

Budget Meeting

July 6, 2022

6:30 p.m.

Present: Nick Smith, Mary Ellen DeBenedictis, William Carrow, Ryan Paisley, Town Foreman Jeff Hurlock, Chief Carl Hutson, Town Manager Robert Cote, Recording Secretary Sue Muncey, and Jonathan Burnett were in attendance. Mr. Valentine was excused from the meeting.

Mr. Smith brought the meeting to order at 6:30 p.m.

Review and discuss reserve account policies

Mr. Smith stated he would like Council to approve the allowance of Mr. Cote to review and implement policies on all the reserve accounts. Currently there are no policies. Mr. Cote will review and implement an investment policy. The reserve accounts policies need to be reviewed and individualized. Mr. Carrow asked about the in-place policies. For the impact fee, would the current ordinance supersede? Mr. Smith stated this is only for the reserve accounts. The impact fee is set in place.

Discuss and vote on capital improvement account

Mr. Smith wanted to discuss a Capital Improvement account. He would like to transfer \$3.1 million from the General Fund from the acquisition from Artesian Water Company. A policy for usage will be drawn up. Ms. DeBenedictis asked about investing the money. Mr. Smith stated he does plan to invest money after the policy is drawn up. Mr. Carrow asked about next year's payment. Mr. Smith stated right now I am only doing this year's payment. Mr. Cote wanted to clarify what the Mayor wants done. He stated the Storm Water Reserve, Sewer Capital Reserve, and the Capital Improvement Reserve would be one document. Mr. Smith stated the Capital Improvement Reserve would be its own policy.

Mr. Carrow made a motion to create a Capital Improvement Reserve Fund. Three point one million dollars (\$3.1 million) would be transferred into this account from the acquisition of Artesian Water Company. Mr. Paisley seconded the motion. Motion carried unanimously.

Review income and expenditures from ARPA and Impact Fee accounts

Mr. Smith stated he wanted to show Council the activity of the ARPA and Impact Fee accounts. Everyone received a summary of activity for each account in their packets. The balance of the Impact Fee account is \$4,246,412.81. Mr. Carrow asked when the impact fee payments go out. Mrs. Muncey stated they go out quarterly. She stated the school impact fee account goes out annually. Mr. Carrow asked how the developers pay. Mrs. Muncey stated by permit. Mr. Carrow asked how this worked for Railroad Square Apartments. Mrs. Muncey stated they paid by unit (number of apartments). Mr. Smith stated in everyone's packet is a summary of ARPA activity for 2021 and 2022. The town received the second trench on 6/23/22. The legal fees were removed before the check was issued. Mr. Smith reviewed the expenses. Mr. Smith stated engineering costs should be paid from the General Fund. Any

expense over \$50,000 has to go to bid. Mr. Carrow asked about the sewer project. Do we have to look for grants? Mr. Smith stated the project has three (3) phases. We put in for a 50/50 grant. Mr. Carrow asked when they will be starting the project. Mr. Smith stated Mr. Cote found some clerical errors in the contract and they had to re-do it. Mr. Cote should receive any day. A meeting is scheduled for 07/12/22. Mr. Carrow asked about premium pay? Mr. Smith stated that will be in January.

Investment policy

Mr. Smith stated an investment policy needs to be formed. Copies of sample policies was presented in everyone's packet. Mr. Cote will review and present a policy back to the committee.

Discuss and vote to authorize the Town Manager to review/edit/update Town of Clayton Purchasing Policy

Mr. Cote stated he will review the document presented. He wants it to mirror other municipalities. Mr. Cote stated he will present this at our next meeting. Mr. Smith stated everyone needs to be on the same page. Mr. Carrow has a question about the sample policy. On page 3 – what does BOS mean? Mr. Cote stated he needs to look into this. Mr. Smith stated anything under \$50,000 Mr. Cote is authorized to approve. Mr. Cote stated upon review it looks like the number ranges mirror the State of Delaware's numbers. Ms. DeBenedictis asked if we use state contract items. Mrs. Muncey stated yes.

Mr. Carrow made a motion for the Town Manager to review the Purchasing Policy and bring back to Council. Mr. Paisley seconded the motion. Motion carried unanimously.

Discuss and vote on adjustments to the 2022 budget

Mr. Smith started reviewing the 2022 budget. The following adjustments were discussed and made.

01-361-100	Realty Transfer – New Homes	adjust to \$300,000.00
01-362-120	Realty Transfer – Existing Homes	adjust to \$225,000.00
01-364-100	Returned Check Recovery	adjust to \$200.00
01-375-100	Water Sales	adjust to \$223,187.75
01-375-110	Water Meter Sales	adjust to \$7,200.00
01-375-130	Late Charges Water/Sewer	change name to Late Charges Sewer
01-380-100	Permits	adjust to \$90,000.00
01-393-200	CJC Grant	adjust to \$7,351.65
01-393-220	SALLE Grant	adjust to \$4,680.21

