

**Milton Town Council Meeting  
Emergency Meeting  
Milton Library - 121 Union Street  
Monday, August 9, 2010  
6:30 p.m.**

**[Minutes are NOT Verbatim]**

**Recording Secretary: Helene Rodgville**

1. Call to Order: Mayor Newlands called the Town Council Meeting to order at 6:30 p.m.
2. Moment of Silence: Vice Mayor Betts
3. Pledge of Allegiance
4. Roll Call

C Abraham	Present
Vice Mayor Betts	Present
C Duby	Present
C Lester	Present
Mayor Newlands	Present
C Martin-Brown	Absent
C Prettyman	Present (joined at 6:38 p.m.)

5. Agenda – Additions or Corrections  
Mayor Newlands: Are there any additions or corrections to the Agenda? Do we have a motion to approve the agenda as is?  
C Duby: So moved.  
C Abraham: Second.  
Mayor Newlands: We have a motion and a second to approve the agenda. All in favor. Aye. Opposed. Motion is carried.
6. Old Business – No Old Business will be discussed
7. New Business
  - a. Emergency meeting for the purpose of immediate preservation of the Town's welfare for the use of reserve funds  
Mayor Newlands: We have a funding issue; we have been overdrawn on our accounts; we have a severe shortfall in revenue coming in. I handed out sheets to Council and we have two issues; we're going to go over both of them at the same time. One is to finish up the year and the second one is how to start the next year; which we will just discuss on the second one. I gave out a sheet with some of my scribbles on it; I apologize for not having that typed up, but what we have here in

the top right we have two different rows. One is for general funding and the second one for proprietary funding. The proprietary funding is our utilities and water department. They are actually in the black; they're fine. It's the general funding which is Codes, Streets, Admin, Police; we're running a deficit somewhere in the neighborhood of \$360,000. So we've been spending money way above what we have in and the public doesn't have this; and if the Council will look at the bottom right of that page, where we have \$26,000 and change or \$52,000 and change; this is for snow removal and water main breaks, which we've already approved in April; so some of this deficit has been approved already. We have also underneath there is \$46,000 and change; \$68,000 for revenue reserves which was approved already. So out of the \$360,000, \$193,918 is the overage, which has already been approved. That's leaving us with a deficit of \$166,842 that was already spent that Town Council hadn't approved; so that's already spent out of our funds, plus in that figure \$125,000 is wrong. We need somewhere in the neighborhood of \$269,000 to finish off the year and that's just to finish off August and September; so that's what we're here to do is approve the spending of those funds to finish off the year while we go through some drastic cuts. I think anything we cut from the budget in our Workshop; we should continue to cut, if we can, from August and September.

George Dickerson: For the record, could you identify which accounts are overdrawn?

Mayor Newlands: The General Fund.

George Dickerson: The General Fund account is overdrawn?

Mayor Newlands: Not the checking account itself; but the budget part is overdrawn.

George Dickerson: So the overdrawn is not to the checking account; you're saying the account was over.

Mayor Newlands: We're over budget. I'm sorry; if I'm misleading on that, I apologize; we're over budget. We've overspent that amount of money. So we've overspent \$166,842 and we need to spend another \$269,087 for the next two months. If you look at the second spreadsheet that I handed out, this is the money flows that we've had the last couple of years and if you look at the column that says October 2007; these are the monies that we've brought in from Tidewater when we settled the sewerage treatment plant back in June of 2007; this is the \$2.5 million that we got from Tidewater; we exchanged monies with them. They gave us back \$2.5 million; the top item CD #1; that was already cashed in in November 2007 and used in January 2007 and used for general financing; CD's #5 and CD #7 were cashed in 2008 for the 2008 and 2009 budget.

C DUBY: Can I just ask a question? Some of these numbers are in bold and some of them are not. Are the bold ones where something was cashed in?

Mayor Newlands: I'm going fast and I apologize. Yes they are; if you look at the redeemed column, that's the date they were redeemed; the third column.

C DUBY: Okay, so that's the date they were redeemed and where they show up in bold, that's the amount that was redeemed.

Mayor Newlands: Correct. I apologize, when I know the data really well, I go really fast; so I'll slow down. These weren't done exactly in October 2008; some

were and some weren't; but the one that says \$517,900; part of that was taken for the SRF loan payment that we had to make; that was the payout that we had to do because we had an outstanding sewer loan and once we sold the treatment plant, we were obligated to pay that loan. So that's where that money came from; the little bit overage of that went into the General Fund. The two CD's #5 and #7, those were both cashed in and put into General Fund; and if you look at October 2009, that \$315,924, \$200,000 of that was put into the General Account; the remainder which is after add the interest in there, there was \$128,000 that you will see up on top, that went into a Money Market account. So our funds that we have available, excluding proprietary funds, which is for the water; we have a total of \$1.2 million; that are basically Town Savings Account and Town Operating Funds. Excuse me, on the bottom the last line down there, there was a \$455,255 CD cashed; \$358,224.73 was owed to Tidewater for impact fees that we had collected on their behalf and the remainder of that went into the General Fund. So that's where your cash was, that's where it is right now. Seeing how the books were run as well; what happens in October when we start our year; when we start our hear what will happen is, we don't have any cash flow coming in; our tax bills don't start coming in until January; we'll get some trash payments coming in from the water bills; that will happen in October, but we're going to start the year off with actually no operating cash to play with. Now we already owe Tidewater, if you look down on the bottom right, those four numbers in red (let the record show that C Prettyman joined us at 6:38 p.m.) we owe Tidewater \$100,000; we've already collected that money for them for sewer impact fees.

C Duby: That's due when?

Mayor Newlands: In January of this year; we haven't been paying them.

C Duby: So that was not included in the \$455,000 that we took out in November to pay them to pay them?

Mayor Newlands: That is correct. There were some monies in dispute and some other new dwellings that came on line.

C Duby: So are you saying this \$100,000 is money that we have owed them from January, but was in dispute; now we have agreed that we do owe it; and so it is due and payable now?

Mayor Newlands: That is correct.

C Duby: Okay.

Mayor Newlands: Now we can talk to them. Here's the gotcha; we can talk to them and ask them in the future, instead of paying us the \$1,500 per home; that they give us when a building permit comes in, to not pay us that money and to draw down this \$100,000; the problem happens is that you have to take out the Revenue we have in the budget going forward for next year; the monies coming in from them and it creates a larger deficit. So depending on how you want to deal with the money. We owe them the \$100,000; whether we take it down in future payments or we give them the \$100,000; it's probably going to affect next year's budget.

Vice Mayor Betts: Should that have been given at the time it came in?

Mayor Newlands: We've stopped collecting money on their behalf.

Vice Mayor Betts: I meant at the time, when we collected it; was there an agreement that we were to collect the money?

Mayor Newlands: Mr. Dickerson I don't think we had any ready agreement with them?

George Dickerson: There was a verbal agreement between Mayor Post and Mr. Esposito that that would be collected, yes. And it was placed in an escrow account to be divided later; as were these funds that you're talking about. I think it's actually a little more than \$100,000 that we owe them now.

Mayor Newlands: I think it was maybe \$105,000 at most. I think what you're asking Ms. Betts was the method of payment; the frequency of payment?

Vice Mayor Betts: Right, was there any agreement as to how we would pay them as we received it?

Mayor Newlands: The frequency of payment.

George Dickerson: No there was no time period.

Mayor Newlands: Because of this going back and forth with all this money, and we've had some issues, as far as how much they owe us and how much we owe them...

George Dickerson: The dispute was that Tidewater and the Town were disputing the dollar amounts based on new units coming on line and there was a dispute between that; and that's been most recently resolved; within the last month or so.

C Duby: So now when you say we're no longer collecting money for them; when we pay them this \$100,000 or \$105,000, whatever it is; then we will no longer be collecting money for them, that we are then turning over to them.

Mayor Newlands: That's correct. And they will owe us \$1,500 per house, as it comes on line.

C Duby: For the money that they're collecting.

Mayor Newlands: Right, out of their impact fees. So that's an issue where if we don't pay them and we start drawing that down; then we're not going to have revenues for next year, that we anticipated in that one category line; so that's an issue.

Vice Mayor Betts: Do they have a time payment for the next year, as to when they're going to pay us?

Mayor Newlands: No we haven't set that yet. This was done a little earlier than I see this sheet here. So we need about \$269,000 to finish off August and September; and we're going to run about four months next year without having much revenue come in; so we're going to need somewhere in the neighborhood of \$500,000 to just get by the four months to start the year off, before tax dollars come in. That being said...

C Duby: Now I have a question in terms of when we say we're doing an emergency meeting, it's as if we've suddenly discovered something or something horrendous has come up. Hasn't this always been the case? My understanding is that there's always been a period of time when we've had to borrow from savings because we don't have property tax coming in yet; and then we pay it back later; and so on.

Mayor Newlands: If you look at the CD's, we don't pay it back. That's a big problem. We've been taking money out and we've been overdrawn every year for the last three years; and haven't paid any money back.

C Doby: Not overdrawn, as in a bank, but over budget.

Mayor Newlands: Over budget yes.

C Doby: And I would guess that there's no municipality in the State of Delaware and probably a lot of other places who don't have a similar problem; so I hate to have this put out there as if it's some big horrendous thing. Of course, it's awful to be in deficit; of course, it's awful to be having budget deficits and borrowing to pay bills and so on; but I don't think it's an unusual way for municipalities to operate.

Mayor Newlands: If they're going to pay the money back, it's not; and we've been doing that in the past under Jack Bushey; we were doing that, we were paying money back. But we haven't been in the recent times and the problem we have is if you look at our budget, we are already starting the year with a deficit of \$460,000 and we're going to need \$520,000 just to get by to January. That's \$900,000. That's a lot of money. So it's not a matter of money moving around and money that we need for a short period of time; we're going to get it back in to cover all this; this is not coming back in to cover; so we have big issues.

C Doby: And I understand that.

Vice Mayor Betts: Mayor Newlands, could you or someone answer a question; why did the auditor say we were so much better off then a lot of other towns? Can you answer that?

Mayor Newlands: I think I'll C Lester answer that. Mr. Lester and I spoke to him at Seth's request on Friday, just to see if he wanted to be here; and he's actually doing an audit in Fenwick Island this week. But he did talk to us and give us some information that I think Mr. Lester can address.

C Lester: What he says and actually I went back through the minutes for the last two audit presentations; one in 2009 and one this year; and he does make those statements that we're in good shape and Ex-Mayor Post makes the same comments; so I think there was some give and take between the two and they say we're in good shape; but if you actually look at this audit report, as I mentioned at the Finance Committee Meeting, you will see from about 2007, the revenues are just spiraling downwards; and the cash was being depleted. I'm not sure how that statement came about, that we're in good shape. He seems to be confident in what he did as far as his audit is concerned and his only responsibility is actually to present an opinion on the Financial Statements taken as a whole. He did go so far in the minutes so say we're in good shape.

C Doby: As I recall, one of the things he commented on, was the decision that we made to privatize the sewer system and how far in debt we would be had we chosen to float a bond issue and try to finance our own building of a new sewer plant; and there were a couple of other things that he mentioned in terms of reserve and I know you have your differences with Mr. Sombar, but Mr. Sombar is an accountant who has a reputation in this area, particularly in the area of doing accounting and audits for municipalities; and my guess is that if the Mayor of a Town came to him and said you know what, I know it looks really bad, but if you

would get up and say everything looks wonderful, it would be great for us; and here's what I'll give you in return; I doubt he would do that. So I don't want the implication to be left that was a put up deal; he gave some very specific information as to why he was saying we were in good shape.

George Dickerson: Mr. Mayor, I think it is also important for the record, that we talk about depleting cash flow, that it was Council's decision; and I can account for approximately \$1.2 million; \$800,000 for a new Town Hall which is totally paid for which was a Council decision; and to pay off the SRF loan; that depletes about \$1.2, maybe \$1.3 million in cash.

Mayor Newlands: I'm just letting people know what we're doing; where the cash went; and a lot of this stuff went to General Funds and in the last two years, it's all been funded for General Funds, without Council knowledge. Sorry.

George Dickerson: I didn't hear anybody talk about the Town Hall, other than you talked about SRF. But Town Hall was \$800,000; and I didn't hear that mentioned by anyone.

Mayor Newlands: Okay. What date was that, Town Hall? June, 2007.

C Lester: When you mention the Town Hall is the \$800,000, including the purchase of the building, all the repairs required by the Fire Marshall, all the furniture and fixtures and everything else that was required? I think it comes to a larger number.

Mayor Newlands: I think we should not be debating that right now. It may be a larger number, but that's all before what I have here on my sheet here; this sheet starts in 2007. We need about \$269,000 to finish off the year. I think the tone of what we set right now is going to set the tone for our budget meeting that we're going to have to follow this, so Ms. Coulbourne has gone through all of our spending that we need to do; and if you have this sheet here with a couple of columns on it.

Stephanie Coulbourne: Mr. Mayor, this spreadsheet that you have is only for major purchases; it does not include any little items, if something would need to be repaired; if we have a vehicle that breaks down; or just basic copy suppliers, paper, things of that nature, this figure does not include any of that.

Mayor Newlands: Thank you. This is for major purchases only or major expenditures only: which is payroll which is \$34,000 every pay period; payroll taxes; then payroll processing; pension; trash money, we will get back at some point, right, Stephanie?

Stephanie Coulbourne: No, the next billing goes out in October, so it's in your next budget year.

Mayor Newlands: That money will actually come back. It's about the only thing that will come back on this, I think. We're going to be paying this ahead, that's about it.

Stephanie Coulbourne: That's correct.

Mayor Newlands: Okay. Utilities; gas and oil; telephone; uniform cleaning; health insurance at \$12,000 per payment of two payments; gas for the vehicles \$6,000 total; First State Technologies, that's for our computers; our security systems that's \$2,400; insurance, Conner Strong that's almost \$17,000; our

copiers are \$26,000; some incidental fuel and things that's \$600 and change; our other leases running around \$3,100; and that's just for the major stuff.

George Dickerson: I would like to bring your attention on your total that you have there, that Stephanie has put together and thank you for doing this Stephanie, good job; the \$269,000 figure can actually be reduced and is overinflated on this document and the reason for that is that there are two cash reserves that Council approved in this year's fiscal budget, which comes to \$114,000 from cash reserves; which was approved by Council in this year's budget; but have not been included. So that figure could actually be reduced if you use the \$114,000.

Mayor Newlands: If you look at the bottom of the sheet, in my scribbles, I actually added in those two figures, so if you finished all that math, we're still down \$291,000.

George Dickerson: We're only talking about this document.

Mayor Newlands: We've already spent the cash.

George Dickerson: You haven't used the case reserves, that's all I'm pointing out to Council that it was approved; so \$114,000 has not been used in cash reserves.

Mayor Newlands: The only thing we didn't do is book the cash reserves into the revenue and expenditure report. It's already been spent; we don't have the money. It's just a bookkeeping issue, believe me. Trust me.

C Lester: Mr. Mayor, your grand total here of \$1,263,446 is the number that we have to pay attention to.

Mayor Newlands: That's the crux of the problem right now.

C Duby: Is that this number?

C Lester: Yes.

Mayor Newlands: On top of that column is a \$23,729, that's what is in the checking account as of this afternoon. We have \$128,000 in the Money Market Account. Without breaking CD's right now, we can start using that and to see whatever cost savings we can make during the next month or so. Without breaking any CD's, we have some cash to utilize to pay our bills for the next two months. At some point, we need to break some CD's; I don't know the maturity dates on either one of them.

George Dickerson: May I also suggest in transfer tax, which we have \$220,572 as of today; and that perhaps since public safety is an issue for that, that there are a lot of expenses with police that could be offset with those monies.

Mayor Newlands: Council would still have to vote on that.

George Dickerson: I realize that, I'm just making a suggestion.

Mayor Newlands: I don't have that sheet. Thank you. What did you say that was, \$142,000.

C Lester: Mr. Mayor, we did take that into consideration in the last budget meeting that we had, that we would apply those transfer taxes and we still have the upcoming deficit, some \$400,000.

Mayor Newlands: This transfer tax is in the bank; what George is just saying is to use this to apply towards the \$269,000 going forward.

George Dickerson: This is what is already in the account, yes.

Mayor Newlands: That's the Money Market Account, correct?

George Dickerson: That's transfer tax, that's held in Citizen's, that's the only account we have in Citizen's.

Mayor Newlands: But it's a Money Market Account though?

George Dickerson: No, it's a savings account.

Mayor Newlands: Oh, a savings account, okay. So as far as liquid funds, we have some liquid funds to utilize; in fact we could utilize that for police payments, maybe salaries and things?

C Lester: That's a stop gap. We're just going to rob Peter to pay Paul here and that's what's been happening unfortunately for several years.

Mayor Newlands: Everything is a stop gap. I know and I agree. So we need a motion to authorize the use of funds partially in excess of budget, which already have been used; and then again in excess of budget, the \$269,000, to get us through the next two months...

C Duby: And are we designating in that motion where they are coming from or are we just saying funds?

Mayor Newlands: I think we can just, well looking at the spreadsheet there are limited places where we can get the funds from. I would say we can earmark the checking account; the Money Market Account with \$128,000 in it; part of the transfer tax account, whatever is appropriate. We want to be careful with that.

George Dickerson: I just wanted to clarify with Stephanie, so I just asked a question to make sure that I was correct. The \$114,000 of the cash reserve items, which are in General Fund accounts, through the budget which Council has approved; has not been transferred; is that correct Stephanie?

Stephanie Coulbourne: Correct.

Mayor Newlands: It hasn't been transferred, but we've already overspent \$291,000; it's a wash, believe me, it doesn't work mathematically. Just trust me. It doesn't work. Norman, am I right?

C Lester: Yes, I don't know what this means by not being transferred. The money's been spent.

Mayor Newlands: It's already been spent; it just hasn't been accounted for in the books.

George Dickerson: There's approximately in the review of this, there's also \$90,000 of unapproved that were not budgeted items that Council has spent; they were approved, which were the two water main leaks, one on Mulberry, one on Federal and then there was also the \$26,000 in snow removal, which is somewhere in the neighborhood of about \$90,000. That's also built into that total. So the perception of the public sitting out here may have is that there's also \$90,000 that you've approved; but that \$90,000 is unbudgeted; and that needs to be spoken to, because it is in this year's budget.

Mayor Newlands: We spoke to it before, number one. If I was to do what you're suggesting, and tell them the total number, it's on top of the page, it says \$360,000; that's what is overspent. I don't want to start getting into a math thing with you, because it's all detailed on the sheet. We just went over this.

George Dickerson: I don't know how these numbers were arrived at, so I do not understand your formula, no.

C Duby: I don't either, I have to say.



Mayor Newlands: You want me to go through it again, I went through it fast the first time; I'll go through it again slowly.

C DUBY: I understand how you reached this number, down here; what I don't understand is the amount that you're saying somehow was spent in an unauthorized fashion; when in fact, these are things that we have approved, a great number of them are; and the rest of them are paying regular bills.

Mayor Newlands: Let's go through them again. On the top right you have a deficit of \$360,760.

C DUBY: And this is the deficit in this current years' budget right now?

Mayor Newlands: This current years' budget, that's correct. Now we approved in April, on the bottom right, \$26,799 and \$52,555 for snow removal and the water main breaks; coupled with the revenue reserves; here's where it is included of \$114,000; the total of those two is \$193,918. This is all approved money. You subtract that from the \$360,760 and you have \$166,842 of unapproved expenditures that we've already spent. Now you have to subtract from that the money you still need to spend and this \$125,000 I have here is incorrect; it should be \$269,000.

C DUBY: Which is this year?

Mayor Newlands: Right, so that's going to make this somewhere in the neighborhood of \$400,000. Am I doing this correctly?

C LESTER: It sounds right to me.

George Dickerson: For an example Mr. Mayor, of some of the other expenditures that you do not have on there, that's negative, that caused that; such as Highway Safety Salaries; Night Out Supplies; Fuel Oil; Body Armor; Laptops.

Mayor Newlands: Where are you getting these from?

George Dickerson: From going through the expenses and revenues that we have for this budget year; that are included in there that you have not taken into account here.

Mayor Newlands: So you're saying its worse?

George Dickerson: It's included in the \$193,918 figure.

Mayor Newlands: I don't know what you're getting at. The first six pages of the Revenue and Expenditures Report, is that what you're looking at; because that's the total of the \$360,000; that was overspent; approved and unapproved.

George Dickerson: My cursory review of this, because I just received it a few minutes ago when you passed it out; I didn't have time to look at it before, but I believe these figures may be skewed. That's my opinion.

Mayor Newlands: They're off our system.

George Dickerson: Well if it's off our system, I use the actual today's, well the run sheet from Monday of the Revenue and Expenditures and I have those here for review if you would like to see them.

Mayor Newlands: This is in the upper left hand corner was run today at 11:06 this morning. The number for the sewer and water main were from inside the report.

George Dickerson: Why don't we have the full document; if we had the full Revenue and Expenditures it would help justify this document? All we have is the last page.

Mayor Newlands: Do you want my copy, you could have it.

George Dickerson: No I have today's, I ran it today.

Mayor Newlands: Okay, do you want to go to Page 3, the snow removal, about 2 inches from the bottom.

George Dickerson: Mr. Mayor, I don't want to enter into a debate with you about it; I'm only trying to be helpful.

Mayor Newlands: But you're the one asking about the numbers; the numbers are sitting right here; they're on the same page.

George Dickerson: Okay, I'll make it easy, I defer to you.

Mayor Newlands: Ms. DUBY you asked about how we were going to make a motion and what kinds of funds we were going to use for this?

C DUBY: You said you need a motion to authorize using the money that we have to pay our outstanding bills.

Mayor Newlands: Right.

C DUBY: And I asked whether or not, whoever makes the motion needs to say not I authorize using our existing funds, but say I authorize using so much from this account; so much from this account; so much from this account; that's what I need to know.

Mayor Newlands: We can't get specific on the transfer tax account; because I'm not sure how much of the overage is going to be applied to public safety and things like that; so that account could only be used for certain funds. Only certain funds out of that account could be used for different categories within the budget.

Seth Thompson: Mr. Dickerson is correct that it could be used for public safety; I think that's probably the easiest application for those funds; there are other issues as well, in terms of capital projects and improvements, but I think your police budget is probably one of the larger expenses going forward.

Mayor Newlands: I don't know if we're going to have \$142,000 in the next month or two, but I don't think we're going to need that much cash out of that one account.

Seth Thompson: I think the motion then just needs to make clear that the reserve funds are going to be used for the intended purposes of both the statute and then your Code also adopts it in Section 194, §19.

C Lester: Mr. Mayor and Seth, cash is fungible, so it doesn't matter which checking account it's in or CD it's in; it's all fungible, it's all the same.

