



**Finance Committee Meeting Minutes
February 14th, 2024 @ 11:00 am
VIA Conference Call & Town Hall
141 Main St, Townsend, DE 19734**

11:00 am Finance Committee Meeting

I. Call to Order: 11:03 am.

II. Opening Ceremonies

- a.** Roll Call: Chairman S. Lobdell, Co-Chair J. Bangura, Town Manager A. Tantillo, Financial Officer J. Helms, Chief of Police R. Longo, Sergeant E. McCloskey, and Town Clerk M. Rivera.
- b.** Pledge of Allegiance: all present recited the Pledge of Allegiance.
- c.** Recognition of Visitors: none.
- d.** Announcements

- 1. TM Tantillo advised the Town has been selected by the University of Delaware for the Public Policy Seniors to conduct a project; additional information is forthcoming. TM Tantillo explained the project is to look at the Town's budget, previous budgets, and audits to recommend revenue and saving options. TM Tantillo confirmed the expected timeline of completion is May.

III. Adoption of Agenda

- a.** Agenda adopted.

IV. Discussion regarding the budget for Fiscal Year 2025

- a.** TM Tantillo confirmed the 2025 Fiscal Year Budget presented also contains the complied budget requests from the Committees, Town Departments, and the Police Department (PD) to provide a preliminary budget. TM Tantillo explained the presented budget is not balanced.
- b.** FO Helms advised the overall budget is over by \$444,850 and the goal is to balance the budget and determine how to obtain extra funds.



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- c. TM Tantillo noted the pension percentage contribution has increased by 2.24%. Additionally, the benefits for the state plan have the possibility to increase by 22.8%. TM Tantillo advised she has sent requests to two other companies and information is forthcoming; however, once the Town leaves the state health care plans the Town cannot return. TM Tantillo noted the state plan is a major benefit that is provided to the Town's employees. TM Tantillo advised the final decision on contribution increases will be confirmed by the State in March.
1. TM Tantillo advised the concerns were raised last year regarding the costs and is only obtaining information for comparative purposes. Mayor Lobdell advised this was brought to discussion as a way for the Town to lower the Town's budget and utilize the budget elsewhere.
 2. TM Tantillo confirmed health care plans are offered to all full-time employees, noting they have the option to opt out of the plan. Furthermore, the health care plans are for health, vision, and dental. Additionally, the Town covers 75% and employees cover 25% of the health care plan cost. TM Tantillo will perform research on how much other municipalities cover for comparison of the health care plan costs.
- d. Chief Longo confirmed overtime is for Court and Holidays. Chief Longo advised there are other options to assist with covering overtime. Chief Longo advised he will research options to present, noting Council approval will be needed.
1. TM Tantillo confirmed and advised this line item is used on an as needed basis. Chief Longo confirmed the normal hours for the PD is 12 hours.
- e. The Committee discussed the following General Fund line items:
1. Real Estate Property Taxes:



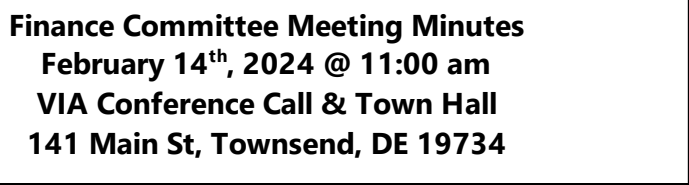
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- I. FO Helms confirmed the real estate property tax is lower, explaining the budget is based on the payments based on the 5% discount offered for tax payments received early.
 - II. TM Tantillo noted approximately 95% of residents pay early. TM Tantillo confirmed the discount offered is to incentivize owners to pay their taxes on time. TM Tantillo advised per the Charter and the Town's Municipal Code; the Town has the ability to offer tax discounts.
 - III. TM Tantillo noted other municipalities offer veteran and disability tax discounts. TM Tantillo advised Council would need to officially vote to allow a for a senior tax discount. TM Tantillo confirmed the Town sends the bills directly to the mortgage companies, noting the mortgage companies typically pay early.
 - IV. CC Bangura advised the Committee to consider closing the deficit gaps in the budget by possibly revoking the 5% discount temporarily. C Lobdell noted if the discount is revoked it would be permanent.
2. Code Inspection:
- I. TM Tantillo advised there is an increase in RVE's cost for inspections, noting the Town is seeing an increase in permits.
 - II. TM Tantillo noted this may fluctuate as the Town is seeking a Part-time Code Official which will decrease the budget for this line.
3. BOA budget:
- I. TM Tantillo noted this is based on the current year's budget.
 - II. TM Tantillo explained the applicant will pay for a variance fee which will cover mailing fees, and any other fees associated with variances.



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4. Overall Capital Expense Increase:
 - I. TM Tantillo confirmed the increase is due to the irrigation system, in addition to a couple of other Public Works Projects.
 - II. TM Tantillo confirmed some projects will be covered by ARPA. However, there is an additional expense of \$80,000 for the expansion of the electrical system needed for the irrigation system. TM Tantillo advised the Town is continuing to seek other funding resources.
5. FO Helms confirmed Council may choose to use CASH funds to cover the deficit.
6. C Lobdell noted the tax reassessment should be completed next year and the Town will have the option to adjust tax rates with the updated assessment. TM Tantillo advised UD Student will research this as part of their study. C Lobdell advised the Town should increase the taxes next year with the NCC reassessment to avoid increases two years in a row.
7. TM Tantillo confirmed the Committee can continue reviewing until May. C Lobdell noted the goal is to approve the budget prior to the new Council members coming in.
8. TM Tantillo noted the General Fund is over only by \$1,500 and explained the PD budget is more of a concern.
- f. The Committee reviewed and discussed the PD Budget with Chief Longo:
 1. C Lobdell noted the Town should be considering that the PD receives along guaranteed grant funds annually and advised the Town should add this to the budget to lower the deficit.
 - I. Chief Longo noted there is a major difference in the amount of grant funding that may be received when there are additional officers.



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