

**Milton Town Council
Special Meeting
Milton Theater, 110 Union Street
Thursday, April 9, 2009
7:00 p.m.**

1. Call to Order – Mayor Post
Mayor Post called the meeting to order at 7:00 p.m.
2. Moment of Silence – Vice Mayor Betts
3. Pledge of Allegiance to the Flag
4. Roll Call – Mayor Post

C. Duby	here
C. Hudson	here
C. Abraham	here
C. Betts	here
Mayor Post	here
C. Martin-Brown	absent
C. Prettyman	absent (arrived at 7:09 p.m.)
5. Additions or Corrections to the Agenda
No additions or corrections.
6. Approval of Agenda

C. Abraham: (?) I move approval.
C. Hudson: (?) Second.
Mayor Post: A motion and second. All in favor say “aye”. Opposed. Motion carried.
7. Presentation of Six-Month Budget Review – Town Manager
Manager Dickerson: Everyone has the same Power Point Presentation being shown on the screen for the large crowd. The Council also has the spread sheet which shows two issues, one is the expense side and one is the revenue side. We are starting with the expense side and with the Administration Department. The easiest way to read this is by using the presentation to look at the expenses under Admin, for clarity, the first-line item under Admin Expenses says “Salaries Council? decreased \$3,560. You will see the first column there is for the prior budget for '07/'08 and the next is the budget which you passed on October 1, 2008 and we are into now over the six-month period. Then, the expended year-to-date is amount that has been expended against that first figure to your left which is this year's. Then, the percentage used is actually the percent of the total budgeted. The proposed budget change, the amount there actually represents the change. So, in the first line item of Salaries Council would be the \$3,560 which is actually a decrease and the new amount – although budgeted at \$7,560, we

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decrease that \$3,560 bringing it to the \$4,000 figure which is the proposed tonight. Does everyone understand that? If so, then I can move forward.

C. DUBY: The \$4,000 in red is the excess we have.

MAYOR POST: It is for the next six months. That is the proposed amount.

MANAGER DICKERSON: Everything in that column under the proposed budget.

C. DUBY: That is what is left?

MANAGER DICKERSON: That is correct.

C. DUBY: Tell me the significance of the red and the green?

JENNIFER CORNELL: The red and green was just the highlighted fields that had changed. For purposes of the report, red represents any figure in the budget that decreased and green is any figure that increased. If it is black, it remained the same.

C. DUBY: One more question. The 45% and the 24% are what?

JENNIFER CORNELL: The 24% represents where we are today. We have used 24% of the original budget. The 45% would be percentage we would be at if you passed the budget at proposed.

MAYOR POST: We want to be at 50%. If we are lower than 50%, we are doing good.

JENNIFER CORNELL: Correct.

C. DUBY: I will get it as we go along. I am a little confused because you are basically changing the figures in the proposed budget column from just leaving what is left there.

MANAGER DICKERSON: The proposed is always to look at that particular line item individually with invoices and the costs associated with that line item and whether or not we need to increase it, leave it the same, or decrease it.

MAYOR POST: I want to add to that before we get started is that the purpose of the six-month budget which is something we have never had probably in our life here is to review the budget as it stands, make sure that we are not having problems in the next six months like what we have just seen for example. I don't know if anybody read but South Bethany is proposing because of their shortfall of 154% increase of property taxes, Lewes is doing the same – what they have been doing is meeting weekly to make sure the budget is targeted. We have to remember budget is a living document. Not only is it a living document, it is a document to be adjusted as we move because it absolutely in many cases just a guesstimate. There are certain things you can put in a budget that is actual and defined and there are others that you will learn as you are moving along that can be adjusted. This is proposing to be able to adjust the budget, balance us in a budget and proposing – they looked ahead at the next six months reviewing the first six months on where we are going to get to a balanced budget by the end of this year which is and was going to be a pretty big task at hand. As you move along, the most impressive thing I can say about this budget is we are trimming down \$200,000, taking it out, transfer tax – between transfer tax and permits, slightly over \$200,000, and we haven't even touched the \$70,000 that was proposed for taking out of general funds and we are coming up with a balanced budget which is remarkable in today's time. The keys to look at tonight are the red and green because those were adjusted. There are certain things they have learned as we

have moved along that will make things more actual and where they need to increase the funds or where you have to reduce them.

