

Milton Town Council Meeting
Milton Theatre, 110 Union Street
Monday, August 3, 2009
7:00 p.m.

1. **PUBLIC PARTICIPATION** portion was called to order by Mayor Post at 7:00 pm

- a. Georgia Dalzell: Chamber of Commerce here in Milton. I would just like to say a few words to remind everyone about Bargains on the Broadkill. This is one of the three Festivals that the Chamber sponsors during the year and it takes place August 22nd in Memorial Park and we're all hoping for good weather this time so we can keep it where it is intended to be, so everyone can enjoy the Park. August 22nd it will start at 9:00 a.m. and it will go until 3:00 p.m. Also, the event that day includes the Kayak Race, sponsored by the Milton Theatre and the Great Duck Race, which is a lot of fun on the river. Everyone can participate, so I just wanted to bring it up. It's an August event and this was our opportunity to remind everyone. Thank you and hope you come.
- b. Jim Wheeler: 30263 East Mill Run, Milton. I promised Amy that I would announce, in case people did not know, that Po Boy's, the newest business in Milton, is now opened out on 16. This past week listening to Public Radio, there was a major report on diabetes and obesity and how obesity contributes to diabetes which is a very debilitating disease. Which made me think about diets; and that the town needs to go on a fiscal diet. I think Mayor Post was correct in the reports that I saw in the paper that we got along just fine with our police contingent, without the help from State Police or other communities and I think maybe our budget ought to reflect that, that we have plenty of police now; we didn't have any major crime sprees or anything in the last 3 or 4 months and I do see a number of police cars parked in the parking lot across from the fire station and it just seems like maybe there's an area that we can put our diet to work. Also, it appears that with the downturn in the economy, that we don't have a whole lot of new projects coming on in Milton; in fact, the ones that we've had either have gone under in terms of contracts; stopped as Dr. White's property apparently; and Key Ventures' property is on the market for sale; so my question is why, when we have a very competent person in Robin Davis and have had him in the town for a long time; acting competently as our Code Enforcement Officer; before he became the Project Coordinator; we don't have a whole lot of projects to coordinate; do we really need a new Code Enforcement Officer? It seems like at least in terms of tough times this is an area where the budget can be cut. The other question that came up to my mind, which came out apparently at the hearings; I have no dog in this contest, it's been going on the last three weeks or so; but, there was a \$20,000 consultant contract awarded apparently, and from what I can

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tell, from all the reports that I have been able to garner, that there was no Council approval of this and it seems to me it was a pretty large petty cash drawer we have in Town and I'm just wondering, without Council approval, is the use of these funds legitimate; is it legal; is it impeachable? It's a question I don't know the answer to. I'm just asking questions tonight. Also, there was a very prescient editorial in the *Cape Gazette* Friday, because apparently a lot of the issues in the *Cape Gazette* came out in the Hearing on Friday about why the Attorney General's Office did not conduct this investigation, getting back to saving the taxpayers \$20,000; or the State Police? It's been said that the State Police were contacted and said that they did not have time to do it; and the Attorney General's Office decided not to do it. My question again is, who contacted the State Police; who contacted the Attorney General's Office; was it done by phone; which I don't think you would do in a case of this importance; or in writing and where are the written documents asking for the help; and where is the written response from the State Police and from the Attorney General's Office? I think that editorial needs some very detailed answers.

Mayor Post: It's getting them.

Jim Wheeler: Finally, although I think you objected to my designation Mayor Post of Key Ventures Property as a gateway to the Town of Milton, it is if you travel Road 88 if you're coming from Lewes or Route 1 in that direction. I know that by Robin's estimate about 70 letters were sent out people maintaining their properties after the heavy rains; getting the grass cut; and as you approach Milton there should be a sign there saying the Town of Milton; when you get to Key Ventures; that is the Town of Milton property. It is the most horrible looking approach to the Town; not that I care, but you can't even almost at this point read the For Sale sign that is on the property. Normally, it seems like people that own property like that, cut the weeds back to corn crop or the soy bean crop. Here it looks like maybe the State cut maybe about 3 or 4 feet down to the bottom of the ditch and then you've got another 20 or 30 feet before you get to the cornfield and it just is a terrible view coming towards Milton. Most people may not know that it's Milton, but I do. Thank you.

Mayor Post: Thank you and I do want to comment that an extensive response to the *Cape Gazette* went today in an editorial that does provide names of who was talked to; it might not include dates, but it certainly gives you the names, so if anybody would like to contact those people, feel free to do that. It was with the Attorney General's Office and both the second in command with the Delaware State Police; because the head person was out of state and it was an officer in charge who was acting as head of the State Police in Delaware and it was an extensive discussion with both parties. I sent the Letter to the Editor to every media source in the State of Delaware today. Talking about the poor journalism being held by the *Cape Gazette* with not getting facts before they print an editorial; so read it; hopefully the *Cape Gazette* will be able to print

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that and I think you'll have your answers. As far as any type with grass issues in the Town of Milton, everybody has been served with notices in regards to their grass and that means everyone; as far as the height. When I say everyone, with height regulations, violations, I mean everyone.

