

**Town of Milton
Town Council Meeting
Milton Library, 121 Union Street
Wednesday, September 26, 2012
6:00 p.m.**

**Transcriptionist: Helene Rodgville
[Minutes are Not Verbatim]**

1. Call to Order – Mayor Newlands called the meeting to order at 6:00 p.m.
2. Moment of Silence – Mayor Newlands
3. Pledge of Allegiance to the Flag
4. Roll Call – Mayor Newlands

Councilwoman Jones	Present
Councilwoman Patterson	Present
Councilman Booros	Present
Councilman West	Present
Mayor Newlands	Present
Councilman Lester	Absent
Vice Mayor Betts	Absent

5. Additions or Corrections to the Agenda
Mayor Newlands: Do we have any additions or corrections to the Agenda?
6. Agenda Approval
Councilman West: I'll make a motion that we accept the Agenda, as written.
Councilwoman Patterson: Second.
Mayor Newlands: We have a motion and a second to accept the agenda, as written. All in favor say aye. Opposed. Motion carried.
7. Final Discussions of the Budgets
Mayor Newlands: I have a couple of minor changes that came about in the last two days, that I want to go over with you. I gave out an email from Scott Hoffman. We're going to vote on this Monday night to select a new contractor for the water towers; that's the maintenance of the water towers and the lowest bid came in from Corrosion Control, who's our current maintenance company and that lowest bid came in at \$326,000, over ten years; \$32,600 a year. They're also telling us that we have to tent both of those towers, once each in the ten year period, because they contain lead paint, so for them to scrape them down – the large tower is due to get scraped down and repainted in 2015 and the small tower in 2018. What I want to do is we have to increase the water budget, from I think it's \$14,900 to about \$49,000.
Councilwoman Jones: Can you tell me where you are?
Mayor Newlands: I'm reading the email right now.
Councilwoman Jones: No, I meant on your budget sheet.
Mayor Newlands: On the budget sheet it should be the water, page 6, 5450. It's listed as \$14,560 right now; that's going to have to go up to about \$49,000.

Councilwoman Jones: About, or would you like us to add that figure?

Mayor Newlands: Well, \$49,250 is what it should be. And that's really taking the \$85,000 for the large tank to tent it and the \$81,500 for the small tank and amortizing that over ten years. That's just how I did it, just to spread the money evenly. We have to pay it in the years in which it happens, but budgetary wise and I'll ask Mike Cote if that's the proper way of doing that. We know we're going to get hit in 2015 and 2018 for \$81,000 or \$85,000; so I'm just budgeting that we collect all that money right now and I'm not sure if that's the right way of doing it.

Councilwoman Jones: What number do you want us to put in here safely?

Mayor Newlands: I would say... He looks puzzled. Could we have a microphone for Mike?

Mike Cote: I missed the total of the contract.

Mayor Newlands: The total of the contract is \$492,500, because it includes... Do you want a copy? I have an extra copy. I'll make it easier for you.

Mike Cote: Thanks. Okay.

Mayor Newlands: Annually, we get annual maintenance on the water towers and annually it's \$32,600. We have two hits during the ten year period of the contract for tenting and the two hits are \$81,500 and \$85,000. So I was thinking you would budget that over ten years? I don't know. Or you take the hit in the year in which it comes in?

Mike Cote: I would try to budget it over the life of the agreement, but do something specific to set the extra \$15,000 or so aside; make sure it gets put away, so we're not looking for it when the time comes; like all the grant accounts that the police have. Set up a special account to do it.

Mayor Newlands: Right. So that should be \$16,000 and change, ever year, we should be collecting in advance.

Mike Cote: Sounds right.

Mayor Newlands: Okay. Thank you. So the budgeted number is still \$49,250. Okay? That way we will collect the money, put it in the bank and in 2015, obviously, we'll have taken out a great sum of it for the large tank, but by 2018, the majority of it should be collected. The other change is on the first page, about the sixth or seventh item down, employee insurance, 5150. That gets reduced down to \$3,309, from \$9,271 to \$3,309. Our new employee opted not to take her insurance, so we don't have to pay health insurance for that person. They're staying on the spouse's insurance. So that's a savings of \$5,962. So we can add the \$5,962 to the back, to the surplus of \$19,986.

Councilman West: So if I'm understanding this correctly, \$9,271.70, down to \$3,309?

Mayor Newlands: That's correct.

Councilman West: Okay.

Mayor Newlands: And then you add in the difference which was \$5,962, you add that back in on page 10, we have an overage of \$19,900, so you add \$5,962 to that. Okay? So you get a surplus of \$25,948.

Councilwoman Jones: \$25,948?

Mayor Newlands: Yes. Just going back to the water from Corrosion Control, they've agreed in this contract also they're going to replace the upper part of the stem going into the bowl on the large water tower, as part of the contract, so we won't have to pay extra for that. And that was the repair job they did over the summertime, to replace that pipe. They're going to do that as part of this contract. So we won't have any extra charges from them. Okay, so we have yet to decide whether we're doing Cost of Living increases; whether we're going to do it at a base or at a bonus. I really prefer doing it at a base. I think it really helps the employees out. It effects their pension, if it's at a base. It gives them a little extra dollars in their pension. It effects their overtime rate. It boosts their hourly rate up a little bit. I mean, it's 3%, it's not a lot of money for them to have it in their base. Also, I think if they're going for a loan, you're asked about your base salary, not what you've earned, in a lot of cases too, so that will effect any lending or

borrowing that they do.

Councilwoman Jones: Well in reference to raises, Mr. Mayor, I just want to make clear that 3% is on the board as a cost of living, of which as stated before, we don't have anything either in the Charter or in the Code to support either COLA or longevity; we have no policy, so we went back over to indicating that 3% was the high mark for a merit raise; three of the water employees qualified this time. That review is to take place by the Personnel Committee and that the committee will make the recommendation back to Council. The percentage to be paid.

Mayor Newlands: Actually, I don't see that in the Town Code at all, where the Personnel Committee gets involved in any of these reviews. It's the Personnel Officer and the Mayor gets involved in that. Nobody on Personnel Committee gets involved in that. I went through this today and I went through it with Seth.

Councilwoman Jones: That is not a piece of paper I brought. I disagree. I believe it calls for an employee committee review.

Mayor Newlands: I have it right here. It does not. The only review or determination made by the Personnel Committee is the frequency at which they can get salary increases and that's it.

Councilwoman Jones: Where are you reading from, would you help me out, please?

Mayor Newlands: 26-17(h), it says the salary of each employee shall be reviewed semi-annually, annually, or bi-annually as may be determined by the Personnel Committee.

Councilwoman Jones: Are we in the Code?

Mayor Newlands: The frequency is what's determined, not the salary increase. And there's no other place in here that the Personnel Committee has any say in the salary increases. They don't get to review any of the performance reviews. Everything says Mayor or Personnel Officer or Personnel Officer or Mayor. That's how it all reads.

Councilwoman Jones: But naming 3% as a guarantee to every employee whether they have done an outstanding job or whether they need improvement.

Mayor Newlands: We can make it up to the line managers to make that determination as well, but it's not up to the Council or the Personnel Committee. We give them a pot of money and they disburse the pot of money. That's how the Code reads.

Councilman Booros: Then maybe we should put that on next Monday's agenda, to change the Code.

Mayor Newlands: We can't put it on next Monday's agenda, we have to put it on November.

Councilman Booros: Then maybe we should have a special meeting some time the end of next week to change the Code, because I'm not convinced that that's the only reference in the Code, because I think I've read it somewhere too that the Personnel Committee is to review it and make recommendations to the Council on raises. I'm almost positive I've read that somewhere.

Mayor Newlands: That is in section five, and it's where they make recommendations on the amount of money to increase, because the salary chart is supposed to have incremental increases in it and they're supposed to make recommendations on changing that increment and that is in the Town Code, yes. And even if we had a meeting next week, we couldn't change it next week, because it would have to be noticed to the public and we would have to have a first reading and a second reading and they've got to be _____.

Councilman Booros: Well there's only three people that are affected immediately and we could give that to them retroactively.

Mayor Newlands: Well actually the Police Department has almost all of theirs done. Do you have all of yours done, or most of them done?

Chief Phillips: They're all done.

Mayor Newlands: They're all done, so the Police Department are all done as well.

Councilman Booros: Were they done two weeks ago when I asked the question if they had been done?

Councilwoman Jones: They're not eligible.

Councilman Booros: And nobody spoke up from that table.

Chief Phillips: Nobody asked me nothing about that.

Councilman Booros: I asked on the record in that meeting that day... Excuse me, Sir, I looked at this table and I said if we took a recess right now and walked down to your offices, could we get copies of those performance appraisals on all those employees right now? And the answer from Allen was absolutely. I've got mine done and the other end of the table said nothing.

Mayor Newlands: And what is the difference?

Councilman Booros: The difference was, I don't want somebody to run out the day we're about to vote on a budget and give everyone outstanding performance appraisals to get the money. I mean, come on, we know how that game is played. And I'm not talking about just the Police Department, I'm talking about Town Hall, I'm talking about everybody. I don't get it. I don't get how you can... Everybody's had their physicals that were required by June and we've got copies of all of those records; we've got copies of everyone's mid-year review; their end of the year review; we've got everything, right? Everything is in order and everybody's seen it.

