

**MILTON TOWN COUNCIL BUDGET WORKSHOP
MARINER MIDDLE SCHOOL, 16391 HARBESON ROAD
WEDNESDAY, AUGUST 27, 2008, 6:30 P.M.**

1. Call to Order – Mayor Post called the Town Council Budget Workshop to order at 6:30 PM
2. Roll Call Vote: C Martin-Brown “present”; C DUBY, “present”; C HUDSON, “present”; C Prettyman, arrived late; C Abraham, “present”; Vice-Mayor Betts, “present” Mayor Don Post, “present”

Mayor Post: We’ll go through line item by line item. Right off the top, maybe we should have a little bit of discussion regarding the 3% COLA. C Martin-Brown: Mr. Mayor, before we start looking at line item by line item, are we going to have any budget goal in terms of cutting the budget X%, so that we’re working towards some sort of goal? Mayor Post: I think the goal was to get it down to as little as possible, out of cash reserves. The more we can carve and cut, the better we will be. There are certain areas that we can’t cut; where its not going to be possible; there are things that have already been proposed for cutting; so the budget has already been looked at pretty closely; but we’re going to have to keep trimming this. Once we do formally adopt the budget, at the next meeting; we need to be looking at freezing positions; freezing pay raises; freezing job hiring; and all that should come through the personnel committee on a one to one basis; department heads channeled up to the two operational, as far as the Chief and the administration of the Police Department; and Mr. Dickerson through administration of the Town Hall; then it would come forward through the personnel committee; into the Council for a vote. That’s what I will be proposing as we move forward. If someone leaves and they need to hire; for instance, if two police officers leave, we still have to have someone to replace them; and we need to have that mechanism in place. The next several years are not going to be very good, with what we face economically. C HUDSON: I would like to go on record to say that we should not have any COLA for this year, in the budget, for any of the departments. Mayor Post: I support you on that concept. C DUBY: I’ll see what we have consensus on and we can do that without a vote.

Vice Mayor Betts: Is the amount you’re taking for the COLA \$29,508? Mayor Post: Almost \$30,000 out for the COLA. That would take from the start of the deficit. We appreciate our employees; and we recognize the great work they’ve done for the Town; and we know this is important; we have a job; and sometimes you’ve got to look at that and weigh if we can avoid layoffs. One of the propositions was to eliminate several positions. During the first Workshop, I was very adamant that the Town Council did not want to eliminate any position. Now we have to look at other alternatives to keep things in tact; and at the same time, address budget deficits. C DUBY: I would prefer that we look at this in a broader way; rather than each one. We’re talking about three things: we’re talking about eliminating performance based raises; we’re talking about asking employees to contribute to the cost of their health care benefits; and we’re talking about eliminating the COLA. If we do all three of those, in these economic times; we’re basically asking our employees to take a triple hit. My own preference would be, to eliminate the performance based raises; and to ask them to contribute to the health care benefits; but give them the COLA, at least. That’s a pretty significant cut for some people; the ones who have family coverage.

Mayor Post: At this time, looking at this deficit, because there are many things that have entered into the deficit; and its things that are in this budget, that would not regularly be budgeted annually; but at the same time, listening to some public comments on different issues; it’s in the budget, because we felt it needed to be in the budget. I personally think we need to do a 50% cut in insurance. I think we should pay 100% of all employees and I think we should cut 50% for dependents. The staff is diligently rewriting a policy handbook; and at the same time, because it’s something the Town has

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never practiced, is that we have never forced employees if their spouses could get insurance through their employment to do that. The only thing that makes me feel good in that; is that I know that we have created a competitive pay scale and we want our employees to stay; we have very good employees; we've got a very good Police Department; we've got a very good administrative system going on at the Town Hall; the parks look great; the grass is getting cut; the place is being maintained; things are getting watered; all around there's a lot that is happening and I don't think people understand how much work does exist in running a town. C Martin-Brown: Mr. Mayor, I would like to support C Hudson's position on the COLA. The next line item, Mr. Mayor, is the matrix salary increase that I would like to freeze. C Abraham: We also need to remember to put that on the agenda, to vote formally. C Martin-Brown: I would like to freeze that, sir. Mayor Post: For the record, C Prettyman has joined us. C Hudson: I would like to support C Martin-Brown. There should be no performance evaluation pay raises this year. Mayor Post: I certainly agree with that. C Prettyman: I'm in agreement. Mayor Post: The last issue is the insurance. C Hudson: Mr. Mayor, since we're talking about the health insurance benefits; this page that was given to us from Julie Powers, I refer to it, dated May 13, 2008; lists 23 employees and I brought this up at the last workshop; it gives the costs for employees with children; the costs for employees with spouses; and the costs for families; again, it does not say anything about the nine employees who have no families or spouses or children. Mayor Post: All of these examples are 100% (it says full premium) for employees; then from there you can choose between 5-50% deductions of the insurance coverage; which will show you how much it covers if you went 50% to 5% for dependents. C Hudson: I would like to have seen the figures. This is just a proposal; if 9 people were included in paying something for their benefits, the same way that I am paying for my benefits; that's why I said this is not complete. We are currently paying 100%; what if these 9 employees were included in this, then we could see as an option, the change that would make in our budget. I asked for that and it's not here. Mayor Post: You've got to decide whether you want the employee of the Town to receive 100% of their health insurance; you could go to 75%, if you wanted to do that too. What they were showing was 100% of all the employees as it sits today; no matter what, we are deciding we are going to pay 100%. What they're showing is that if you start with their dependents; if we only made them pay 5%; all the way to making them pay 50%; this is what the savings would be to the budget and to reduce the deficit. C Hudson: I would like to go on the record as saying, that I don't think any employee should be receiving 100% benefits. Mayor Post: What do you think of the dependents, beyond the main employee who are receiving the coverage? C Prettyman: I would rather see that the employees pay a portion of that insurance and I was just looking through here and I guess it would be at least 30%. C Martin-Brown: Another thing is there is no source for this; we don't know what plan this is based on. It's not stated here. Mayor Post: You can't base it on any particular plan, because they could all have different plans. You should look at what other towns have done; Bethany Beach pays 100% of health, 100% for the employee, 100% for the family, 100% for dental and 100% for dental family. It's as simple as that. In Bridgeville they pay 100% of employee, then they break up that in 1 plan they pay 75% and in another they pay 50%. It's usual that they pay 100% for that employee. There's one town, Fenwick Island in Sussex County that pays 90%; Millville pays 50%; and there wasn't a response from Ocean View and Rehoboth. Here Rehoboth, for example, employees pay \$10; which could be what you're getting to; pays \$10 per week for health insurance; \$15 a week for spouse/employee; and \$20 a week for family. So they pay a small portion into theirs. Seaford does that; Ocean View is an HRA health plan and the first \$200 for a family member, up to a maximum of 3 members are paid by employee. C Prettyman: That's something that we would have to look at. I feel that we have to come up with what percentage that

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we are talking about; and then we can look at the various plans and find the one that the Council and the employees feel comfortable with. C Hudson: I think every employee should pay some part of their benefits. Vice Mayor Betts: I think the Town should pay 100% for all the employees; and then let them pay a portion of the family coverage. C Martin-Brown: Mr. Mayor, I would also support C Prettyman's position on the 30% for dependents and 100% for the employee. C Duby: Are you saying a 30% cut; or that we would only pay 30%. Mayor Post: That would save the town \$31,000. Mayor Post: I'm recommending 50%. Vice Mayor Betts: I would say 50%. C Duby: I think if we're taking away all possibility of any raise; including a COLA; that we should go down some on what we're asking them to pay. I agree with C Martin-Brown at 30%. C Abraham: 25%. C Duby: I think we're asking an awful lot of our employees. I think there's a big budget here and there are things we can cut. Mayor Post: I will give in to the 30%; we're not voting, but I would consider 30%.

