings to determine the condition of the subsurface.

## **7. Staff report on anticipated FY20 major capital and other expenditures.**

*Ms. Townshend* explained Coleman Avenue and E. Fourth Street will be the next big street projects in the FY20 budget. There will be challenges to the Coleman Avenue project because the right of way is very narrow and two houses do not have off-street parking and they need to determine how to accommodate them.

Pilottown Village will be approximately \$1 million. *Ms. Osler* stated there has been discussion about delaying the Oceanview part until after the Mariner's Retreat construction is completed.

*Ms. Townshend* stated there has been discussion with Matt Carter about Gills Neck Road and creating a safer way to get bicycles and pedestrian from the trail to Savannah Road. This area is very constrained by a narrow right of way and will be a challenge. They need to have a discussion with the property owners along Gills Neck Road. She believes that starting the end of 2018, DNREC will be paving a path along the rail bed from the canal to Cape Henlopen State Park and it is likely bicycle and pedestrian traffic will increase.

## **8. Discussion of Development of Asset Management Program and Capital Improvement Program**

*Ms. McCabe* explained the proposed program. The city has several buildings and don't know where they stand regarding maintenance, such as needing to have a roof repaired or replaced, that would impact the budgeting process. They want an assessment done on city buildings to set up a maintenance schedule. GMB has someone that can do this assessment. They feel this is an essential part of creating a capital improvement program and identify needs, so they can develop a 5-year capital plan.

*Ms. Townshend* stated they would like to contract with GMB to do the facilities assessment in the next budget year.

*Ms. Osler* clarified the idea of getting an updated inventory list of the city's major assets and creating depreciation accounts for these assets was a recommendation made by the financial working group which was accepted by council.

*Mr. Beaufait* stated he is getting concerned that they automatically go to GMB for these types of services and questioned if they should put it out to for an RFP. He'd like to see what someone else might recommend.

*Ms. Townshend* stated GMB has been the city's engineer for 25-30 years and she is not sure this project would be large enough to do an RFP.

*Ms. Osler* stated there has been some conversation on whether there should be a regular cycle of RFPs for professional services. *Ms. Townshend* thinks that would be a valid discussion. They need to determine guidelines on what the cycle should be to re-evaluate services.

*Ms. Wellbrook-Reeves* questioned if there are any guidelines on when something has to go out to bid. *Ms. Townshend* explained there aren't any guidelines for professional services.

**9. Public comments.** There were no public comments.

**10. Consideration of future agenda items.** There were none.

**11. Scheduling of next meeting.** The next meeting was scheduled on **October 5, 2018 at 10:00am**

**12. Adjourned:** The meeting adjourned at **11:04am**

Minutes submitted by

Alice Erickson  
Recording Secretary