

**MINUTES
FY-17 BUDGET WORKSHOP
APRIL 28, 2016 -10:00 A.M.
TOWN HALL**

I. CALL TO ORDER

The meeting was called to order at 10:00 A.M. by President Pat Correll. Present: Commissioners Sharon McDowell, Tim Banks, Lawrence Tassone and Town Manager Jesse Savage. (Commissioner Carson arrived at 10:30 A.M.)

II. QUORUM PRESENT

President Correll reported a quorum was present to discuss the FY-2017 Budget. No questions will be taken from the floor during this meeting, as a Public Hearing has not been scheduled.

III. REVIEW OF FY-16 BUDGET

Town Manager Savage advised this is the first workshop of at least two concerning the FY-17 Budget. No rate increases are proposed; therefore, when approved, the budget will be passed with a simple Resolution. A 2.7% increase in income and expenses is expected; which is minimal. There are Human Resource issues, including a new employee in Public Works and the loss of a Police officer.

Administration Department

- 3001 Building Permits – expected to be flat, budgeting conservatively for 45 at Heritage Shores.
- 3005 Property Taxes – Verizon has re-assessed its Bridgeville inventory (property, poles, lines, etc.) and forwarded it to the Town and Sussex County. The self-assessed figure has decreased by \$2.2 million (a \$60,000 loss in property taxes). The company re-assessed approximately ten years ago with similar results. Town Manager Savage believes the company has moved assets from the Town to the county to save tax liability. President Correll believes this is the 3rd time during her tenure that Verizon has pursued re-assessment for their benefit. (A graph on assessments is attached.)
- 3008 Transfer Tax – \$183,400 is needed to balance this budget. \$300,000+ has been collected in the FY-16 budget year. The FY-16 budget used \$27,250 of transfer taxes. The Commission has previously expressed a commitment to use transfer tax to pay off debt.
- 4010 Health & Ancillary Insurance – corrected to \$24,000. Bridgeville participates in the State insurance program. Premiums will increase \$100/mo. per employee. The Town previously agreed to cap insurance at \$800/mo. and informed employees at that time. Employees will pay an additional \$40 per month to maintain the current PPO plan; the Town offers a less expensive HMO plan, to be paid in full by the Town. Currently, the Town pays \$163,000 per year in insurance for 17 fulltime employees.
- 4105 Economic Development (ED) – The Economic Development Committee (EDC) requested a budget of \$25,000. Additional improvement grants and new street signage/billboards were discussed. Some residents have been vocal about their dislike of the new signs and flags. Proposed literature (rack cards), license plates and conference attendance were considered. Concerning ED Conference attendance, Public Works employees are not allowed to attend conferences due to the expense. If we send EDC members, we need to consider our Public Works employees, as well.
- President Correll expressed concern about our downtown area, which is a mixed group of businesses and homes. She doesn't believe there is a lot to work with.
- Commissioner Tassone believes we have received good ED advice. With incentive and time we can improve our appearance; i.e., turn a house for sale into business property. We must have a plan.

- Town Manager Savage advised the Vision Plan showed a way to do it. Use the \$10,000 to implement the Plan; when there is unused money later in the budget year, offer matching grants again.
- Mrs. Skala desires to investigate UD's MPA program. Students may be able to conduct a cost estimate study at no cost. She added there is a Strategic Plan being prepared for Commission review.
- Each year use of transfer tax grows; which is money the Commission determines not to spend. Previous budgets capped the tax at \$100,000; FY-16 budget – \$27,000 used; FY-17 budget – \$225,000 to be used. Per Town Manager Savage, a current legislative bill may require Towns to lose ½ of their transfer tax. The state budget condition will determine if Towns receive transfer tax.
- Per Commissioner Tassone, we should research what ED money is available through HUD/USDA. DEDO is paid by the state to give us information; where are the grants? What are other Towns doing? Mrs. Skala should check funding sources while at the ED conference.
- FY-16 ED budget – \$14,000; FY-17 budget – \$20,000 with ED determining usage; this brings transfer tax needed in the budget to \$225,000.
- 4111 Equipment – new copier, Town Hall The Town participates in State contracts for various purchases (including vehicles, copiers, copy paper, road salt, etc.)
- 4120 Insurance – approx. 5% increase in Worker's Comp. & property/casualty possible
- 4135 Maintenance, etc. – landscaping planned at Town Hall
- 4165 Tax Ditch – Per Commissioner Tassone, the tax ditch around Heritage Shores is poorly cared for
- 4180 Salary – CPI=.7% A 2% step increase is built-in, to be approved at 2nd workshop.
- 4225 Utilities – telephone new system upgrade completed

Police Department

Acting Police Chief Parker recommends replacing two patrolmen for a staff of 7. The Department will advertise for certified officers (full-time and part-time possible). The Academy for new officers starts in October. Mr. Parker does not believe the department needs a second officer in Administration.