Mayor Post: I will now close the public participation portion of this meeting at 7:09 pm.

2. The Milton Town Council Meeting was called to order by Mayor Post at 7:09 pm.
3. A Moment of Silence was led by Mayor Post.
4. The Pledge of Allegiance to the Flag was said by all in attendance.
5. Roll Call was called by Mayor Post

C Martin-Brown	Present
C Hudson	Present
C Prettyman	Present
Mayor Post	Present
C Duby	Absent
C Abraham	Absent
C Betts	Absent

6. Additions or Corrections to the Agenda

Mayor Post: Are there any additions or corrections to the agenda? Item 13 a, Old Business needs to be removed because the Town Solicitor has not had time at this date to review the proposed changes and also Item 13 c, Casa San Francisco has withdrawn their waiver for building permit fees, because they are paying the permit fees; so if we can have a motion to remove Items 13 a and c?

C Prettyman: I make a motion that we remove Old Business 13 a and c.

C Martin-Brown: Second.

7. Approval of the Agenda

Mayor Post: We have a motion and a second. Any further discussion?

C Hudson: Yes. When someone resigns from a committee or is appointed to a committee; I've seen precedent in the past where that is announced in the agenda. Has Rhonda Abraham resigned from the Personnel Committee?

Mayor Post: No, because she was never appointed.

C Hudson: Okay, has C Duby been appointed and would she need to be voted in?

Mayor Post: You did vote her in in April. And if anybody had a question about b, because I know I did have a question, the September 4th date is correct in the minutes; how we voted; it would be 60 days from the time of the that date; so that

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needs to stay on that agenda. So we have a motion and a second. All in favor say “aye”. Opposed. Motion carried.

8. Presentation and Approval of Minutes for July 6, 2009.

C Prettyman: I make a motion that we accept the minutes of July 6, 2009, as written.

C Martin-Brown: Second.

9. Approval of Minutes by Council

Mayor Post: We have a motion and a second. Are there any questions to the motion? All in favor say “aye”. Opposed. Motion carried.

10. Approval of Written Committee Reports

C Prettyman: I make a motion to accept and approve the committee reports that have been submitted to us, as presented.

C Martin-Brown: Second

Mayor Post: We have a motion and a second. Is there any discussion? All in favor say “aye”. Opposed. Motion carried.

11. Town Manager’s Report

George Dickerson: Good evening Mayor and Council. First of all, there are some people that I would like to thank. Last Tuesday I had a family medical emergency with my daughter, two weeks after childbirth and the calls to my home and messages that were left while I was at the Emergency Room with her which turned into a long visit, if you will and admission to the hospital; she is doing well today, thank the Lord, doing very well, has returned home, my new grandson is doing well, there for a while it was very critical circumstances; several calls that were made to me personally as well as Mayor Post, I appreciate your calls and concerns it was a very gut wrenching experience and the staff had to pick up some of the things that we were working on at that time. I also thank my staff very much for those. On Friday, I personally had eye surgery that due to my diabetes, as Mr. Welu was saying, mine is not fiscal, mine is from actually having diabetes and having that surgery done on Friday, which I’m still recovering from. The first issue that I have is the Milton Rails to Trails. One of the issues there; anybody that went by the grass that was planted along there can see that it was deplorable; it has been addressed; there was supposed to be hydro-seeding done of the sides of that; Stephanie has taken that to the responsible parties to make sure that the contractor does go back and do that hydro-seeding; they’re going to pull out some of that older stuff; that was one of the work orders; also there’s a meeting this week with regard to the Brownfield project being continued in Phase II and Phase III and that meeting, I’ll certainly let everyone know after that meeting probably by email what the State says with regard Brownfield to include that. The next thing I’ll discuss is the PTA, the reassessment currently being done by Property Tax Associates. Letters have been sent, and I think most residents have received them at this time, regarding property information for all the property owners. The final notification of

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the new assessment value should be mailed out on or about the 21st of August, at which time each property owner will have the opportunity to discuss the new assessment with the Assessor. Details of the time and the place for the assessment hearings will be provided, at that time and will be included in that letter. The next item is the 2009-2010 budget. The Public Hearing for Public Comment on that Budget will be August 13th and it will be here at the Theatre; after which another Budget Workshop will be scheduled and I think that Stephanie may have talked to you tonight with regard to picking a date for that so that we can post it and find a location for that next workshop.

C Prettyman: Excuse me, Mr. Dickerson, on the 13th, what time will that be.

George Dickerson: I don't have the time here, Stephanie, I would think that would be 6:30 or 7. It will be 6:30 p.m.

C Prettyman: Thank you.