Mayor Newlands: Except for the transfer tax.

C Lester: Yes.

Seth Thompson: That's right.

C Lester: So do we have to specify when you take \$1.98 out of CD #2. I don't think so.

Seth Thompson: I don't think you have to be that specific.

C DUBY: This was my question; it has not been done in the past. I don't see why we have to do it now. I think if we authorize the expenditure of Town funds, to pay Town bills that ought to take care of it.

Seth Thompson: I think you just want to make it clear that the reserve funds are going for specific purposes within the statute.

C Lester: I'm not sure how to make this motion; I would say I would authorize the Town to transfer monies, as needed to meet their obligations through the end of the fiscal year.

C Duby: Second.

Mayor Newlands: We have a motion and a second. Any further discussion? We'll do a roll call on this.

C Lester Yes

Vice Mayor Betts: Do you give an amount or are you just going to take what is needed between now and then?

Mayor Newlands: Do we need to amend it for the amount?

Seth Thompson: I don't think you need a specific amount. You've given estimates at this point; you could say in conjunction with the estimates reviewed tonight and it would give you some latitude and your Charter gives you some latitude.

C Abraham: We don't really, fully know anyway.

Seth Thompson: Any expenditures will be within the realm of reason; the amounts discussed this evening.

C Lester: I amend my motion to use funds as necessary within the limits as proposed at this Council meeting tonight, August 9, 2010.

C Duby: As the seconder of the motion, I accept this amendment.

Mayor Newlands: We have an amended motion and a second; any further discussion? We'll take a roll call vote on this:

C Lester	Yes
C Duby	Yes
C Prettyman	Yes
C Abraham	Yes
Vice Mayor Betts	Yes
Mayor Newlands	Yes

Mayor Newlands: Motion carried. One last comment, whatever monies we need to spend ahead of time for the next fiscal year, we will discuss that at September's Town Council Meeting.

#### 8. Close the Regular Meeting

Mayor Newlands: We need a motion to close this part of the regular meeting.

C Prettyman: So moved.

C Abraham: Second.

Mayor Newlands: We have a motion and a second to close the meeting; all in favor; aye; opposed; motion is carried. We're closing the Town Council Meeting at 7:05 p.m.

**Milton Town Council Meeting**  
**Budget Workshop**  
**(Following the Emergency Town Council Meeting)**  
**Milton Library - 121 Union Street**  
**Monday, August 9, 2010**  
**7:12 p.m.**

**[Minutes are NOT Verbatim]**  
**Recording Secretary: Helene Rodgvile**

The agenda calls for the Town Council to review a draft of the Fiscal Year 2011 budget. Discussion will be held between Council and staff and possibly the Finance Committee regarding suggestions for the proposed budget.

Mayor Newlands: For Council's knowledge, I handed out a little clip here with a couple of sheets on it, just for reference. These two tables here, the ones that say Revenue and Expense, they're just for reference, in case you want to look at everything rolled up. They're just further information for you to use. The other one that is about eight pages, double-sided, that is the budget details of what we spent this year. Ms. DUBY asked that we produce that, so I ran a copy of that today and this is all of the expenditures so far this year, up until last night. Okay, let's get started. Just a note for people, on the revenue side, Mr. Dickerson, I noticed a couple of places where we reference the transfer taxes and for building permits; for water impacts, the numbers were a slight bit askew because some of them don't reference 20 homes. If you divide them by the actual figure itself, they were not exactly the same; because they all should be pretty much in lock step, shouldn't they?

George Dickerson: Actually I talked with Robin Davis who gave the numbers for those figures as to what was anticipated for homes that would come on line; at our meeting when we met with Robin to come up with those.

Mayor Newlands: What I'm saying is most of them are 20 homes; some are 13 homes; so they all have to be in line with those numbers.

George Dickerson: Okay.

Mayor Newlands: So we're going to have to address them either up or down depending on how we do this. Because for the sewer payments you have \$20,000 at \$1,500 a home; that's 13 homes; but in other places, the water impact you have 20 homes at \$1,450 for \$30,000; so they all have to be brought in line.

George Dickerson: Okay. Do you want to use the 13 or the 20; Robin do you have a comment on that?

Robin Davis: Off the top of my head, I can't honestly remember what the number is.

Mayor Newlands: I think the 20 is probably safe. Most of the numbers are 20; I think transfer tax was 28 and just the sewer payments were down to 13, that's all. We only have how many people from the Finance Committee? Just two, okay. Are you going to speak at all tonight? If you do I need you to talk into the microphone and just state your name for our transcriptionist, for Helene. Okay, let's get started. I know a lot of you have turned in cuts to the budget; I was not going to comingle them all and get them all correlated, so as we get to each item for your budgets, let's go through them all, please

speaking up to what you want to cut. First one is 5100 that is Salaries for Admin; I seriously think we're going to need to cut people this year; we're going to have to have a reduction in staff.

C Prettyman: In the last Finance Committee Meeting we had asked for the job descriptions to look at those and to see what we could do? I thought that was discussed last week?

Mayor Newlands: C Prettyman's been at a subsequent meeting for the Finance Committee, that we haven't been at.

C Prettyman: At the Finance Committee Meeting it was discussed and asked that all the job descriptions would be given with their base salaries to the Finance Committee to look over so that if we're going to cut, to see where we could or what we could do. As of this date, I haven't seen it.

Mayor Newlands: That hasn't been produced yet. We just haven't had the time to do that. Who did the request go to Mr. Lester?

C Lester: I think it went to Stephanie.

Stephanie Coulbourne: Yes and I discussed this with you Mr. Mayor, you said that they were on line on the website.

Mayor Newlands: I don't think we conveyed that back to anybody. I apologize.

C Prettyman: I don't have my computer.

Stephanie Coulbourne: We can print them off and put them in your mailbox.

C Duby: Can we move through this at the end, if there is a decision made that we need to cut positions, we need numbers on how many; for how much we would need to save by doing that; and if those job descriptions are going to be circulated; that needs to be done; so I think we could move through the budget without deciding right now; are we going to cut positions and if so, how many.

Mayor Newlands: That's fine. I'm going to skip down because all of this payroll stuff is...

George Dickerson: Mr. Mayor, might I suggest, I have the Admin cuts and I can give you the GL account number and what the line item is and what I propose the new figure to be, if that's helpful; at least for Admin.

Mayor Newlands: As we get to it, that's fine, but I don't want to just do that and then go back, because there are other things that Council may want to cut, so as we go through them we'll get to them.

C Duby: I have a question while we're at the salary level here. I noticed that you have increased Council salaries; which I was stunned at. My understanding is that the Charter calls for Council Members to be paid for regular meetings and that is one a month; that second meeting a month, first of all, is not considered regular, because we only have it when it's needed and it has never been considered, to my knowledge a regular meeting.

Mayor Newlands: Workshops I think are half.

C Duby: We aren't paid for Workshops; Hearings, nothing else.

C Abraham: Special meetings we were paid for.

C Duby: Well then I'm getting a lot less than everybody else, because I have not been paid for special meetings or workshops.

C Abraham: Workshops we never got paid for.

Mayor Newlands: I'm for bringing that back to \$4,000, the way it was, that's fine and if you want to further reduce it by one a month, then...

C DUBY: I think if we're cutting staff and we're cutting all these other things, it is absolutely unbelievable that we would sit here and say let's give ourselves a raise; even though it is a tiny, tiny amount. It's the symbol of it.

MAYOR NEWLANDS: I didn't notice that and I agree with you. I'm fine with that. Let's bring it down to the \$4,000 level and then let's also see if that's even higher then it should be.

C DUBY: Great.

MAYOR NEWLANDS: The next four numbers are really just based on percentages of salaries, so we can skip over all that, all the way down to 5180 which is Training and Seminars.

C ABRAHAM: Well the Council one for payroll taxes will drop down.

MAYOR NEWLANDS: Payroll taxes would drop a little bit, but it's not worth the time to calculate that right now.

GEORGE DICKERSON: The 5180 Training and Seminars reduced to \$500.

C DUBY: So the \$1,000 goes down to \$500.

MAYOR NEWLANDS: Right. The next one C Lester is accounting fees is 5200.

C LESTER: Do you want me to relay my conversation?

MAYOR NEWLANDS: Yes please.

C LESTER: I had a conversation today with Kathleen O'Donnell at the State Auditors Office and she informed me that she is working on first a handbook, a manual for the accounting staff; but secondly she is working on her RFP. The RFP is going to be for an accounting firm that will come into Town and review our accounting system and write rules and procedures that we have to follow. They will also, as part of what they call the deliverables, be meeting with the Town Council and residents and they will explain all the instances of internal controls and everything else they're putting in; the controls that should be in place; the oversight that should be in place by the Town Council and the various supervisors in Town. With her review of the accounting system and what she's seen up to date, the suggestion from their office is that we have this review done; we have an accounting system that starts October 1; it will produce a variety of Financial Statements so that the Council can have a really good handle on everything that's going on in Town; good financial information; balance sheets so that we can watch it from month to month. The balance sheet will show you the amount of cash on hand and the increase and decrease; and the increase in liabilities, etc. What she's concerned about is that the situation may not be auditable; that there may not be a firm that would be willing or even able to give an opinion. Now the goal of an audit, generally, is to give what they call an "opinion on the Financial Statements". In most cases, what you want is a "clean" opinion; that they find it fairly states the financial position of the Town. The concern here is that an audit firm doesn't have to say that; they can give you an "adverse opinion"; that says we find things so badly, we will not give an opinion on the situation in Town or they could give a piece meal opinion and say we can verify the balance sheet assets are what they are; but the income statement we will not give you a report on that. We'll just say what the balance sheet is. Her suggestion was to drop down from an audit to what is called a compilation, which is basically a Financial Statement but it is in a different form and a different opinion; the opinion doesn't say that they've audited the books; it very clearly says we did not audit the books. The problem that I mentioned to her that the Charter does say the Town does have to have an audit; so I'm not sure how we go forward at this point to discuss that. At some point, Kathleen said through her

office, either with Tom Wagner and she's hoping to find somebody that is a CFO of a small or smallish town, that can come in here and make a presentation that the Council can understand and explain clearly from an independent person what is required to maintain the integrity of the set of books; maintain internal control and give the Town and the Council confidence that the numbers they are getting are correct. She will let me know when she finds somebody available. There are some people out there, but they are going to talk accountingese and nobody will understand them. I don't understand what some of these people talk about. At some point they will come to town, that is the State Auditors Office and they will explain exactly what we're going to get. In the meantime, she hopes to have a draft of the RFP and a summary of the accounting manual ready and, probably by next Council Meeting, we can discuss it; we'll have it available. I can go through it at the Council Meeting; the things that she hopes to achieve.

Mayor Newlands: The RFP is not going to have an amount on it, so we're not going to know what it is going to cost us to do it.

C Lester: No she is sort of hoping to find a firm that will understand the situation and be generous.

George Dickerson: Mr. Lester in your conversation with the person from the State Auditors Office, were they made aware that Mr. Sombar had been the auditor; had actually provided last year's audit; and do you know if Mr. Wagner's office is going to review that audit; because it sounds like we're being critical of Mr. Sombar; but his product, that he produced, the annual audit and has done for many years, for the Town of Milton was it looked at or reviewed, do you know?

C Lester: They have a copy of it; I have provided them a copy.

George Dickerson: Did they review it or comment?

C Lester: I haven't had a comment yet from them.

George Dickerson: Thank you.

C Doby: I have a question too, that's related; the person that you're talking about, that you spoke to is in Tom Wagner's office, right? Can you tell me what they have looked at that has formed the basis for their opinion that we may not even be auditable?

C Lester: I gave them copies of the trial balance that was given to the audit firm, to Tom Sombar's audit firm, last Fiscal Year; that trial balance contained; do you know what a debit and credit is?

C Doby: Of course.

C Lester: Okay, all the debit items had credits; and all the credit items had debits; so obviously there was no control; the Financial Statements were improperly prepared by the Town. So they're looking at that; they're looking at the underlying causes of that; the numbered journal entries that he had to make to bring the books into balance. They also looked at Financial Statements in the interim basis that we prepared; I prepared a May trial balance and the May trial balance showed that we owed M&T trash about \$140,000, accounts payable. Well we pay that every month. So there were consistent errors going through the system and beyond that Edmunds Software is looking at the software and they feel that they can bring the software into compliance.

Mayor Newlands: Hold it, it's not the software; the software is fine; the software is up to date; the software is accurate; there are no bugs in the software. It's the account set up that was done, the item that Mr. Lester is talking about with M&T Trash, we had monies

going into accounts payable and debiting some other account, so it got doubled up and it was an error in the way that the account got set up internally.

C DUBY: So this \$25,000 figure...

C LESTER: That was my guess, not hers.

C DUBY: Okay, but that is what your guess was that that would pay for is their coming in; doing this systems review; reporting to us on that; and then writing the RFP for an audit firm to help us?

C LESTER: There's no charge for the RFP. Whatever comes out of Wagner's office in terms of accounting manual; the RFP's, there is no charge for that. They are going to help us interview the firms and make sure that the people that respond to the RFP's are adequately trained and capable of preparing that work.

C DUBY: So the \$25,000 would be to pay the firm.

C LESTER: Exactly. I assumed probably, depending somewhere at \$12,500 for the review; but the whole \$25,000 might go for review; I don't know.

C DUBY: And the actual systems review itself that is done by the firm that would be hired, not by Wagner's office.

C LESTER: By a CPA firm that we would hire, under their guidance.

MAYOR NEWLANDS: Wagner's office doesn't have auditors; they go to outside sources; even when they do their own audits, they go to outside sources. The other thing that is happening is, part of what Kathleen found was that there was \$1.3 million in a suspense account ending last year; it should be zero. So there are a lot of glaring things in that trial balance that she found that led her to these conclusions. Also Edmunds Software, they are the manufacturer of the software, they said they will go through the account setups with us and try to clean everything up so that before we get into the next budget cycle, we will be cleaned up and our records will be clean and we won't be double posting things and having things doubled up.

C LESTER: The last item, just to mention this, is that they are going to request, as a deliverable from whichever the CPA firm is, is a review of our Charter account setup and the categories that we use for efficiency; and they will go through the whole process with us and make sure that we're getting the information we need in a clear and concise manner. I can't say much more until she is here. They were under the misapprehension that our Fiscal Year was in July and I had to remind her that it was in September. They are pushing the button a little bit in their office.

MAYOR NEWLANDS: Okay, the next item is 5215 Consulting Fees for URS.

C DUBY: Is this the regular consulting work that is done by URS in terms of work with Robin or is this related to Comp Plan Update?

GEORGE DICKERSON: I reduced the line item to \$2,000, which is a \$1,000 reduction. And the answer is yes, that it is to work with Robin on issues.

C DUBY: On Planning and Zoning issues and so on.

GEORGE DICKERSON: Any unforeseen issues, one of those being the Comp Plan also.

C DUBY: Well the actuals for year-to-date show that we're already 107% of the \$3,500 that was budgeted last year, so is it realistic to cut it that much.

GEORGE DICKERSON: Well there was the issue, as I recall coming in, I think the Mayor made a request of her to come in to discuss with himself as well as staff in a meeting that little bit of overage that came in there was to talk about the Comp Plan and the explanation of the Comp Plan.



C DUBY: So theoretically that would not be a recurring cost.

George Dickerson: I don't know since we've already been approved for that for five years.

C DUBY: So the Comp Plan that we have to begin work on would come somewhere else.

George Dickerson: It is not in here; it is not listed in this budget; it was one of the purple lined areas.

C DUBY: And by the way, what is purple? I missed the last workshop.

Mayor Newlands: It's a different color from the previous workshop; just to differentiate.

George Dickerson: That is correct.

Mayor Newlands: Just between the two workshops.

George Dickerson: Something Council still needs to approve. The yellow was the basic rough draft document for historic purposes.

Mayor Newlands: And Debbie explained to me the other day, there is a possibility that her fee can come out of transfer tax because the transfer tax can be used for Comp Plan. She told me that on Friday.

C DUBY: On the issue of the Comp Plan, do you want to talk about it now or do you want to talk about it when we get to that purple area?

Mayor Newlands: Its \$100,000 to do the Comp Plan; \$20,000 of which would come out of each year.

C DUBY: I want to talk about it; but do you want to talk about it now or do you want to talk about it later?

Mayor Newlands: Later. Next item 5220 Engineering fees for C.A.B.E.

George Dickerson: Reduced to \$5,000.

Mayor Newlands: Okay. 5240 Legal Fees.

George Dickerson: Reduced to \$23,000.

Mayor Newlands: I missed one. We're at what right now? We're over right now, we're at \$27,000.

George Dickerson: We had some other issues: Key Ventures was one issue with that and some added costs.

C DUBY: I hate to say this as a lawyer, but I think you can probably guess there will continue to be more that we don't expect.

Mayor Newlands: I know. 5250 Temporary Labor.

C DUBY: And that had to do with Caroline's salary, the reason we're so over with that, right? She's now an employee, not a temp.

George Dickerson: She's now full time, yes.

Mayor Newlands: I think if you weigh the salary for Julie S. and Caroline coming on, it's probably a wash, anyway, for the overage. This other money is for the transcriptionist.

Vice Mayor Betts: Are you on temporary labor and you're leaving it at \$4,500?

Mayor Newlands: This is our transcriptionist, she transcribes the Council Meetings, Planning and Zoning Meetings, Historic Preservation Commission Meetings, Finance Committee Meetings, which I don't think you need to record anymore. Okay the next one is 5260 Tax Assessment Property Tax Associates, these are our assessors who will assess new houses going up and I think they assess our buildings and infrastructure. Is the number going up because of new home coming in or what?

George Dickerson: We asked him what his costs were going to be and that's what he gave us.

Mayor Newlands: The next one is 5280 Supplies \$7,500.

George Dickerson: Reduced to \$7,000.

Mayor Newlands: I think we brought that down last time, didn't we? Line item 5300 Advertising.

George Dickerson: Reduced to \$1,500.

Mayor Newlands: What are we at now?

Stephanie Coulbourne: \$1,400.

C Doby: And that will cover what we're required to do?

George Dickerson: Let's hope so.

Mayor Newlands: Next one 5310 Employee Bonuses. We were leaving that alone. Next one is the Holiday Lights 5320.

C Doby: Now is this the purchase of new lights?

Mayor Newlands: This is our electric bill.

C Doby: That's what I thought, but we're not doing that.

Mayor Newlands: That's what is proposed, not doing it, yes; unless we can get donations for it. We can still put them up. The prisoners put the snowflakes up, don't they, Allen? Oh, we put them up. Next one is Dues & Subscriptions and I'm going to do that along with the following, which is the Delaware League and the S.C.A.T., the \$900 for the Delaware League and the S.C.A.T. we should combine those back again, if we can George, 5340 and the next line; just combine those again.

George Dickerson: Combine those, okay.

Mayor Newlands: Yes.

C Doby: So it's \$1,700.

Mayor Newlands: Yes, but some of that, I think that the breakfast's on Friday that Norman and I go to for \$9, we can possibly pay for; but S.C.A.T. is \$200 and the Delaware League is \$700 for membership for the year.

C Doby: And all of the subscriptions appear to me, although I don't know what some of these acronyms are, sort of things that are helpful but not necessary. I just wanted to make sure that we are able to cover the things that we have to have in order to update things.

Mayor Newlands: Can we go through a couple of them. Why do we give the Chamber money?

George Dickerson: The Town has just always been a member of the Chamber, to support the chamber's activities and they ask us to be a member.

Mayor Newlands: Is it \$150 a year or something like that?

George Dickerson: Yes.

Mayor Newlands: The next one that the Delaware Municipal Clerk Association, that's Stephanie's association. What is IIMC?

Stephanie Coulbourne: That's the International Institute of Municipal Clerks. The DMCA membership is \$25 a year.

Mayor Newlands: And the SHRM?

Julie Powers: The Society for Human Resource Management.

Mayor Newlands: And the GFOA?

Julie Powers: Not sure exactly what it stands for, it's for Jennifer, for finance.

Mayor Newlands: I think for them to stay in contact with their affiliations, with their professions, I think that needs to stay.

C DUBY: I agree. What's the blood bank?

Stephanie Coulbourne: It's \$5 for each employee that wants to join; I think we have 6 people that are on right now.

C Abraham: As you say, as a state employee, I have to pay my own. I know it's not much.

Julie Powers: I believe it's in the Employee Handbook that you get it for being an employee of the Town, I think.

Mayor Newlands: The next one is 5350 Election Expenses. If nobody has anything to say, I'm just going on. Don't stop me and I'll just keep going on those items.

Vice Mayor Betts: What are the three meals for election committee and staff? Is that what we pay them, besides the \$75 a day?

Stephanie Coulbourne: In the past when the election was only 1p.m. to 6 p.m., we only had one meal in there; they would get \$75 per day, on top of the one meal. Now that the election is from 8am to 6pm, yes I get them coffee and donuts in the morning; I get them lunch; and sometimes they refuse dinner and sometimes they accept dinner.

Vice Mayor Betts: And what do they get per day for working?

Stephanie Coulbourne: \$75.

Vice Mayor Betts: \$75.

Mayor Newlands: And they've actually challenged me on that, asking for more money. I did a little study that seems to be the national average.

Stephanie Coulbourne: They do have to be there at 7am and they do have to stay well past the closing of the polls; so they are there over 12 hours.

Vice Mayor Betts: At the State they always bring their lunch; the State does not pay for their meals.

Mayor Newlands: Why is this going up from \$1,300 to \$3,000?

Stephanie Coulbourne: There was a larger increase in the number of advertisements that I had to do on top of the extra expense for being there all day for meals.

C DUBY: There have been some additional requirements in that new State Election Law, right; and that's what I think that is.

Stephanie Coulbourne: Correct.

Vice Mayor Betts: I think they should take their own lunch and fix their own lunch and breakfast; the State does that and I just feel that.

Mayor Newlands: We've spent \$3,000 already this year alone. I agree with Ms. Betts, let them bring their own food. Let them go out for lunch, that's what we do; that's the first thing.

C DUBY: They can't leave.

Stephanie Coulbourne: They can't leave.

Mayor Newlands: They can't take shifts at all.

Vice Mayor Betts: You can pack your lunch or they can ask a runner to go get it for them?

Mayor Newlands: Yes, we can get them lunch somehow. Also the State is requiring us to change of our rules. We got a letter in a couple of days ago that we have new rules to follow, so we have new laws that we have to watch out for.

C DUBY: The only thing that I would be concerned about, and this may be totally, I'm not saying I believe this, I'm just saying it's a possibility; this is something that we have to get volunteers for and if they feel like whatever benefit they do get by getting meals or so

on is not enough and they're not being treated well, we may not get volunteers for it; so, as I say, I don't know that that's the case.