- 3017 Miscellaneous Fees – high due to contract buy-outs by 2 Bridgeville officers
- 3031 Police Pension Fund – decrease due to fewer employees
- 3033 SRO program in school district (3 hrs. per day in schools) Officers working off-duty/overtime
- 4001 Advertising Expense for new officers
- 4010 Insurance for new patrolmen
- 4180 Salary Expense – Administrative Assistant will work two days per week. Acting Chief Parker will have day-time hours to accommodate office walk-ins.
- 4195C K-9 Supplies – paid with donations
- 4215 Uniform Expense – officers to return to dry-cleaning uniforms

Commissioner Tassone questioned the 2011 Energy Project results; Town Manager Savage advised the kilowatt usage was tracked; however, it varied to the extent that energy-savings couldn't be determined

Street Department

- 3030 Grant Funds – Anticipating same allocations. No new Heritage Shores streets will negatively impact grant monies. (same mileage, number of streets, population)
- Curb painting – President Correll requested curbs be painted before the Apple Scapple Festival. ROTC source for help? Rick Passwaters is expected to return to light duty soon, with a lifting restriction.

- 4170 Repairs – 2 catch basins must be replaced on Market St.
- 4190 Snow Removal – used half of the stored salt in winter 2015-16
- 4205 Tree Planting/Removal – Removing at least 1 tree/year from median strip to protect sidewalks
- The Town is considering contracting-out street sweeping services and selling our street sweeper. A smaller truck would alleviate the height problems at Heritage Shores
- President Correll questioned need/use of Humvee vehicle. \$150 yearly insurance cost. Acting Police Chief Parker would like to replace it, if a good deal comes along

Wastewater Department

- 3045 Water/Sewer Inspection Fees – anticipate 45 new homes at Heritage Shores
- 3050 Sewer Usage Fees –\$590,000 is a conservative number
- 3065 Greenwood at 27% of wastewater usage; billing is quarterly
Vanderwende's Ice Cream Shop to hook-up to Greenwood wastewater
- 4030 Debt Service remains the same
- 4111 Equipment–Purchase/Rental – Suggest purchase of a lateral jetter, due to issues with older homes' plugged lines/wastewater back-ups. Would pay for itself. (\$25 charge) Would alleviate need for a \$300 plumber charge to determine if it is the Town's or homeowner's problem.
- 4125 Maintenance Agreements – Will continue the Wheatley property lease
- 4130 Legal & Auditing – a one-time 12K settlement. Must maintain compliance schedule toward a new plant. RBC–B4 is not currently working; Town is working toward a solution
- 4136 Maintenance-Collector System – camera purchase for line jetting
- Additional excessive-aged pipes were questioned. Town Engineer DBF, Inc. has completed a street survey. Town Manager Savage will review street conditions. There are likely other aged pipes that need replacement. (The Walnut St. pipes were under-sized and there were asbestos issues, as well.) Other streets are not in the same condition as Walnut St.
- 4180 Salary expense – New employee Scott Walls' salary is split between Water and Wastewater. He is working on state licensure.
- 4220 Utilities, Electric – Spray Farm increase in demand and placed in higher cost category
- Suggestion: Add solar panels to sell electricity back to the grid – possibility of grants

Water Department

- 3070 Water Usage Fees – decrease; faulty meters have been replaced
- 4030 Debt Service – change from paying interest to paying debt service on the newest loan
- 4148 Postage – Can the Town bill electronically to avoid postage? The issue is making sure the residents receive an electronic bill. Town Manager Savage is not aware of any Towns that currently bill electronically. He believes it might be possible if residents signed up for that method. He will look into the process for those interested. The Town is already pursuing paying water/sewer bills on-line.
- 4225 Utilities – Telephone expenses down due to SCADA alarm system in place.

Commissioner Tassone questioned if new hire Scott Walls will need budget money to upgrade his certificate. Per Town Manager Savage, he is working on his licenses, but the costs have already been incurred. Future training should be free.

A second Workshop will be scheduled in 2 weeks to introduce a Resolution, finalize the pay scale and have a first discussion on the capital budget. Per Town Code, the operating budget must be presented by the first Tuesday in June.

Budget Insertions/Changes:

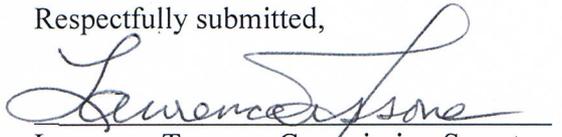
Admin/Expense/#4105 – \$20,000 placed in the Economic Development Budget, which increases Transfer Tax Income – Admin/Income/#3008 to \$225,000

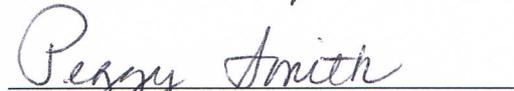
Admin/Expense/#4010 – changed from \$2,400 to \$24,000

IV. ADJOURNMENT

Motion to adjourn – Tassone; 2nd – Carson; motion carried. The meeting was adjourned at 11:45 A.M.

Respectfully submitted,


Lawrence Tassone, Commission Secretary


Peggy Smith, Transcriptionist