

Milton Town Council Budget Workshop
Milton Library, 121 Union Street
Tuesday, July 27, 2010, 6:30 p.m.

Mayor Newlands: called the Budget Workshop to order at 6:31 p.m. We're going to get started. There is no formal introduction. We're going to go over the budget in a few minutes; just give us a second to set up here. I actually printed out a second copy of the budget, with a different view that shows all of the budget categories that have money in them; meaning not the capital expenses. This is just every single category and it shows each different so we can take a look at every category across.

Vice Mayor Betts: What's leftover from last year?

Mayor Newlands: No.

Vice Mayor Betts: So if there was anything leftover from last year it wouldn't show...

Mayor Newlands: I don't think there's going to be any money leftover from last year.

Vice Mayor Betts: No, but I meant in different categories. Sometimes there's money that's in different categories and I was wondering if any of these from the fiscal budget 2010 was available?

Mayor Newlands: I'm not aware of it. I don't know of any.

George Dickerson: When the budget closes on September 30th, according to the audit; the audit closes and so does the account. The answer would be no.

Mayor Newlands: Right. Do you have an update for me on the budget?

George Dickerson: Only the presentation that I need, by Charter, to present this document to Council, formally, because time starts ticking on the fifteen day Public Hearings is all.

Mayor Newlands: So you have to give us another copy or something like that?

George Dickerson: No, not at all. I need to formally present to the Council this document. That's all.

Mayor Newlands: Okay, that's fine. I just wanted to ask about this one other slice of it; so if people want to go look at certain things, they can. The Water Department section has been completely replaced.

George Dickerson: I'll explain as I go along. Good evening, Mayor and Council, ladies and gentlemen. The packets that have been presented to Council; I think it is very important that the public know what the Charter requirements are. The Charter requirements require the Town Manager to present what's called just the "rough draft". It's kind of putting all the issues in a condensed form to present to Council. Obviously I do not have a vote as to any line item or anything with regard to that and Council, at the Workshop, when it is announced; when I present this document by Charter, a clock starts ticking and that clock is a 15-day window. So from this meeting tonight, which is the Workshop, where Council is presented my very rough draft and there are some changes which I will announce in just a minute; but from that time period; from what work they do tonight; or up until August 2nd, which is our next Council Meeting; where a formal presentation of whatever Council decides in this workshop or after the workshop to work on; will be presented to the public. After that, 15 days from today; we are required by Charter to have a Public Hearing; the public hearing will be set at a time that the Mayor and Council decides after this; but can't be later than 15 days after the presentation of this document tonight. The reason that it was presented in this format is absolutely because that's what the Charter requires. Now there are a couple of things. The people in the audience have a corrected copy. What I've done is there were a couple of errors that were brought up. One of those was brought

up by Allen Atkins to me with regard to a typo in the Water Expenses; which was for Item 5285 and it was typed as a typo as \$1,000 that the Council Members will have; that should actually have been \$10,000. That changed that page. Also the next page, which the total would change on the Water Expenses Total at the end of the that and then the final Water Expenses would change; actually the net error was \$9,000; with regard to the amount there. So if you will substitute those pages, you may have already had in your package or made notes on there. These are pages that you may insert. It was also brought to my attention by Allen that Gas & Oil had not been added in our draft budget and that it was under Parks; it was \$2,000. Gas & Oil was not split out in that particular category and we're going to correct that as we go also. Yes, Mr. Prettyman.

C Prettyman: You're talking about gas and oil in the Parks; not in the Water?

George Dickerson: Yes. That was the second correction and then there was one that the Mayor brought to my attention and we discussed it today; and that appears in the Salaries of the Administrative Staff for one of our employees who gets split out half between Water, because she does the billing; and then does Administrative. There was an amount of \$17,000 that should be put into the Water side of the budget. We'll make those as I get there; I'll tell you which line items to correct; and I'm sure the Mayor may even speak to that. Other than that this is the formal presentation of the very rough draft budget that is required by me; but hopefully that this year that you will see in this document one of the things that Mayor and Council wanted as well as the public; is more detail of the line items. We've been going through our accounting software and identifying what items contained within those line items and have plugged those in as best we can with a brief description. The Mayor has created a pivot table which breaks those out for totals and hopefully as you are working through this document, as well as the pivot table that the Mayor was kind enough to create and pass out, this will be a way to easily work through here so that Council can come up with more of the yellow items; there are more than 50 decisions there that Council would need to make on items that are contained within this. Thank you and obviously if there are any other questions, the staff is here and department heads are here to try and answer those.

Mayor Newlands: Who is here from the Finance Committee? Okay so we have Roy Turci; Jim Crellin; Louis Sgro; and Dennis Hughes. Now the Finance Committee is going to be able to ask questions if need be. You're going to have to get a microphone and identify yourself so our transcriptionist; she knows our voices, but she doesn't know everybody else's voices; so please just announce yourself as to who you are and what your question is. I'll go over this pivot table at some point later on, just to give you a 30,000 foot view of where we're at, each department; what we spend on salaries; what we spend on supplies, gas, things like that; and that's the reason for that view, is to give you a distant alternate way of looking at things. What I would like to do is go over everything that has an amount in it; and basically do two passes to this, if we can. That way we can go through and see what kind of cutting we have; to see what kind of money we have left to address the items in yellow that have no funds in them; if that's acceptable with everybody, since there's no format to this; but that's how I would like to do it. You're all okay with that? Okay. The first one we have is in Admin – Salaries – that's \$256,897. That's been frozen that way for a couple of years; barring reducing anybody's salary, that's the way that's going to have to stay. Council salaries are what they are. Overtime – why are we going from \$6,000 to \$19,000 in Admin for Overtime?

George Dickerson: We base it on two meetings per month, is the potential; and six Workshops that are held by Mayor and Council.

Mayor Newlands: This year we only spent about how much, \$8,000 or so?

George Dickerson: \$6,000.

Mayor Newlands: It's budgeted at \$6,000; but what did we spend?

Vice Mayor Betts: That's what I wanted to know.

Mayor Newlands: You wanted to know what we spent.

Vice Mayor Betts: That's what I wanted to know what we spent to date.

Mayor Newlands: I actually have a report that has what was spent to date. We're over budget by about \$2,600 for this year; so we're at about \$8,600. I don't know where we get \$19,000 on this. Plus there are a lot of exempt people that aren't supposed to be getting overtime for these meetings. Who was included in that calculation?

George Dickerson: Stephanie and myself?

Mayor Newlands: Just the two of you for \$19,000?

George Dickerson: That's correct.

Mayor Newlands: But you're both exempt from the overtime.

George Dickerson: That's I think debatable.

Mayor Newlands: We've been through this. If it's just for the two of you, then there's no other staff that has any overtime in the Admin?

George Dickerson: Typically they don't come to the meetings; only Stephanie and I are mainly the ones there.

Mayor Newlands: I'm just going to make that zero because we've discussed a number of times.

George Dickerson: Make that zero?

Mayor Newlands: Yes.

C Martin-Brown: Mr. Mayor, to go back to C Betts' question about the \$2,600 you're projecting we have now; we still have 2-3 more months in our fiscal year; so realistically that figure should pop up to \$10,500 or \$11,000.

Mayor Newlands: There hasn't been any overtime spent this month; there were a few dollars only spent last month. It may go up a little bit, but not much.

C Martin-Brown: Just so we flag that.

Mayor Newlands: Okay, because right now you're \$2,600 over.

Vice Mayor Betts: \$2,664.85.

Mayor Newlands: Yes. The next couple of items are payroll taxes. They're all uncontrollable; so whatever the salaries are that apply to those, those just go along with that, hand in hand. Insurance, we're still keeping that at 30%; this is 70% of the insurance that the Town is paying? Is this up-to-date; when is our fiscal year on the health insurance?

George Dickerson: We renew in March.

Julie Powers: No it doesn't renew until November 1; when I called them, they couldn't give me any actuals. All they could tell me was to guess a 10-12% increase; so we did the high side.

Mayor Newlands: Okay so the 12% is in here.

Julie Powers: There's 12% in there, yes.

C Lester: What's the total amount of the insurance paid? I want to make sure that 70% is 70% of what?

Julie Powers: 70% of the total for Admin.

C Lester: Yes, what is the total of insurance for Admin? What is the total expense? I just want to check the math on that.

Mayor Newlands: You're only seeing the 70%; you're not seeing the other 30%.

C Lester: Yeah, I'm just wondering what the total is?

George Dickerson: The total would be \$70,987.80.

C Lester: Is that extrapolating or is that the actual number?

George Dickerson: That's the actual, isn't it Julie?

Julie Powers: There is a 12%; I don't know what the actual figure is going to be for November. We used the high side increase; so it's a 12% when we actually go through Open Enrollment for the health insurance; that figure may change; it may come down; but we don't know that until then.

Mayor Newlands: Now this was set at 30% of the employees total insurance; not the employees themselves?

Julie Powers: What's in the budget for all departments is what the Town pays, not what the employee pays.

Mayor Newlands: Right but the part the employee pays is 30% of...

Julie Powers: We did it based on what Council decided last year, because we don't know what you were going to decide for this year.

Mayor Newlands: No I understand that, that's fine, I'm not disagreeing with that; I just want to know what the number is. It's 30% of the total insurance or just the employees insurance?

Julie Powers: What's inside the budget is 70%, what the Town would pay.

Mayor Newlands: What is the employee paying?

Julie Powers: 30%.

Mayor Newlands: Is it 30% of the entire amount that that person is... Like if it is the family plan; it is the entire family plan?

Julie Powers: Yes.

Mayor Newlands: Thank you. Okay. Next one we have is Training and Seminars – we can leave that alone. The Training and Seminars you put in for Council, I noticed down a little ways there is SCAT and Delaware League that we kind of like broke that out. What did you have in mind for the Council for Training and Seminars here, is that SCAT and Delaware League?

Stephanie Coulbourne: What you see for SCAT and Delaware League is your membership fees; not the training but for you attending the meetings.

Mayor Newlands: Oh, okay; I see; so those are the annual fees?

Stephanie Coulbourne: Correct.

Mayor Newlands: I wasn't going to do the yellow, I'll do that later. Consulting fees, URS...

Jim Crellin: I just want to go back to the Pensions. I just wanted to know if anyone has ever investigated the financial difference of freezing the fixed benefit Pension and changing to a 401(k).

Stephanie Coulbourne: Several years ago, I think it was 2003 the Town entered an agreement with the State of Delaware to be part of their pension plan. We were in 401(k) prior to that. The employees requested to be part of the State pension plan; we did the research for Council and we met with the representatives from the State Pension Office and Council made the vote to go with the State Pension Plan. I don't remember the totals now because it's been 7 years, but that was a request by the employees; the Council felt that it was a good decision and it was a good benefit for the employees at that time; and it is not something that they can opt out of at this time. It depends on how you look at it. Employees don't feel that you're stuck with it; they think that it's a good benefit.

Jim Crellin: As an employer, do we have the option of revisiting that and should it be a minimal or nominal or no affect financially on the employee; but save the Town money; is that not an option?

Stephanie Coulbourne: To my knowledge it is not an option. The requirement that the Town pays is set by the State of Delaware every year and the employees are paying a set rate. Police Departments are paying a set rate based on their base salary and the Admin or general employees are putting a percentage in on all earnings.

Jim Crellin: Can we get an answer as to whether they are in it for life?

Mayor Newlands: Yes we can take a look at that.

C Martin-Brown: Mr. Mayor, the Chief.

Chief Phillips: Just to let you know, I remember back then, it was a big savings by going to the State compared to what we had. I don't remember the numbers either, but I know it was a savings and a financial gain for everybody.

Vice Mayor Betts: But it can be rechecked, right?

Mayor Newlands: Yes, but the thing is I'm not sure we can get it rechecked by the time we have to vote on this; but for next year; just going forward.

Jim Crellin: You couldn't do anything with those on the fixed benefit now anyway. Current employees have what they have; new employees have...

Mayor Newlands: You're talking about having something different for new employees.

Stephanie Coulbourne: Another thing that Council did is they have the option to buy back employees time for those individuals that had been here prior to starting the State Pension Plan and Council opted out of that. They did not buy back any time.

Mayor Newlands: The buy back was from?

Stephanie Coulbourne: For example, if an employee started, I believe, two of you started in 2001; and I think when we went to the Plan it was in 2003, Council opted not to buy back those two years worth of salaries as part of his plan to be vested.

Mayor Newlands: So you're saying going forward for newer employees to look at them as a 401(k) vs. State pension.

Stephanie Coulbourne: I'm sorry; I think I misunderstood your question. You're talking about only for new employees coming in; and keep the current employees in the State Pension Plan?

Jim Crellin: Yes.

Stephanie Coulbourne: That answer is no. Once an employee is in the State Pension Plan; new employees have to be offered that option. You cannot...

Jim Crellin: You can be offered, but not select it. You said they have to be offered that option; that means that there is another option out there; they can choose.

Stephanie Coulbourne: No they cannot. There is no choice.

Dennis Hughes: The 6.2% is that the amount paid by just the Town and the employee what percentage do they pay for this?

Stephanie Coulbourne: The State of Delaware determines that 6.2% for general employees; that is the Town's portion on all earnings for general employees; the general employees put in 3% of their salary. For the Police Department they have to put in 7% of their base only and the Town matches 13.9%.

Dennis Hughes: But the Town does collect this and it is paid through the Town. Is that shown in here somewhere?

Stephanie Coulbourne: No it's not; because it's a reimbursable. It comes out of the employees' pay and it's paid right to the State.

Mayor Newlands: It's not a Town responsibility.

Dennis Hughes: Okay, but it's still written by a Town check, right?

Stephanie Coulbourne: Yes it is.

Dennis Hughes: Okay, thank you.

Mayor Newlands: This changes every year by a certain percent?

Stephanie Coulbourne: The percentage does; it is set by the General Assembly.

Mayor Newlands: Okay. The last item on the first page is Consulting Fees from URS. Is this the Comp Plan; because I know C DUBY had asked for some money for the Comp Plan; to start putting in money for the next Comp Plan; we didn't include that or is this the money we're including for Comp Plan?

Stephanie Coulbourne: This may be for any projects that you have coming up; you can use part of that towards the Comp Plan; you may have individual projects that you want them to look at for you; but it's a very small fee if you want to start doing the revamp of the Comp Plan.

Mayor Newlands: Right, so we didn't budget anything for the Comp Plan then.

Vice Mayor Betts: But it can be used for the Comp Plan?

Mayor Newlands: Yes, but it won't go far. So we have to take a look. Maybe we're going to put some money in for Comp Plan. C DUBY is out this week.

C Martin-Brown: Mr. Mayor, should we earmark that for the Comp Plan, so it doesn't move away and we come to the Comp Plan process and it was spent somehow else?

George Dickerson: Mr. Mayor, sometimes in meetings that we have had, there is an occasion where Debbie Pfiel would come in and give general information, that obviously she charges for that and we were pretty conservative with that. Just reminding you that there are times when she comes in and advises yourself and myself.

Mayor Newlands: I'm just putting a note that we want to put some money in the Comp Plan. Earmarking this, I think she will...

George Dickerson: C DUBY did send an email that she would like to see that in there. I checked back with her; sent an email; asked her what figure she would like to see in there; she never got back with us as to what that number would look like.

Mayor Newlands: Okay, we'll see at the end where we are. Because we've spent over \$3,700 with URS so far this year; I don't expect them to be back in at all; so that's probably going to be the entire amount we're going to spend with them. We'll see on Round 2 how we do with that. Engineering Fees with C A B E, we have \$7,000; we're at about \$5,000 with them right now; a little under \$5,000. I think that's an item look at cutting if we need to. Legal Fees we're at \$25,000; that's about the whole amount we'll spend right now with Seth.

Stephanie Coulbourne: Mr. Mayor, regarding the Engineering Fees for C A B E Associates, I do have a very large bill for them right now for doing engineering fees for sidewalks in Wagamon's.

Mayor Newlands: Isn't that getting billed back to us.

Stephanie Coulbourne: Just keep in mind that you're going to see a change in that.

Mayor Newlands: Okay, so let's leave that at \$7,000 for now. We don't have any indicators on here which are billed back amounts, do we? Like this C A B E one, we'll get that billed back from...

Stephanie Coulbourne: You'll see on the Revenue side for Robin's department.

Mayor Newlands: So why is this on Admin as opposed to Robin's department?

Stephanie Coulbourne: You have it split out between several departments, because there are specific projects that C A B E will work on just for Admin.

Mayor Newlands: Okay, the ones that they're working on for Wagamon's though, you're going to add into here are really owed; so that's why I'm confused. If we didn't spend all the \$7,000 this year...

Stephanie Coulbourne: I'm just reminding you that there are several months still left and then you're still going to have large bills out and not all of them will be reimbursable.

Mayor Newlands: Right. Legal Fees we were at \$25,000 and we're spending about that with our attorneys. The transcriptionist, that's the woman who transcribes, Helene; we've run way over the \$4,500; and that's because of Caroline coming on board. So we're comfortable that we can keep that at \$4,500 for Helene.

George Dickerson: That's reasonable, yes.

Mayor Newlands: Next one is PTA which is our annual tax assessment.

George Dickerson: That is the amount that PTA charges us when new properties come on to the roles. It is a routine charge per new home.

Mayor Newlands: Have we looked at anybody else, like Mr. Carmine coming in to do this.

George Dickerson: PTA has been here for years; I don't know that we've looked at anyone else; I know that we had asked about someone else and I think we were limited as to who could actually do this. Is that right, Stephanie; do you remember?

Mayor Newlands: I think that's something we should look at. There were quite a number of things that Mr. Carmine had corrected PTA on that made me feel a little bit uncomfortable with them; so I would like to take a look at that.

C Lester: I would second that.

George Dickerson: With Mr. Carmine?

Mayor Newlands: With his firm, yes; I would just like to take a look at that; explore the possibility of him coming in. Now Supplies; this was \$10,000 for this year and we spent about \$7,000 so far. I know some of our printing costs are in here, too, for the supplies; for printing envelopes, I think; for Print Shack? I just want to try and figure out a way to get this thing reduced somewhat.

Stephanie Coulbourne: Do you see only one invoice from Print Shack in there?

Mayor Newlands: One, two – just two.

Stephanie Coulbourne: If you are referring to utility bills, then that wouldn't be them. They are just basic envelopes from Print Shack. That's all we get from them.

Mayor Newlands: Right, but does that come under printing, or is that coming under supplies? How are we doing this? How do you have them broken down? I'm just trying to get what goes into each category.

Unidentified Speaker: [Garbled]

Mayor Newlands: Yes I know that's what I'm getting to. If we're doing some printing in Supplies, I want to know if some of it has to go down to the printing and postage.

Allen Atkins: Mr. Mayor, the Printing and Postage part of the utilities comes under the Water Department.

Stephanie Coulbourne: I know, but the Printing & Postage for Admin is for tax bills or interim bills for taxes, too. We are over in the Printing for the budget for the current year, so what I'm thinking is some of the Print Shack money went to the Supplies, because that line item was over. But I can look at that, if you want me to.

Mayor Newlands: Yeah I do want to look at that.

Stephanie Coulbourne: And it's only the Print Shack bills, is that the only ones you're interested in?

Mayor Newlands: Well there is a Cintas bill in there too.

Stephanie Coulbourne: Well that's first aid equipment kits that are in Town Hall.

Mayor Newlands: Okay.

C Lester: I have a question on – is there a planned replacement for computer hardware; and updating computer software?