George Dickerson: There is the Delaware Land Grant and Water Conservation Trust Fund Grant is the place last year where we were funded for the Park upgrades that we did; the monies that we're receiving that are part of the Park for Memorial Park to offset some of those costs for the Town. There are monies that are available, but they are a 50% match; so at some point Council needs to consider with that and you will have that added to your budget packets; we've just learned of this; that there are monies available; but you would have to try to think of where you want to use that and do you want to expend 50% match to do anything else. It can be used for park line acquisition; park and trail development; and park and trail planning. It's a 50% match, for example, if the grant would be for \$100,000, then the Town would certainly have to put up \$50,000 of that or half of the cost. As Council at the Workshop in the first view of the budget, we had applied for a COPS Grant which was for total funding for Officers over a 3 year period related to the Stimulus Package. We had received notice that we were not funded. COPS was available to fund actually of all the requests, only 1,046 requests, or about 14% of what they actually received in the country, which was 7,272 requests for funding of Police Officers during the 2009 solicitation for funding. Our funds request was not denied. The application remains under a pending status within the COPS office, which means that the proposed is still under consideration for FY 2010 Appropriations. The earliest though that they would even be considered is April of 2010 and that is that latest information that we had received today with regard to those particular funds. That's all I have, unless you have some questions.

C Hudson: I have a question regarding Shipbuilders. You said there would need to be one more easement obtained for stormwater problems?

George Dickerson: The question was that Shipbuilders there was an easement to continue that drainage issue that we also had that you helped us with Mr. Prettyman behind the school, the easement right behind the school property. There was a small portion of that that Mr. Brady handled. That has been turned over to our attorney. She is working with that and trying to work with the attorney of the owner to have that resolved. I don't think we have any news of that, because we

were waiting for Ms. Schreider-Fox to make contact with the attorney in Wilmington whose name is Mr. Rago, I believe. Is that correct?

Mary Schreider-Fox: That is correct. I have been trying to reach Mr. Rago and I have not been able to connect with him yet, but we are still trying to get in touch with him. He apparently has some questions and hopefully we can answer those and memorialize this final easement that we need and everything can move forward.

Stephanie Coulbourne: George, I just wanted to add I got a call about 10 of 5 tonight from Becker Morgan Group. They spoke to Mike Davidson about the grass on Rails to Trails Project. They are going to hydro-seed it in late September.

George Dickerson: But they did agree that they...

Stephanie Coulbourne: They knew it was an issue.

George Dickerson: The contract actually did call for the hydro-seeding. Thank you.

12. Written Reports

a. Maintenance

C Prettyman: I make a motion we accept the July, 2009 Maintenance Department, as prepared.

C Hudson: Second

Mayor Post: We have a motion and second; any questions? All in favor say "aye". Opposed. Motion carried.

b. Project Coordinator/Code Enforcer

C Prettyman: I make a motion to accept the July, 2009 Project Coordinator/Code Enforcer report, as prepared.

C Hudson: Second.

Mayor Post: We have a motion and second, is there any discussion? All in favor say "aye". Opposed. Motion carried.

c. Police Report

C Prettyman: I make a motion to accept the June 21st through July 20th, 2009, as submitted by the officer in charge.

C Hudson: Second.

Mayor Post: We have a motion and second; any discussion?

C Prettyman: Yes, just to bring up, in June and July, the burglary has increased in our community from 4 up to 5; also the domestic incidents has increased from 3 up to 5; and juvenile incidents have also increased from 3 to 12.

Mayor Post: All in favor say "aye". Opposed. Motion carried.

13. Old Business

b. Discussion and Possible Vote to Extend or Eliminate the Current Moratorium on the Demolitions with the Town of Milton. This Moratorium is Scheduled to Expire on September 4, 2009

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Mayor Post: The problem with this is that the next Council meeting is September 14, 2009. It must be reviewed by our attorney.

Mary Schreider-Fox: Right, there are some revisions that the Historic Preservation Ordinances.

Mayor Post: And, we're talking about both that need to be done.

Mary Schreider-Fox: Right. Then a package provided insufficient time to the Town Council, so that you guys actually have a chance to look at it before the night of; because I know that that is everybody's preference is to be able to have it in your packet for the evening and so Robin is graciously going to be helping me put together the package after my review is done and hopefully we will have something nice and polished for you that you can get ahead of time, before the September 14th meeting.

Mayor Post: We need to make a motion to extend it to September 14th instead of September the 4th. We didn't make a motion the last time. The Council meeting is on the 14th, so we need to make it the 14th, because obviously it expires on the 4th, which would be before the Council meeting and when we added the 60 days the motion was made to that night's meeting instead of to the next Council meeting, so it expires a week and a half before. So what we need is a motion for it to expire on September 14th.

C Prettyman: I make a motion that the moratorium on demolition should now expire on September 14, 2009.

C Martin-Brown: Second.

Mayor Post: We have a motion and a second; any discussion? All in favor say "aye". Opposed. Motion carried.

14. New Business

a. Add Ted Kanakos to the Zoning Ordinance Review/Revision Ad-Hoc Committee

C Martin-Brown: I would like to make the motion that we add Ted Kanakos to the Zoning Ordinance Review/Revision Ad-Hoc Committee.

C Prettyman: Second.

Mayor Post: We have a motion and a second; any discussion? All in favor say "aye". Opposed. Motion carried.

b. Fiscal Year 2010 Budget Presentation

Mayor Post: Now I will turn it over to Jenn for the Fiscal Year 2010 Budget Presentation.