C Martin-Brown: Now, Mr. Mayor, may I make a proposal which will not be well received by my colleagues, perhaps, but I propose that we eliminate salaries for members of the Town Council. Mayor Post: It's in the Charter and I know C Martin-Brown that some of us are sitting up here in different means than others; but I feel that a stipend that I receive of \$1,200 a year is not much. C Martin-Brown: I'm just trying to get a lawnmower for the town; and that's what motivated me, because we're talking about \$15,000; and if that was the difference between going into the reserve fund; where everybody got to benefit from a lawnmower; that was motivating my proposal that we take away our salaries. Okay, so the consensus doesn't exist to eliminate Council Members salaries. Mayor Post: We'd have to change the charter and I think anybody is welcome to donate their money back and it does reflect that in the charter. I would be glad to do it; if the person who made that comment at the public hearing would be willing to contribute the same amount. C Martin-Brown: I could make my salary a matching grant. Thank you, Mr. Mayor.

Vice Mayor Betts: We have asked to freeze the matrix; or is that just a possibility? Mayor Post: Yes. So what's on the table right now is the possibility of a 30% insurance responsibility for the family; 100% possibility for the employee; the freezing of the matrix; and no COLA. That's where we are right now on the table. C Duby: I want to make sure this is right. If we freeze the matrix; which I'm in favor of doing; that doesn't change the deficit because it wasn't included. Is that correct? Mayor Post: Correct. It would raise the deficit if we brought the matrix back into the picture. The draft budget already proposed not to do that. They were showing this as a positive, within the draft. Vice Mayor Betts: If it were added, it would increase everything. Plus the added payroll taxes and what percentage we pay. Mayor Post: The payroll taxes which are Social Security, the payroll tax for Medicare; and the payroll tax expense for Council. George Dickerson: Since COLA was factored in there, you're eliminating COLA will reduce it some. C Martin-Brown: We have skipped overtime, Mr. Mayor.

Mayor Post: In the previous budget it was \$20,000 in overtime; under the administration part it was proposed at \$10,000; this year I'm just going to tell you where I have made a note here on the side; because I'm recommending reducing it another \$2,500; to have it read \$7,500. C Martin-Brown: Total, for the entire budget. C Martin-Brown: C Prettyman, my concern is a generic total, excluding the police and maintenance; what is the total of overtime across departments? I want to know the total overtime, without including the police and maintenance, across departments. That was something that was very important to some of the speakers at the public hearing. Mayor Post: I have budgeted overtime for all employees. Total year-to-date for this budget; excluding the Police Department; we're talking about the total amount of overtime paid out is \$15,000. C Martin-Brown:

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Except for the Police Department and Maintenance. Mayor Post: As of today for the administrative offices it is a little over \$4,000. Here we have \$10,000; I'm saying we should take it down to \$7,500 and that will still give us some room. If they need more overtime, then I would suggest we have good justification for the overtime. Even if it's not in the budget, doesn't mean its out of the picture; it simply means that sometimes budgets have to be tweaked; we've had a water main break; we had that pump go out; the budget changes at times. C Duby: I think that's micro-managing. You work in a situation where you know you have evening meetings; and you know you have to have staff at those meetings; so you know you have to have a certain amount of overtime. For us, to say to our managers; you have to come to Council if you need overtime; is micro-managing. C Duby: You're saying if there's a huge amount; and defining huge is difficult. If in fact our year-to-date total is \$4,000 and we have two months left; \$7,500 is realistic, unless there is some other fact that we don't know related to that. C Prettyman: We could do a flex time with them. Vice Mayor Betts: I thought comp time. Mayor Post: I like that. C Prettyman: Then we could cut that. It would work around Mr. Dickerson and he would have a time limit when they would have to use this time. Mayor Post: We don't want comp. C Prettyman: I said flex. C Martin-Brown: Why not? Mayor Post: Because you pay out on comp time. You have to. C Prettyman: I said flex. Then it would be for the Town Manager to have a time limit for the employees to use it. They can't build it up and then all of a sudden we have to pay a large amount back to them. C Hudson: I agree with C Prettyman about the flex time idea. I don't think there should be any overtime. I think that there should be no overtime for the administrative department; I'm just speaking strictly for the administrative department; if they have to come for a meeting, then sometime in the future they're given flex time. C Duby: That's comp time, not flex time. Flex time is if they're going to work in the evening; they don't come in until noon or whatever. Mayor Post: In the State, you have to flex it within the pay period. C Hudson: If they were sitting here tonight for 3 hours; then sometime in the future, they are allowed out 3 hours early or take 3 hours off. Mayor Post: I think that's easier said than done; and I think you're asking a lot for that. C Duby: Could we get the information that Mr. Dickerson has in terms of the budget? George Dickerson: The year-to-date figure, the amount of \$4,000, the actual hard number on that is \$11,000. Mayor Post: For administration; just the administration office? George Dickerson: Yes, just the administration. George Dickerson: When you're talking flex time or comp time; Mr. Sombar a year ago, March of 2007, recommended that there was a lot of comp time on the books. If someone left, you're carrying it as a hard number that you would have to pay out in case someone leaves. That number was very large. The suggestion was that the Town went to a 28 day cycle, under the Fair Labor Standards Act ("FLSA"), which gives us two pay periods; every 28 days. If you can give those people comp time hours; then within that 4 week pay period you schedule those people off and you can do that; so that you don't have to pay that overtime; but it has to be done in that 28 days. If you can't do that within that 28 day cycle, then it is paid out at the end of that cycle. C Hudson: I don't agree with comp time. As I said, I get flex time at work. If I have to go to training and stay later or if I have a problem at work and I stay later; then the next day or sometime in the near future; I am allowed to make up that time and leave early. George Dickerson: C Hudson, would you define near future? What is the period of time that you must use that flex time? C Hudson: My boss limits it to a week, to keep it simple for the secretarial staff; but again, that's flexible. Vice Mayor Betts: Mary, I think that might be alright for the administrative office; but I don't think it would be feasible for the Police Department. C Hudson: Exactly, my point. Mayor Post: I have a real problem with taking away 100% of all the overtime, but you don't want to discuss it regarding the Police Department? C Hudson: It is citizen security. Mayor Post: It's not citizen security. When you schedule overtime right in your schedule; overtime is something that

