

May 15, 2012

Special Meeting

Mayor Porter called a special meeting of the Denton Town Council to order at 6:05 PM on this date leading everyone in the Pledge of Allegiance to the Flag.

Mayor Porter asked that the record reflect that all Council members were present.

Public Hearing

Mayor Porter opened a public hearing at 6:06 PM to receive public comments on the Fiscal Year 2013 Constant Yield Tax Rate.

Mayor Porter asked for comments from the State – there were none

Mayor Porter asked for comments from the County – there were none

Mayor Porter asked for comments from the Council – there were none

Mayor Porter asked for comments from the Public:

Mrs. Doris Walls of 723 Gay St. asked the Council to continue looking for cuts in the budget and expressed that she does not like to see her taxes raised.

Mr. Alfred Asche, of 311 S. 4th St., said that he was outraged at how the Town is being run; that it needs to be run more like a business and if they do not have enough revenue to balance the budget, then they need to cut expenses; and that he felt the Town has too many employees.

Mr. Buddy Spear, of 234 Siesta Drive, said that he does not want to see taxes increased and that he would be willing to lose services instead. He recommended looking to reduce the cost of operations, but not on the backs of the employees and consider looking at other avenues to raise revenues and cut expenses.

Mr. Michael Rees, of 101 Riverton Ave, stated that with the downturn in the economy that the Council should be looking to reduce taxes and increase productivity. Raising taxes should not be considered.

Mr. Dan Franklin, of 419 Wood Lane and an employee of the Town of Denton, stated that after having watched the budget process last year and this year, that there is no where left to turn other than to raise taxes. Mr. Franklin said that he did not want to see services cut and that the employees can not take any more hits.

Mr. Rees asked what the deficit was that the Council is trying to find at this time

Councilman Gregory explained that the budget deficit started at \$269,000 and that substantial cuts have been made bringing that down to \$21,000.

Councilman Clendaniel pointed out that here they are again with this deadline routine, and that the public hearing notice was advertised for considerably more than needed; but that this is a tax increase. He felt that the original budget was an “Alice in Wonderland Budget”.

With no further comments, Mayor Porter closed this public hearing at 6:23 PM. The Council will set the tax rate later during this meeting.

Unfinished Business

Agenda #1- FY2013 General Fund Budget

The Council continued discussions from previous meeting to work on balancing the FY2013 General Fund Budget.

Mayor Porter expressed that the deficit in the budget is due to the additional \$53,000 in debt incurred on the 5th Ave. Project and the loss of an additional \$20,000 in revenues from the Maryland State Highway Administration.

Mr. Rees questioned the town's police car acquisition.

Councilman Danielson explained the Hummers were donated by the Military.

Councilman Clendaniel said that a pet peeve with him, expressing that they may have received the humvee's for free, but that they are at the end of their life cycle, and he questioned why we are crushing cars that aren't worth fixing, but taking on these items. Maybe we should dispose of them too.

Officer Franklin said that they were received under a Military Program and that the Town cannot dispose of them. They would need to be returned. The Hummers were acquired for emergency purposes to help when responding to storms, etc.

Mayor Porter mentioned that getting rid of the hummers will not change the budget and that no one wants to raise the taxes; but that expenses have been cut to a bare minimum and that his concern is that there is no reserve. What if something happens? There is no extra money to fix it.

Discussion continued about assessing fees for trash collection, special collections of leaf and brush, street sweeping, business retention and employee retention. Many in the audience that had spoken earlier during the public hearing questioned increases in some budget line items, and provided suggestions for services to consider changing or doing without.

Councilwoman Case said that after listening to the citizen's, maybe they should put off replacing the leaf vacuum and filling any positions until next year. She said she has concerns over cutting the contribution to the fire department and should take a look at the contributions to Community Development. Need to compromise for the citizens.

Mrs. Mackel, of S. 5th Ave., said that with property values down last year and with the Town being asked to do more with less and balance the budget. That she does not want to lose any services.

Councilman Danielson said that they need to look at what it takes to run the Town. They are trying to help out the citizens, but they have to maintain equipment.

Councilman Gregory added that they have worked long and hard at this budget for the past six weeks. The original draft was not a wish list; it was a necessity list. And that they have made some difficult cuts, while trying to run the Town as competent as we can. He stated that they either need to cut the budget or raise taxes and in order to run it like a business, the Council needs to make the best decision they can.

Mayor Porter mentioned, that while they are not going to adopt the budget this evening, they do need to set the tax rates and recommended those in the audience to look at the budget and see if they can make any suggestions. And he reiterated that he is very concerned about the lack of a reserve.

Councilman Clendaniel said that the County is going to raise the property taxes. They are proposing to raise everyone in the County by \$.05 and the Denton property owners an additional \$.01.

Councilman Gregory mentioned that the County proposes to reduce the tax differential to Denton property owners for the second year in a row and that it is based on a formula that is not fair to Denton residents, and encouraged them to attend the Caroline County budget hearing and tax meeting scheduled for 7:00 PM at the Goldsboro Volunteer Fire Dept.

Councilman Clendaniel said that just because other levels of government feel the need to raise them, the Town shouldn't.

Councilman Gregory asked what the alternative is.

Councilman Clendaniel responded that they could cut the half year 2% COLA increase for employees and pass more of the health care cost on to the employees.

Councilman Gregory mentioned that all new hires now pay a 20/80 split changes the benefits. The Town could loose police officers. He stated that for every action there is a reaction. That the budget should not be balanced on the backs of the employees, especially when they have not had a raise going on three years.

Mr. Dan Franklin mentioned that the way to retain employees is not penalize them.

The Mayor suggested placing the half year 2% COLA into the reserve fund and to bring it up for discussion in January along with health care benefits.

At 7:53 PM the Mayor requested a 5 minute break.

At 7:50 PM the Mayor resumed the meeting.

Councilman Danielson took a minute to explain that in looking over the budget that it is roughly the same as it was back in 2008-2009, and that he felt that everyone has done a pretty good job at trying to maintain operations with fewer revenues. The Town lost over \$200,000 in Gas Tax for the past three-four years and lost \$334,000 in Real Estate Tax revenues last year due to the drop in property values. To put this clearly, he said that the town has and is currently operating with over a \$500,000 loss of revenue for the past couple of years.

Ordinance # 643 – FY2013 General Fund Appropriations

An Ordinance of the Town of Denton to appropriate funds and estimate income in accordance with the General Fund Budget to be adopted for fiscal year beginning July 1, 2012 and ending June 30, 2013.

Councilman Danielson made a motion to introduce Ordinance #643, seconded by Councilman Gregory.

In discussion, Mayor Porter explained that this ordinance is introducing the budget, and that he still welcomes public input, as it can be amended before it is considered for adoption at the June meeting.

The Mayor called for a vote on the motion on the floor to introduce Ordinance #643. The motion passed 3-2, with Councilman Clendaniel and Councilwoman Case voting no.

FY2013 Tax Rates

The Mayor mentioned that a \$.02 Real Property Tax rate increase will cover the principal and interest on 5th Ave.

Councilman Danielson made a motion to set the real property tax rate at \$.68 per \$100 of assessment, seconded by Councilman Gregory. The motion passed 3-2, with Councilman Clendaniel and Councilwoman Case voting no.

With no further discussion, Councilwoman Case made a motion to adjourn the meeting at 8:09 PM, seconded by Councilman Gregory, passing unanimously.

Respectfully submitted,

*Karen L. Monteith,
Clerk - Treasurer*