Stephanie Coulbourne: There is a program that First State Technologies has in place that tells us how long we have before computers are out of service; that budget line item does include a quote from First State to repair the laptop that is recording the meeting right now; which is our oldest piece of equipment. The issue with that is now that they only do Windows 7. The compatibility between the recording system and that laptop; we'll have to purchase an upgrade for the recording system for a new laptop.

Mayor Newlands: And is that reflected in here?

Stephanie Coulbourne: I believe so. Did you put it in here?

C Lester: It should be.

Mayor Newlands: And did we find...

C Lester: And let me just ask about reimbursements; because not all reimbursements are for supplies. Or is it the normal course of business just to post all petty cash reimbursements to office supplies.

Stephanie Coulbourne: No it's broken out by whatever the item is used for. There's a reconciliation that's done every month and when they need a replacement check, I charge whatever dollar amount is needed for whatever line item.

C Lester: I see. Okay, that's good.

Mayor Newlands: And there are five charges for First State Technologies in here. I would like to take a look at those too, during the week.

Stephanie Coulbourne: Just under the 5280?

Mayor Newlands: Yes. One is \$1,890 – I'm assuming that's a new computer; then there's one at \$340; one at \$190 and two at \$140. Then there's a Xerox one here as well, so I'm just trying to figure out if everything is properly categorized.

Stephanie Coulbourne: That may be ink from the copier, but I'll look at it.

Mayor Newlands: That's only one for the year though, from Xerox.

C Martin-Brown: One?

Mayor Newlands: One for the year.

Stephanie Coulbourne: So it's Print Shack, First State Technologies, and Xerox are the three invoices under Supplies that you want.

Mayor Newlands: Yes.

Stephanie Coulbourne: Okay.

Mayor Newlands: I just want to make sure that everything is properly categorized so that we are budgeting correctly; because if you have \$7,000 in Supplies listed here that you want and we've spent \$7,000 already and I'm talking about almost \$3,000 a year; I can bring that number down quite significantly; if this is miscategorized. I mean the money might be able to go someplace else; but at least it will be properly categorized. So this is a questionable number that we'll work on; we may have to apply that money to other categories during the week. Okay Advertising we pretty much, you're bringing that down to \$1,700, which is about realistic to where we are right now, I think. The bonuses we've been doing every year. Oh, excuse me; I should be skipping all the yellow items until later. All right, Dues & Subscriptions – why do we separate out Delaware League and SCAT out of this? They were in there before as part of Dues & Subscriptions; why are they now separate?

George Dickerson: I believe we made it an option last year; I believe that's why we did it.

Mayor Newlands: Oh it was. I don't remember.

Vice Mayor Betts: What do you buy from BJ's?

Stephanie Coulbourne: BJ's and Sam's Club are bulk items that we can get at cheaper discounts.

Vice Mayor Betts: What type?

Stephanie Coulbourne: We buy paper from there; we've bought binders that we use for Council, the large binders, the budget binders.

Vice Mayor Betts: Shouldn't that be under Supplies?

Stephanie Coulbourne: This is the Membership, just to be a member of BJ's and/or Sam's Club.

Vice Mayor Betts: Oh it's the Membership. Okay.

Stephanie Coulbourne: Whenever anything is purchased in those facilities, it's broken out by whatever line item it's charged against for Supplies...

Vice Mayor Betts: And it costs \$800 for the combination for all those individual Memberships.

C Abraham: And the Blood Bank, I think it's Statewide...

Stephanie Coulbourne: The employees are members of the Blood Bank. I believe there are only 5 or 7 of them; 6 or 7 employees, Julie says, that are members of the Blood Bank. The Town pays for that. It's \$5 per person.

Mayor Newlands: They are supposed to pay you. Are you okay with this?

Vice Mayor Betts: Yeah, but I think that's something the town shouldn't pay for. It's a Blood Bank. I think it should be an option of the employees.

Stephanie Coulbourne: Its part of an employee benefit and it equals out to \$30 a year.

Mayor Newlands: It's \$40. In the grand scheme of things \$40 is nothing.

Vice Mayor Betts: I guess so.

Mayor Newlands: Election Expenses – we went from \$1,300 last year to \$4,000 this year. We spent about \$3,000 actually last year.

Stephanie Coulbourne: You didn't have an election last year; so we didn't have the advertising that we needed by State requirement. You also have increased the time that the Election Board is supposed to be at Town Hall, which increased also the supplies that I had for them; and buying breakfast and lunch for them.

Mayor Newlands: I'm not disputing that. All I'm saying is that we spent about \$3,000 this year and I want to cut this by \$1,000; that's all. We spent about \$3,000 so far this year, for the Election. I'm just saying cut this from \$4,000 to \$3,000.

Stephanie Coulbourne: If you see your note in there that's to you; you are requiring them to be there for 12 hours at a time; and I believe, Mr. Mayor, that you've had a call about what the Town pays them.

Mayor Newlands: Yes, and I've also had people surprised that we actually pay them too.

Stephanie Coulbourne: Okay.

C Martin-Brown: Mr. Mayor, question...

Mayor Newlands: Both ways, actually, it is always what goes on in the country.

C Martin-Brown: I was just wondering about the point just made that we didn't have to have an election last year; that we will this coming year.

Mayor Newlands: She means last fiscal year.

Stephanie Coulbourne: I meant last fiscal year, correct.

C Lester: 2009.

C Martin-Brown: Okay, forgive me.

Vice Mayor Betts: It says Election Committee and Staff – does that mean our Town employees?

Stephanie Coulbourne: The only staff you have is me and one maintenance gentleman that is there during the day. And the Town Solicitor we have to pay, too.

Vice Mayor Betts: Do you get paid for your day's work?

Stephanie Coulbourne: Yes.

Vice Mayor Betts: So you're asking for \$75 more.

Stephanie Coulbourne: No, mine is under salary, for myself.

Mayor Newlands: The \$75 was for the Election Board.

Vice Mayor Betts: That's what I'm asking.

Stephanie Coulbourne: Correct.

Vice Mayor Betts: So you just get paid your regular salary.

Stephanie Coulbourne: Correct.

Vice Mayor Betts: You do not get paid the \$75? That's what I'm asking.

Stephanie Coulbourne: No I do not.

Vice Mayor Betts: Okay.

Mayor Newlands: And we've had people complain that \$75 was not enough and others were surprised they got the \$75.

Stephanie Coulbourne: So Mr. Mayor are you telling me to drop that from \$4,000 to \$3,000?

Mayor Newlands: Yeah every \$1,000 helps; let's drop it by \$1,000.

Vice Mayor Betts: I was just wondering about the three meals; the State when they had an election; each person got paid per day and they buy their own lunch; and meal or packet.

Mayor Newlands: We had an option for that, didn't we? There was an option for meals, wasn't there, to pay them \$20 or provide it?

Stephanie Coulbourne: Not since I've been here; we've always paid them \$75 and bought them their meals.

Vice Mayor Betts: But what I'm saying is the State Elections are paid so much per day, but they do not buy their meals. They have to bring their meals or pay for them themselves.

George Dickerson: What is that per diem, do you have any idea?

Vice Mayor Betts: I do not know, George. I really don't. I'm just saying that's what they do.

Stephanie Coulbourne: It wasn't really an issue, because it was only one meal and now it's all day.

C Prettyman: I've worked several of the State elections, probably in the last twelve years, and all of our meals were brought in by the community that I was in. I was in the Rehoboth area; so several of the restaurants: Grotto's and other places would bring in donuts and coffee in the morning; and a couple of places in the afternoon would bring it in and there was no charge. They just did that. I don't know if you want to talk to the businesses in the area and see if they would like to do something.

Vice Mayor Betts: I know the State doesn't pay it.

Mayor Newlands: Okay so we're going to reduce that by \$1,000 and we'll take a look at the lunches and things. Town Manager's car this is what?

George Dickerson: Gas expense.

Mayor Newlands: Your car.

George Dickerson: Yes.

Vice Mayor Betts: Is that coming back and forth to work?

George Dickerson: Yes.

Mayor Newlands: We need to look at that. For all of the other employees, their gas is paid on their cars, as well.

George Dickerson: I'm sorry?

Mayor Newlands: The other employees, when they go back and forth, their gas...

George Dickerson: If they attend meetings, yes they get reimbursement expense for mileage, yes.

Mayor Newlands: This is gas, not mileage.

Vice Mayor Betts: This isn't mileage.

George Dickerson: Anybody with a take home car; so there are other people with take home cars.

Mayor Newlands: So all the take home cars we provide cars for?

George Dickerson: That's correct.

Stephanie Coulbourne: The Town has what's called Fleet Express that we use, which we are tax exempt from gasoline; being a government agency.

Mayor Newlands: I'm aware of that. We've got to take a look at some of those things.

C Lester: Where's the auto liability insurance?

Stephanie Coulbourne: It's under the Town insurance.

C Lester: Do you know how much that is for the cars?

Stephanie Coulbourne: I only have a bulk figure in here; I could get the break-out if you want, just for cars. Is it all cars? We're considered a fleet is how we're charged; so it doesn't matter if we have 10 cars or 30 cars.

C Lester: I would like to know how many cars and what the rates are for the take home cars.

Stephanie Coulbourne: Okay.

George Dickerson: Actually we should probably put that under the Insurance line item. I think it should probably be moved over to the Insurance line item, right over here, on this line.

Mayor Newlands: What do you want to put in the Insurance line item?

Stephanie Coulbourne: Who puts the gasoline in your car?

C Lester: Stephanie, how many take home cars are there?

Stephanie Coulbourne: I don't have a schedule here in front of me. Chief, do you have 12 cars? And then there's one for the Town Manager; there's 4 trucks for the Maintenance Department. Are you talking about take home only, or all together?

C Lester: Take home.

Stephanie Coulbourne: Oh, I apologize. Then Allen only has two take home; one for Admin; Robin does not take his home anymore; and Chief, all twelve of yours are take home, correct? Ten right now, he has.

Vice Mayor Betts: Can I ask a financial person? When you get your W-2's, is your car included in that, along with the gas and do you submit that to the Internal Revenue Service?

George Dickerson: I'm charged \$1.50 a day and it does show up on my W-2, yes.

Vice Mayor Betts: You're charged \$1.50 per day?

George Dickerson: I believe the rate is \$1.50 a day, yes.

Vice Mayor Betts: And also for the car, also; because the car is an advantage to you?

George Dickerson: That is for the car; I thought that was your question. I'm sorry.

Vice Mayor Betts: About the gas.

George Dickerson: No, I am not charged for the gas.

Vice Mayor Betts: Thank you.

C Lester: Actually, Vice Mayor Betts, it is supposed to be \$3 per day, but there is also a charge that depends on whether that's purely commuting. If the car is only taken from the Town Hall to the Town Manager's house, that's one thing; if it is used for other things, there is a more restrictive and more expensive calculation that should be made that I'm going to make sure it is done this year properly.

Vice Mayor Betts: Thank you.

George Dickerson: Just for clarity, my car goes from Town Hall to my home or Town Hall to meetings; that's all it is used for.

Mayor Newlands: Next one is the Heating Fuel. How do we get from going to \$700 for Heating Fuel? I would like to know that?

George Dickerson: We looked at that. There was \$300 expended in that line item; \$294.98 and I'm not sure of the heating that's there; that's called Heating Fuel but we also use propane. I think the back-up to our heating system is a fuel system, rather than being propane. I'm not sure.

Mayor Newlands: That doesn't make sense. Propane is propane. There is no back-up to propane. If you had a heat pump, there's back-up to the heat pump; but that's generally an electric system though. What kind of...

George Dickerson: I know we have a propane tank right out there with six propane meters on the building. I know that.

Mayor Newlands: Is this part of propane or not? I'm confused with that, that's why I'm asking.

Stephanie Coulbourne: Yes, it is part of propane.

Vice Mayor Betts: So that's propane and all the heating in the office.

Mayor Newlands: So that should be rolled into the propane one? We have a line item for propane, don't we or not?

George Dickerson: You made me think of propane underwater for running the...

Mayor Newlands: All I'm asking is you're telling me it costs \$700 just to heat the building?

Stephanie Coulbourne: That's correct.

George Dickerson: I'm telling you its \$294; that's what we expended in that line item.

Mayor Newlands: Okay. Let's go on to Town Insurance. This one really baffles me. We went from \$106,000 two years ago to this present year we're at \$135,000 and then you're predicting \$145,000; but yet we have \$67,000 left that we haven't spent yet on insurance and I remember when Conner Strong was in it was \$86,000.

George Dickerson: We called about that today as a matter of fact. Part of the issue with that was \$30,000 was partially due for pending lawsuits. Some of the ones we may anticipate were the Town has a liability insurance coverage of a minimum of \$5,000 deductible and part of that was built into that particular figure; which caused it to rise.

Julie Powers: We didn't take back that out of this year, we kept anything for possible pending lawsuits and when Cathy told us, the figure she used 10% as an estimated guess. So it was \$95,000 increase, from \$85,000; so that's why the line item went up \$10,000.

Mayor Newlands: Right but we have \$67,000 in that line item.

Julie Powers: I don't believe everything has hit that line item yet.

Mayor Newlands: I understand that. I know that. But we only pay \$16,000 per _____. I also can't see why we went up in this current budget from \$106,000 to \$135,000.

Julie Powers: We didn't go up in this current budget. That was the actual figure from 2009.

Mayor Newlands: Why wouldn't our actual be just a slight bit higher for this year and the same for next year?

Julie Powers: Because last year we anticipated the possibility of the lawsuits that were pending.

Mayor Newlands: Okay so we're anticipating more this year? Is that what you're telling me?

Julie Powers: No, we only raised it the 10% that Cathy Wyatt recommended for Town insurance.

Mayor Newlands: If you increased it from 2009 to 2010 and you didn't have the things that you anticipated, then you remove that money; then you can add your 10%. You don't add the 10% on top of the things that you anticipated, but never used. This has to come down significantly.

George Dickerson: There's also the possibility, other than the Town being responsible for any deductibles that it might meet with its liability coverage, in the event of a suit, there's also, I think factored into that cost, a percentage; perhaps a small percentage; that the Town would incur also additional costs that may be directed by the insurer to cover the loss if there should be one.

Mayor Newlands: I understand that but what you're not getting to is you put money in last year; some \$30,000 last year; didn't use it, and now are increasing it by \$10,000 more. It makes no sense. It makes absolutely no sense. I can see increasing 10% over the \$106,000.

George Dickerson: What would you like to see the figure be; we'll change it.

Mayor Newlands: It should be down to \$110,000.

George Dickerson: That figure doesn't cover what Cathy Wyatt told us, just for the record.

Mayor Newlands: What did she tell you then? We're currently at \$86,000 she said; she wanted to go up 10%, which she would go up to \$95,000, that's fine.

Julie Powers: That's not the only thing in that line item though.

Mayor Newlands: I know that, there's Life Insurance in their too; so how much is that all adding up to? It's not adding up to \$145,000; it's not even adding up to \$135,000.

Julie Powers: I don't have that figure in front of me.

C Lester: Mr. Mayor, for our next meeting, I think we need to see the actual quote from these policies and I think there should be a line item; one for the actual insurance costs and one for a potential liability; because that's not insurance. That's a potential liability that is an: if, and, or maybe. So we need to see the health, life insurance policy; everything that's in here; we need to see the quotes from the insurance company.

Vice Mayor Betts: I agree.

Mayor Newlands: Right. I agree.

Stephanie Coulbourne: Conner Strong is the Town's insurance broker. They will not give you a quote for the upcoming year. Your renewal is not until next March; which is different than your budget year. So your policy year has a carry over from the prior year in totals; they will not give us a quote now for next March. That's why she said 10%.

Mayor Newlands: But it was 10% on top of the \$86,000 that she told us what it was supposed to be. Then we have a few thousand in here for life insurance policies, it really isn't that much.

Stephanie Coulbourne: And you also have Treasurer's Bonds in there too and the difference between the term year; and the term of the insurance policy and your budget year.

Mayor Newlands: I agree, but it is still not \$145,000. If you want to bring it down to \$120,000, let's bring it down to \$120,000; but I don't think you have to go any further than that.

Stephanie Coulbourne: Do you want \$120,000; or you said \$110,000?

Mayor Newlands: You can make it \$120,000.

Stephanie Coulbourne: Okay.

Mayor Newlands: Miscellaneous Operating – we keep messing around with this one. That's \$1,000; let's leave it at \$1,000. If we don't move faster by the way, then we're never going to get finished. Town Manager Expense – well we're not using that much, so you can leave it at \$6,000 if that's what is in your contract. Meetings...

C Lester: Can I ask a question about that while we're at it? On last year's fiscal budget, it shows that for Fiscal Year 2009, it shows zero and I know for an absolute fact it's not true.

Mayor Newlands: I think that was the line item above that got moved up; that \$5,299 that's above it; I think that was created somewhere.

Stephanie Coulbourne: I do not believe that was broke out in 2009.

C Lester: I think that was the number that Sombar moved around that we looked at.

Mayor Newlands: Yes.

Vice Mayor Betts: Can I ask a question? On that, was that a flat \$6,000, or was it up to \$6,000. I thought that in the contract it said it was up to \$6,000. I didn't know that it was a flat rate of \$6,000.

George Dickerson: \$500 per month times 12.

Vice Mayor Betts: Up to that, though.

George Dickerson: That's the maximum, yes.

Vice Mayor Betts: Yes, so did you use the maximum of the \$6,000 last year?

George Dickerson: No, I didn't use that.

Stephanie Coulbourne: You put \$6,000 there because that's the most he could use.

Vice Mayor Betts: Yeah.

Mayor Newlands: Apparently \$1,800 is still to be used. Next item is Meetings and this is just if we need to go into the school for anything.

Stephanie Coulbourne: Correct.

Mayor Newlands: Oh my favorite, Printing & Postage – we are actually at our limit right now. The October or late September; the next water bill going out; does that go in this fiscal or next fiscal year?

Stephanie Coulbourne: It will be in the next fiscal budget year. The only thing you'll have now would be an interim billing coming up.

Mayor Newlands: Interim billing?

Stephanie Coulbourne: Interim billing for taxes. It's a very small amount of bills.

Mayor Newlands: Because right now we're at our limit for \$9,500.

Stephanie Coulbourne: Correct but all the bills I send out every week are bills that I pay every week that's going against the postage, as well.

Mayor Newlands: Right. Are we getting postal increase this year? There will be another one in January. All right then leave that at \$11,000.

Stephanie Coulbourne: We actually have to pay for the postage meter we have to have a new cartridge put in which is several hundred dollars, so we have to account for that.

George Dickerson: Every time they change the rate a new computer chip changes that and they charge us for that.

Mayor Newlands: We don't get any sorting discounts for that; there's nothing we can look at for that? I remember if you used to do all in the same zip code...

Stephanie Coulbourne: But not all our bills go through the same zip code. We used to have a bulk permit and it wasn't saving the Town any money by using that.

Mayor Newlands: Building Repairs and Maintenance.

C Martin-Brown: Mr. Mayor, is that a contract for cleaning arrangements?

George Dickerson: It's actually month to month.

Vice Mayor Betts: How much have we paid so far?

Mayor Newlands: Is that Frank Murray? Under the building maintenance is there anything we had that leak in the roof on the front porch; you got the cleaning of the building.

C Martin-Brown: I just wondered if the cleaning of the building was with a contracted company or how we did that.

Mayor Newlands: Yes, it is contracted, but it's on a little yellow piece of paper that we get a bill on. The Marlin Leasing; which one is the Marlin Leasing?