Mayor Newlands: I think he has one and I haven't seen them yet and I'll look at them this week.

Councilman Booros: You haven't seen...

Mayor Newlands: But if we're going to give them retroactive, what's the difference?

Councilman Booros: I didn't say I would vote to give them retroactive, you said that. I never said I would vote to give anybody retroactive, except for the three gentlemen who have their performance appraisals done already, when Allen said two, three weeks ago that they were done. You might as well sit around two weeks and let Win Abbott do his real quick, like, and turn them in before... That's not the way the game's played here.

Mayor Newlands: It's not a game and they'll get done.

Councilman Booros: It's not a game. You're right. It's not game.

Mayor Newlands: And they will get done. They will all get done.

Councilwoman Jones: But they were not done in time for Council to consider them as part of the budget. I believe that we went round and round with this last Tuesday, my recollection was we heard part of Council recant to nothing to the three eligible and we said three eligible in Water, enough times last Tuesday for everybody to get on board with that. At that time, it was a review by the Personnel Committee. It was said right here at this table. There was nothing spoken in opposition to that.

Mayor Newlands: Right. Then I went back and I reread it and whoever said it was wrong. Okay, the Personnel Committee does not get involved in it. That's the way the Code is written and even if we do wait another month and they get their raises in November, we still need to put a pot of money together.

Councilwoman Jones: Right and we talked about...

Mayor Newlands: We're not going to do this every single month talking about a pot of money for these people. If their reviews are done in a month and they're going to get their raises in a month, we still have to put in a pot of money into the budget.

Councilwoman Jones: I believe Council was in agreement to put in a pot of money, but I did not hear Council be willing to look at these again until December, the first quarter. That was the discussion that took place here last week.

Mayor Newlands: I know and we never voted on it.

Councilwoman Jones: No we didn't vote on it. But we all left with this one discussion.

Mayor Newlands: Right and it's continuing tonight.

Councilwoman Jones: Okay. You had me at the increase being applied to the base pay.

Mayor Newlands: Right.

Councilwoman Jones: Okay? Because I was undecided last week. For those evaluations that are

reviewed the first quarter in December, I am not for retroactive pay and I think for me you're taking this 3% and just again running with it. Everybody gets it no matter what your evaluation says.

Mayor Newlands: We didn't determine that. It's a pot of money you're giving the department.

Councilman Booros: I think it's a pot of money and I think it should be contingent upon changing the Code, whether it takes one month or two months or three months that the Personnel Committee is involved in the disbursement of those funds and it not be left up to the supervisor, because there are enough complaints that come in about certain employees of this town, that I wouldn't trust the supervisor to make that determination.

Chief Phillips: Well perhaps you need to fire the supervisors, is what you need to do.

Councilman Booros: I'm not talking about you Chief.

Chief Phillips: Yes, you need to fire, is what you need to do.

Councilman Booros: I'm not talking about you.

Chief Phillips: Certainly you are. My evaluations have been done since 7/18/12, they've been done.

Councilman Booros: I'm certainly not talking about you.

Mayor Newlands: Hang on.

Councilman Booros: I am not talking about you.

Mayor Newlands: And he was saying that maybe the supervisor should be dealt with.

Councilman Booros: Absolutely. And this has nothing to do with the Police Department.

Mayor Newlands: Okay.

Councilman Booros: Okay?

Captain Cornwell: Can I... If the supervisor is supposed to be dealt with, then why did Mr. Abbott, who didn't do his get a 5% raise by the same Council that wants to hold against the other employees any type of raise?

Chief Phillips: Rewarding bad behavior.

Mayor Newlands: Hey, easy guys.

Councilwoman Jones: I guess my comment would be that's a contract. It was discussed in Executive Session. I wonder, other than Mr. Abbott coming directly to you to discuss the terms, I find that disturbing.

Captain Cornwell: Actually, that came out by Mr. Davis last week.

Councilwoman Jones: I believe Mr. Davis commented about having renewed his contract. I don't remember Mr. Davis making a comment about any percentage of money that was awarded.

Mayor Newlands: It becomes public, it's a moot point, really. It becomes public. It really is a moot point.

Councilwoman Jones: I don't think it is a moot point, but I'll... That's fine.

Mayor Newlands: I think we need to get on and figure out what we're going to do with this. I don't know if we know what other towns do if the Personnel Committee gets involved in reviews and raises.

Councilman Booros: I make a motion that we take a pot of money, that was decided on last week at 3% across the board, put it in a pot and not touch that pot until the Council has an opportunity to change the Code, to involve the Personnel Committee in the distribution of that pot.

Mayor Newlands: I know all that. We're just deferring how to allocate the money until some time in the future.

Councilman Booros: Absolutely.

Mayor Newlands: As long as we have the money that we...

Councilman Booros: I don't have a problem with establishing the pot.

Mayor Newlands: That's fine. That's fine.

Councilman Booros: I just have a problem with it being distributed without the Personnel Committee involved.

Mayor Newlands: I'm fine with that.

Councilman Booros: That's my motion, on the table.

Chief Phillips: Councilman Booros, can I ask a question?

Councilwoman Jones: You can't. You can't right now.

Mayor Newlands: We have to wait for this to get seconded, or not.

Councilwoman Jones: I'll send that.

Mayor Newlands: Discussions?

Councilman West: I would like to make a change. Councilwoman Jones brought out a good point awhile ago, this should not be a cost of living, it should be a merit raise, not cost of living.

Mayor Newlands: Okay.

Councilman West: And change that to merit.

Mayor Newlands: Well actually it just says a 3% pot, I don't think John...

Councilman West: Yes, I know, but I feel we should change that COLA...

Councilman Booros: I'll amend my motion to say "merit pot", based on merit.

Mayor Newlands: Okay. Okay. You want to second it?

Councilwoman Jones: I second the amended motion.

Mayor Newlands: Chief, you had something you wanted to ask.

Chief Phillips: I'm just confused how a panel, committee, can evaluate someone that they do not see and do their work every day and I'm confused how hearsay from the streets can be used by the panel to judge whether someone gets a pay raise.

Mayor Newlands: I think that will get discussed when we discuss how we're going to administer this in the future.

Chief Phillips: That sounds good.

Mayor Newlands: Okay, because that has to be ironed out and the procedures and policies and administering of those policies have to be ironed out in the months to come.

Councilwoman Jones: Actually, at the risk of telling you how Rehoboth Beach does it, I will tell you that all, and I mean every single evaluation, is turned over to the Town Manager for review. The Town Manager makes the recommendation, applies the number to the budget and for any amount of change that is left, goes back to the department head of that particular sector and says I have this much money left, who do you want to see get it? That's how it's done. It's all filtered through the Town Manager who is in charge of building the budget, so that information, in my opinion, as we consider this – how we're going to include the Personnel Committee – I think the Town Manager plays a pivotal role in all of this, but I do believe in that review, your Personnel Committee ought to make the recommendation on the percentage to be paid on base of the evaluation.

Mayor Newlands: Okay, that's to be determined when we come up with that in the November meeting.

Councilwoman Jones: I do have a question about one thing. We don't know how quickly we could review and change this. What about the three folks in the Water Department who are actually eligible now?

Mayor Newlands: We haven't determined whether or not... Well we have determined whether we're going to do it on merit, but we haven't determined on the policy yet. If their reviews are to be brought before the Personnel Committee, they're going to have to wait.

Councilman Booros: And quite honestly, Councilwoman Jones, I would like to see all three of them be asked if they would rather have a cash payout, or have it tacked onto their salary, because when I was making that kind of money in the month of November, I would rather had

the cash before Christmas to pay the bills and buy Christmas presents for my kids, then to have \$26 extra dollars in my paycheck every two weeks for the next year. I genuinely believe... I'm not saying that for everybody, but I genuinely believe for some of them I don't want to dictate that they get it tacked onto their pay, if they'd rather have it as a one-time payout; just based on, like you said, the salaries that they're making right now. Sometimes the one-time payout helps out at Christmas time.

Councilwoman Jones: But you do agree that these three would be paid retroactively.

Councilman Booros: Absolutely.

Councilwoman Jones: Okay.

Mayor Newlands: We need to make a motion on that next time, when we come up with these policies we need to bring that up at that time. Right now, we're voting on a pot of money, not the procedures and policies of how we're going execute it.

Councilwoman Jones: So therefore the 3% was for everyone, correct?

Mayor Newlands: The 3%'s a pot.

Councilman Booros: A pot.

Councilwoman Jones: Right. I understand.

Mayor Newlands: It's a pot of money.

Councilwoman Jones: But according to the column, the 3% which is added to the right of the budget numbers, is included for everyone. No one was left out of the merit/COLA cone?

Mayor Newlands: No, Town Manager was.

Councilwoman Jones: But that's the only one.

Councilwoman Jones: Code Enforcement Officer.

Mayor Newlands: Yes and the Code Enforcement Officer.

Councilman West: And the new lady in the office.

Mayor Newlands: Yes, three people were left out, yes.

Councilman West: Three people.