Mayor Newlands: Some people were actually surprised that they got paid last year.

Vice Mayor Betts: I think you'll find that you'll have people.

C Duby: Good, I hope so.

Vice Mayor Betts: I do too.

Mayor Newlands: Okay so what are we doing with this one; we spent \$3,000 and the other problem is that we're going to have more to spend this year because the State is making us make some changes. So we're going to have legal costs in here, because we have to change our Town Code to conform. Actually it's in our Charter, isn't it?

C Duby: Some stuff is in the Charter, but I think it's...

George Dickerson: We're going to follow the State Law is what our Charter kind of tells us.

Mayor Newlands: We need to make that very clear at election time, because people may look at our Charter and not realize they have to follow State law and that's going to be different.

Vice Mayor Betts: But they go to meetings over in Georgetown and everything is explained also; when they have an election; in the beginning.

Stephanie Coulbourne: Which we do attend every year.

Mayor Newlands: But the public needs to be aware that what's in our Charter may not be correct though. Until we find out what the meals are, let's just leave that alone for now. Gasoline for your car, George. You pay your gas, you don't go anywhere from the office to the thing; we'll make that zero.

C Duby: This again raises the issue that we talk about every year in terms of cars; do we have any that we can get rid of for employees.

Mayor Newlands: I don't know.

C Duby: And if we did, can we do an analysis of if the employee does have to use his or her own car to go on town business, would it be cheaper for us to reimburse them for using their own car for mileage, then it would be to maintain the car?

Mayor Newlands: For mileage? I think mileage is like 45 cents or something like that. What's mileage expense 42 cents a mile?

C Lester: No, that's old; its 50 cents right now.

Mayor Newlands: Fifty cents.

Stephanie Coulbourne: Mr. Mayor did you say under 5380 to take it to zero?

Mayor Newlands: Yes, he gets a car. He doesn't even drive many places beyond going home and coming to work. The car is paid for.

Julie Powers: So if it runs out of gas we can tow it in.

Mayor Newlands: He can pay for it himself.

C Duby: But what I'm saying is, if he's going to pay for gas himself, would it be cheaper for us to say, we're no longer going to provide the car; we're going to reimburse him mileage for use of his own car. Then he pays for the gas, he uses his car.

Mayor Newlands: Guys that use their other vehicles are driving them all day long. He rarely drives anywhere for business.

C Duby: I know that, I'm not disagreeing with you. I'm saying, rather than just providing him a car, but saying pay your own gas; what if we looked at whether it would

be cheaper for us to give him mileage to use his own car; then we don't have a whole car to maintain.

Mayor Newlands: And sell the car. Okay. We'll sell the car.

C Lester: I agree with that.

C Abraham: I thought we leased it.

C Duby: I would look at the comparison; I don't know; look at the number of miles he's travelled on business and how much it would have cost us to do that, as opposed to maintaining a car. I just think it's worth looking at it.

C Lester: Because it's the car, plus insurance, plus maintenance, blah, blah, blah.

C Duby: Because if you're going to say pay your own gas, then you might as well look at making the changes.

C Lester: It is cheaper to reimburse the odd trip. I agree with you.

C Duby: That's what I'm saying.

Mayor Newlands: How do we find this out? How do you propose doing this?

C Duby: Do you have any mileage records on the car?

George Dickerson: No.

C Lester: You're supposed to keep records of personal business receipts.

C Duby: Could you get us an estimate of how much it would be? He just uses it for business.

Mayor Newlands: Could you estimate business use of the car?

George Dickerson: I don't use it for personal use.

Mayor Newlands: He uses it for driving back and forth to work.

C Duby: Yes?

Mayor Newlands: The other guys who have their other vehicles come into work with their vehicles, some of them do, not all of them; and they are using that vehicle all day long on town business. So the amount of times he's using it for business is very little. We could reimburse him for that; and sell the car. Times are really tough and we're going to have to buckle down.

Vice Mayor Betts: Did you bring that down to zero?

Mayor Newlands: Yes bring it down to zero and then we'll look at it.

C Prettyman: And reimbursing the Town Manager is that also going to take on the maintenance of his vehicle? We're reimbursing; you're saying just reimbursing him on mileage. I want to be clear if we're going to do reimbursement, how it's going to be done.

Mayor Newlands: Right. Money in there for reimbursement covers oil changes and wear and tear on a car, that's standard.

C Duby: Yes, but we have to know the number of miles.

C Prettyman: I've worked for the government, but we're in the Town of Milton now and I just want to know how they do it.

Mayor Newlands: We've spent too much time on this; let's get the number of miles that we would be paying out for miles. We're going to wind up with another workshop; I hate to tell you with this kind of deficit, we're going to wind up with another workshop before the September meeting. Next one heating fuel; how are we getting away with \$700?

This is for Town Hall? And that's all we spend is \$700 for the heat pumps.

C Abraham: We only spent \$303.

Vice Mayor Betts: We only used \$303.

C Duby: And is that the sole source of heat? So what is the oil for?

Julie Powers: Propane.

Mayor Newlands: They are heat pumps, with a propane back up, I guess.

George Dickerson: I don't know.

C Duby: So in other words the electric bill is probably a lot higher; this is just a minor.

Mayor Newlands: Yes, this is just the overage when it has to kick in. Okay 5400 Town Insurance; we've only spent \$67,000 for town insurance so far this year.

C Lester: We have that additional \$16,000. The total premium for this year is only about \$85,000.

Mayor Newlands: Hold on, we've got all the numbers from what Stephanie did for the next two months; so we know what our total is going to be. We actually know that number now.

Stephanie Coulbourne: That's a quarterly payment, but you also have some that you pay up front, as well.

Mayor Newlands: What you pay up front is already paid.

Stephanie Coulbourne: Correct.

Mayor Newlands: So the next quarterly payment should be what you have in your other report that you just did, right? So we should know that number, correct?

C Abraham: Health Insurance?

C Prettyman: Yes.

Mayor Newlands: No, this is not health insurance. This is the Conner Strong number at the bottom.

Stephanie Coulbourne: Conner Strong, Travelers and Scottsdale.

Mayor Newlands: The \$67,000 that we've spent so far; that is everything that is quarterly, annual, and monthly; except for the August/September. So if we have the Conner Strong numbers in here, which is \$16,000; is there anything else in this category that is Town Insurance from this list?

C Duby: That is going to come in before the end of the year.

Stephanie Coulbourne: Life Insurance.

Mayor Newlands: Which is \$314?

Stephanie Coulbourne: True.

C Lester: If I can interject here...

Stephanie Coulbourne: Treasurer's Bond.

Mayor Newlands: Okay, but we're talking about \$16,786 for Conner Strong; \$314.68 for life insurance; \$2,000 maybe for the bond.

C Lester: \$1,500.

Mayor Newlands: \$1,500.

C Duby: What's the Conner Strong \$16,000?

Mayor Newlands: That's the building insurance.

C Duby: No I know, I'm asking the figures.

Mayor Newlands: \$16,786.

C Lester: This comes pretty close to that premium for this year. Yes the premium for this year is about \$86,000. And I think it may be the same for the next Fiscal Year; it renews in March.

Mayor Newlands: That's \$86,000 and change; which is what they told us the other day when they were in here.

C Lester: Yes.

Mayor Newlands: There's something else that you keep telling me that goes in this number.

Stephanie Coulbourne: Life insurance and the Treasurer's Bond.

C Duby: Does that bring it up to the \$135,000?

Mayor Newlands: No where near.

C Lester: No.

Mayor Newlands: That's what it was years ago and we even lowered this to \$120,000; I think we can bring this down to \$105,000. If you look two columns over, it was \$106,000 two years ago. I think we could just make it \$105,000 and we're good to go.

Vice Mayor Betts: \$105,000?

Mayor Newlands: Yes. 5420 Miscellaneous Operating Expense.

Stephanie Coulbourne: Mr. Mayor, are you removing the mileage expense right above it?

Mayor Newlands: Did I miss that?

C Abraham: We didn't add it in.

Mayor Newlands: For Council, yes, we can remove.

Stephanie Coulbourne: Take it out?

Mayor Newlands: If Council is okay with that mileage; we carpool to the Delaware League meetings so we can take that out.

George Dickerson: Miscellaneous Operating make that \$750.

C Duby: I looked at it, but what was the overage?

Mayor Newlands: Which overage?

C Duby: This was 670%, it was \$6,695 actual; and it was some unusual thing and I can't remember now what it was.

Vice Mayor Betts: Yes.

C Lester: From year-to-date it shows \$6,823.84.

George Dickerson: There was an overage due to a \$500 tow fee that was paid for Richard Ashby's car to get it out of impound; and then there was \$5,520 for the All Facilities Energy Group Audit and we will be getting that back, but it doesn't show here.

C Duby: That was it, it was a grant.

Mayor Newlands: We parked it there to have a place to put it on the budget. The next one is Town Manager's expense; let's move that down, you haven't spent that kind of money this year, so let's move that down to \$2,400; let's be realistic about this.

George Dickerson: You realize what my contract calls for, correct?

Mayor Newlands: We'll rewrite it, that's fine.

George Dickerson: Not without my consent.

Mayor Newlands: Okay; next 5421 Meetings.

George Dickerson: What was the amount again, I'm sorry.

Mayor Newlands: \$2,400.

Mayor Newlands: Meetings; what's our cost for Mariner Middle School; we're trying very hard to stay in the Library, but we have a Mariner Middle School charge.

Stephanie Coulbourne: There's the charge if the custodian has to stay after 9:00 p.m., but it is not a set dollar amount.

Mayor Newlands: We can leave that there with an \* next to it and we can come back to it. Alright Printing & Postage we're spending around what we have in here \$10,000. We're

going to try to somebody in Salisbury about the utility bills. Is this the water bills, as well, Stephanie?

Stephanie Coulbourne: During the year the amount for postage is moved between water and general; so as of right now that doesn't include the water.

Mayor Newlands: But this is what though?

Stephanie Coulbourne: Utilities no.

Mayor Newlands: What is the printing then?

Stephanie Coulbourne: You have tax bills that are in there; that's all personalized envelopes, the postage machines, if they raised any fees on postage, we have to pay for new cartridges for the machines, that's copy costs for the copy machines.

Mayor Newlands: Let's target that back down, because we're going to talk to the state prisoner's; they have a print shop up in Dover that they can give us discounts on printing.

C Abraham: The State gets their envelopes from them.

Mayor Newlands: Right, well we can do a lot of printing up there with the state.

C DUBY: There's also a postage increase due sometime during this year.

C Lester: We were going to talk to Mail Movers to do the forwarding and the mailing. They themselves get a bulk rate.

Mayor Newlands: I don't know how bulk rates work when you are in the same zip code. We have a number of things going outside of this zip code, but I don't know how bulk rate works on the same zip code. Let's lower that down to \$8,000. If I say a number and you guys don't agree, please.

C DUBY: I wish we had more information on how much the state printing would be, because I think this is risky given that we're already at this figure now and there's going to be an increase in postage.

Mayor Newlands: Well it's printing, it's postage, because the prisoner's will do printing for us; they charge you for materials only; no labor; and then there is a utility company in Salisbury that we can look at using for the utility bills. They will fold, collate, stuff the envelopes and get us a discount mailing.

C DUBY: Good.

Mayor Newlands: 5460 Repair and Maintenance to Buildings; now we increased it; why did this go up? We had just finished the energy audit; they were supposed to give us...

C DUBY: Are we doing away with the year end report altogether, is that what you were thinking?

Mayor Newlands: We were going to put that online and the Town Manager was going to give us a verbal; and that was okay with everybody last time. You weren't here last time. So we're just trying; that's a requirement; we have to do that, but we can do it in a Town Council Meeting and we can make it available online.

George Dickerson: 5460 Repair and Maintenance to Building reduced to \$5,000.

Mayor Newlands: I didn't say that; is that what you're doing? Okay.

C DUBY: The year-to-date actual was \$8,742.

George Dickerson: That was because we had the portico out front, the repair to the roof of that and we needed to replace some wood that was rotted there, as well.

C DUBY: So we're taking that down to \$5,000, is that what you're saying?

George Dickerson: Yes.

Mayor Newlands: Repair and Maintenance Equipment we spent \$24,000 so far this year on that.



C DUBY: It seems like if there are service agreements, there's not a whole lot we can do about that.

MAYOR NEWLANDS: Well it's that, plus it's the phones and if Verizon would get their act together, we would find out what our phone bill looked like. We changed the phone system in May and we haven't gotten an accurate phone bill from them yet.

STEPHANIE COULBOURNE: Mr. Mayor that's the next line item down Telephone.

MAYOR NEWLANDS: I'm sorry, this is phone system. This is the actual system. So what else do we have to spend throughout the rest of the year for that? We've spent \$25,000 so far this year.

C DUBY: I assume we make monthly payments right?

STEPHANIE COULBOURNE: Yes, it's a monthly payment yes.

MAYOR NEWLANDS: Can you go through your list here and see how much we have in here; the one you provided? Do we have Advantec in here for \$1,600; is this also First State Technologies?

C LESTER: Yes First State should be in there.

MAYOR NEWLANDS: I'm just saying is it included in this line item?

STEPHANIE COULBOURNE: First State Technologies, Advantec, Marlin Leasing if you're looking off the spreadsheet that I gave you.

MAYOR NEWLANDS: It is going to be the same. That's the same as it was the previous year then. We need to figure out a way to get those contracts renewed somehow. Okay Telephone

C ABRAHAM: We're already up to \$6,700.

MAYOR NEWLANDS: We already lowered that; I think we can leave that; I think we lowered that from I think \$8,500 or \$9,000 before. Utilities – this is all electric now, utilities. We should be saving a little bit with the energy audit with the replacement of those products. When are we starting that, do you know?

STEPHANIE COULBOURNE: We have to finish the paperwork and do an RFQ to get a contractor out.

MAYOR NEWLANDS: I thought we had to get their contractor. Oh we just do the RFQ for their contractor.

STEPHANIE COULBOURNE: They give us a list of several contractors.

MAYOR NEWLANDS: So we have to do the RFQ through them. Website is only \$200. Payroll processing, that's paying the bi-weekly pay to ADP.

C LESTER: Actually the website is a little more because that's been split.

MAYOR NEWLANDS: Right its \$200 per department.

C LESTER: I would like to see somebody else; that's an awful website.

MAYOR NEWLANDS: It's just the hosting for the website; that's the hosting cost, I think. Okay bank fees, this is for transfer taxes; do we know what the fee is per transfer; is it a flat fee?

STEPHANIE COULBOURNE: It is based on how much income the town receives.

MAYOR NEWLANDS: It should be real low. So far it is \$1,896. For now let's leave that alone. Town Hall renovations – I don't see any for this year. Downtown Beautification – don't turn your pages yet on the \$4,000; do we want to put that back in? This is all the plants. We've spent \$2,600 with them this year, so far.

C DUBY: If we do away with that, I guess I don't understand; it mentions the Garden Club here; we've done a standard amount to them for all the work that they do in town; are we saying that we want them to continue to do it; but not give them anything?

Vice Mayor Betts: I think we should put something back in for them; they do an awful lot of work.

Mayor Newlands: It's always been \$4,000; I think we should leave it at that.

Vice Mayor Betts: I think we should also. I think our town is so pretty and I definitely think we should do that.

C DUBY: Yes that seems like a no brainer to me.

Vice Mayor Betts: They put a lot of hours in; out there on Sunday and it makes it beautiful.

C DUBY: It's got to be done somehow and it seems to me that that's the best way.

Mayor Newlands: Okay, next item is the Edmunds Software Fees and Code Book Fees; those are standard. The next item is the one capital expense that we need to look at is a laptop; this laptop is six years old, this one. This one is an old laptop; this one needs to be replaced. Stephanie did we get a cost for the laptop and the software.

Stephanie Coulbourne: Yes we got a quote from First State Technologies; I don't have it with me.

Mayor Newlands: It was somewhere in the \$1,600 to \$1,900 range.

Stephanie Coulbourne: And if you choose to do that option, then you will have to upgrade the For the Record System that's on there, that is recording this meeting now.

Mayor Newlands: That \$1,600 to \$1,900 was including the software. Our fear is that this thing is not going to last too much longer. So I think we may have to add \$1,600; I'm going to see if we can get cheaper software for this. That's one of the costs of doing business.

C DUBY: I have to confess that to this date do not understand what happened with the last Comprehensive Plan Update project. I went to a meeting, this is before I was on Council, out at Mariner Middle School, Debbie Pfiel ran the meeting; the purpose of the meeting as it was stated was to put together a Committee to start working on the Town's Comprehensive Plan Update and the Chair of Planning and Zoning, and the Chairs of several other Committees were on there and there were a few other people and that Committee met, as I understand it; I attended one meeting because I did a presentation about something; but that Committee met monthly or whatever and then all of a sudden; and I never saw anything come out of it, at all, I was not aware of anything. By now I was on Council; I just assumed that when the great Update was done, it would come to us and then it would be sent to wherever. I never saw it. Then suddenly we were given a presentation about this thing that had to be done right away and we had grant money to do it and we were going to lose the money and we had to hurry and do it; and it went to Planning and Zoning only because Virginia Weeks, who was Chairman of Planning and Zoning at the time said, we've gone over it and there are some real concerns. Then, since you have become Mayor, we went over it again and I made some changes to just correct history stuff that was in there and we were told then, well we just had this little time period to do this and this wasn't the real update; this was the interim update or something and we sent it off and I had concerns about it; I know other people did; and you said, but we've got to get this up there; we're going to lose the grant money, but we can start the very next day to do the update. Well, my understanding now and maybe I'm

misunderstanding all of this; my understanding now is that NOW we have five years to do the Major Update of it.

Mayor Newlands: That's a rewrite.

C Doby: Yes, the rewrite, the new maps, all of the things that cost a lot of money.

Mayor Newlands: We can still do updates.

C Doby: I know that, but what I'm talking about is what we are required to turn in the way of a rewrite five years from now; is that the requirement? I have several concerns about it. I don't want the same thing to happen that happened before, because that Committee seemed to be worthless and I've been told by people who were on the Committee that they felt it was worthless. And that, quite honestly, gives me pause when we seem to be automatically hiring Ms. Pfiel again and her firm to do it; I would have some real second thoughts about that. I would like to see what other things are available to us; I know at one time IPA provided consultants on things like these; I think someone told me they don't do that anymore; but I think we should look into other possibilities; particularly since Debbie Pfiel according to this, has already told us that it will cost us \$100,000. I would like to see if there is a way we could do it for a little less than that; before we just say okay, fine, let's do it.

C Abraham: Can't we do it in a budget amendment if we choose to add money later and not address it right at this point?

C Doby: Can we do some research into what is required and start it early enough in the hope of saving some money; and even if it did cost \$100,000; that presumably is spread over five years.

Mayor Newlands: Five years, that's correct.

C Doby: So, I don't know whether that's in Robin's lap or where that goes to start the ball rolling, to find out what our options are, but I do not want to see us end up where we ended up this last time.

Mayor Newlands: I definitely agree. Everything was too rushed at the end.

C Doby: It was too rushed at the end and I still don't know; I can't even begin to imagine what we must have paid URS for all of those monthly meetings with Debbie and from what I can tell, we have nothing from that; absolutely nothing. Because I didn't see the evidence of any of that Committee's work in what we did in that rushed period at the end. Maybe I'm missing something major but I didn't.

C Prettyman: I didn't work on the third one, but I was a part of the first and second ones and we had Mr. Nutter come in and we did it much differently then this third one and things were done in a timely fashion; and he met with us and we went over things and then he would take it back and bring it back to us and we would go over it and it was done in a timely and professional fashion. This last one I wasn't a part of it; the previous Mayor chose not to include me; I asked to be a part of it. We can table this at this time and look into someone else to come in and really do it, because Mr. Nutter...

C Doby: Was he a consultant or someone with the State?

C Prettyman: No he was a consultant.

Vice Mayor Betts: He's with Nutter Associates.

C Prettyman: This is something he's done and he did the first two Comp Plans that I sat on. He got the people in Town involved; he listened to them and everything worked very well. I feel that we can just table this at this time and look into seeing where we can look for other assistance.

C DUBY: I don't think at this time we can attach a figure to it; nor should we until we do this research and see. Even the State Planning Office could give us some advice, I would think. I know I went, as did Virginia Weeks and Robin Davis did also, for a series of workshops that the Planning Office offered and IPA offered; and they gave us a lot of information about Comp Plans stuff that I had not heard anywhere else, particularly from URS; and I'm not trying to knock URS, because I also know that they have a good reputation in the State for doing this kind of work, but I would like us to look at possibilities of where we might get help cheaper, or what our options are in all of this.

MAYOR NEWLANDS: If we leave this out, we have to amend the budget during the year if we want to look into it.

C DUBY: Once we get the information.

MAYOR NEWLANDS: Okay, so let's leave this at zero.

C DUBY: That would be my preference, but I'm one vote.

C PRETTYMAN: I'm in agreement.

MAYOR NEWLANDS: Is everyone in agreement to leave that at zero? On the Revenue side, let's see if I have any comments on this.

C LESTER: I do have a comment on the Interest portion; that has to be wrong. 4% based on the money we have doesn't calculate to \$63,000; plus we're going to use up some of that money; so it's going to be substantially less.

MAYOR NEWLANDS: Interest Income and Revenue, does anybody have that?

C LESTER: In the bank right now we have \$1.1 million at 4%; it's not going to produce \$63,000.

MAYOR NEWLANDS: From one of the reports I've seen, the Interest Income is only \$100. I don't know how that's calculating there.

C DUBY: I don't think that's right either.

MAYOR NEWLANDS: No. That's not right.

C LESTER: It's in different places.

C DUBY: At least for part of the year that was on more money, but obviously as it has gone down.

C LESTER: This is just a calculation error.

MAYOR NEWLANDS: Just give me a second. George, where did this figure come from on the Interest Income? I see \$58,000 so far this year Norman.

C LESTER: Right, that's \$11,000 under budgeted; and we have less money in the bank and at a lower interest rate. If we use up most of those CD's it's going to be...

MAYOR NEWLANDS: If we break one of those CD's it's going to cut this number in half and I hate to do this, but we're going to have to bring that down by \$30,000, I would assume. So let's leave that at \$33,000.

C DUBY: \$33,000?

MAYOR NEWLANDS: Right, we're going to cut it in half; if we are making that kind of money on a CD and we break one of them, no matter where you put it, you're going to have penalties; plus you're not going to get much interest where you put it. And Lien Revenue right now that is at \$400; I'm sorry that's at \$4,400. So that's okay.

Miscellaneous Revenue you can leave that alone; the actual is \$9,000. Tax Penalty...

C ABRAHAM: So you wouldn't want to raise that?

