

TOWN OF OCEAN VIEW
TOWN COUNCIL BUDGET WORKSHOP
TOWN HALL, 32 WEST AVENUE, OCEAN VIEW, DE 19970
January 28, 2020 @ 6:00PM

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Pro-Tem Tom Maly called the meeting to order with the Pledge of Allegiance. Council Members Bruce White, Bert Reynolds and Frank Twardzik were present. Town Manager Houck, Finance Director Parks, Planning, Zoning and Development Director Cimino, Police Chief Ken McLaughlin were also present. Mayor Curran and Town Clerk Donna Schwartz were not present.

2. ADOPTION of AGENDA

A motion was made by Council Member Twardzik, seconded by Council Member Reynolds, to approve the agenda as presented. The motion carried unanimously 4/0.

3. NEW BUSINESS

A. Summary of Discussion of FY21 Budget

Town Manager Carol Houck thanked Town Council, Staff, and Department Heads for their assistance with drafting the FY21 budget. She said this was the first draft and they were in the process of fine tuning it. The Fee Schedule Resolution should be ready for approval at the March meeting.

Mrs. Houck outlined some of the highlights of the FY21 budget saying she doesn't anticipate a tax increase for FY21, however she said she has made some future recommendations. She stated that the police department would get an across the board 5.1% increase, plus a 2.4% COLA increase plus a .9% merit raise. Other notable changes in position and/or salary include the Administrative Officer, Captain First Class, a Planner @ 7% increase, Administrative Assistant @11% increase, and Public Works Manager @ 11% increase. The balance of the staff will receive 2.4% COLA and .9% merit. Mrs. Houck also stated that there would be four new positions created, one full-time and three part-time.

Mrs. Houck said some of the Capital Budget Highlights included a holiday tree and ornaments, new decorations in the train area of the park, the cost of repairing the Administration building and funds to support some inclusive playground equipment.

Mrs. Houck said some of the Public Works equipment would be sold and we would maintain enough equipment to cover our needs in Town. Council Member asked if the maintenance building could be repurposed. Mrs. Houck agreed this could be done.

Council Member Twardzik asked about fines for overnight sleeping. Chief McLaughlin replied that the ordinance was not created to combat homelessness but for college kids visiting the beach. They were using the park and sleeping in vehicles. Along with a fine, you have to show up at court, which would be more costly.

Council Member Reynolds questioned the feral cat issue that was brought up at the January meeting and asked what could be done. Chief McLaughlin replied that it is a sticky issue because the State of Delaware considers cats free-range animals, meaning they do not have to be kept on a leash. Mr. Schrader stated he was in the process of drafting an ordinance about cats and feeding them. Mrs. Houck said the Town can join a program that the City of Rehoboth uses called Forgotten Cats. It is a spay and neuter program which costs \$50 a cat. She said she has

already budgeted \$3,000 for FY21. Chief McLaughlin stated he has spoken with the neighbor who has been feeding them and asked her to stop. He said she has agreed to stop feeding the cats.

Council Member Reynolds also questioned the \$5 fine for bonfires. Chief McLaughlin said this is something that is covered by State code. He suggests removing from our fee schedule.

Mayor Pro-tem Maly question the cost of a police officer's time on page 7. Chief McLaughlin confirmed the cost of a police officer is \$90 an hour.

Council Member White questioned the increase in Capital Improvements for the Cottages. Mr. Ken Cimino replied that the figures that been used in previously budgets has not been updated in many years. The figure in the FY21 budget is all inclusive for Sally Lane, Port Royal, Columbia and White's Neck.

Council Member Reynolds asked about a line items on page 12. Mr. Cimino stated he expected to have a contract by mid- February with another engineering firm. He said while the Kercher Group does a fine job for us, there is only so much they can handle. We would then be working with two firms and accomplishing more projects.

Dawn Parks, Finance Director, referred Town Council to page 49 which included some operating budget highlights. She stated that once again the Town is not relying on transfer tax. Mrs. Parks said that the budget has two-months of expenses available and should show an excess of \$37,611 at the end of FY21. She does not anticipate a tax increase until FY23. Mr. Schrader asked Mrs. Parks what the total assessed value of the Town was. She replied as of 12/31/2019 it was \$946,980,349 net land value. This is expected to rise when the yearly assessments are completed.

Council Member White questioned the overtime hours. Mrs. Parks referred him to page 51 which included an overtime estimate for each department. Mr. White asked why the change from 15% to 17%. Mrs. Houck replied it was to cover the additional events such as the Chicken Festival and Fire & Ice Festival.

On the expense side, Mrs. Parks said they would keep the salary increase at 3.3% for those not included in the police department or other position changes as previously described. She noted that they are expecting increases in the health insurance premiums from the state. The other insurance companies have expressed that their premiums would not increase. Mrs. Parks stated that the salary and benefits is at 58% of the budget, which is a good place and is under the national average.

Chief McLaughlin noted that the police vehicles are specially built, and the current backlog means it could take up to three years from order to delivery.

Council Member Reynolds stated he had some questions about the dollars that go into the trust funds from the transfer tax. Mrs. Parks explained the way the trust funds work and that someday we are going to need to use this revenue. Mrs. Houck said the Town needs to be very conservative with this money. Mrs. Parks also noted that the transfer tax could go away, either by complete build-out or by the state taking it back. Mr. Reynolds commented that he would like use excess transfer tax to reduce the tax rate back by 50% and give a break to the homeowners.

Council Member Twardzik said he never anticipated giving money back on the third year, there are still many projects on the books. He said the Town is the safest again thanks to the police department. The Town staff make the Council look good. He would like to maintain the tax rate and use the money carefully. He believes we will need the money and is against a tax decrease.

Mrs. Houck noted that we just updated our 10-year comprehensive plan and there are things that the residents want the Town to do that will cost money. The more attractive the Town the better the resale value is.

Mayor Pro-tem Maly stated he agrees with Mr. Twardzik and Mrs. Houck and can't see decreasing the taxes.

Council Member White noted that he was very concerned about the money in our trust funds and asked how secure they were. Mrs. Parks replied the accounts are not exposed to market fluctuations and are insured by the bank. She said we do not do high risk investment. The accounts are not losing money, they are not in the stock market.

Mrs. Houck stated she had concerns about the Town being in the water business and she would be meeting with the water utility in the coming weeks. She said she would offer some thoughts on the meeting later. Mr. Schrader asked to be part of the conversation.

4. **OPEN DISCUSSION**

No additional discussion took place.

5. **CITIZENS' PRIVILEGE**

Liz Reynolds, Josephine Lane, commented that she doesn't think it is fair that the Town property owners pay for fixing the feral cat situation. She thinks the neighborhood association should be the ones paying for the spaying and neutering. Mrs. Reynolds also commented about the purchase price of the Christmas tree. Mrs. Houck explained that the price included shipping, installation, take down, and storage. The tree is expected to last fifteen-years. Mrs. Reynolds also questioned whether the Town paid for benefits for the employees and their families. Mrs. Houck replied only on the basic health plan, the other plans the employee pays the difference.

6. **ADJOURNMENT**

A motion was made by Council Member Twardzik, seconded by Council Member Reynolds, to adjourn the meeting at 7:46pm. The motion carried unanimously 4/0.