



**Finance Committee Meeting
November 20th, 2023 @ 3:00 pm
VIA Conference Call & Town Hall
141 Main St, Townsend, DE 19734**

3:00 pm Finance Committee Meeting

- I. Call to Order: Approximately 3:34 pm.
- II. Opening Ceremonies
 - a. Roll Call: Mayor Scott Lobdell, Councilman J. Bangura, Town Manager A. Tantillo, and Finance Manager J. Helms.
 - b. Pledge of Allegiance: N/A.
 - c. Recognition of Visitors: None.
 - d. Announcements: None.
- III. Adoption of Agenda
 - a. Agenda adopted.
- IV. Discussion regarding tax rates
 - a. FO Helms advised the Town created a schedule with different tax rates noting this year the Town needed at least \$300,000 additional funds to fund everything necessary for the Town budget. FO Helms explained that she provided options and recommends a minimum increase of at least \$300,000. Mayor Lobdell noted with the cost of inflation increasing annually for the third-year; costs of items and expenses are rising.
 - b. The Committee discussed how to increase the tax rates without affecting current residents and discouraging annexation growth.
 - c. FO Helms advised to keep note of New Castle County's (NCC) tax rates in comparison to the Town's tax rates. Mayor Lobdell noted NCC taxes may be discounted however, they do not provide services such as Street Light fees and Waste Services like the Town covers; unincorporated residents pay separate fees for these services in additional NCC taxes.
 - d. Mayor Lobdell noted the State is undergoing a home value reassessment since the current assessment is based on the 1970 construction values. Mayor Lobdell clarified



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this does not affect the tax rates to much however, this does allow for the tax rates to go up to a certain percentage.

- e. Mayor Lobdell noted NCC's tax rate would be approximately 0.013 if it were to include the utility and trash services. Mayor Lobdell noted if the Town were to increase taxes the rate would be higher than NCC's tax rate by approximately 0.07. The Committee agreed it would be best to avoid having a higher tax rate in comparison to NCC in order to encourage annexation growth.
- f. The Committee noted in order to close the \$300,000 gap trend for the budget by half the Town's taxes would need to be increased by 0.005, to be close to NCC's tax rate without going over.
- g. The Committee discussed designating cash funds to close the gap for this year, until NCC's assessment is finalized and revisit tax rates at a later date.

V. Discussion regarding the budget for Fiscal Year 2025

- a. The Committee agreed on the following timeline:
 - 1. TM Tantillo will request budget proposals from all departments and committees.
 - 2. TM Tantillo and FO Helms will begin drafting the budget for Fiscal Year 2025 with the budget requests.
 - 3. The budget draft for Fiscal Year 2025 will be brought to the Finance Committee for review. During the Finance Committee's meeting regarding the budget, tax rates will be further discussed.
 - 4. The Finance Committee will present the final draft of the Fiscal Year 2025 budget for Town Council's review.

VI. Adjourn

- a. The Committee adjourned the meeting at 4:09 pm.