C. Betts: George, on the Salaries Council, \$4,000 is what we are proposing now for six months. We have used \$1,785 of that, is that correct?

Manager Dickerson: That is correct.

C. Betts: The balance we have is \$2,215, is that correct?

Manager Dickerson: Yes, absolutely.

Mayor Post: Then you can look at this other sheet to follow those figures to see they are proposing a decrease of \$3,560.

C. Betts: That is the difference between the \$4,000 and the \$7,560?

Manager Dickerson: Yes, absolutely.

Mayor Post: Yes, and I do want to make a note that C. Prettyman has joined us.

Manager Dickerson: I have also prepared explanations for each of these line items. I can highlight those that I think are relative or important to you. Perhaps, Salaries Council, the first adjusted line item, let me give the explanation of why that adjustment was made. The original budget included an allotment for numerous special meetings. Figures have been adjusted to reflect actual and projected costs for the remainder of the fiscal year. Remember when we were getting so busy we were actually trying to do two meetings a month but we actually cut some of those down. That reflects having to pay those salaries to council members because we cut those special meetings. Now, tonight, as an example, is a special meeting and you all get paid for it tonight under the special meeting of the Charter. But, we have actually looked at those meetings and at best made a prediction on how many we are going to have but we feel comfortable with that figure. Does everyone understand the logic now?

Mayor Post: Also we were proposing two regular Council Meetings a month that you get paid full salary. Special meetings, as tonight's workshop, we get half.

Manager Dickerson: This is not a workshop.

Mayor Post: I'm sorry, it is not a workshop. But, the bottom line is that we do not get paid – when you schedule two regular meetings a month, we get paid our full allotted meeting amount.

Manager Dickerson: Mayor, I am not going to speak to that because I would have to read the Charter. I just can't recall off the top of my head.

Mayor Post: It is the Charter. For special meetings, we get not quite half. We don't have the two scheduled meetings per month any more.

Manager Dickerson: And, this month being the exception because you sitting here now.

Mayor Post: Regular meetings, you get paid full amount.

Manager Dickerson: Next slide, please. The slide presentation document, under Expenses, the first line item I read was Salaries Council, and as I go down here and read those, what the adjustment is whether it is an increase or decrease, if you would like to hear an explanation for that line item, please let me know and I will let you know. I will bring to your attention those that are of a higher importance or a change that I think is truly noteworthy for you. But, some of these are just routine minor adjustments. The next one is Overtime Regular. Increase that line item to \$4,500. Would you like to know why? Okay, line item was increased

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based on the contractual obligation in overtime costs as well as the number of meetings that administrative staff has to attend. There was an increase in those numbers. Even though, you don't see Cee-Cee? at some of the meetings and we have cut that back. For example, tonight Stephanie is here and we have Julie upstairs running the projector and obviously I have our Finance Coordinator here. You are just going to have some of those costs associated with overtime.

C. Duby: If we have fewer Town Council meetings, wouldn't that reduce the overtime?

Manager Dickerson: Well, you still have people there regardless if it is a regular meeting or not.

C. Duby: And, we also have staff attending committee meetings.

Manager Dickerson: Robin has for example Planning and Zoning. There are just an exorbitant number of meetings. Even staff sometimes has to attend meetings. Next, Payrolls and the Social Security Tax, that increase directly reflects the increase was for the overtime costs. So, those are just associated costs that are reflected. Payroll, Social Security, Council, the same thing there and that was a decrease because obviously that amount went down. Payroll Taxes Medicare, increased; Payroll Taxes and Medicare for the Council shows a \$52 decrease.

C. Betts: Wait a minute. You said \$52 decrease?

Mayor Post: \$58 decrease.

Manager Dickerson: It decreased \$52.

C. Betts: But it left \$58.

Manager Dickerson: Yes, I am reading from the PP presentation. The Employee Insurance Benefits increased \$10,000. Let me tell you what that was for. The Employee Insurance Benefits increased because they have been reclassified throughout the Town to reflect actual amounts incurred per department. Additionally, adjustments have been made to the status of some employees; some married, some dropping, some adding, and those types of things, and some child births that we were also added to some of those costs. Next page, here.