Mayor Newlands: Any further discussion? Let's do a roll call:

Councilman Booros	Yes
Councilman West	Yes
Councilwoman Jones	Yes
Councilwoman Patterson	Yes
Mayor Newlands	Yes

Mayor Newlands: That is approved. Thank you. Do we have any further issues, before we adopt the budget?

Councilwoman Jones: I do.

Mayor Newlands: Shoot.

Councilwoman Jones: I'm just writing something down, please.

Mayor Newlands: Okay.

Councilwoman Jones: When you were on the back page and that figure which has now become \$25,948 with the saved insurance money, what is that? Is that windfall, what is that?

Mayor Newlands: That is the current surplus in the general account. If you look up a couple of lines, you'll see there's a \$9,600 deficit?

Councilwoman Jones: Yes.

Mayor Newlands: That's before we take out the Capital Improvement money; before we add that back in, I should say, we add that back in.

Councilwoman Jones: You add that back in.

Mayor Newlands: Right, so you wind up with a surplus then, because the Capital Improvement

money comes out of the bank, it doesn't come out of revenue. We're supposed to run two budgets; or actually the Finance Committee's recommending two budgets and Kristy Rogers she's been going to Municipal Clerk classes and the State is recommending that you run two budgets. You run a revenue based budget and you run a Capital Improvement budget.

Councilwoman Jones: Well where does this revenue show up? This \$19,986, before we added this \$5,900 figure to it, that's money that we have...

Mayor Newlands: It's the difference between having a deficit of \$9,600 above; \$9,616, do you see that?

Councilwoman Jones: Yes.

Mayor Newlands: Okay, we're taking \$29,603 out of the bank to pay for the server, the camera system, paving and then there's some Municipal Street Aid money coming out; that all equals \$29,603. That goes against the deficit. It's expenses we put in the budget that should not have been put in the budget. They should have been put into a secondary budget, so we're just taking them out by line item, in one shot, that's all.

Councilwoman Jones: But you said it's coming from savings?

Mayor Newlands: Yes, that's how capital money is spent.

Councilman Booros: So we're using this year's savings to offset next year's budget?

Mayor Newlands: Not budget, it's really next year's capital improvements, yes. And that's normal. Mr. Cote, go ahead.

Councilwoman Jones: I don't...

Mike Cote: Yeah, it's coming out of... essentially, I'm not sure... It's good to have a separate capital budget and a separate expense budget, but I'm not sure whether the capital expense money comes... I mean, we have it in... there's money available in savings. I don't know if that's the norm or if it should be some transfer tax or there's some other designation for some of this money that should be capital.

Mayor Newlands: The money that it's coming from is the excess transfer tax that we have, the excess building permit money we have going in there, so we have excess in a number of categories this year, that will pay for the \$29,000.

Mike Cote: I'm not familiar with the restrictions... if there's any restrictions on transfer tax.

Mayor Newlands: Transfer tax there is, but we have enough money in building permits and other monies in excess to use that for.

Mike Cote: So it's this year's money for next year's expenses?

Mayor Newlands: Yes. It's the overages from this year that can pay for the capital improvements for next year.

Mike Cote: Should we be setting aside some amount of money, annually, into a capital expenditure fund that's designated for that?

Mayor Newlands: Yes. Yes. That has to get worked on yet, yes.

Mike Cote: Okay, so we do need to establish that fund.

Mayor Newlands: Yes, we do have excess funds coming this year in transfer tax, in building permits, that we expect to have excess funds and some of those monies can be earmarked to go into capital improvements budget.

Mike Cote: Is it safe to assume that the Council would designate some amount of money for capital expenditures or is it the nature of the tax?

Mayor Newlands: On non transfer tax, the Council would do it; on transfer tax, I think the Council would still do it, because it would be the part of the transfer tax that they would use or designate for capital improvements and transfer tax has a list of things it can be used for. Safety is one of them and there's a whole bunch of other things. It could be streets and roads, as well.

Councilwoman Jones: I'm not an accountant and I don't pretend to be an accountant, but if you have that money left over as I'm interpreting it, it's not going in the bank, we're paying forward?

Mayor Newlands: No, I had expected to use that for the COLA. We didn't put the COLA in, don't forget. The merit increase, the 3% pot...

Councilwoman Jones: We're just about are going to put it in, right?

Mayor Newlands: Yes.

Councilwoman Jones: Okay.

Mayor Newlands: And that will cover it. The \$25,000 will cover the \$23,282 in merit raises.

Councilwoman Jones: And that total number for that merit raise is \$23,282.23?

Mayor Newlands: Correct. So we'll have enough money to cover that. Giving the merit increase will not cause a deficit. We have enough money to cover it.

Councilwoman Jones: But the server and camera would, right? I mean, if you put that money into savings or a revenue, because I don't see it as a revenue and that could be me; I don't see it. Um, then that server and that camera would then be going against this budget and create a deficit.

Mayor Newlands: Right. But a few weeks ago we discussed having that money come out of the savings, because they are capital improvements. You run revenue against expenses for things that are ongoing, repetitive, every year. A camera and a server, they're not repetitive every year, they're capital improvements, so they're a one-shot. There's even actually another PC in there for \$850, which is not included in there.

Councilwoman Jones: Okay, another revenue...

Mayor Newlands: No, no, before we leave the topic, do you understand what we're doing?

Councilwoman Jones: I do, it sounds like we're taking money out of our savings to pay for these improvements.

Mayor Newlands: That's correct and that's the way it's done, because we don't have a capital improvement fund set up.

Councilwoman Jones: Do we put any money in a year's time in savings?

Mayor Newlands: Yes, but it's whatever is left over at the end of the year. This year for transfer tax, as of the check we should have gotten last week, which was probably not deposited yet, we should have about \$220,000 in transfer tax. We expect one more check in the middle of October for the month of September, which should be another \$15,000 on top of that, so we'll have almost \$240,000. We only used \$155,000 out of that for this year's budget, so \$90,000 stays in the transfer tax savings account, which has almost \$200,000 in it right now. So that's how we've been doing it. We don't spend everything that we get.

Councilwoman Jones: Okay.

Mayor Newlands: And transfer tax is real easy to spend, because all I have to do is just earmark to police as safety and it's gone, so it's very easy to just spend it all, but we don't do that, okay?

Councilwoman Jones: Okay.

Mayor Newlands: And the same with the building permits. Dogfish gave us – we're at \$110,000 right now in building permits, they still owe us \$60,000. We should be getting it any day now and I'm not sure what happens if it comes in Monday. I don't know if it goes to next year or not. I don't know how they do that. It depends on when the invoice went out.

Councilwoman Jones: Yes I understand.

Mayor Newlands: That would be excess money so the \$60,000 that Dogfish owes us goes to the bank.

Councilwoman Jones: And not earmarked for anything special?

Mayor Newlands: No, we have not set up any capital improvement earmarking, which we can do out of the monies we have in the bank right now, we can take pieces of that money and just earmark it for capital improvements and then just move it to another account, so when we're finished with this fiscal year and everything settles down, we can say okay, here's what the finances look like. Here's what the accounts look like. Here's the overages we've had in certain

funds and we can move that money into a bank account for capital improvements for the future.
Councilwoman Jones: So you can also do that with proprietary funds and earmark it for either water improvements or capital improvements, as long as it's a water issue?

Mayor Newlands: Yes, proprietary has two accounts. They have an impact account, which I think is all the time set up for improvements and then their other water account is just whatever is being done with the water. So I think the impact money has to be used for improvements, like new water mains, things like that; where the other money can be used for just buying water meters, or whatever we're going to get.

Councilwoman Jones: Okay, still in revenue... I'm on page 8 at the bottom and it's a follow-up question because I didn't understand it when it was asked. The wastewater treatment plant on Front Street was listed as a proprietary fund asset, but payments from Tidewater are placed in the general fund, under revenue.

Mayor Newlands: That question came up from our friend Mike Cote here.

Councilwoman Jones: Right, and I didn't understand it when you said it.

Mayor Newlands: And I'm glad you brought it up. I'm glad you brought it up. What he was saying was, since we sold the proprietary asset, do we need to keep the funds of the proprietary asset as proprietary funds. The answer we got this week; and I'm glad it came up; the answer we got this week from the auditor's is no. The Council can make the decision where they want the money to go and this was made in 2007 and they chose to put it in the general account, because that's where the money's been going since. So the money is basically is not tied up, so any additional money we get from renegotiating with Tidewater will go into the general fund. And we're trying to get that money from Tidewater back up to a significant amount of money, where we started with back in 2007. The letter is going out tomorrow to start the discussions.

Councilwoman Jones: Okay, I have two pieces. One is for the Captain. A clarification...

Mike Cote: You made a motion while ago. Did you pass it or did I miss?

Mayor Newlands: We passed it. We voted on it. We did individual votes and that was on the pot of money.

Ginny Weeks: Can I ask just one question, because I'm not good at this stuff. Next year's budget is based on the income that came in this year, correct?

Mayor Newlands: No, it's based on next year's income.

Ginny Weeks: This year's 2013 you're spending the money that came in 2012?

Mike Cote: No.

Mayor Newlands: No. Only on capital improvement projects.