George Dickerson: Before Jenn starts the presentation of this year's budget, at this regular Council meeting, I would just like to thank staff; I would like to thank the hard work that is done by Stephanie, Julie, Jenn; the many hours of work of trying to come up with the best numbers possible and with that I will turn it over to Jenn. Thank you, Jenn.

Jennifer Cornell: Good evening. I want to start off by saying that the budget that Council has, has several options that we have presented for your

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consideration. I will discuss those options after we go through the budget presentation. We'll begin with Administrative Expenses. Our first line item is Salaries. All salaries within this budget are presented at the current rate. There are no salary increases built into this budget. For Admin you will see the project amount. Council salaries, they are based on Charter requirements and you will see taxes related to both Admin salaries and Council salaries below. Employee insurance: we recently received a quote back from our insurance company giving us a more accurate figure for next year. The first presentation last week, we had an estimate. We actually received back since that time, a more accurate number so that has been adjusted slightly for you. Pension has been calculated based on the current rate that is implemented by the State each year. Training and Seminars: we have actually decreased that a little to \$1,000. Accounting fees: we rounded to \$10,000. That is based on an estimate by Sombar and Co. Consulting fees have stayed the same. Engineering fees; Legal fees: have decreased slightly. Temporary labor has stayed the same. Tax assessment has stayed the same. I want to mention that tax assessment, this is not reassessment costs. This is just for the normal work that Property Tax Associates does for us. This is when we have a new building or renovations done in Town and they need to go out and do an assessment on those changes. Supplies remain the same. Advertising has decreased a little. Holiday employee bonus: this line item has changed the title. It used to be Holiday Expense. It used to include both bonuses and the holiday party. The Holiday party was eliminated last year. It's listed as an option, later on in the budget for you. This figure, the \$2,300, is just bonuses. Holiday Lights; Dues and Subscriptions; Elections Expense; Gasoline; Heating Fuel, that line item has gone up a bit, that's just because costs have increased. Insurance has increased, that's also based on an estimate from our insurance company. This covers our worker's comp, our auto, property and liability insurance. Mileage expense. Miscellaneous operating. Town Manager expense: this line item has been created this year. In the past, the Town Manager expense has been included in the miscellaneous operating account line. For this year, we have split that for clarity. You'll see that there is no previous figure for 2009. The \$6,000 for 2010 is based on the Town Manager contract. Meetings stayed the same. Printing and postage went up a little bit; again that's the increase in postage costs. With this item, I also want to mention this includes the issue of the year-end report that Town Hall sends out the end of each year. We had very positive feedback on that and that's something I believe we want to continue to do, but that is built into that line item. Repairs and Maintenance Buildings stayed the same. Repairs and Maintenance Equipment: that figure is also based on contracts; it has increased \$2,000. Again, this is based on the contracts and we have received some back saying the figures will be going up slightly for the next year. Telephone, utilities, web-site (this is just for the maintenance of the web-site), payroll processing expense has gone up slightly again to an increase in costs.

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Bank fees: the bank fees are largely based on our transfer tax account. Citizens Bank manages our transfer tax and this is the fee that they charge related to that. This expense will vary depending on the amount of transfer tax we actually receive. This figure you see is based on what we have estimated. Town Hall renovations: that was a figure for last year. There is nothing for this year that has been completed. Software: that is our maintenance agreement fee. Code Book: we added this line item in, since last week. After reviewing the Code Book, we discovered that there is an annual maintenance fee related to this; that fee has been included so that we can completely cover those costs within the budget. Revenues: you have Luther Towers and their taxes; we have an agreement with them; they do not pay property tax; instead they pay this flat amount each year. Property Tax Receivable: this amount has increased. I spoke to Property Tax Associates, who is doing our current reassessment; with them we came up with estimated revenue for next year; this is based on their new property values and we will see an increase, hopefully, for next year. Interest income: this is based on the CD's we currently have, this is our revenue reserves. Lien Certificate Revenue: this line item was created in January of this year. This line item is for when attorneys request information for taxes and utilities whenever a property goes to closing. We started charging a fee for our time in gathering that information and we've been able to collect quite a bit this year, just in the few months since we started it; that's what that line item is showing. Miscellaneous Revenue: Tax Penalty: that's interest charged on any delinquent property tax accounts. Transfer Tax Collected: you'll see this line item decreased significantly. Again, we're trying to show we're being very conservative with the budget this year. I worked with the Project Coordinator to come up with an estimate of new homes for next year and on home sales and that's what this figures is based on. Franchise Fees. That brings Admin to Total Expenses: \$700,906, which makes up 30% of the total Town Expenses; Revenues \$946,500 at 42% of the total Town Revenues. Streets: Salaries are shown at the current rate. We'll see a slight change from last year in Streets, Parks and the Water Department; the salaries did not change for these departments; they were reallocated based on the need for each department. Taxes: just showing for the salaries there. Supplies, Miscellaneous Operating, Repairs and Maintenance Equipment, the Web-Site Expense (for the Maintenance of the Web-Site), Engineering Fees. You will see that we have budgeted in a Capital Expenditure for a Stormwater Drain Cleaner, also a Leaf Machine. This is a 4-year lease; the first year would be \$7,500. Each fall the Town of Milton does a leaf collection and that has been very successful. In the past, we have either rented or borrowed this machine from other towns; this is so we can purchase our own machine and instead of that one time a year, maybe we can do that more often, so we can keep up on the maintenance. That last line item, the truck, we paid that off this year, so you will not see that in the projected budget. There is no revenue in the Street

