# SPECIAL
# COUNCIL MEETING
# April 2, 1996

A special meeting of the Elkton Town Council was held April 2, 1996 at 6:30 p.m. in the council chambers with the Mayor Charles E. Dean presiding. The roll call was as follows:

PRESENT

F. A. Bennett
D. H. Dail
M. B. Fuller
R. L. Snow
T. R. Whitfield III

ABSENT

W. E. Printz

Mayor Dean stated the purpose of the meeting was to have the Budget Presentation.

Mr. Costin, Town Manager, thanked all the Department Heads for their assistance and his new Administrative Assistant, Rick Carey, for stepping in and doing such a good job.

Mr. Costin stated that copies of the budget are available from the Town Manager's office at a cost.

Mr. Costin presented a brief review of the budget contents. He noted that the budget is balanced. There are no proposed tax or utility increases included in this budget and the average salary increase is 8.03%.

Mr. Costin stated he feels the biggest challenge in the year ahead is to shake the 1994-95 Budget. It was unbalanced from the outset and was compounded by two fiscal years, 1993 and 1994 capital projects being finalized in 1994-95. The same thing has happened this year, the library and the Route 759 projects. He has made it clear to those responsible that all fiscal year 1995-96 capital projects must be completed in sufficient time during this fiscal year to process all related invoices.

Mr. Costin recommended council refer the proposed budget to the Finance Committee.

Councilman D. H. Dail moved, seconded by Councilwoman M. B. Fuller and carried to refer the proposed budget to the Finance Committee.

Councilman Snow stated he would be interested in what other council members think about the budget proposal. He also questioned Mr. Costin as to whether property acquisition is addressed in the budget and was told by Mr. Costin that it is.

Mayor Dean noted that he sees five or six major capital projects in this budget proposal and if we plan to do these projects we will have to either raise rates, take the money from repo or borrow the money.

Councilman Snow noted that for the last two years no money has been put into sinking funds. It seems the town has gone from trying to save a little money on a yearly basis to doubling the meals tax; now we are going to spend all of that plus we are going to borrow money. We have done away with almost half of our reserves and he feels it is the wrong road to go on.

Councilman Bennett stated he agreed with Councilman Snow and feels we have taken on too much. The money from the extra two percent meals tax was to be allocated for capital improvements. It seems we are going to spend all of that and still borrow more.

Councilman Dail said he feels the question for council is what does council feel is necessary to do now in the area of capital improvements. If council feels they can forego some of these things then some can be eliminated. Councilman Dail stated he is not here to give his endorsement now to everything that is in the budget as he feels there are a few areas he has questions about as well. However, in terms of the overall prospective of the budget, there are some things he feels needs to be done in terms of capital improvement. Maybe they don't absolutely have to be done this year but if not this year, then next year or the year after. He feels that to do these things then council is faced with precisely the choices the Mayor alluded to, either dip further into repo, raise rates or borrow the money. Council should go back and look at areas that are not necessary and can be cut from this budget. He doesn't feel this is going to add up to a real capital improvements budget and that is why he supports the overall emphasis.

Councilwoman Fuller stated that what she has been really interested in and looking at in the Finance Committee is the rate that we get on the money that is in the repo account. She does not know what the average has been over the long term. She understands that at one time it was very high but she thinks now the average is under 4%. Councilwoman Fuller stated we can do better than this and we can be proactive about doing better than that and increasing different sources of revenue.

Councilman Whitfield commended Mr. Costin, Mrs. Leap and the other Department Heads on what is easily the most comprehensive budget in the history of the community. He stated that he has always been an advocate for a strong capital improvements budget. He commended all of his predecessors who have been on council for the last eight or more years for their judicious financial stand. However, the reality is that in order for a small rural community of under 2000 people to have amassed between $500,000.00 to nearly a million dollars, there are many things that have not been addressed or that need to be addressed. One of which is not visual; it is the infrastructure under the ground. Councilman Whitfield noted that as far as the capital improvements which have been discussed, he is supportive of them. He does feel that some are more important than others and council needs to prioritize. He feels infrastructure should be the top priority. He reported that he has read the entire budget and supports all but about 5% in its entirety. The other 5% he feels can be negotiated.

Councilman Snow stated he would like to see a separate list of all capital improvements which have been considered and what is done or not done. He also felt it would be good to have for the Finance Committee meeting a list of any major changes, proposals or differences from last year in each departmental budget.

Councilman Bennett said he would also like to see the budgeted amount versus the amount of money that has been spent on these projects.

A Finance Committee meeting to discuss the budget was set for Tuesday, April 16, 1996 at 6:30 p.m.

As there was no further business, the meeting adjourned.

MAYOR: Charles E. Dean
Charles E. Dean, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk