

**MAYOR AND COMMISSIONERS
TOWN OF NORTH EAST
106 South Main Street
North East, Maryland 21901**

Budget Workshop Meeting - June 09, 2010

The Budget Workshop meeting was called to order at 5:30 p.m. by Mayor Robert F. McKnight. Present were Commissioners Eric B. Braley, Hillary A. Crothers-Moore, Kena L. Koch, Paul A. Stark and Town Administrator Melissa B. Cook-MacKenzie.

Mayor McKnight opened the meeting by requesting if there were any specific questions.

Commissioner Stark questioned the General Fund Reserved Restricted (R1662) line item.

Commissioner Braley noted it appears the percent change column for Public Works Expenditures for Health (0705) and Parks, Recreation and Culture (0710) have incorrect formulas; therefore, the percentage change figures are not correct. Mrs. Cook-MacKenzie indicated that she would check all formulas for both the General and Water Fund.

Commissioner Braley questioned what happens to the funds that are not spent this fiscal year? It was reported that those funds go back into the General Fund and become funds available for the next budget.

Commissioner Stark questioned new line items in the Enterprise Fund Budget (0417, 0418, 0424 and 0425). It was reported they are new pursuant to the Contract with Severn Trent Services.

Discussion was held regarding the Enterprise Fund Legal (0200) line item.

Commissioner Koch questioned why the Enterprise Fund Employee Benefits (0030) line item went down. It was reported that because the Town Administrator's salary is charged to various funds and for fiscal year 2010-2011 40% of her salary will come from the Enterprise Fund which is 10% less than fiscal year 2009-2010.

Discussion was held on the increase for automotive insurance. Mrs. Cook-MacKenzie presented a copy of the June 1st letter the Town received from the Local Government Insurance Trust (LGIT) outlining the proposed increases and decreases. She also indicated the Clerk-Treasurer has placed a call to LGIT questioning the automotive increase.

Mayor McKnight pointed out there are no increases in water fees this year. However, in order to have no increases, additional revenue from the reserve account had to be used to balance the budget.

Commissioner Braley questioned how long do we anticipate having to use our General Fund reserves to cover the loss of revenue from the State? Mayor McKnight indicated that we would be able to cover this same amount of loss of revenue for several years without any major consequences to the General Fund.

Discussion was held on pay raises and the importance of keeping up with inflation and area towns.

Discussion was held on how much interest income has declined. Mrs. Cook-MacKenzie indicated that pursuant to State requirements municipalities are very limited on where they can invest their funds. She also indicated that she has been looking into CDARS (Certificate of Deposit Account Registry Service) and would like to present more information to the Board in the near future.

Commission Braley questioned the status of the new Maintenance Facility Building. Mrs. MacKenzie indicated that if the Rolling Mill Water Treatment Property was definitely not an option then we are back to looking for land. Within the last few weeks the Town looked at 9 & 11 Rolling Mill Lane. However, at \$325,000 it is priced above what the Town desires to pay. Other options were discussed.

Discussion was held on the Mayor and Commissioners Travel and Meals (0060) line item.

-ADJOURNMENT-

With there being no further business to discuss, the meeting adjourned at 6:22 p.m.

Respectfully submitted,

Melissa B. Cook-MacKenzie
Town Administrator

Attest:

Robert F. McKnight, Mayor