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Department. The only time we usually see Revenue is if we are awarded Grants or some interest on the accounts; but we do not have any projected Revenue for 2010. Streets Department: total expenses \$50,290, which makes up 2% of total expenses – and no revenue. Police Department: as George mentioned earlier, we base salaries on possibly receiving the COPS Grant; therefore this budget reflects 8 officers in the Police Department, at their current rates. Overtime and Holiday Overtime are both shown at their current use. Social Security, Medicare, Pension are all calculated based on the salaries figure; Insurance Benefits are calculated based on the estimate we recently received. Training and Seminars, Legal Fees, Supplies, Advertising, Dues and Subscriptions, Uniform Cleaning, Fuel Oil – we've eliminated this line item for next year. This is based on the installation of the new heating system in the Police Department. I'll talk about that a little more, as we get further into the Police Department budget. Gasoline and Oil, Miscellaneous Operating – I created a new line item this year called DUI blood draws. Currently whenever we pay a bill for this, it's been included in Miscellaneous Operating. It's been questioned quite a bit, why Miscellaneous Operating is so high and the majority is for this, so I've created it, so it is more clear that this is what we're spending the money on. Printing and Postage, Repairs and Maintenance to Auto – you'll see this line item decreased. This is based on eliminating some older vehicles that require more maintenance. Repairs and Maintenance Building – this has increased; this is due to adding a cleaning contract for the Police Station. Repairs and Maintenance Equipment, Telephone, Uniforms, Utilities, the Web-Site Expense. Capital Expenditures – the first line item shows the final year payment on a new vehicle, this is the 3rd year so this will be the last year that you will see that payment. The second one is the new heating system I mentioned earlier. The Police Department currently does not have a central heating system; they're using space heaters, things like that. This is a quote we actually received to put in a heating system in the department. The third line item, new car, would be a lease of a new vehicle. It's a lease/purchase. That would be a 3-year lease – the figure you see is the first year payment. The fourth line is a new car. That is a purchase of a new vehicle. In one year it will be paid off and that line item is funded by selling some older police vehicles, which you will see on the revenue side. The final line item is a police car that we actually paid off this year, so you don't actually see that in the 2010 budget. In Revenues, the first line item was a Miscellaneous Grant we received this year, so you don't see that for next year. Pension – we receive about 70% of the Police Pension, funded back from the State to us. That's the figure you see there. The Sussex County Grant that is a grant from Sussex County they award to Police Departments. In the past, that grant has been for \$25,000; they decreased that amount this year; the maximum you can receive is \$15,000. Fines have not changed. The next line is the \$10,000 for the sale of old cars. That is some older vehicles that require more maintenance, have higher mileage that we're

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hoping to eliminate to fund the purchase of a new vehicle. Miscellaneous Revenue. Total Police Expenses: \$717,511, that's 31% of total expenses; Police Revenues \$91,000, which is 4% of the revenues. Under General Department: The first line item you see is highlighted. This is an option for Council to consider. I've included it in this presentation so you can see the amount from last year. This is Council approved donations. These are funds Council votes to donate to different organizations within the community. Again, I will talk more about that at the end of the presentation. The next line item is Utilities – Wagamon's. That is the Utility Bills we are paying for Wagamon's West Shore per a contract for effluent expense. This was the loan for the sewer plant that the Town of Milton held and we paid that off using Revenue Reserves in the current year, so you do not see that for the future. Concerts in the Park: this line item has been moved from the Parks Department. I moved that because it really is a Town-Sponsored event. I didn't feel that the Parks Department had a control over that line item, and then the next line item, Council Approved Sponsorship \$2,000. This is to make up deficit in what we receive in donations, compared to what the Concerts actually cost the town. In the Workshop last week, Council seemed very favorable in using the \$2,000 to continue to fund the Concerts, so I did build it into this presentation; but again, it is an option. Under Revenues, we have Permit Fees under Sewer. Any time a new home comes in; we do collect a permit fee for that. Sewer Impact Fees, Donations (this is for the Concerts in the Park) and Revenue Reserves. This line item is to balance all the capital expenditures that are currently included in the budget. So for General Expenses, we have \$22,500; which is 1% of the total Expenses and the Revenues were \$165,000 which is 7% of the Revenues. For Parks, again Salaries, based on current figures and the taxes related to those; Supplies, Milton Memorial and Mill Park (this line item is to track Expenses directly related to the Maintenance of those two Parks); this is for mulch, plantings, this like that in those two parks. Miscellaneous Operating; Repairs and Maintenance Equipment; Utilities: this line item has been created to track the Utility bills associated with lighting in the Park, with the new gazebo, especially. Web-Site Expense, Engineering Fees, and the last line item highlighted the Park Upgrade and Repair has been eliminated for next year. We're hoping to complete that project. Revenues you'll see the Grant we received last year. There's nothing plugged in currently for the 2010 budget and the other line item, the boat dock rental, that's for the docks that we hold and rent out. Parks Expenses: \$50,895 make up 2% of the total Expenses; Parks Revenues: \$3,600. Code Department: Salaries, Overtime, Taxes related to both; Insurance benefits; Pension based on the salaries; Training and Seminars; Consulting Fees; Engineering Fees; Building Plan and Review and Inspection Fees; Legal Fees. I do want to mention the four items that I just read off to you are billed back to Applicants; it's not 100% billed back, but we do collect some funds against those that you will see in the revenues.

