

**TOWN COUNCIL
SPECIAL MEETING
TUESDAY, AUGUST 21, 2007
IMMEDIATELY FOLLOWING
PLANNING AND ZONING MEETING WHICH WILL BE HELD AT
7:00 PM
MILTON THEATRE
UNION STREET**

Mayor Post called to order at 8:17 PM August 21, 2007 the Special Council Meeting of the Milton Town Council.

A Moment of Silence was lead by Councilwoman Betts.

The Pledge of Allegiance was said by all.

Mayor Post called for a roll call vote:

Councilman Prettyman	Here
Councilwoman Betts	Present
Councilwoman Abraham	Yes
Councilwoman Hudson	Here
Councilwoman Duby	Here
Mayor Post	Present

Additions or Corrections to the agenda:

John Brady: Requested #10 of the agenda, Executive Session, to be removed from the agenda, not needed at this session. Put on the September agenda. Motion so moved by C Prettyman, second by C Betts, all in favor, motion carried.

Approval of the Agenda:

C Betts motioned to approve the agenda as corrected, C Prettyman second, all in favor, motion carrier.

Swearing in of new Council Members:

John Brady recommended, for legal reasons that Councilwoman Duby be sworn in again because she was not sworn in with her hand on a bible at the Aug 6 meeting.

Councilwoman Duby was sworn in by Stephanie Coulbourne. Joan Martin Brown was sworn in by Stephanie Coulbourne.

Request for closing of Tobin Drive for Block Party:

C Prettyman motioned the request be granted, C Betts second, all in favor, motion carried.

Appointment of Legal Committee Members:

John Brady requested three members of the Town Council be appointed to the Legal Committee to assist in legal litigation requests in between Council meetings. This committee would be similar to the way the Personnel Committee Meeting is run. The meeting is being held but is closed. The minutes will be recorded and once the litigation is resolved those minutes will be available for public review. Mayor Post proposed he, C Betts and C DUBY be on that committee of three. C Abraham motioned the three new members, C Hudson second, all in favor, motion carried.

Adjournment:

C Betts made the motion, C Hudson second, all in favor; motion carried. Mayor Post adjourned the meeting at 8:29 PM.

TOWN COUNCIL WORKSHOP
IMMEDIATELY FOLLOWING THE CLOSE
OF THE SEICIAL TOWN COUNCIL MEETING

Mayor Post opened the Town Council Workshop at 8:30 PM on Tuesday, August 21, 2007. This workshop will be in regards to the proposed FY 2008 budget. The Council has received a copy of the rough draft of the budget, as well and public and Council comments. There was some confusion on how the budget was presented. Explanation was given for the Red Column which is the current & correct proposed budget and the Blue Column, which had a few number errors. The Staff of the Town of Milton is always available for questions. You can contact the Town Manager or the Town Clerk or Finance Director to discuss things.

George Dickerson: Thanks given to Stephanie and Virginia for all the long hours in putting the proposed budget together. The proposed budget will have a new format which will be a bare bones approach. The 2007 budget was revised on 3/16/07 as part of the budget process. I have an Agenda Budget List I'd like to run down to make sure I cover all the items.

Proposed Budget does not reflect any property increases

Administrative

Total line items presented in the budget come to \$675,430. There will line items that were removed from the administration portion, which there will be in all cases. These are line items that were non-recurring, or we've moved them for clarity to a separate section under general. The line items that were removed and the totals you will see, Town Anniversary, Town Hall renovations, Town Manager car, Downtown beautification, Holiday Decorations, etc. The total of all those line items are what you see reflected on the proposed budget of \$1,508,281. For the other, we had fire allotment; those are allotment to the Fire Co. That is a decision has to make with regard to the funding. Trash disposal is the current contract for \$143,400. We will need to increase that amount because the contract expires in October. We have started the bid process and will receive bids back by the end of Aug. Total for all line items on the general page, you will see where we moved those line items for clarity.

The administration approved budget, in that bottom line, is actually \$1,156,681. That is identical to what the approved budget for what this fiscal year is.

The total of the line items for administrative revenues is \$767,125. The line item that was moved was the Real Estate Transfer Tax for \$452,519. The total of all the line items on the administrative page was \$1,219,644, which includes the trash collection that was moved to general.

The total of the administrative approved budget is \$1,379,644.