C. Prettyman: That was the Employee Benefits?

Manager Dickerson: Yes, that is correct.

C. Duby: This is in spite of the fact that they are now paying a portion?

Manager Dickerson: Yes, that is correct. The Administrative Department – now we go to the second page of the PP presentation. Training and Seminars increased \$300. Accounting Fees decreased \$197; that is from Tom Sombar's fees. Consulting Fees decreased \$6,500. That particular decrease – the consulting fee – decreased to reflect the actual use of the outside consulting services as projected because we did not use Debbie Pfiel as much as anticipated. Even though she is working on some of our plans, we cut her back from coming to meetings so we were able to reduce that line item.

C. Prettyman: That is under Consulting?

Manager Dickerson: Yes. The Engineering Fees increased \$2,500. That increase reflects actual costs of outside engineering service related to building renovations. The building renovations were for the fire escape put on the outside. There were additional engineering costs that carried over to this year from that project. Legal Fees, we had an increase of \$5,000. The increase reflects the actual and estimated

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legal fees for the administrative section. Temporary Labor, we decrease that. This is the lady that comes in and does all the minutes that we have – Planning and Zoning, Board of Adjustment, Council Meetings, this meeting, any of the minutes that we have. We have reduced that and cut that back, we thought was a good figure for the balance of this year. Supplies decreased \$3,000. We looked at what we had and were able to cut back those with the Administrative Department and thought we could save that there. Next page, Advertising was decreased \$1,000. The Holiday Lights increased. The reason for the Holiday lights increase was because there was an electric box near the Federal Street Coffee Shop that which supplies the power, if you will, from that box to the electric lights down Federal Street. That box went bad and there was a \$1,500 cost incurred to repair that box because it was smoking. The repair that was made was included in the costs so that ran over the amount budgeted. So that takes care of that override cost. Election Expense decreased \$575. The Gasoline decrease is \$300. Town Insurance decreased \$35,000. Part of that was savings in premium that you heard me report at Monday night’s meeting; well, that is about \$20,000 of that; the other was a better rating that we got with Workman’s Comp. So, those were decreases that we had, and that was a good decrease. Printing and Postage increased. Every time you turn around, the Post Office is putting up the rate so that increased \$4,000.

C. Duby: Between Town Insurance and Printing and Postage, the overhead does not quite match up to the spreadsheet. There is Miscellaneous Operating ...

Manager Dickerson: Tell me the line item and I will give you the amounts.

C. Duby: Okay, so the Power Point is only things that have increased or decreased?

Mayor Post: Right. That is the only thing we are addressing because the other has been approved. The only we have to approve are any changes to the budget.

C. Duby: Is that the Town Manager’s expense account, the Miscellaneous Operating?

Manager Dickerson: Part of it is, yes, that is correct. But that is not an item that I have that is part of the Power Point.

C. Duby: Right, okay, that’s all. Thanks.

Manager Dickerson: So, the answer is yes part of that is the credit card that is assigned to me. That is correct. Repair and Maintenance Building increased \$2,000. Telephone decreased \$8,000.

C. Duby: \$800.

Manager Dickerson: \$800, I’m sorry. Utilities increased \$1,000. Website Expense decreased \$300. Bank Fees is a decrease of \$1,650. Anytime you want to hear an explanation of these, just let me know.

C. Duby: Where did you get bank fees?

Manager Dickerson: Bank Fees reduced due to reduction in the transfer tax of receipts. Every time we draw those fees, they charge us for it. Since, they were lower, they were reduced. Capital Expense Town Hall Renovations increased \$8,911. The line item created to track additional building renovation invoices encumbered during the current fiscal year for those renovations.

C. Duby: Didn’t we budget some money for that and did we not carry that over?

Mayor Post: We spent it all.

Jennifer Cornell: We did not carry it over. We did budget for that last year, however, there was a bill that came in and we did not carry that over from last fiscal year.

C. Duby: Oh, so that is why it wasn't budgeted in?

Jennifer Cornell: Yes.

Manager Dickerson: Besides that, last year's reflected we were 110% of revenues and 98% of expenses so it worked out to our benefit. Capital Expense Downtown Beautification increased \$45. Capital Expense Edmonds Software increased \$274 and that is only because their fee to maintain that software for us increased.

