

Budget Committee Meeting

October 23, 2023

Present: Nick Smith, William Carrow, Mary Ellen DeBenedictis, Ryan Paisley, Shaun Flatter, Robert Cote, Carl Hutson, and Sue Muncey were in attendance.

Mr. Smith brought the meeting to order at 7:00 p.m. Mr. Smith stated a quorum has been met. The purpose of the meeting was to discuss and/or vote on the 2024 fiscal year budget.

Mr. Smith turned the meeting over to Mr. Cote. Mr. Cote stated a lot of work went into the 2024 preliminary budget by Chief Hutson, the Department Heads, and himself. Mr. Flatter and Mr. Paisley reviewed the budget prior to the meeting. The expected revenue is \$7,045,467.08. The expected expenses are \$7,120,647.85. This leaves a deficit of \$75,180.77. Mr. Cote stated he budgeted the revenue on the low side and hopes it comes in higher. He budgeted the expenses on the high side and hopes they come in lower. Mr. Cote asked if the Council wants him to go line by line. Mr. Carrow stated not line by line unless you need to address something. Mr. Smith and Ms. DeBenedictis agreed.

Income

Mr. Cote discussed the Realty Transfer New and Existing. We are below our goal in existing. He decreased the 2024 lines due to the decline in building and mortgage rates increasing. He reached out to the developer of Old Country Farms – no projected building. There are approximately 300 homes to build in Old Country Farms. The developer for Old Country Farms stated as of right now there is no projected building in that neighborhood. No reason was given. He just said there is nothing on the schedule as of now. The only business they have done in fiscal year 23 was put up four (4) spec houses which have been issued the Certificate of Occupancy. Mr. Carrow stated Ryan Homes has built about 150 homes. Mr. Cote stated he is estimating 20-22 homes to close in Ovations.

The Customer Service Charge is at 92%. He increased to 1600 accounts. The trash has a 3% increase. This will be a pass through. The Electric Sales are at 82%. Chris Simms from Smart Utility Management gave the number. This is before DEMEC votes at their December Board Meeting. They could increase the rate. Mr. Smith asked when the increase would go into effect. Ms. DeBenedictis stated January. Mr. Smith asked Mr. Cote to explain the Secondary Income. Mr. Cote stated this is the cost to install the electric at each new home. He stated 40+ homes at \$800 each. Mr. Smith mentioned the Utility Deposits – that is not ours. Mr. Cote discussed the sale of the water system. FY'27 will be the last year we receive income from the sale. We need to start planning the loss of this revenue line. We need to think about this. Mr. Cote discussed Sewer Sales. This reflects a 9.70% increase.

Mr. Hutson discussed the Public Safety income. The SRO Grant has another \$20,000 owed. Mr. Smith asked if they needed another officer for the middle school. Mr. Hutson stated that would be a conversation with the school district. Mr. Smith asked about CJC and SALLE.

Expenses

Mr. Cote stated the Town FICA Control includes the AFO and the part-time PW Technician. This also includes the loss of the Public Works Manager and full-time Customer Service Specialist. Account 611-100 includes the AFO and the loss of the full-time Customer Service Specialist. Mr. Cote stated we should receive the Milliman report soon. The overtime salary was decreased to \$10,000. Mr. Smith asked if the health insurance included the new position. Mr. Cote stated yes. Mr. Smith said to remove the Bad Check Expense. Mr. Cote stated account 612-220 needs to be ADA compliant. He spoke with IT. Account 612-230 was increased an additional \$5,725 to outfit the L&I vehicle. Mr. Carrow asked if we will still need the Accounting Consulting Expense. Mr. Smith stated they need to get us current. Mr. Cote stated for account 618-100 it was recommended that he join ICMA. He is confident to join now. Mr. Paisley asked about the National League of Cities. Mr. Cote stated there is enough in that line. Mr. Flatter asked about training for the Code Enforcement Officer. Mr. Cote stated he has his own line. Account 618-120 increased slightly. Account 618-200 increased \$2,500 – maybe add a concert. Mr. Cote recommends increasing accounts 618-210 and 618-220 under donations. Mr. Smith, Ms. DeBenedictis, and Mr. Paisley had no issue. Mr. Flatter stated 618-220 is not a non-profit. Mr. Cote stated both will lose transfer fees eventually. Mr. Flatter asked if the fire company was a non-profit. Mr. Smith stated yes.

Mr. Hutson discussed the Public Safety expenses. The salary line increased 1.5%. Account 763-100 approximately \$14,000 is Axon body cameras. We received the money in 2022 but paid for them in 2023. Account 763-120 increased. Account 763-140 increased. Clothing Issue is high due to the bullet proof vests. Account 767-100 is higher this year due to replacing a transmission. Mr. Hutson stated he increased the air cards line. CJC Grant – you have three years to use the money. There was money left over from last year.

Mr. Cote stated account 773-100 was increased for training. Under Public Works account 781-100 includes the loss of the PW Manager position. Mr. Cote would like to lower account 781-110 to \$40,000. He would like to increase account 781-100 by \$10,000 to put the crew on a standby schedule. Mr. Smith stated it needs to go to a Personnel Meeting or you can put on the Council agenda for November. Mr. Cote stated account 781-120 increased. Mr. Smith questioned account 784-220 and asked why it was lower. Mr. Cote stated this year we had more expenses. He took an average over the last five years. Mr. Smith asked about account 784-260. Mr. Cote stated that is the line item used for patches.

Mr. Cote stated the park dedication will be December 16 at 10:00 a.m.

Mr. Cote stated account 785-100 was increased by 3%. Account 785-140 decreased. We only have to maintain. He asked about the condition of the dump. The quote for grinding is \$25,010. Mr. Cote stated he is working with Maryland Transit Authority regarding the water and sewer line. We should only have to pay for sewer. Mr. Cote stated this leaves a deficit of \$75,180.77.

Mr. Cote wanted to discuss the Capital Improvement Accounts. Last year we had an excess, this year we do not. Mr. Cote read the amounts in the reserve checking accounts. He would like to wait until December to determine these line items. If we have an excess of \$1.4 million at the end of the year put this into the reserve accounts this year instead of next year. Mr. Smith stated to put the items on the December agenda. Mr. Cote stated he will adjust account 781-100 to increase \$10,000 and decrease \$10,000 from account 781-110.

Mr. Paisley made a motion to adopt the fiscal year 2024 budget as presented. Mr. Flatter seconded the motion. Motion carried unanimously.

Mr. Smith asked for a motion for adjournment.

Mr. Paisley made a motion to adjourn. Mr. Carrow seconded the motion. Motion carried unanimously. The meeting was adjourned at 8:55 p.m.

Recording Secretary,

Sue Muncey