Stephanie Coulbourne: I believe it is for the security system.

Mayor Newlands: We were about \$8,500 for Building Maintenance this year because we had that extra \$2,000 for that one issue with the roof. All right for now, let's leave that at \$7,500 and Maintenance and Repair on Equipment – is there any way we can cut this stuff down?

C Martin-Brown: Do we have the modern light bulbs?

Mayor Newlands: Not yet.

C Martin-Brown: Which I have heard referred to as “curly-que’s”; do we have the “curly-que’s”?

Stephanie Coulbourne: No we do not; that's part of the energy audit that I applied for. That will be lighting retrofit will be in there.

C Martin-Brown: Do you think under the new arrangement of the energy audit we might be able to save \$500?

Stephanie Coulbourne: Probably.

Mayor Newlands: That would be on utilities that you would save money on. That's where you would have your savings because the energy audit that Stephanie got is paying for light bulbs and changing out thermostats and all kinds of stuff; \$35,000 was it?

Stephanie Coulbourne: Yes, \$35,000, and I actually had to change that, because we cannot do lighting retrofits on the street lights because Delmarva Power never gave the approval for that. On top of that, I also talked to Washington Gas and Energy and they have reduced our charge per kilowatt again; so it was 11.5, I think; and now it is 9.1 per kilowatt.

Mayor Newlands: That's on Town Hall's electric, right? And you're still looking into the street lighting.

Stephanie Coulbourne: The last two times it wasn't any cheaper than that.

Mayor Newlands: What she is looking to do is buy the electric from another company to make it cheaper. If we're doing our Town Hall and our buildings are becoming cheaper because of her work; but the street lights we're not getting a better price on.

C Martin-Brown: Washington Gas is giving residential now 7.

Mayor Newlands: A lot of this stuff is carrying maintenance of just buildings and equipment and stuff.

Vice Mayor Betts: And the security system.

Stephanie Coulbourne: Yes and service agreements for those.

Vice Mayor Betts: Does that include being able to see?

Stephanie Coulbourne: The monitoring system? Yes.

Vice Mayor Betts: Inside the building?

Stephanie Coulbourne: Yes.

Vice Mayor Betts: Do you find that that's necessary to see who's coming down the hall and what not?

Stephanie Coulbourne: Well we've had a problem lately with a sensor and we have to watch it repeatedly to make sure nobody is coming in and out of the building for that.

Mayor Newlands: In general, and it doesn't cost anything to operate. It gets maintained a little bit, but that's pretty much it. The thing that I would like to look at is the copier costs. They are just huge.

Stephanie Coulbourne: It's a leased copier.

Mayor Newlands: I would like to look at something to get that brought down a little bit.

Stephanie Coulbourne: So are you referring to the Repair and Maintenance of Equipment; the copier service agreement?

Mayor Newlands: Yes. Is that an annual agreement we get with them?

Stephanie Coulbourne: I'm not sure of the term limit.

Mayor Newlands: And the Marlin is on the security system?

Stephanie Coulbourne: Yes.

C Martin-Brown: Just a suggestion on the budget for copiers – have we ever had a competition to get us as a client; to provide copying service?

Stephanie Coulbourne: Do you mean various quotes from different vendors? Yes we have done that in the past.

C Martin-Brown: Okay, thanks.

Mayor Newlands: Okay then that will have to stay where it is. Phones should come down dramatically for a couple of reasons. We're not paying individual phone bills anymore; which we were doing in the past; this includes wireless too, right?

Stephanie Coulbourne: Wireless only for Admin; which is only your phone.

Mayor Newlands: Oh that's right, because everything else is Allen's out of Water.

Stephanie Coulbourne: You're not going to see that big of a difference there.

Mayor Newlands: Well we are because we're not paying the other individual bills; so that should come down \$2,000. So make that \$6,500.

Stephanie Coulbourne: Okay.

Mayor Newlands: Next one is Utilities at \$7,000. Do we have an estimate on the Utilities, what they'll come down to when we put all those new changes in?

Stephanie Coulbourne: No, because it's various changes. The supplier has given me a reduced rate to the 9.1, which is going to take two months to kick in. Then also the energy retrofits that we have until 2012 to complete; so I'm not sure what the change is going to be right now.

Mayor Newlands: Delmarva Power is running \$600-\$700 per month? That's what the bills are. The Website, \$200 – just leave that alone. Payroll Expense, that's the \$190+ that every paycheck we pay ADP?

Stephanie Coulbourne: That's correct.

Mayor Newlands: That's running around the same. Bank Fees, that's what we get charged on Transfer Taxes?

Stephanie Coulbourne: Correct.

Mayor Newlands: So this year we ran about half; we ran around \$2,000 out of the \$4,000; so you are just projecting less transfer taxes coming in.

Stephanie Coulbourne: Correct.

Mayor Newlands: Downtown Beautification, oh you are leaving that as an open line item. Edmunds, that's a fixed cost?

Stephanie Coulbourne: Yes it is and it includes an increase.

Mayor Newlands: And Code Book is a fixed cost?

Stephanie Coulbourne: Yes.

Mayor Newlands: Revenues we have no choice about, so let's just go real quickly with Luther; Property Tax. Unless we get more houses built, we're going to be sitting at about that amount of taxes. Interest Income – when people get to see the balances on the CD's, they're going to wonder where all the money went to. Lien Revenue; Miscellaneous Revenue; Tax Penalty; Transfer Tax and Franchise Fees. That's one Franchise Fee that Comcast gets?

George Dickerson: Yes.

Mayor Newlands: Transfer Tax – big issue. There are rules about Transfer Taxes; we have to pull the \$115,000 out of Admin; it can't sit there. It has to sit separately because we're not allowed...

Stephanie Coulbourne: That's Transfer Tax collected.

Mayor Newlands: Right.

Stephanie Coulbourne: That's showing you Revenue of what you collected; it doesn't mean much of what you're using.

Mayor Newlands: No but it can't be applied to General Funds. Transfer Tax can't get applied to General Funds; it has specific uses; I don't have the Code with me; but it has specific uses. Did you bring that Norman?

C Lester: Yes.

Mayor Newlands: It can't be applied to General Funds, that's a big issue.

Stephanie Coulbourne: So where are you showing your Revenue for that?

Mayor Newlands: We may have to set up another category for that; because like the Utilities we have for Allen's guys.

Stephanie Coulbourne: That's proprietary funds.

Mayor Newlands: And Transfer Tax is pretty much are going to have to be like.

Stephanie Coulbourne: You can only use it for proprietary items, but you still have to show your Revenue somewhere.

Mayor Newlands: Yes, but we're using this to balance the budget and I don't think we can do that; that's the problem.

Stephanie Coulbourne: Do you want me to take the \$115,000 out and put zero there?

Mayor Newlands: Yes, put zero there and we'll put a note on there saying it has becoming a proprietary fund and then we'll have to account for it someplace else; because it only has special uses.

C Lester: Do you want me read this?

Mayor Newlands: Sure.

C Lester: This is Delaware Code, Section 5401-5403 Title XXX 71 Law 349 Para 15: "Any funds realized by Municipality pursuant to this Section, shall be segregated from the Municipalities General Fund and Funds and all interest thereon shall be expended solely for the capital and operating costs of public safety services; economic development programs; public works services; capital projects and improvements; infrastructure projects and improvements; and debt reduction." So it is very limited.

C Martin-Brown: That's good news.

Stephanie Coulbourne: But it is segregated already; it is already in its own fund.

Mayor Newlands: For budgeting purposes, though, we can't put it in the budget. If we can pay down loans, we have the SRF Loan we can pay down; we may be able to use that money to pay that money to pay down the SRF Loan, that's fine, but we can't just put it into the budget year as a General Fund. You just can't do that.

Stephanie Coulbourne: Well you have to show the Revenue, so you want it as its own separate...

Mayor Newlands: Yes it's going to have to be its own separate one; we may be able to pay down the SRF Loan with it; which is fine; because you said loans in there, right Norman?

C Lester: Right.

Mayor Newlands: So there are things that we can earmark from it. We may have to do it similar to Municipal Street Aid and say this is money coming in for Transfer Tax and here's how it was earmarked going out.

Stephanie Coulbourne: Okay.

Mayor Newlands: Streets – we found out today that we are going to get \$42,000 in street aid, which is nice. Salaries – and this is just for everybody's knowledge; for Streets, Parks and Water; the Salaries are really prorated; so you may not find somebody making \$32,000; that's a

portion of what everybody puts in towards the Streets, Parks and Water; that's how much work they actually allocate to those budgets, for those departments. So we're just going to go through these quickly; because they don't really have much in here. We have Salaries; Payroll Taxes obviously; Supplies – we spent about \$10,000 on that pump in Shipbuilder's, didn't we, last year?

Vice Mayor Betts: Will we need that when the Streets are all finished?

Mayor Newlands: Actually that pump is... Is that pump still there or it has been removed?

Allen Atkins: It is our pump. We bought that pump years ago.

Mayor Newlands: The big one.

Allen Atkins: We had to rent one of them; so we rented the big one.

Mayor Newlands: It's gone.

Vice Mayor Betts: It says pump rental.

Allen Atkins: We don't need it anymore Mrs. Betts.

Vice Mayor Betts: Can't we deduct the \$1,500?

Mayor Newlands: It was about \$10,000 last year for the pump rental.

Vice Mayor Betts: But I thought we didn't need it.

Mayor Newlands: We don't need it any longer.

Vice Mayor Betts: Well then this coming year, we can take this off.

Mayor Newlands: I'm just asking questions as to what we can bring this down to; because we went over budget by \$10,000 this year in that category for Streets.

Stephanie Coulbourne: He's already reduced it to almost half.

Mayor Newlands: Yes I'm just looking at that now. We were \$6,000 as budgeted last year; we spent \$16,000.

Vice Mayor Betts: But that wasn't the...

Mayor Newlands: \$10,000 of the \$16,000 was spent for the pump; so now they are looking to reduce that down to \$3,500; which I think is fine.

Vice Mayor Betts: I was going down to the next one Miscellaneous Operating.

Mayor Newlands: The pump is in there again?

Vice Mayor Betts: That's what I'm saying.

Mayor Newlands: Okay. They are showing the pump in there again and for some reason the pump was...

C Abraham: The pump is down again in three spots; I'm not saying that's what it is for in all three spots.

Mayor Newlands: I think in your comments you have to clean up.

Vice Mayor Betts: Can we deduct the \$1,500?

Mayor Newlands: Well you can make that \$1,000 if you want to.

Vice Mayor Betts: If we don't need it this coming year, right?

Mayor Newlands: No this is for miscellaneous things that Allen uses.

Vice Mayor Betts: The difference - other things; \$1,000?

Mayor Newlands: Why did you increase it to \$1,500; I'm just curious?

Allen Atkins: Why did I increase it? Basically because we had overspent on the minor items we had last year.

Mayor Newlands: You're right on target actually. You're right on target with last year.

Allen Atkins: We're right on target? I don't have it in front of me right here.

Mayor Newlands: Waiting for a hurricane to come?

C Martin-Brown: So are we going from \$1,500 to \$1,000?

Mayor Newlands: Yes, make it a \$1,000; I'll take every nickel I can get right now.

Allen Atkins: We can cut \$500 if you want, that's all; because I don't have an up-to-date of what we spent today with me to tell you what we spent, so.

Stephanie Coulbourne: If you are talking about Miscellaneous Operating on the Streets, they have already expended their budget already.

Allen Atkins: That's what I thought.

Stephanie Coulbourne: So they are over target.

Mayor Newlands: He's not over. I'm looking at just from last week. He's just about finished with it; he's not over.

Stephanie Coulbourne: \$11.30 left until September 30th.

Allen Atkins: You've got 2 months to go yet.

Mayor Newlands: I'll give you back your \$1,500.

George Dickerson: Back to \$1,500?

Mayor Newlands: Yes. I'm trying, guys. Repair and Maintenance Equipment – we go from \$750 to \$2,500?

Allen Atkins: We tried to balance a little more than before, because I don't think we ever had much of a Repair and Maintenance Equipment for Streets. We have older equipment now too and we have a lot that might be happening in the next year; you don't know.

Mayor Newlands: That big lawn mower is brand new, isn't it; last year?

Allen Atkins: Yes, we've got an extra mower now; which is another expense.

Mayor Newlands: This Kubota is that little red truck?

Allen Atkins: Your weed eaters and everything; it just takes... The little stuff eats you up with the prices of everything now. If you need to lower that some, you can, but that's kind of...

Mayor Newlands: I think we're going to lower that down.

C Abraham: Did we get another little Kubota or something you asked for?

Allen Atkins: We got a Kubota mower and a little vehicle also; and that's included in there too.

C Abraham: Oh, okay.

C Martin-Brown: Mr. Mayor, what are you doing to that figure?

Mayor Newlands: I would like to lower that down to like \$1,500?

Allen Atkins: That's fine.

Vice Mayor Betts: Lower it to \$1,500?

Mayor Newlands: Yes. Website Design is the same. Engineering Fees – we lowered this from last year and we spent more than that last year; so this is for CAFE for any Streets work?

Vice Mayor Betts: We're going to need some because of the sidewalks.

Mayor Newlands: All right, leave that alone. Snow Removal – does that become Overtime at that point; or what is this \$7,500 for? I know last year Snow Removal was \$26,000?

Allen Atkins: Most of your Snow Removal is Overtime.

C Abraham: And they do a good job, too.

Allen Atkins: That includes the costs of the vehicles.

Stephanie Coulbourne: That includes the sand and salt that he has to use and anything that he has to purchase; paying the employees.

Mayor Newlands: Now Gas and Oil is for all the vehicles.

Allen Atkins: Yes, before Gas and Oil has been broken down; everything under Water Department. It's not really fair to Parks and Streets; you use your trucks and vehicles for your Parks and Streets so this year we broke it out to all three departments.

Mayor Newlands: So I can expect this category in the other departments to be less?

Allen Atkins: Yes.

Mayor Newlands: I'll remember that when we get there. Same with Repair and Maintenance, did you do the same thing?

Allen Atkins: That's basically the same thing we did for the cracks; it was under Supplies before this; because we didn't have a Repair and Maintenance Streets item.

Mayor Newlands: Say that again.

Allen Atkins: We did not have a Repair and Maintenance Streets item last year that I can recall.

Mayor Newlands: It was under Supplies.

Allen Atkins: A lot of that was under Supplies. Not all of it, but some of it.

Mayor Newlands: Well, if my math is correct; we went from \$6,000 on Supplies to \$3,500; we reduced that; and you increased from nothing to \$6,000 on Repair and Maintenance. So now you manufacture the big debt.

Allen Atkins: You manufacture the cost of your cold patch; your salt and sand and crack sealer...

Mayor Newlands: Are we over spending that kind of money.

Allen Atkins: I don't think so, no.

Mayor Newlands: The Street Repairs we did this year with Loblolly and Horsey that \$50,000+; those were all the water main breaks, weren't they?

Allen Atkins: They were water main breaks, yes.

Mayor Newlands: I think when we talk about Streets; we will talk about that one category then too.

Stephanie Coulbourne: You mention Loblolly, that wasn't a water main on the softening of the corner of Magnolia.

Mayor Newlands: No, that was right across from here. Did we get reimbursed for that? Or that was our contribution to that?

Stephanie Coulbourne: That was part of our share.

Mayor Newlands: Our share. Let's leave that for now, those two figures, and then we'll come back to them. Revenues – nothing. We have no parking meters, thankfully.

Vice Mayor Betts: Do we get \$42,000 in Street Aid or do we have a separate place?

Stephanie Coulbourne: Municipal Street Aid is in its own section.

Mayor Newlands: Yes and its \$42,000 and change and we just got the letter today. Police Department Salaries – that's what we're currently at with Salaries. The COPS Grant – if we get that, the cost of that, the Salaries are going to be completely paid for by the Grant?

George Dickerson: Yes

Chief Phillips: That's correct. Yes.

Mayor Newlands: And what portion do we pay for, after that? We pay...

Chief Phillips: After 3 years it becomes ours.

Mayor Newlands: Right, but what else do we pay for that; we pay health insurance or anything out of that? What are we on the hook for?

Stephanie Coulbourne: It is right underneath of it and it tells you it covers the Salary, the taxes, health insurance, life insurance, vacations, pension, worker's comp and the holiday pay for the officers.

Mayor Newlands: So what is not included; uniforms?

Chief Phillips: That's correct.

Mayor Newlands: Training; cleaning.

Stephanie Coulbourne: Vehicle; if he needs to purchase a weapon for officer; if he needs to put him through the Academy.

Mayor Newlands: Okay. And if we lose an officer in the 3 years we don't have to hire a new one back; we can stay at 10 then; is that correct?

Chief Phillips: I'm not exactly sure of that; I have to research that.

Mayor Newlands: I know George had gotten in trouble with that recently.

Chief Phillips: Right.

C Martin-Brown: Do we have an aggregate figure for the things that the Town Clerk was just reciting in terms of vehicles, guns, uniforms; do we have an aggregate figure?

George Dickerson: There is a total that's on the Grant Document as to what it would pay for; that is an aggregate amount over three years.

C Martin-Brown: Yes, what is that?

George Dickerson: I don't have the Grant in front of me.

C Martin-Brown: I'm sorry.

George Dickerson: Oh, \$56,541; its right there in that block.

Stephanie Coulbourne: That's one year for that officer; that covers those items listed.

C Martin-Brown: Per year, against the Town Budget.

Julie Powers: If we get the Grant it pays for all that stuff and that's the figure.

C Martin-Brown: Including the car?

Chief Phillips: No Ma'am we don't need another vehicle, we already have vehicles.

Mayor Newlands: The Grant pays \$56,541.

C Martin-Brown: Yes that I saw. What I'm wondering...

Mayor Newlands: We have an extra vehicle which we have budgeted here to refurbish part of, I think. The gun we have to purchase, I think, as well. There are a few other things in here that we have to supply.

C Martin-Brown: That we already own and that we can supply.

Mayor Newlands: Some of which we have to buy; there are a few other things that we have to buy.

C Martin-Brown: Okay where is that budgeted in this document?

Mayor Newlands: On the next page is the gun for one of the officers; is that for the new officer?

Chief Phillips: That's correct.

C Martin-Brown: So Chief the \$11,000 under item 5180 are a parallel cost to the \$56,000 being supplied by the Grant; is that correct, Sir?

Mayor Newlands: Say that again?

C Martin-Brown: The Grant is \$56,000; under line 5180 below, it lists all the items that I think the Town Clerk was just talking about for the new officer?

Mayor Newlands: No, that's everybody, including the new officer.

Stephanie Coulbourne: That's everybody, not just the 11th officer.

George Dickerson: That includes the 11th, but also the others.

C Martin-Brown: Okay, that's what I didn't understand. Thank you, that's what I was trying to get clarity on.

Mayor Newlands: Overtime; Holiday – there are three sections of Overtime Pay – one is Regular Overtime; Holiday Pay and you've got to remind me why we broke out the Holiday Pay a couple of years ago; and then there is a Special Duty Overtime which we'll introduce to you later, but that's for the 5-K Runs and anytime we bring officers on for the Festivals we have in Town; we bring in an extra officer on for those festivals; and sometimes two, depending on the size of the festival.

Vice Mayor Betts: Are you referring to Overtime Special Duty? That's yellow.

Mayor Newlands: I'm just telling you what it is. Regular Overtime – where at about \$35,000 right now and these numbers were all split out. Chief why did we bring the Holiday Overtime separately a couple of years ago?

