

January 5, 2012

Regular Meeting

Mayor Clendaniel called the regular meeting of the Denton Town Council to order at 7:00 PM on this date leading everyone in the Pledge of Allegiance to the Flag.

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

Councilman Danielson made a motion to approve the minutes of the December 8, 2011 regular meeting, seconded by Councilman Gregory, passing unanimously.

Councilman Danielson mentioned that the time he arrived for the December 19, 2011 the working session should be reflected in the minutes as 6:35 instead of 7:35.

Councilman Danielson made a motion to approve the minutes of the December 19, 2011 working session as amended, seconded by Councilman Porter, passing unanimously.

Swearing in of New Denton Town Council Member

Robert L. Clendaniel was sworn into office to serve another five year term on the Denton Town Council by Vice Mayor Dennis D. Porter.

2012 Annual Election of Officers

Office of Mayor

Councilman Gregory made a motion to appoint Dennis Porter to serve as Mayor of the Denton Town Council for 2012, seconded by Councilwoman Case, passing unanimously.

Office of Vice Mayor

Councilman Gregory made a motion to appoint Dean Danielson to serve as Vice Mayor of the Denton Town Council for 2012, seconded by Councilman Porter, passing unanimously.

Office of Mayor Pro-tem

Councilman Gregory made a motion to appoint Agnes Case to serve as Mayor Pro-tem of the Denton Town Council for 2012, seconded by Councilman Danielson, passing unanimously.

With the installation of officers now complete for 2012, Mayor Porter presided over the remainder of the meeting.

Public Hearing

There were no public hearings

Petitions, Remonstrance's and Communication

FY2011 Financial Report Presentation

Mr. John Montoro, of Cherry, Bekeart & Holland, provided an overview of the FY2011 Annual Audit and the Financial Report. He mentioned that the Town spent almost five million in FY2011, three million in operations, and received over $\frac{3}{4}$ million in federal aid, grant funding, of which about $\frac{1}{2}$ million was stimulus funding for the Fifth Avenue Project. He pointed out that there was a change in the reporting requirements to the Balance Statement and explained that what was formerly listed as "fund balance" is now recognized as restricted/committed or assigned/unassigned. They do not anticipate any changes in the reporting requirements for next year. Mr. Montoro mentioned that the Town is responsible for its own internal controls, and concluded by stating that there

were no findings to report; they tested several items, a single audit was conducted and everything was found to be in compliance.

Councilman Clendaniel commended the Finance Staff on doing a great job.

Ordinances and Resolutions

Resolution #766 – Police Car Purchases

Chief Cox presented a Resolution of the Town of Denton seeking authorization to purchase two 2012 Dodge Charger Police Cars with equipment and to borrow the funds from CNB (Centerville National Bank) in the amount of \$60,764.

Councilman Danielson made a motion to adopt Resolution #766, seconded by Councilman Gregory, passing unanimously.

Reports of Officers, Board and Committees

Councilman Clendaniel provided an update on the Tax Differential Committee meeting. He will let everyone know when the next meeting date is scheduled.

Unfinished Business

Agenda #1- Police Capital Improvement Purchase

Chief Cox requested approval to use the Capital Improvement Funds of \$27,679 to cover the cost to purchase one 2012 Dodge Charger Police Car and equipment.

Councilman Danielson made a motion to approve the acquisition as requested, seconded by Councilman Clendaniel, passing unanimously.

New Business

Agenda #1 – 2012 Council Meeting Schedule

Per discussions at the December working session, the draft of the 2012 meeting schedule was amended to reflect all working sessions being held on Thursday evenings. The draft was brought before the Council for approval.

Councilman Clendaniel made a motion to accept the 2012 meeting schedule as presented, seconded by Councilwoman Case, passing unanimously.

Agenda #2 - Co-Signer for Checks

The Town Charter C6-10 requires two signatures on all checks issued by the Town Finance Dept. Presently the primary Co-Signer's are Mr. Don Mulrine, Town Administrator and Mrs. Karen Monteith, Clerk-Treasurer. In the absence of either the Clerk-Treasurer or the Town Administrator, Councilman Clendaniel was previously appointed as the alternate co-signer for the Town's bank accounts.

The Council had requested that this be reviewed periodically. With Councilman Clendaniel recently being re-elected to serve another 5 year term, he can continue as the alternate if the Council so desires. This item was placed on the agenda to seek direction from the Council.

Councilman Danielson made a motion to re-appoint Councilman Clendaniel to continue as the alternate co-signer, seconded by Councilman Gregory, passing unanimously.

Mr. Mulrine asked if there was a need to formally assign Councilman Clendaniel as the Town's Representative to serve on the Caroline County Tax Differential Committee.

Councilman Clendaniel recommended to not formally appoint him, in case there needs to be a change in who represents Denton. At this time, Councilman Clendaniel will continue attending the meetings to represent Denton and keep the other members informed.