MAYOR NEWLANDS: You can never tell with it; that's the problem.

C DUBY: What are you referring to as being \$9,000?

Mayor Newlands: Miscellaneous Revenue.

C Abraham: I was just saying at least raise it by half.

C DUBY: It's at \$9,000?

Mayor Newlands: That's what it currently is for this year. What's in there George?

C DUBY: I've got \$98.96. Oh down here. No, there's not \$9,000 down here. I'm looking at the ones down below.

Stephanie Coulbourne: Part of the funds in that account is the reimbursement for the Energy Audit.

Mayor Newlands: Oh that's \$5,000 we can't touch. So leave that at \$2,500; hesitant about bringing that up. We can bring that up to \$4,000; but I wouldn't go any further than that.

C Prettyman: Bring the \$2,500 up to \$4,000.

Mayor Newlands: If you want to say no and disagree, that would be fine.

C DUBY: I think it's down now that you are all on the Council; we don't have all these people paying for all the photocopying and FOIA requests; now that the two of you are on the Council; it brings it down a lot.

Mayor Newlands: We were supporting the Town a little too much there. You want to leave it at \$2,500 or make it \$4,000?

C DUBY: What's realistic? Who knows?

Mayor Newlands: Leave it at \$2,500. Tax Penalties \$14,000; are the tax penalties, the tax interest revenue, George? Is that the same? So we're at \$17,000 right now, so this is being conservative. I would leave that. Transfer Tax we moved into the Police Department. Franchise Fees that's about right; that's what we get from Comcast. Next one is 5100 Salaries for Streets and this is at \$32,000; the next few items are just the government portion of that. Supplies...

C DUBY: So where are we on Shipbuilder's; can we get rid of those pumps?

Mayor Newlands: The pumps are gone.

C DUBY: Oh they are, good.

Mayor Newlands: I forget what line item they were; they were not in Streets, I don't think; they were under Supplies.

C Abraham: Well we have Miscellaneous Pumps, Rental 5420.

Mayor Newlands: Shipbuilder Pump Rental, that was in there and that comes off.

Vice Mayor Betts: So but you came down, is that what you took out?

Mayor Newlands: They're over by \$10,000 from last year because of those pumps.

C DUBY: But that's one time.

Mayor Newlands: But that was \$6,000 before, so now he's lowering it to \$3,500. Allen I don't have your list in front of me, do you have your list?

Allen Atkins: Yes.

Mayor Newlands: If I hit anything, let me know.

Allen Atkins: I don't believe I changed anything in the Streets Expenses. There's only one questions that I had regarding the Engineering Fees; whether we have any Engineering Fees; I guess maybe coming up on the sidewalks, or something.

Mayor Newlands: With that project we may have a little bit of money, yes. Let's finish off these others and get to that. \$3,500 for Supplies; you put snow removal in, okay; now is Miscellaneous Operating Expenses, yes you have the pump rental on there again, thank you. Let's bring that back to \$1,000, please.

C Duby: Which one?

Mayor Newlands: 5420 Miscellaneous Operating Expenses. 5470 Repair and Maintenance on Equipment, we only spent \$611 this year; can we at least bring that down to \$1,000? Okay, Allen?

Allen Atkins: If something breaks, we have to fix it. That's all there is to that.

C Duby: Repair and Maintenance on Equipment?

Mayor Newlands: Yes. Website at \$200. 5540 Engineering Fees.

C Duby: Now that the actual was \$7,765, is that for the sidewalks?

Mayor Newlands: That was for the sidewalks, yes.

Vice Mayor Betts: And we might still have more.

Mayor Newlands: Well that was the engineering designs and all their studies.

Vice Mayor Betts: Well won't you still have more for the Streets with the Sidewalks?

C Duby: That was engineering.

Vice Mayor Betts: Sure.

Mayor Newlands: Well there will be some inspection.

Vice Mayor Betts: Well engineering, isn't there going to be engineering?

C Duby: But if we budget \$5,000.

Mayor Newlands: But we're budgeting \$3,000. I think we just leave it at that for now.

Allen Atkins: Engineering was over this year because of the sidewalks, probably, because it was \$7,500.

Mayor Newlands: But then you have some more because for inspections and to reevaluate some of those other sidewalks. Snow removal was \$26,000 this year for a couple of blizzards; in prior years you've budgeted nothing. I'm almost wondering if we should take a chance.

C Duby: Oh I wouldn't; we had a summer this bad, we're going to have a winter that bad.

C Lester: Well they said reverse it; they said we had a winter that bad; we would have a summer this bad. We can hope the cycle passed.

C Duby: I think it's going to keep going; it's called climate change.

Vice Mayor Betts: I think we should leave that at \$7,500.

Mayor Newlands: Allen is this overtime or is this fuel; how is this broken out?

Allen Atkins: Overtime would be up on the top four.

C Duby: There was some discussion George this spring that there was some possibility of our getting some money from the State for snow removal; did that fall through?

Allen Atkins: We're getting around \$12,000 something back for that; they only allowed three days; for 7-9 days we had that; they only picked 3 days out of that time period to pay you back on; just a 48 hour period.

C Duby: So we're getting back almost half of what it cost us. Did they pick the worst days?

Allen Atkins: We picked the worst days with the most hours and that's what they paid back, so our portion is going to be \$12,400, I think it is.

Vice Mayor Betts: You're going to get that back?

Allen Atkins: We're going to get that check any time now. We're going to be getting that back.

Vice Mayor Betts: We should have that now.

C Abraham: So what is this for exactly though this snow removal? Is it salt?

Allen Atkins: Basically, that's the big expense, the salt and your blades and anything you need repairs on the truck, I guess for that period of time. If we have to hire someone, for instance when we get Wagamon's West Shores online and we get Cannery Village we're not going to be able to take care of all that we have.

C DUBY: It's going to be huge.

Vice Mayor Betts: I think you ought to leave it as is.

Allen Atkins: So you're probably going to have to hire somebody to help us.

Mayor Newlands: Okay and Wagamon's West Shores is now going to be the town's.

Allen Atkins: It's going to be town, once we take that over.

Mayor Newlands: Gas and Oil is just gas and oil. Repairs to the Streets, we're trying to get some grant money for Streets; but this is just your normal problem.

Allen Atkins: Normal maintenance.

Vice Mayor Betts: This is just for cold patching.

Mayor Newlands: And we have to do the parking lot too, it has to be done. Not much help there.

Stephanie Coulbourne: Mr. Mayor are you removing the capital expenditure choices?

Mayor Newlands: Hold on; I'm removing all capital expenditures, I think. Which one do you have, in particular?

Stephanie Coulbourne: The four that are highlighted right below that.

Mayor Newlands: Well Street Repairs \$70,000, we're trying to get grant money for that and I think we'll only be able to do it if we get grant money. So I think we'll just leave that and whatever money we get, we can use it.

Vice Mayor Betts: Didn't we get money for the signage?

George Dickerson: We're waiting on the guy, I guess George, to get back from Dover about the money; it's about \$13,000 something floating around up there that we can use.

Vice Mayor Betts: He told me today that you had applied for the signage and it was my impression that as soon as you give the invoices to him, that will be paid.

Allen Atkins: He has not gotten back to us; he was supposed to get back to George and he hasn't gotten back to George yet.

Vice Mayor Betts: He told me today he needed the invoices; he was waiting for the invoices.

George Dickerson: Who's he?

Allen Atkins: Who's he, yeah?

Vice Mayor Betts: Doug Gregg.

Mayor Newlands: Doug Gregg from Joe Booth's office.

Allen Atkins: Yes, he's the one we wrote the letter to.

Mayor Newlands: He's from Joe Booth's office.

Allen Atkins: We can get that done.

Vice Mayor Betts: He said that some of the things that you asked for cannot be used for a grant.

Allen Atkins: Right.

C Abraham: Allen is the snow plow a mailing bracket; a have to; I mean obviously if you're going to do that...

Allen Atkins: We have a blade that we use now on the old Dodge four-wheel drive truck, which is not in good condition; the truck itself; to use for a plow. We can transfer that plow to the newer small dump, which we can plow and salt at the same time.

George Dickerson: The truck that is running now without a plow, if you have a \_\_\_\_\_ blanket, can also handle the salt; and have the plow on the front of it, which makes more sense.

Mayor Newlands: So it could double up.

Allen Atkins: As far as the other items, a blade for the Kubota would be nice, but that's not a major thing; or the sweeper \_\_\_\_\_, I could do without that.

C Abraham: My opinion would be remove \$2,500 out of the \$7,500 snow removal; drop down and get you your bracket; just a thought.

Allen Atkins: That would work; hopefully it won't snow.

C Abraham: We're not really going to be losing it at this point.

Mayor Newlands: Is everyone in agreement with doing that? That will be fine.

C DUBY: So then its \$5,000 for up above.

C Abraham: And then \$2,500 down to give him the bracket for the equipment they need.

Mayor Newlands: Now signage we're hopefully going to get a grant for that and the same with the Street Repair. So we don't need to put those in the budget, because we'll do those only if we get grant money. And Allen, the signage these will be done by 2015 or 2016?

Allen Atkins: Yes, actually 2015 are the names of streets; they have to all be changed to green backgrounds with white letters; but we have until 2015 to do that. The ones we're doing right now are the ones that have the reflectiveness on the ones which we had inspected that do not meet the standards.

Mayor Newlands: So we have to do those immediately.

Allen Atkins: We can do them as soon as possible; I think by 2011 or 2012.

Mayor Newlands: Okay.

C DUBY: And this is the thing you're talking about that we're going to get the grant money for.

Vice Mayor Betts: I think there's money there for the signage.

Allen Atkins: We're going to buy the signs through DelDOT?

Vice Mayor Betts: Oh okay, you didn't receive them yet. I think Mr. Gregg thought that maybe it had already been purchased.

Allen Atkins: We haven't bought anything because we don't have the money.

Mayor Newlands: He has an estimate from DelDOT.

Allen Atkins: We got an estimate.

Mayor Newlands: We know around what it will cost.

Vice Mayor Betts: Okay well that needs to go to Mr. Gregg.

Mayor Newlands: Now the snow plow blade for the Kubota.

Allen Atkins: It would be nice to have, but with the financial position we're in, we could probably get by without the last two items.

Mayor Newlands: Okay. Street Revenue, the only revenue we're going to get in streets is grant money. Let's go on to the police.

C DUBY: This eleventh police officer, it says pending approval of the three-year COPS grant; would that grant cover the salary; or only partially?

Mayor Newlands: Chief Phillips?

Chief Phillips: It covers the salary, benefits and everything that is posted there, yes ma'am.

Vice Mayor Betts: For how many years?



Chief Phillips: Three years.

C DUBY: And we don't know yet whether we are getting that?

Chief Phillips: No, we'll know something in September; supposedly we're being told that it's 99% sure that we have it. This last year we were passed over by it and we were like third or fourth from getting it and the other people that didn't get it last year will get it this year.

Mayor Newlands: The only other issue or other minor expenses associated with the eleventh officer, but there also is Training and Seminars, which we will get to; is about \$11,000. Is that all for the eleventh officer or is that training for everybody else?

Chief Phillips: Everybody else also, yes.

Mayor Newlands: Okay so we need to discuss that too.

Chief Phillips: Part of the reason this eleventh officer is important, because Cape School has just pulled the Resource Officer/State Police out of there. We have three schools in our town and we're going to be burdened with handling all the complaints that they've been handling and it's going to get dumped back on us now. And so we're going to need someone else to help handle the school.

Mayor Newlands: Now if we lose an officer, we still have to maintain the level; I think Georgetown is going through that now where they are actually testing the case right now.

Chief Phillips: With this grant I'm researching that now, but I don't have an answer for you right this second.

Mayor Newlands: I know they are testing the case right now to see if they have to maintain their level to keep the COPS Grant. There's an issue where you have to maintain the size of your force. Georgetown has not maintained the size of their force, so they're testing it with the grant people to see if they have to keep the force up.

C DUBY: I have a question for Mr. Lester, as chairman of the Finance Committee; I was not at your meeting but I heard one of the members of the Committee presented some figures from the Justice Department in terms of what they recommend for numbers of police per 1,000 residents and that we're way over that. But I don't know; did you discuss that?

C LESTER: We did, actually Mr. Crellin made those calculations. Do you want to speak to those Jim?

Jim Crellin, Finance Committee: It wasn't a recommendation from the Justice Department; it was just the result of a nationwide survey.

C DUBY: That's what I heard, was that it was just some information, but I just wondered how the Committee...

Jim Crellin: No the Committee didn't go further.

C DUBY: What I heard was that we have more per 1,000 residents than even Philadelphia and it would seem to me we should be looking at that.

Mayor Newlands: Well there's one thing that I comment on; but haven't studied, is there's a cost of having 24/7. Before you get into the per capita or per person rate, there's a cost of actually having 24/7 coverage; so it takes X number of guys to do that, and then you can get into whatever other math you want to get into; but you need to have so many bodies to have 24/7 coverage.

C ABRAHAM: Chief Phillips, are you also called to assist State Police in areas in which you are close to the outskirts of town, but we're closer?

Chief Phillips: From time to time, yes.

Mayor Newlands: I got a phone call three weeks ago from a guy on Broad Street and he told me that I should warn him when we were going to raid a house; because he had Delaware State Police on one end of the block with our guys raiding a house; and the Sheriff on the other end of the block evicting somebody. Broad Street is not a big street. Yes we assist them and they assist us.

C Duby: Yes, I was going to say that I got a call from somebody who lived on Broad Street who told me that he called about something and that after 30 or 40 minutes, the State Police arrived and said that we're covering this because you're guy is up on Route 1 doing something for somebody else, for the State Police.

Mayor Newlands: I got that same complaint and it was about 3:30 in the morning and the Chief is actually looking into that. Overtime.

Chief Phillips: We dropped it down to \$34,500 from \$35,000.

Mayor Newlands: That's not going to make it. Do we know how much is prisoner handling, court time and arrests? Would you have those stats?

Chief Phillips: It's never broken down like that to be honest with you. It would be almost impossible.

C Abraham: With the upcoming call of the calendar though, don't you anticipate maybe your court time coming down.

Chief Phillips: Yes that is a possibility because basically myself and Lt. Cornwell will be assigned to go to the court and basically we'll be like the prosecutor and keep the road officers back on the road where they need to be and then we'll be working out any pleas or any deals with them at JP Court level.

Mayor Newlands: Can you educate us on that?

C Abraham: The JP Court started with my court, with what's called a call of the calendar; instead of having your road officers show up Monday thru Friday, day and night, for court trials with the attorneys and be held up; called in on their day off because you have to go with the court's calendar; even though we try to get the officer's day work shift, it doesn't always work; the JP courts have now done what's called a calendar where each agency has their own day and time; for instance, what I work with is Milford has Wednesday's at 9 a.m.; Harrington has Thursday's at 9 a.m.; Felton has Friday's at 9 a.m.; they send one officer to plea anywhere from 50 to 100 cases, all at 9:00. Usually they use the ranking officers, which keeps the road officers working their day work shifts. So they start in a month.

Chief Phillips: Even if an officer is off, he doesn't have to come in.

C Abraham: No they don't, they're not called in on their day off.

Chief Phillips: If they don't take the plea, then they set up a trial.

C Abraham: Which is few; I'll tell you our trial times have gone to practically none because everybody comes that wants a plea and plea their speed down, mostly speed, so we're not calling in the road officers on their day off; odd shift, or whatever it is. It should cut down on their overtime; I know it has with the three agencies I've used.

Mayor Newlands: Do we have a percentage as to what the percentage has been?

Chief Phillips: We haven't started yet, we won't know until next year at this time.

C Abraham: They are not phased in, so it should take affect the minute it starts; it won't have problems. I don't know how you want to cut it; but it should really drop it.

Mayor Newlands: Chief can we figure out how many guys we're sending in on days off? If we're sending somebody in who's supposed to be on duty, which we're not doing that;

we're just sending people in on their days off; when we're sending in an officer to court; it's only an officer who is on his day off that goes to court?

Chief Phillips: No not necessarily, you could be working regular duty and have a trial that day; or an officer could have it tonight at JP Court#3, which is opened 24 hours. They could have it tonight at 9:00, 8:00; while they're working. They usually try to have the hearings while they're working.

C Abraham: The courts are like 8 to 4; 4 to 12.

Chief Phillips: The problem we have is with Superior Court and CCP, they pick whatever dates they want and they don't care what you're working.

C Abraham: So if you did a percentage of going to JP Court and going to CCP and going to Superior Court, you're really going to almost cut out the JP Court. I don't know if you could divide your Overtime into thirds, which might make sense. They'll lose the JP Court.

Chief Phillips: We don't have that many trials in JP Court; most of them transfer straight to CCP.

C Abraham: That's what I said, see I don't know. This is also cutting down officers having to go to CCP, because we're now pleaing cases that CCP used to plea; so it stops some of that, because now they're focusing on the felony cases more so then the misdemeanor road offenses. So I don't know, even if he said maybe one quarter.

Chief Phillips: Well our tickets are kind of down because we've been busy with criminal issues, the shootings we've had; the last robberies we've had and the car break ins we just solved; we had two cases we had.

Mayor Newlands: Almost every time we're down there, there's a prisoner or two in there.

C Abraham: I don't know if you're going to pick out worse case, criminal cases, but they should cut down on the traffic.

Mayor Newlands: Can we start at 10% on this? Let's bring this down by 10% and then we'll see how we can adjust this.

Chief Phillips: We're up to \$40,000 this year for overtime right now.

C DUBY: I have a question related to this. You've mentioned a couple of times, looking at what Georgetown does and what other municipalities do; have we ever looked and compared; it seems like year after year we're way over budget in police overtime; is that a common occurrence; is that something that just goes with the territory; do other municipalities have that; or is that unique to us?

Mayor Newlands: I don't remember their number, but I think their budget is in the \$50,000's; it's high. Do you remember Norman?

C Lester: No but its high.

Mayor Newlands: We may be over budgets when our budget is done...

C DUBY: Ours is high too, but we're talking about using 210 to 410% of it.

Chief Phillips: Our last few years have been between \$40,000 and \$50,000 every year.

Mayor Newlands: Do we know why the actual, if you look at the actual it is \$19,000 for 2009. Then we're estimating now \$35,000; and if you go down the line to the Holiday Hours, two lines down below that, we had an actual of \$32,000 and now we're estimating \$27,000? Can we bring those two in line? Is there any good reason we're going above what it was in 2009?

Chief Phillips: I'm not sure I follow you.

Mayor Newlands: On line 5110 in 2009 we have \$19,426 for Overtime and we're estimating \$35,000 now. Then you go down two lines below that to 5112 and we have \$32,000 of Overtime and we're lowering that to \$27,500; that's a big gap between the two.

C Doby: If you look at the actuals for the regular was \$40,000 and the Holiday was \$22,000; so far this year.

Mayor Newlands: But our actuals are double what it was two years ago in 2009.

Chief Phillips: But either way it's about \$50,000 there for 2009; \$32,000 and \$19,000.

C Abraham: Because if you do 2009 its \$51,500; if you do 2011 its \$62,000; if you drop 10% you're kind of in between.

Chief Phillips: Like I said we've averaged the last two years approximately \$50,000 every year for overtime. Last year we budgeted \$30,000.

Vice Mayor Betts: You budgeted \$10,000 last year.

Mayor Newlands: Well there are two categories; there's a holiday category now also.

Vice Mayor Betts: Oh.

Mayor Newlands: They broke out holidays a few years ago.

Vice Mayor Betts: Chief do you have a relief officer; like off all week, but can be called in in case of emergency?

Chief Phillips: No.

Vice Mayor Betts: You don't have one? Would that be a help, then if you had to call in for overtime, he could do it; each month you would have an officer or each week on relief.

Chief Phillips: I'm not quite sure where we would find this person.

Vice Mayor Betts: Well if you would get the eleventh officer.

C Doby: Rotate one.

Vice Mayor Betts: Could one of them be a relief officer and rotate?

Chief Phillips: I guess yes, that would work out.

Vice Mayor Betts: And then it would save a lot of the overtime.

Chief Phillips: In retrospect, yes.

Vice Mayor Betts: It looks like it would be an issue to look into.

C Doby: I would say at the rate we're using it, anything would help; it would be worth a try.

Mayor Newlands: Let's see if this JP Court thing works; let's take \$5,000 off the regular overtime 5110 and then we'll monitor. Lt. you said you were redoing your statistic reports. That form you showed me last Friday. Can you keep stats on this now when you're going to JP Court and everything, so that we can start tracking everything?

Lt. Cornwell: The JP Court generally for officers is when they are scheduled to work, unfortunately. We work with the courts and they get our schedule. They schedule the trials according to when our officers are working; in the JP Courts we're not going to save any money; the only thing that we'll save is if we can make a deal before it goes to Court of Common Pleas, that's where we'll save at. I can't tell you what that's going to be; because I don't have a percentage or we can't put a percentage on what goes to CCP and JP Court.

C Abraham: What agency that we deal with would be close to you, would it be Felton or Milford?

Lt. Cornwell: For what?

C Abraham: I'm talking about the call of the calendar that the Court #6 deals with?

Lt. Cornwell: What do you mean?

C Abraham: What agency in comparable size?

Lt. Cornwell: Well we're bigger than Felton and we're bigger than Harrington, so...

C Abraham: I'm talking about trial time. I'm talking about revenues.

Lt. Cornwell: Harrington you could say, but Harrington takes a lot more to guess whoever gets close to.

C Abraham: No, I know revenue wise; I'm just talking about if they could give you a percentage of what they're saving in court time. I'm not talking about money.

Lt. Cornwell: I'm not sure; I know they received about \$250,000 last year in fines. I'm not sure. None of those agencies, Milford's 30 and Felton is maybe 4 or 5 at the most; we're 10; Harrington is about 7 or 8.

C Abraham: I don't know how many they've got; I didn't know if Chief Barlow could let you know trial time wise what it has cut down; I'm not talking about money, I'm just talking about time.

Lt. Cornwell: I'm not sure, but like I told you the thing is JP Court we go there during our regular shift; it is the CCP and only the court system could actually figure that out.

C Abraham: I might have it.

Louis Sgro: I'm on the Finance Committee; I would just like to say that I don't think that people have an idea of what the police actually do; I don't think you know a little bit about crime scene investigation; a little bit about preserving evidence; the rules of evidence; which could take up a lot of time. I understand we have one officer that comes in and works 6 am to 6 pm; they have an officer that comes in and works 2 pm to 2 am; and they have an officer that works 6 pm to 6 am. Just to give you a fast example, 8 am an officer gets to the scene of a shooting, he cannot leave that shooting; now the town is unmanned and I realize the State Police will cover, but do you want a police officer coming from 2 or 3 blocks or do you want him coming from 10 miles? So there is a lot that goes on with court systems; there's a lot that goes on with the Police Department, so I think it would be best if a few people got together and talked to the Chief; understand how the police work; understand about the court system; and understand about the problems that you could actually face with even letting one police officer go. I would make a suggestion that somebody sit down with the Chief and go over it and understand exactly what the police do.

