

## **Dewey Beach Budget & Finance Committee Meeting Minutes 12/15/2017**

The meeting was called to order at 3:30 pm.

Members in Attendance: Dennis Trencher, Steve Huse, Joe Kienle (telephonic), Dave Davis

Others in Attendance: Gary Persinger, TJ Redefer, Paul Bauer, Dale Cooke, Carolyn Elliot, Gary Talley, Chris Flood (Cape Gazette)

The agenda and prior meeting minutes were adopted as written.

The group agreed to a series of meetings as follows, in anticipation of delivering the draft budget to the Council by the end of February:

- Friday, January 12<sup>th</sup> at 3:30 pm
  - Friday, January 26<sup>th</sup> at 3:30 pm
  - Second week of February (date not yet specified)
1. Mayor TJ, Dale, and Carolyn advised that meetings are currently being held with all town hall department heads to review budgetary overage or status, and later, Dale indicated that he and TJ will be soliciting 2018 draft budgets for each department with a requested target date of January 7<sup>th</sup>. If this can be achieved, we will be in a position to begin budget discussions in the January 12<sup>th</sup> meeting.
  2. Dennis Trencher recommended a headcount budget be developed for the departments, and the group discussed and believes that this is already done as part of the budgeting process which yields the cost model for each department. This will be affirmed during discussions with department heads.
  3. Steve Huse recommended an account for known town events, such as the Clydesdales, and emergency situations be established for the upcoming budget year. Carolyn advised that the Rainy Day Fund (current balance of \$164k) could be used for this purpose. Committee members seemed satisfied with this approach, but this will be part of a series of recommendations to Council when next report is filed.
  4. Picking up on an item raised by Joe Kienle in the November meeting, the group discussed whether competitive bids are needed for insurance coverage for the upcoming year. The consensus was that this is not a priority for this year, but will be revisited for the following budget year.
  5. Paul Bauer raised the idea of a capital budget section being established and added to the budget. Steve Huse added that municipalities are not usually capital expense intensive, and the group agreed that discussions with department heads will include designation of possible capital budget items which can then be aggregated into a capital expense account(s) if and when needed.

6. Steve Huse raised the issue that we should be tracking and managing the fines and collection processes that make up a substantial portion of the revenue budget, and comparability with surrounding towns. **Steve will work up a report on the status of this issue and report back to the committee in January meetings.**
7. Dave asked Carolyn for a thumbnail sketch of the town's current non-committed reserves, and we concluded that it is in the \$1.7-1.8m range. From this, Joe Kienle suggested that we revisit how much of the town's general fund surplus is balanced with the invested funds so that we might achieve a better return. **Joe Kienle will work on a report with Carolyn's help to advise on this and report back to the committee in January.**
8. Dave raised the idea of moving toward GAAP accounting, and reported to the group on a conversation with Larry Silver, who has a background and knowledge of the issue. It was commonly agreed that the town needs to move in this direction, with the biggest issue being the number of budget items tracked 'below-the-line', and how we can begin moving forward on that issue. Carolyn indicated that her part-time accounting support person is ready to provide a quote on moving the accounts, once the committee advises on which accounts need to be moved. **Dave will ask Larry Silver to attend our next meeting so the group can clarify this issue and make progress before the budget is finalized.**
9. Dave recommended that we add a budget category of funds to be set aside for Sea Level Rise implications, to which the group generally agreed, though more discussion will be needed in order to define how much money from future operating reserves can/should be dedicated to this.
10. We also discussed the prior efforts to define a strategy for a bayside reserve, similar in nature (but not necessarily funding mechanism) to the beach replenishment fund. Gary Persinger indicated that he had been working on this during the last Council, and we will revisit this following the budget completion and raise the issue of moving forward on a referendum in September's election to further clarify the town's appetite and thoughts on this.
11. Steve Huse raised the idea of CPI indexing certain revenue categories such as parking fines, license fees, etc. to better meet the ongoing need for town revenues, and comparing to other town practices. Dale indicated that the town was already looking at reviewing and possibly modifying rental license fees. **Steve will provide a report to the group in the January 12th meeting on this topic.**

Respectfully submitted,

Dave Davis