Chief Phillips: The Holiday I'm not sure. I guess it was just easier to keep track of it.

George Dickerson: Council requested it; they wanted to see it broken out from Regular Overtime and what was being paid at Holiday Overtime pay.

Mayor Newlands: Okay. Now this is all for arrests?

Chief Phillips: Right the Regular Overtime covers court time, criminal arrests where they might have to stay over and also covering shifts when other officers are sick, vacation or training, etc.; and also for the on-call detective and the K-9 and if they're called out for sexual assaults or robberies and also for Overtime for Training.

Mayor Newlands: Can you explain the Overtime for Training? We talked about this today for the first time.

Chief Phillips: There's a lot of training that we need to do as far as entries in the schools; school shootings; active shooters; and there's things like we have to get up on training on that. It just costs us Overtime to go to the Academy. The State Police have a brand new building up there for doing this training; the only thing we have to do is make our salary to be able to do that training.

Mayor Newlands: So you're taking an officer who's not on duty and bringing him to training and so that becomes Overtime?

Chief Phillips: That's correct. The liability is if they have a shooting in a school, we're going to be responsible for it. The way they do it now is, if there is a shooting in a school, the officers that are working actually go in and take out the shooter. Years ago it used to be you might have to wait an hour or an hour and a half for the State Police to get there and hope people are still alive when you got in there; but they've changed that where actually whoever is there goes in. So basically we need to be trained up on all that.

Mayor Newlands: We need to go take a look at the Overtime because we figured out today that we may be overpaying to Overtime for the past couple of years; so we need to go back in the next day or two and go back into the time sheets; because I was looking at a few of them before and we are overpaying some of this Overtime; so we have to get the rules from the Fair Labor Standards Act and find out how we're doing that and what we're doing wrong on that. First what we'll try and do is get the Overtime number down by doing it correctly; and then we've got to work on how we're going to get that number down even more. I'm not sure what percentage is incorrect right now; or overspent right now.

Louis Sgro: I just have one question about the Overtime. You have Grant money for Overtime?

Chief Phillips: The COPS Grant does not cover Overtime.

Louis Sgro: But does it show in here to take it away from the Overtime since somebody else is paying for it; because that could be a lot of expense taken off?

Chief Phillips: No because that is not included in that; that would be separate. The only time we have a SALLE and EDE Grants, which is a Drug Investigation.

Louis Sgro: But it's not listed in here.

Stephanie Coulbourne: SALLE and EDE Grants aren't listed in there because you usually don't because you usually don't know at the start of your budget year whether you're getting approved for them or not.

Louis Sgro: But at the end of the year it will show that that was taken off the budget.

Stephanie Coulbourne: At the end of the year, yes, that's correct.

Louis Sgro: Because that means a lot; you have \$10,000 and you get paid for \$5,000; now you're only paying for \$5,000.

Stephanie Coulbourne: When the employee gets paid out of those line items, we reimburse the salary with the check that we get back from the State for those.

Mayor Newlands: So for Monday's presentation, the next couple of days we're going to work on getting a truer figure for this Overtime. So we've been paying this Overtime for everybody incorrectly for the last three or four years. Highway Safety – that's not budgeted this year?

Chief Phillips: You never know; if the Grant comes up; they call us and tell us. In either 2 weeks or 3 weeks we'll know something before the program starts; but we don't really know when it's coming. The way the State budget is now, we're not sure what is going to happen.

Mayor Newlands: Payroll Taxes, obviously we have no control. Why is Employee Health Insurance going up so much? Anybody? Why is it going from \$64,000 to \$93,000? Who put the figure in?

Julie Powers: I believe the figure from 2011 on the note that you see there for the Chief, the Lieutenant, 2 Sergeants, 3 Corporals, 3 Patrolmen First Class and 1 Administrative Assistant; I'm not sure why there is a huge difference between 2010 and 2011. I can break out who was here in 2011; and there may have only been X amount of officers and that's why it is going up more.

Mayor Newlands: It's a 50% increase.

George Dickerson: It may be hard to predict who the officers are that need a family plan, which is a much higher rate than that of a single individual also; it would account for some of that.

Mayor Newlands: That's a 50% increase.

Vice Mayor Betts: It might change.

Mayor Newlands: We've got a new officer in the Academy now.

Vice Mayor Betts: Is that what you're talking about, the new one?

Julie Powers: I know last year; what did we do, did we use Revenue Reserves for an officer? I don't know that Health Insurance was put into the Health Insurance line item or if it came out of Revenue Reserves to pay for it.

Mayor Newlands: It is not explaining why it is going up 50%.

Julie Powers: I don't know right now why it is; I can tell you maybe tomorrow.

Mayor Newlands: Yeah, let's find out why that went up.

Julie Powers: All I know is I based it on the number of officers that we have currently and what the 12% going up; based on what they're doing. I used the Blue Cross Blue Shield invoice and took what each person had in each category and multiplied it by 12%.

C Abraham: Chief, the officers we lost, if I remember correctly, had family and children?

Chief Phillips: Two of them did, that's correct.

C Abraham: And the officers that we've gained...

Chief Phillips: One has and one has not.

Mayor Newlands: One has a child and the other one is single; the guy at the Academy right now?

Chief Phillips: That's correct.

C Abraham: That's what I thought.

Stephanie Coulbourne: Julie can look at that tomorrow for you, but I believe when we were talking about it, Julie used the higher figure just in case, because you never know when an officer is going to change their status throughout the year. If you use the family plan number, you know it is your highest amount possible.

Vice Mayor Betts: But in 2009 in was higher than it was now; is that because maybe we lost an officer?

Stephanie Coulbourne: It could be, I don't know. That was two years ago. Yes that's correct; Julie is saying that we didn't...

George Dickerson: Officer Hamlet was on leave for quite a while.

Mayor Newlands: Right, we were a few officers short. But I can't understand a 50% increase; that's kind of high. All right Pensions are Pensions. Training and Seminars – we're going up in Training for what reason?

Chief Phillips: Reference the school shooting training.

Mayor Newlands: Oh that's the new training?

Chief Phillips: Yes, Sir.

Mayor Newlands: How much of this training is required by COPS? You don't have a choice in some of this training, do you?

Chief Phillips: No the regular firearms training, no, but this other is above it; but it cuts down the liability. If we have a shooting in a school and we're not prepared, we could pay a lawsuit from that aspect.

Mayor Newlands: Do we know what percent of the Training is required by the State Police offhand?

Chief Phillips: I'm not sure what you're asking, Sir.

Mayor Newlands: I just want to know out of this, what is optional and what is required. You have some training that is required, don't you, every year?

Chief Phillips: Yes, three times a year we have to shoot.

Mayor Newlands: Are those the only requirements, the shooting requirements?

Chief Phillips: Well we have CPR and we have First Aid and we also have our regular training that we have to have 16 hours minimum.

Mayor Newlands: That's what I'm asking.

George Dickerson: Does ammunition come out of there, too?

Chief Phillips: Yes, that's correct. Ammunition does come out of there too.

Vice Mayor Betts: And K-9 training.

Chief Phillips: Yes, right now we're training at the Academy, so he only has to go once a year at the other place, where we got a dog.

Mayor Newlands: Now we're already pretty overdrawn for this year. Legal Fees – we're reducing this down to \$5,000. If we stop confiscating cars, we'll be fine.

C Abraham: Is Sam's Club, not that it's that expensive, is that for the whole Town or is that split up like Maintenance has their own Sam's membership in place and Admin.

Mayor Newlands: Membership – how many Sam's Clubs do we have, two?

Stephanie Coulbourne: The memberships are only for two persons in the Police Department and I believe that I'm the only one in Admin.

Mayor Newlands: That's the card itself; but there are other people that have access to the card. Like George has access to the card. We pay \$20 extra for George to have access to the card; and I don't know if Julie has it or not. You get the sub-memberships, just for extra cards.

Stephanie Coulbourne: Correct, it is split out between them and the police. Was that your question?

C Abraham: Yes.

Mayor Newlands: How many accounts do we have, one account or two?

Chief Phillips: I believe there are two.

C Abraham: I was just wondering.

Vice Mayor Betts: If there are several on there that's paying \$20, because we have one main card; how many has more than that?

Stephanie Coulbourne: There is one employee that has the main membership and then I think two supplemental cards.

Vice Mayor Betts: And who are they for?

Stephanie Coulbourne: George and Julie for Admin. For the Police Department, I know Lt. Cornwell is and Chief Phillips, do you have one more?

Chief Phillips: Just me.

Vice Mayor Betts: I wonder why we need two in the Admin; like with George and Julie, they're right there together. Why do we have to pay for two?

C Martin-Brown: Well we're not.

Mayor Newlands: Well, there are two accounts.

Vice Mayor Betts: Yeah, but what I'm saying, they charge \$20 for each official card.

Stephanie Coulbourne: It would change your budget by \$20 to drop one of those people.

Vice Mayor Betts: I know but we're saving money; we're trying to save money. I mean I just wonder.

Stephanie Coulbourne: Do you want to go back to the Admin line item for that and drop it by \$20?

Vice Mayor Betts: No, I just was asking why; you know, if we're saving money, we're saving money. You know, just because it's only \$20; those \$20 counts up.

Mayor Newlands: Part of it is a little bit of convenience when who is around for getting our supplies; so I don't think you need to worry about it. I think the bigger thing is the Sam's Club account. How much do we pay for each account? Do you know?

Stephanie Coulbourne: It's the membership so there are two lines of credit. Do you mean how much is the line opened for?

Mayor Newlands: No, how much do we pay for the card itself; each account; do we know what the fee is?

Stephanie Coulbourne: There's a membership fee which I think is \$70, maybe; I would have to look that up.

Mayor Newlands: Plus \$20 per signatory afterwards.

Stephanie Coulbourne: Correct.

Mayor Newlands: We're not going to save much on that.

George Dickerson: I'll turn mine in if you want. I don't need it.

Mayor Newlands: It's the other \$7,900 that we've got to worry about that's in here in the supplies. The Roger Graphics – what is that?

Chief Phillips: It's just a printing company that does all our forms. Some of our Supplies covering vehicle supplies as far as crime scene tape and things like that; also gun cleaning supplies; neighborhood watch supplies; toner and ink and cartridges for printers, copy paper, pens, binders, tapes, staples, toilet paper, paper towels, batteries, evidence supplies as far as bags, tape and boxes, DVR's.

Mayor Newlands: Now some of your Supplies get covered by Grants, don't they; don't you collect ____ and things; and you can get some of that back? We don't get a lot back; but we get some back, don't we?

Chief Phillips: It depends on the Grant, but sometimes you can, yes. We're not sure if the SALLE and EDE is going to dry up. Every year they keep taking money from us, so they give

us less and less; eventually it may not even be there. Also we get DVR's for making copies of interviews and traffic stops for the AG's office and for court and that all falls under Supplies.

Mayor Newlands: Now we're running just around, well you're running just about flat on your \$5,000 so far this year. Why are we increasing it to \$8,000?

Chief Phillips: I figure the price of everything else is going to go up before it's over with.

Mayor Newlands: I would like to drop that back down to \$5,000.

Chief Phillips: How about \$7,000?

Mayor Newlands: \$6,000?

Chief Phillips: \$6,000, sold.

Mayor Newlands: You're just about out right now; and I know you got rid of the Crystal Spring Water.

Chief Phillips: Yeah, we did do away with it; bottled water; we just fill it up because it's basically just for the prisoners and the refrigerator we have has its own filtered water, so we figured there is no sense buying water for the prisoners when we could get it out of the hose.

Mayor Newlands: Okay make that one \$6,000. Advertising – how much advertising do you do?

Chief Phillips: Basically for jobs and also for different ads for DUI and seat belt, aggressive driving and things like that.

Stephanie Coulbourne: I believe he also just used it to have the heating unit replaced [an RFQ] for the Police Department; he had to advertise for that too.

Chief Phillips: That's correct. We posted a bid.

Mayor Newlands: That's staying the same as last year. Dues & Subscriptions.

Chief Phillips: It's the same as last year.

Mayor Newlands: There are two Chief's Councils; is it Alan Parsons? Who is that one?

Chief Phillips: Alan Parsons is actually the one that goes to Sussex County Chiefs and then there's a statewide Chief's Council.

Mayor Newlands: Uniform Cleaning – you're increasing this by 50% for what reason.

Chief Phillips: We figure we're getting an 11th person and the price may go up for them also.

Mayor Newlands: I know its only \$500; put that back to \$1,000.

Chief Phillips: Okay.

C Martin-Brown: Mr. Mayor, what line item was that?

Mayor Newlands: Sorry, that was the Uniforms, 5345. Gasoline – is \$20,000 and you used all of it. Even if you get another officer, that one officer is 10% and that's only \$2,000.

Chief Phillips: Correct.

Mayor Newlands: I would make that \$22,500; not \$27,500.

Chief Phillips: Okay.

Stephanie Coulbourne: You're estimating 10% for an officer for a year in gas?

Mayor Newlands: You have 10 officers using \$20,000; that's \$2,000 apiece; and a little extra. They'll be fine. Miscellaneous Operating – that's just...

Chief Phillips: Miscellaneous, Sir. It says \$500, but I was looking for \$3,000 and I'll tell you why.

Mayor Newlands: Please.

Chief Phillips: We have a Christmas Parade; we feed the Firemen and feed the officers that come and help us do the parade and it costs us \$495 for that. And we also have psychological officers \$315 and another drug screen \$100 and then we have eye care exam we've got to do for the other new officer that we hire and also the new Title 11 and Title 21's log books, we have to buy. Then

also Night Out and then travel money; if they're travelling out of state for training for their food and things like that.

Mayor Newlands: You're already over on your \$500 now. Wouldn't some of this money go into the training budget?

Chief Phillips: I guess the travel and food money could, yes.

Mayor Newlands: Yes. The actual 2009 was \$1,900. Right now you're running about \$800-700. We could bring it up to \$1,000. Everybody else has \$1,000 in there and that's fine.

Chief Phillips: Yes, Sir.

Mayor Newlands: Blood Draws – you're at \$1,500 and running around \$1,700. Let's knock that down to \$2,000.

Chief Phillips: Well it starts out at \$69 a shot and we average about 20 and that's about what it came out to, but...

C Abraham: What is that; explain that to me.

Chief Phillips: Every time we take someone to the hospital and draw blood, the hospital sends us a bill for \$69.

Mayor Newlands: For DUI's?

Chief Phillips: For DUI's.

C Abraham: Isn't there a way of removing...

Chief Phillips: We've tried but we haven't had much luck with the Court's and the AG's Office, no.

C Abraham: I've just never heard of it.

Chief Phillips: Years ago when I first started, 25 years ago, they didn't do that; they actually billed the person for the thing. Then somewhere down the line, someone felt sorry for them and changed the way of doing it, so now we have to pay for it.

C Abraham: So it's almost like you can't help but do it; it's a procedure you have to go through.

Stephanie Coulbourne: Chief Phillips, did you say \$69?

Chief Phillips: Yes, I believe its \$69.

Mayor Newlands: Yes its \$69.

Stephanie Coulbourne: That's \$1,380 for 20 of them.

C Abraham: And we're not allowed to bill for them?

Mayor Newlands: Is it, okay?

Chief Phillips: The courts don't help us, no. To the person?

C Martin-Brown: Yes.

Stephanie Coulbourne: Through the court system?

Chief Phillips: It would cost us a legal fee before it's over with.

Stephanie Coulbourne: It wouldn't be included in the charges for the DUI?

Chief Phillips: We've tried that and didn't get reimbursed; and the AG's usually doesn't do that, no. I wish they would.

Mayor Newlands: These psych evals that are in here, are there for the officers that are coming on board?

Chief Phillips: For the eleventh officer, yes, Sir.

Mayor Newlands: No, I mean the ones that we've expended money for this year so far.

Stephanie Coulbourne: It's for the two new officers.

Mayor Newlands: Okay.

Stephanie Coulbourne: Actually, I think you had three this year.

Chief Phillips: Yes, everybody that got hired had a psychological.

Mayor Newlands: I don't have a third guy on here, though.

Stephanie Coulbourne: Not yet, you haven't gotten the bill yet.

Mayor Newlands: All right, you're saying its \$1,300 for the 20 blood draws.

Stephanie Coulbourne: \$1,380.

Mayor Newlands: So this is not only blood draws; this is blood draws, plus other medical issues.

Chief Phillips: That's correct.

Mayor Newlands: So let's add that, plus other medical. This is other medical for new hires then. I don't know if this is the right place to add that.

Vice Mayor Betts: Are you going to leave that as is?

Mayor Newlands: Yes, we can leave that as is.

Mayor Newlands: Printing & Postage.

Chief Phillips: When you add that up, we have to send letters to all the victims of felony crimes and things like that; domestic violence; we have to mail that out to the victims.

C Abraham: Victim Services doesn't do that?

Chief Phillips: No they follow up and contact them, but we still have to give them copies of the report.

Mayor Newlands: You only have \$40 left in there. Let's make that \$750. Okay, Auto Maintenance – all right with Auto Maintenance were looking to do what. We have here to include \$5,000 from the County Grant.

Chief Phillips: That's correct.

Mayor Newlands: So why are we doubling from \$9,000 to \$18,000; when we were doing okay with the \$9,000? We're running just a little bit over the \$9,000 right now; and I'm confused with including \$5,000 from the County; are we trying to spend the \$5,000 we get from the County?

Chief Phillips: That \$5,000 is going to go towards refurbishing the K-9 vehicle, actually and we moved it over there to help that out.

Stephanie Coulbourne: But you would show the expense in this line item and the Revenue from County in the Revenue from the County down below.

Mayor Newlands: Right.

Vice Mayor Betts: Does that mean you're adding \$5,000 to the \$9,000 and then it will show in reimbursement?

Mayor Newlands: He wants to use \$5,000 of Grant money to supply; it's just a note, I think, just to say that out of this money \$5,000 will come from...

Vice Mayor Betts: Out of the \$18,000?

Mayor Newlands: the Grant. I still don't want to double it. Didn't we have capital expenses for refurbishing some of the cars?

Chief Phillips: I'm sorry?

Mayor Newlands: Didn't we put money aside in the yellow here for refurbishing some of those cars?

George Dickerson: Yes there is.

Chief Phillips: Yes we did.

Mayor Newlands: Let's just make this \$11,000; because I know we're going over just a little bit and I know we have to do whatever maintenance is required for cars; we have no choice on that.

Chief Phillips: So that \$5,000 goes back to...

Mayor Newlands: Well the \$5,000 is just really income coming in, so let's not worry about how we're allocating it; let's just worry about how much you think we're going to spend; if we're

spending \$9,000 or a little over \$9,000 right now and we're not done with the year yet, let's make that \$11,000 just because we have to maintain vehicles anyway.

Chief Phillips: That's not counting the \$5,000 correct?

Mayor Newlands: I'm not counting the \$5,000; just \$11,000.

Stephanie Coulbourne: Then you can't include the \$5,000; you're going to have to show the offset and show that you've expended it for the Grant.

Mayor Newlands: You mean in Revenue?

Stephanie Coulbourne: Yes.

Mayor Newlands: But that can go against anything, can't it? That can go against the \$11,000; I don't have to increase the \$9,000 by \$5,000 in order to spend it.

Stephanie Coulbourne: Okee, dokee.

Mayor Newlands: I don't want to take money and just add it to; because we got grant money; I want to put that money towards things that we have expenses for. Okay, Building Maintenance – you're at \$6,000 and you want to stay at \$6,000?