Agenda #3 – 5th Avenue Infrastructure Project – Update on Closeout and Equipment Purchase

Mr. Mulrine mentioned that the USDA bond/loan closing on the 5th Ave project is all complete and that everything went smoothly. The Town will begin making quarterly payments on the \$1,834,000 loan in March 2012 for 40 years, at a fixed rate of 3%. USDA Grant Funds in the amount of \$463,494 are being used on this project for the water/sewer portion.

Councilman Gregory questioned if the loan payments were interest only for the first two year. Mr. Mulrine confirmed that the principal was not deferred. The payment beginning in March will include both principal and interest.

Mr. Getchell presented the latest list of equipment that will be submitted to USDA for approval to use the left over USDA Grant Funds from the project. Mr. Getchell advised that the grant funds can only be used for water and sewer equipment. Since the water/sewer portion came under budget, USDA has encouraged the Town to use these grant funds to purchase equipment that needs replacing, or that the Town currently rents for repairs, as well as to stock up on repair parts, etc. Mr. Getchell stated that it looks as though there will be approximately \$230,000 left over in grant funds to use to acquire the proposed equipment.

Mr. Getchell asked the Town Council for permission to move forward with the acquisition of the equipment contingent upon receiving USDA approval of funding. And to also comply with the Town's Capital Purchase Policy for buying items costing over \$5,000 requiring the Council's approval. Mr. Getchell said that the list is still being modified and that he may need to supplement a few items.

Councilman Gregory recommended leaving the items open-ended, in case Mr. Getchell thinks of something else to use up the balance of the grant funds as approved by USDA.

Councilman Gregory mentioned that the Town may need to consider raising the capital purchase threshold to \$10,000 and asked for Staff to place an item on the February agenda for discussion.

Councilman Danielson stated that the items on the list will not only save the Town money now, but also later down the road.

Mr. Getchell stated that these items are needed to replaced old or worn out equipment and that it will save from having to rent equipment when making repairs.

Councilman Gregory made a motion to adopt the equipment proposal as presented by Mr. Getchell with the caveat for him to have the ability to swap out items and/or to add items as necessary, as long as the purchase stays within the final amount of USDA Grant Funds available. This motion was seconded by Councilman Clendaniel, passing unanimously.

Miscellaneous

Councilman Clendaniel shared a concern from the Chamber of Commerce that Denton was the only Municipality that did not contribute to the Chamber of Commerce Annual Map and questioned if staff had been approached about participating.

Mr. Mulrine responded that Mr. Friday had asked about Denton contributing in passing, but that it was not a budgeted item and that \$500 was hard to come by because of the cost the Town had to incur this year on some other hearings.

Councilman Clendaniel stated that the other issue mentioned to him was that the Denton Downtown Business Association handled putting up the Christmas lights with little involvement from the Town.

Mr. Mulrine clarified that for the past couple of years the lights and window decorations downtown have been handled by the Denton Downtown Main Street Association and the Town has provided assistance when needed. He mentioned that this was part of the discussion at the last meeting, in which Mrs. Jacobs and he talked about doing an inventory of the decorations to plan for the future of possibly auctioning off some of the items. Mr. Mulrine added that the Town will have to look at relocating the items within the next year in order to move forward with renovating the town office building.

Mrs. Cruickshank asked if this was in reference to the holiday window decorations, and stated that there was a lot of money spent on the decorations and that it would be a shame to auction them off for pennies.

Mr. Mulrine stated that some of the decorations are worn out and broken. He mentioned that Mrs. Jacobs has scheduled to do a full inventory in January. Once the inventory is completed, it will be reviewed and they will work to come up with a plan on where to go from here.

Mr. John Evans back tracked and added, that as a member of the Chamber of Commerce Board, that the Chamber puts a lot of effort into Denton's Downtown and that the Town may want to consider future contributions.

Councilman Gregory expressed that he felt the Town Administrator had made a wise decision to not contribute this year for the map as it was not in the budget as he recollected how hard it was to balance the budget this year.

Councilman Clendaniel agreed.

Mr. Evans mentioned that he was very impressed on how hard the Town is working to not spend money, and stated that he sees both sides.

Mayor Porter recommended that the Chamber of Commerce come before the Council and make a presentation on the map for future consideration.

Councilman Clendaniel asked for the Town to send a get well card to Mrs. Walsh.

Mr. Mulrine announced that the Caroline County Recreation and Parks Department will be hosting a Martin Luther King Parade on January 16, 2012. The parade will begin at 9:00 AM at the Caroline County Court House and end at the Fretterd Community Center.

With no further business to discuss, Mayor Porter adjourned the meeting at 7:51 PM.

Respectfully submitted,

*Karen L. Monteith,
Clerk - Treasurer*