C Hudson: Commented that the July 30 first issue of the budget should have included an explanation of the general items that were moved for clarity as shown in the current draft. Perhaps next year we could include the general items as a reference in the first go around.
George Dickerson: We will consider your request.

Police Department

The line items that were removed were those non-reoccurring. We could have added the line items, as suggested by C Hudson, and put a 0, maybe not. Mayor Post suggested an additional line item at the bottom comparing this years vs. the new. George Dickerson so noted. The highway safety salaries now are on police grants. For the Police Department revenues the line items that we removed was the Highway Safety Grant. C Prettyman questioned renovations in the next budget. George Dickerson: This is in the budget under another section.

Code Dept

The line items that were moved were the Edman Software and some office equipment. Those were taken out because they were already purchased. There was one item removed under Code Dept Revenues grant receipts. This was a grant we applied for with the Office of State Planning for \$10,000 to assist us in the fees or cost for our comprehensive plan for updating it and we have not receive the money yet.

Streets Dept

C Betts raised a request that the \$45,000 expense in the proposed budget for water be moved to Water & Sewer section and not under the Street budget. George Dickerson I talked to Stephanie Coulbourne about that this afternoon. The expense for the street pumping was the rental of a pump to pump out Shipbuilders Village. We have since purchased our own pump for \$10,000. You won't see that non-recurring in the new budget because that what we were being charged in this year's budget.

Parks & Recreation

No changes at all.

C Hudson: I have a question on the math. Current documents show \$39,445, not \$49,445.

Virginia: a park upgrade expense of \$10,000 should have been shown in the line item detail vs. the 0 shown.

Water Dept

Please note that the Edman Software as show was expensed out to all departments that use this software. The Water Dept revenues were impacted by a \$35,000 capital expense and what was left of the 3/16/07 revised 2007 Budget.

Sewer Expenses

MSA is municipal street expenses approved. An explanation of that letter will come later.

Adjustments

Virginia after further review I did find a couple errors that are not on your sheets. Refer to page 6, Code Dept Expenses; the line item is \$5220 for Consulting and Planner fees. In the Dept Supervisors projections that should be \$65,000. Total is \$244,157.46. Parks Dept, page 7, Line item 5100 3% COLA (formula error) bottom number should be \$58,614.31. Streets Dept, page 8, Line item 5100 3% COLA (formula error) bottom number should be \$52,642.31. Water Dept., the 3% COLA did not get picked up again, bottom number should be \$441,355.29. Revenues for the Water Dept. the rents for the water should have been \$359,981.00. The total would be \$492,776.51.

Council & Public Comments – George Dickerson

Comment 1: The revised 3/16/07 budget numbers do not add up to the total at the bottom of each column. **Response:** The line items listed do not show the complete budget for the prior year FY 2006/2007. The lines are listed only as a reference to show what dollar amount was requested this year vs. what \$ amount was approved for the prior year. Therefore, the balance will not total the line items shown. If we did not use the totals of the approved fiscal budget, that would be falsifying the document. C Hudson perhaps in the future there could be an explanation as to what and why items were left out so the document would be clear.

Comment 2: The 3% of the salary figure listed does not add up. **Response:** The figure listed is based on what the 3% COLA would be base on current salaries; not on the projected increase totals. No one would want to assume an employee was getting an increase before a satisfactory evaluation. C Duby did you increase a proposed increase in salaries based on a satisfactory performance in this budget process? George Dickerson The 3% is based on the current salaries. COLA represents a cost of living adjustment; separate and distinct from increases. In the salary line, there is a calculation for future increases.

Comment 3: Why the large increase in overtime? **Response:** Effective Feb 26, 2007 Town employees are paid out comp time hours listed on the books every 4 weeks. This was implement based on a strong suggestion from our auditor, Tom Sombar, to remove the high number of comp time hours that had been on the books for several years and to work those off and to pay those out and start fresh. That would show the increase paid every 28 days.

Comment 4: Social Security Tax calculations incorrect. **Response:** This actually happened due to the fact that at first I had Soc Sec and Medicare lumped together. But because we break it out in our system, we needed to break it out separately and when I broke the dollar amounts I did not change the percentage number to separate them which is why it is so high. Those will be reduced to the actual Soc Sec number and Medicare number.

Comment 5: Interest Income, why the large increase in revenue? **Response:** Based on the current certificate of deposit we were able to negotiate a better rate with Wilmington Trust and the rate of return on those funds, the total amount of revenue would actually be \$207,385, but we rounded it down to \$200,000 to be optimistic. The reason is we have approximately \$2.9MM in CD's at 5.1%, then we have another \$1MM at approximately the same rate which accounts for well over the projected figure.