Ginny Weeks: Thank you.

Joyce Hooper, 308 Coulter Street: Mr. Mayor, can I ask for a little clarification, I'm just a little confused. You're talking about merit raises. Nothing's been decided on COLA yet, correct?

Mayor Newlands: All we've done, is we've just renamed the pot of money from COLA to merit.

Joyce Hooper, 308 Coulter Street: Cut it's two different things.

Mayor Newlands: I know that. They don't want to do COLA, because COLA is across the board and merit is based on individual performance.

Joyce Hooper, 308 Coulter Street: So they're not going to get a cost of living adjustment?

Mayor Newlands: No.

Joyce Hooper, 308 Coulter Street: They're just going to get a merit raise, based on their personnel...?

Mayor Newlands: Correct. And please, no more questions from the audience. Because you're not on microphone and this is a meeting, not a hearing.

John Bushey: Can you hear me now?

Mayor Newlands: No more questions from the audience. This is a meeting, not a Public Hearing and you're not on microphone, so we don't entertain questions from the audience at this time.

John Bushey: So if I took the microphone from Mr. Cote, you could entertain a question?

Mayor Newlands: No, Mr. Cote is on the Finance Committee and when we're going over the budgets, he advises on Finance Committee matters. That's the only reason we entertain Mr. Cote. Sorry I didn't clarify that up front.

John Bushey: I came in late and I _____. Sorry.

Councilwoman Jones: Clarification. Captain, last week, I believe it was Tuesday, you made a comment that the K-9 had been purchased through a grant and it's my understanding from the budget review last year, since that was the first one I was involved in and perhaps before, that now Lt. Harvey actually owns that dog and it was grant money that trained both he and the K-9.

Captain Cornwell: Actually I never mentioned anything about the K-9.

Mayor Newlands: I don't remember that at all either.

Councilwoman Jones: Tuesday.

Captain Cornwell: I never said anything about the K-9, the Chief did.

Councilwoman Jones: You can't speak. Okay. I'm sorry I picked the wrong person who mentioned the K-9, but I do remember it being said that Lt. Harvey owned that dog outright.

Chief Phillips: I don't know where that came from. I didn't say that. I'm not sure where you heard that at.

Councilwoman Jones: I'll have to scour some minutes, because it's been said in public.

Chief Phillips: No, it's bought with a grant. I promise you that and it does not belong to him. No.

Councilwoman Jones: I believe it was then Sgt. Harvey. Has he changed dogs?

Chief Phillips: No.

Councilwoman Jones: Okay. The only other question is, I had asked you, Chief, last Monday for training information. Did you bring that with you tonight, the questions that I had needed answered? We finished up last Tuesday night and I had asked you for some answers and you said that you would supply them to me. Did you bring any of that with you tonight?

Chief Phillips: I do not have that all together yet, no.

Councilwoman Jones: Okay. We discussed and we see in the budget your intention for a Sussex County grant, but I didn't see anything in your version of the budget.

Mayor Newlands: Where are you on the budget?

Councilwoman Jones: SALLIE.

Mayor Newlands: Revenue or Expense?

Councilwoman Jones: Revenue. Sorry.

Mayor Newlands: It's okay.

Councilwoman Jones: \$5,120. I have seen different line items in our budget. I have seen different line items in your draft number three of your budget, but I haven't seen anything proposing what to do with those funds.

Chief Phillips: Which funds are you talking about Ma'am?

Councilwoman Jones: SALLIE, \$5,120.

Chief Phillips: At this time, it's being used for investigations.

Councilwoman Jones: I see only that there's nothing in the budget that indicates anything that it might be spent for, because it's got a 2013, \$5,120 line item, EDIE, \$4,100 and the only thing I've seen so far is the Sussex County grant broken out, the \$25,000 and the violent crime equipment grant, which I spoke about last week, I am still convinced that there is an item on that list for which you have had approved funds that requires a policy in your department and I offered after last meeting to meet with you and talk to you about that. I still think that would be helpful.

Chief Phillips: Okay, that's fine with me.

Mayor Newlands: EDIE and SALLIE are at least detailed on the expense side, as monies that

were being spent. We don't have the individual details, nor would we put that here in this report. We wouldn't put that on this report. This report would have the overall figure for EDIE and SALLIE. It's not going to have the lower level details and trust me, he's got to go to...

Councilwoman Jones: Okay. What are you looking at? Are you looking at tonight's version five?

Mayor Newlands: Right. But we would never detail further than having a total for SALLIE and EDIE. We don't do that.

Councilwoman Jones: Okay, well...

Mayor Newlands/: And he has to answer to Debbie Golden up in Camden about all this.

Councilwoman Jones: Mr. Mayor, I understand who he answers to, but we have three break outs for Sussex County grants listed here. I'm asking the question because it's revenue. It's Police Department revenue.

Mayor Newlands: Right.

Councilwoman Jones: My question is I'm on police account 5460, which is page 3 of 10. The Chief's version number three calls for \$2,000 for inside/outside surveillance cameras and just above here, you'll see camera system, Sussex Grant, \$5,000. That's a \$3,000 difference. Are we talking about cameras are cameras are cameras; or something different between these two accounts? Camera system worth \$5,000, camera system requested in the Chief's budget as \$2,000? So I'm asking the Chief if they are the same bits of information?

Chief Phillips: I'm a little lost right this second. Is it on page 8, or is it on...

Councilwoman Jones: It's on page 3.

Mayor Newlands: Yes, we're only showing the building maintenance number here.

Councilwoman Jones: Well it's not having any account number, it's just saying camera system.

Mayor Newlands: Right.

Councilwoman Jones: And the County money allocated for that is \$5,000.

Chief Phillips: That's correct.

Councilwoman Jones: In your request, your budget request, under building repairs, which is 5460, there is \$5,000 in there, \$2,000 of which is for inside and outside surveillance cameras.

Chief Phillips: I'm not following that part. Where do you...

Mayor Newlands: This is the version you gave out to the Finance Committee. I don't have my copy with me either.

Councilwoman Jones: No, this is the Chief's budget I'm looking at, as well.

Mayor Newlands: That he gave to the Finance Committee?

Councilwoman Jones: Yes.

Mayor Newlands: Right.

Captain Cornwell: When we were doing... When Chief was doing that, they were asking for a break out of what you have purchased in those type of things and that was just a summary of some of the things that had been purchased, so that they could see what was being purchased with those different line items. It's not saying that that's what we're purchasing this year, that was just showing what has been purchased in the past with different building items.

Councilwoman Jones: Okay, so how do you know, or where do I find, your request for this camera system, \$5,000 for Sussex County grant paying for.

Mayor Newlands: Paying for? What do you...

Chief Phillips: We're still waiting to get bids back on what we're trying to do.

Mayor Newlands: I don't know, what do you mean paying for it? It comes out of the \$22,000 or \$25,000 we're going to get from the county.

Councilwoman Jones: Right, but over here under 5460, okay, that number of \$5,000 ought to be your projected number for what you plan to spend this year, not a number based on what you spent last year. I mean if you have this camera system, I see no new information on your budget request.

Captain Cornwell: Again, they asked for what we... general information on what has been purchased and that's what was provided to show what we purchased with those items. That's not projecting what's going to happen this year. There's a lot of things that could happen to the building, because, I mean, for one, we have a nice crack down the side of it that's going to cost more than \$5,000 to fix and we don't have any money for. There's a lot of things that happen to buildings, especially the age of that, that we can't anticipate that's going to happen. This is just what we were showing over the history of what we purchased with previous building money.

Councilwoman Jones: Okay, then let's go in another direction. This year \$2,000 was put aside for surveillance cameras. I don't know. I don't have the data in front of me whether or not \$2,000 was spent on cameras, but I do see here another \$5,000 of County grant money to be spent on cameras and that's all the more explanation there is here. Paperwork, data, anything that you can offer?

Chief Phillips: Okay, our plan is to upgrade the system, because it's a pretty old system and after about 4 or 5 years the camera heads have to be replaced and they run from everything from \$400 to \$500 apiece, so they have to be replaced and we plan on putting a couple of more cameras in in a couple of other areas, because we have some spots left on the camera system.

Councilwoman Jones: This is in addition to \$2,000 requested last year.

Chief Phillips: The \$2,000 has nothing to do with this budget here. That was what we had to purchase other cameras when they went down.

Captain Cornwell: That was giving an example of stuff that we purchased for the building in the past.

Councilwoman Jones: I completely understand that.

Captain Cornwell: That's not saying that we spent \$2,000 on cameras. Cameras was one of the things that we spent building money on.

Mayor Newlands: They had a large repair bill on the main camera system and it was, what, \$1,800 for that; that we owed Advantek?

Captain Cornwell: I can't remember off the top of my head.

Mayor Newlands: There were some prior upgrades that went on for last year and there's more things that they want to do this year.

Captain Cornwell: What I'm saying is, they wanted the information on what was being purchased with building money. Those were some examples. That wasn't \$2,000 that was put into the camera system. Those were examples of things that were done for the building.

Councilwoman Jones: Okay and I do understand that. I have a question for you. Are you saying that no where in this budget process were you asked, as department heads, to project what you possibly could spend this year, never mind what you spent last year. Have any of you estimated what you expect your costs to be and what your costs will be for, for this year.