C. Abraham: (?) Can I back up one spot? It just kind of threw me. Under Town Hall Renovations, if we didn't budget it but we spent \$8,911.15, where did that come from? What accounts did you pull it from?

Jennifer Cornell: It just came out of general funds.

C. Abraham: (?) Okay.

C. Betts: So, does this go back in General if we collect revenues or whatever?

Manager Dickerson: We would not be collecting anything against that number.

C. Betts: No, but I meant – okay.

Mayor Post: You will see increases in revenue.

C. Betts: Revenue, okay. That is what I am saying.

Mayor Post: You are going to see miscellaneous increase in revenues from things we did not even count on.

Manager Dickerson: When you get to the bottom line, it is going to balance, both sides. The next is Streets and that is Website Expense with a decrease of \$300.

[Council could not find.]

Mayor Post: It is on the spreadsheet. Yes, it says Website Expenses. By decreasing it, you are still at 50%.

Manager Dickerson: Police Department Salaries decreased \$23,617.

C. Betts: How come that decreased?

Manager Dickerson: We lost Officer Noah Glaeser.

C. Betts: Okay.

Manager Dickerson: Overtime Regular decreased \$10,000. Overtime Holidays increased \$33,000.

Mayor Post: That is because we are cleaning it up on the books because it is not proper how it has been done.

Manager Dickerson: The overtime scheduling of holidays has been an extreme expense with the way the scheduling has been done.

C. Duby: Are we changing the way we are doing it?

Manager Dickerson: The Mayor could probably answer that.

Mayor Post: Yes, we are; a simple yes. That will be corrected and part of this is correcting the way we have recording it because it shouldn't be falling into overtime. It should be falling under Holiday.

Manager Dickerson: We had everything lumped together. With overtime, for better accuracy, we have broken that out between regular overtime and then holiday overtime.

Mayor Post: That way we can keep a better track of holiday versus regular overtime.

Manager Dickerson: That is correct. The Payroll Social Security Medicare, you can see those are just small at 38 line dollars. Employee Insurance Benefits decreased \$1,691. Police Pension decreased \$9,285 and that is because of Glaeser obviously. Legal Fees was an increase of \$18,000. Those were legal fees attributed to the Police Department. Fuel Oil decreased \$500. Gasoline Usage decreased \$4,795. Printing and Postage actually decreased \$1,000. Repairs to Auto increased by \$4,000 and the majority of that cost – let me look but one of those was the transmission from one of the cars. Detective Boone's car's transmission went out and that was the cost of the repair to replace the transmission. Is there a question?

Mayor Post: Yes, hold on one second, please. Repair and Maintenance of Auto and not Equipment; you have auto building and equipment and the only one that changed was Auto. He explained that was because of the transmission going out. Then, now, you are on the increase of the telephone and Noble had a question on the increase.

C. Prettyman: Is that increase for the whole administration?

Manager Dickerson: No, you are in Police Department now. The Telephone increase of \$7,000 – the line item was increased to reflect projected costs. Phone reimbursement from the state of Delaware is no longer available for the current fiscal year. You know all the police cars have the laptops and then there is an air card that is associated with that. The state no longer pays that cost. That increase is to cover those air cards for those laptops. That is the majority of it. The state previously had paid that and they have stopped doing that.

C. DUBY: How many laptops are there?

Manager Dickerson: There are at least ten. There is one in every vehicle. We have a ten-vehicle fleet.

C. DUBY: We have a 15-vehicle fleet and how many laptops are there?

Manager Dickerson: No, we have a 10-vehicle fleet.

Mayor Post: There are not laptops in any of the others.

Manager Dickerson: Utilities increased \$3,000. Website Expense decreased \$300. We are moving to General department; is everyone there now?

Mayor Post: Wait. No, I am there. Go ahead.

Manager Dickerson: Installing Expense General Department Utilities Wagamons – we created a line item to track the cost of those lights per year and the increase of that \$11,200. Now, we have a line item that reflects that.

C. DUBY: Where did we have that budgeted before?

Jennifer Cornell: It was just in Other Utilities; it wasn't broken out separately.

Manager Dickerson: I had her break it out so we would know exactly what it was.