Comment 6: With the slow down in the market is the figure realistic? **Response:** Building permits that were issued in 2005-2006 were 212. The building permits that

have been issued through August 2007 is 198. The real estate transfer tax that we've collected really didn't start to show up until 2005. In 2005 we collected \$249,959. The 2006 total was \$1,025,489. To date through July we've collected \$495,000. We have not seen the decrease in the market outside of Milton. We've seen a steady progression. Realistically based on the trend we could exceed our numbers for 2007.

Comment 7: Fire Allotment – why is donation to fire code not included in projected budget? **Response:** Council has to make that decision. It's not an automatic. You as Council tell me what you want to fund.

Comment 8: Police Revenue – why so high? Is Milton going to become a speed trap? **Response:** We have a Code Enforcement Officer that will be doing some enforcement issues. The current assignment to him is by our ordinances the police are the ones who have to take the action on that. There may be some increased revenues as a result of that. This time last year we had two new men. They came on so there are two extra people on the street. After being on an 8 hour shift I'd think they would see something that warrants a ticket. If he works three or four days and he doesn't see anything, he's not doing his job.

Comment 8: Street Revenue – grant receipts, where is the money coming from?

Response: C Betts I believe the Thurman made a promise to you of \$50,000 and we included that.

Comment 9: Water Rents – why is there a decrease in the total? Are there properties that will no longer have service? **Response:** This is a more realistic figure. The number of delinquent accounts that we have are the reason for the disparity in the numbers.

Comment 10: Municipal Street Aid – Town receives funds from the state based on the miles of streets. Will the revenue exactly equal the cost of street lights?

Response: No. The expense listed is not just for street lighting but also for supplies, weed killer for streets, paint for curves, and parts for the repair of the street saw. Basically what we figured in the lighting we're going to get \$60,000. Of that we figured about \$55,000 in lighting. So that doesn't leave much to work with.

Comment 11: Sewer Expenses – when will the Town turn over sewer responsibilities?

Response: It's already done. As of July 1, 2007 Tidewater took over the sewer plant.

Comment 12: Department requests – As to tax assessment, what is the \$83,000 for?

Response: You'll find that under Administration. That is for a town reassessment. We talked with a PTA, Curt Riley, who is our Tax Assessor. It would cost approximately \$83,000 to fund a total reassessment. You cannot continue to draw from a kitty and not look at reassessment. Reassessment you cannot have your revenue be less than your expenses. You're at a close proximity to that. The last time property was assessed in this town was 1994. Mayor Post recommended a separate workshop which includes infrastructure as to where the house sets.

Comment 13: Town Hall Renovations'. **Response:** We had a complaint filed with the Fire Marshall's office with regard to not meeting code. It's going to take approximately \$100,000 to meet the fire code. That came from Marion Jones to the Fire Marshall. Some doorways have to be cut; a stairwell has to be put in from the outside. Why wasn't this addressed with the previous owner? No significant changes were made that would cause the Town Hall to be non-compliant? The issue is in the Fire Marshall's hands. Mayor Post We need to have a discussion with the current Fire Marshall to discuss the

issues. This issue has serious ramifications. There's a lot more behind this than really exists.

Comment 14: Fleet of Vehicles **Response:** That was addressed last year. There is a request for additional cars and we'll address that in each section. Also, there were 8 new computers. The chief will get to respond to that.

Comment 15: Garden Club - is \$5,000 duplicated or will there be a total of \$10,000.

Response: The total is \$10,000. \$5,000 will be for upkeep on Mill Park and Milton Memorial Park. Those are what we need to keep those up. There's another \$5,000 for downtown planning and upkeep and watering, etc.

Comment 16: Park Upgrade - \$135,000 breakdown of what this will cover. **Response:** The figure covers preliminary design, cost of new playground equipment, and demolition of the current gazebo and installation of the new gazebo.

Comment 17: Website – it is only the Administrative Dept. job to monitor the content presented. If the cost was \$7,500 the website should be more user-friendly. **Response:** The website content is updated by the Administrative Dept and the Police Department. The dollar figure listed included the final installment of the website upgrade that has been going on since the Spring. Incline, Inc., as well as Stephanie, Julie, Sherry, from the Police Dept. have been in constant contact with Incline and have a meeting set up for Tues, Aug 28, to review the next phase of the website upgrade. It's very expensive to do all at one time.

