

**Budget Meeting**  
**September 16, 2021**  
**6:30 p.m.**

Present: Nick Smith, Mary Ellen DeBenedictis, William Carrow, Jonathan Burnett, Sean Valentine, Town Foreman Jeff Hurlock, Chief Carl Hutson, and Recording Secretary Sue Muncey were in attendance.

Mr. Valentine brought the meeting to order at 6:30 p.m. The purpose of the meeting was to start discussions on the 2022 budget, budget adjustment to increase transfer to the Retirement Fund, and Council pay.

Mr. Valentine asked why the transfer taxes are budgeted lower. Mrs. Muncey stated the transfer taxes are house driven. She stated she always budgets them lower in case the housing market declines. Mr. Valentine discussed the excess in transfer fees from this year to be put into another account. Mr. Smith stated we can take the excess and put into a capital improvement account. We could use towards town hall. A policy would need to be written. Mr. Valentine asked about the office salary line – is that enough? Mrs. Muncey stated one employee was removed and put into the Public Works salary line and \$85,000 was budgeted for the Town Manager. Mr. Carrow stated they are getting close to doing the final interviews. Mr. Valentine asked about the medical. Mrs. Muncey stated she budgeted for the family plan for the BCBS, dental, and vision plans. She stated she cannot budget if the person chooses to get AFLAC. She stated she does not have those prices. Mr. Valentine asked if the postage line was going to be enough. Mrs. Muncey stated yes. This line is used for mailing accounts payable bills, certified mail, priority mail, etc. Mr. Smith stated the monthly bills are split among electric, water, and sewer line items. Mr. Valentine asked about the Town Manager vehicle. Do we need that? Mr. Smith stated this is negotiable when we hire someone. Mr. Hurlock stated a majority of the Town Managers have a vehicle. Mr. Smith stated this was discussed in the personnel meeting. Mr. Hurlock stated if someone uses their personal vehicle and they get in an accident during work time, it could cause an issue. Mr. Valentine asked about the bad debt. Mrs. Muncey stated this is writing off bad accounts after two (2) years. Mr. Smith stated this does not need to be put on the budget. It is a write off. Mr. Valentine asked what the Miscellaneous Office Supplies were. Mrs. Muncey stated this is for paper towels, c-fold towels, items for the kitchen, items for the bathroom, flowers out front, etc. Mr. Smith asked if all the receipts for this are in a folder if someone wanted to review. Mrs. Muncey stated no but she could print out the account summary and tell them where it went. Mr. Smith asked if we could keep a folder with all the receipts being put into this account and the discretionary account. It was agreed to change the name to Office Expense and keep a copy of the receipts in a separate folder by year in case the auditor and/or council wanted to review them. Mr. Valentine asked why the Building M&R Capital Improvement account increased. Mr. Hurlock stated because we ran out of money. The work in the Public Works building ended up being a lot more than he expected. Mr. Valentine asked why Data Storage Solution increased. Mr. Burnett stated they have to mirror the system to the Public Works building. Need a new rack, server, etc. He stated things seem to go in a cycle of three (3) years. Mr. Burnett asked if we could take out the name of the vendor on these accounts and rename to what they actually are. We will change Milliman to Post-Employment Benefits, delete Maxine since we are not using her services, Data Storage Solutions to IT Services, and Diamond Computer to Email Services. Mr. Valentine asked why we have depreciation

expense listed and we never use it. It was agreed to remove this line from the budget. Mr. Smith asked if the discretionary expense section could be put in account number order. A couple are out of sequence. Mr. Burnett asked what the Donations line consisted of. Mrs. Muncey stated \$10,000 for Clayton Fire Company, \$3,000 for 4<sup>th</sup> of July Association, \$2,000 for Clayton Historical Society, \$1,000 for Lillian Smith Senior Center, and \$1,000 for the Boys and Girls Club. She stated in a previous meeting it was asked to increase this line item. Mr. Burnett asked about Ambulance 64. He feels we should contribute to them. They do a lot. The Council agreed. Mr. Smith stated put \$5,000 for Ambulance 64. Mr. Smith stated \$2,000 will be for unassigned donations. Mr. Carrow discussed separating and having separate donation line items for Clayton Fire House of \$10,000 and Ambulance 64 for \$5,000. Mr. Burnett asked about the College Reimbursement line item. It is never used. Mr. Hurlock stated it is in the employee handbook. Mr. Smith stated to leave it. Mr. Burnett asked about the Community Entertainment. Mr. Carrow stated this is used for movie nights. Mr. Carrow asked what Other Discretionary Expenses was for. Mrs. Muncey stated this was budgeted for the employee annual dinner. She stated she put the gift for Carl Luft who retired from the Delaware League of Local Government in this line item. Mr. Hurlock mentioned going somewhere for the Christmas luncheon.

