

**MAYOR AND COMMISSIONERS
TOWN OF NORTH EAST
106 S. MAIN STREET
NORTH EAST, MARYLAND 21901**

Budget Workshop Meeting – April 13, 2016

Mayor McKnight called the Budget Workshop to order at 5:25 P.M. Present were Commissioners Eric B. Braley, Hilary A. Crothers-Moore, Michael Kline, Paul A. Stark, Town Administrator Melissa B. Cook-Mac Kenzie, Director of Finance and Administration Kendrick Natale and Head Clerk Stephanie Racine-Dean.

OPENING COMMENTS

Mayor McKnight commented on the Revenue stream. Since general fund revenue has stayed flat for the last few years it is extremely difficult to increase expense funding. The Town is fiscally sound, has a good revenue reserve but hard decisions need to be made. Included in this year's budget is \$11,037 in retirement expenses due to one (1) long term employee retiring in December.

GENERAL FUND

Mayor McKnight asked the Director of Finance and Administration to review the budget with the Board:

Real Property Tax Rate will remain the same as last fiscal year at \$0.4800 per \$100.00 of assessed value. The Constant Yield Tax Rate is \$0.4717.

Public Utility and Railroad Operating Property Tax Rate will remain the same as last fiscal year at \$1.20 per \$100.00 of assessed value.

The Refuse Rate will increase from \$145.00 to \$149.35 per unit as per the contract. The rate includes once a week recycling collection in addition to once a week regular house waste collection.

The statutorily required Constant Yield Tax Rate notice will be advertised in the Cecil Whig on Wednesday, May 4, 2016.

The Salute to the Cecil County Veterans, Inc requested \$5,000.00 however the Mayor reduced the proposed allocation to \$2,000 up from \$1,500 in previous years.

The Cecil County Neighborhood Youth Panel requested \$4,667.00. The Board agreed to keep this request intact at this point.

The North East Fire Company, Inc. requested \$7,500.00, flat funding from FY 2016.

Town Board Approved Minutes

The Boys & Girls Clubs of Cecil County, requested \$20,000.00. Commissioner Braley requested the allocation be reduced to no more than \$5,000, the rest of the board agreed.

Several line item expenditures were discussed as to why the increase.

It was suggested that some of the capital requests in the FY 2017 budget be purchased in FY 2016 out of budget surpluses to help eliminate the deficit. Melissa B. Cook-MacKenzie stated that she would meet with department heads to determine which items can be purchased in advance.

The Town Administrator directed the Director of Finance to reallocate the Town Administrator and Maintenance Department salaries between the water fund and general fund to better account for the amount of time each of those positions spends in each fund. This will affect the deficit in each fund.

The Mayor requested that \$50,000 in engineering expense be added to the budget to account for the design and engineering of adding a second floor to Town Hall.

The Town Administrator requested \$35,000 in engineering expense be added to the budget to account for the design and engineering of a revetment on the north side of the North East Community Park.

The Town Administrator requested the construction of the revetment on the south side of the North East Community Park be removed from the budget request as the permits are valid until 2018 and she intends to pursue state grants or a no interest shore line erosion loan from the state.

Pay increases are proposed at 3%.

WATER (ENTERPRISE) FUND

The Water Service Charges will increase by 2%: In Town Rate from \$38.25 to \$39.05 for 5,000 gallons minimum; Out of Town Rate from \$83.00 to \$86.35 for 5,000 gallons minimum. This is due to an increase in operating expenses and capital projects that need to be completed.

There was a discussion about additional expenses in the proposed budget and the capital items which are needed for the Water Fund. There were no changes made to the proposed budget.

The Water Connection Fee Charges will not increase: In Town Rate for meters up to one inch (1”) is \$2,500.00. The fee will be calculated on the number of meters, not the number of units; Out of Town Rate will be the same as In Town Rates.

The Major Facility Fee Charge will not increase: In Town Rate and Out of Town Rate, is \$3,500.00 per ERU (Equivalent Residential Unit).

BUDGET PROCESS

The Town Administrator will meet with department heads regarding their capital requests and make recommendations to the board on how to move forward with them.

The Constant Yield Tax Rate notice will run in the Cecil Whig on May 4, 2016, the Board was provided with a copy of the language that is required by state law. The budget hearing will take place at 7:00 on May 25, 2016 and a vote on the FY 2017 budget is scheduled for June 8, 2016.

If there are any changes that are made to the budget or any further discussion that needs to happen before the hearing it will take place at a regularly scheduled meeting of the Mayor and Commissioners.

With there being no further questions or discussion Commissioner Braley made the motion to close the meeting, Commission Crothers-Moore seconded the motion, the meeting ended at 6:45 p.m.

Attest:

Respectfully submitted,

Robert F. McKnight
Mayor

Stephanie Racine-Dean
Head Clerk