Lt. Cornwell: Just like Mr. Sgro said our overtime just doesn't entail going to court; that would be really nice, but we've had shootings here recently; we've had home invasions; we've had multiple burglaries; that takes manpower to solve. We've had mental transports, where we generally use two people to transport, so you have to call somebody in. Then when you have sick time, when you have someone that calls in sick; we have to somehow cover that shift. He mentioned about the State Police covering; unfortunately, State Police generally their response time is about an hour if you're lucky. And then, will they handle a major crime; probably not.

Mayor Newlands: And the State Police reduced their staff by 25 wasn't it, this year?

Lt. Cornwell: I'll give you an example. Pfc. Huff and I ran a mental patient up; and this is in Kent County, but you might as well say that is similar to Sussex County on the east side, where we are; we went up to Dover on Thursday, last week. On the way down, just south of Dover, we came up on two accidents sitting just south of the bridge, south of

Dover Air Force Base. They flagged us down, we stopped. I contacted KentCom, which is the dispatch center for Kent County; the lady told us that she had been there for about 45 minutes after calling 911 for her accident. The dispatch told me, after 45 minutes of her waiting there, that they did not even have a Trooper available to even think about sending to the scene. So the people here have to understand that with a Police Department, and I can give you a story up in Houston, where I live, I had a home invasion next door to me; and I caught 3 of the 4 people at gunpoint, back in November; but the closest unit coming to me was a Sussex County on his way down to night work and he was coming from Harrington on his way down to Bridgeville; and I caught 3 people out of that and it still took 15 minutes for the Kent County guy to get to us after I had them down at gunpoint after the Trooper got there 10 minutes. So if people want that in Town, where we can deliver pretty good service, that's up to the townspeople, unfortunately.

C Abraham: I'm just hoping they'll find a little more time by utilizing the call of the calendar. I think it will help. They have no way of knowing; they're not doing it yet.

Mayor Newlands: I know, so what do you want to do? We didn't drop anything yet.

C Abraham: I thought we dropped it by \$5,000.

C DUBY: Do you want to drop it to \$30,000?

Mayor Newlands: Yes let's drop it to \$30,000 and we'll try and work out what we can.

C DUBY: And leave Holiday the way it is.

Mayor Newlands: Yes, Holiday is Holiday; I don't think we have an issue with that; that's just a matter of staffing.

Stephanie Coulbourne: And there are more holidays this year.

Mayor Newlands: Yes we have more holidays this year. Skip down through all the payroll stuff. Employee benefits, didn't that get fixed? How did that get back up to \$82,000?

C Abraham: Weren't we also checking on that, the benefits?

Stephanie Coulbourne: Mr. Mayor I have \$77,000.

C Lester: Well the total of all departments according to your spreadsheet is \$187,522. Based on the projected numbers that Stephanie gave me and assuming a 12% increase, across the board, it should only be \$164,000.

Mayor Newlands: I remember that.

C DUBY: That's a 12% increase from the insurer?

C Lester: That's assuming; but they won't know until probably October.

Chief Phillips: Excuse me, on that insurance, it says \$77,000 something and \$64,000 something for the other one; but that eleventh person is already paid from the grants, so it shouldn't even be included; so that number should be reduced.

Mayor Newlands: Are you talking about the item in purple, 5150, right? I have \$82,000 on my sheet, I don't know why.

C DUBY: I have \$77,285.

Julie Powers: You must not have the updated one. The updated says \$77,281.

Mayor Newlands: Every other number was good, but that one.

C Lester: When I checked the math last time it was off, so.

Mayor Newlands: I remember that; 5150 is a purple item.

Chief Phillips: In the purple, it is showing eleven right; plus the one secretary; that is my question?

Mayor Newlands: One administrator, yes.

Stephanie Coulbourne: No it is ten officers, plus one Administrative Assistant.

Lt. Cornwell: So there are eleven officers and an Administrative Assistant. The problem we have with this line item is that the eleventh officer...

Stephanie Coulbourne: It is not showing eleven.

C Duby: It doesn't show eleven.

Lt. Cornwell: A Chief of Police, a Lieutenant, two Sergeants, three Corporals and three PFCs equals eleven.

Stephanie Coulbourne: If you add three plus three it's six; plus two is eight; plus one is nine, plus one is ten plus one is eleven; counting Cathy.

Mayor Newlands: It is eleven including Cathy.

Stephanie Coulbourne: Yes.

C Duby: So it does not count the eleventh officer.

Stephanie Coulbourne: Correct.

Mayor Newlands: The question is now, if we add the eleventh officer...

Julie Powers: The reason why the first proposed was higher, is because we had not hired the one officer; I did not know what he was going to be, as his status; so I calculated it at a family rate and he ended up being not a family rate.

Mayor Newlands: Okay so the eleventh officer, what are his benefits paid for through?

Julie Powers: It's included in the \$56,541 under the hiring of the eleventh officer.

Mayor Newlands: So this number is \$77,281.

Julie Powers: Yes.

C Duby: So we're leaving it at that?

Mayor Newlands: Well we have no choice. Training and Seminars 5180.

Chief Phillips: We dropped it down to \$10,500.

C Duby: So from \$11,000 down to \$10,500?

Chief Phillips: Yes ma'am.

C Duby: It's hardly worth it.

Mayor Newlands: What do we have in actual expenses for that?

Chief Phillips: We have \$11,240.

Mayor Newlands: He's bringing it down by \$500 only. Was there any catch up training that we had in there last year when you guys get back from leave?

Chief Phillips: No. I'm not sure that I follow you.

Mayor Newlands: Well what I'm saying is last year you were budgeted for \$9,000; the actual was \$11,240; since you guys came back off leave right after the new budget season started, did you have any additional training to go through that you missed in the six months you were out?

Chief Phillips: We had training to catch up on, but it really didn't affect the bottom line, I guess.

Mayor Newlands: I'm asking did it cost us anything extra because you were out, to catch up on your training.

Lt. Cornwell and Chief Phillips: Not for us, no.

C Duby: And how about for the guys who were in the military; would that have affected the budget?

Mayor Newlands: I'm just wondering why we're budgeting for \$9,000 for last year; we used \$11,000. Are we retraining or just having guys catch up because they're out for some reason?

Lt. Cornwell: The 2009 budget, we were handed; we never had any input, so that's what we had to work with.

Mayor Newlands: I understand that, but the year before was \$5,400 was spent for training. That was in actual costs.

Lt. Cornwell: We have to purchase ammunition, which is very expensive; you have schools that we have to send people to.

Mayor Newlands: I understand that; I'm just asking if budget numbers were utilized in this year that should have been utilized the year before, that's all.

C Doby: It doubled basically; if you spent \$5,442.68 in Fiscal Year 2009 and now in Fiscal Year 2010 so far you've spent \$11,200. Could that be because of some one time only expenses like training?

C Abraham: Well you added the dog.

Lt. Cornwell: We had to put some people in the Academy; we actually put one in and then we also had to outfit Huff and Castro. But then you have to look at too ammunition and stuff like that. In the training, we get our ammunition for our rifle, shotguns and pistols; but then by COPT standards, we're required to take our duty ammo and replace that yearly, so that also comes out of training; so it gets quite expensive; then, as far as firearms instructor. Then we've got armor, for the pistols and the rifles; and then that class is actually coming up again; it's a three-year certification and we'll have to get that budgeted in.

Mayor Newlands: So you have things that are not annual, they're on different cycles.

Chief Phillips: Correct; plus they've also built a new training center for active shooters, schools and stuff, that we'll be going to here soon; we're going to have to buy extra special ammo for that also.

Mayor Newlands: I remember that. The first round was at \$10,500; it went up. You're shaking your head.

C Lester: That's fine.

Mayor Newlands: Legal fees.

Chief Phillips: We dropped it down to \$4,500.

C Doby: You're fond of that \$500 figure, aren't you Chief?

Mayor Newlands: He is.

Chief Phillips: I'm trying to do the best I can for an old pal.

Mayor Newlands: Supplies.

Chief Phillips: That one I didn't change, sorry. Advertising and Printing & Postage stayed the same.

Mayor Newlands: Hold on, don't go ahead of me.

C Lester: Excuse me, aren't we going to look at having some of these forms on line and go elsewhere to get them printed?

Mayor Newlands: Yes. Supplies expenses are just \$5,700. The cost of supplies right now is \$5,700 and you're leaving that at \$6,000.

Chief Phillips: Correct.

Mayor Newlands: Advertising you're at \$3,000.



C DUBY: So we can't get some savings on some of this printing, the way we're going to try to on the overall printing?

MAYOR NEWLANDS: Yes, isn't that down further, the Printing & Postage?

JULIE POWERS: It is in your Supplies.

MAYOR NEWLANDS: It is in the Supplies, okay.

C DUBY: It is listed as business cards and forms under Supplies.

MAYOR NEWLANDS: Yes we should be able to save money on that one. Why don't we drop that down to \$5,000?

CHIEF PHILLIPS: Okay.

MAYOR NEWLANDS: The Advertising is for what?

CHIEF PHILLIPS: Everything from posting a new job to different ads for DUI patrol checkpoints and things like that.

MAYOR NEWLANDS: Right now we're under \$400 for that.

CHIEF PHILLIPS: That's correct.

MAYOR NEWLANDS: So why don't we make it \$500.

CHIEF PHILLIPS: Okay.

MAYOR NEWLANDS: Dues and Subscriptions is almost \$700 right now.

C ABRAHAM: Is \$700 all it's going to be?

MAYOR NEWLANDS: I don't know, are you finished with Dues & Subscriptions.

CHIEF PHILLIPS: I think we have Chief's dues coming up already; I'm not sure whether we've paid it or not.

MAYOR NEWLANDS: I don't have those details with me. Why don't we put it at \$700 for now? Uniform Cleaning, it's \$631, but we'll probably have more coming up for the rest of the year. Yes, there's \$1,100 needed for uniform cleaning; that's probably not all police, but for the next two months; so why don't we just leave that alone.

CHIEF PHILLIPS: Okay.

MAYOR NEWLANDS: Gas and Oil we're at \$20,000 already so far.

C DUBY: What is the story on this fuel oil; I don't understand this; that new heating system doesn't use fuel oil now?

CHIEF PHILLIPS: No last year we weren't budgeted for any fuel oil because they planned on replacing our heating system, but never got it done; so now we'll be replacing it soon.

VICE MAYOR BETTS: You better get one like Town Hall has; it only costs \$307.

C DUBY: 25%.

C ABRAHAM: So really you almost need to budget in what was in 2009, it looks like.

MAYOR NEWLANDS: He's getting a new heating. What's the back up on that?

CHIEF PHILLIPS: Down on 5500, we've increased it was \$8,500 for utilities.

MAYOR NEWLANDS: That's a heat pump you're getting?

CHIEF PHILLIPS: Yes.

MAYOR NEWLANDS: That's a heat pump. What is the back-up fuel; is the back-up fuel electric?

CHIEF PHILLIPS: It would be a generator; we don't have any back-up fuel.

MAYOR NEWLANDS: No I mean on the heat-pump, if it has to kick in.

CHIEF PHILLIPS: Electric.

MAYOR NEWLANDS: Electric, so 5380; I have zero on mine, what do you have on your sheet?

CHIEF PHILLIPS: Zero.

Mayor Newlands: So what was the question on that?

C Abraham: Well nothing, now that I found it down further.

Mayor Newlands: All right Gas and Oil we're at \$20,000 so far; I guess we'll just leave that one alone. Miscellaneous Operating Expenses.

C DUBY: I have a question on this one. If we've cut out Christmas bonuses and we've already cut out a Christmas party for the employees, why are we still having a Police and Fire Department Christmas Parade Dinner?

Chief Phillips: Because we get officers from all over Sussex County and every time we go help them, they feed the officers that come from the other towns to help out and it's just the way it's done, because they don't have time to eat dinner when they get here to do our parade. If not we won't get any participation from anybody.

C Abraham: So could we include the town employees?

Chief Phillips: The town employees are more than welcome to go, absolutely.

C Abraham: I'm just saying, to include the town employees to just go to do an employee Christmas thing.

Mayor Newlands: Yes and this is the Christmas Parade where we have officers coming from all the towns assisting us?

C DUBY: Yes.

Mayor Newlands: So we're the hosting town? We've spent \$754 on that so far this year.

Chief Phillips: Yes.

Vice Mayor Betts: Which year?

Mayor Newlands: In this budget we're working on.

Vice Mayor Betts: You say we've spent \$754 now, so far.

Mayor Newlands: So you're saying leave it at \$700, you're right.

C Lester: Chief Phillips where is Calypso Catering?

Chief Phillips: Somewhere in Georgetown.

Vice Mayor Betts: At the College.

C Lester: Can you talk to Vintage Café or somebody else?

C DUBY: Yes, you might as well buy local.

Chief Phillips: We've tried to, but these people would do it for less than \$500; and nobody else would even come close to that figure; these people actually helped us out. We'll definitely try, we'll research that again.

C Lester: Well just ask them.

Chief Phillips: We'll definitely give them a shot, absolutely. It can't hurt.

C DUBY: At least ask them for an estimate.

Mayor Newlands: Why don't we bring that down to \$750; Leah's point is that we only \$754 on it and we're not going have any Christmas parties in this particular budget that we're looking at, so why don't we bring it down to \$750 for the next budget season? Blood draws.

Chief Phillips: I was going to drop that down to \$2,000, from \$2,300.

Mayor Newlands: Okay.

Chief Phillips: The bad part is that we have already spent \$2,400, but we'll see what we can do.

C Abraham: We can see if we can see if we can get that money back.

Mayor Newlands: To see if we can try to get it back.

C Abraham: These are mandatory blood draws that we have to pay for; and it's for defendants that it seems to me...

Chief Phillips: It used to be we could turn it into our insurance company and they would pay it; but now they changed it where they send us a bill for \$69 for drawing blood on somebody; one way or the other; whether they give it up or we have to take it from them. They bill us \$69 and we have to pay it; we've tried to get it back from the Courts; but that doesn't really happen realistically.

Mayor Newlands: All right Printing & Postage, we're at about \$500 right now; why are we increasing this?

Chief Phillips: I was going to say \$750, because we also started sending more victim reports out then we did before and it costs us postage to mail them out.

Mayor Newlands: Well you were sending out some other things.

Chief Phillips: When I was gone, they weren't sending anything out.

Mayor Newlands: No I mean...

Chief Phillips: We were in violation of the law by not sending it out.

Mayor Newlands: I think the domestic stuff you were sending some information as well?

Chief Phillips: Yes, when we were gone they weren't sending any of them out, as they are supposed to by law.

Mayor Newlands: That's only \$250, we could leave it alone. Auto maintenance 5450.

C DUBY: \$10,700.

Chief Phillips: \$10,700 sounds good to me.

C Abraham: What is the \$5,000 grant? Should Chief Phillips include \$5,000 for the County Grant?

Vice Mayor Betts: Should that \$5,000 come from the \$11,000?

Mayor Newlands: I think when you net it together when the revenue is presented, it does; but not on the expense side.

Chief Phillips: It was supposed to go to \$18,000; then we cut it back down last time we met.

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

C DUBY: Do we leave it alone?

Mayor Newlands: He moved it down to \$10,500. It's Auto Repair 5450. The next one is Building Repairs.

Chief Phillips: Dropped it down to \$5,500 also.

C Abraham: I was going to say you're at \$5,100 now.

Mayor Newlands: Yes, we're at \$5,100 now, but we have flooding issues and a couple of other things that got fixed. Hopefully there won't be repeats of that. I'm not sure what you're going to get out of this Energy Audit. Are they going to do the painting that you wanted to do on the ceiling and things?

Chief Phillips: Light bulbs and things like that, yes.

Mayor Newlands: But you're not going to get any painting and stuff in the basement, are you?

Chief Phillips: Yes we are actually going to spray and have that insulation done.

Mayor Newlands: Is that part of the audit?

Chief Phillips: We had sent it to the lady, but I don't know if it got in there or not; we had sent it to her, the bill.

Stephanie Coulbourne: The only thing that got in the Energy Audit from the Police Department is Programmable Thermostats, lighting retrofits and insulation in the attic.

Chief Phillips: Insulation, I don't think that was in the attic; I think that was in the basement; they may have worded it wrong.

Stephanie Coulbourne: They may have worded it wrong; it does say attic.

Chief Phillips: Is it about \$800; I don't remember.

Stephanie Coulbourne: I don't know the breakdown, I don't remember.

Chief Phillips: It was about \$800 to spray the basement ceiling to insulate it.

Mayor Newlands: Okay, we've spent \$5,100 so far, could we just bring this down by \$500; all right they're saying \$5,000; so 5460 we'll bring it down to \$5,000. The next item is 5470 which is Repair and Maintenance Equipment; you're keeping that at \$5,000, that's fine.

C Duby: The actual is \$6,893, so is that realistic?

Mayor Newlands: Chief, Ms Duby is saying that \$5,000 is \$1,800 below the actual. Do you really want to increase it?

C Duby: No, I just want to ask whether it is realistic. It doesn't do us any good to budget something that is not going to be realistic and then next year we have this big deficit again, so if he thinks he's going to use it.

Chief Phillips: We're definitely going to use it, because we have to pay for a software thing and also we have a video camera system coming where it downloads.

Mayor Newlands: But your actual for this year is higher than what you're budgeting for next year; that's what she's getting to.

Chief Phillips: That was because you guys asked me to knock it down, so I did. I'm not saying it's going to work, I'm saying I'm knocking it down because you told me to. I'm going to do my best.

C Duby: It's not the way you do budgets.

Chief Phillips: I'll try to do the best I can with it.

Mayor Newlands: Was there anything special in there for the repairs this year that we missed?

Chief Phillips: Basically this new program that we're going to start, the software, will keep track of complaints, exact report...

Mayor Newlands: That's not equipment though.

Chief Phillips: It falls under the Service Contract thing.

Mayor Newlands: Oh does it, all right.

Chief Phillips: It is approximately \$3,000.

C Abraham: Why do you need a security system?

C Duby: Don't security systems just call the police?

Mayor Newlands: Let's leave it at \$5,000 for now. Telephone.

C Duby: This is another where the year-to-date actual is way over, it's at \$14,500.

Mayor Newlands: He's done quite a number of things; this includes the wireless phones, right?

Chief Phillips: Yes and also we switched to Comcast and saved almost \$2,500 a year.

C Duby: So this is realistic.

Mayor Newlands: Oh yes it's realistic. The wireless bills came down tremendously; and he switched from Verizon to Comcast with the landlines, which was like \$300 a month; something like that in savings, it was huge.

Chief Phillips: Yes.

Mayor Newlands: Next one is uniforms, 5490; we're going from \$4,300 spent now to \$8,000; but you had a couple of guys you had issues with last time we talked; last week when we talked you had a lot of guys that needed new uniforms.

Chief Phillips: Right, a lot of them the shoulders are frayed and also the gentleman in the Academy.

Mayor Newlands: Could we get a better number on that though? You were telling us it was about \$100 for pants and so much for shirts; instead of it going up that much money.

Chief Phillips: I'm not sure what you're looking for me to say here.

C Duby: The detail about how much they cost.

Mayor Newlands: I want you to count the shirts and pants; so we can get a better number.

Lt. Cornwell: That would be nice, but then you have guys that come up with boots and the boots run about \$100 a pair; and you've got shoes that run and not everybody needs that every year. The pants are running about \$100-125 a pair, depending on what kind of pants; the pants I've got on are \$50; but these are the cheaper ones. The shirts are running about \$100-125. It just depends on what each person needs and then we go into uniforms other parts of the uniform; chevrons and stuff like that; and then you throw in when they actually sew it on; so it's kind of hard; and tailoring and stuff that like, it's kind of hard to come up with a number; you can't just count everybody and get a price on that.

C Abraham: How many pair of pants do you get for each officer, five?

Chief Phillips: Right, five pair of pants, five long sleeve shirts, five short sleeve shirts.

C Abraham: How about coats?

Chief Phillips: They have coats and also have Dress Class A uniforms.

Mayor Newlands: You have the uniforms you're using, plus you have the fatigue uniforms also?

Chief Phillips: That's for K-9 or doing raids or different things.

Mayor Newlands: Okay. For now, what do you want?

C Duby: It seems like a huge increase to me when they've only spent \$4,300.

Mayor Newlands: We have three new officers, basically; we have Castro, Huff and Fraley.

C Duby: But haven't they gotten them?

Chief Phillips: No.

C Duby: So they've been working without uniforms?

Lt. Cornwell: We've piecemealed a lot of stuff together.

Chief Phillips: We've had it sewn and stitched and torn apart and re sewn back together.

C Duby: Okay, leave it.

Lt. Cornwell: I've not had a uniform since 2004.

Mayor Newlands: Yes, they sized someone down to give them Huff's. Let's leave it alone; it's \$8,000. Heating System Utilities. Your current heating system is propane or a heat pump?

Chief Phillips: The one we have right now is fuel oil; but hopefully in the next 30 days or so we'll be done with that and be on a heat pump.

C Abraham: Is this the electrical part?

Mayor Newlands: So we were paying \$1,100 for fuel oil before? Wow. That's cheap.

Chief Phillips: We do have a back up generator that we have to buy propane for, I did forget about that, every year, I'm not sure what it is, I have to check on that one.

Mayor Newlands: That's propane?

Chief Phillips: Yes for the generator; I want to say its \$500 or \$600, but I'm not positive on that; because it tests itself every Monday at 4:00.

Mayor Newlands: We have less than \$7,500 for the utilities; I can't see a new machine costing you more money. Let's put that back to \$7,500. It should be more efficient. Is it one unit or two?

Chief Phillips: Two.

Mayor Newlands: And you're going from how many now?

Chief Phillips: Two, so it's the same thing we already have now.

Mayor Newlands: So you're going from two to two.

Chief Phillips: Right now it's just air conditioning; it will be heating and air conditioning when we get done.

Mayor Newlands: Oh the heating before was what?

Chief Phillips: Fuel.

Mayor Newlands: No what was it forced hot air? No, I don't know how to do that comparison. You've got fans and pumps running now. Hot water base boards are the most efficient; the problem is the design of the building and how it was renovated and stuff. They don't all get the heat and air conditioning; that's why they're doing all this. All right, you had \$8,000; we'll split it in the middle and leave it at \$8,000 for the utilities.

C Doby: So it's at \$8,000?

Mayor Newlands: Website at \$200. K-9.