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Meetings; Supplies; Advertising (this line item is also billed back, when we can); Dues and Subscriptions; Gasoline and Oil; Printing and Postage; Repairs and Maintenance Auto; Repairs and Maintenance Equipment; Telephone, Uniforms; Web-Site Expense and the third and final year of a vehicle in the Code Department. Under Code Revenues we have Code Violation Fees; Business Licenses; Building Permits and Signage (this line item shows a significant decrease, this was based on a very conservative market. We don't want to rely on figures that we don't feel comfortable with, so we worked again with the Code Department to estimate the best we can what we will collect in the future year); Zoning Variance. These next four line items are the ones I just mentioned, these are fees we are able to bill back to Applicants for Building Inspections, Legal Fees, Consulting Fees and Engineering Fees. Total Code Expenses \$227,934 makes up 10% of the Expenses; Total Code Revenues \$258,000 makes up 11% of the Revenues. Trash Expenses: This is a contract with M T Trash that the Town is currently under. It was a 3-year contract; this would be the third year. The figure did not change. Last year we built in an increase in homes in the area; we did not reach the amount we had built in, so we feel comfortable using that same figure for the current year. Trash Revenues, you see a slight decrease based on the projected homes. Trash Expenses \$185,000 makes up 8% of the Expenses; Revenues \$195,000 makes up 8% of the Revenues. Water Department: Salaries; Overtime and the related taxes; Employee insurance benefits; Pension; Training and Seminars; Engineering Fees; Supplies; Pits, Meters, Lids (this line item is billed out, this is for new homes, when they need to purchase these items from the Town); Water Tests; Advertising (this line item has increased slightly. We are required to advertise our water report each year. In the past, we have been able to put that on the Web-Site; this year, however, they required us to advertise that in the newspaper, so we have budgeted for that in the future); License and Permit Fees; Equipment Rental; Gas and Oil; Chlorine; Miscellaneous Operating; Printing and Postage (again, with a slight increase for rates); Parts; Propane; Repairs and Maintenance to Water Tower (that is based on a contract); Repairs and Maintenance to Auto; Repairs and Maintenance to Building; Repair & Maintenance Hydrants and Pumps; Repair & Maintenance Equipment; Repair & Maintenance to Water Mains; Telephone; Uniforms (also based on a contract, so it's been increased slightly); Utilities; Historic Loan Expense (this is the water loan we have with the State of Delaware, so I was able to project that based on that loan); Web-Site Expense and Bank Fees have been eliminated. The Capital Expense for the truck, we paid that vehicle off this year, so you will not see that for next year. One line item requested by the Water Department was the Aqua Scope Leak Detector; I'm not very familiar with this equipment, but from what I understand they will be able to detect leaks without digging in the ground for them; so that is in there for \$1,900 and the Radio Read Meter Project will be completed this year, so you will not see a figure for next year. I do want to

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mention depreciation in the Water Department. During last year's audit, Mr. Sombar requested in his Management Letter that we include depreciation for the Water Department. I spoke with him today and he feels comfortable with us using this figure in the budget. I've not built it into the line items; since this is not case we are actually spending. This is just to give you an idea of how much the Water Department needs to collect to allow for the depreciation of the equipment it currently holds. So when I am finished with the Water Department, you'll see a difference between the Revenues and the Expenses; Revenues are higher. The reason for that is to allow for this depreciation expense; as equipment ages we need to replace that; so that's why the revenues in the Water Department are higher than the expenses. Water Revenues: Rinse Water; Tapping Fees; Sale of Meters; Impact Fees those are all based on new home sales, new construction, disconnect fees, inspection fees, interest income, miscellaneous revenue and again, that last line item is to provide for the Aqua Scope Detector. Water Department Expenses makes up \$377,305 which is 16% of Total Expenses; \$569,450 which is 25% of Revenues. Municipal Street Aid (MSA): As most of you know, the State has cut the funding for Municipal Street Aid for this fiscal year. In the past, we have been able to accumulate a reserve of these funds which will carry us through the current year. You'll see from the figures, we estimated street lighting to be \$60,000; we currently have enough in reserves to meet that figure, along with some interest income earned on a money market account we hold. This chart shows a breakdown of expenses by department, Total Expenses for all departments \$2,336,949; Total Revenues \$2,228,635. That brings us to a deficit of \$108,314. Now at the Workshop last week, Council had requested a total for all options presented within the budget. I have created two separate slides totaling those options. The first slide shows all options including a 1.5% merit increase to all employees; except the Town Manager and the Chief of Police; who are contract employees; that would include all other town employees. As you'll see that 1.5% increase amounts to \$13,000 for all departments. That is including all related taxes and the additional pension in that raise. So all those options, I'll go through each one. The second line you see is Training and Seminars for Council. In the past, any training and seminars that Council Members attended were included in a line item under the Administrative Department; we have broken that out separately to be clearer of the exact expenses. The next line item is Holiday Party. This line item, as I mentioned before, was eliminated last year from the budget; however, there were several questions and requests made as to why we did not have a Holiday Party; so I have built that in after we discussed it for an option. Dues and Subscriptions: this is for the Delaware League of Local Governments and S.C.A.T. These are both organizations which we are currently members of; however, they use a large part of the budget, so we made those an option, as well. Mileage expense for Council, again this line item had previously been included under the Administrative Department; we