Chief Phillips: Yes, Sir.

Mayor Newlands: Equipment Repairs – Why are we doubling that? You're just running out of the \$5,000 right now. Is there any reason you're doubling that?

Chief Phillips: Hang on a second.

Mayor Newlands: Can we put that back to \$5,000?

Chief Phillips: What did you say it was Equipment?

Mayor Newlands: I want to put it back to \$5,000; same as last year; I want to lower it to \$5,000.

Chief Phillips: Okay.

Mayor Newlands: Now Telephone, that's got to come down; because we've already dismissed the phone system. Did we ever get any answer from Verizon about what these are going to be? We shouldn't be increasing them; if anything they should be going down.

Chief Phillips: We did save money by switching to Comcast; we saved \$2,500 a year by switching; the phone was like \$400 or \$500; now we're down to like \$200.

Mayor Newlands: So you've got \$2,500 there; you're down about to about \$150-\$200 on Verizon Wireless, right?

Chief Phillips: Yes.

Mayor Newlands: So we can actually take \$3,700 from the \$12,500 that we had last year and reduce that down. Instead of going up...

Chief Phillips: Are you going to make it \$12,500 again you said?

Mayor Newlands: No, we should reduce \$3,700 from the \$12,500; we shouldn't be increasing it, we should be decreasing it.

Chief Phillips: What are we going to again?

Mayor Newlands: \$8,800; that's a reasonable amount because we saved all that money with the Verizon switches and the Comcast switches. Uniforms are for Huff and the new guy?

Chief Phillips: Well, actually, no. Huff is wearing old clothes right now that are about worn out; we haven't had to buy new uniforms for the last few years. Now some of the officers have been here for 5 or 6 years; their uniforms need to be replaced. We're also going to need to purchase it for the 11th man also and the gentleman is in the Academy now; that was the reason we went up on that price.

Mayor Newlands: What does it cost per officer?

Chief Phillips: I don't have that in front of me right this second, no. I can get it for you though tomorrow.

C Martin-Brown: Are you thinking about buying 11 new uniforms or rolling X number of uniforms in each year over a 3 year time period so that maybe you would buy each consecutive year?

Chief Phillips: Yes we could do that; we could cut it down. It could be as an as needed thing; but some officers the knees are about to wear out, because they've been wearing the pants so long from different things; the shirt collars are wearing out; things like that, just replace them as they are needed.

C Martin-Brown: I'm just wondering if we could phase it in.

Chief Phillips: Well the pants are \$110 apiece and the shirts are about \$90 apiece.

C Martin-Brown: But the figure I'm looking at is \$12,000; am I looking again at the wrong figure?

Mayor Newlands: No, you're looking at the right figure unfortunately.

C Martin-Brown: Well that's what I'm wondering if they're \$110 a pair of pants, lets back it up to \$100 for the sake of argument; so there are 10 pair of pants for say \$1,200 and buck it up to \$1,500 and X number of shirts; then you could buy more of the jackets and more gear adding a certain amount of that over three years so that everybody ends up at the end of three years in pretty good shape. I do want to make the footnote though, that police morale is important; so you can't let them walk around in raggedy pants; but if there was a way that that figure could be lowered.

Chief Phillips: The problem is that we actually lowered it the last few years where we haven't had to purchase any and now that we're coming up where we have officers that have been here longevity wise; now their uniforms are getting worn out, plus we have Castro that we hired and she got uniforms which we paid for; plus they're wearing uniforms that are worn out and rough looking and we have the new guy at the Academy.

C Abraham: Can we get a breakdown next time?

Mayor Newlands: Also in here we spent \$725 for body armor for one of the officers, so would that come out of Uniforms or does that come out of some other equipment.

Chief Phillips: No that comes out of Uniforms; but we do have a Grant to offset that; a Federal Grant.

Mayor Newlands: We are getting Grant money, you're got two sets of body armor you have; you have the personal one and then the tactical. Those we're getting all of that out of Grant money?

Chief Phillips: Half comes out of Federal Grant money and we have to match the other.

Mayor Newlands: One thing I didn't know was that these things have an expiration date on them.

Chief Phillips: Yes, after five years they have to be replaced; which we are coming up on with newer officers now. That's why we applied for that Grant; every five years they have to be replaced.

George Dickerson: Mr. Mayor, can we identify that Grant, because we're not aware of it over here?

Mayor Newlands: We already spent that.

George Dickerson: Can we identify what Grant that's coming out of because we've not seen any of that money?

Chief Phillips: The Federal Grant that we put in for, we don't know if we've got it yet or not; but normally you get it pretty easily; we haven't heard back from them yet.

George Dickerson: We don't have the Grant yet?

Mayor Newlands: No.

C Martin-Brown: Do we have a copy of the Application?

Chief Phillips: I can get it for you, yes Ma'am.

C Martin-Brown: Well I don't need it, the Mayor does.

Chief Phillips: It's a 99% sure thing.

Mayor Newlands: We've got to lower this thing down somehow. C Martin-Brown's math is real good; that 10 pair of pants thing. Can we make it \$6,000 for now and then we can see where we can go?

Chief Phillips: We're not buying just 1 pair of pants, you understand that right?

Mayor Newlands: Yes, I know. C Martin-Brown is saying let's go up to \$8,000 and I agree, \$6,000 is too low; let's make it \$8,000. I know you're spending \$4,500 now and you spent \$4,500 last year; so I know it's a true number on actual maintenance.

Chief Phillips: All I can tell you is the dress blue jacket that comes with it, the outfit is \$600 a piece and we have three of them to buy; dress blues, Class A's.

Mayor Newlands: Let's leave it at \$8,000 for now and we'll see what we can do with it.

Chief Phillips: Okay.

Mayor Newlands: Utility increasing because we have a new heating system.

Chief Phillips: We will have the bid thing on Friday; the bids have to be in on Thursday and then Friday we have the opening of the bids.

Mayor Newlands: Why are the utilities going up if we have a new heating system?

Chief Phillips: Basically because it is all electric now and not fuel and we just anticipated the old heat pump.

Mayor Newlands: They are not that expensive.

Chief Phillips: Okay we'll take it down to \$10,000, how's that?

Mayor Newlands: I would put it back where it was. Talk to your friend Bob and see if we can get an estimate from him on the cost of that thing; the cost to run it. The heat pump costs almost nothing more then running a regular furnace; just the electric for a furnace; they are not that expensive.

Chief Phillips: We are opened 24 hours a day; just to let you know by the way.

Stephanie Coulbourne: So you're going to take it back to \$7,500?

Mayor Newlands: We haven't spent \$5,000 yet; or just over \$5,000 so far this year. Keep it in mind if we have extra money to increase things, we can always take these one or two things but...

Chief Phillips: Did you say extra money?

Stephanie Coulbourne: For the utilities I have over \$6,000 expended so far.

Mayor Newlands: So you have bills I don't have then. You have \$6,000 already? Let's make it \$8,500. I'm not going to worry about the next one \$200. The big dogs \$2,500 for food. Is this what Harvey's spending now?

Chief Phillips: Yes, that's correct.

C Abraham: Does this also include like any equipment for the dogs?

Chief Phillips: Yes.

Mayor Newlands: Prisoner Feeding let's leave it...

Chief Phillips: That's a two-fold thing actually. We don't have a cleaning company come, so we just come and pick prisoners up and they do it for free; the only catch is we have to actually buy their food now. They used to bring them brown bags and they've tightened up and done away with that. So I figure for \$10 for one man to come and clean up our department all day is not a bad deal.

Mayor Newlands: You're feeding other prisoners aren't you?

Chief Phillips: That's correct; if we have anybody over 6-8 hours in the station, we feed them.

Mayor Newlands: Where was this coming out of before?

Chief Phillips: Miscellaneous.

Mayor Newlands: Miscellaneous. What we're doing now is to detail what some of the things that we're spending money on; we're breaking out some extra categories to let everybody know what we're spending the money on.

C Martin-Brown: Prisoner Feeding that's important.

Mayor Newlands: Well you want a happy prisoner.

C Martin-Brown: You want a humane prisoner.

Mayor Newlands: Yes. We have no car payments anymore.

Chief Phillips: Not to my knowledge. From where we're going we might as well scratch the next page altogether; I can see that coming; so let's just skip that.

C Martin-Brown: You know, Chief, that yellow means Caution.

Chief Phillips: I just wasted a piece of paper on that one.

Vice Mayor Betts: Yes you did.

Mayor Newlands: I think we started the day off at minus... What are we at right now?

George Dickerson: -\$480,000

Mayor Newlands: We started the day off down \$480,000?

Stephanie Coulbourne: You're at -\$520,000 now.

Mayor Newlands: We're going in the opposite direction?

Stephanie Coulbourne: Yes.

Mayor Newlands: Police Revenues – Grants, we generally get \$25,000 from Sussex County, which is the third line; we get paid back a good percentage of our pension; the top one you had here was \$20,000 two years ago, that's zero, do you know what that is off hand? What did you get the Grants for the computers and things, what Grant was that?

Chief Phillips: That was part of the Sussex County \$5,000.

Mayor Newlands: Do you know what that \$20,000 Grant was?

Chief Phillips: No Sir.

Vice Mayor Betts: Did you try selling the cars?

Chief Phillips: No. We have one down there to sell.

Mayor Newlands: One of them is from 1996 or 1998?

Chief Phillips: Someone called it in as an abandoned vehicle already.

Mayor Newlands: I heard. Other Revenues we had in here from this year \$68,000; I'm sorry that's Revenue Reserves, sorry.

Chief Phillips: Unfortunately we don't have much revenue.

C Abraham: You need to become a little more proactive.

Mayor Newlands: When they pave the Wagamon streets next week, you can start giving parking tickets for parking the wrong way. General Expenses – Governor's Walkway, we have nothing for. Council Donations – you moved that down. The Wagamon Utilities – we're still going to pay that, but that's going to... Where do the other street lights come out of; Admin? Other street lights besides Wagamon's?

Stephanie Coulbourne: Hang on a second. Yes, you'll see it under your Municipal Street Aid.

Mayor Newlands: So it is strictly underneath Municipal Street Aid. Okay so we don't get this until next fiscal year, right, the Wagamon's lights \$12,000.

Stephanie Coulbourne: It has to be dedicated to the Town and turned into the State and deeded over by June of next year for us to get it for the next State fiscal year.

Mayor Newlands: For us to get it for next July. Concerts in the Park – what was the total for you in that?

Stephanie Coulbourne: What was expended so far this year?

Mayor Newlands: It's around \$10,000 almost right now.

Stephanie Coulbourne: Yes \$9,763, so far.

C Martin-Brown: Is that cost to the Town Budget or is it in and out?

Vice Mayor Betts: Its not, it says here that the Town ends up funding some of the costs; is that right?

Stephanie Coulbourne: That's correct.

C Martin-Brown: And how much of that?

Stephanie Coulbourne: A couple of thousand every year; it used to be the mailing that went out to everyone in the 19968 zip code. This year we did not do that; it's just everybody in Town got the concert; however, even though people say they're going to donate to pay for a Concert, they don't always do that.

Vice Mayor Betts: You don't bill them back for what they didn't pay?

Stephanie Coulbourne: It's a donation, Leah.

Mayor Newlands: For not donating, unfortunately, no.

Stephanie Coulbourne: And there have actually been circumstances where we've gotten bills later into the next budget year for the prior year or we've gotten donations from the year prior into the next budget year. It's never fully paid for itself.

George Dickerson: In the last three years that I'm aware of.

C Abraham: Are you referring to sponsors each Wednesday night? Why can't you bill them? If they made an agreement and it's an advertisement for them, the Wednesday night that they're here, because you're spouting off that this is being done, you know.

Stephanie Coulbourne: It's never been a written agreement; it's just a verbal agreement; yeah Charlie I'll send you money.

C Abraham: I think we need to change that.

Vice Mayor Betts: I think so. It may be a donation, but if they obligated to pay for a Wednesday night...

Stephanie Coulbourne: I just don't know what the Town's repercussion would be if they didn't pay the bill.

C Abraham: Well nothing, but you could ask.

C Martin-Brown: Wait a minute, excuse me Mr. Mayor, this Concert in the Park thing can be 20 concerts a year; it can be 5 concerts a year. It can be every other week, between June 1 and Labor Day. That is controllable and determined by the amount of donations.

Mayor Newlands: No, I don't think it is run that way; I think it is run sponsored by each concert is sponsored by different people.

C Martin-Brown: Each of them; but for instance, the Milton Community Foundation donated \$250; now if that's what it cost for that night, you have the concert. If you don't have a sponsor to give the money, then you don't have the concert that night. In other words...

Stephanie Coulbourne: You've already booked the band though back in the spring, so they're expecting.

Mayor Newlands: Holly is doing this over the wintertime.

C Martin-Brown: I'm sorry but I lived 30 years in Washington and this is how Congress operates; what we need to say is we pay as we go; if the Town chooses, the Town Government, chooses we will underwrite free concerts for the total price of \$1,000 or whatever, then you

know what parameters you have for what you're going to pay the performers for \$1,000 worth of performances; whether it is 2 nights or 3 nights. They raise the money in the spring; stuff like the Horseshoe Crab when I was running it, we had to raise all the money in January and we didn't schedule anything. By the time the event happened it was all paid for.

Mayor Newlands: When are we getting our checks in? When are the donations coming in?

C Martin-Brown: So I get a little anxious about this.

Stephanie Coulbourne: They're still slowly coming in.

C Martin-Brown: Well you see I think that's not...

Vice Mayor Betts: I think they should pay up front.

C Martin-Brown: And Charlie is very, very good about this, so if he knows that these are the rules he can certainly manage the process; he's totally capable.

Vice Mayor Betts: If they agreed to sponsor it, they agreed to the amount that it cost.

C Martin-Brown: And it has to be prepaid. And I'll tell you, I had a lot of heartburn between January and April 30th when I was doing those things, but you pay as you go.

C Lester: But that adds to another problem that some of the bands you prepay them, right? Then you have a problem and I've seen that in the Rock 'n Roll Industry, if they're not paid they're not going to show up.

C Martin-Brown: But that's why you start in January.

Chief Phillips: I'm glad you brought this up. I have a question. We do Night Out every year and every year we have to beg, borrow and steal from all the people in town and it's really getting kind of old to be honest with you and we're not getting much support and usually at Night Out, two-thirds of them are out-of-towners that don't even live here and it's costing us more like where Miscellaneous is going, so I don't have anyplace to take the money from; but when we're short I have to find some other place to take the money the money this year. I was hoping the Town could somehow help to pay that. Other Towns help pitch in and pay for the Night Out; and we have to go around and talk to the business people and get even fuel from the public to donate money. My understanding is next year; we may not have it if we don't have proper funding. I just don't feel right going out in uniform and begging for money.

C Martin-Brown: You shouldn't.

Chief Phillips: We bother the townspeople enough, as it is; the taxpayers and the businesses and I just don't think we should be panhandling, for lack of a better word. I think that we should try to find the money some other way. If not, we just won't have food and everything like that. It costs us \$500 for a clown; it costs us almost \$400 for the guy to cook the food; and it adds up pretty fast.

C Martin-Brown: When I look at this budget and I see the yellows and I added up the yellows and I looked at the hard decisions that we're going to have to make about people's income; about the Chief being able to do DUI tests; about stuff that Alan needs; these kinds of exercises are good for the town, they're important for the town, but if people, as volunteers want to do these things, it's their responsibility to raise the money and pay the bills before the thing ever starts (A). (B) We already are paying for these things and we ought to continue in overtime by the Chief of Police and his team helping these different events, which have been wonderful, and Alan's park people and the water people working overtime to subsidize as they ought to, these events...

Vice Mayor Betts: And that's costing the town.

Chief Phillips: My understanding is that most towns either bill the people that do different events for police coverage and trash pickup and maintenance things; that's why most of them are all

coming here because the other towns are billing them and they're coming here and we're not charging them anything, is my understanding.

C Martin-Brown: Well that's not really accurate in my understanding, but the bottom line is you are giving out of our budget as we ought to to help these things be safe, secure and the parks and all the stuff that you do Alan, but if somebody wants to have an event, the bill should not come to the Town.

Mayor Newlands: Well which event are you talking about besides the...

C Martin-Brown: Any of them: Concerts in the Park, clowns for police...

Mayor Newlands: Some of these things are town sponsored events, as opposed to Bargains on the Broadkill, which is a Chamber event.

C Martin-Brown: Well most of these are town mentored.

Mayor Newlands: And we only have two that I know of, which is the Night Out and the Concerts; and that's it.

C Martin-Brown: But if we're getting bills for the Concerts that are not in our budget, then we can say that we want the Concerts; we'll do the police stuff...

Mayor Newlands: Okay, we'll talk to Charlie and see if we can just change this around a little bit.

C Martin-Brown: And let me make a little plug, which is completely off the budget. I am not on the Board; I was a Founder, but I am not on the Board or an Officer of the Milton Community Foundation; and I know how much money they have now. So some of these things the Town ought to think about going to the Milton Community Foundation and saying would you help us sponsor and that's the kind of thing Charlie did for the Concerts.

Mayor Newlands: We'll talk to him about getting his money up front. He actually talked to me the other day about trying to find ways of getting him some extra advertisement and things like that.

C Martin-Brown: In the water bills and all of that stuff, which we started doing way back. Thank you, I don't mean for such an outburst Mr. Mayor, but these things can get out of control.

Mayor Newlands: I know. Revenues we have in general; the permit fees; why are the Permit Fees and the Sewer Impact – don't these go under Code?

Stephanie Coulbourne: No, this isn't under Building, like you're thinking Building Permits, is that what you're thinking?

Mayor Newlands: This is the Tidewater? What's the difference between the two; \$4,200 and \$4,250?

George Dickerson: The first permit fee is a fee in the Sewer ordinance that requires us to be paid \$750 on the hook-up which is a separate and distinct with regard to that ordinance; so that's what that total is and you can see the reduced amount from last year, because of predicting the number of new hook-ups will be down, based on that.

Mayor Newlands: Right. What's the second one; is that the \$1,500?

George Dickerson: That is correct.

Mayor Newlands: I just want to reword that at some point; it's okay for now. Let's go on to Park Expenses and we'll try to speed up a little bit.

George Dickerson: Mr. Mayor, the Concerts in the Park with regard to Expenses and Revenues, what did we decide? Are we going to look at that later? Was a decision made? We show it as an in and out which would not affect if everyone that said they would sponsor a band, paid.

Mayor Newlands: I'm sorry, you're right. We spent almost \$10,000 this year.

Julie Powers: Every concert paid is what's in that.

Mayor Newlands: Right, but we're \$1,500 in the hole though; they're all paid, but we need the pick up, so we're truly spending \$10,000 a year on this; so leave it at \$10,000 and then we'll just have to try and collect more money. Because there are some printing costs in there too, besides the bands; there was copyright printing and the theater payments were for last year.

George Dickerson: That's correct.

Stephanie Coulbourne: Yes, they came in this budget year.

George Dickerson: We got a late bill on that.

Mayor Newlands: I remember that and we already used the theater twice this year. Okay. Parks we have \$30,000 for the salary, plus the associated expenses; taxes and things. Supplies, we lowered this for what reason? Oh, you moved Supply money to the other side, you thought I would forget. I'm not going to go through this, but did somebody balance out what we did with Supplies?

Allen Atkins: We lowered Supplies to \$2,500 and we moved it to Streets. I need to change one to Repair and Maintenance Equipment; we had \$6,500, I don't know what she has now for expended; at the first part of July I had only expended \$274; but we're getting ready to buy some blades and stuff; but we could probably put it back to \$2,000.