Mr. Hurlock stated for the Water Income line item he did not spend a lot of time with it. Mr. Carrow asked about the trash. We have had a lot of issues. Mr. Hurlock stated a 3% increase is built into the contract. Mr. Smith asked about Secondary Electric. Mr. Hurlock stated it is a wash. It is development driven. Mr. Smith asked for the amount for PW Maintenance Contracts. Mr. Hurlock stated \$2,500. Mrs. Muncey asked Mr. Hurlock if she budgeted the PW Overtime correctly. It was left blank for her to complete. She stated she took the amount from last year. Mr. Hurlock stated it should be increased to \$70,000. Mr. Smith asked about PW Clothing Issue. Mr. Hurlock stated they have to provide fire resistant clothing for four (4) employees. Mr. Carrow asked about new employees. Mr. Hurlock stated Mr. Ross outfitted the last employee. Mr. Smith asked about signs. Mr. Hurlock stated we bought a lot of signs. Mr. Valentine asked about Vehicle Maintenance. Mr. Hurlock stated it should be \$4,500. Mr. Valentine asked if this will go up since an employee left. Mr. Hurlock stated the employees will do the minor stuff. He stated C.T. Morris will do the heavy work. Mr. Valentine asked about Yard Waste Disposal Fee. Mr. Hurlock stated it is good. He stated they need to clean up the yard which they did not do. It is the disposal fee to clean up the dump. Mr. Hurlock stated they want to compost the grass and break down the branches and haul out. Mr. Smith asked about a separate account for the cans. Mr. Burnett asked about getting a chipper. Mr. Hurlock stated we would need a large one. Mr. Burnett asked who would do it. Mr. Hurlock stated leave the number the same and we will experiment. Mr. Carrow asked about putting an irrigation system at the park. He asked about putting a small well in for the irrigation system. Mr. Smith said to get a price. Mr. Smith asked about Utility Tax. Mrs. Muncey stated that is based on commercial kilowatt usage. It is driven by commercial bills. Mr. Hurlock stated he left the water expenses alone. Ms. DeBenedictis asked about the Maryland Transfer – will it go away. Mr. Hurlock stated no. Maybe the cost could be split. Mr. Hurlock stated the ARPA Engineering Fees is to pay the engineer to bid and design. This is not covered under the ARPA Fund. Mr. Carrow asked if this was to write specs for the sewer line. Mr. Hurlock stated yes. Mr. Smith stated to increase to \$60,000. Mr. Carrow asked about the Sewer Line Maintenance line. Mr. Hurlock stated this year they had to fix two (2) collapses. They are using ARPA money for replacements. Mr. Carrow asked about the ARPA paperwork. Are we doing in house? Mr. Smith stated formats have been given to us to use. Mr. Hurlock stated hopefully the new Town Manager will help with this.

Mr. Burnett stated we will need to add a Vacant Building Income line. Mr. Smith stated it will be a non-budget income for the façade grant. Mr. Burnett asked about the L&I Salaries line. Do we need to hire another part time person? Mr. Carrow asked do things fall between the cracks. Mr. Hurlock stated sometimes yes. Mr. Carrow stated maybe we need to revisit.

Mr. Smith asked if the SRO Income was good. Mr. Hutson stated yes. He stated Smyrna had a 3% increase. He will do the same with Providence Creek Academy and First State Military Academy when their contracts come up. Mr. Burnett asked about Community Donations. Mr. Hutson stated that is from Metal Masters, Larkins Bus Service and Walmart. They are business donations. Mr. Valentine asked about the PS Regular Salaries. Mr. Hutson stated complaints are up. It was discussed about hiring another officer. This amount includes that position. Based on officers now the line item would be \$651,947. Mr. Valentine asked what new officer pay was. Mr. Hutson stated the base salary is \$51,000. Mr. Burnett asked about seniors replaced with juniors. Mr. Hutson stated it would be nice to find a person without benefits. Mr. Valentine stated the salary was reasonable. Mr. Hutson stated we were competitive. A lot of departments are giving sign-on bonuses. The \$651,947 includes the 2% raise plus one (1) promotion. Mr. Valentine stated if we get a DSP retiree there would be no insurance. Mr. Hutson stated most retirees don't want to do the job anymore once they retire. Mr. Carrow stated so the intent is for this year. Mr. Hutson stated initially, but it is Council's decision. Mr. Carrow stated if we get someone new, they will be long term. Mr. Hutson stated the health insurance line without the new person would be \$170,000 and the pension line would be \$105,000. Mr. Burnett stated if an opportunity comes along, it will be there. Mr. Hutson stated we had the SRO as additional patrol officers during the summer. At night there is only one (1) person. This person could be used as a mid-shift car. Mr. Burnett asked if they would need another vehicle. Mr. Hutson stated there are two (2) in the garage. Mr. Smith stated we will leave for now. Mr. Valentine asked about the fuel – there was no increase. Mr. Hutson stated we padded the number in the past. We are currently at 58% used. Mr. Carrow asked about ammunition. Mr. Hutson stated the price increased. Mr. Smith explained about the Police Car Purchase. He stated it is three (3) payments per vehicle. As one drops off, another one is added. Mr. Hutson stated one (1) payment next year will be paid with Kent County money in the amount of \$14,000. Mr. Hutson stated the IT Technology includes the maintenance and monitoring of the cameras in town, Lexipol, Police One, and Data Storage Solutions. This also includes the addition of two (2) speed signs to be put in the developments. This will cost about \$5,500. Mr. Smith stated Huntington Mills has issues. He stated 80% of vehicles coming in are making the left and they have already slowed down. Mr. Hutson stated we need to relocate the speed sign.

Mr. Smith stated he and Mr. Valentine will review the budget and call another meeting. The water acquisition will change things. Mr. Carrow asked if the water is costing us money or are we making money. Mr. Hurlock stated we are breaking even.

Mr. Smith next wanted to discuss Council Pay. Mr. Smith asked Mrs. Muncey what this was in reference to. Mrs. Muncey stated it was the total budget for the year. She stated right now were are fine with the number budgeted. Mr. Smith stated he wants pay sheets for meetings to be turned in at lease bi-monthly. They need to be submitted and paid within the same year. Mr. Carrow stated the Mayor has a lot of meetings. Should his pay be increased? Mr. Smith stated the charter dictates the pay.

Mr. Smith wanted to discuss the Retirement Fund. He stated he will discuss this after his meeting with Milliman. We will discuss at the next budget meeting.

Mr. Valentine adjourned at 8:16 p.m.

Recording Secretary,

Sue Muncey