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happens. C Hudson: I think that the police and the maintenance departments are the only two departments that should get overtime, at all. George Dickerson: My contract calls for overtime, so I'm exempt from that. C Abraham: If you don't like scheduled overtime, then remove overtime from every department; and then you'll see that it doesn't work in certain departments. Remove it all and that will remove a lot of money. Mayor Post: I agree; or you're reasonable on the overtime. C Duby: Well, putting the money in the budget for it and actually scheduling it are two different things. You put the money in the budget, because you know that there will be times when overtime will have to be worked. You're not saying we're scheduling every member of the Police Department or every member of the administrative staff for approximately 2 or 3 hours of overtime a week; or whatever it is. That's scheduling overtime. Putting money in the budget for it, if the need arises, is a different thing and that I believe that we have to do. Mayor Post: And aggressively try to use flex time too. You offset it with flex time. That's why I'm saying if now we're at \$11,000 is actual, which maybe by the end will be \$12,000, or something; they put in \$10,000 and that's why I was proposing trimming it down to \$7,500. C Duby: If we are going to say that we want to encourage flex time or comp time, or whatever it is; it has to be reflected in the personnel policies. George Dickerson: With the new write-up of that, that is addressed. C Duby: Do they have an option of taking either one; how is it stated? George Dickerson: No, the Supervisor will schedule it. The Supervisor or the Department Manager is responsible for scheduling that person's time off; before the end of the cycle. C Duby: If you say to me, you've got to work the Town Council meeting tonight; or next Monday. Do I as an employee, have the option of saying okay, I'd like to do it for overtime; or I'd like to flex, or whatever, but you're going to say to me you'll get overtime or you'll get flex. George Dickerson: Under the FLSA you accumulate the hours; at a time and a half rate; and then those hours are also taken off prior to the end of the 28 day cycle. C Duby: Then we never have the option of overtime pay, is what you're saying. George Dickerson: It would depend on each person's circumstances and need; you may not be able to let them have time off during that period. C Duby: So, if they can't take it off within the pay period or the cycle, then they get paid for it. C Abraham: Can I just make an example of this, for instance? If this meeting runs, 4-6 hours, and you're giving them time and a half in a flex time; how many employees do we have sitting here that you are going to want to take off a day; because it will be a day in time; all of them at the same time; within a short amount of time; we'll have no one during the day working, because we're going to force them to take off. That's not going to work. Mayor Post: I think there has to be a balance. I think you have to have flex and you have to have overtime. C Prettyman: I disagree with you C Abraham, that if it's done correctly and the Town Manager knows his staff and when they can schedule it off in that time period, it can be done. There are times, maybe here and there, but I think in the majority of the time, the Town Manager can schedule that and even maybe not take the full time off at one time; maybe it could be in two part-time days that he does it. But they can come in and do something in the morning and take the afternoon off; or come in the afternoon and have the morning off. C Martin-Brown: Is there a compromise position that we could reflect the paid overtime figure reduced to \$7,500 and asterisked (*) so that that is referenced to language at the bottom that says, this also is an additional option for the management of Town Hall in relations to the staff; to determine whether it's going to be paid as overtime or flex. There are times that if I have had 5 hours or 8 hours of flex time, I just go home an hour earlier every night; and have a more relaxing dinner. This goes back to C Duby's point of micro managing. I think we just say this is how much is in the pot for paid overtime and the rest will be made up with flex arrangements by the manager. It is a compromise position that could lead to a consensus? C Duby: I think that's in the policy manual, anyway. C Martin-Brown: It's a non-issue. C Prettyman: It's very difficult to track that way. It's just going to

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be really hard for someone to keep track of all that time. C Martin-Brown: Well, does the Town Manager have some point of view as to how difficult it would be for him to do this? George Dickerson: I would certainly hold department heads accountable for the overtime and the expenditures in that item; and the first thought would be to have a meeting and say we have this amount of overtime to hold us for the whole year; certainly a closer look at what overtime expenditures are there; what are being made and where we can have the employee take off, within a 28 day cycle; we'll certainly implement that. C Martin-Brown: So you see this as a viable compromise. George Dickerson: Yes. C Martin-Brown: Thank you, Mr. Dickerson. Mayor Post: What are you saying? C Abraham: I do not honestly see it working. I know we tried it in the State and you're missing too many employees during the day, to service the citizens. Like tonight, for instance, with Jenn here as the finance; she's the sole finance person; so when she's not there during the day, taking her time off, that's it. So we're not servicing during the day. George Dickerson: My comments were with regard to the 28 day cycle and trying to flex over that 28 day period; not flexing the next day where you have to do it the next day. Vice Mayor Betts: I think we should try to give more time to be able to flex it; instead of a 28 day period. George Dickerson: That's Federal law; I can't change that. C Duby: That's nothing we have control over. Mayor Post: That's the max; with the State you have to flex it within the pay period. Vice Mayor Betts: But I say it's hard for them especially; and I'm not in the Police Department yet; but I think that would be hard. C Duby: Well, I think it's hard even with administrative staff; there are projects that need to be done; there's stuff that we want; there's stuff the citizens want done; and if it doesn't get done, people are upset about it; and yet, as Ronda said, if they're not there during the day because they had to take that day or that half-day because they were flexing time; their work stacks up the next day; which may keep them over, so it's a vicious cycle. Mayor Post: I think the bottom line is that we should be looking at reducing overtime; I'm not saying eliminate it; but I think we should be reducing it; and at the same time we should be encouraging flex time. Without encouraging flex time has gotten us in trouble in the past. Flex time is if somebody was working this meeting tonight; you estimated the meeting and they worked 4 hours tonight; it means tomorrow they come in 4 hours later. If they're working an 8 hour day and they worked 4 hours the night before; then tomorrow they would come in 4 hours later. So that's flex time. George Dickerson: So you're saying hour for hour. Mayor Post: Yes. In the state that's the way they do. George Dickerson: So we would be eliminating FLSA, is that what you're saying? Mayor Post: What do you mean eliminating FLSA? George Dickerson: Under the Fair Labor Standards Act you should be paying time and a half for overtime. Which way do you want to do it? Mayor Post: I really prefer the way the State does it; because the overtime is limited. C Prettyman: You could do, because you know when the meetings are going to be, you could say Jenn or whoever is going to be here, they could take off the morning of that day and come in later in the afternoon; then come to the meeting; then it would be less problem in figuring it out; because we know when the Town Council meeting is going to be; we know when the other meetings take place; and where you're going to need them at the various meetings. So they come in later and then if they didn't get all their hours by then, you still have less for them to do it within that 28 day period. George Dickerson: And flex time that is used, can anyone tell me, exactly the period of time or the limited time period in days you have to flex hours. Does it have to be the next day? C Martin-Brown: No. C Duby: Can I suggest something in the interest of our not being here all night. We're micro-managing again. How about if we say, as C Martin-Brown has suggested, that we encourage the staff and the managers to look at how we might balance this out and for the moment we put in a \$2,500 savings here and by the time we come to the Town Council meeting, go to our Town Solicitor and get some information on FLSA, if it applies and bring us back some information on this

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and how it might work; because we're not going to solve it sitting here tonight and it's just taking up time.

Mayor Post: Let's move forward. We can skip payroll taxes, which is Social Security; payroll tax expense accounts; payroll tax Medicare; and go to Employee Insurance Benefits. All those might change a little bit, some of them with the COLA; but the pension, that we need to just skip over; training & seminars: I don't see how you could trim it more, you're at \$5,000. I guess you can trim it more than \$1,200, unless you want no job enrichment, at all. C DUBY: I think we're cutting that to the bone. C Prettyman: I think that should go up a little bit; because with the new technology and stuff that is out there; I think that those of them that are in the Town Hall with the monies and the other technology that should be able to keep up with it. I think that number is way to low. C HUDSON: That's just for one year. Mayor Post: That's coming out of the other budgets. C Prettyman: Then let me go back to the administration office and everything; there may be something that George needs to go to and take some training; and I just think we need to look at that a little closer and I think that number is low. But that's me. Mayor Post: How do other people feel about the \$1,200? We are just talking about this year. I'm not trying to micro-manage, Deanna, but if they see something they really would like to take and they go over the \$1,200; they can't come in front of Council. Or we could increase it a little bit. C DUBY: I can't comment on it because I don't know what kind of training and seminars our people go to. However, I know that in my professional work; and the people who work for me; training & seminars were important to keep up with the field and they're not cheap; so I think this is low but I'm certainly not prepared based on any facts, to say we ought to increase it. I have the feeling where we may go over budget; just because people need to go to things. If this is what the Town Manager thinks we can do; then I would be willing to accept that. Mayor Post: If he can live with it; then we can live with it. The bottom line is the administration, it says \$1,200; Mr. Dickerson says he thinks he can do it for \$1,200; if he's content with it; I say let it go; and move to the next. C Martin-Brown: Okay, then let me ask you a procedural thing? If, in fact, you have generic categories, such as training, does this budget, as we agree upon it, lock the Town Manager's capacity to do inner budget transfers in case a training budget line is under-utilized in one department; does he have authority to reprogram Mr. Mayor? Mayor Post: I would certainly feel he does; I do in my budget. C Martin-Brown: And it would be the manager's discretion also to make budget reprogramming and other decisions. Mayor Post: He might have to go to upper management and say I've got this. C Martin-Brown: The reason I'm bringing this up, Mr. Mayor, and jumping ahead sort of; is because we see some options in terms of good fiscal management if we run into a situation where we've under-budgeted a department for training & seminars.