Chief Phillips: That's why we're waiting for the estimates to come back for the upgrade, from different vendors.

Councilman Booros: Including the crack in the building, we didn't ask for money to fix the crack in the building?

Chief Phillips: No, Sir.

Mayor Newlands: Mr. Cote wants to say something.

Mike Cote: It is confusing, because I didn't make the budget request of you, but in doing a budget request I would ask for what you think you're going to spend in the coming year. I can always look up what you did in the past, so I'm not sure how that translates to these are examples of what we did and not what we're going to do. And the real question, I think the real question is the \$5,000 that's on the 5460 line...

Chief Phillips: Yes, Sir.

Mike Cote: Does it include any of the same things that any part of that camera system that's in

the \$5,000 that's supposed to be coming out of the grant money?

Chief Phillips: It's for upgrades.

Mayor Newlands: No, no, no.

Mike Cote: Is any of it... You have 5460 and you have a line and then you have a line in the budget that's not in your budget, but on the Excel spreadsheet that we're working with, there's a line that doesn't have a number designation that says... There's three lines, there's one that says...

Councilwoman Jones: Phone, camera, paint vehicles.

Mike Cote: Right.

Chief Phillips: That's correct, yes.

Mike Cote: Well the line that says camera I think it's \$5,000?

Chief Phillips: That's correct.

Mike Cote: Is any of that \$5,000 the same as the \$5,000 for the same equipment... The captain is shaking his head no, but is any of that money for the same equipment?

Chief Phillips: No, because we don't have to replace equipment that we already replaced last year.

Mike Cote: So we spent a couple of thousand to replace some last year and we're looking at probably \$5,000 this year?

Chief Phillips: I'm not sure what we paid, but I know we pay a yearly fee for the monitoring of the system, etc. and that comes out of that also.

Mayor Newlands: It's not double counted.

Mike Cote: Okay, yes, because it's not clear from the paperwork that it's not, but now that we have some explanation... Sometimes talking about it is easier.

Chief Phillips: I understand. I understand.

Mike Cote: Okay, thank you.

Chief Phillips: We'll just have to make it more clear next year, for sure.

Mike Cote: Agree.

Councilwoman Jones: Okay, the same question for me exists in the line item right above, \$7,000 for a phone system to be paid for by Sussex County grant. I see two mentions about a phone system in budget number three, which is now, as I understand it, last year's figures and have nothing to do with this year's request. The accounts are Equipment Repairs, 5480.

Mayor Newlands: 5480 is Telephone.

Councilwoman Jones: Excuse me 5480, Telephones and 5470, Equipment Repair.

Mayor Newlands: 5480 is the monies we spend monthly for the phone bills. It has nothing to do with the phone system. It's the usage of the phones.

Councilwoman Jones: Okay, so the \$7,000 for a phone system would apply...

Mayor Newlands: To the equipment.

Chief Phillips: We're purchasing a new phone system, yes Ma'am.

Mayor Newlands: The PBX, the phones, the whole system to operate that. We've attempted to go Voice Over IP and I think we were too big for the company... and we're not big at all, but they never came back with an estimate for us. The \$7,000 is for equipment and the \$12,500 is for the usage, which is the monthly fees for the air cards, the cell phones and the Comcast. He's got the phone bill down to I think \$205 a month for the station.

Councilwoman Jones: Okay, so Phone Repairs actually is the one that shows up under Equipment Repairs?

Mayor Newlands: Well any equipment repairs will show up there.

Councilwoman Jones: I'm just saying it was noted, Phone Repairs.

Mayor Newlands: Okay.

Councilwoman Jones: I was looking for something that connected them. Does somebody else want to take a turn?

Mayor Newlands: I don't think anybody else has any questions.

Councilwoman Jones: I'm not sure I need to make some of these pieces as motions, or discussions? If I make them as motions, they become votes of their own, without having any connector to the budget, isn't that correct?

Mayor Newlands: No, because you're voting on the budget. You're voting on line items within the budget.

Councilwoman Jones: So making motions to vote can then possibly amend the numbers that are being voted on finally in the budget?

Mayor Newlands: You can make a motion to adopt the budget with changes to certain line items, but we've already been through all the line items for discussion purposes. I mean that would be very unusual to do that at this point. We've already been through all of the five, six iterations of the budget in going through all of this stuff. We're at the end where we should be comfortable where all these numbers are.

Councilwoman Jones: I, for one, am not comfortable where these numbers are.

Mayor Newlands: We've been at it for five, six times.

Councilwoman Jones: I didn't dispute that. I just said I'm not comfortable with these numbers.

Mayor Newlands: I think the rest of Council might be. Does anybody else have questions? Does anybody want to make a motion to adopt the budget?

Councilman West: Mr. Mayor, I make a motion that we adopt the budget.

Mayor Newlands: Do we have a second to adopt the fiscal year 2013 budget? There's no reason not to adopt the budget. We've been at this for two months.

Councilman Booros: I think Councilwoman Jones had another question or a motion or something, so I can't...

Mayor Newlands: Well we have a motion already on the table.

Councilman Booros: I know.

John Bushey: It appears this _____ on the second here. It appears nobody wants to second it.

Mayor Newlands: We'll give it a minute or two.

Councilwoman Jones: I have a question.

Mayor Newlands: Actually we need to wait for a second, if we're going to get a second. Is anybody going to second it? Okay. Motion dies. It makes no sense. We have the money to do all this. This makes absolutely no sense.

Councilwoman Jones: It, for me, is not about the money, it has more to do with what I have heard during Public Hearings, what I've heard during Public Comment, what I get on my emails every day, phone calls and stops on the street. So, it has not quite so much to do with the discussion here. I still believe that for the most part, the part of the budget that I'm most comfortable with is the police and that's because I've been doing that for a long time. Do not take it as singling out, just know that it is something that I'm familiar with.

Mayor Newlands: But we've gone over it a number of times during these sessions.

Councilwoman Jones: Mr. Mayor...

Mayor Newlands: And this is late in the game to start rehashing all of these things that we've gone over a number of times.

Councilwoman Jones: Well my question before I open up what I plan to make as motions and see if anyone from Council will follow me is what happens this evening if this budget is not passed?

Mayor Newlands: Nothing happens. I mean, we still go on spending on a monthly basis as we have in the past.

Councilwoman Jones: And there is nothing on Monday's agenda that would allow for addition of voting on the budget or discussion again.

Mayor Newlands: No, there's not.

Councilwoman Jones: So would it call for a special meeting?

Mayor Newlands: Yes it would. For the following month. I think we've had plenty of time to go through this and if you're getting any last minute questions from the public on this, we've had plenty of time to go through all this.

Councilwoman Jones: I think there is plenty of discussion left about some of this spending.

Mayor Newlands: It should have come up way before now.

Councilwoman Jones: Perhaps my timing has not suited you. It does not mean that the issues are not important.

Mayor Newlands: I didn't say they were not important, but they should have... Excuse me, please. We've been going through the police budget a number of times. We've been going through the whole budget a number of times. All I'm saying is that we're down to doing the last few bits of details on this and we're rehashing and going through police budgets again.

Councilwoman Jones: I am going to start with police training. I still consider \$12,000 excessive for the number of officers that are trained in Milton. I would make recommendation that a portion of the \$5,000 SALLIE money be applied to the training line item and that I make a motion that we reduce line item 5180, under Police, from \$12,000 to \$8,000. It's a motion.

Mayor Newlands: Are you also adopting the budget? We don't need motions on each individual line item.

Councilwoman Jones: Then I'll make it a motion for contingent on passing the budget, but I think that this will, again, depending on how Council would vote, would amend some of the figures on the budget. But there's a motion...

Mayor Newlands: But we're at a point now to adopt the budget. If you want to adopt the budget with an exception to what's already here, you can do that. But we don't vote on individual line items, we never have.

Councilwoman Jones: I disagree. I absolutely, absolutely stand firm and tell you I do not agree with it and I don't believe you have any protocol to say it can't be done.

Mayor Newlands: Well we've gone through the final discussions on the budget, which we've done and we went through and voted on a merit increase and now we're at the point of adopting a budget. We don't have anything other than that. So it would be adoption of the budget, with exceptions or changes to certain line items and it would be done as one motion.

Councilwoman Jones: I believe that is curtailing the power of the Council to make a motion on a line item and I would ask for...

Mayor Newlands: In the past, we've taken consensus on line items or discussed it and that's how we've changed this budget all along, without taking any motions. That's how we've done it in the past. That's how Economic Development got their money, through a consensus. There was no vote taken. It was done in a workshop.

Councilman Booros: There couldn't be a vote taken, because it was a workshop.

Councilwoman Jones: It was a workshop.

Mayor Newlands: That's what I just said and we changed it.

Councilman Booros: This is not a workshop.

Mayor Newlands: I understand that but what I'm trying to get to is we did make a change to it, without taking a vote.

Councilman Booros: Council voted last year on a line item, to reduce two police officers by attrition this year, if they left. That was done during the budget process and that was the line item of reducing salaries, through attrition.

Mayor Newlands: That was an agenda item, as well.