Mayor Newlands: You're getting ahead of me.

C Abraham: On number 5280, Alan, did you move part of the Supplies under Streets?

Allen Atkins: No.

Mayor Newlands: That was Repairs.

C Abraham: Okay.

Allen Atkins: That's your weed killer.

Mayor Newlands: You're reducing that down \$1,500.

Allen Atkins: Right we haven't spent that much.

Mayor Newlands: Okay, that's fine then.

Allen Atkins: So we reduced it back.

Mayor Newlands: Now Memorial Park, all the Parks, this other one just has park names on it.

Allen Atkins: Yes, that's Memorial Park and Rails to Trails, that's Repair and Maintenance to any equipment in those parks, plus your mulch that you get for your plants and shrubs around there every year.

Mayor Newlands: So that's just care and feeding of the parks. That's going up?

Allen Atkins: Yes, Rails to Trails wasn't in that last year.

Mayor Newlands: Miscellaneous Operating, we can just leave that. Repair to Equipment, which is that going up so much.

Allen Atkins: That's the one I lowered that back to \$2,000.

Mayor Newlands: Utilities you're keeping that the same.

C Abraham: Alan, are you finding much vandalism with any of the Parks?

Allen Atkins: Yes we have here lately. Sunday morning they found all the glass out in the street where they took all the light bulbs out on the stage and broke them out in the street.

Chief Phillips: I think we have suspects now and we're going to make another arrest; we just made an arrest the other day where they damaged some other people's yard ornaments and it's in the same area, so we're trying to tie that into it now.

Mayor Newlands: Next one is the web-site for \$200. Engineering Fees – have much in Engineering?

Stephanie Coulbourne: He hasn't expended anything yet this year.

Mayor Newlands: Please lower that down to \$1,000 then. I have listed that gas and oil was \$2,000; that was missing from this report. Is that part of what was moved?

Allen Atkins: It needs to be added, \$2,000.

Julie Powers: It was a new line item that Alan wanted added in and its \$2,000.

Mayor Newlands: Now this is splitting it out from another department?

Allen Atkins: Yes, before all the gas and oil for everything was under the Water Department and it wasn't fair for every other department to be paying for their expenses.

Mayor Newlands: Okay. Park Revenue, all we have is boat dock this year.

Vice Mayor Betts: Why have the boat docks rental gone down?

George Dickerson: They don't want the ____.

Vice Mayor Betts: People don't rent it?

George Dickerson: They do, but they just don't want the year round rental.

Vice Mayor Betts: So they're just paying month to month. They're always full, I'm just wondering.

Stephanie Coulbourne: You could do the high end and say the most revenue that you're ever going to get; but people are deciding month to month; they're not paying in advance anymore; where they used to pay for the whole six months at a time; now that they are \$200 a month, they think that's too high, so they'll pull them back out or they'll decide I'm not paying ahead of time, I'll just pay you if I want to stay next month. So you can change that and put that on the high end if you want for 6 months at full rental.

Mayor Newlands: Are they paying us or are they past due?

Stephanie Coulbourne: I do have some that are past due, yes.

C Abraham: I was getting ready to say, because there are boats there every day.

C Martin-Brown: But they are different boats.

George Dickerson: And remember last year we did a survey of other municipalities who have the boat slips and we are on the cheaper end of all of those.

Mayor Newlands: Yes, I remember that. How many slips do we have, 4 or 5?

Stephanie Coulbourne: We have 6.

Mayor Newlands: All right leave that on the conservative side. Let's go through Code; we have \$81,000 for Salaries, Overtime, Benefits. Why are Benefits going up so much?

Stephanie Coulbourne: I believe she took it, I don't know Julie, I don't want to answer for you, but I think it might have been because of the cost if the employee was increased as a family coverage, plus the increase of the 12%. Is that correct?

Julie Powers: Yes.

Mayor Newlands: It's over double. That's a huge increase. There's something wrong there.

Stephanie Coulbourne: Do you want her to get that breakdown for you, too.

Vice Mayor Betts: That's over double.

Julie Powers: Well the cost of an employee is \$535.75 currently, I believe; and a family plan would be, I think close to \$1,200, if not more and you add 12% on top of that and 12 months out of the year for one employee it's pretty significant.

Mayor Newlands: So we're just assuming that we're going to get somebody come in with a family plan.

Julie Powers: Well you have to do worst case scenario in your expense because we don't know who is going to be hired for the position, whether they have a family or not, so hopefully it will be cheaper.

Mayor Newlands: Let's talk about that tomorrow, because that's two employees on the family plan.

Stephanie Coulbourne: Yes, that would be \$2,400 a month times 12 and then times a 12% increase.

Mayor Newlands: And that's the 70% our share?

Stephanie Coulbourne: And that's the worst case scenario; that wasn't 70%.

Mayor Newlands: I don't think that's 70% of it; I think that's the full amount. Please redo the math on that one. Training and Seminars \$500; Consulting URS/CABE – most of those fees come back to us, don't they – they're all pass throughs; same with First State; and legal? They all come back to us?

Robin Davis: I think the only thing with legal is in the past couple of years, they've added the money in there in case of lawsuits that you'll see in the projected revenue; legal is only \$6,000, but there is \$12,000 in expenditures. It's just a shot in the dark as to how much the Planning and Zoning or Board of Adjustment or Historic Preservation might have some sort of a legal issue or lawsuit.

Mayor Newlands: So it's a contingency?

Robin Davis: Yes, that's correct.

Mayor Newlands: When Seth comes to talk about Wagamon's or Cannery Village that's all going to be billed back to the builder's?

Robin Davis: Correct.

Mayor Newlands: Have we ever had any legal actions in Code?

Robin Davis: The last recent one was Casa San Francisco. Other than that, no, I don't think we've had one since then.

Mayor Newlands: How much was that one?

Robin Davis: I'm not sure off the top of my head.

Stephanie Coulbourne: Mr. Mayor, for the health benefits, if you took two employees at \$1,200 times it by 24 for the year and add 12%; 70% of that total is \$22,579.20.

Mayor Newlands: So then lower it down to \$22,579.20. On legal fees, cut that \$6,000 in half to \$3,000, so make this \$9,000. Advertising is for...

Robin Davis: Any legal notices that we have to send out; site plans and things like that, have to be advertised in the paper.

Mayor Newlands: Dues & Subscriptions, is that \$900 for that software?

Robin Davis: Yes.

Mayor Newlands: Gas and Oil is just for trucks?

Robin Davis: Yes.

Mayor Newlands: Printing & Postage?

Robin Davis: Every year renewals for the Business Rental License and everything that has to be sent out; the new licenses that have to be sent out every year.

Mayor Newlands: Auto Maintenance is strictly on the cars.

Robin Davis: Yes, two vehicles.

Mayor Newlands: And one vehicle we're getting refurbished this year, right.

Robin Davis: Yes, it's at the repair shop right now.

Mayor Newlands: Equipment Maintenance?

Robin Davis: Yes, Repair and Maintenance Equipment.

Mayor Newlands: You don't have anything expended so far. Telephone - why did that go up \$400?

Robin Davis: The current monthly bill is around \$110.

Mayor Newlands: Oh yes, I see that; is that for two?

Robin Davis: Yes.

Mayor Newlands: Because we never suspended the other phone?

Robin Davis: No.

Mayor Newlands: All right that's fine. And uniforms are for the shirts?

Robin Davis: Yes, correct.

Mayor Newlands: Website; Revenues, you're making a profit, right. So these are all paybacks for everything that we...

Robin Davis: Yes the bottoms are all the things that come back to legal, engineering and consulting and the money that we get for the Building Permits; the License Rentals.

Mayor Newlands: The building permits signage, we estimated same number of building permits for this next year as this year, I'm assuming.

Robin Davis: Maybe a little more; it's roughly about the same. I'm hoping the economy will come back a little bit better.

Mayor Newlands: Trash is a pass through for the most part.

Stephanie Coulbourne: That figure we can plug in after the next Council meeting.

George Dickerson: It's usually about \$10,000 in Revenue above what the Expenditures.

Mayor Newlands: Okay, Water we're going to go over the new one. Salaries, we have to increase that salary number from \$108,000 by \$17,000 and change; I'm not sure what the rest of it is. We had one employee who gets split between Admin and Water and for the last three years she was not split into the Water Department, but they never added the figure into Water. So this number has been shy by \$17,000 for the last three years.

Stephanie Coulbourne: Please change the number to \$126,372.

Mayor Newlands: \$126,372.

Vice Mayor Betts: I thought you said increase it by \$17,000.

Stephanie Coulbourne: \$17,500 – but I gave you the total which is \$126,372.

Mayor Newlands: So that would match what we had in there last year; which begs how Tom Sombar did this. All right, overtime for Water, that's fine; Overtime includes all the water main breaks that these guys work on Alan?

Allen Atkins: That's water main breaks, plus somebody has to come in every day of the week to do the lab tests; that's what that basically is.

Mayor Newlands: All right we've got the payroll taxes, insurance; in this case going down. I'm not going to ask why. Pension, that's going down too; why is this decreasing? We've got a problem here. We've just added a half of an employee. Where is the Pension and Insurance coming from; Admin or Water? How was that done?

Stephanie Coulbourne: I can go over the figures and make sure it's split 50/50.

Julie Powers: Well they're going to change now that we've added in Sherrie's.

Mayor Newlands: Right, but I'm saying was her Pension and her Employee Benefits coming out of Admin in total?

Stephanie Coulbourne: Yes.

Mayor Newlands: So that's going to reduce that amount in Admin and increase it here. That's fine. So we'll still have a reduction.

Stephanie Coulbourne: Only 50% of hers, which is just an employee base of \$500 and some a month.

Mayor Newlands: I'm not going to notice it. Okay, Training, we can leave that alone. Engineering Fees – is that all we have in Engineering Fees, Alan? You've reduced Engineering Fees down from a lot. That's fine. Supplies.

Allen Atkins: Supplies are the same as last year, \$3,500.

Mayor Newlands: And we're using about that.

Allen Atkins: Yes, we're pretty close to that.

Mayor Newlands: Pits is what changes.

Allen Atkins: Yes the Pits, Meters and Lids should be \$10,000. We get reimbursed for the majority of these; they're sold and we recoup the money on those.

Mayor Newlands: Water Tests are the same. Advertising is just the water quality?

Allen Atkins: That's your CCR Report; we got lucky this year and got away without having to put it into the paper. It usually costs you about \$1,000.

Mayor Newlands: Licenses, Permits, Equipment is \$400.

C Martin-Brown: Mr. Mayor, Alan can I ask on the chlorine cost which is \$10,000; that's a State Legislative mandate; do they reimburse you?

Allen Atkins: No, you get no reimbursement for that or your fluoride. Fluoride is also in that chlorine cost.

C Martin-Brown: So it's an unfunded mandate.

Allen Atkins: An unfunded mandate.

Mayor Newlands: Where are you seeing the chlorine? I don't have all these pages here. I don't have a complete picture here. Was that just a substitution of one page or the whole thing? I have one page of the water expenses. I'm missing some of the pages. Oh the first, third and fourth have changed? Okay, so we just finished with 5360 which is Equipment Rental and now we are going to the next page which is Gas and Oil. Is that on all of your vehicles?

Allen Atkins: Yes that's on all of our vehicles.

Mayor Newlands: Sherman Heating Oil though, what's that?

Allen Atkins: That's your diesel fuel for your back hoes and equipment and your truck.

Mayor Newlands: You're actually over a lot this year. You're \$3,200 over on the gas and oil.

Allen Atkins: Right, but we moved this to two other departments to the Parks and the Streets so you have \$14,000 total.

Mayor Newlands: How much did you increase this by, \$6,000? You just said a figure of \$14,000.

Allen Atkins: There's \$4,000 in Streets; \$2,000 in Parks and \$14,000 total. Before it was all lumped into the Water Department and so far I've got in the Water Department \$10,739 and that's as of the middle of July we had spent that for gas and oil. I don't know if you have it higher.

Mayor Newlands: So you brought it from \$8,000 which it was last year to \$14,000 you said?

Allen Atkins: That's three departments; so we're putting \$8,000 in Water; \$4,000 in Streets; and \$2,000 in Parks.

Mayor Newlands: But you're only \$3,000 over right now; can you get that whole bunch down to \$12,000?

Allen Atkins: That's going to be tight.

Mayor Newlands: If you stay with the same as you were doing last year, you'll be okay.

Allen Atkins: You can't control fuel prices if they go up, then you're in trouble.

Mayor Newlands: All right leave it at \$14,000 then. Chlorine Supplies, you raised it a couple of years ago and I questioned it a few years ago and you're still at half the amount.

Allen Atkins: Which supplies?

Mayor Newlands: The chlorine supplies.

Allen Atkins: The chlorine has been pretty stable; it's stayed pretty much the same price, so right now we're in good shape on the cost for that. I would still keep it around \$10,000; because we've still got supplies to buy for the rest of this month of August.

Mayor Newlands: You've only spent \$5,000 right now.

Allen Atkins: I'm getting ready to get another order of chlorine; about every 3 weeks I've got an order of chlorine in the summertime. You use a lot more in the summer; you've got August to go through and September.

Mayor Newlands: You're not going to double it.

Allen Atkins: You might. You'll be close to it. 2009 we spent \$9,200.

Mayor Newlands: I still think that's high.

Allen Atkins: The thing right now is you have a lot more people irrigating and you use a lot more water than we used to; like 3 or 4 years ago and it's going to eat up a lot more chlorine. That's the only thing bad about irrigation.

Mayor Newlands: There are two months left and I can't see spending \$5,000 in the next two months.

Allen Atkins: Wait until you see how much we spend on water in the next two months, it will shock you.

Mayor Newlands: All right we'll see.

Allen Atkins: We'll see what happens.

Mayor Newlands: Postage, this is for all your water bills.

Allen Atkins: That's for water bills, basically all the bills you mail out for the Water Department.

Mayor Newlands: All right we have almost \$3,000 left from last year; and Stephanie you said that the next water bill going out is September, so we should get around \$2,500 around here somewhere.

Stephanie Coulbourne: The only thing I could look at is to see if any needs to be transferred over from Admin for the billing.

Mayor Newlands: Let's take a look at that.

Stephanie Coulbourne: When you fill up the postage machine it automatically debits the general account, which would be under Admin; so then we do a transfer at the end so we can take out and what the Utility billing was; the postage for that and charge it back to water.

Mayor Newlands: So you're doing that once a year?

Stephanie Coulbourne: Yes.

Mayor Newlands: I don't see any postage. So we're leaving that the same. Parts – you spent only a couple of hundred dollars this year.

Allen Atkins: We just ordered some more parts, you've probably got the biggest part of that; because we have some work to do at a well house; so that's going to probably eat up the balance we have in there for this year.

Mayor Newlands: So you're going to do that this year.

Allen Atkins: Yes we're going to do that this year before the new budget.

Mayor Newlands: That new roof you need on the well house, is that going to come out of the capital expense?

Allen Atkins: That was a capital improvement, yes. The biggest expense there is going to be the removal of the asbestos roofing that is there. That's going to be probably \$800 to \$1,000 to get rid of that.

Mayor Newlands: Propane.

Allen Atkins: That's your heat for the shop and the well house.

Mayor Newlands: Now propane we've got that deal where we buy up ahead of time.

Allen Atkins: That's the one we get from Bob Willey.

Mayor Newlands: Yes. I guess leave the propane alone, we have no choice on that. The Water Tower is a contract at \$14,000. Auto Repair, you still have money left in that budget; move the auto repair back to \$4,000. Building Maintenance, is this on the well house?

Allen Atkins: That's all your well houses, the maintenance shop and everything.

Mayor Newlands: Leave that alone. Hydrants and pumps what is that?

Allen Atkins: Fire hydrant repair.

Mayor Newlands: That other hydrant on Mulberry, did parts come in for the hydrant on Mulberry?

Allen Atkins: No, we're waiting on those parts; it hasn't come in yet.

Mayor Newlands: Equipment Maintenance, you spent only \$4,000 and you have \$15,000 budgeted here.

Allen Atkins: That includes everything. That's all your tractors, your wells.

Mayor Newlands: You didn't hear me; I said you budgeted \$15,000, but you only spent \$4,000.

Allen Atkins: If you want to cut it, you can cut it, but if something breaks, you have to fix it.

Mayor Newlands: Bring that down to \$10,000. Water Mains I'm not touching. Leave that at \$7,000; we've had all kinds of problems this year. Wells, this is just Well Maintenance?

Allen Atkins: Yes, basically anything from minor repairs, it's not any major repairs, but we do have some minor things from time to time.

Mayor Newlands: Telephone, why do you expect that to go up? You're running about even. Bring that down to \$5,000. Uniforms are contracted. Utilities, is this still part of the stuff that we have to deal with Tidewater?

Allen Atkins: That should be going off shortly; they're about ready to set the generator. Once they get that hooked up and get it changed over...

Mayor Newlands: What percent are we saving on that?

Allen Atkins: Jennifer had that all figured out; I don't know exactly what the cost was on that, but it should come down some.

Mayor Newlands: We don't know what percent they had vs. what we have.

Allen Atkins: No I don't. It was just an estimated guess, because nobody really knows what power they're using.

Mayor Newlands: This is the power for the well house and the maintenance shop.

Allen Atkins: This electric cost here is anything that public works has, so that's basically all your wells.

Mayor Newlands: Next one is the SRF loan which we don't pay. Okay. Your expenses are \$355,687. On the Revenue side Water we have \$450,000; capping fee is \$12,500; meters are \$10,000; Impact Fees are \$30,000; Disconnect Fees; Inspections; do we have any restrictions on what we can use the money for? We have \$150,000 extra revenue over expenses; what are our restrictions?

Stephanie Coulbourne: It stays in the Proprietary Fund and has to be used if he has breaks or fixes, you can use it for that.

Mayor Newlands: So you can't use any of to balance the budget.

George Dickerson: Two years ago we had a well go and it was \$85,000 and it had to come out of those funds.

Mayor Newlands: I remember that. So when we are doing our totals and balances, we can't touch any of the excess.

Stephanie Coulbourne: Not the excess. I just want everybody to be aware of that, that the excess we see in here we can't touch for general fund; it has to be used for the water department.

C Martin-Brown: Okay so the water department has a lot of yellow in it.

Mayor Newlands: That's why he has a lot of yellow, he knows he has a profitable business over there; he's the only one that does. Let's just go quickly through the Municipal Street Aid; we're going to be in a deficit already for the Municipal Street Aid? The street lights are \$60,000 and we're getting \$42,250. What's our deficit right now?

Stephanie Coulbourne: Minus \$520,693.

C Martin-Brown: This is pre-yellow, Stephanie?

Stephanie Coulbourne: Pre-yellow you're in the hole.

Mayor Newlands: What were last year's totals, do we have that?

Stephanie Coulbourne: No, I don't. Do you have a statement of Revenue and Expenditures?

Mayor Newlands: I have a bunch of things here. No.

Stephanie Coulbourne: Okay.

Mayor Newlands: All right so we have over half a million dollars that we have to cover on this.

Vice Mayor Betts: Is that after what we've just taken off or has she minused it out?

Mayor Newlands: She adjusted everything as you went along.

Vice Mayor Betts: So we still have five hundred and something thousand.