Mayor Post: Next are the accountant's fees, which are etched in stone. Consulting Fees, which is a new fee; and I certainly understand that there's been consulting that is certainly required as we move ahead. I personally recommend that we trim \$5,000 there and take it down to \$10,000. C Martin-Brown: I support that, Mr. Mayor. C DUBY: Is this \$15,000 based on the contract that we've signed with them for a specific project. George Dickerson: We have a contract for the update of the comprehensive plan; but it fits within the request. Mayor Post: We're reducing it by \$5,000 and taking it down to \$10,000. Engineering Fees under this line item have been trimmed, because it has been moved into other departments where it should be; but I think \$5,000 within that department is not out of hand for engineer fees. Legal fees have been reduced and have been spread out throughout the departments to \$30,000; and I don't think that's unrealistic. I hate to say it in today's times; I'm not thrilled about it. C DUBY: As long as we have pending lawsuits. Mayor Post:

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Temporary Labor is \$8,000. C Abraham: I would like to see it removed; just because maybe we need to spread a little bit through our employees, through this rough spot. C Martin-Brown: Yes. George Dickerson: I will only mention this as a defense to it, perhaps. The minutes that we've been so far behind on; we now do Planning & Zoning, Historic Preservation Commission; Board of Adjustment; and the Town Council. If we get behind on those for one person trying to do their job and trying to do that; we have the lady that comes in and she is transcribing minutes all day. Mayor Post: And she's been doing a really good job. George Dickerson: Yes. You've been getting them very timely. You know sometimes that you had 6 or 7 of those that you had to approve, because they got behind. If we have to task someone to do that; Robin will be back doing Planning & Zoning minutes (he would have 3 to do, plus his other job). C Abraham: Is it mandated that the Town do the transcribing of these minutes? George Dickerson: These are the ones that we get the requests from the attorneys or subject matters, like an appeal process, especially in Robin's department he gets attorneys and engineers always wanting DVD's of the recording here, or the transcribed minutes. But we have to transcribe them anyway for approval at your next meeting. That's what we're running into. That's the bulk of this. C Duby: And we have to have a record. C Martin-Brown: Can we reduce it? C Hudson: I have a suggestion. Any time an attorney requests transcriptions, they send their own staff down to transcribe it off a CD; and also there are times when we have had temporary help that wasn't transcribing. In other words, what I'm saying is that I agree with C Abraham, I think this can be either reduced or even eliminated. Personally I would like to see temporary labor eliminated. It's just my opinion. Mayor Post: I would like to, if it means that all the minutes are being done; and for the first time in a long time; we're not behind. We have many more meetings than we have had in the past; we're having 2 council meetings a month now; we have special meetings; we have the Historic Preservation Commission; we have Planning & Zoning. C Duby: We're not doing those for other people; we're doing them for the town records; we need them as Council papers; our committees need them; we're going to have FOIA requests for them. We can't say if some developers' attorney wants it, he has to come do it; because it's not us. Mayor Post: Aren't all the minutes going on to the web site? So they're being done for the public. C Duby: That's why they're transcribed. Mayor Post: For the public. C Duby: Yes. That's what I'm saying. Mayor Post: Not just for the attorneys. C Duby: Well, Mary suggested that if an attorney wants it he should just come and get it. What I'm saying we're doing them for us, for the Town. Mayor Post: We never should let other people transcribe our minutes; because you don't know how they're going to write it. We should be releasing what we know is correctly written; because then it could be written anyway. C Duby: I also continue to have a concern about our employees. We've eliminated their pay raises; we've asked them to pay (if we vote on all the things we're suggesting tonight); we're eliminating overtime, essentially; and now you want to eliminate temporary help. What we're doing is asking them to do much more for far less and we're going to lose them; and we have good staff people. You can say that there aren't that many jobs around; it's true, it might be difficult for them to find another job; but we're doing an awful lot right here and I realize we're moving into other items; but we're doing an awful lot on the backs of our employees; and, I'm concerned about that. Mayor Post: Plus it has been cut in half from the previous budgeted years. I don't see where \$8,000 is too much. C Duby: Just because you would take it out of the budget, doesn't mean it wouldn't be needed. Mayor Post: I think we need to leave it like it is. C Duby: I support that. George Dickerson: Do I leave it in or take it out? Mayor Post: We're leaving it in. Tax assessment can't be changed; that's not the reassessment, it's the tax assessment; that's what we get charged every year for the assessments that are done. That's about what it averages out to; so it needs to remain in there. Supplies have been reduced to \$15,000. Advertising is \$5,000 and with what we pay for ads, good

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luck on that one. If they think they can do it. C Prettyman: Honestly, Mr. Dickerson, do you think you could do it for that, with all the advertising that we do. George Dickerson: We are certainly going to try and limit what we have. We hope that we can come in and we did cut that \$2,000 and I'm thinking of the reason that we did that. There was something unusual that we had in advertising but I can't recall what that issue was that cost us so much for that. We'll certainly try to stay within that dollar amount. C Martin-Brown: Mr. Mayor, can we pop up to supplies just quickly? Could there be a \$2,000 reduction; and one of the reasons I'm asking about that. Is there a way to recycle or reuse or go green or any of that kind of thing that would reflect itself in a cost savings and if we lowered the budget by \$2,000 would that be helpful in moving back towards that outcome. George Dickerson: That's a great question; and we do that now with toner in our copy machine; as well as the small printers that we have around; those cartridges are recycled and especially those larger ones. C Martin-Brown: If we signaled staff that there is \$2,000 less can they begin to be more conscious about how much paper they're using. C Duby: They've already been cut in half. C Prettyman: On top of that, the staff have already where they used to use just one side of a paper; they're printing on two sides and I think they're pretty much going towards green, on their own.

Mayor Post: We've discussed advertising. Holiday expense was \$2,400. George Dickerson: That's still the \$100 bonus is paid to each employee. Mayor Post: Holiday lights are \$2,000, that's to offset the cost of the lights. Contributions we wiped out any little tiny contributions, so we're down to zero there. I don't see how we could reduce that anymore. Dues & subscriptions we've cut in half; that's down to \$1,000. I know that's the Delaware Legal Government in Towns & Cities; and then some of the newspaper subscriptions are gone. Election expenses: forget it; they are going to be what they are. C Duby: Can we legitimately cut elections expenses; given that we're increasing the times the polls are open under the new charter? George Dickerson: The Town Clerk, Stephanie Coulbourne, handles that and she's the one that gave me that figure; so she feels that she can work with that figure. Mayor Post: Gasoline is for George's car. C Hudson: Not to be facetious, or anything, but it was mentioned that 15 out of 23 employees currently have cars and we're talking about reducing it to 5; it's just my opinion, but I don't think any town employee should have a car; whether it's driving 3 miles out of town and coming back in; or driving 30 miles out of town to come back in; I have walked and ridden my bike across this town and it's barely wider than 2 miles; so to make a 30 mile round trip to your house and back and then just drive a couple of miles inside of town, that's just one example; the other is I do not think that any Town employee needs a take home car. I think they should drive their vehicles here and then get a car or a truck; or whatever they need for their jobs. It's just my opinion. I don't think any employee needs a take home car. C Prettyman: C Hudson, it is a part of our Town Manager's contract that he does have a vehicle. George Dickerson: It is not in my contract. C Prettyman: It's not? Then how did we do that? How did that happen? Mayor Post: It's because all department heads do that. C Prettyman: He's part of the emergency response of the Town, in case of a crisis; he has to be in to open up Town Hall. I can live with it. C Martin-Brown: No, No. I do not want to be difficult to manage; I am very comfortable with a Town employee being reimbursed for gas and mileage; like they do at the State and Federal level. I'm not comfortable; and it's not out to hurt anybody's feelings; or alienate my colleagues; but I am NOT comfortable with the arrangements for cars; except for, and I know I'm jumping ahead on the budget, Mr. Mayor, Police. I feel town staff, if you have a truck and you're on the maintenance staff that to me is very legitimate. I think administrative staff having cars, in my own Yankee budget mind; NOT necessary; that the Town staff get reimbursed like Federal employees do, for miles and gas. I hate to say it because I know it's stabbing the family cow; but I'm just not comfortable with