Councilman Booros: It was a vote.

Mayor Newlands: We don't have an agenda item, so I mean if you want to make a recommendation and Council wants to go along with reducing the line item, we can do that and

discuss it, but we don't need to vote on it.

Councilwoman Jones: I withdraw the motion. I make a recommendation we reduce police training, line item 5180 by \$4,000, thus leaving \$8,000 in training, with the encouragement to use a portion of SALLIE money, that's what I recommend.

Mayor Newlands: Can SALLIE be used...

Chief Phillips: It's against the law to supplant SALLIE grant money or EDIE money. I could go to jail and you will go to jail, since you made that statement. I promise you.

Councilwoman Jones: Supplant what? Supplant what?

Chief Phillips: You just said take \$5,000 from SALLIE and put it in...

Councilwoman Jones: No I did not. No I did not. No I did not.

Chief Phillips: \$4,000, excuse me.

Councilwoman Jones: No I did not.

Mayor Newlands: You want to pay for training with SALLIE money.

Councilwoman Jones: No I did not. I said reduce. I make the recommendation to reduce police line item 5180 by \$4,000, thus leaving \$8,000 and I would encourage you, the Chief of Police, to look at your over \$5,000 worth of SALLIE money to help with your training budget. That is what I said. I don't believe that's going to jail.

Chief Phillips: It's the same. It's the exact same thing. Yes it is. It cannot be supplanted.

Mayor Newlands: Hold on. Hang on. Hang on.

Councilwoman Jones: No it is not.

Chief Phillips: It cannot be supplanted.

Mayor Newlands: What you're saying is you want us to use SALLIE money to...

Councilwoman Jones: I said I encouraged you to look at the use of SALLIE money...

Mayor Newlands: For training.

Councilwoman Jones: For training.

Mayor Newlands: Can we do that? Are we allowed to do that? Can we pay for training out of SALLIE?

Chief Phillips: After the statement she just made, it's illegal; I'm telling you that now; it's illegal to do what she just said. You've already put the precedent out there, that this is your plan; you're going to take money off the table and put it somewhere else. You can't do that, that is against the law. I assure you. Call Debbie Golden tomorrow she'll tell you.

Mayor Newlands: But can we...

Councilwoman Jones: I assure you that is not the recommendation on the table. I do not know what you're hearing over there. I'm looking at a Police Sargent of 36 years back here, who understands what I'm talking about here. I'm not going to jail for anything I just recommended.

Chief Phillips: Well I'm telling you, you are not allowed to remove items from the budget and supplant it with something else. You cannot do that and that is basically what you just said. It would be up to a court of law to decide, but I'm not willing to go through that, no.

Councilwoman Jones: I'm not going to be going through that either.

Chief Phillips: Well, unless a lawyer makes a decision, I'm not good with that. No.

Councilwoman Jones: My recommendation is to reduce training line item 5180 by \$4,000, leaving \$8,000 in the line item.

Mayor Newlands: And where are we going to get the money?

Councilwoman Jones: You know what? That's not my part of this conversation. I made a recommendation. I encourage someone to look at their funding. Apparently that's against the law. My recommendation is to drop it by \$4,000.

Mayor Newlands: What part of training do you recommend we drop?

Councilwoman Jones: So we wanted to hear... That's a department head's decision. You don't want us to micromanage. You have a recommendation on the table you said you would consider

consensus of Council's opinions, so can we hear the consensus of the Council's opinion?

Mayor Newlands: My consensus is no, because last year we cut it in half and we had to put it back again because of all the training needs.

Councilwoman Jones: And we didn't come back to add any other money, to any other police line items that went over. We only came back to ask for...

Councilman Booros: Just training.

Councilwoman Jones: Training money being increased.

Mayor Newlands: Uh-huh.

Councilwoman Jones: That was driving a point home. I'm well aware of what it was.

Councilman Booros: Yes we did not come back for overtime. We did not come back to Council for anything but that \$5,000 training money and it was to do nothing but to drive a point home.

Mayor Newlands: I don't think so.

Councilman Booros: Well, you didn't make them come back to go over the overtime.

Councilwoman Jones: I'm listening for a consensus, Mr. Mayor.

Councilman Booros: You've got my consensus on that one.

Mayor Newlands: Not mine. And you Councilman West?

Councilman West: I've got my consensus on it.

Mayor Newlands: We don't?

Councilman West: Nope, nope, I don't agree with Councilwoman Jones.

Mayor Newlands: Councilwoman Patterson?

Councilwoman Patterson: I wish I understood this a little bit better.

Mayor Newlands: A yes or no.

Councilwoman Patterson: Um, I guess I go along with Councilwoman Jones.

Mayor Newlands: Anything else Councilwoman Jones?

Councilwoman Jones: Yes. I make a recommendation under line item 5470, Repair and Maintenance of Equipment. We're going to use \$7,000 of grant money on what I hoped would be the most expensive item that might relate to Repair and Maintenance of Equipment. In that line item is \$5,000. I would like to cut that by \$1,000, thus leaving \$4,000 in that line item, because frankly without something to see, I don't know that a phone system... I'm taking it on faith that this phone system is exactly \$7,000 and I'm not convinced, so I would like to take another \$1,000 burden off the taxpayers and reduce line 5470 by \$1,000.

Mayor Newlands: We've already spent \$6,200 this year on Equipment Maintenance. So you're looking to cut something below what we've already spent; below our current spending period is right now.

Chief Phillips: We're in the process of upgrading our computers to Windows 7, because we have to get ready for this change that's coming and it's not a cheap thing. The towers that we have, we received from the LISO program from the government, for free, but the programs that we need to put in there cost money; also laptops when they break down, they need to be repaired.

Councilwoman Jones: And I understand what you're saying Chief, however, this whole budget process is so flawed that I have no idea what you're anticipated expenditure is for next year, whether it is because you were not asked the right question... I can't tell, but I can only tell you that from up here and I see \$25,000 worth of grant funds available to this town. I'm trying to take some of that money back, off the taxpayer's burden. That's all I can tell you. This information that you provided to the budget committee is not helpful.

Chief Phillips: Well grant-wise we bought a lot of things. We bought a \$50,000 generator on a grant; we've gotten numerous other equipment, recording systems and things on grants, so we have saved the taxpayer's a mess of money, dealing with grants, because luckily we have access as the State of Delaware Police Department's to use a lot of grants and get a lot of grants, where other departments for our town does not have that luxury.

Councilwoman Jones: I made this statement last year. I'll make it again. Grant money is not free money. Grant money is still my taxpayer money and I believe, this is my feeling, this is not designating any grant coordinator to moving their money onto my budget; but \$25,000 of reciprocating taxpayer money should come out of this budget. I'm not cutting, even with what I've recommended so far, anywhere near \$25,000, which belongs just to the Sussex County Grant, of which \$10,000 is being said is going to pay for fuel.

Chief Phillips: Say that last part again.

Councilwoman Jones: And \$10,000 of your \$25,000 is to be paid for fuel.

Chief Phillips: Yes, Ma'am.

Councilwoman Jones: Okay.

Mayor Newlands: Okay, we have a suggestion on the table to ask for...

Chief Phillips: The other items I'm looking at, we desperately need in that grant.

Councilwoman Jones: I understand.

Chief Phillips: And instead of coming to the town and taking it out of other line items, that's why we put in for a grant for those things, so we could save the taxpayer's money.

Mayor Newlands: Okay, we have a suggestion to reduce the equipment by \$1,000. I mean there's a building, there's cars, there's all sorts of equipment these guys have that has to get maintained; \$5,000 is not a lot of money.

Councilman Booros: I don't have a problem with reducing it by \$1,000. I really have a problem with the fact that you have a building that's cracking and you haven't asked for the money to fix it in this year's budget. I really have a problem with that. If you need the money, it should be there somewhere and we shouldn't be juggling around equipment money or this money or any other money to fix your building if it's cracked and it needs to be fixed. That's how flawed...

Chief Phillips: We just did fix the leak on the roof.

Councilman Booros: Well that's how flawed this system is, because we should have a number in here for fixing your building, because how can we propose a budget for next year?

Mayor Newlands: Actually, he called Dry Zone and we never got a response back to come and look at this, so...

Councilman Booros: This is a once a year budget thing, where we're coming here to do the annual budget. You've got a building that needs to be fixed. We should know the dollar amount of what that building will cost to be fixed and not cut you short on fixing the building. This nickel and dime and \$1,000 here and \$1,000 there, what you use your grant money for; I'm personally take \$1,000... You're going to find it somewhere, whether you find it on some piece of equipment that we're outfitting or painting... The money is coming from somewhere. I don't know where the heck you all are getting it all year long to get all these free vehicles and not costing the taxpayer's anything, because they all have lights and bells and whistles going on in them; so the money is coming from somewhere. So nickel and dimeing it... Yeah, cut it \$1,000 bucks, but I want to know where we're going to come up with money to fix your building. That's what I want to know.

Councilwoman Jones: And Dry Zone? Are they structural folks? You said a crack. That's a...

Chief Phillips: They came to give us a price, but they never got back to us.

Councilwoman Jones: Dry Zone?

Chief Phillips: That's correct.