Chief Phillips: I dropped it down to \$2,400; instead of \$2,500.

C Lester: Chief Phillips, what's the difference between K-9 vet bills, etc. and then up here in account 5470 we've got K-9 costs? Isn't that most of what we have is food and vet bills?

Chief Phillips: That would be equipment, like a door opener thing and bite sleeves and things like that.

C Lester: Those are one time purchases.

C Abraham: Does he have a vest?

Chief Phillips: Yes he does, it was donated. The bite sleeves only last for a couple of years and you have to buy new bit sleeves.

C Lester: Oh really.

Mayor Newlands: We only have the dog for how long.

Chief Phillips: Approximately a year.

Mayor Newlands: So we don't have any other experience with this. Where are the bills coming from now? Where are you booking in the bills for the K-9 now?

Chief Phillips: Basically we had a grant; well some of these we're paying out of pocket at this time; but a lot of it was grant money that we got the dog on and took care of things.

Mayor Newlands: All the food and the vet bills, where are we paying those bills out of right now?

Chief Phillips: He's taking that out of his own pocket right now.

Mayor Newlands: Harvey is?

Chief Phillips: Yes.

Mayor Newlands: Really?

C DUBY: So what are we putting it into?

Mayor Newlands: We'll create an account number for it.

C DUBY: Just specifically for that?

Mayor Newlands: We should for that anyway, for the vet bills and things.

C ABRAHAM: Where's the insurance at for the dog? Is that in just the general insurance?

Chief Phillips: It's the same price as a police officer, \$750 a year.

C ABRAHAM: Okay.

Mayor Newlands: That's on the regular town insurance, right?

C ABRAHAM: Right.

Mayor Newlands: The gun is for the eleventh officer?

Chief Phillips: That is correct. Also we have one line item we missed, which was prisoner feeding for when they clean our department.

Mayor Newlands: I didn't see that.

C ABRAHAM: But you're not paying for cleaning, so in turn you're feeding the prisoners.

Chief Phillips: Right, now they changed the policy; they used to bring their lunch with them and things got tight; so they don't feed them anymore; so now we have to feed them lunch, so we just go to Subway and get them a sandwich, a soda and bag of chips.

C ABRAHAM: But that's vs. paying a cleaning contractor was a savings.

Chief Phillips: Correct.

Mayor Newlands: Isn't there prisoner feeding for when you have a prisoner in there; not the cleaning person.

Chief Phillips: No, we used to take it out of Miscellaneous, but that's pretty well dried up now.

Mayor Newlands: I thought you were putting in an extra line item just for the prisoners.

Chief Phillips: We can use that for both ways, yes, at this stage of the game.

Mayor Newlands: All right.

C DUBY: I'm just concerned about how much this eleventh officer is costing us even with the grant.

Mayor Newlands: Well it was \$1,000 for the gun; a little bit of money in training; and the uniforms.

C DUBY: I'm looking at these numbers and how many more cops we have per 1,000 people. I don't know.

Mayor Newlands: Could we get a better consolidated figure for the new officer, the eleventh officer; just a detailed item like it is here; just so it could pass the Council.

Chief Phillips: Okay, the bullet proof vest is paid for with a federal grant. That saves us about \$1,000 right there.

Mayor Newlands: But let's get an itemized list of what the eleventh officer will cost us per year, that way...

Chief Phillips: And what ever grants are sucking up the excess money, we'll have to show that too then.

Mayor Newlands: Anything on these capital expense items?

Chief Phillips: No.

Vice Mayor Betts: What's a printer reception?

Chief Phillips: A new printer.

C ABRAHAM: A new all in one things, a printer, faxer, and scanner for Cathy?

Chief Phillips: Yes. We're fine right now, we can patch it up and we'll be fine for now.

Mayor Newlands: Okay.

C Abraham: You know when you also count people that live in the town and officers per; you also need to take into account Monday through Friday, if they're handling school, how many students there are in the school or faculty.

Chief Phillips: We're definitely going to see an increase in complaints; because right now the school doesn't really enforce the House Bill as good as they should, in my opinion. We're going to find out for sure, but we're going to make sure the school does follow it, one way or the other.

Mayor Newlands: Revenues – Pension we have, that's comes from the State, is it?

Chief Phillips: That's correct.

Mayor Newlands: So that's just an offset. County, that's your \$15,000 police grant. Fines – why do we have a reduction in fines?

Chief Phillips: We've educated them very well, apparently.

C DUBY: Not based on what I see in the Town. I have people riding my bumper and honking at me because I'm going 25 through Town.

C Abraham: Do you get monthly checks from the State for fines collected?

Chief Phillips: It comes hit or miss, I'm not sure how to answer you; probably every month or quarterly. Different Courts send it at different times.

Mayor Newlands: So far this year, you've only gotten \$17,000; so it's better to be more conservative; so we'll leave it like last year. Miscellaneous Revenue \$500. Sale of old cars.

Vice Mayor Betts: Did you ever sell the car?

Chief Phillips: No.

Vice Mayor Betts: Do you still have it?

Chief Phillips: Yes.

C Abraham: Are you going to see it?

Chief Phillips: There's one done there that we could sell; we could get about \$200 for it probably.

Vice Mayor Betts: Why was it \$10,000 last year you put in as revenue and didn't sell the car?

Chief Phillips: No, I wasn't here when they did the budget for that part of it.

Mayor Newlands: And that was for four cars, I think last year at \$2,500 a car.

Vice Mayor Betts: Oh okay and they didn't sell any of them.

Mayor Newlands: No they're using every one of them, except for one, I think. And the \$115,000; do we have a better number on that now; the transfer tax collected in purple, \$115,000; when we did that other budget report, that was up a little bit? Stephanie, do you remember how much that was for the transfer tax; you got a better statement from the bank?

Stephanie Coulbourne: Are you talking about the account balance?

Mayor Newlands: Yes.

Stephanie Coulbourne: Right now its \$142,179.99.

Mayor Newlands: Do we know what we expect in for the year?

Stephanie Coulbourne: No. I didn't run the expense report after I did deposits today; I did everything through July.



Mayor Newlands: Let's leave this alone at \$115,000 then; probably low on the conservative side. All right General Expenses 5280 Governor's Walk Supplies – we have nothing for that. 5370 this is Council Donations. We always put \$5,000 in here, if we have money, for the Fire Department. Do we or don't we?

C Doby: We give them \$5,000?

Mayor Newlands: We're supposed to give them a percentage of the tax revenue; it's supposed to be around \$42,000; according to the Charter.

Vice Mayor Betts: In all the years I've been here, they've never given \$42,000.

Mayor Newlands: I know, it's always been around \$5,000. There's a percentage in there.

Julie Powers: I don't know if there's a percentage in our Charter.

Mayor Newlands: Well Jack Hudson pointed it out to me.

Vice Mayor Betts: I think there have been times when we've not been able to give it to them; do you remember George?

Julie Powers: The wording in the Charter says that budgetary figures to give them, if we're suffering; then we don't have to give them a donation.

C Abraham: We could amend it down a lot.

Mayor Newlands: Let's leave it at zero, for now. Wagamon's Utilities -

Vice Mayor Betts: I would like to give it to them though; but I know we can't.

Mayor Newlands: We can always do round two, or three or four. The Wagamon's Utilities – that's the lights out there; that runs around \$12,000; and that will be subject to Municipal Street Aid next year.

Vice Mayor Betts: Will there be any comeback on the not giving \$5,000 to the Fire Department and giving \$4,000 for the beautification of the Town?

Mayor Newlands: I don't know; they have your address.

Vice Mayor Betts: It looks kind of bad. But it's up to the rest of you; I just thought.

C Doby: I'm fine with leaving it the way it is.

Mayor Newlands: Leaving it at zero.

C Doby: Zero.

Mayor Newlands: We can always make a second pass at that. The Utilities at Wagamon's are running around \$12,000, that's correct; that will go into the street lights next year, when they are dedicated in the next budget year; starting next April.

George Dickerson: I'm not sure.

Vice Mayor Betts: The grant money is available in July; but they have to be eligible in April.

Mayor Newlands: Concerts in the Park – we're getting, let's see; the only issue we have with Concerts in the Park this year, was printing the schedule and mailing it. And this year we mailed it with the water bill, which worked out pretty well.

C Doby: And we got it much cheaper on the printing and one of the reasons that we're over, that \$500; that's from last summer. There were five concerts in the theater last summer; and there was a dispute or there was a delay in the theater getting the invoice to them or whatever; and so by the time \$500 was actually paid to the theater, which should have been in last year's budget, it was under this year's budget. So far this year, there has only been once concert in the theater so it would be reduced. I don't know what the remaining; I don't know whether there is still money to come in Stephanie; is there?

Mayor Newlands: According to the Revenue.

C Duby: It is still basically a pass through, with overage for things like the \$500 or whatever.

Vice Mayor Betts: It's \$1,500 difference.

Mayor Newlands: Yes there is \$1,400 due us right now.

C Duby: Is there \$1,400 still outstanding?

Mayor Newlands: According to this.

C Duby: I still would like to see that, because I want to go back to Charlie and see; so if you could give me that breakdown that I had requested about the specific costs.

Mayor Newlands: So are we bringing this back down to \$8,500, instead of \$10,000 since we're not going to have printing costs?

C Duby: Well, what's the actual that we have?

Mayor Newlands: \$8,500 is the actual right now.

George Dickerson: And I think Charlie may have called that number originally.

C Duby: He's the one that came up with the \$8,500, but he didn't count the \$500 that was going to come out for the theater.

George Dickerson: I think Charlie said \$10,000.

C Duby: Oh, I don't know.

Julie Powers: To me, he told that to me; I told him to talk to the Council.

C Duby: Okay.

Mayor Newlands: I don't remember why that's going up.

Vice Mayor Betts: You know what...

C Duby: Well I suspect that the bands are charging more; but the issue is if the bands are going to charge more, can he get more from the sponsors; because other than if there is a slight overage in printing or whatever, this doesn't come out of our money; he brings it in and he spends it. But this year he said at the beginning of the summer, that he had gotten enough that he could cover the printing this year; because the printing went down; the mailing was zero, because it was with the water bill. Then the \$500 came out, because it didn't come out until this year's budget, so theoretically, if he was right, we only \$500 over. But I don't know what we are until I see the figures.

Vice Mayor Betts: They told me one night that some of the sponsors didn't pay the correct amount for last year, so maybe that's why.

C Duby: I can't believe that because Charlie has always said to me, up until just recently that the only sponsor in all the history of the time he's done the concert; the only sponsor who said they would pay and didn't; was our former Town Counsel, Mr. Brady.

Vice Mayor Betts: But that's what was told.

C Duby: That's what story I was told and he keeps telling that story, so

Vice Mayor Betts: They told it somewhere, that some other sponsors didn't pay the complete amount; maybe they were told wrong; because Emory West said that if he had the names of them and the amounts that were due, he would go back and ask them for it.

C Duby: Charlie is the one that deals with them and Charlie has not told me that, so I don't know what the issue is, but if that's the case, that they haven't paid; then we're going to be way over.

Mayor Newlands: Why don't we check with Charlie and see if we can get a better figure on this.

C Duby: I will do that.

Mayor Newlands: He wanted extra money from us, that's why I think it was \$10,000 as opposed to \$8,500; he wanted us to kick in a few dollars from the Council.

Vice Mayor Betts: I think we should bring it back to \$8,500.

Mayor Newlands: Yes, well for purposes of this meeting, do you want it bring it back to \$8,500?

C Duby: I'm fine with bringing it back to \$8,500.

Mayor Newlands: All right let's bring it back to \$8,500 and then we'll check with Charlie to see what we can work out.

C Duby: Given that it's just a pass through, it's going to be the same; it's not going to help us.

Mayor Newlands: This is on the bottom of the page. Now here on revenues, this is the thing I was talking about before George on the General Revenues; the \$13,000 for the permit fees for sewer is equivalent to 20 homes; at \$650 a home and if you do 20 homes at the sewer impact fee, that would be \$30,000, not \$20,000. And some of the other figures you have are all listed as 20 homes. I just wanted to get all of our revenue straightened out; that we're all talking about the same thing.

George Dickerson: Use the 20 home figure on everything.

Mayor Newlands: Okay and on transfer tax, how did you calculate the transfer tax of how much per transfer? Because right now the \$115,000 would be 28 homes at \$4,000 a home.

George Dickerson: But also the transfer tax was up and there was some remodeling??? [garbled and was not speaking into the microphone] and it was also the cause for the reassessment.

Mayor Newlands: Transfer tax?

George Dickerson: Not transfer tax [garbled and was not speaking into the microphone].

Mayor Newlands: No, the building permits I agree with, yes.

Robin Davis: The building permits were calculated at 30 per year.

Mayor Newlands: At 30 per year; at how much per home? What's the figure, it's 2%?

Robin Davis: Yes 2%. I did it originally I think the figure was \$2,400 per permit; \$2,500 per permit.

Mayor Newlands: At 30 homes?

Robin Davis: Yes, 30 homes.

Mayor Newlands: Okay.

Robin Davis: Right now, I think when I looked the other day; we were at 25 homes for July, so we have two months left.

Mayor Newlands: So that's at 30, then you have others here that we're doing at 20 and 28 even for the transfer tax; they should all be in line; they're all per unit based; all these fees. So if we fail on one; we're going to fail on all six of them, basically. So they all have to be put in line. So either we're going to use 20 or we're going to use 30 for the numbers. Because we have the building permit; you have the transfer tax; water impact fees; sewer impact; sewer permit fees; and there are one or two others, I forget what they are. There are six fees that are unit based. So we need to get that all adjusted so that we're all talking the same figures; because we have a shorter market; smaller market; they all come down at the same time. That way we can understand why they are all coming down. We need to discuss this tomorrow, because I had put 20 homes, which would be \$30,000; most of the others you have at 20 homes; he's got the building permit

at 30 homes; so we either have to go up with everything else; or go down with the permits.

George Dickerson: I agree.

Mayor Newlands: You said, Robin, we're at 25 homes now?

Robin Davis: 25, I took the number from October until the last reporting, which was July and it was 25.

Mayor Newlands: Why don't we do that, do 25; that kind of meets it in the middle and let's align all those things up. It's going to bring the sewer impact fees up to probably \$35,000.

C Abraham: Would that change permits?

George Dickerson: Permit Fees change to \$16,250.

Mayor Newlands: That's at \$650 apiece?

George Dickerson: Yes. Sewer Impact Fees change to \$37,500.

Mayor Newlands: Now the transfer tax you've got to figure what number you're going to use, because I equated at \$4,000 per home at 28 homes, so the transfer tax I would assume would stay the same at \$115,000.

Vice Mayor Betts: Where is that?

Mayor Newlands: That's in police revenue.

C Abraham: Oh that's right.

Mayor Newlands: I would leave the transfer tax alone; and that's also going to change your water impact fees and I think you said the capping fee. So later on it's going to change some others; we have to make sure they're in line too. All right, are we finished with General Revenue? Park Expense – Salary at \$30,000; Payroll Taxes applies; let me get my sheet for Parks.

Allen Atkins: The only thing I really would like to change would be the Engineering Fees; lower that some. I don't know whether we have some projects going on for the Parks, coming up, or not. Do we need Engineering Fees there? You have money left over; I haven't spent yet in Repair and Maintenance; but some of that's going to be used right now, we're getting ready to service all of our equipment so that's going to be spread out between Water, Parks; so that's going to take some of that.

Mayor Newlands: Let's just go line by line; there's not that many here. 5280 Supplies \$2,500.

Allen Atkins: Leave that the same, \$2,500.

Mayor Newlands: 5286...

Vice Mayor Betts: Why did that go up?

Allen Atkins: We raised that because we did not have Rails to Trails added in with the other two last year; it was just Memorial and Mill Park, so it's going to be three areas that will be serviced.

Mayor Newlands: This is grass, mulch and what else?

Allen Atkins: It will be grass, mulch, weed killer and things like that for that area; and any repairs that we have to any of those areas.

Mayor Newlands: Why is that different from Supplies?

Allen Atkins: That's the way they set it up, I guess to begin with with Milton Memorial Park and Mill Park, and we just added Rails to Trails to it.

Vice Mayor Betts: That's a lot...

C Abraham: Well they're up to almost \$6,200 right now. there.

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

Vice Mayor Betts: Yes, but that's a lot.

Mayor Newlands: They're at \$6,100, \$6,200 right now.

Vice Mayor Betts: What if they go to \$7,000?

Allen Atkins: Supplies are basically just your shovels and like paint for construction areas and minor things.

Mayor Newlands: I think you are right Leah.

Vice Mayor Betts: I think \$7,000 for Rails to Trails, that's a lot of shovels and a lot of weed killer.

Mayor Newlands: We're at \$6,100 right now.

C Duby: That's for the two parks and we're at \$554 for Rails to Trails; if you look down at the bottom.

Mayor Newlands: It's on line now.

Allen Atkins: That was for this year.

C Duby: 5810 according to the budget.

Mayor Newlands: So that still gets us close to \$7,000, so why don't we knock that down to \$7,000.

Allen Atkins: Okay.

Vice Mayor Betts: That's fine.

Mayor Newlands: Miscellaneous Operating, leave it alone.

Stephanie Coulbourne: I just want to make you aware, that currently we didn't have Rails to Trails all this budget year; it is still maintained by the contractor until this November; so the costs you see next year; will be all the responsibility of the Town.

C Duby: So it would probably be double that?

Mayor Newlands: She's trying to encourage you to leave it alone.

Allen Atkins: You would have that much in just mulch, because you only had \$500 that we spent this year for Rails to Trails.

C Duby: So that \$554 doesn't reflect the truth.

Mayor Newlands: So how much do you think for mulch?

C Duby: He said \$500 and something would be mulch alone.

Mayor Newlands: Do you want to make this \$8,000 then and knock it down by \$500?

C Duby: If he's going to use it; looks like based on what actually could be spent.

Mayor Newlands: Just because we didn't have any expenses incurred with that this year, let's make it back to \$8,000. Miscellaneous Operating, leave it at \$500. 5470 Repair and Maintenance Equipment.

Allen Atkins: I left that the same.

Mayor Newlands: You only spent \$274 this year.

Allen Atkins: We're spending some right now that she's going to have bills for yet. You can cut it some; you can cut it \$500 if you want; but it's not realistic.

Mayor Newlands: This is Parks though; what are you using for the Parks; oh this is your portion of the equipment that is attributed to the Parks, right?

Allen Atkins: All your equipment is used there, just about.

Mayor Newlands: I think we're okay with that; is everybody else okay with that? Let's go on to the next one, Utilities 5500.

C Duby: Allen, have they replaced the lights?

Allen Atkins: They started to the day of the concert; they stopped them so they wouldn't have a trench built out there; they are supposed to do that shortly. He started, but he hasn't rescheduled.

C Doby: And where does that cost show up, the replacement? I realize this is the Utilities, but...

Allen Atkins: Where did we decide that was coming from George? I can't hear him; it's like \$1,600.

C Doby: Maybe that's part of what went into the 6171.

George Dickerson: I know that we had asked for the grant money that we had discussed to do that, but that was denied.

C Doby: So maybe that's part of what that 6171 is.

Allen Atkins: Which one do you want now?

C Abraham: Utilities?

Allen Atkins: That's your electric costs.

Mayor Newlands: But you only have \$1,300 right now.

Allen Atkins: That's your electric from what lights are out there now in the gazebo. That's all the Utilities are.

Mayor Newlands: Right, but what she's asking is can we lower that category down?

C Abraham: I just wondered since you're only at \$1,300; and we've got only a couple of more months.

Mayor Newlands: Can we make it \$1,500?

Allen Atkins: Let's do that, that's fine because I don't know...

Mayor Newlands: Well it's running at \$1,200 right now or \$1,300 right now, so \$1,500 is reasonable for the next two months.

Julie Powers: I have on mine \$1,423.07.

C Doby: I've got \$1,289.32.

Mayor Newlands: Which report are you looking at?

Julie Powers: I've got T&E on page 5 that was run today.

Mayor Newlands: Hold on.

Allen Atkins: I've got \$1,289.32.

C Abraham: I'm on page 4 where it says Parks.

Mayor Newlands: No, no, no.

C Lester: I'm at 130 something.

Mayor Newlands: No it's a different report.

George Dickerson: Why is that Mr. Lester? Why is the total not right, sorry?

C Lester: I'll tell you later.

George Dickerson: I think it's the software.

C Lester: The workmen cannot blame his tools, never.

Mayor Newlands: Yes, the two reports are different.

C Doby: Yes, the report says \$1,423. Well, they are a day apart.

Mayor Newlands: Do you want to pay a bill?

C Doby: We must have paid a bill, because one says 8/8 and the other says 8/9.

Mayor Newlands: Ah ha; we may have paid a bill.

C Doby: In which case...

Mayor Newlands: We did pay bills on Friday, I think.

C Abraham: So maybe it's two?

Mayor Newlands: Yes, let's go to two, I guess. 5500, we'll go to \$2,000. Engineering Fees, what did you want to do with that, Allen?

Allen Atkins: I don't know if you have any projects coming up for the Park that we need the Engineering Fees for the Park for this coming year?

Mayor Newlands: Engineering Fees for the Park. Do you want to make that zero?

Allen Atkins: If you don't have anything coming up, I don't see why we need anything for the Park.

Julie Powers: Bob Eamon from DNREC, he told me that there are grant monies to apply for; however it will be somewhat of a match for the town; so it would be some monies for the town; just so you know that.

Mayor Newlands: Okay, thank you; you could match a deficit. We can make that zero. Gas and Oil; this is what we split out between...

Allen Atkins: This is what we split out between Parks, Sewer, Water and Streets, where we didn't have it before.

Mayor Newlands: Okay. Park Revenue, this is an easy one to do, nothing.

C Doby: What's with the Boat Dock Rental? Is it just that people aren't renting it anymore?

Mayor Newlands: That and difficulty collecting. Is that on Parks?

C Doby: Yes, it's under Parks Revenue.

Mayor Newlands: I'm sorry; I had a line through it. Stephanie, Boat Dock Rental.

Stephanie Coulbourne: Yes.

Mayor Newlands: C Doby is asking a question. Please ask her your question.

C Doby: Yes, I was just curious as to why it's down, are we just not renting them or...

Stephanie Coulbourne: We do have some that are rented; but they are renting them month-to-month; they are not paying me for the whole season up front.

C Doby: Okay.

Stephanie Coulbourne: There are six slips there and its \$200 each from April 1<sup>st</sup> to September 30<sup>th</sup>. If you want to calculate that they will all be rented, or at least half will be rented for the entire season, we could change that total.

C Abraham: They could stay there all year [laughing].

Stephanie Coulbourne: It's \$100 in the off-season, a month.

C Doby: I don't have any need to change it, obviously, I was just curious as to what the reduction was.