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broke it out as an option for clarity. Downtown Beautification: this is a line item that had been funded in the past, as a capital expenditure under the Administrative Department that has been made an option this year for your consideration. The Police Department has requested a new sign for their building. I believe the sign currently reads "Town of Milton". They would like a sign including "Police Department". They do have residents and people coming in and wondering if it's Town Hall. That is a quote we actually received to replace that. A new phone system for the Police Department; this would be to upgrade their system to be more efficient. Bowflex equipment for the Police Department. This is an exercise equipment to enable them to keep up with their training needs. That last line item that you see, Council-Approved Donations, Council in the past has made several donations to local organizations, this year we have made it an option for your consideration. So that brings these options to a total of \$34,000. The next slide is the same options I just described, however, instead of a 1.5% raise, are a 2% raise. That change is only about \$4,000, bringing it to \$17,000; so all of these options total \$38,600. We have several options to decrease the deficit. The first would be to use cash reserves, to eliminate the \$108,000. The second option would be to increase property taxes. I have calculated several different rate increases and the amount that would bring the Town in revenue. A \$0.07 increase would bring in an additional \$262,000. That exceeds the deficit; however, it would allow for a reserve to build within the General Department. A \$0.05 increase would bring in \$187,000 and a \$0.03 increase would bring in \$112,000. Again, these figures were calculated with Property Tax Associates and the new figures they have come up with. We have also proposed several changes in the Fee Schedule. Council has been provided a new Fee Schedule showing those changes; I'll describe a few of those. For boat dock rentals we are proposing a change from the current rate of \$100 during the season/\$50 off-season; to \$200 during the season/\$100 off-season; that would double the current revenue. Grass cutting per hour: doubling that fee from \$100 to \$200; that's to allow for the use of our equipment and time. The NSF check fees: again, increasing those by \$10; this is obviously to deter the bad checks coming in; but also to cover our costs. Police Reports: increasing that from \$25 to \$35 and the rental license from \$50 to \$75. There are also several changes proposed by the Code Department. These are different Application Fees and I believe Robin will talk to you more about that.

Robin Davis: Good evening. What I was asked to do is to look at some of the fees that we charge for some of our applications, as part of Planning & Zoning, Board of Adjustment and Historic Preservation. The overall objective of it was to Number one increase Customer Service. What we would like to do is sit down with the Applicants prior to formal submission and give them an idea of what they're going to be looking forward to and what the requirements are, so they know ahead of time what they have in store; what the process is. Number two, was to create the service-based fees; I think I did

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fourteen service-based fees altogether and then I broke down and justified the fees based on the process it takes to do from start to finish. To conduct pre-application meetings on each application and to provide better direction on the process and regulations. This way the applicant knows, right from the start what it's going to cost and what the requirements are; outside agencies and so forth. To make sure all applications are received and decision letters. We are required by Code to send out letters, informing them of the decisions made by the Committees, so this will make sure that it's a step in the process to make sure this is done. Number three, is to ensure that all records and files are current and accurate for future reference. This way if somebody needs to go in there, several years down the road, that we all know what happened and how it happened and why. Create service-based fees; only those using the service will pay for the costs associated with that service. Number four, the Town and/or taxpayers are not subsidizing monies for the application. Right now there are some applications we are not charging a fee for; we'll see, a little bit later, as I've got them broken down. Number five would be to recover costs associated and not profit from each service application fee. Number six would be to justify fee, based on the process. Following the process that is described in Town Code FOIA Regulations and Administrative Steps, when it has taken the steps that are required by the Code; went through every one of the Applications; there are fourteen that I went through and I broke them down into time and costs for each application. Be sure that the Town is not fronting the expense of each application for professional services. Currently, we charge an application fee and then we have to go after the Applicant afterwards to recoup any money for Professional Services; that requires the Town to front the money for Professional Fees; sometimes we can be 60, 90 or 120 days getting our Professional Fees back from the Applicant. This new proposed process would take the money up front; we would hold it in an escrow account; then any money not being used would be returned to the Applicant. The new proposed fees are broken down into a base fee and an escrow fee; the base fee is an estimated staff time and cost involved in each application without any professional consultant services; that's all the staff time it costs to do each application. This fee is non-refundable. Currently, the Application Fee we charge is non-refundable. Basically, it takes the place of the Application Fee. The Escrow Fee is the estimated time and costs involved in each application for Professional Consultant Services. This is to review the Applications; for the meeting attendance; and any other information that is needed from our consultants, as far as engineering, planning and legal. The Escrow Fee includes the meeting room rental and may be shared for multiple applications, to be determined during the audit of the Escrow. If for some reason, during a Planning & Zoning Meeting we have three Applicants, the meeting room fee will be divided into three. The fee amount is tracked all monies not justified or used, will be refunded. We will track this through the entire process and at the end of the process, if there is any money leftover, it

