

**MAYOR AND COUNCIL  
PUBLIC HEARING ON BUDGET  
JUNE 3, 2013**

Mayor Margo G. Bailey called the Public Hearing on the budget to order at 7:00 p.m. In attendance were Council members James R. Gatto, Linda Kuiper, Mabel Mumford-Pautz and Mauritz Stetson, W. S. Ingersoll, Town Manager, Patricia Diver, Director of Finance, Jennifer Mulligan, Stenographer, and guests.

Mayor Bailey read the Public Notice announcing the Public Hearing, which was published in the Kent County News on May 23, 2013 and May 30, 2013 into the record.

Ms. Diver reviewed the general fund budget first, explaining the projected revenue for the Town. She then explained where how the revenue was distributed. Revenues and expenditures were illustrated on pie charts.

Ms. Diver stated that the tax rate would remain the same at \$.37 per \$100. The budget was balanced.

Ms. Kuiper asked how depreciation was funded. Ms. Diver explained.

Mr. Stetson stated that he thought the parking meters did not even pay the salary for the meter maid. He asked if the Town should consider raising fines. Ms. Diver stated that the parking revenues exceeded the meter monitor's salary and figures.

Mr. Stetson stated that the Town had to pay \$52,000.00 from the general fund to the marina for bond debt, and asked for a prediction for next year. Ms. Diver stated that if there were no improvements to the marina, the funding would be close to this year. She said that there were a lot of slips that can't be rented until dredging occurs.

Ms. Diver stated that the Town has applied for grants that could help with the piers. Mr. Ingersoll stated that the Tier 1 BIG (Boating Infrastructure Grant) grant was funded and would help add piers for deep water boats (6' or more). He said that the grant was for \$100,000.00 and was applied for by the State.

Mr. Ingersoll stated that there was no funding this year on Maryland Waterway Improvement. He said that the Town would either have to wait a year, talk to our State representatives about a bond issue, or finance it ourselves.

Mr. Ingersoll stated that an engineering grant was received in the amount of \$40,000.00 to re-engineer the marina, but he held up on issuing an RFP due to the current waterfront study.

Mayor Bailey stated that the marina was a long-term project for the Town and there was going to be sacrifices made until it was finished.

Mr. Gatto stated that he would like a straightforward accounting of how much money is going into the marina, including interest (1%). He said that this would be a long-term investment project and there may be times when public funds are needed to support the marina.

Ms. Kuiper asked if the marina was considered an enterprise fund. Ms. Diver stated that the marina was a proprietary fund, noting that there was depreciation but it was not listed. She said that she would add it to the budget.

Ms. Diver stated that there will be no water or sewer rate increase this year in the Utilities Department. She showed the revenues. Ms. Diver stated that all of the water taps will be set aside for capital project funds and the MTBE settlement was also set aside for capital projects.

Ms. Kuiper asked Mr. Ingersoll if he had looked into increasing the interest on late utilities fees. Mr. Ingersoll stated that he was working on the process for such a change and also looking into the use of credit cards.

Ms. Diver stated that credit cards were used at the marina, but the rates were high. She said that 2% to 3% would have to be covered by way of a handling fee. Ms. Kuiper stated that late fees on the water bills could offset those costs. Ms. Diver stated that even when people pay on time with a credit card there was a usage cost based on the cost of the transaction.

Mayor Bailey asked if there were any questions from the audience.

Mr. Joe Holt of Washington College asked if the employees were on a defined contribution or defined benefit pension. Mr. Ingersoll stated that it was a defined benefit plan through the State of Maryland.

Mr. Bill Arrowood, Recreation Chairman, asked if the grant in the amount of \$155,000.00 was earmarked. Ms. Diver stated that grant money was strictly for the Gateway Park.

Mr. Arrowood asked if there was breakdown of the funding for the Recreation Commission. Ms. Diver stated that she had details of those funds, which included the library summer and winter programs, horizons, and Parks and Recreation. She gave Mr. Arrowood a copy.

There being no further business, Mayor Bailey closed the Public Hearing for the budget at 7:34 p.m.

Submitted by:

  
Jennifer Mulligan  
Stenographer

Approved by:

Margo G. Bailey  
Mayor

# Public Hearing - Budget

6/3/13

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