

TOWN OF OCEAN VIEW
TOWN COUNCIL BUDGET WORKSHOP
March 2, 2022 @ 5:30PM

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Reddington called the meeting to order with the Pledge of Allegiance. Council Members Bruce White, Don Walsh, Tom Maly and Frank Twardzik were present. Town Manager Carol Houck, Finance Director Dawn Parks, Planning, Zoning and Development Director Ken Cimino, Police Chief Ken McLaughlin, Jerrad Steele, Town Solicitor Dennis Schrader, and Town Clerk Donna Schwartz were also present.

2. ADOPTION of AGENDA

A motion was made by Council Member Walsh, seconded by Council Member Twardzik, to approve the agenda as presented. The motion carried unanimously 5/0.

3. NEW BUSINESS

A. Summary of Discussion of FY2023 Budget

Town Manager Carol Houck thanked Town Council, Department Heads and Staff for their assistance with drafting the FY2023 budget. She said this budget begins 5/1/2022 and the first time using the new budget program they purchased last year.

Mrs. Houck and Mrs. Parks presented a power-point presentation which outlined some of the highlights of the FY2023 budget process. Mrs. Houck stated that the budget and budget message have been online for several weeks. She said it represents an operating budget of \$5,500,000 and capital improvement program of a little over \$2,000,000.

Mrs. Houck shared the slide on page 2 as Proposed Operating Budget Considerations. She explained each of the five points listed on the slide. She said on the next slide, page 3, was a proposed operating budget summary. The next slide showed the Capital Improvement Program (CIP). The CIP does not anticipate any water utility projects in FY2023.

Slide five, showed a FY2023 Revenue Projection Chart based on conservative estimates and represents the following categories: property taxes, public safety grants, licenses, police fines & fees, transfer taxes, American rescue plan act, miscellaneous, building permits, gross rental receipts taxes and planning & zoning/board of adjustment fees.

Mrs. Houck commented on the full town reassessment. She said as proposed in the FY2023 budget, one (1) cent without discount to the property tax rate is equal to \$131,781 of revenue. Our three (3) cent tax rate reduction is valued at \$395,343. That means that the reassessment resulted in our ability to absorb increased costs/fee reductions, while also lowering the tax rate and delivering an equitable property tax.

Mrs. Houck explained page 9, saying personnel costs as a percentage of the operating budget salaries and wages, generally account for approximately 40% of a local government budget and as much 70% with benefits. This slide shows the comparable costs to other local towns of Fenwick Island, Millville, South Bethany, and Bethany Beach.

The last slide was a “Services at a Glance” page highlighting the special events planned at John West Park for 2022.

4. OPEN DISCUSSION

Council Member Twardzik complimented the new budget product and questioned the out years with no tax increases and wants to know if COLA for employees was factored into the out years. Mrs. Houck said 1.5% was built into the five-year plan.

Council Member White questioned the taxes based on the new assessments. He stated that he feels this is another tax increase not a decrease due to the increased assessments. He said he wonders if we are living beyond our means. Mrs. Houck suggested if any Council feel that way they should speak up and provide feedback. Mayor Reddington stated he does not feel we are living above our means. He said we have been the safest town in Delaware for four years. Our comprehensive plan has received awards. We have provided entertainment for free to our residents to enjoy. He feels we are on the right track. Council Member Twardzik said he agreed with Mayor Reddington. Council Member Walsh said he does not believe we are living above our means. He believes everything is being done correctly.

5. CITIZENS' PRIVILEGE

Dick Jennison, Ogre Drive, complimented the assessment crew. He found them enjoyable to work with. He said he found the budget very helpful and suggested a projection page for year end. Mayor Reddington noted that we forecast numbers every month on the finance report. Mr. Jennison questioned page 22, second paragraph... clear summaries. He said there are two-line items he would remove, one is on p.136 \$20,000 and the other is on p.140 \$30,000, both in Planning & Zoning, because there are not clear summaries with the items. He said there is nothing to identify these line items and for what they are used. He is afraid they will turn into slush funds. Mrs. Parks replied that the items come to Council for approval before being spent. She said without these reserve items in the budget we could not do traffic studies and the like without some money in the budget.

Dick Jennison, next spoke about page 39, Mediacom. He wondered why people do not drop Mediacom. He thinks people will switch from Mediacom to Comcast. Mrs. Houck explained that the number of people will essentially remain the same and the dollars the same, doesn't matter the company.

Mr. Jennison asked if any money was earmarked for drainage or improvements on Ogre Drive in the FY23 budget. Mrs. Parks stated there is nothing in the budget for Ogre Drive. Mr. Jennison was not happy about nothing being budgeted for Ogre Drive. Mayor Reddington said that the data does not warrant any solutions to no problems. Mr. Jennison disagreed with the mayor. He insisted that there is a safety issue on Ogre Drive. Chief McLaughlin commented on the issue of Ogre Drive. He said that the data indicates there is an average of 17 mph each direction by the cars. The police department has paid more attention to Ogre Drive than any other street in town. Every street in Town has problems and cannot waste any more time with something that has no problem.

Dick Jennison asked about a vehicle purchase for Planning & Zoning in the FY23 budget. Mrs. Houck stated Council would have to approve the purchase.

Dick Jennison, also asked about the summer position available in the police department, and if it was available to apply for. Chief McLaughlin replied no, there is a person who comes back every summer to manage the duties for the Police Department. He asked if the position were open would it be advertised. Chief McLaughlin said yes if need be.

Dick Jennison asked if there were any lawsuits pending with the Town. Mr. Schrader replied there are not.

Elaine Cziraky, Ogre Drive, questioned about annexations and money in the budget for them. Mrs. Houck explained there are no annexations in the works at this time and money is not budgeted for annexations. Annexations are paid by the person wanting to annex into Town.

Elaine Cziraky, asked about lawsuits and the town. She said she is especially concerned about a bus stop at the corner of Muddy Neck and Ogre Drive. She wants to know how lawsuits are budgeted. Mr. Schrader replied that they are not budgeted. The Town has comprehensive liability insurance, there is a Municipal Tort law which protects the town, and there would have to have been negligence on the part of the town. The town has nothing to do with the bus stop, it is solely the responsibility of the school district.

Mayor Reddington complimented the budget and suggested we go forward to prepare the ordinances. All Council Members present were in favor of moving forward with the budget. Council Member Maly, by text message, stated that he supports the FY23 budget and wants to move forward also. Carol Houck asked about the scheduled March 22 workshop. Mayor Reddington said there was no need to have another budget workshop.

6. ADJOURNMENT

A motion was made by Council Member Twardzik, seconded by Council Member Walsh, to adjourn the meeting at 6:32pm. The motion carried unanimously 5/0.