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will be returned to the Applicant. If the Applicant needs additional services; if they need multiple submittals or meetings or reviews, and the Escrow money has been depleted, the Town will bill for any additional amounts that we need. These are the fourteen service-based Applications that I reviewed starting with the Historic Preservation Application and going all the way down to Board of Adjustments. The two at the bottom will be determined, were the Administrative Plan Review Application that the Town Solicitor is looking at right now and the Annexation Application. We currently do not have any charge for any Applicants coming and then making changes to Approved Plans or Sub-Divisions. The current fees that we charge are all on the screen. Currently, we do not charge any fee for a Historic Preservation Application; for a Zoning Change Application we charge \$400; these are all the current fees. The asterisks show that the Professional Fees are billed out separately. What you have in front of you is a typical Board of Adjustment variance application. It's took 26 steps to complete it from start to finish. What I did was I took the estimated time starting with number one basically to meet with the Applicant; then to create files; what it takes, etc., the entire process from start to finish to complete this. The estimated time, the total cost, also included in there, as you see in the third line is the Escrow Fees and then the base fee cost and at the bottom you will have the total average hours for Board of Adjustment Application and the total cost. To break it down further, what I'm proposing for a Board of Adjustment Application, the total proposed fee would be \$1,231, \$650 would be escrowed, and \$580 would be the proposed base fee. Currently, we are charging \$400 for a Board of Adjustment Application. Based on the breakdown I did for the proposed fees, the base fee would be \$580; that's what it currently takes, we figured, to do a Board of Adjustment Application, so currently we're losing basically \$180 on an Application for a Board of Adjustment Variance. Currently, the Town fronts about \$650 in Professional Fees and meeting room rentals. The next one we went through the same with a Historic Preservation Application. This takes basically about twenty steps and it's exactly same as the Board of Adjustment. As you see, an application for the Historic Preservation we're proposing the total fee to charge the Applicant \$635, we would take \$250 of that and put it into an escrow account; and the base fee would be \$385. Currently we are not charging anything for a Historic Preservation Application, so we are basically losing \$385 for every Application we have for Historic Preservation. We are fronting the \$250. The next slide shows the current vs. proposed for all the fourteen service-based fees. Again Historic Preservation worth zero; we're proposing \$635; Zoning Change is \$400; we're proposing \$1,057 and so on down the line. The next slide shows what I did is starting October 1st until current; I took all the Applications that have come to the Town for each of the fourteen service-based fees; year-to-date we have basically we have lost \$8,825 in base fees that should be coming into the Town, based on seven through Historic Preservation Applications. If we took the \$385 base fee we

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have lost \$6,695 just from Historic Preservation. This puts on in line to say what it takes to do each of these applications, from start to finish; so when we do come up with some sort of fee, we have some justification on why we are charging this amount. This also gives the Applicant an idea of what it is going to cost from start to finish. Right now we hit them with a bill for Professional Fees, after the Application is done. They may have a \$400 variance application fee, but then get hit with a \$1,200 professional fee at the end of the job; that's kind of hard for them to digest, at the end. This way we can tell them up front what they will be charged and then they would know in advance, and if there are any funds to be returned to them, we can knock it off and return it to them.

Jennifer Cornell: I would like to mention in Robin's presentation he has calculated exact costs. In the Workshop last week, Council requested that we round those figures to the nearest ten. So in the fee schedule that went with your Council packet, I did round those figures on the fee schedule, so you'll see a slight difference there. I also want to mention that all documents tonight that have been presented will be on the Web-Site tomorrow. What Council has is slightly different from what has been presented; not in the figures; figures are the exact same; the layout has just been changed and some additional columns; there was a 2008 figure and a year-to-date figure; in your information that we did not put up on the screen, just to make it more readable for the audience.

George Dickerson: Thank you, Jenn. That concludes the presentation for this proposed budget. Mayor, I'll turn it back over to you. Thank you.

Mayor Post: I want to thank the staff and everyone for working hard on putting this budget together. I know it's not easy; and especially the times that we're in. The Public Hearing is August 13th right here at 6:30 p.m. and then we will have another Council Workshop in late August, so we will be ready for the following Council meeting.

15. Adjournment

Mayor Post: Since this requires no action and we don't have need for an Executive Session tonight, would anyone like to make a motion?

C Prettyman: I make a motion to adjourn.

C Martin-Brown: Second.

Mayor Post: We have a motion and a second. All in favor say "aye". Opposed. Motion to close at 8:17 pm.