Mayor Newlands: Okay. Code.

C Abraham: We should have had a little savings there. [laughing] They should have had a savings; they haven't had a Code Enforcer.

C Doby: Yes, I thought it wasn't as much as I thought it would be though, when I looked at. When did he leave? When did the Code Enforcer leave? How many months did we not pay that?

Mayor Newlands: When did J. C. go off to the Police Department?

C Abraham: It was February, I thought, February.

C Prettyman: Before Christmas.

Mayor Newlands: April, March.

C Abraham: I thought it was first of the year.

Mayor Newlands: No.

C Doby: No, I think it was right around the time the Mayor changed.

C Prettyman: I thought it was around the first of the year.

C DUBY: It seemed like we saved more than we've saved, but I guess...

Vice Mayor Betts: We had \$44,000 left.

Julie Powers: Mr. Mayor under the Code Department, I know you guys are talking about possibly getting rid of employees, do we still want to be going through with the process of hiring a Code Enforcer? Because if you guys determine to cut that back and we hired somebody and then you cut them; you might run into a problem.

Mayor Newlands: No I understand that; we haven't done any interviewing, have we yet?

Julie Powers: We haven't been able to review the \_\_\_\_\_ because of budget and everything; we haven't started reviewing applications.

Mayor Newlands: I wouldn't interview anybody until next week, at least.

George Dickerson: It would be too early for us to do that anyway.

Mayor Newlands: We're probably going to need another workshop after this, I would think.

Julie Powers: Do you realize that if you have a meeting after your Public Hearing, you have to vote on it at that meeting; regardless of whether it's a Workshop or not; according to what the wording is in the Charter?

Mayor Newlands: We'll have to deal with it; we'll work on that with the lawyers tomorrow. Let's go through Code right now. All right Robin, overtime you wanted to reduce.

Robin Davis: Yes, to \$800.

Mayor Newlands: The rest of these couple come down. We'll check on these insurance figures and stuff; and the Pension numbers should be a little different, right? The Pension and Payroll Taxes and Social Security are both 6.2%? The Pension doesn't have the first couple of thousand in it, is that the way it works?

Stephanie Coulbourne: The first \$6,000 of general employees' pensions is excluded from pension deductions. The Police Department starts at the start of the year.

Mayor Newlands: So that should be a little bit less than that Pension number; 5160 should come down a little bit, right? That shouldn't be the same as 5140, the Payroll Tax, Social Security; they should be different, those numbers.

C Lester: That goes across the board; except for the Police Department.

Mayor Newlands: When I looked at this before, I don't know if it is wrong in every grouping.

Stephanie Coulbourne: The 6.2% is mandated by the State; are you concerned because the number is the same?

Mayor Newlands: Right because you are not reducing; the Pension should be a little bit lower than the other number because of the \$6,000.

George Dickerson: Jennifer would normally do Pension; Julie did it this year; and she didn't know about the first \$6,000.

Mayor Newlands: Please just go back and check the others, because I'm not sure which ones are okay. I see that, they're all equal. That's just going to come down a little bit; I just wanted Council to know that, that one expense will come down a little bit. Training and Seminars.

C Abraham: It's been zero.

Mayor Newlands: I'm sorry.

C Abraham: It's zero.



Mayor Newlands: Oh in the actuals. Okay.

Robin Davis: Because of the absence of a Code Enforcement Officer, there's not much training that we can get to right now; I'm trying to stay here. That includes the IPA that C Doby was talking about the meetings and the ICC classes that the Code Enforcement Officer could go to.

Mayor Newlands: I think \$500 we can leave it in there. URS Fees \$6,000.

C Doby: The actual on URS fees is just over \$2,000 and I assumed that that was because there's not as much stuff coming in development and plans and Planning and Zoning stuff.

Robin Davis: Correct.

C Doby: It seems to me that we could cut that because I don't anticipate there will be a whole lot coming up.

Robin Davis: We can do that, it's just the majority of that is if we look on the other side of the Revenue, it is a pass thru; when you go to the revenue side of Consulting, we were proposing getting \$5,000 back; so we have to minus that figure too.

Mayor Newlands: Whatever we spend, we get back and Cannery Village Phase 3A is coming through and a motel is coming through on Route 16; I forget what a third one was that is coming through. Robin, what do you have listed on Planning and Zoning, Robin?

Robin Davis: That's the two things, Cannery Village Phase 3A and the conceptual plan for the possible motel.

Mayor Newlands: So I don't think on any of these things we need to worry about these pass thrus. Consulting Fees URS, that's a pass thru; CABE \$30,000 that's a pass thru; Robin?

Robin Davis: Yes, except for there is a little bit extra, I think \$30,000 expense and \$25,000 revenue.

Mayor Newlands: Say again?

Robin Davis: There is a \$5,000 difference between expenditures and revenue; that happens a lot of times when I call Bob Kerr on other issues.

Mayor Newlands: I've called him a few times too, this year.

Robin Davis: His will be a little more because we do use him a more, then we do use the other two.

Mayor Newlands: Right and that's still down \$5,000 from last year. Are you guys okay with that?

C Doby: I looked at the things that were supposed to be pass thrus and I get \$75,000 on one side, the outgo; and \$37,000 on the other side, coming back in.

Mayor Newlands: That's not good.

C Doby: And unfortunately, I didn't do them in the same order, so I can't tell you which ones are which; so obviously I was hurrying when I did it. But anyway there are some expenses that aren't just pass thru.

Mayor Newlands: We should only have legal fees, consulting fees, engineering fees and First State; that should be the four things that are pass thru?

C Doby: Yes.

Robin Davis: And First State, the building permit fees will be a lot higher than what we actually pay out to First State.

Mayor Newlands: Say that again.

Robin Davis: The expense of 5225 and revenue side of Building Permits and Signage. We get a lot more on our building permit fees, especially for the new homes at 2%, then we do pay out to First State; so it won't be just a total pass thru.

C Doby: So there is a profit somewhere?

Robin Davis: No it's not a problem?

Mayor Newlands: Profit, profit.

Robin Davis: Profit, yes, I'm sorry.

Mayor Newlands: Profits are never a problem. You have \$6,000 for URS; \$30,000 for CABE; \$9,000 for legal fees...

C Doby: and \$30,000 for First State.

Mayor Newlands: Where's the First State one?

C Doby: Building Plan Review Inspection Fees 5225.

Mayor Newlands: Okay, sorry.

C Doby: And I had on here that one of the \$30,000's comes back at \$25,000 and that must be CABE, because that's what he said, there's about a \$5,000 difference.

Mayor Newlands: That's \$75,000 in outlays.

C Doby: Yes, \$75,000 in outlays and then I only got \$37,000 coming back, but obviously I missed some things.

Mayor Newlands: They moved things around.

C Doby: I think that's why I had them out of order, because they were different.

Mayor Newlands: Legal should come back as legal, which is \$6,000; we'll just pair them off.

C Doby: Legal is \$9,000.

Robin Davis: Yes, because of a potential lawsuit; and we only had \$6,000 coming back. As far as consulting, URS we had \$6,000 in expenditures, \$5,000 coming back.

C Doby: Then I have \$1,000 coming back for I guess, First State, so what did I miss? Building Permits and Signage, I didn't realize that was First State. You've scratched out Professional Fees Collected for Building Inspections, so it all appears under Building Permits and Signage.

Robin Davis: Correct.

C Doby: Okay that's where I screwed up.

Robin Davis: Yes, that's where we were breaking it out several years ago and now it has been incorporated back together.

C Doby: So that \$105,000 makes it all better.

Mayor Newlands: So Building Review, comes back as Building Permit money?

C Doby: I guess Building Permit and Signage.

Mayor Newlands: Are you in balance now?

C Doby: I'm not in balance, but I'm going the right way now; we've more coming in then going out so I'm happy with that.

Mayor Newlands: Well there should be about \$4,000 or so not coming back.

C Doby: Well except that the Building Permit stuff we get \$105,000, after you put out \$30,000; so that weighs it all the way the other way, but yes, I'm happy with it.

Mayor Newlands: So let's go back to 5215 URS, we're okay with that. CABE, we're okay with the 5220; item 5225 \$30,000 for First State and then Building Review; 5240 Legal Fees.

Robin Davis: Excuse me Mr. Mayor, I would like to stop at Building Permit Review, I dropped that back and recalculated the number to \$27,500.

Mayor Newlands: Okay.

C Doby: Instead of \$30,000?

Robin Davis: Yes.

Mayor Newlands: So 5225 is going to \$27,500.

Robin Davis: Yes.

Mayor Newlands: Why do we have legal fees at \$9,000? What are we expecting?

Robin Davis: A potential lawsuit.

Mayor Newlands: For?

Robin Davis: For either Planning and Zoning, Historic Preservation, the last one we had was Casa San Francisco that cost us probably \$10,000.

Mayor Newlands: Really?

Robin Davis: Yes.

Mayor Newlands: Okay.

Robin Davis: I had hoped that would be a zero, but...

C Doby: You never know.

Robin Davis: That's why there is a \$3,000 difference between the \$6,000 coming back in and the \$9,000 going out.

Mayor Newlands: Key Ventures kind of bothered me too. I would leave it alone. It may actually be conservative, to be honest with you.

C Doby: I think it is conservative.

Robin Davis: It was actually was at \$12,000 originally; it was dropped back to \$9,000 at the last meeting.

Mayor Newlands: We can leave it and we may have more information after August 15<sup>th</sup>. Meetings.

Robin Davis: I dropped to \$300.

Mayor Newlands: Okay.

Robin Davis: That just covers me for two meetings, in case I can't have them here at the Library.

Mayor Newlands: All right. Supplies \$500; Advertising?

Robin Davis: I dropped to \$1,000.

Mayor Newlands: \$1,000, okay. Dues & Subscriptions, these are all your certifications and that software?

Robin Davis: Yes.

Mayor Newlands: That software is an annual thing, that's \$900?

Robin Davis: Yes and it is locked in at I think we're close to \$1,000 for five years.

Mayor Newlands: It's \$950.

Robin Davis: It's something like that; I can't remember exactly for the year.

Mayor Newlands: All right next two items. 5240, we left that one alone. A lot of that \$950 of it is software that we use for the Code Enforcer. Oil and Gas \$1,200, we left that alone. Printing, what are all the printing costs?

Robin Davis: We have to send out renewals for the building license, rental license, every year and then once we get them back we have to send the licenses out. So that's the majority of ours. It's in the \$800-900 range; that's just to send out and the same way to go back out.

Mayor Newlands: Those forms that Ms. Abraham and I signed last week, the plot plans; who pays for those; the one on Marshall Street?

Robin Davis: The developer; the applicant; that's his surveyor and they will come in and pick them up.

Mayor Newlands: Plot plans. Code we have 5450 Maintenance on Autos.

Robin Davis: I dropped it to \$700.

Mayor Newlands: Okay. I'm not looking at your actuals; what do your actuals look like?

Robin Davis: Actually we're going to be over this year in the Auto, because of the truck being worked on.

Mayor Newlands: But we got that approved at the Council Meeting.

Robin Davis: Yes.

Mayor Newlands: Next one is 5470 Repair and Maintenance Equipment; that's it \$300? Telephone next one 5480 at \$1,400. There is an asterisk on yours.

Robin Davis: The telephone could actually be dropped, possibly, I think the actual minutes on the Code phone is 1,000, if it's dropped to \$300, which mine is; I don't know the exact savings, but right now the phone bill for the wireless phones are about \$110 a month and they can probably drop it down to maybe \$90. That would be a couple of hundred dollar savings.

Mayor Newlands: We could take a look at the Verizon bill tomorrow.

Vice Mayor Betts: The telephone will stay the same?

Mayor Newlands: It will stay the same only until we look at it. We need to look at the numbers tomorrow. 5490 Uniforms?

Robin Davis: I dropped it \$100 to \$400.

Mayor Newlands: Okay, Web Expenses \$200. Car, we're done paying the car off, okay. Revenues – nothing in grant receipts. Code Violation Fees \$500. That's it.

C Doby: That should go up.

Mayor Newlands: Yes. We have to get stricter.

C Doby: If we get an enforcer that will go up big time.

Mayor Newlands: Business License Fees \$70,000. Is that about normal? How come that's going down?

Robin Davis: Some of it is due to the fact that when C.C. and J.C. were here; they were out actively going around, checking, which has not been done for the past 5 months.

Mayor Newlands: So that's a product of our environment, not having someone.

Robin Davis: Yes. The Building Permit Receipts that we're going to next; I did raise it up to \$3,000; but now that was based on 30 new homes. Now if we're going back to 25 homes; we're going to have to lower that figure down.

Mayor Newlands: Okay do you have a number for that?

Robin Davis: I did some fast math. It is probably going to be in the \$95,000 range.

C Doby: Is this 4607 that we're talking about?

Mayor Newlands: Yes 4607. All right, let's make it \$95,000; because we increased one of the other numbers up \$10,000; so I'm not worried about that. I'm afraid to ask what our deficit is at this point. Miscellaneous Fees collected.

Robin Davis: That's all for rezoning applications.

Mayor Newlands: Legal, Consulting and Engineering – we went over those before.

C Abraham: Trash is what it is.

Mayor Newlands: Trash we don't have an actual number on, but we make \$10,000 on it. Water. Salaries we're okay with. Overtime, did that go up? Allen did you give us a sheet for Water?

Allen Atkins: Yes.

Mayor Newlands: In all this mess of paper, I must have misplaced it.

C Doby: Can we just go through them and get them?

Mayor Newlands: Yes we'll just go through them and he can just shout at the changes. Let's go down to 5110 Overtime.

Vice Mayor Betts: How about 5100, it went up.

Mayor Newlands: Salaries 5100, that went up because they were missing a half a person; Cherry Jordan is split between Admin and the Water Department, because she does the Water billing; and half of her salary wasn't added into the Water Department over the last couple of years. So that was being understated for the last two years. So Overtime 5110; any change Allen?

Allen Atkins: We left it the same.

Mayor Newlands: You're about there right now.

Allen Atkins: Pretty close, yes. 5180 Training and Seminars that's \$400.

Mayor Newlands: Don't skip. The next couple are payroll; Pension; 5180 Training and Seminars okay.

C Doby: Did you say that goes to \$400?

Allen Atkins: Dropped to \$400.

Mayor Newlands: That doesn't compromise any of our certifications for the guys?

Allen Atkins: There are only two licensed operators; basically most of our training right now is free; as long as we can keep it that way; and the only thing I have is my \_\_\_\_\_ water thing, but being that I'm on the Board right now, they take care of my expenses; but classes we get to have.

Mayor Newlands: So no one is in jeopardy of losing any certifications right now?

Allen Atkins: No.

Mayor Newlands: All right.

Stephanie Coulbourne: Allen, I think you and Dustan alternative years too on your certifications.

Allen Atkins: Yes, our certifications do; but you have to have 20 hours of training every two years, so that's no problem getting that. We take classes during the day.

Mayor Newlands: So you're dropping this to \$400?

Allen Atkins: Yes.

Mayor Newlands: The next one is 5220, Engineering Fees?

Allen Atkins: We could probably leave that at \$1,500.

Mayor Newlands: You're only using \$180 right now.

Allen Atkins: If we haven't had Bob Kerr or Scott Hoffman do anything for the Water System this coming year, we probably need some funds in there for that. Hopefully, we can apply for some State money; but we can get our name on the list this year.

Mayor Newlands: If we do any streets, you're going to need Engineering Fees to do the water mains and things?

Allen Atkins: That will be probably under water for that.

Mayor Newlands: Right, you'll have engineering fees for that?

Allen Atkins: We probably will.

Mayor Newlands: Supplies next.

Allen Atkins: I left those at \$3,500.

C Doby: You're at \$2,760 now.

Mayor Newlands: Don't forget, his stuff is paid for water income. Supplies – this is pits, meters and lids.

Allen Atkins: Meters, pits and lids I left at \$10,000; we get reimbursed for those which we sell for new homes.

Mayor Newlands: How many homes is that number based on? You're at \$7,400 this year.

Allen Atkins: We should be okay with that.

Mayor Newlands: Yours is the exact cost, you get reimbursed for the exact cost. If you miss that number, you missed it. Water tests?

Allen Atkins: Water tests, we could lower that to \$500.

Mayor Newlands: So 5290 we could lower to \$500. Advertising?

Allen Atkins: Advertising, I left at \$500.

Mayor Newlands: We only used \$124 right now.

C Abraham: \$300.

Allen Atkins: I don't know what you guys have or anything you're going to do this year, as far as advertising.

Mayor Newlands: The water study that was done, or the water test that we do annually...

Stephanie Coulbourne: The CCR Report.

Allen Atkins: The CCR Report.

Mayor Newlands: That gets produced every year or every other year?

Allen Atkins: Every year.

Mayor Newlands: What about publishing it in the paper?

Allen Atkins: We got a waiver to go ahead and put it on the website and post it in two or three different locations. The year before, Stephanie, you got \$900 or \$1,000 to put it in the paper.

Stephanie Coulbourne: And they don't give us a waiver every year.

Mayor Newlands: So we're leaving it at \$500 and take a chance on that.

Allen Atkins: I would just leave it at \$500.

Mayor Newlands: All right. License and Permit Fees?

Allen Atkins: We can lower that \$200.

Mayor Newlands: Okay. The Equipment Rental.

Allen Atkins: We could drop that to \$200; we don't normally have to rent too much equipment.

C Doby: Yes, it's only at \$56.04. So drop it to \$200?

Allen Atkins: Drop it to \$200.

Mayor Newlands: Okay. 5380?

Allen Atkins: Gas and Oil we left at \$8,000. That's one we split between Streets and Parks also.

C Doby: Yes and that one is over.

Mayor Newlands: He split this between gas and oil. This is split; he moved some into Streets. That's why it is lower here and he is trying to balance it between departments.

C Doby: I have that it is all Maintenance.

Mayor Newlands: 5390 Chlorine Supplies \$8,300.

Allen Atkins: We just got a delivery of fluoride which was probably \$2,700.

Mayor Newlands: Wait this is chlorine and fluoride or chlorine?

Allen Atkins: It should be, it's chlorine; it's our chemicals; which is chlorine and fluoride; it only states chlorine on here; but it should be chlorine and fluoride.

Mayor Newlands: Okay.

Allen Atkins: And we'll probably two more deliveries of chlorine before September's done.

C DUBY: So that stays at \$10,000?

Mayor Newlands: Yes, he's at about \$8,300 now.

Allen Atkins: Leave that.

Mayor Newlands: Miscellaneous Operating Expense, is that next? You're at \$850 right now.

Allen Atkins: I left that at \$1,200.

Mayor Newlands: But you're at \$850 right now; what's in there?

Allen Atkins: Right, that's basically gloves, all your safety equipment, things like that; monitoring equipment.

Mayor Newlands: Can't you put that under Supplies?

Allen Atkins: Well you could use that as miscellaneous light bulbs and things like that for the shop.

Mayor Newlands: Can we move that back to \$850?

Allen Atkins: Fine.

Mayor Newlands: So this is item 5420 Miscellaneous Operating Expenses, we're going to move to \$850. Printing & Postage we're at \$2,600 right now; \$2,628.

Stephanie Coulbourne: Mr. Mayor I haven't moved any from the last billing.

Mayor Newlands: Oh okay.

C DUBY: So it will be more?

Mayor Newlands: Parts, we're at \$250; \$240.

Allen Atkins: I dropped those back to \$2,000.

Mayor Newlands: You're only using \$240.

Allen Atkins: So far, but we buy a lot of new things towards the end of the year to carry us through the winter, basically, for curb stops and corporation stops and pipes.

Mayor Newlands: How about we make it \$1,500.

Allen Atkins: Okay.

Mayor Newlands: Make it \$1,500. Okay propane.

Allen Atkins: Propane we left at \$4,000.

Mayor Newlands: You've had that deal where you were able to buy that stuff ahead of time.

Allen Atkins: Stephanie got that...

Mayor Newlands: You had that deal where you were able to buy propane ahead of time?

Stephanie Coulbourne: Bob Willey was giving them a cheaper price to buy so many gallons ahead of time, yes.

Mayor Newlands: Is that paid for already?

Stephanie Coulbourne: No.

Mayor Newlands: Is that coming out of this year's budget or next years?

Stephanie Coulbourne: It will be this year's budget if you will please spend it by September 30<sup>th</sup>.

C DUBY: It's already up too.

MAYOR NEWLANDS: So we spent \$3,500 and he's got \$4,000 in it. Are you okay with the \$4,000 budgeted?

ALLEN ATKINS: Yes.

C DUBY: But if we still have a bill to pay under this year's budget, are you saying?

STEPHANIE COULBOURNE: What I'm saying is that Bob Willey has offered them a discount on the propane if they were to prepay for so many gallons.

C DUBY: I heard that, but I thought you said so that bill is still to come.

STEPHANIE COULBOURNE: If Allen chooses to do that, yes.

C DUBY: Because it was budgeted at \$3,700 and they've already spent \$3,500; so if there is still a bill to come, that's going to be over.

MAYOR NEWLANDS: They will be over, but it is a saving.

STEPHANIE COULBOURNE: I could see if they were willing, I have to look at the conditions again, whether they would be willing for us to pay it after October.

MAYOR NEWLANDS: Or could we put it on a credit card and pay the credit card the following month. That's what I do at home.

C DUBY: What I'm concerned about is it that there is not going to be another \$3,500 bill before the end of the year; or is there?

MAYOR NEWLANDS: No, I think there was what, \$1,500, \$1,300, \$1,800, somewhere around there? It was less than \$2,000; so it's a prepayment of you're buying it ahead of time.

C DUBY: I understand about the whole thing you're saying; I'm just trying to figure out if this is realistic because the actual on this is \$3,554.

MAYOR NEWLANDS: Right.

C DUBY: And so if we have another big bill to pay, we're not going to cut this, right? We shouldn't cut this.

MAYOR NEWLANDS: Oh no, I'm not looking to cut it. No, I'm not looking to cut it.

C DUBY: Okay.

MAYOR NEWLANDS: Until they said about the pre-buying I was thinking about it, but not now.

ALLEN ATKINS: We don't normally turn the propane on until November anyway; it's just to heat the well houses in the shop.

C DUBY: I understood the discount and all that; I was just trying to figure out the timing.

MAYOR NEWLANDS: When we put a new roof on that well house, we should think about sky lights if there are no trees around there, to help heat that place. Okay 5450.

ALLEN ATKINS: That's a set figure, that's a contract.

MAYOR NEWLANDS: That's a contract, too. 5455.

ALLEN ATKINS: We left that alone at \$4,000.

C DUBY: It's at \$2,806.

MAYOR NEWLANDS: It's vehicles and that stuff gets covered anyway; I would leave it alone. Okay Building Maintenance?