01-393-240	EDIE Grant	adjust to \$3,878.76
01-396-100	OHS/DRE Reimbursements	based on last year
01-396-120	Special Duty Reimbursement	based on last year
01-611-201	Salaries – Mayor & Council	adjust to \$10,000.00
01-612-180	Fuel Expense	adjust to \$20,000.00
01-614-100	Insurance – Property	adjust to \$91,236.00
01-616-120	IT Technology Services Expense	adjust to \$28,550.00
01-616-130	Email Cyber Security Expense	change name to IT Communications
01-616-140	Auditor Fees	adjust to \$23,750.00
01-616-150	Attorney Fees	adjust to \$9,000.00
	Accounting Consulting Expense	create new account; adjust to \$49,000.00
01-618-180	Other Discretionary Expenses	adjust to \$7,000.00
01-766-100	Public Safety – Fuel	adjust to \$50,000.00
01-767-190	Violent Crime Fund Expense	adjust to \$18,164.00
01-767-200	CJC Grant Expense	adjust to \$6,119.73
01-775-160	Code Enforcement Software	adjust to \$5,300.00

Mr. Cote asked if the Code Enforcement Software line could be increased \$2,000.00 to purchase the Licensing portion of the software from iWorQ.

01-784-240	Fuel – Streets	adjust to \$4,500.00
01-784-350	Providence Crossing Lighting Expense	adjust to \$3,648.00
01-785-130	Fuel Expense – Trash	adjust to \$4,500.00
01-786-140	Secondary Service	adjust to \$30,000.00
01-786-250	Supplies, Parts – Electric	adjust to \$7,000.00
01-786-290	Fuel – Electric	adjust to \$4,500.00
01-786-320	Postage – Electric	adjust to \$8,000.00
01-787-100	Water Purchase – Artesian	adjust to \$74,818.00
01-787-110	Maryland Trans. R/W	adjust to \$0.00

01-787-120	Arsenic Loan Interest	adjust to \$4,771.64
01-787-130	Well Repairs	adjust to \$3,900.00
01-787-140	Water Plant	adjust to \$6,514.91
01-787-150	Fuel – Water	adjust to \$1,979.05
01-787-160	Water Leak Repairs	adjust to \$11,981.97
01-787-200	Equipment – Water	adjust to \$1,327.41
01-787-210	Water Meter Purchase	adjust to \$385.84
01-787-230	Tank Maintenance	adjust to \$0.00
01-787-250	Chemicals & Testing	adjust to \$1,194.20
01-787-270	Postage – Water	adjust to \$2,480.18
01-787-280	Engineering Fees – Water	adjust to \$3,366.50
01-787-300	Arsenic Loan – Principle	adjust to \$22,920.53
01-787-310	Capital Improvement – Water	adjust to \$34,078.36
01-787-360	RR Square Apts. – Engineering Fees	adjust to \$2,252.30
01-787-370	Arsenic Well Expense	adjust to \$2,776.68
01-788-140	Fuel – Sewer	adjust to \$4,500.00
01-788-160	Postage – Sewer	adjust to \$8,000.00
01-788-170	Engineering Fees – Sewer	adjust to \$203,000.00
01-788-220	MS4 & Force Main Evaluation Grant Exp.	Adjust to \$2,071.25

Mr. Carrow asked how new homes were taxed. Mrs. Muncey stated she gets the assessment report from Kent County in June. Most new home assessments will not be updated until the following year.

Mr. Cote stated contractor licenses are renewed on their anniversary date.

SRO Grant – Mr. Hutson stated 3% was added to the new contract. The contract is for three years.

Mr. Hutson stated the Violent Crime Fund is not received until September / October. Mr. Hutson stated the CJC Grant will be submitted next month. Mr. Carrow asked about the Kent County Grant. Mr. Hutson stated it is still in legislation. Mr. Smith asked about Community Donations. Mr. Hutson stated they receive donations from Larkins, Eagle Group, and Walmart. Mr. Hutson stated he is comfortable with Fines. Mr. Carrow asked about staffing used to help other towns. Mr. Hutson stated the other towns

are paying the officer's overtime rate. Mr. Smith stated they will need to increase the Retirement Health. This will be discussed after the investment policy is approved.

Mr. Carrow asked about the Town Manager joining different organizations. Mr. Cote stated he has joined DLLG and CMAD.

Mr. Cote wanted to discuss the College Reimbursement line. He suggested keeping the number as is, but to re-allocate it if not used by the end of quarter three. Mr. Smith stated if it is not used by the end of quarter three to remove the anticipation expense.

Mr. Hutson stated he has a few checks coming in to reimburse the PS Overtime line item. Mr. Hutson explained the credit in the Ammunition line item. He stated 18 months ago they ordered ammunition and it still has not come in. The vendor reimbursed the town. Mr. Hutson stated when they received the COVID grant the officers ordered modified uniforms. The credit is due to the federal grant reimbursement.

Mr. Carrow made a motion to accept the changes to the 2022 budget. Ms. DeBenedictis seconded the motion. Motion carried unanimously.

Mr. Smith asked if anyone had any questions. He asked for a motion to adjourn.

Mr. Paisley made a motion to adjourn the meeting. Mr. Carrow seconded the motion. Motion carried unanimously.

Recording Secretary,

Sue Muncey