Comment 18: Question about the Police Dept cell phones and AR15 rifles. **Response:** The chief will get an opportunity to talk about that

Comment 19: Questions about the Town Manager's expense account. **Response:** Auditor stated I am allotted \$500/mo expenses by contract. Because of the types of expense being incurred we cannot lump \$6,000 in one line item. That is not legal. We need to put expense against each line item.

Comment 20: Council Salaries. **Response:** The salaries are listed in the Administrative Dept.

Comment 21: Budget vs. actual – why is it not included in the budget draft. **Response:** Because you already received a budget vs. actual spreadsheet (dated July 31) at the last Council Meeting.

Comment 22: What is SWAT? **Response:** SWAT is an in and out from the state for teachers who do that and we handle that. SWAT is an after school program in the Cape Henlopen School District specifically, Mariner Middle School. This program is 100% funded by the State of Delaware.

When we get through here tonight, tell me what changes you want. I can have it ready to present at the September 4th meeting in a Power point presentation for public view and Council vote.

Now let's go through the line items

Salaries – the only includes any increases based on performance evaluation as well as when a person is eligible for their time and service.

COLA – not included in Salaries. It is a cost of living adjustment. This is the third year of an approved matrix for pay level and pay scale and longevity. I put 3% as an average based on the Consumer Price Index. It's an option. It's not a raise.

Overtime – previously explained. Mayor Post Is there anyway that can be trimmed down? Maybe we want to look at flex time? George No Administrative Staff attends many after hour meetings.

Soc Sec, Medicare – previously explained.

Employee Insurance Benefit – C Prettyman how can we share some of the Employee Ins Benefit expenses with the employees. We're paying \$43,000 for 100 % coverage for 22 employees. C Duby we need to do a comparison with other towns to see what they are doing.

Pit meter lids – we get some of that back

Legal Fees – C Betts you may want to up further because of all the new requests and suits being filed. Increase will be made to 80.

Tax Assessment – That's what we pay Curt Riley every time he comes to assess a new houses or property transfers.

Holiday Expense – \$100 employee bonus and the Christmas Party

Holiday Lights – Electricity

Contributions – For organizations

Elections Expense – pay and feed the election folks and advertising posting.

Insurance – all kinds of insurance (auto, liability, etc)

Mileage Expense – reimbursement for employees who use their cars for business

Meetings – rentals

Printing & Postage – sending out mail

Repair & Maintenance – Bldg standard upkeep, repair and maintenance for equipment

Utilities – electric bill

Website – broken out through all depts. sharing that

Payroll processing – use of ADT

Revenues:

Luthern Towers Taxes – all we get from that is \$2500.

Interest Income from Governor Walk – little bit of money we get in from them

Interest Income – from \$4MM in CD's

Property Tax Revenue – a projection based on current homes that have come on line plus some outstanding that need to be collected

Tax Penalty – late fees assessed from late tax bills

Franchise Fees – This is what Comcast Cable pays us for the cable lines they have here

General:

Trash disposal service – best guess based on what the increase will be over the new contract (which includes recycle).

SRF Loan – Water upgrade

Code Enforcement: Salary, Benefits, Travel, Training & Other Expenses for Robin & CC

Parks – % of expenses for time Allen's men spend in the area, Garden club is funded for \$5,000. Check with Frank Dittman of the VFW to see if he sent a check for the three flagpoles, waiting for them to be erected, can we increase miscellaneous operating to \$500 (for porta potties) due to the increased functions in the park

Streets Expense - % of expenses for time Allen's men spend in the area. We need to talk to the contractor about the street lights in Wagamon West. How long do we need to pay?

Water Expense– all expenses associated with water, includes a leasing a new truck

Revenues – Interest Income, rents, water, tap fees, sale of meters, sale of water, disconnect fees, etc.

MSA – Municipal Street Aid Expense, Chemical spray for weeds for streets, paint for curbing, those types of things, parts, paving & signage, pay to replace old signs.

Revenue: We get in \$61,000 and the interest income that we earn on that get's us to that figure.

Request:

Renovation to Town Hall: Need to bring us into compliance from the Fire Marshall complaint.

Code – request for a flat file, drafting table to roll out the plans, a new vehicle for Robin, Project Coordinator, \$2200. George to get hard figures to show amortized amount on leasing a new truck.