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that arrangement. I can hang out there in the wind myself; and I don't care. C Duby: Have we done any comparison; have we looked at the mileage. Mayor Post: We have it all; we've done that. And we have it for other towns. C Duby: What I'm saying is in our town, have we looked at how much money we would spend on reimbursing, as C Martin-Brown suggests, instead of having company cars, as it were, and paying for those; what would it cost us for people to use their own cars and we would reimburse at the current mileage rate, for all the miles that they travel on Town business; what the comparison would be. Is there anyway to look at that and see if we would be spending more or less that way? Mayor Post: I certainly think it comes out of the higher mileage rate. George Dickerson: It's 58.5¢ right now for reimbursement of mileage. Vice Mayor Betts: I get 40¢ from the State. Mayor Post: Well, you're not giving them the correct amount; the IRS rate. Vice Mayor Betts: I know the State pays 40¢ a mile; at least that's what I get. C Martin-Brown: Does anybody else have a perspective on this? Mayor Post: I have a perspective because I certainly have a problem; I think people especially that are on emergency call 24 hours a day; should have a take home car. First of all you're not talking about that much of an expense when you're talking about this issue. I see the maintenance department in Town every weekend, because they have to do water testing every weekend. C Martin-Brown: I'm not including Maintenance, Mr. Mayor, and I'm not including Police. Mayor Post: You know what I'm going to say, because I stick behind our great administration. If you're just talking about singling out one person...C Martin-Brown: Not one person. Mayor Post: Well you really are, because there are two left. You're saying that you're fine with every police officer, including if they live across the street from the Town Hall, to take home their police car; and you're saying that you're fine with the entire maintenance department; then you're only talking about two employees. C Martin-Brown: I'm talking about trucks and police cars, yes. Mayor Post: You're talking about eliminating all police cars, too. C Martin-Brown: No. Mayor Post: No. So you're talking about two people. C Martin-Brown: Yes. If it boils down to it, yes. How many cars belong to the police? Mayor Post: 10 C Abraham: How many maintenance vehicles? Mayor Post: Are you talking about the code enforcer? C Abraham: No, maintenance only. Two go home with their trucks. Okay. Mayor Post: And Robin Davis; CC and Dustan. C Abraham: Is CC considered an essential? C Martin-Brown: I don't see where he's essential. C Abraham: He's going to come in the next day and enforce. Is there something that he would be called emergency wise? Mayor Post: To be quite honest, he has been doing a lot on Saturdays. Guess what? We have had a lot of people on Sundays that have been violating ordinances, as far as construction and the only way you can catch them is if you come into the Town of Milton. C Abraham: You come in and pick up your vehicle. Do you work though? Mayor Post: Other vehicles, as well. C Abraham: I'm not saying one way or the other; I'm just trying to get a feel for what each person does. Mayor Post: That's the one that I can see, if you're saying you're going to eliminate one. Then that's the one I can see that you can eliminate. I have no problem seeing that one to be eliminated; but Dustan I feel he is in here all the time. George Dickerson: Are we going to the code budget now? Mayor Post: We keep jumping around. C Martin-Brown: Well, a car, is a car, is a car. C Duby: I think on the issue of take home cars, we're sort of considering that as a major issue; which we could do now or do later. C Martin-Brown: It's a budget line right where we are, Mr. Mayor.

Mayor Post: We will be moving to heating fuel now. It's the same, so we'll hope that it doesn't go up any. Insurance: is projected to be the same. Mileage expenses they've reduced a little bit. C Duby: If we eliminate take home cars; that's going to go way up. Vice Mayor Betts: What I'm saying is you have gasoline and then you have mileage expense. George Dickerson: Because

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Council persons, as well as staff sometimes, use their own vehicle. We do have some Council persons that do. Vice Mayor Betts: Well, I never collected any money.

Mayor Post: I don't. Vice Mayor Betts: I think we should eliminate that then. C Duby: If staff begins to use their own cars to go to meetings and things like that; that one item will go up. Vice Mayor Betts: I didn't know that Council persons did that. C Duby: I don't and I don't now anybody that does? If it's only Council, then maybe we can eliminate it. I don't know. Mayor Post: And then there are meetings that we have to attend. George Dickerson: I'll give you an example. We had an employee go to a seminar in Virginia; went to a seminar there; they go to seminars and drive to Dover; all administrative staff don't have vehicles, so they do use their vehicles sometimes. Vice Mayor Betts and C Abraham: Well, couldn't they use one of the take home cars? George Dickerson: Sure they could. C Abraham: Like yours. If you're in your office all day, why couldn't they use your car? George Dickerson: I might leave early and want to go home. C Abraham: If training or a seminar is planned, then you know ahead of time that a car will be needed; even if it's an extra unmarked police car; or an extra one of our cars. C Hudson: That's what they do at the prison; they just line all the vehicles up; vans, cars and other vehicles; and they share them. It's not just that these cars are specifically for boot camp and these cars are specifically for court and transportation; they're all shared; and that has reduced costs. C Prettyman: In the case of the Town of Milton, I don't even see that coming near working; maintenance people are not going to ride somewhere in a maintenance vehicle; then they would need their vehicle and something comes up; I take George's car and there's something that he has to go do; because something comes up. Mayor Post: There is nothing wrong that if a Council person or anyone related to this, that would need a Town car; and I've never used a car ever; but I'm just saying there is nothing wrong with it. I think, sometimes, we need to look beyond the blades of grass and look into the trees. You're talking about \$750, it's not that much. Miscellaneous operations: I think that \$5,000 is related to your contract? George Dickerson: Yes. C Martin-Brown: Could we in the future label this as Town Manager Expense Account, instead of miscellaneous operating? George Dickerson: Sometimes it's used for other things; my credit card is used to order some other items. There are other items, other than my use on there, that are for the Town. Is that correct? Mayor Post: Fine, we can put miscellaneous. George Dickerson: If you want to put Town Manager expense, that's fine. It's actually low, because according to my contract, that would be \$6,000 per year. C Martin-Brown: I did have a question about that since Norman Lester brought it up. George Dickerson: My contract? C Martin-Brown: No, the expense. You're talking about this line item, expense account. You're entitled to reimbursement for out of pocket expenses, which may arise out of employment with the Town; upon presentation of proper receipts up to \$500 monthly; with quarterly reviews by the personnel committee. Are we getting the proper receipts; are we doing the quarterly reviews? George Dickerson: I know you're getting the receipts. Mayor Post: This has been mentioned before and I did that just the other day to someone in an email. All of our receipts; all of our Purchase Orders; and I'm not saying always, because sometimes even at the State; you have them processed as a direct service; but all of them should have back up documentation; so absolutely the receipts are there and stapled when you do the payment voucher. C Prettyman: That is correct, because when I'm signing the checks and things, the receipts are there and if there is a question, I can ask the Town Manager or Jennifer.

Mayor Post: We're not shopping at Macy's. Meetings \$2,400; so what's that regarding meetings at \$2,400. George Dickerson: That's renting this school tonight; theater, etc. Mayor Post: We're not going to be able to trim that. Vice Mayor Betts: Which one is that? Mayor Post: Meetings 5421.

