

**TOWN OF BETHANY BEACH
TOWN COUNCIL SPECIAL MEETING/WORKSHOP
JANUARY 23, 2019**

The Bethany Beach Town Council held a special meeting/workshop at 11:00 a.m. on January 23, 2019 in the Town Meeting Toom, 214 Garfield Parkway, Bethany Beach, DE 19930.

Members present for the meeting were: Lew Killmer, Mayor, who presided; Jerry Morris, Bruce Frye, Rosemary Hardiman, Faith Denault and Joseph Healy

Excused Member: Patrick Sheplee

Also present were: Cliff Graviet, Town Manager; Janet Connery, Director of Finance; Molly Daisey, Administrative Assistant; and interested members of the public.

Discuss and Review Establishing a Five-Year Capital Improvement Plan

The Town Council reviewed a Five-Year Capital Improvement Plan submitted by the Town Manager and Finance Director as follows:

Five-Year General Fund Capital Improvement Plan

<i>\$1,200,000</i>	<i>Town Park – work starting as soon as possible</i>
<i>\$250,000</i>	<i>Comfort Station addition and remodeling – FY 2020</i>
<i>\$2,000,000</i>	<i>North Atlantic Avenue – pending available funding</i>

Funding for these projects

The Town Park and Comfort Station can be funded immediately.

<i>\$1,200,000</i>	<i>Available in the FY 2020 draft budget</i>
<u><i>\$250,000</i></u>	<i>Funds can be temporarily pulled from Capital Replacement Reserves</i>
<i>\$1,450,000</i>	<i>Total Funding</i>

This will result in the Capital Replacement Reserve falling \$250,000 under the recommended minimum for FY 2020. As a temporary situation this is not a concern, the reserve can be replenished over the next year or two.

Funding for the North Atlantic Ave project will depend on the next few year's revenues. For the past five years our General Fund revenue has exceeded budget by an average of \$856,000, mainly from Transfer Taxes and Building Permits. If that trend continues then the North Atlantic can move forward as early as late FY 2021 or in FY 2022.

If the Town Council prefers to start work on North Atlantic sooner then it can reallocate funds that are currently earmarked for building the Storm Emergency Reserve. This reserve is budgeted to reach \$1,911,000 by the end of FY 2020 then increase by \$516,000 per year. This is from \$211,000 in rental taxes, \$103,000 in property taxes and \$202,000 from \$0.25 of the hourly parking rate. The Council could decide to freeze SERF at \$1,911,000 for four years and instead fund North Atlantic Ave.

Capital Replacement Reserves

Replacements of currently owned capital assets, and maintenance that substantially extends the life of these assets, are funded through the Town's Capital Replacement Reserves. This includes routine paving projects and replacement of vehicles and equipment.

There are no substantial capital improvements planned within the next five years in the Sanitation or Water Funds.

Following his presentation, Mr. Gravier recommended, in terms of sequencing and priority, that we move forward with the park and the renovation and expansion of the comfort station. Mr. Gravier pointed out that the \$250,000 figure for the comfort station is a place holder. Once a design is complete, we'll have a better idea of the cost. Regarding North Atlantic Avenue, he explained that it has some unique setbacks and that he has asked Kercher to work on a design that is more in keeping with what we have there. North Atlantic should be done before So. Pennsylvania since it's been at the top of the repaving list for some time. This will allow time to determine what effect the South Atlantic and Cedarwood Street pedestrian pathways have on pedestrian traffic on South Pennsylvania this summer. If they pull off a lot of walkers then perhaps something different can be done on South Pennsylvania. For the time being, he felt there wasn't an immediate need on North Pennsylvania. It's serviceable and doesn't have the same pedestrian/bicycle issues as South Pennsylvania.

There was a discussion regarding the ability of Town to take on some of these projects slowly without going into debt or raising taxes. This was attributed to the conservative nature of the Town's budgeting as well as because transfer taxes and building permit fees continue to be strong. Mr. Gravier suggested that we use the revenue in excess of the budget amount (\$1.2 to \$1.4 million to fund the park project and use part of the \$3.4 million in the capital replacement reserve to fund the comfort station project.

He also discussed with Council revisiting priorities and sequencing in five-year increments to determine which projects should be addressed.

The Town Council was positive in its review and general acceptance of the Five-Year Plan as presented. At some point in the future Council will discuss the SERF Fund and determine if they want to set a cap.

Discuss and Review Developing a Request for Proposal (RFP), Bid Documents, for Construction of Central Park as Approved on October 21, 2016

The Town Council reviewed the estimate for Central Park.

Mr. Gravier advised that the bid documents will be prepared and engineers believe they can have them back by April 1. He would like to schedule the work so that seeding and planting are done in the Fall.

Discuss and Review Developing a Request for Proposal (RFP), Bid Documents, for Renovation and Additions to the Comfort Station

Mr. Gravier explained that we've reached a critical point with the comfort stations. He advised that as part of the plan, he was having design work done to expand and renovate the Comfort Station. The Town has been provided with some preliminary sketches, one of which would add up to four stalls in the ladies' room and two to four urinals in the men's. Additional plumbing fixtures and extending the building to the south and west will drive the cost. With a final design, we will have a better estimate. Once approved by Council, he expects work to begin after the summer season.

Respectfully submitted:

Lisa A. Kail, MMC
Administrative Assistant/
Town Clerk