Garden Club - \$5,000 – upkeep of Mill Street Park - change name from Garden Club to Mill Park, approved.

Capital Expense Upgrades – upgrade for the park, suggest reducing to \$110,000 from \$135,000. Feel confident can cover at the reduced amount.

Street – need shed (broken out between Park, Streets & Water). Pave Conwell, Bennett, Cedar, Orchard, Clifton, New, Hazzard. Reduce to \$110,000. Move \$45M for Water Caps to Water Dept

Water – approved radio read meters, already changing out, need to upgrade system, \$100M phase I already approved in 2007, \$75M phase II. Propose change from \$135,000 to \$75,000.

Total Requests: Change to totals

With the changes suggested change \$898M to \$796,030.

Cat Snippers – request for \$2000.

Milton Develop Corp – request from C Betts for \$5,000

Milton Garden Club – current rate of \$14.00/hr charge to water plants, need \$10,500 to purchase a watering truck for watering to be done by maintenance crew.

Statue - \$5,000 for a vest of John Milton.

Gasby 34 – charter section 29 item 2 under Section C, audit request expense

Fire Allotment – \$5,000 approved

Downtown Beautification - \$7500 approved

Holiday Decorations - \$10,000 approved, up from \$5,000.

Eliminate flooding in the parking lot – need to do something about the flooding, really bad

Police Dept – Chief Phillips – discussion of above average expenses.

Overtime – why is it going up from last year? There are more officers. \$8,000 of the \$48,000 is additional events at schools, etc. It also includes court time and comp time.

Training & Seminars – what has it doubled? One officer is going to Resource School and trying to get tactical team together by getting outside training from experts, also several Supervisor Schools that cost \$300 to \$400 for each person.

Nightowl Supplies – change to \$1500

Utilities – increase due to moving Police to separate location. Costs split in previous budgets.

Highway Safety – Chief Phillips – discussion of above average expenses

Salaries – increased \$4M. Seat belts, DUI, they reimburse for that amount. They tell us exactly how much we get to spend.

Requests:

Officer Promotions - \$8,670 – above the Salary and COLA increase, three officers are due their promotions from PFC to Corporal. Under the two year contract they are immediately promoted as long as they meet performance standards. They can leave after two years, but this is an incentive to try and keep them. Performance evaluations need to be sent to Town Hall.

Two new officers – \$126M for two officers, but technically it will take 6 months to find the candidates and then train them. We really need a Resource Officer in the schools, which can help to cut down on crime, we have a fire company that has no junior fireman, we have a girl and boys club that needs help, we help out with them, have an officer that reads to them and goes out and helps them. Mayor Post I'd like to see us postpone this request and fund our current officers. We can review again at our 6 months budget review. Can we possibly hire Summer officers. George Dickerson suggests Council consider one officer request for a 6 month period. This recommendation will reduce the total amount needed to \$38,240.

Building Renovations - \$50,000

Air conditioners – need two new, current models over 27 yrs.

Basement – mold remediation, estimate unknown, needs to be done.

8 New Computers – will be trimmed down to 4,

10 AR15's – a technical weapon needed, reduced to 8.

Ammunition – remove from list. Will find a different source.

Copier – lease new copier, approved.

Final Draft Document:

George Dickerson: Enough data developed a final draft document to be reviewed at the Sept 4 Town Council Meeting. Needs to be voted on as well. John Brady, if we prepare the final draft and we disseminate that to the Council Members for review and make any changes that need to be made, is there any problem with the Council members reviewing, making comments and getting back to me with that. John Brady Section 29 of the Charter, subsection B, the Town Clerk and Town Manager presented a rough draft 60 days prior. The Town Council now has made revisions to that rough draft and has presented in essence tonight prepared a Town budget from the end of this workshop. This budget shall contain all the items that are listed in subpart C shall be distributed to the Council for their review and shall be listed as an agenda on the Sept budget. Shall be also put in public and made available to the public so they can see what has been discussed but no final votes are being done tonight until the final presentation. Town Council has until Sept 30 at 11:59 PM at night to pass a budget for the next fiscal year. Although it sounds like its express desire to do it earlier than one minute before midnight of the effective date different than what the legislature did this year. George Dickerson We have a preliminary grand total number now based on the discussion this evening which is \$710,879.

Mayor Post called for a motion. Motion called by C Hudson, second by C Prettyman. All in favor, motion carried.

Workshop was adjourned at 11:09 PM