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Printing and Postage: It has been spread out among line items \$6,000. And in today's time I don't see how you are going to be trimming that. I would assume that is the mailings, but not the water bill; because they're under water. C Martin-Brown: One thing I would ask about printing and postage, the first time you gave a state of the town address, you said verbally you would put things in the newspapers; put them on the internet; and the second time it was a beautiful, glossy that was several thousand dollars; considering the deficit we're looking at; I was wondering what the next one would look like? Mayor Post: We're going to do it on a printed letterhead at the end of this year. C Prettyman: What does she mean? C Duby: The end of the year report. And, I said my recollection is that that was done in house; so that was a saving. George Dickerson: It was all done in house. It was outsourced for printing only. Mayor Post: It was all done in house to save money. But also, at the same time provide a very in-depth product. Now we'll Xerox it.

C Prettyman: 5460 Repair and Maintenance. Mayor Post: Repair Maintenance bill is down to \$5,000 and that's for just in case. This comes back to Deanna's micro management; if a plow breaks on the truck; you don't want to have to come in front of Council and the snow doesn't get plowed, because you have to post a meeting date for 7 days; and then go and get a plow. I'm just saying \$5,000 for a plow, should be there. He's not spending it unless he needs to. C Prettyman: It could be a water main break at Town Hall. Mayor Post: Now, Repair & Maintenance Equipment is \$30,000. C Duby: That's contracts, right? George Dickerson: Say an air conditioner quits running; man goes up; \$200-300; put the windows up. C Duby: Well we just blocked off two of the windows, so we can't do that. Mayor Post: So Repair & Maintenance Equipment is \$30,000. I recommend we trim it down by \$5,000 and have \$25,000. C Duby: If we have set service contracts. George Dickerson: Computer security, copy machines, etc. Mayor Post: If they're set service agreements; then \$30,000 it stays. C Martin-Brown: Mr. Manager, do we have to pay it out if nothing bad happens? In other words, is it a fixed price contract? George Dickerson: Yes. The service contract if it works its fine.

Mayor Post: Telephone \$10,000; and I know you've been working aggressively negotiating new contracts with Verizon and bringing both the Police Department and the administration offices, all on the same plans. C Duby: You indicated in one of the things you did in response from the public, that you had managed to save \$200 a month on that? Is that reflected here or does that give us a savings. George Dickerson: My staff is shaking their head no; it is not reflected here. C Duby: So we do pick up the savings here? George Dickerson: Yes. C Duby: Great, how much? George Dickerson: \$2,400. Mayor Post: Then we could cut this a little bit. So then how about we take \$2,000; and not the \$2,400; just to be safe; and take it down to \$8,000. C Prettyman: The administration and the police are all on the same plan and everything; don't you think it would be better that the Chief would have control over his phones and his plans? Mayor Post: No, not for the purchase agreement. That has nothing to do with the Chief. C Prettyman: Well, I don't have a cell phone; I'm not too up on all that. I would think that with his cell phones and everything; he would have a better control on knowing within his budget how to regulate the phones in his department and maintain it, instead of adding it all together. Mayor Post: It's cheaper; that's why we're doing it. He'll get his bills, but the purchasing of the plan is cheaper by doing it as a group. C Prettyman: I still feel that the Chief should have his own budget for his phones, etc. Mayor Post: He does. It's split out. C Prettyman: Does this include the land lines and the cell phones? Mayor Post: Yes. And we're trimming it down to \$8,000; because he was able to rework the deal already and cut it by \$2,400. Utilities: I don't see how; we've reduced it a little bit; and nobody's utilities are going down. Let's hope we have a warm winter. Website has been split out over the years; that will not get any cheaper than the \$500

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allocated there. Payroll processing is etched. C Duby: This is something that several people in the public have asked about, and I want to just say I'm personally very much in favor of continuing to out-source it. I've worked at organizations where we've done it in house and outsourcing. Outsourcing is far better and especially since we're making cuts in temps; cuts in overtime; the staff doesn't have time to do it. I am strongly in support of continuing to outsource that. C Prettyman: I agree with C Duby. I was a part of the Council when we decided to outsource it because there were so many problems with doing it in house and mistakes and it was taking so much time away from staff to go back and do it. I agree we should keep it.

Mayor Post: Next are bank fees and that's probably kind of where it is. The bank fees, please let me know what they are for? That's it, transfer tax. We know now that's what they'll be. The Town Hall renovation; we won't have that again so that's been zeroed out. The Historic Expansion thing has been zeroed out. The downtown beautification remains in at \$4,000. Holiday decorations have been zeroed out. Edmund's Software is \$8,500 and I think that's etched in stone (it's a contract). The Code Book (which is the codification of ordinances) that's paying the balance of that. I can talk about the revenue. Year's ago, they agreed to Luther Towers, that they would never have to pay more than \$2,500 a year in taxes and wrote an agreement with them, for life. That's all we'll ever get annually is \$2,500. C Martin-Brown: Mr. Mayor, if you have zeroed out these things that we've listed; Mr. Manager I'm showing a savings from the admin budget of \$180,734? George Dickerson: I'm looking at Jenn and she has our deficit down from the \$264,000 figure; to a total of \$192,644 remaining as the deficit. C Martin-Brown: \$192,644; that's what we have to go folks. Mayor Post: Now we'll go into street expenses. C Martin-Brown: Mr. Mayor when you said we can't go skipping around; are we going to revisit the COLA issue here? Mayor Post: No, we wiped it out across the board. C Martin-Brown: Shouldn't that be reflected here as a savings? Mayor Post: Yes, as we move forward. You've taken the COLA out at one time, across the board, so that the \$192,644, that reflects the entire COLA for the entire budget. C Martin-Brown: Because we need to keep a constant budget framework.

C Duby: I have a question going back to revenues, for just a moment. Again, this is something that a number of people in the public asked about. On the property tax revenue, my understanding, and tell me if I'm wrong, the reason its going from \$662,000 to \$585,000 is because the \$662,000 includes some delinquent accounts; so we're not counting them. George Dickerson: We did build in a 5% delinquency rate into that \$585,000. Mayor Post: On streets we're talking about the salaries, that's stabilized there; the COLA has been removed; the payroll taxes, Social Security, Medicare that's no change there, maybe just a little bit. Supplies under streets was taken from \$6,700 down to \$5,000 and I would assume that would cover patch jobs and hole patching and that kind of thing. I think we should probably leave it at the \$5,000. There's miscellaneous operating which is \$1,000. George Dickerson: Jenn would you please speak to this item? Jennifer Cornell: That's just going to be small items that can't really be classified; it's very minimal. George Dickerson: Is that like when I go get a belt for a lawnmower? Jennifer Cornell: Yes, it's very minimal. Mayor Post: Repair & Maintenance Equipment: \$750. Web-site again: \$500. Under streets are \$5,000 engineering fees. I would like to see that left in there, because I know Vice Mayor Betts is working on getting some grants and that would help offset the engineer's fees that will be needed to do some of the street resurfacing through the grant. C Duby: So we will do more resurfacing if we get the grants from the state. Vice Mayor Betts: They've already contacted me to talk to George. I have to get some information to them on getting some money. The \$55,000 should have been in long before now; but that was from a couple

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of years ago, we will be having that come at about another \$25,000 to \$40,000, anyway. C Martin-Brown: Vice Mayor Betts does that mean that if that comes in, then that's a revenue stream? Vice Mayor Betts: We have to use it. It's an in and out thing. Mayor Post: The truck: that is the lease; and how these leases have worked on the vehicles is that there is a 3 year payment and a \$1 buy-out. George Dickerson: Yes, that's correct. Mayor Post: Chain saw; tree saw and shed; they got them this year.