Mayor Newlands: Yes, they came in and they were going to fix some other water leaks we got and things.

Captain Cornwell: They just fixed a building downtown where they were having structural problems and where it was shut off a little bit, I believe, and they had to directional borer bore down in to add support to that building, so that is one of the things that they do. They came in and they've never given us a cost estimate.

Councilwoman Jones: So we have no ideas, as Councilman Booros, of what we're putting on the budget for a job like that. It sounds like a capital improvement to me. How are we going to float that?

Mayor Newlands: We don't have an estimate yet. I don't know.

Councilwoman Patterson: I think some of the frustration is that the projections are... We're not projecting what you need, using concepts of what we actually need for next year, it's just using what was in the past and what we're trying to do is really not to put so much of a burden on the taxpayer's, we're just trying to figure all this out. With the budget that we have, we're just using actuals of what you used last year, not what you're projected to use this year and so for us, it does, it's frustrating.

Captain Cornwell: I understand that and Councilwoman Jones let everyone know that she's been dealing with Police Departments for awhile as Secretary to the Chief.

Councilwoman Patterson: Well, that's what she does.

Captain Cornwell: Yeah, I understand that, but we have a lot of equipment and we can't figure out what's going to go bad whether it's a rifle that's going to mess up; whether it's a laser... I can give you examples of the past. When lasers messed up it cost about \$900 to fix it, because there are mirrors inside of it that had to be repaired. There's different things that come up. We have laptops, we have PC's, we have pistols, we have all kinds of equipment.

Councilwoman Patterson: But the grants don't pay for that? Or that comes...

Captain Cornwell: We actually use the grants to buy equipment that the town can't afford to buy. We use that...

Councilwoman Patterson: Well we can't use that to fix equipment that we have?

Captain Cornwell: A lot of your grants are for enhancing, like taking, I'll give you an example. The guns. The guns were going on ten years old, that's not acceptable; about five, five to six years replacement for guns. So we use that as an enhancement to upgrade our guns to newer guns so the town didn't have to take that cost from the taxpayer's of the town. I'm a State taxpayer, I'm a Federal taxpayer, just like everybody else, so hearing about whether it's State, County, whatever, I'm a taxpayer also. We use these grants to pay for a lot of times, the things that the town cannot afford to pay for.

Mayor Newlands: And the grants are used to buy equipment that they're anticipating other things that go in maintenance. You have a radar that goes down and has to get repaired, sent out to get repaired, they're not planning on that happening, but it happens and you can't get grant money for that, because you would be sitting there waiting for the grant money.

Councilman Booros: Has anyone ever done...

Chief Phillips: If I could draw your attention to the front page, 5470, Repair and Maintenance Equipment to the Town Hall, there's is \$15,900. I think that would be a good place to start cutting, if you're going to cut anywhere. We're only asking for \$5,000. We have more computers and more equipment in our building, etc., etc., than they do and yet they have \$15,900 in theirs.

Councilman Booros: Can I ask a question on the repairs, has anyone ever done a life cycle analysis to see, instead of replacing twelve guns, all at one time, we replace three this year, three the next year, three the following year; instead of hitting up whether it's the grant money or the taxpayer's money; whoever's money it is all at one time, why do we buy eleven tasers all at one time. Why don't we take the three oldest ones, or the four oldest ones this year, four next year, four the following year.

Chief Phillips: The equipment needs to be standard and to the norm. If we were to do that, if we were to buy three every year, in 9 or 10 years from now, the others would be obsolete and then the officers would then not know how to function them. Sometimes things change on equipment like that and we can't do it that way. It would be a good idea, it's just not feasible.

Councilman Booros: Even like with the laptops; you can rotate laptops. When we didn't get an

increase in our budget, we would say okay you all got the oldest laptop, we're going to give you five new ones this year.

Mayor Newlands: They've been doing that.

Captain Cornwell: We've done that.

Chief Phillips: Yes, Sir, we have done that. We actually...

Councilman Booros: But now we're getting 11 desktops.

Chief Phillips: The State bid is for Dell's and they're approximately how much apiece?

Mayor Newlands: It's not eleven.

Councilman Booros: They've got eleven already.

Mayor Newlands: Laptops, not desktops.

Councilman Booros: How about seven of them.

Chief Phillips: About \$1,500 apiece. We actually get Acer's and we pay like \$400 for them, so we save a lot of money in that aspect. Also, there was a grant that we got some new laptops with from the State of Delaware.

Councilman Booros: So you buy them all at one time?

Chief Phillips: No, we bought a few...

Captain Cornwell: The State did that, not us.

Chief Phillips: The State did that, we didn't do that. The State gave it to us. Just like our portable radios and our other radios, they're going to survey now and talking about upgrading our police radios and our Walkie-Talkie radios, because they're becoming obsolete and there's no parts for the other one, so the State is going to do a mass assistance to us, some sort of grant...

Captain Cornwell: They're going to do a bond bill.

Chief Phillips: A bond bill to help us get this and take care of paying for it, so it doesn't cost the taxpayer's here any money.

Councilman Booros: No and I appreciate that, but I'm talking about the stuff that does cost the taxpayer's money, like buying eleven new guns at one time or eleven new tasers.

Chief Phillips: It didn't cost the taxpayer's any money for the guns. We used it with a grant.

Mayor Newlands: They were all grants.

Captain Cornwell: They were all grants.

Mayor Newlands: The laptops, the lasers, the guns – they were all grants.

Captain Cornwell: I'm a taxpayer too.

Mayor Newlands: Those were all grants. None of them came out of the budget.

Chief Phillips: That's why we do it that way, so it doesn't impact the town to have to purchase weapons like that, Sir.

Mayor Newlands: So back to equipment. Are we reducing this or not?

Councilwoman Jones: I'm going to withdraw my recommendation. He needs the line item. I'm fine at \$5,000.

Mayor Newlands: Okay. Anything else?

Councilwoman Jones: Yes. Last year the Council voted to reduce the police force by two officers by attrition. That was never necessary, as officers never left. It is my recommendation and I still hear this from the townspeople, to reduce the police force by two officers, effective April 1, 2013, allowing folks to get their houses in order and look for other employment. If...

Mayor Newlands: Staffing is not part of the... Staff size is not part of the budget, right now.

Councilman Booros: Cutting the salaries and the insurance...

Councilwoman Jones: Cutting the salaries is.

Councilman Booros: And the uniforms and everything else that goes along with it, sure is part of this budget.

Councilwoman Jones: And if officers leave, just between now and April, it would be considered fulfilled.

Mayor Newlands: Have you made any analysis on the impact it would be if we had to reduce the force, what the schedules would be like? What the coverage would be like?

Councilwoman Jones: Mr. Mayor, I believe that with...

Mayor Newlands: I'm asking a question and I would like him to answer the question.

Councilwoman Jones: Okay. I believe that... Is there a study done? Have I done a study?

Mayor Newlands: No. Have you done any studies and any analysis to find out what the impact of reducing the force would be; whether it would impact the schedules; will it impact 24/7?

John Collier: Public safety is the only issue you should be concerned with respect to the size of the Police Department.

Mayor Newlands: Public safety. Thank you. Has any analysis been done as far as that goes?

Councilwoman Jones: I haven't done any analysis.

Mayor Newlands: So you're sitting here recommending that we reduce the size of the Police Department without knowing the impact of the safety to the citizens?

Councilman Booros: That was already voted on last year was to reduce them by two and I think that it was beat to death last year and the only...

Mayor Newlands: So why are we bringing it up again this year, if it was voted on?

Councilman Booros: Because it didn't happen and it's got to happen.

Chief Phillips: The only thing I can tell you is that violent crime is down and that's what that grant was for, that we got, to help deter violent crime and by having boots on the ground, it has improved the quality of life here. There was another home invasion in Lincoln the other night. There are home invasions going on all around and knock on wood, we have not had one in awhile, so...

Councilman Booros: I pulled the minutes out from last year's budget hearings and read every word of the minutes, and the minutes specifically said that when we get these officers out of the academy, our overtime will reduce and it was said by both of you, I think. I've got the minutes... Actually I may have them here in the book and it was asked over and over again by Councilwoman Hudson; it was asked by Councilwoman Betts and the answer was that as soon as these three guys are out of the academy and they're working for the force, our overtime's going to go down, our overtime's going to go down. Your overtime never went down. It went up and it exceeded the budget for this year.

Chief Phillips: Well the only thing I can tell you that made up the difference for that is that they were proactive, but also the fines have gone up extremely a lot also Sir.

Mayor Newlands: The overtime actuals for 2011 were \$57,000, so it has gone down. We budgeted a lot less for overtime. We budgeted a lot less for overtime. It was \$57,000 in 2011.

Councilman Booros: The Councilwoman has made a recommendation and I'll go along with her recommendation. Period.

Mayor Newlands: We did this vote last year, so I don't see why we need to do it again this year.

Councilman Booros: Well Councilwoman made a recommendation and I'll go along with her recommendation to give it six months to April 1st. That gives everyone an opportunity and if two officers leave between now and then, the original by attrition, would take place.

Mayor Newlands: I say no.

Chief Phillips: We still have the Federal Grant thing to deal with, also Sir.