C. Prettyman: Are we trying to get this money back?

Manager Dickerson: No, we have been through that at Council. Council had voted based on – there was not vote taken – but based on a letter from former Town Manager Hal Godwin, it locked us into paying that for Wagamons.

Mayor Post: We need to put that behind us but there have been questions, even a couple of people from the public questioned why there wasn't a line item for it and we went ahead and place a line item in there for it.

Manager Dickerson: I had Jennifer go and break all of that out of our electric bill so it would be a separate line item.

C. Prettyman: Okay, thank you.

Manager Dickerson: The SRF Loan, it was a decrease of \$18,024.

Mayor Post: What is that?

Manager Dickerson: Wait, I am going to tell you. Line item reduced to reflect payment in full of the Sewer SRF Loan. That was due to the Tidewater Contract. The Parts Department is the next which is still on the same page. Website Expense decreased \$300.

C. DUBY: Can we go back for just a minute?

Manager Dickerson: Sure.

C. DUBY: The SRF Loan – so basically that line item is being wiped out because we paid it off?

Manager Dickerson: That is correct. It is paid in full. The next is Code Department – is everyone there? Employee Insurance Benefits increased \$1,189. The Employee Insurance Benefits have been reclassified throughout and I told you that before. That is based on the Code Department employees and was CeeCee and his family – that was actually that cost.

C. DUBY: What happened to the Parks section? Oh, just the Website and that's all there was, okay.

Mayor Post: Just the Website because they are doing a lot more in-house.

C. DUBY: Could you please tell me again, under Code?

Manager Dickerson: Under Code, it was an \$1,189 increase.

Mayor Post: That is the new figure, is the \$20,000.

C. DUBY: Okay, thank you.

Manager Dickerson: Training and Seminars is a decrease of \$250. Consulting Fees decreased again and that is Debbie Pfiel working with opinions going to Robin's department. When he needs them, we decrease that \$17,500. Building Plan Review and Inspection Fees increased \$8,000. Legal Fees decreased \$10,000. Minutes decreased \$250. Supplies Expenses decreased \$1,000. Next page, Advertising Expense increased \$500. Dues and Subscriptions increased \$2,750. Part of that is for Marshall and Swift Evaluation Guide. You remember that I reported to Council that Robin had completed the Marshall and Swift training which now allows him to assess commercial buildings when they go up at a different rate as to how they are build. Part of that increase is the cost of that book itself.

Mayor Post: After reviewing, to show how that training can make money, reviewing one commercial property here of the old assessment, we could have gained another \$55,000 in assessments.

Manager Dickerson: The Mileage Expense has a decrease of \$100. Printing and Postage increased \$600. Telephone decreased \$500. Website Expense, \$300. Trash Department. Trash disposal service has a decrease of \$12,655. I think you need to know the reason for that. The line reduced due to the actual residents

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serviced. The initial budgeted figure included a projected growth rate that has not been met due to the housing market. We did not have the number coming on line that was projected so that was a decrease in that line item. Next page is Water Department. Overtime increased \$2,500.

C. Prettyman: Why?

Manager Dickerson: Overtime line item was the actual labor due to the snow removal. The Social Security and Medicare, those increases are reflective built into that figure I just read, the 155 and the 36. Employee Insurance Benefits was a decrease of \$2,248. Supplies Pits? Meters and Leads is an increase of \$1,040. Tests increased \$500 and that was because those tests actually went up. Allen came to me and we talked about that. The Advertising Expense is an increase of \$50. Gas and Oil is a decrease of \$3,000. Printing and Postage is a decrease of \$9,000. Repair and Maintenance to the Water Tower is a decrease of \$1,000. Repair and Maintenance Auto increased \$17,050??? and that was a truck, I believe. There was maintenance that was long overdue on the whole fleet and that was a maintenance cost to bring them up to where they should be with several items, brakes and all types of things.

C. Abraham: (?) George, I think they were recalls on two of the trucks too.

Manager Dickerson: Yes, the two new trucks there were recalls on, yes. One was covered by warranty. Bank Fees decreased by \$150. Now, we are on Revenues and Adjustment to Revenue. Property Tax Revenue increased \$25,000. The reason that was increased is that billings factored into the total revenue as well as revenue generated from Heritage Creek. Heritage Creek subdivision came on line so when we could bill those lots when they were broken and assessed some of that is reflected in that figure. Interest Income increased \$30,000; adjusted for interest actually received, CDs and projected interest throughout the remainder of the fiscal year. So, that is a good thing.