ALLEN ATKINS: We raised it to \$1,500; that includes all the well houses, plus the shop.

MAYOR NEWLANDS: All right, I'm not going to nit pick on that. The next one is 5465 Pumps.

ALLEN ATKINS: Pumps, we dropped that to \$500.

MAYOR NEWLANDS: You spent \$1,462 already.



Allen Atkins: It says 110 pumps; it should not be pumps; it should not be pumps; it should only be hydrants.

Vice Mayor Betts: Drop it to \$500.

Mayor Newlands: But you spent \$1,462.

Allen Atkins: We spent that much; that was reports for hydrants for this past year; but we actually have some new hydrants in that are there now.

Mayor Newlands: So you're okay now?

C DUBY: So you won't have that expense again?

Allen Atkins: Should not have to, no.

Mayor Newlands: So \$500 on item no 5465. All right 5470 Repair to Equipment.

Allen Atkins: We left that at \$10,000.

Mayor Newlands: You're at \$5,745 right now.

Allen Atkins: Right.

C Abraham: \$7,500.

Allen Atkins: You've got probably another \$1,000, \$1,500 coming in right now, between now and the end of September.

Mayor Newlands: Okay. He said you've got another \$1,500. Do you want to leave that one? You're lucky you're at the end of the list, we're getting tired.

C DUBY: He's also lucky that we're talking about an area that generates its own revenue.

Mayor Newlands: He's also self sufficient.

Allen Atkins: Water mains I also dropped to \$5,000.

C Prettyman: \$5,000.

C DUBY: Which one, 5475?

Allen Atkins: Yes.

Mayor Newlands: Okay \$5,000. The next one with the Wells.

Allen Atkins: Wells is a new one we've never had an account for Wells before, so we put \$2,500 this year in Wells.

Mayor Newlands: Do we have a periodic schedule to replace the pumps on the wells and things?

Allen Atkins: We've only replaced one new well, a year or so ago; and we've only pulled one well since I've been here; which is Well 4. There isn't really a set time, but they should be pulled every so often.

Mayor Newlands: We don't do them?

Allen Atkins: We never had the money to do anything with that.

Mayor Newlands: So what is the \$2,500 for then?

Allen Atkins: There are parts and things in the well houses that you do have to replace from time to time; injectors and things.

Mayor Newlands: Okay, start talking to some of your buddies in the business, about maintenance on the wells; what needs to be done; what's the periodic replacement or servicing for those things; I don't want to get short on that stuff. I'm sorry; you're leaving that at \$2,500 right? Next one is 5480 Telephone.

Allen Atkins: Telephones we left at \$5,000.

C Abraham: They're pretty close to that now.

Mayor Newlands: Yes, that's all those service calls. Okay Uniforms?

Allen Atkins: That's a contract \$10,000.

Mayor Newlands: Wait, you're at \$6,900; last year's budget was \$9,500, so if it is a contract, is it an escalating contract; does it go up every year?

Allen Atkins: But also on top of that, you have steel toed shoes, one pair of those a year, that's \$100 plus a year, plus some other items.

Mayor Newlands: I remember that.

Vice Mayor Betts: They could go barefoot.

Mayor Newlands: Utilities.

Allen Atkins: Utilities we had \$28,000; but we really don't have a good feel until Tidewater gets the Pump Station off from our system; so that should change some.

C Doby: It's at \$21,900, now.

Mayor Newlands: I would drop that down to \$20,000.

C Doby: They're already at \$21,900.

Mayor Newlands: What happens is that we're sharing that with Tidewater; so that should be split out.

Allen Atkins: We're sharing the pump station over here.

Mayor Newlands: There's an electrical issue there where we are sharing, so make that \$20,000. The SRF loan, that's a fixed cost. Website \$200. Capital Expenses. Are we done, did I miss anything?

C Doby: I just have a question; I'm assuming that since there appears to be agreement that the Capital Expenses are zeroed out, that if we don't do those, we're not going to compromise water safety or anything like that.

Mayor Newlands: No we haven't gone over those yet. There are a few streets that if we get some Street money we would like to possibly do some water mains or some shut off valves or some lateral houses...

Allen Atkins: The mains...

George Dickerson: If you're going to do the streets, you need to do those laterals; because the equipment is going to shake those loose; and it depends on how many houses are on the street. I have a suggestion Mayor. The account balances, as of today; one of the accounts that we have is Water Impact Fees; we have \$220,000 roughly in that account. Since those impact fees were collected to offset water costs and upgrades, those types of things, I suggest that the water expenses be gone over and looked at, to see what could be pulled out of that account, to offset those expenses and revenues.

Mayor Newlands: I thought we do that now, don't we? Proprietary Funds? Where are the water expenses coming from?

George Dickerson: There's nothing in here using those funds directly, which are earmarked for that; which are Water Impact Fee.

C Doby: This is different then Water Rent.

George Dickerson: Yes, it is different then Water Rent.

Julie Powers: Using what's in the bank, not what we collect.

George Dickerson: Using what's in the bank, not what we collect; that's why we collect it; that's the purpose of the Water Impact Fees.

Mayor Newlands: Right.

George Dickerson: And in doing that, these expenses should be looked at to see what could be offset by those. I think you can save some money there. That's what I'm trying to say.

Mayor Newlands: Well what about the Water Rents that we collect? What are you trying to apply that to? I'm just trying to figure out how you want to address the funds.

George Dickerson: I'm only saying it is very similar to using the transfer tax for the Police Department; Water Impact Fees could be used for the same purpose under Water Expenses.

C Duby: Offset some of the deficit.

Vice Mayor Betts: The deficit.

George Dickerson: It would offset the deficit, yes it would. It needs to be looked at.

C Abraham: Are we also going to increase the Impact Fees based on 25 houses; okay so that will also; across the board it's 25 houses.

Mayor Newlands: Right, he's got to do that; there are a few impact fees.

C Abraham: So that will make that revenue go up also.

Mayor Newlands: Yes, or down; it depends on how many house are in there. So you're saying the Water Rents to do what with the Water Rent money?

George Dickerson: Well, how do you apply water rents; that's my question? It has nothing to do with the issue I'm bringing up. The issue is strictly that we have a prohibited account; a restricted account, Water Impact Fees that raises \$1,450 per new hookup and it has grown to this amount. Take that money and look at these expenses, where they fit that you can say, okay, we're upgrading, even the Radio Read Meters; you could look at those as upgrades that have been purchased. I think you can also...

Mayor Newlands: Are you talking about the Capital Expenses?

George Dickerson: Well no, I'm talking about all expenses.

C Duby: Whatever you can; look at the entire water expenses.

George Dickerson: All expenses, where they fit, use them.

Mayor Newlands: This is already a profit center.

C Duby: But it would be a bigger profit center; and the overall deficit would be smaller.

George Dickerson: Yes.

Mayor Newlands: No, because I don't think you can use any water money, outside of the water department.

George Dickerson: I'm not saying that. That's not what I'm saying; use it in the water expenses.

Mayor Newlands: One at a time.

C Duby: You would look at the expenses and say which one of these expenses in Water could we offset with Water Impact Fee money; and do that.

Mayor Newlands: And what about the rest of the money in water? Water and the rest of it are two pots. It will be looked at completely separate, if I'm not mistaken. No money from water can offset anything else with the deficit. You don't look at that...

Julie Powers: He's not talking the same between the water departments.

C Duby: It doesn't offset it; it offsets water expenses; which increases this.

Mayor Newlands: Which doesn't come off the bottom line; they don't get comingled. The bottom line of \$470,000 is really something else and there are two numbers. You can't add them together.

C Duby: So then what happens to this; what happens to this \$151,000?

Mayor Newlands: That's supposed to go back into the bank.

Vice Mayor Betts: But what do you use it for?

Mayor Newlands: Water and water mains.

Stephanie Coulbourne: It's a proprietary fund.

Mayor Newlands: They are proprietary funds and you can't touch them.

C Doby: All of it is?

Mayor Newlands: Yes.

C Doby: Okay.

Mayor Newlands: So you have a different deficit. Water is a profit center. It can't be used to offset anything else.

George Dickerson: With the Water Impact Fee and the total that we have in the account; may I ask, when and how would you use that money, expend it?

Mayor Newlands: Water mains; if you want to replace a water main, that's when you would use it.

George Dickerson: Why wouldn't you also offset some of these expenses?

Mayor Newlands: You already have a profit; it doesn't help the bottom line.

C Doby: So when we figure out the deficit, this isn't even considered.

Mayor Newlands: When you figure out the deficit, you actually have to subtract the \$151,000 from it; because that's not our money to touch. It belongs to the Water Department; that's the way the books are written; I don't know how those laws are. You're shaking your head, George.

George Dickerson: I'm listening.

C Abraham: I'm inclined really to go with what George says with seeing if you could use some of the water money; restricted only for the water department.

George Dickerson: Thank you.

C Abraham: To kind of wipe down some of the water expenses.

Mayor Newlands: What do we do with the rest of the water profits?

C Abraham: Put it in the bank.

George Dickerson: Put it in the bank.

Mayor Newlands: It's got to go into the Water...

George Dickerson: Put it in the bank.

Vice Mayor Betts: Put it in the bank.

C Prettyman: Put it in the bank.

Mayor Newlands: Thank you. It doesn't matter.

C Lester: It doesn't make any sense.

Stephanie Coulbourne: Well, Mayor, since you've made those changes, do you want the expenses and revenues overall; so you know your totals?

Mayor Newlands: Actually we're not finished with the water revenues, which will take us about 2 or 3 minutes; but we need to figure out, when we do the water revenues, that actually can't come against the bottom line. It can't get co-mingled against the rest of the budget; it's not allowed to.

George Dickerson: One thing clear, I never said anything else about any part of the budget; other than water. I never said anything about it.

Mayor Newlands: As Jim said, it's a wash. It doesn't make any difference, using water; it's a wash. We're still going to have a profit of \$151,000; that makes absolutely no difference. Let's go over revenues quickly.

Allen Atkins: There's one thing in the capital part of water. We did need to replace the roof on the main well house, next to Rhonda's house over here. It has asbestos shingles

on it, so that's an extra cost to have those removed; but we've got some estimates anywhere from \$6,000 to \$9,000 range.

Mayor Newlands: That's one thing we need to get done.

Allen Atkins: We do need to do that.

Mayor Newlands: If you're looking, this is the water expenses. C Prettyman about the one page that has about five items, the one you're on, the middle one?

C Abraham: \$9,000 for the Well House.

Allen Atkins: The first one, the mud pump, you can take off the Capital; hopefully we're going to get something from FEMA or DEMA on that.

Mayor Newlands: Wait; go back, which one are you on?

Allen Atkins: The Capital Mud Pump to replace, \$1,200.

Mayor Newlands: The first item.

Allen Atkins: Yes, take that off. Hopefully we'll get money for that.

Vice Mayor Betts: You're not going to get any of them. They're all coming off.

C Duby: So the \$9,000 for the roof on the well house, we are going to do.

Allen Atkins: The roof needs to stay, yes.

Mayor Newlands: Right. And back up one second; the portable water meter; the back flow preventer.

Allen Atkins: That back flow preventer and the meter are for when we sell water; to fit the fire hydrants to contractors and things; you need that for protection of your water system; either that or we can not.

Mayor Newlands: Isn't that Federal Law?

Allen Atkins: It's not a Federal Law, but it's a good safety practice that we need to do.

Mayor Newlands: I would definitely do that, because I remember we had to put them on houses 10 years ago; any outside spigot had to have a backflow preventer on it. I thought that was Federal Law.

Allen Atkins: It's not a Federal Law yet, it's coming in the future though; it's going to be; EPA is working on that now.

Mayor Newlands: Now this is one preventer that you move around from hydrant to hydrant, correct?

Allen Atkins: Yes.

Mayor Newlands: Does everybody understand what the backflow preventer's are? If you have chemicals and you're pumping out chemicals and for some reason you turn off your pumping out the chemicals in whatever application you're using; and there's a backflow or suction that goes on to the hydrant that you are doing this from; it will actually draw the chemicals back into the system. The reason for the law is I guess somebody got killed or sick or whatever from it; and this prevents any kind of chemicals from going into the water system; and it works on the houses also. Any new faucet outside has it on there too. I think that may be the law that you have to have it on new ones. I think that's a very wise thing to put on. It's only one device that you get and you move it around from hydrant to hydrant.

Allen Atkins: It's just one thing that we move around.

Mayor Newlands: Okay. I recommend it, it's a safety issue and it's a big one. How often do we have contractor's using the hydrants?

Allen Atkins: Sometimes in the summertime, quite a bit. It just goes according to what construction is going around. Right now it's kind of slow. In years past, we've had a few.

Mayor Newlands: All right, so everybody is on board with the \$1,550; and then \$9,000 for the roof for the well house.

Vice Mayor Betts: We ought to do this as a separate budget, the water.

Mayor Newlands: It should be a separate budget.

Vice Mayor Betts: It should be.

Mayor Newlands: When we get down to doing the totals, we need to do that, I think. Let's go through the revenue real quickly. Water Rents, that's a given. Tapping fees, how realistic are these numbers, Allen?

Allen Atkins: They are based upon the building permit estimates.

Mayor Newlands: What I'm asking is how many homes do we know for each one of these: tapping fees, sale of meters?

Allen Atkins: We have no clue.

Mayor Newlands: No what are you estimating? We're estimating with Robin 25 homes.

Allen Atkins: The rate that Robin estimated for building permits for new homes; that's what we used.

Mayor Newlands: The Water Impact Fees we're looking at the fourth item; that set at 20 now, so we need to make that at 25. Can I get that refigured at 25 homes? So what you're saying is tapping fees; sale of new meters and impact fees are all based on numbers of homes.

Allen Atkins: They are all based on what they estimated.

Mayor Newlands: Okay. Now disconnect fees; you're changing that down to \$1,000.

Allen Atkins: I don't think we've never disconnected very many since I've been here.

Stephanie Coulbourne: Mr. Mayor for the impact fees, if you're basing it on 25 homes, its \$36,250.

Mayor Newlands: Thank you. Do know what we have so far for disconnecting meters?

C Duby: \$550.

Mayor Newlands: What page is it on, 7?

C Duby: Yes. Why was that budgeted so high for them to do it? I mean in the past.

Mayor Newlands: Thank you. I don't know. All of his money goes into the profit, so it doesn't really matter. If we have \$550, let's make it \$500. You know what; leave it at \$1,000; because we'll see what happens. We only did it one quarter so far.

C Duby: It's down significantly anyway.

C Prettyman: That's 4640?

Mayor Newlands: Yes that's 4640; now 4650 Inspection Fees; what's that based on; Allen is that based on homes?

Allen Atkins: It is based on your new homes.

Mayor Newlands: It is based on new homes, so let's get it based on 25 homes on that one and we'll get a new number. Interest Income is on your accounts, which is not much money; we can leave that at \$100, it's only \$63 and that may go up. Miscellaneous Revenue – nothing.

Vice Mayor Betts: Take the \$150?

Mayor Newlands: I was commenting that there was nothing so far this year, but let's leave it at zero for Miscellaneous Income.

Vice Mayor Betts: Leave it at zero?

C Duby: So Miscellaneous Revenue is now zero?

Mayor Newlands: Yes.

Vice Mayor Betts: What did you do with Inspection Fee or did you take that away?

Mayor Newlands: He's going to fix that based on the number of homes. The next item is Municipal Street Aid. We say it is \$60,000 for the Municipal Street Aid lighting? Is that an accurate number \$60,000? Okay. And this year we've been granted \$42,254 in Municipal Street Aid; the State allocated \$4 million instead of \$6 million for Municipal Street Aid, so there is nothing else we can do with that. Now totals, what do you have?

C Duby: Shouldn't this be 2011 and not 2009? The year, it says 2009, it should be 2011.

Mayor Newlands: Your description inside the totals should be 2011.

C Duby: Stephanie, on this page where we have Total Expenses and Total Revenues, the date should be 2011, not 2009.

Mayor Newlands: That's fine. Now we have to go back and see what Joanie wanted me to do. The expense report that I gave out, was that okay with everybody today? Okay.

Vice Mayor Betts: A little late to ask now, isn't it?

Mayor Newlands: The State actually mandates us to buy some supplies through certain vendors of theirs, approved vendors; and its for disabled, I forget what the disability is; there's a disabled group that we're required to buy certain things from; like rubber stamps have to come from a certain company. But there are only a certain amount of vendors; I just learned this two days ago. But that's not a bad idea.

Jim Crellin: It seems to me that there are lots of communities like ours; that are in the same straights; and if we get our buying power together and we can even do it for phone service; how about for insurance?

Mayor Newlands: Phone service...

Stephanie Coulbourne: Okay, the changes for the Pension, if you want to go to your Administrative Department; Julie has recalculated the figures, taking off the \$6,000 for each employee; so the Pension estimate is \$13,695. And then you would need to go to the Code Expenses and under Code the Pension is \$4,303. And then under Water the Pension is... Hold on, Julie says it is not right.

Julie Powers: Because the bulk of the salary was in Water, I was trying to do it all, but I forgot to add in Parks and Streets Salaries total, and then subtract the \$6,000; so hold on just a second.

Mayor Newlands: One thing we can do, George, is town insurance and a few other things that we don't pro-rate across all departments; we can get some of that into the Water Department. These a few things that C Lester has been looking at that we put in Admin and Admin takes the brunt of some of these expenses; some of those expenses can be put into Water and spread out amongst the other departments; and that will lessen the cost on Admin. That does save us some money.

Julie Powers: Because its spread around the three departments and I'm not exactly sure where I would put it; because you would have to take every single salary line item in the three departments, add them together, subtract the \$30,000 for the employees and then do the .062 calculation and it comes to \$9,819.07, but in total.

Mayor Newlands: It just went up.

Julie Powers: Unless I just take that total and then we just kind of split it; unless we put Pension all under Water; I'm confused on how to put that in there. I could divide it out.

Mayor Newlands: Don't you have Pension all under Water anyway?

Julie Powers: No, well wait a minute.

Mayor Newlands: Isn't Pension all under Water anyway?

Julie Powers: I hope so because that will make it easier.

George Dickerson: Water Expenses, yes.

Julie Powers: Good, okay, never mind.

Mayor Newlands: Streets and Parks don't have those line items.

Julie Powers: Okay, good, they just have the split out of the salary. It's \$9,000.

Mayor Newlands: It's going up. Don't make it go up.

C Doby: It's \$6,750 now.

Julie Powers: I may have just done the Water Department and not realized that the Pension was for everyone; because I would have to add every salary line item and then take out the \$6,000 per employee and times it by that .062; so I may have missed that when I did the calculation the first time.

C Doby: So what is it now?

Julie Powers: \$9,819.07.

Mayor Newlands: So that went up \$3,000.

Julie Powers: Well, that's because I didn't realize that there wasn't a Pension line item in the others.

George Dickerson: Can we get some totals?

Stephanie Coulbourne: Are you ready for your totals?

Mayor Newlands: No, but I'll take them anyway.

Stephanie Coulbourne: Total Expenses \$2,347,043.

Mayor Newlands: Expenses went up.

C Doby: No, they went down, they were \$2,411,000.

Mayor Newlands: Say it again, what was the number.

Stephanie Coulbourne: \$2,347,043.

Mayor Newlands: What was it before?

C Doby: \$2,411,860.

Mayor Newlands: I don't know why I have a 22 on this number. Okay.

Stephanie Coulbourne: Total Revenue \$1,997,020. The difference is \$350,023.

C Lester: What's the net Water income?

Mayor Newlands: I was just about to ask that Norman, thank you.

Stephanie Coulbourne: The difference in Water is to the positive, \$156,644.

Mayor Newlands: You have to add that now to the deficit.

C Lester: So it is still a little over a half a million dollars.

Mayor Newlands: Yes, we went in the wrong direction.

Stephanie Coulbourne: It is \$506,667.

C Doby: Well if you are adding the Water to the deficit...

Mayor Newlands: Actually we are \$60,000 better than we were.

C Doby: I was going to say that; because it wasn't added to the deficit; the \$400,000; so we're still better off.

Mayor Newlands: Right; it's \$566,732; we're \$60,000 better than we were last week; you wouldn't have wanted us to have no increase; we had to have some after doing all this; we still did a terrible job at that.



C Duby: I'm trying to figure out what we have to do to be able to do what we need to do before the vote; we vote at the September meeting.

Mayor Newlands: Yes.

C Duby: And we have the Hearing tomorrow night.

Mayor Newlands: No Wednesday.

C Duby: I mean Wednesday night; and Julie you said if we have...

Mayor Newlands: Another Town Council Meeting?

Julie Powers: No, it's a meeting, is what it says in the Charter.

C Abraham: A Workshop is a meeting.

Julie Powers: It doesn't say Workshop; it doesn't say Regular; it doesn't say Special; it just says the next Town Council Meeting; which to me that's Special, that's Workshop, that's Regular.

Mayor Newlands: That's Town Council; no, no, no, that's Town Council Meeting.

Julie Powers: To me that's Special, that's Workshop, that's Regular. I would get clarification from Seth.

Mayor Newlands: I will, but does it say Town Council Meeting?

Julie Powers: It doesn't say Regular Town Council Meeting.

Mayor Newlands: Does it say Town Council Meeting?

Julie Powers: You know you have every Workshop, Budget and Regular Meeting.

Mayor Newlands: They're not... Okay, does it say Town Council Meeting?

Julie Powers: Yes, but that's not a Regular Meeting.

Mayor Newlands: That's fine.

C Duby: No but a Town Council Meeting is different because there are other agenda items.

Julie Powers: I think Seth told me his opinion as far as Town Council Meetings are concerned; they are all really considered Regular Meetings in a legal sense.

C Duby: Then let me ask you this. Do you think you should ask Seth this; if we met or discussed things after the Hearing; are we allowed to do that? If we've got X number of people here and they all give us their input on Wednesday night and that's over.

Mayor Newlands: We can conduct the business at the Hearing.

C Duby: Can we conduct business after that?

Mayor Newlands: We can do it while we're doing a Hearing.

C Duby: Well I don't know; I don't know whether you can.

Mayor Newlands: I don't know. I'll talk to him. We'll talk tomorrow.

C Duby: If you notice a Hearing; because the things that we need to do are look at the big picture then and say, you know; do we cut staff positions; do we raise property tax; do we do you know.

Mayor Newlands: I gave out this report; I don't know if you will find this helpful. It is an easy way of just going across and finding out what accounting fees are through all the departments and so this may be helpful to help you cut things down. We have an Executive Session to go to. Let's do that quickly.

C Duby: Are we doing that now?

Mayor Newlands: Yes, we have to.

C Abraham: Executive Session – one thing. Are we sitting here with it?

Meeting ended at 10:55 p.m.