C Duby: What's the revenue reserves \$114,000? George Dickerson: That's where we paved the streets before, when we did those 5 streets and repaved them. C Duby: So we took that out of reserves in the last budget and we're not going to do that again. George Dickerson: Those were the cash reserves total for capital improvements. Mayor Post: Now Police, we have the salaries there...C Duby: We skipped general? Mayor Post: Supplies is zeroed out. Council approved donations went from \$32,000 this year; down to \$9,500. Did we want to reduce that anymore? C Duby: I don't think we can. Mayor Post: I don't think we should reduce any of the Fire Company, that's \$5,000. So all we have to play with is \$4,500 there. That's not much. C Duby: We do not have to designate that at the time we approve the budget? We can say that we have that in there, so when we have requests we can say we have that in there. I thought last year we did designate them at the time. C Prettyman: I thought, maybe I'm having delusions over here or my senior moment; but I thought that we were going to have them do a letter regarding a donation and then we can discuss the need of it; and if we could do it; because we're not going to always have the money to give everybody money so it was like they were going to give us their budget and everything. C Duby: That's why I asked, because I was hoping that we did not have to; my recollection is that last year we approved specific donations; and I'm hoping we don't have to this year, because we have enough to worry about; but if we have that amount there, then we can do something. Mayor Post: I think we need to just do it; I don't know if we want to put a little ad out or in the paper; but I do know that we've already had one request come in. C Duby: We all got that from the Historical Society. Mayor Post: One request has already been received. C Prettyman: Just because we are receiving them, it isn't that we have to give. I'd like to make sure that everyone understands that if they're sending in requests, at this time we don't always have to agree to give them the amount; or give anything because it's a time of needs. C Martin-Brown: I think, Mr. Mayor, the point that C Prettyman is also making is that when I floated a motion, which nose dived, that we give \$5,000 to the Museum, if you remember, there was quite a pushback from my colleagues on the Council saying we needed a formalized process. That was assuming that we were going to have a budget growth; not a budget cut. So if we leave this fluid for a year; but that we do think about a more formal process of application as we move into a better budget position, I think that's what you're recalling C Prettyman there would be a good robust transparent process. Mayor Post: We could even do mini-community grants. C Duby: Rather than waiting until we have more money to have the process; I think the process is even more important when we have very little money. Times are scarce. C Martin-Brown: I think though that because we're working on this budget right now, we shouldn't encumber it with a process; but create a process as we move into this new budget year, so when the next budget comes around, we have a process. Do you agree Deanna? C Duby: I agree that we have a process, but I would say if we could keep this \$4,500 as a fund, rather than designating it now, then we can develop a process and use the process for this \$4,500, as well. Mayor Post: We know we have \$4,500 to work with and just for clarity, the Downtown Beautification of the \$4,000 would be going to the garden club for the work that they do downtown, which is an operational benefit to the Town and not an organization; so

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that's where that money would be allocated. The SRF loan is one of the parts of the \$1,000,000 loan that was taken out. This was the sewer loan.

Mayor Post: Next is the reassessment has been put into this proposal; as we all know it was in the last proposal. It had come in requesting for it to be put into this year's budget; and we had agreed for it to come into this year's budget; and should be removed out of last year's budget. So there's \$83,000 which has been placed accordingly; as we had agreed into the budget. C DUBY: Let me say, I strongly support that. I think it's required by the charter and I don't see anyway we can avoid doing it, by law, under the charter, nor do I see any reason why we should avoid doing it, because by not doing it, we're basically saying that we want to continue to have our taxes paid in a less than fair and equal way. I support that strongly. C Martin-Brown: I'm very concerned about the reassessment process, in terms of its budget implications. Very soon, the County will be voting on a Council and there is extensive discussion already underway at County levels; about needing to do a reassessment; because they're dealing with a much grimmer budget scenario, then we are; and even at the State level. My own concern is that we spend \$83,000 to do this; and the County comes along and says aha, you just saved us \$83,000; because now you've done the work. And I would like to see a situation and I know what the charter says; having chaired that committee; but it's also ambiguous, to a degree, as to when that has to be done. It has to be done every 10 years and I understand that we have had some legal guidance that it needs to be done yesterday; when the new charter was passed, but I am concerned in light of our own budget, that we not have somebody else piggy back on our budget. So the questions becomes, not whether it's in the budget; but whether we sit there and know that we have to do it within this upcoming fiscal year; but drag the contract process far enough into the fiscal year where we know for sure the County is not going to do it. Because our County taxes are going to go up, also; and I'm trying to figure out how if they're going to do the assessment; our taxes are going to go up; how to buffer that double-whammy. C DUBY: A reassessment doesn't mean a tax increase; only for some people. C Abraham: There's going to be a tax increase and I don't think it's fair that the taxes go up for everyone; for all the newcomers, I could understand their taxes are higher; they have the new homes. I'm sitting in an old home. I know a lot of the interior of Milton has old homes; I do not think it is fair and I don't think we can do it fairly. C Hudson: I'm sorry, C Prettyman, if I could just respond to C Abraham's point. I think this is a very, very sensitive potent debate. I'm just making the point in the context of the budget. Mayor Post: I think you're exactly right C Hudson. But I just want to say in her pretext, I don't see how you can keep saying what if? What if the County Council does it? I think we need to go now and look at what Milton, Delaware is doing. I have this bad habit of comparing budgets to Rehoboth Beach; Middletown; or whatever it is; the thing we have to know is where we are. The thing I'm a little upset about is that we agreed to this; we agreed to this in the last budget; Mr. Dickerson, probably ran for shelter, chose to move it to this next budget; but what I've seen; and I've looked at it closely and I've dealt with a bunch of issues with tax assessments in this town; it isn't equitably done. So I feel that this is going to give us a clean slate of properties that for some reason were never given to the assessor for reassessment back to 3 or 4 years ago; that properties that were built that took out \$1,000,000 building permit, that were still paying \$60 a year; I have a problem with that. And, yes, my taxes are going to go up a couple of hundred dollars a year; but you know what, it's my contribution to the Town of Milton. I fight for my \$1,200 because I worked hard for it. C Hudson: Mr. Mayor, I'm not debating the merits of the reassessment; I'm not debating the merits of that; I'm not even debating the merits of paying for it and contracting for it in this fiscal year. What I'm trying to consider is whether we start the contract on the reassessment work October 2nd of the fiscal