C. Prettyman: This interest income is coming from where?

Manager Dickerson: Invested money.

Mayor Post: That is an additional \$30,000 which is great.

Manager Dickerson: Lien Certificate Revenue increased \$1,300. We created that line and that is notable because the revenue line item created to track revenues received.

Jennifer Cornell: That line item was created to track. We started process where every time a legal firm requests property tax or utility costs for closing, we now charge a fee for that.

Mayor Post: We voted that. We approved that.

Jennifer Cornell: Yes, that was approved. So, we created this line item just to track that revenue received.

Mayor Post: So, we have already raised \$1,300 just in the few months?

C. Duby: No, \$645.

Manager Dickerson: The \$1,300 is projected.

Mayor Post: Okay, that is the projected increase.

Manager Dickerson: We received year-to-date the \$645 figure on your spreadsheet.

Mayor Post: Every little bit helps.

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Manager Dickerson: Miscellaneous Revenue is \$15,000. Now, Miscellaneous Revenue is adjusted for various unbudgeted revenues actually received.

Jennifer Cornell: One of the biggest items in that \$15,000 was a reimbursement for expenses incurred several years ago. I believe there was a mapping done of the Town.

Man: ??? Through Connie Hollings Office and that was the money we received for that project.

Manager Dickerson: Tax Interest Revenue increased \$10,000. Transfer Tax Revenue decreased \$110,384. The adjustment we based that on was the actual revenues received, the actual revenues vary greatly from budgeted revenue due to the unfavorable housing market conditions. What we did was we backed it out here so that we are not counting on that money.

Mayor Post: It is good to get it out of the budget.

Manager Dickerson: Franchise Fees. There was a slight increase of \$5,340 because we got a little more from Comcast in our Franchise Fees than was expected. It was a little higher number than we had projected – about 15, I think, or whatever is on the spreadsheet. Police Department Grant Receipts increased \$1,958. Miscellaneous Revenue decreased \$1,000 and that was based on the rate of actual revenues received. Can you comment on that?

Jennifer Cornell: The Miscellaneous Revenue Line Item is just to track basically miscellaneous revenue, anything unbudgeted. Last year, they had quite a few miscellaneous revenues. This year, we really haven't received many revenues that were unbudgeted so we decreased that line to reflect that.

C. Duby: Where did the \$44,000 come from; why was there so much? I know you said they had a lot but was there a grant or something?

Jennifer Cornell: I am trying to remember. Last year, we did receive a significant amount. I have my reports. Let me pull this up real quick and see if I can answer that for you.

Manager Dickerson: While she is looking that I will go on.

Mayor Post: A generator grant, maybe?

C. Duby: I mean, to go from \$44,000 to \$1,500 is...

Mayor Post: And that fence that is in the back, the iron fence that went around the generator?

Manager Dickerson: All right. We will wait for her to find it then.

Mayor Post: Okay, but go ahead, you can keep going.

Manager Dickerson: I thought we were going to wait. Okay. Per??? Sewer increased \$6,500. Sewer Impact Fees from Tidewater increased \$15,000. Park Department Grant ...

Mayor Post: Someone had a question on why we have more impact fees. That is a good thing; we have increased by \$15,000. Why are we getting more impact fees; we just budgeted low, possibly, correct?

Manager Dickerson: We adjusted it to what we actually would get.

Mayor Post: Had we not budgeted anything?

C. Betts: Not anything. Why did you not budget for the Permit Fees for Sewer and Impact Fees?

Jennifer Cornell: We did not budget for that line item because of the agreement with Tidewater. Before a settlement actually goes through, all of those fees were held in escrow accounts and actually that has been settled – we are close to settling so that is projected fees for the rest of the year.

C. Betts: We have collected \$1,300, is that correct?

Jennifer Cornell: That is correct.

Mayor Post: We collected \$1,300 but we are proposing another \$21,500 between the two that we will be collecting. That money has been in escrow and we are soon going to be distributing the escrow.

