

**Budget and Finance Committee
Meeting Minutes
February 20, 2009**

The Bethany Beach Budget and Finance Committee held a meeting on Friday, February 20, 2009 in the Town Meeting Room.

Members Present: Jack Gordon, Chairman, who presided; Don Doyle, Jerry Dorfman, Joe Healy, Phil Rossi and Stan Berkman.

Absent: Denise Boswell

Call to Order

Mr. Gordon called the meeting to order at 2:00 pm.

Approval of the Agenda

Mr. Dorfman made a motion to approve the agenda. The motion was seconded by Mr. Rossi and unanimously approved.

Approval of the Minutes from the January 16, 2009 meeting

Mr. Doyle made a motion to approve the minutes. Mr. Healy seconded the motion and it was unanimously approved.

Old Business

Mr. Gordon announced the Budget is primarily the same as previously discussed. Ms. Connery reviewed the tax and fee adjustments including; a half cent increase in property tax, a \$25 dollar decrease in residential trash fee, the sinking fund fee decrease from 1.70 to 1.07, the parking meter rate increase from \$1.25 to \$1.50, the daily/weekly parking permit increased of about the same percentage as the meter increase, and the shuttle permit fee change. She noted that parking and rental tax revenue were adjusted for an expected 5% decline in summer visitors due to the economy. Some additional information discussed was the sanitation fund analysis Ms. Connery emailed to committee members last week.

Mr. Gordon said a property owner had asked him why the Town doesn't reduce the trash fee for commercial as well as residential. The committee briefly considered this question before deciding to leave the commercial rate unchanged since the proposed reduction in number of trash pickups will only affect residential properties and because the commercial rate is already very low for the service performed.

Mr. Doyle questioned if the recycling program was in any danger. Mr. Dorfman stated not at this time, however, once the contract has expired, a rate increase is expected. Mr. Gravier added he thinks the Governor supports the recycling program but the rates will probably increase.

Mr. Healy questioned if the ambulance service should be included in the town's budget. The ambulance fee is not actual income to the Town since we are collecting the fee on

behalf of the volunteer fire company. Audience member Tracy Mulligan felt it was a contractual liability to the Town, and therefore should be in the budget. Mr. Gravier recommended treating the ambulance and recycling in the same manner since they are both fees we collect and pass on in full.

A motion was made by Mr. Gordon to keep the ambulance service costs and the recycling costs in the budget. The vote was 2 in favor (Mr. Berkman and Mr. Healy) and 4 opposed (Mr. Gordon, Mr. Dorfman, Mr. Doyle and Mr. Rossi). Ambulance and recycling will not be included in the Town's budget document.

Moving on to the operating side, not much was changed in the draft budget since the last meeting. A few estimates were revised. The Public Works Department is down two positions, making the total number of full time employees 32. The general fund and water fund budgets are no change from the total current fiscal year budgets. The sanitation department fiscal year 2010 budget is a decrease of \$41,000 from the current year due to the cutting of positions as related to the fewer trash pick ups in the winter and decrease in fees. Costs in many areas are expected to increase 3% so the budget had to be trimmed back to compensate. No changes were made to the capitol and debt budget from the last meeting.

Ms. Connery stated several police grants were removed from the budget for now because the State has indicated that they may not be funded. If one is awarded to the Town, the budget will be amended at that time.

Ms. Connery noted that this budget includes the creation of a Reserve for Water Tower of \$500,000.

Mr. Healy asked if any additional charges would be added by the State for Pensions. Ms. Connery stated we budgeted the rates previously proposed by the State. If they revise those rates, it won't be known until June 30th. A supplement can be added if a change is needed. In addition, an increase has already been budgeted for the rise in health insurance costs.

Ms. Connery mentioned the intention of putting the draft budget and the budget briefing information on the website for public viewing.

New Business

Mr. Doyle noted during a recession, variable income is what will be affected. So even a small the increase to the Town's main piece of fixed income, property tax, is a very positive thing.

Ms. Connery mentioned one thing inevitable is that costs will rise, continuing to hold the budget at a 0 to slight increase as we have without cutting services would be unlikely.

Mr. Gordon added that the Town is not in bad financial shape. As of right now, there will be no more employee cuts or furloughs.

Mr. Gordon also mentioned the email submitted by Mr. Walsh. Ms. Connery handled his concerns with a response letter explaining, among other things, why the current year 2009 budget comes in over in revenue and under in costs. The Blue Surf's building permits being one example.

In closing, Mr. Gordon reiterated the one small change Ms. Connery will make that removes the \$20,000 in recycling from the Budget.

A motion was made to adjourn the meeting at 3:20 pm.