Mayor Newlands: I'm going to take a two minute break but while I'm doing that, maybe figure out Norman at least the \$115,000 which we can reapply back in the budget to reduce it; because they don't have to be capital expenses, do they; they can be other expenses?

C Martin-Brown: Where was that Economic Development and Capital Expenses?

Mayor Newlands: I wouldn't put any of these transfer taxes in public gross, because he's already running a profit. He's already self-contained, running a profit, he's fine.

C Lester: The Police Department.

Mayor Newlands: The Police; Streets; I don't know what it means by Economic Development Programs is what?

C Lester: We don't have any.

Mayor Newlands: Debt reduction, debt reduction you have the SRF loans; but that's water isn't it; so that doesn't help us.

C Martin-Brown: You know what; this is a Workshop tonight, right?

Mayor Newlands: Yes.

C Martin-Brown: What if the Finance Committee met with that question of the \$115,000 and now we know what we owe and they put their heads together and came back with a formulation that responded to and the Chairman is chairing it; that responds to the challenges of the Code.

C Lester: We need it pretty quickly.

C Martin-Brown: Well tomorrow.

Mayor Newlands: They're not allowed to meet; they can't meet without a quorum, can you?

C Lester: And we need a week for notice, right Stephanie?

C Martin-Brown: For the Finance Committee? You can't have an Ad Hoc Committee, a Budget Committee?

Mayor Newlands: We got this one is too close to the Council Meeting, there's no room in between to have anything else.

C Martin-Brown: Can they be deputized as part of the Council Meeting?

Mayor Newlands: As part of the Council Meeting, no.

C Martin-Brown: As part of this Council process, why not now to think through.

Mayor Newlands: They are, they're here.

C Martin-Brown: As resource experts; can they go to the corner and come back in ten minutes. I think a little silly, but you hear where I'm going.

[Unidentified Speaker]: Transfer expenses to the Water Department.

C Martin-Brown: You hear where I'm going. If we have these guys here as resources to the Council and the Council says please sit in a little circle.

Mayor Newlands: They are here as resources to the Council and they are allowed to speak and make suggestions; we've listed them on the Agenda for tonight, which is fine. Unfortunately, Monday, we don't have a Workshop; Monday is a Council meeting; it's a presentation only; so we can have a discussion; a little bit I guess, but that's about it and they can not speak on Monday. Monday is Council only.

C Martin-Brown: No, no, no; but they could tonight, if they're told we're \$520,000 in the hole. We have \$115,000 in the Code Designated Expenditures allowed and you have the same thing we're looking at. Would it not make sense to use your collective wisdom right now to think about this? Can you come up with reducing this \$520,000 by \$115,000?

There are two conversations going on simultaneously. One is between the Mayor and Vice Mayor Betts and the second one is between C Martin-Brown and members of the Finance Committee. It is impossible at this point to separate either conversation.

C Martin-Brown: Public Safety is chlorine? I know it's out of Water money.

C Lester: Well he makes money.

Mayor Newlands: Well we still have \$405,000 of other expenses that we need to worry about. Worrying about spending \$115,000 and allocating that is the last thing we need to worry about; it's the \$405,000 we need to cut.

C Lester: I think we could do that; but it's the rest of them and we don't have the Reserves.

Mayor Newlands: Yes and actually that's a good point to bring up. You were all given a balance sheet today with the account balances on it and we have barely \$2 million on our accounts; barely \$2 million in the accounts, that's what this says.

C Lester: Some of it is reserved.

George Dickerson: You have \$1.1 million in CD's at the bottom which are cash reserves; and they can be used for anything.

Mayor Newlands: And almost half a million is strictly for the water department. They have \$252,000 in one account and \$220,000 and change in another account, so that is strictly for Alan and there's not much else. So we need to go through this and start cutting lots and lots of money out of here. Just take a couple of minutes, take a look at this stuff and see what you can see.

C Martin-Brown: Is there any merit in doing this across the board by percent? Something like that? So it's equitably dispersed.

C Lester: You need to do more than that.

Vice Mayor Betts: We won't need to go through the yellows.

Mayor Newlands: No we won't have to go through the yellows.

Stephanie Coulbourne: Mr. Mayor, you talk about not going through the yellows, but you need to go through them and discuss some of them; like the accounting fees for the Administration. There's been nothing plugged in there yet. So you need to look at them anyway and decide one by one.

Mayor Newlands: You're right. Stephanie's right. Let's go back to the first page. There are some things in here that were not put in, because we thought they were going to go up drastically; we should have actually put them in at the base price and left them in yellow. The first one is \$5,200, the Accounting Fees.

C Lester: My best guess right now is between two firms. One to analyze and give us a report on the systems and the second is to audit the town and this would be what we're going to require is a much more detailed review. My best guess is a minimum of \$25,000.

Mayor Newlands: A total for both.

C Lester: For both; you've got two audit firms.

Stephanie Coulbourne: Do you want me to eliminate the other line items in yellow above that?

Mayor Newlands: Yes.

Stephanie Coulbourne: Okay so Training and Seminars for Council and...

C Abraham: I had down to eliminate that, even though it's only \$500.

Stephanie Coulbourne: I just wanted to make sure that I followed along every page, so if you're not addressing it; do you want to eliminate it.

Mayor Newlands: Leave them there and just fill in the actual amount with zeros; so we leave the item there. I don't want to lose the history; in case we want to put something back later on; we'll lose it. Let's go through the yellows with the things we know we want to put back in again. Whenever you're ready Stephanie, let me know.

Stephanie Coulbourne: The holiday bonus.

Mayor Newlands: Yes, put that back in; I'm okay with it. I'm asking Council. 5310.

Vice Mayor Betts: Can we do that; are we going to have the money?

Mayor Newlands: I know that, but that's something you've always done; I doubt you're going to give anybody a raise.

Vice Mayor Betts: I understand that and I don't mind it, but I just want to know that you've got... You have to cut something.

Mayor Newlands: Are we in agreement to put the \$2,800 back?

C Martin-Brown: Yes.

C Lester: Yes, I think people are going to take a bite, so at least that's something.

Vice Mayor Betts: Put it back.

C Martin-Brown: We did it last year.

Mayor Newlands: We do get a lot of information from SCAT and the Delaware League, let's put that in.

C Martin-Brown: You know what, I would eliminate them.

Mayor Newlands: We get a lot of information from them.

C Martin-Brown: We'll still get it.

C Lester: Not if you don't meet with them.

Mayor Newlands: Not if you don't go with them.

C Lester: The truth speaking to that, I was amazed at the number of people you meet and the Mayor and I have been going to most of these meetings and the League meeting and the information you get and the pointers you get, that's something that is worthwhile.

Mayor Newlands: I think we should put that back. Are we in agreement? Put that one back for \$900.

Vice Mayor Betts: I'm not in agreement with that. I think you have to stop somewhere.

C Martin-Brown: \$400 in Mileage for the Council; we don't need that.

C Abraham: We don't need that.

C Lester: Mr. Mayor, did we speak about the Holiday Party and the Lights?

C Abraham: No we skipped it.

Stephanie Coulbourne: You didn't so I left it at zero.

Mayor Newlands: The Holiday Party was always at zero, let's leave that that way.

C Martin-Brown: So we're not going to have any holiday lights this year?

Mayor Newlands: I said party; we should go dark for the one year for the lights; but I'll get yelled at though. We need to look for a donation for the holiday lights; leave that alone for now. I don't want to keep adding all these yellows back in. Now we said zero on the next page for the mileage expenses for the Council, that's fine. The year-end report we'll put on line; leave that at zero for now; that will go on line.

C Martin-Brown: Is that the State of the Town Report? It's required in the Charter.

Mayor Newlands: Yes. It's required in the Charter. That was started only about two years ago; right after the Charter in 2008.

Stephanie Coulbourne: Does it specify in the Charter that it has to be mailed out to everyone?

Julie Powers: No only that George has to give it.

George Dickerson: Then we could put it on line.

Mayor Newlands: Then we could put it on line and put it in the Library. When George gives the report verbally it will be in the minutes. I don't know what you do with town beautification with the \$4,000.

C Abraham: Well they were buying the live garland putting it around the poles.

Mayor Newlands: Well it's the flowers for all around Town.

Vice Mayor Betts: For all the year, the whole year; and it does beautify the Town.

Mayor Newlands: All right leave the town beautification for now; we'll come back to it. The road paving, whatever grant money we get, we'll take. Signage upgrades – Alan the signage's I thought we were going to get grant money for.

Allen Atkins: George requested the guy from Dover to see if we could use that money for the signage, street signs. He hasn't gotten back to us yet on that for the signs; and also for the fountain in the park, some money for that, because there was some \$13,000.

Mayor Newlands: Right, what happened to that money?

Allen Atkins: It's still there; we just have to get his permission to use it for these items. George emailed him and talked to him. George Dickerson did.

George Dickerson: Alan brought up a good point, there were two, I talked to the girls today as a matter of fact; there were two grants that had surplus' after the projects were done; about \$13,000. We asked for three things: we asked to pay for the new water fountain in the park, which is bad; if we could do that; the lighting for the gazebo and \$6,000 in the new reflective signs, which are mandatory, if they come out. The only one that would qualify is the \$6,000. But we have to go back and look at the grants as they have been submitted to see if they have been cancelled out. The girl is sending me the letters and the paperwork and I have to review that; but it does look like probably the \$6,000 will cover the signage; the new signs that are required; at least \$6,000 of that money.

Mayor Newlands: Okay and we can possibly tap into Joe Booth or somebody for the balance of the grant money that way. The fountain, are we required to do that for safety? I'm assuming we have to put one back just for people getting hot and overheated in the summer. We need to talk. Actually can you get that out of water? I don't want to get into adding grants and things like that for this one. So nothing on Streets in yellow, we have to do. Police – the \$15,000 for special duty; that was new this year, wasn't it?

Chief Phillips: One time before we had it on there for I call it Dog & Pony shows; like different things in the Broadkill and things like that; but it could actually also be used for surveillance in high crime areas and executing regular search warrants for stolen property and things like that, if need be; but also for 5-K runs and the Broadkill things.

Mayor Newlands: We didn't add this in, the \$15,000.

C Abraham: No you didn't.

Mayor Newlands: We didn't.

Chief Phillips: No that's in yellow.

Mayor Newlands: Take it out. But that wasn't getting moved out of the \$40,000; the \$15,000; that was new?

Chief Phillips: That's correct.

C Lester: Chief, can I ask you a question on this Special Duty Overtime; then you've got an account 5112 – Overtime for Holidays. Is that Police Officers coming in on say Christmas and Thanksgiving.

Chief Phillips: That's everybody's Holiday; if they work or they don't work; whatever it is.

C Lester: If they work on their day off?

Stephanie Coulbourne: If an officer works on a Holiday, they get double time and a half; if an officer does not work on Holiday, they still get just straight Holiday pay for that.

Mayor Newlands: Holiday Overtime; we have one holiday left. How much did we figure for a Holiday?

Chief Phillips: About \$2,000.

Mayor Newlands: Bring that \$27,000 down to \$22,000.

Julie Powers: We have more holidays within this budget year.

Mayor Newlands: Why?

Julie Powers: We have election, and ___ day.

Mayor Newlands: Election Day is not a Holiday.

Chief Phillips: That's why I left it up there, yeah.

Vice Mayor Betts: Yeah it is. It is a Holiday.

Julie Powers: It is every other year.

Mayor Newlands: Oh they get on Town Holidays.

Chief Phillips: At the last meeting we had, that's what it said, that's why we poked it up to that, I think.

Julie Powers: It increased because there are more holidays coming this year.

Mayor Newlands: I know we talked about it; I didn't know we got that many. All right that stays there. At the regular overtime, knock that down to \$35,000 at least for now; that's where we're at right now. Let's just try and live with it right now. We've got \$400,000 to lose, that's a lot of money. What happens if we turn down this COPS Grant? Could we bypass it for a year, or we get pushed out of the program?

George Dickerson: It depends on how far down they want to fund the other ones; the first round we didn't make; there were 5 or 6 towns up.

Mayor Newlands: We were 3 from the funding.

George Dickerson: We were 3 from the funding, so I'm hoping this round we get funded. But if we shouldn't get funded this time; there's no guarantee that it's going to be offered again; it's whenever the Feds release the money.

Mayor Newlands: But if we turn it down, we don't get penalized, do we?

George Dickerson: No. I think we need to put the gut in as a tentative.

Mayor Newlands: I know that's what I'm getting to; that's what C Abraham was saying too.

George Dickerson: If we don't have it, we're going to have to have it.

Mayor Newlands: We're going to add that back then. Add \$1,000 in for guns. Skip the next page. We can just forget that. There was nothing on the next page that was required, was there?

Chief Phillips: Which page are you on?

C Abraham: Your yellow page.

Chief Phillips: The bill yellow page?

Mayor Newlands: The big one.

Chief Phillips: That was a Christmas wish list, I guess.

Mayor Newlands: Don't you have money in for Night Out?

Chief Phillips: We have a few bucks, but like I was saying I don't think it's right next year to go back and beg, steal and borrow from these people.

Mayor Newlands: You have \$1,900 in there.

Chief Phillips: Possibly, yes.

Mayor Newlands: Yes, you do.

Stephanie Coulbourne: Mr. Mayor, can you hold on a minute while I do something?

Mayor Newlands: Yes.

George Dickerson: 5370 under General Expenses, Council Approved Donations, I think it's worthy to note what that is for. The Charter requires if funds are available, a donation to the Fire Department. That has been \$5,000; that's what that \$5,000 was for that was budgeted last year and that was budgeted here. They did get that funding this year and I just wanted to mention that, that's what that line item was for. That was for the Fire Company's portion of that Donation.

Mayor Newlands: Where are you?

George Dickerson: Under General Expenses – Council Approved Donations. I just thought it was noteworthy that the \$5,000 has always gone to the Fire Department. In previous years there were donations to Cat Snipper's and some other persons.

Mayor Newlands: I'll wait until Stephanie is ready.

George Dickerson: Unless funds are available, you do not have to do it.

Mayor Newlands: It also says that 16% of the tax revenue; it's like \$45,000 we're supposed to give them every year. It's a lot of money. I know Jack Custis has already hit me up for it.

C Lester: I can see Denny drooling.

Mayor Newlands: I hope you made a math error over there in our favor. If you guys want to use the other sheet, this may be a good time to do it. It will tell you what total salaries are; what total supplies are; this is the little spreadsheet here; this will give you a good idea as to how much we're spending on a gross basis for certain things. If you look on the second sheet in the middle for supplies we're spending \$25,000 on supplies. We can cut back so much on our utilities, just by conserving, but Delmarva Power is going to charge us regardless; so you can't cut some of those. Any suggestions from the audience will be welcome.

C Martin-Brown: If you cut supplies, which is presently \$25,500, by \$5,000; and then every department; that would spread among all the departments; that minimizes the impact.

Vice Mayor Betts: Legal Fees we could cut; that would take the biggest chunk.

C Martin-Brown: Let's start out with there's a big enough amount of money; where by reducing something 5% across the system in that category, you get an aggregated savings, but you lessen the pain per department.

Mayor Newlands: Right. Let's also go through the list and look at the 2010 budget vs. the proposed 2011 and look at the totals per department and see if we can bring them back in line. I wish we had a total for the whole thing; we would know how different we are. In Admin we're running \$10,000 above and that's without taking the adjustments, I know that. I'm wondering if just bringing things back into alignment with last year would help us out.

C Lester: Actually we were in deficit last year.

Mayor Newlands: There are a few things we can't do, but there's a lot of stuff we can do.

Stephanie Coulbourne: Mr. Mayor, just to clarify to make sure that our spreadsheet's correct, under Police, we're putting in postage; did you reduce that to \$700 or \$750.

Mayor Newlands: Hang on a second; \$750.

Stephanie Coulbourne: Then under Repair and Maintenance for Equipment for Police.

Mayor Newlands: \$5,000.

Vice Mayor Betts: Reduced it by \$5,000.

Mayor Newlands: Well it was \$10,000, so it was the same thing.

Stephanie Coulbourne: So you reduced it down to \$5,000.

Mayor Newlands: Correct; it was \$10,000, so we reduced it to \$5,000. This is line item 5470?

Stephanie Coulbourne: Yes. Okay.

Mayor Newlands: I would like everyone to do that; go into the budget and look at the totals for 2010-2011. 2010's a lot less and I'm thinking, Ms. Betts' is right, other than insurance and a few other things, we can't bring the numbers down on everything, but we may be able to bring them down significantly if we roll everything back and get rid of any increase. That's the only way we're going to do this; is you've got to roll everything back. That's the only way we're going to do this. The only way you're going to get extra money is having new buildings come in and new taxes; that's the only way you're going to do it. You're not going to increase revenues easily.

Jim Crellin: On the Streets, what's the second \$7,500 snow removal?

Mayor Newlands: That would be overtime, just in case we had a bad snow storm like last year. We spent \$26,000, which we're getting 3/4 reimbursed on the \$26,000.

Allen Atkins: That's overtime, all overtime.

Mayor Newlands: I think we just put that as a separate line item because of the emergency situation; it's not something that we have on a general basis; so those are some of the events. Like the Chief is trying to do with some of his special events; just to have it highlighted so we knew why certain things would go up; and it's also certain things that may or may not occur. I'm thinking now we may want to roll some of that stuff right back to zero.

Chief Phillips: We had a bad winter last year; do you expect another one this time, right?

Mayor Newlands: I think that was one in ten years. I'm hoping; that's why I moved here. What I'm asking everybody to do now, is to look at 2010 and 2011 bottom line and just roll this stuff back. That's what I'm saying, I'm thinking about rolling everything back to the 2010 figures. It would eliminate that, yes.

Vice Mayor Betts: You've gotta figure if they went over this year though.

Mayor Newlands: We've never had snow removal in the budget before.

Vice Mayor Betts: No, what I'm saying, is we're talking in general; some of the items we've gone over this year; so you can't bring it back to last year; you can but you're just going to go over it probably this year.

Dennis Hughes: Mr. Mayor, the total spent for 2010 is \$231,900 and the total spent for 2011 is \$237,600.

Mayor Newlands: Wait, which line; what are you talking about, what line?

Dennis Hughes: 5800

Mayor Newlands: Hold on a second, you're way ahead of me.

Dennis Hughes: Do you see where it says Total Revenue difference \$479,000, or whatever; \$529,000. The expenses for 2010 are \$239,200; so if you roll them back we're actually going to raise what we have here.

Mayor Newlands: I don't know how much of a deficit we were in last year.

Dennis Hughes: Well we actually weren't; it looks like we were \$1 over.

Mayor Newlands: I think there were some Revenue Reserves in there from last year.

Dennis Hughes: Oh okay.

Mayor Newlands: That plugged those in.

George Dickerson: There was over \$300,000 in Revenue Reserves and there was another \$85,000 used for [garbled].

Mayor Newlands: Right.

George Dickerson: And \$15,000 was used to purchase a new lawnmower. And then cash reserves were used to [garbled] over \$200,000.

Stephanie Coulbourne: Do you want to know what your deficit is now with those changes you made so far?

Mayor Newlands: Yes.

Stephanie Coulbourne: Are you sure?

Mayor Newlands: No.

Stephanie Coulbourne: \$540,393.

C Martin-Brown: If we go back to every single budget line; and line item by line item was reduced by X amount; 5% or whatever; every single line item.

Mayor Newlands: I think we're over by 20%.

C Lester: Yes.

Vice Mayor Betts: We're 5% over.

Mayor Newlands: The problem we have, we have to bring it down by 20% and some of them, like insurances and salaries, you're not going to do that to.