Jennifer Cornell: The permit fees for sewer is a completely new line item. That is a fee per charter that we can charge when issuing a permit for the sewer. We just started that within the last month or so.

Manager Dickerson: While working through our budget, each Tuesday at our budget meetings, one of the things we look at is how do we increase revenues or what are the revenues. The Charter actually speaks to ... I am not sure – is it the ordinance or is it the Charter, Steph, can you recall?

Mayor Post: It is the ordinance.

Manager Dickerson: It is the ordinance. The sewer ordinance – actually the Town had never been collecting until it was discovered at one of our meetings.

Obviously, now, by the ordinance we are now compelled to collect it. Anytime someone wants to add to that – that is a \$650 fee we should be collecting. With ten connections, which we anticipate between now and the end of the year, we would collect \$6,500.

C. Duby: So this is for new construction.

Manager Dickerson: This is found money, yes, this is new construction. I think we are at Parks, Grant Parks increased \$65,000. The reason for the \$65,000 is that we budgeted \$85,000 when we presented the budget to you. That is what we thought we were going to get from the Parks income. Luckily, we got \$150,000. So, net is the \$65,000 increase.

Mayor Post: In a grant.

Manager Dickerson: In a grant.

C. Duby: A state grant.

Manager Dickerson: Code Department. Business License Receipts increased \$30,000. This is a good point to say that I need thank CeeCee for that for being out there and being so energetic on these sites to be after these people to come in and get their business licenses. He is the reason that line item has actually gone up the way it has. He did a terrific job for us in that area. Building Permits ...

Mayor Post: Because already in six months we have superseded last year's in business licenses.

Manager Dickerson: Yes, that is correct. And summer is our busy time to be out there and looking for when they try to come in without business licenses. Building Permit Receipts; obviously that was decreased for the same reason, the \$96,000 was because of the housing market. We are not getting the building permits to build so that is the decrease. Professional Fees collected; Building Inspection Fees increased \$12,000.

C. Duby: Excuse me. Didn't we decrease the Building Permit Fee from 3% to 2%?

Manager Dickerson: That would have some impact but a very small impact.

Mayor Post: Well, you would look at the total proposed, and it happened midway and we are not that far out, we might have \$10,000 maybe. I don't even know how to look at it now.

Manager Dickerson: Professional Fees Collected – Building Inspection Fees increased \$12,000 and Professional Fees Collected Legal decreased \$3,000. Professional Fees Collected Consulting decreased \$3,000. Professional Fees Collected Engineering increased \$10,000. You probably want to know about the increase. Hold on and I will tell you. Line item was created to track fees collected directly relating to engineering expenses. Engineering fees revenues have been increased due to the corresponding increase in the engineering expenses.

Jennifer Cornell: In the original budget passed October 1, there was a line item just for professional fees collected. It was a generalized line item. What we did was split out the different types of professional fees being collected. So, that is why you are seeing instead of one professional fees collected you are seeing four line items now. You can identify exactly what those fees are we are collecting for.

Manager Dickerson: Thank you, Jen. Trash Department decreased \$5,744. The line item was decreased to accurately reflect the accounts that were billed. Obviously, there were some expectations with new homes being built and coming on and this is a decrease that reflects those not being what we had projected. Water Department. Rents Water increased \$17,530. Tapping Fees decreased \$9,000. Sale of meters decreased \$18,000. Impact Water Fees decreased \$50,000. Those decreases are directly related to the new connections in new buildings with the decrease in the housing market. Disconnect Fees, you see an increase of \$3,000. Inspection Fees increased \$800. Interest Income decreased \$1,200. That actually brings you to the overall budget. The good news for this budget is that the overall budget was reduced \$49,209. We still have a balanced budget. You will see that by your spreadsheets between your expenses and your revenue which equal. There was a line item for Cash Revenues which Council approved which is still in this budget and will continue through to the end of the year. That \$67,000 though has not been used. We have not at this six-month mark used a penny of that money so far and, hopefully, we don't. If you recall from last year's budget and audit, it reflected there was a \$504,000 item in the amount there that was used. Actually, we could have used \$723,000 or \$724,000 so we were able to save that. Hopefully, we can also save this \$67,000. There are a lot of Towns that would like to have this budget. At this time, I would like to thank Stephanie, Jen, and Julie for these Tuesday meetings. We know exactly where we are and we know where the money is expended. These weekly meetings have been both one very beneficial to running the administration of this Town but two it is also a great stewardship of the Town and the taxpayer's money. That is all I have. Thank you.

