

MINUTES OF THE BUDGET WORKSHOP OF THE CITY OF SEAFORD MAYOR AND COUNCIL

June 4, 2018

6:00 PM

Mayor David Genshaw called the Budget Workshop to order with the following present: Councilwoman Leanne Phillips-Lowe, Councilman H. William Mulvaney III, Councilman Dan Henderson, Councilman Orlando Holland, and Councilman James King. Charles Anderson, City Manager, June Merritt, Director of Finance & HR, Berley Mears, Director of Public Works, Bill Bennett, Director of Electric, Mike Bailey, Building Official, and Katie Hickey, Superintendent of Parks & Recreation, were also present.

City Manager Anderson came forward to discuss the revisions that had been made to the FY 2019 draft budget since the last meeting. In the Police Department, \$9,200 was added for locker room and fitness center renovation planning. These funds will be used for the architectural investigation and construction budget preparation for the project. In the Electric Department, \$5,000 was removed from the buildings and grounds maintenance line item. City Manager Anderson explained that this had been allocated for carpeting, but staff has decided to have a different type of floor coating installed. Also in the Electric Department, the travel/training budget was increased by \$2,500 to accommodate sending staff members to a meter training class. City Manager Anderson explained that this training will help prepare junior personnel for upcoming retirements in the department. He added that this is the first of a three-year class. Various departments' budgets were adjusted due to HVAC and generator maintenance bids coming in slightly higher than previous years' pricing. In the Sewer Collector Department, the budget was modified to reflect \$100,000 of grant revenue that the city will receive for program development, inventory, and mapping for the Municipal Separate Storm Sewer System (MS4) project. In addition, the professional fees line item was increased to \$100,000. Previous versions of the budget listed \$15,000 for expenditures related to this project. The proposed total transfer from reserves for FY 2019 was reduced to \$755,633; this is \$45,746 less than the \$801,379 that was presented at the last meeting. City Manager Anderson explained that the main reason for this decrease was that the Construction Coordinator position was removed from the Electric Department's budget for FY 2019. The city has advertised this position internally with no applicants, as well as externally, with only one applicant who did not accept the position. Also in the Electric Department, a vacant senior lineman position was filled with an entry level groundman, resulting in additional pay decreases for the department. Other departments' budgets were updated due to evaluations and promotions. Presentation slides were revised accordingly to reflect all changes.

Mayor Genshaw solicited any questions from Council. Councilman King asked about the funds that go in and out of the reserve accounts. City Manager Anderson provided several examples of revenues that are deposited into reserves, which are impact fees; realty transfer tax, which the city splits with Sussex County for properties sold within city limits; E911 fees, which the city receives for the 911 calls handled by Seaford's dispatch center; land sales; street franchise fees, which are received from Chesapeake Utilities; and monthly rent payments from GMB. He explained that reserve money being spent typically happens one of two ways: an authorized transfer as part of a balanced budget; or transfers throughout the year to help pay for non-budgeted or emergency expenditures which may arise.

Councilman Henderson asked about current balances of the reserve accounts. City Manager Anderson said that there is approximately \$8.45 million between all reserve accounts. This balance typically increases by \$500,000 to \$700,000 each year.

Mayor Genshaw asked Council if they were satisfied with the budget and in agreement with placing it on the agenda of the next regular council meeting for approval. All council members said yes, although Councilman King noted that he did have some reservations.

With no further questions or comments, Mayor Genshaw called for a motion to close the Budget Workshop. Councilman Henderson so moved. Councilman Holland seconded the motion, and the motion so passed with all present voting in favor. The Budget Workshop was closed at 6:12 p.m.

Charles Anderson, City Manager

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