Vice Mayor Betts: You can't do that.

C Martin-Brown: You could.

Mayor Newlands: You would have to lower everything that is adjustable by 25%.

C Lester: At least.

C Martin-Brown: And there's the question and we have no option on that 12% projected increase? Are we stuck; we have no marketplace competition on the insurance at 12% increase?

C Lester: We could talk to, it's not SCAT, its the League.

Mayor Newlands: It's only for one insurance, its not for health.

Julie Powers: It's only Worker's Compensation right now.

C Lester: But they were looking last time we met with them, but they were looking at health insurance.

Julie Powers: I don't think they've started it yet though. I don't think they did it in time for this budget.

Mayor Newlands: What I think we should do now...

C Martin-Brown: Let's go back to the scenario, if we have how much Stephanie \$500,000 and what?

Stephanie Coulbourne: \$540,393.

C Martin-Brown: Just for the exercise of feeling better, subtract that \$115,000; what is that balance? \$425,393, right? So now our outstanding balance without any yellow.

Mayor Newlands: We already put a few yellows in there; we had to.

C Martin-Brown: That reflects the new number?

C Abraham: Was there money left over in the Sewer and the Water and the Parks and stuff that can be applied within that?

Mayor Newlands: Water stays with the Water Department.

C Abraham: No I meant within that Department?

Mayor Newlands: Water had a profit.

C Abraham: So we should take it.

Vice Mayor Betts: The profit...

Mayor Newlands: We can't, that's the thing. He's the only department that's profitable. Code is flat and Water has a slight profit.

C Abraham: Okay so where is the profit going.

Mayor Newlands: From Code the profit can go almost anywhere; but for Water it can't.

C Abraham: It has to stay within its department?

Mayor Newlands: If he is already profitable, he's okay; he's solvent. That's fine.

Vice Mayor Betts: Couldn't we give him some of the Streets?

Mayor Newlands: No, you can't transfer assets over.

C Martin-Brown: Can you transfer staff costs?

Mayor Newlands: He's already split proportionately.

Vice Mayor Betts: I'm trying Alan.

Roy Turci: I have a couple of questions I would like to ask. We are showing a half a million dollar reduction in Revenues from year to year. Is that right? I see the Fiscal 2010 Budget \$2,392,713 and now on this piece of paper I have right here, it is \$1,804,000; that's \$585,000. Our revenues are down that much; from one year to the next?

Stephanie Coulbourne: They out all the cash and revenue reserves that they had in from prior years; and they took out all the transfer tax.

Mayor Newlands: Well hold on a second. I don't think we had \$500,000 in revenue reserves last year.

Stephanie Coulbourne: I'm just saying that it all adds up; we used department transfer tax.

Mayor Newlands: Well let's go through and see what he's talking about. Let's just go through the revenue and see how much reserves we had for each year. In Admin, Revenue Reserves for last year were at zero for 2010.

Dennis Hughes: I was going through this today and I kind of went through and worked where the revenue was put in there; and like you said it was not in Administrative; but it looks like to me it was \$249,556.60 revenue reserves put in there. So I think the police had some; general had some; parks; code had none; water had a small amount \$1,900 and then the Municipal Street Aid was like \$4,300; so it was like \$250,000.

Mayor Newlands: So revenue reserves for police were \$68,000, I see it in here.

Dennis Hughes: Yes, \$68,190; general was \$46,373; parks \$42,000, so...

Stephanie Coulbourne: If you add that, plus the \$115,000 in transfer tax.

C Martin-Brown: That's \$365,000; reduced from the \$540,000?

Stephanie Coulbourne: No, he's questioning the five hundred and some thousand dollar reduction in revenue.

Dennis Hughes: Correct.

Stephanie Coulbourne: Well, \$365,000 of that is revenue reserves and transfer tax; so the difference would be just general reduction that we estimate as far as the economy.

Roy Turci: Is that worth a relook? This is a bunch of assumptions and assumptions are neither right or wrong; they're just assumptions, but when you're talking about a half a million dollar deficit, you need to start looking at maybe some of the assumptions that were built in and say maybe we can modify that; I'm not asking you to manufacture anything, obviously; you made a call based on what you see so far, but that's such a big number; I think we've got to look at that, because you mention the insurance before; 12%.

Stephanie Coulbourne: That's just the high end.

Roy Turci: Yes, it is the highest; so maybe if we knock it down. Can you tell with your system there if you knock down that from 12% to 10% how much is the savings? Is that like \$40,000 or \$50,000?

Stephanie Coulbourne: I don't have a built in formula here to do the math.

Roy Turci: I thought you might have had the whole thing and if you throw in another percentage you would have it. That's worth a look; if you could get that down from 12% to 10% and you're talking a \$900,000 base, it could be another \$90,000 we could save.

Mayor Newlands: Employee Benefits right now are \$200,000, if you look at this spreadsheet; look at that and it's going to give you the total, across the board, for all departments; so we're at \$201,000. So if you can reduce that by 2%; you're going to get \$4,000.

Roy Turci: No, it's more than that Cliff.

Mayor Newlands: Go ahead.

Roy Turci: You're talking about insurance; I'm talking about insurance only.

Mayor Newlands: This is employee insurance benefits.

Roy Turci: How much is that?

Mayor Newlands: \$201,000.

Roy Turci: So that is 12%, \$201,000. So if you drop it down to 10%, that's \$40,000 less.

Mayor Newlands: No, that's the total amount.

Roy Turci: But that's with the 12% increase. If you drop that to 10%, the \$201,000 comes down \$20,000 for every percentage point you decrease it.

Mayor Newlands: I'm sorry, yes.

C Martin-Brown: We're working with the assumption of 12%; and we're assume instead 10%.

Roy Turci: 12 = \$200,000, then 10 would = \$160,000.

Vice Mayor Betts: That would be \$40,000.

C Lester: Actually that number should go down, because if the employees are picking up 30%, that 30% should also include 12% too; is that right? Are you adding 12% to the Town's total expenditure? Do you see what I'm saying?

C Martin-Brown: If the employees pay 3, then it's not 12%, it's 9% and if it's 9% and you don't assume the level of 12%, then you drop the assumption level to 3%; and you're paying 7% with the employees paying 3%; there's a savings; a considerable savings.

C Lester: Right. So we need to revisit that number in its actuality.

Roy Turci: I think that's right, just to look at how you calculated it. You could be right on; I really don't know; I can't figure it out in my head unfortunately.

C Martin-Brown: I don't know how this works, but if the revenue reserves add up to \$250,000 and you've got the \$115,000 transfer dedicated funds and you come up with \$365,000; is that not subtracted then from the \$540,000?

Mayor Newlands: From the \$540,000, you subtract the \$115,000; and the rest of it we have to make up.

C Martin-Brown: Always?

Mayor Newlands: Yes. The \$115,000 we're subtracting as a ballpark, but we can apply some of that towards the...

C Martin-Brown: But you cannot apply the revenue reserves.

Mayor Newlands: The revenue reserves are the \$2 million we have in the bank; that's the revenue reserves. That's all you have left is \$2 million. That's it. And we've taken money out every year. We've taken \$750,000 out every single year. We can't keep doing that. We're going to run out of money real shortly.

C Martin-Brown: Last year, Rhonda, I can't remember, but didn't we have an overrun of about \$60,000 that we took out of capital reserves? Wasn't that the top of what it was?

Mayor Newlands: Revenue is very short this year and we've taken...

C Martin-Brown: I'm not debating that.

Vice Mayor Betts: I think last year we did take some out of reserves, right, George?

C Martin-Brown: But it wasn't that big a deal. I mean it was like \$60,000.

Vice Mayor Betts: I thought it was like \$40,000 something. Was it George? What was it that we took out of reserves?

Mayor Newlands: It wasn't.

George Dickerson: I'm not sure what you're talking about; I'm just not sure. I don't know the answer.

C Abraham: I was here when we took out some stuff.

Vice Mayor Betts: \$68,000?

Dennis Hughes: That was the \$249,000 I was talking about; plus the \$115,000 that George was talking about; that was the \$375,000; because there was actually a quarter million dollars put in the budget to balance it out of the revenue reserves.

Mayor Newlands: Out of the revenue reserves, yes.

Dennis Hughes: Then the \$115,000 from there, that's where the \$365,000, less the \$500,000 we're down; but it's less than \$200,000.

Mayor Newlands: What Denny is doing is I was comparing year to year and saying we could roll back to last year and he's saying you're not going to roll back to last year; it's not going to do you any good. That's what he's telling us.

George Dickerson: I think it's important to know too; when you're talking about you have \$2 million in the bank; there are also other things that you have; which is in my introduction; which is important; because you're kind of being critical here of Council's previous as to actions they've taken. You also have a Town Hall \$800,000 that has been paid for and park upgrades where monies were used; also in grant monies and some of those to offset some of those costs, which was part of what I think you were talking about with that \$40,000 or \$60,000 that was allocated for that purpose.

Vice Mayor Betts: I think Joanie if you look, that it's split; the reserves. It's all split up.

C Abraham: It's like it shows Water Revenue.

Vice Mayor Betts: So I think it's more than \$60,000.

C Abraham: The Police Department had \$68,000; another department had \$40,000 some odd.

Dennis Hughes: It's split between five departments.

Mayor Newlands: I think she's right, at last year's budget meeting we did not use revenue reserves; if we did it was very, very small. I think what was used now. Was this used

differently, George? The revenue reserves at last budget meeting, revenue reserves last year was only a small amount of money, it was less than \$50,000; it actually was only the one police officer is what we boiled it down to.

George Dickerson: We're trying to pull it up. We may have it here.

C Abraham: \$68,190 was used for the Police Department; then you have general revenues was \$46,373.

Mayor Newlands: I think a lot was used this year because we had a lot of shortfalls this year. We cashed in three quarters of a million dollars in CD's this year.

C Abraham: There was \$1,900 in two other departments.

Mayor Newlands: That's why I was hoping to cut back to what we had last year; we could do the same cutting.

C Abraham: There's about a quarter of a million.

Vice Mayor Betts: Yes it is.

C Martin-Brown: What, that we did last year?

C Abraham: The reserves.

Dennis Hughes: It's right in this report here.

Vice Mayor Betts: It's here...

C Martin-Brown: And Denny the reason I'm confused is because the exercise we went through last year cutting, cutting in the budget somehow we got the cuts that we thought were coming out of the capital reserves down to \$60,000 only. So somehow we weren't aware of the other reserves that were being incurred.

Mayor Newlands: You have a very puzzled look on your face. What she's saying is that at the end of last year's budget workshop we would up with about \$68,000 in revenue reserves that we anticipated using. What Mr. Hughes is bringing up, is that we used a quarter million dollars in revenue reserves; that's a difference from what we had budgeted for. So we had a big shortfall.

George Dickerson: I have the figures here and I can tell you why.

C Martin-Brown: No but it was very different.

Vice Mayor Betts: It is, it is a lot more now.

Mayor Newlands: It's very different. Yes, we didn't end the budget workshop last year with a quarter million dollar deficit.

C Martin-Brown: It was \$68,000.

Vice Mayor Betts: No we did not. But it's here. It's showing on this.

Roy Turci: Mr. Mayor, I know you folks have built the budget from probably ground up and done a lot of hard work towards it and I really appreciate that; I suggest that you do a couple of things. Revise or revisit your calculations on what you have done in terms of benefits and all that other stuff; secondly take a look at that 10 and 12%, whether that's viable or not and it might add something to the bottom line; but thirdly, and I think one of the most important things, is look at your assumptions and make sure that you are comfortable with them. And the fourth thing is, because you have built this thing, you kind of have to know and kind of know where things are and where they could be moved and tweaked and this that and the other thing, rather than just saying cut \$500 here or \$1,000 here or \$200 here. Take a look at everything; you know the whole rim and somebody has to fill it up; whether it be you guys or the reserves or what have you, but I think you really have to go back to the source and you folks are the source. That's my only suggestions.

C Martin-Brown: If I might Mr. Mayor, there's something else at work; the people sitting here work 29/7; so I don't want to be offensive or insult anybody; but in my past work I had to build

budgets and I had to build budgets that the White House Budget Office would approve and I knew the climate and the orientation of people over there in the Budget OMB so being normal, when I was building a budget, I built in safety nets; I built in higher assumptions to be able to stay in budget or to go forward with what my vision was of what my role required that I wanted to do. I think tonight's exercise if I were sitting there now doing a budget for OMB I would be counting how many forks and how many knives and how many spoons were going to be set at how many places at the table. I would be really, really, really tough and hard on every single line item that I put into my budget for my departments. I mean right down counting, if necessary, how many envelopes are required for every water bill mailing. I just think we're at that point where the axe is going to get dropped and it's better that you drop it on your own budget and deflate as much as you possibly can to get anywhere near this half a million dollar thing and the points glaring that if we keep going like we are, we won't have a budget in about two years. Is there a way that this whole process could be revisited in terms of internally within...

Mayor Newlands: Well, I think Vice Mayor Betts has a point; we need to see how many overages we already have this year. We haven't built in the overages that we have so far this year. There are a number of categories where we had \$8,500 and it's \$10,000, so we're already over and some of those things are things that we have almost no control over.

C Martin-Brown: Right.

Mayor Newlands: Plus I think we need to allocate the \$115,000 and see where we can cover other expenses with that.

C Martin-Brown: And do we hire any more staff? And do we hire anybody to do anything more than we have on the staff?

Vice Mayor Betts: I don't think so.

C Martin-Brown: I'm being... This is not personal.

Mayor Newlands: I hear you, I hear you. Robin is not happy with that either.

Julie Powers: Let us know so we can tell them when we go to _____.

Stephanie Coulbourne: We've already advertised though.

Vice Mayor Betts: We're going to have to look at that too.

Mayor Newlands: I think so too.

C Martin-Brown: Do we hire staff? Do we have some go on part-time assignments? This is a chilling reality.

Mayor Newlands: I don't think we're going to recover from this over the next... We can't just say okay this is going to be last year, let's take a half a million dollars out of the bank and it's going to end; because it hasn't been ending and we've gone down; we've had \$4 million in the bank four years ago and we're down to \$2 million. It's just going to keep going and going and going; so at some point we've just got to put the brakes on and say it's done.

Vice Mayor Betts: The way we're spending.

C Martin-Brown: And part of it, let's be fair to everybody, was we had a lot of development; a lot of building; a lot of transfer tax flow; that stopped.

Vice Mayor Betts: But you can't spend everything you get when you're making the money; you've got to be saving.

Mayor Newlands: Plus we were spending the transfer tax which we shouldn't have spent.

Vice Mayor Betts: That's what I'm saying.

C Martin-Brown: That's then; this is now.

Mayor Newlands: Okay, you brought up a point; we don't have a Code Enforcer.

C Martin-Brown: You know what, I'd like a new Cadillac, but you know what...

Stephanie Coulbourne: Mr. Mayor, I think we need to talk to Seth about that too, because you've already advertised it as a position.

C Martin-Brown: We don't have to fill it.

Vice Mayor Betts: We can always put in there...

Stephanie Coulbourne: Well I'm going to ask him anyway for my own information.

Mayor Newlands: That's fine, I don't have a problem with that.

Vice Mayor Betts: If you don't have the money to pay for it...

Mayor Newlands: In Severna this year they laid off 11 people and they voted that at a meeting; so that's not something that you can...

C Martin-Brown: We need to look at cars, we need to look at trucks, and we need to look at SCATS, rats and bats.

Mayor Newlands: George, we had multiple workshops last year; they were all before the presentation; or were some after?

George Dickerson: I would have to look Mayor, I don't recall.

Julie Powers: I believe there were two.

Mayor Newlands: Were they both before the August meeting?

Julie Powers: Yes, you had one at the end like we're having right now; then you had your regular meeting; and then you had your workshop and then you voted.

Mayor Newlands: All right, we're going to need one more workshop. Oh it's Tuesday, already, so we would have to do it next Thursday.

Stephanie Coulbourne: You need to be careful of your Charter, because once it is advertised to the public and you present it to the public on August 2nd, you have to approve it at your next meeting.

Mayor Newlands: I know that; but what Julie just said is we had a workshop before the August meeting; a workshop after the August meeting; and the public hearing. Did we present the budget at the August meeting last year?

Vice Mayor Betts: No.

George Dickerson: The fifteen day issue is the only thing that could cause a problem.

Vice Mayor Betts: We didn't, we didn't.

Mayor Newlands: But I think what Julie is saying is if we follow the same pattern as last year, we're doing the same thing as we did last year; were we in compliance last year, or not? Were we in compliance last year?

George Dickerson: I'm not sure. I just don't know.

C Martin-Brown: We don't have to have a budget before September.

C Abraham: I was getting ready to say, because that's when we... We had an extra meeting.

C Martin-Brown: First the Council Meeting in September is when we went with it.

Mayor Newlands: It's the Public Hearing that we need.

C Martin-Brown: We need a Workshop and a Public Hearing.

Mayor Newlands: She's getting the Charter and I think we need to wait for that; because I don't think at 10:30; or at 10:19 we're going to make these kinds of decisions.

Julie Powers: As far as the Charter and the reading of when the regular meeting is; any time Council meets, you told me, is a regular meeting; regardless of whether it is a special meeting, a workshop, or whatever.

C Martin-Brown: Right. It is.

Julie Powers: The next regular meeting, regardless of what it is, it has to be the next regular meeting.

Mayor Newlands: It has to be presented?

Vice Mayor Betts: We shouldn't have had it tonight.

Stephanie Coulbourn: According to the Charter, Chapter 28D, the Budget shall be presented at a meeting of the Milton Town Council and not later than fifteen days later, be presented at a Public Hearing for citizen comment. That's why George gave you the deadline of August 11th. At the next Council Meeting, Town Council shall vote on the adoption of the budget; which may include revisions of said budget shall be effective on the first day of the fiscal year.

Mayor Newlands: So we're still early.

George Dickerson: We're okay.

C Martin-Brown: We're okay.

Mayor Newlands: When does the fifteen days start?

George Dickerson: The workshop would have to be before the period.

Julie Powers: That's what your August 11th deadline is.

Mayor Newlands: So we need a workshop before the public hearing.

Julie Powers: Yes.

Mayor Newlands: So the workshop could be next Thursday which is August 5th and the 11th the following week. That's fine. So we're in the same pattern as we were last year.

Stephanie Coulbourn: So a workshop for August 5th; and I'm sorry, what was the next thing?

Mayor Newlands: And then the following week we have to have the public hearing.

George Dickerson: We have to have the public hearing by the 11th.

C Martin-Brown: And Mr. Mayor would the Finance Committee be present at the workshop?

Mayor Newlands: Yes. They're welcome.

Vice Mayor Betts: I can't be there.

Mayor Newlands: I don't what we're going to present at the Town Council Meeting next week.

C Martin-Brown: You don't need to.

Vice Mayor Betts: We don't have to, do you?

Mayor Newlands: We don't have to that next week?

Vice Mayor Betts: No. No.

George Dickerson: You can cancel that. That can be taken...

Mayor Newlands: That's fine. That's fine. Then we'll talk to Seth about the position and things. Okay.

Vice Mayor Betts: Rhonda wants to go into Executive Session.

Mayor Newlands: For 5 or 10 minutes. Just 5 minutes.

C Abraham: I was just asking. In here or in the other room?

Mayor Newlands: No we'll take the other room for 5 minutes. It may be colder in the other room, because there are no bodies in there.

Meeting ended at 10:26 p.m.

Recording Secretary: Helene Rodgville