C. Betts: George, just one thing. You said the Employee's Insurance went up. Can you explain that a little bit?

Manager Dickerson: There are different categories where it went up and some it went down. I will have Jen go back through each of those departments and explain those.

C. Betts: But, we made them pay some of the insurance and that is why it is confusing, if you don't mind.

Jennifer Cornell: Sure. Council passed that employees pay 30% of their dependent's expense. However, in the original budget we kind of generalized breaking up the cost per department just based on the amount of employees we had per department. In looking at it at six months now, I can review each employee's actual status, whether or not they are married, have children or are on a family plan. So, I adjusted for that. In addition, there was an increase this year slightly larger than what we budgeted for so you are seeing a small amount of an increase there.

C. Duby: A premium increase from the carrier?

Jennifer Cornell: Correct. So, overall you see some increases and some decreases and those are the reasons for that.

C. Betts: And we lost a policeman, right?

Jennifer Cornell: Yes, that is correct.

Mayor Post: But his is backed out of the police department.

C. Betts: Yes, but we still went up a little bit, is that right, because of training?

Jennifer Cornell: A small amount, yes.

C. Betts: Thank you.

Manager Dickerson: I would be happy to try to field any questions you may have.

C. Prettyman: I thank you. You have done a very good job. You have made it quite simple and easy to understand. I thank you and the staff for this six-month report.

Manager Dickerson: Thank you.

Mayor Post: I am just thrilled that we are where we are. It is amazing to be in the financial straits in this country and the state of Delaware and in the majority of the towns in Delaware. I am going to be honest, to see that we can reduce revenue that I was fearful of counting on like transfer tax and water – you know, the impact fees and the building permits. I am thrilled we can reduce that and still balance the budget and not go into our reserves, the \$70,000 in the cash reserves.

Manager Dickerson: Thank you. One of the other things that really helped us was we had a high delinquency rate – what I would call – in both water and there was some sewer that was in there also, it that right. What we did for both of those is we started a very aggressive campaign of collecting those. So, property taxes, we collected about \$100,000 in delinquents and we also collected about \$100,000 in utilities that we had outstanding. So, that \$200,000 helped offset the transfer tax.

C. Duby: I would like to say thank you to the staff because they did not get raises and they are paying a part of their health insurance and so they are contributing greatly to the fact we have a balanced budget. Not only that, but they are going out and doing things like collecting delinquent taxes and helping us there so a big thank you to all of the staff.

Mayor Post: Absolutely. And the department heads for working with this. It is team work.

C. Duby: Absolutely.

Manager Dickerson: One of things is that department heads were very understanding when we would make adjustments and then we would tell them okay we are looking at this and we are adjusting it and can you do that. They were very understanding in those areas, I must say.

C. Betts: I would like to thank them.

Mayor Post: I would too. Great job.

C. Betts: It looks good to go down instead of going up.

Mayor Post: In these days, staying even would be all right.

Manager Dickerson: If Council chooses to vote on this and approve it, we would certainly put on our web site the Power Point Presentation, the expense as well as revenue side of the presentation that you have as well as Stephanie has up there the talking points which I gave you tonight with line items so you could have those in hand. We would actually be posting those to the web site as soon as the girls can get it on there.

Mayor Post: It would be a good idea to get it on the web site.

8. Old Business – None

9. New Business

A. Approval of Six-Month Budget Amendments

C. Duby: Mr. Mayor, may I make a motion to approve the proposed budget for the remaining six months of the year.

C. Hudson: (?) I second it.

Mayor Post: A motion and a second. Can we just have a roll call on that vote for that motion?

C. Duby	Yes
C. Hudson	Yes
C. Prettyman	Yes
C. Abraham	Yes
C. Betts	Yes
Mayor Post	Yes

10. Adjournment

C. Duby: I make a motion we adjourn.

C. Hudson: Second.

Mayor Post: Any discussion to that motion. All in favor, say “aye”. Opposed.

Motion carried.

Adjourned at 7:54 p.m.