Councilman Booros: Yes, that was supposed to have been dealt with this past budget year also and it never was.

Chief Phillips: My understanding is that Council... Someone sent a letter, but we never heard anything back yet.

Councilman Booros: I read the letter, Sir. The letter did not require a response. The letter did not require a response.

Chief Phillips: I didn't see the letter. I don't know, Sir.

Councilman Booros: It did not require a response. I saw it.

Chief Phillips: Okay.

Councilman Booros: Okay. Did not ask for a response.

Mayor Newlands: I didn't write it.

Councilman Booros: But I did give you copies of the website, if you need to get out of the grant, all you have to do is fill it right out on the website and hit Enter and tell them the circumstances; there's no letter required.

Mayor Newlands: The item you gave me was if you had 50% match in there; we don't have 50% match in there. That was the item you gave me.

Councilman Booros: Trust me, you can get out of this grant and Sir, it's been a year.

Chief Phillips: So we want to get out of this grant, when the FBI has done a study, they've done an actual study of the reports, showing that we needed this because of the crime rate we had with burglaries, home invasions, robberies and they believe we need these officers, so we believe that they don't know what they're talking about, so we need to downgrade. Is that what you're saying?

Mayor Newlands: If you got rid of two officers and you get rid of the grant, the net effect is the saving for one officer.

Councilwoman Jones: Doing what?

Chief Phillips: I've been doing this job for 25 years and I'm tell you...

Mayor Newlands: The net effect is you would be saving one officer.

Councilman Booros: The grant ends soon, doesn't it?

Mayor Newlands: No. It doesn't end until the end of 2014. It doesn't end soon, we're just into the first year.

Councilwoman Jones: The end of 2014?

Mayor Newlands: We just finished the first year of the grant. This is the first year of the grant we're just finishing.

Councilman Booros: We've never asked if we could use the grant for the ninth officer. We've never asked the question in writing, we have never asked the question, if they would allow us to use that grant money for the ninth officer, instead of the eleventh officer. It has been one year since last budget, when it said it would be asked and we would get an answer and we don't have an answer yet.

Mayor Newlands: We sent the letter in to them and we did not get a response.

Councilman Booros: We sent a letter and I read the letter and the letter did not solicit a response from anybody. The said what we intended to do. Never asked for a response. Never asked if we could every apply for another grant, if we gave up this grant money. You never asked if we could pay for the ninth officer, if we got rid of two. Never asked. I've read the letter.

Councilwoman Patterson: This was a big decision. I did sit and listen last year to reduce the force by two and we never heard back about the grant.

Mayor Newlands: We were asked to send them a letter. We did and we never heard back from them.

Councilwoman Patterson: We were asked to find out what would happen; not to send a letter, but to actually get information.

Councilman Booros: Get an answer.

Councilwoman Patterson: Because this was a big decision. It was made last year.

Councilman Booros: Get a quote for the crack in the building. Get an answer.

Councilwoman Patterson: And they sat up here, just like we are now and had to make these decisions and it would be nice to have had that information.

Councilman Booros: I go along with councilwoman's recommendation that by April 1st and that these things be cut appropriately, based on probably, unfortunately, the lowest paid officer's

salary, insurance and everything else.

Chief Phillips: So some of the new officers that just got out of the academy and have babies and have families, they're going to have to start looking for another job at this stage of the game...

Councilman Booros: They sure do.

Chief Phillips: When they put faith in us to hire them because we got a grant.

Mayor Newlands: See, I'm lost. We have a balanced budget, so I don't know what we're doing here. We have a balanced budget. We can afford this. We can afford...

Councilwoman Jones: We're overspending. I think it's as simple as that.

Councilwoman Patterson: We don't seem...

Councilwoman Jones: I'm sorry, councilwoman.

Councilwoman Patterson: I'm sorry.

Councilwoman Jones: We're overspending. The public has so stated.

Mayor Newlands: But we have a balanced budget. We can afford this. This is...

Councilwoman Patterson: We do, but we don't have in the budget in case the police building with the crack in it costs a significant amount of money to fix.

Mayor Newlands: You're going to get rid of two officers because of a crack in the building?

Councilwoman Patterson: No. No.

Mayor Newlands: Yes, you are.

Councilwoman Patterson: No.

Mayor Newlands: Yes you are.

Councilwoman Patterson: We're trying to not just go up to the end of the... Just to use all the money we have in the budget.

Mayor Newlands: But we've explained that we do have excess money.

Councilwoman Jones: We're trying to be responsible to the public.

Mayor Newlands: And we are. You have a balanced budget. You don't need to do any other cuts. You've been doing cuts throughout the year for the last 2-1/2 years we've been doing cuts.

Chief Phillips: Why are we not taking it out of Equipment Repair, \$15,900 off of Administration. That seems excessive to me. You know, it seems like the Police Department is taking the hit of all this and there must be a reason why the Police Department is taking a hit on all this.

Councilwoman Jones: Chief Phillips. Chief Phillips. Chief Phillips. We're talking about the police budget.

Chief Phillips: That's correct. It's always about the police budget.

Mayor Newlands: I don't know why we're talking this late in the game about reducing staff. We've been at this five or six times.

Councilwoman Jones: It doesn't matter whether it's late or not.

Mayor Newlands: Yes it does, because it's really blindsiding everybody that's trying to get this thing to the end, that's why. Because you want to get it as the last discussion.

Councilwoman Jones: I would like to remind here, this Council, that this budget was derailed when we waited almost four weeks for it to go back to Finance.

Chief Phillips: You can thank the Town Manager for railroading that idea.

Councilwoman Jones: I'm not thanking anybody. I'm making a point and I'm saying...

Chief Phillips: I am. I'm thanking him.

Councilwoman Jones: I'm not pointing any fingers, Chief Phillips, thank you.

Chief Phillips: You're welcome.

Mayor Newlands: The point that I'm making is that we've been at this five or six times, as a Council, and this is the first time anybody's brought up anything about reducing the police force and I think it's really bad form to just do this at the last minute, when we're about to adopt a budget; when there's no chance for discussion; no chance for investigation; no chance for

analysis; no chance for anything. I think it's really, really, really bad management to try and do that.

Councilwoman Jones: I think that there have been a couple of things that have been in bad form as we are trying to pass this budget.

Mayor Newlands: But not reducing two individuals off staff.

Councilwoman Jones: I did not hear you protest this much last year. Two officers, by attrition last year, it was voted for by majority. It just didn't happen this year, fortunate for all of those who are still employed. This is not something the Council is choosing. You don't hear me saying that I make the recommendation that in 30 days they're gone, because that's what your Personnel Policy calls for, notification.

Mayor Newlands: Well, the issue is there on the table. I say no.

Councilwoman Jones: I know that.

Councilman Booros: I say yes.

Councilwoman Patterson: I say yes.

Councilman West: I say no. Because I thought when ex-Councilwoman Hudson made that motion and it was adopted, that it was when they left through attrition, at no certain time.

Mayor Newlands: Correct.

Councilman West: That when they left, they were not to rehire anymore cops.

Mayor Newlands: Correct.

Councilman Booros: That's what it was. They never left.

Councilwoman Patterson: I was told that because it didn't happen in the course of the past year that it would have to be voted on again.

Councilman West: No.

Mayor Newlands: No.

Councilman Booros: It could still be by attrition.

Councilman West: It's continuous upon attrition, the way Councilwoman Hudson did it last year.

Councilwoman Patterson: Then it's continuous.

Councilman West: Yes.

Councilwoman Patterson: Okay. So I actually like it continuous on attrition.

Mayor Newlands: So no change from last year, basically?

Councilwoman Patterson: No change from last year.

Councilwoman Jones: No change.

Mayor Newlands: Any other changes?

Councilwoman Jones: I do have a few, but I can see that discussions in reference to certain matters are going to be left dangling for another year, because I see very little conviction at this table. So I have nothing else.

Mayor Newlands: Can we get a vote to adopt the budget, a motion, I'm sorry.

Councilwoman Patterson: Mr. Mayor, I make a motion to adopt the budget...

Mayor Newlands: The fiscal year 2013 budget?

Councilwoman Patterson: The fiscal year 2013 budget.

Councilman West: I second that.

Mayor Newlands: We have a motion and second to adopt the fiscal year 2013 budget. Any further discussion? Let's take a roll call vote.

Councilman Booros: As amended?

Mayor Newlands: I'm sorry, as amended.

Councilwoman Patterson: As amended.

Mayor Newlands: Emory, could you just second, as amended.

Councilman West: As amended, yes, I second that.

Councilman Booros	No
Councilman West	Yes
Councilwoman Jones	No
Councilwoman Patterson	Yes
Mayor Newlands	Yes

Mayor Newlands: The budget is adopted.

8. Executive Session: Discuss Personnel Issues, Litigation and Land Acquisition

Mayor Newlands: No Executive Session.

9. Adjournment

Mayor Newlands: Can we have a motion to adjourn?

Councilman West: I make a motion to adjourn at 7:23 p.m.

Councilman Booros: Second.

Mayor Newlands: We have a motion and a second to adjourn. All in favor say aye. Opposed.

Motion carried. Thank you very much. Good night.