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year or whether we start it February or March and whether or not we find out that the County Council has contracted to start the same process March 1st, April 1st, or whatever. The efficacy of a reassessment is not motivating my intervention. It is the timing of a contract and it would be delightful to know that our County taxes end up paying for it and we don't pay double. Vice Mayor Betts: I have to agree with C Martin-Brown, because there is very definite talk with the three new council people going in. Their revenues are down and they're talking about money, so I see what she's saying. It's not that she wants it taken off the budget; she would just like to have it later in the budget year to make sure that the County doesn't pay for it and we could have the \$83,000 in reserve. It's not that we don't want it done; it's just that she wants to save the Town the \$83,000. C DUBY: The problem is if we put it off too long; it won't be done by the next tax year and already next year's taxes are not going to be under the reassessment; they're going to be the same; and you're asking for this inequitable situation to continue for another cycle. The people who are paying more are going to have another year of paying more. Vice Mayor Betts: I don't think the Town is going to benefit that much by just holding it off. C Abraham: We have, not that you want to use your reserves; but we have it in the reserves and here we're trying to eke by on a budget and cutting everybody just dry as we can cut it; and a big figure is this \$83,000. C DUBY: If we don't do it, I can assure you that there is a very high likelihood that the people who are paying an unfair share of the taxes; will sue us and our budget will be off the charts because of legal fees defending that lawsuit. We're required by the charter to do it. Mayor Post: This is a prime example of just like the things we addressed last year, that this should have been coming out of the cash reserve budget and not put into the general reserve because then it reflects poorly on our showing a deficit. It keeps accruing to our deficit. But the bottom line is that I think we should do it now; it's time to stop playing games with this and we need to move forward with it. We promised the people, we all sat here and voted yes to it; unless I'm wrong. Did anybody vote no to not do the reassessment when they voted the budget? Vice Mayor Betts: I don't think anybody is against having it done. They just want to save the town the \$83,000; if they're not going to do it, fine, go ahead with it. But it's the \$83,000 that C Martin-Brown is saying. Mayor Post: I don't ever want to spend \$83,000 that we don't need to spend; but I don't know what the climate of the next County Council will be; there's absolutely no guarantee that there will be a reassessment; yes, they have a deficit; they have a bigger one than us, but I think they also have a very big cash reserve. I might be wrong, but I think the County has a very healthy cash reserve. C DUBY: If they decide to do it, there's no reason that they would do it within an even speedier fashion than we will. Mayor Post: They just spent \$2.5 million on land, so they wouldn't have done that if they had a \$2.5 million reserve; and they just bought another house in Seaford for \$600,000; so they've spent over \$3.1 million in the last week. The thing is, there's large cash reserves; just like us and I can't see waiting. C DUBY: And Mr. Lester if you're still here and want to talk about drunken sailors; I'm not asking him to say anything; I'm making a snide comment. C Betts, I apologize. Mayor Post: I changed my tune on this. I was against the reassessment and I don't care how it makes me look politically. Well, what I'm saying is that I have called for 10 tax examples in the last month and a half and I would say that 6 of them were screwed up; and they were not in our favor. I've been looking at these assessments; and looking at these assessments; and when I see someone who resides out at Wagamon's; new house; new development; who was paying the highest residential tax in this Town; and not having the property or the home to go with it; there's something wrong.

C Martin-Brown: No debate, Mr. Mayor, no debate. It was the timing of the assessment and if the will of the Council is to contract it immediately, so be it. Mayor Post: I don't mind waiting a couple of months, but I can not see waiting 6 months. When is the County Council over? C Martin-Brown:

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It's November so we should know by January. Mayor Post: So if they work quickly and they've convinced me by the end of November that they're going to do a reassessment fine; but I don't think it's fair to put it off any longer. I really don't. Why hasn't it been done this past year? C DUBY: Because we never brought it up. Mayor Post: It was in. C DUBY: We approved the money for it on the contingency that we would approve it; but we have never taken a vote to approve it. C Martin-Brown: We agreed to it but to reprogram it into this fiscal year, which we will and should do. Vice Mayor Betts: That's right. Mayor Post: But we did approve it. C DUBY: We approved the money in last year's budget, but my recollection of the discussion was, we're going to put the money in there so that if the Council votes to do the reassessment, the money will be in the budget and the Council has never brought it up, in spite of the fact that a couple of us have asked a couple of times and it hasn't been done. C Abraham: We were also going to explore ways that would be fair to the "older" Milton residents. C DUBY: And that will be a part of it. C Martin-Brown: Mr. Mayor, I think that once the reassessment is done, no matter who does it, that following the results of that reassessment is when we have these kinds of discussions as to different conditions to create fair levee. Mayor Post: I think prior to that, because I think for one thing, we do have to set up some type of abatement plans to protect those that are most vulnerable in the Town of Milton. I agree with you on that 100%. C Martin-Brown: Let's move on because obviously there is \$83,000 in the budget that will get spent sometime, somehow for reassessment in fiscal year 2008. C DUBY: Yes. C Abraham: If we have the money and the resources, why do we have to leave it in here; we have it available; if we ever want to vote. In speaking to this budget, we're killing ourselves and our employees with cuts and part of it is this \$83,000. C DUBY: For something that we are required by law to do. Vice Mayor Betts: We do have the money there. C Prettyman: The money is there. I've listened to all of you; the money is there. Leave it there and see what's going to happen after November. After November we'll have the money there and then we can vote and move forward; because we can't do it tonight; we're not going to settle it tonight; but the money is there. Let us leave it there, where it is and move forward. Mayor Post: So you support it? C Prettyman: Yes. I said leave the money in the budget. C DUBY: He supports leaving the money in the budget. C Martin-Brown: All of us support that. C Prettyman: After November or December or January, because that's when they take office, then we will have something and we can move forward and go ahead and do the reassessment or not do the reassessment, but that depends on the County Council at the time they vote. At this time, I say leave the money there and wait until we find out what's down the road a little bit and then we can go; because it's going to take some time for Mr. Dickerson to set the reassessment up and to do the reassessment. Mayor Post: Can I also throw something out on the table? Why don't we propose voting this along with the budget; with the \$83,000 coming out of the cash reserves? C DUBY: I thought you didn't want to take a lot out of reserves? Mayor Post: It's still doing it, but what I'm saying is what we have given in on some of these things is a very false sense of security. I've heard things where people have said you shouldn't have done this; or you shouldn't have done that; as far as even with the Town Hall, the parks, the police station, which are all things I stand behind. The difference is the bottom line, when you use money from cash reserves; it's not something to do with the general fund; it does have to do with our fund balance for the Town. All that's happened is that we threw out there that we had this deficit and it created a flurry, even though the entire United States is in a deficit position; but it was the greatest time for opportunists; and we have felt that as well, especially from every day sometimes 5, 6, or 7 things FOIA'd on us, ever since this budget has started, and there are times when things should be reflected from the cash reserves, which is still a vote that you have to do, but it also doesn't push us immediately into a deficit as if we've been out to Bloomingdale's buying diamonds. I think that's what has happened

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here. C Prettyman: Mr. Mayor, you intend to take the money out of the cash reserves. Okay, what happens to this \$83,000, it disappears? Mayor Post: It will still come back and reflect back into the budget; especially during the audit times and things like that. But last year we had a little side bar list of items that we were going to vote from cash reserves. We didn't do it this time. C Prettyman: Whether we take it from cash reserves or we leave it there, we're going to do it and we're going to have to vote on it and see where Council is on doing it or not doing it. I think we beat this horse to death. Mayor Post: Let Mr. Dickerson explain how that would reflect in the budget. Can he do that with the \$83,000? C Prettyman: Yes. George Dickerson: The concern is to reduce the deficit of this overall budget. The Town's financial condition is very good; we have \$2.3 million in CD's and we probably have another \$2.1 million in outstanding revenues; which means we have about \$3.4 million. It is my opinion that if you are going to remove this, this would have to occur on September 8th. I think everyone would feel better; the community and those taxpayers who want to see the reassessment would feel better. There would be nothing wrong with removing the \$83,000 from here, which would reduce your deficit. The good news is you would reduce your budget by \$83,000; you would diminish with a Council vote if you decided to use \$83,000 for a reassessment; on September 8th I would strongly suggest that you put on there the issue of reassessment, at least for the allocation of funds from cash reserves; which would guarantee that money; it would make the citizens feel better to know that that money is there; and sometime in 2008 when you reach a consensus that you want to do the reassessment, the funds would be there. Certainly with the budget, you are reducing it by \$83,000 right now from cash reserves. What is the difference of either leaving the \$83,000 in; as long as it is allocated from some source; what's the difference? The point of this workshop tonight is to reduce the deficit of the budget; to get it down. If you remove the \$83,000 from here; you are reducing the deficit. The concern that I hear in the community and the biggest hurdle you have is that you went through a year of workshops with a charter that you now have in front of you. You now have a charter with a law that says you must do the reassessment. Every day that the charter has been passed since March, it is my own opinion, and supported by our Counsel when the question was asked; that the time started running from the time that the charter was passed; the reassessment must occur. It doesn't start running 10 years from the date of the passing of the charter. It started running 10 years from the last assessment which was 1994; that's the issue. Mayor Post: What I'm saying is that last year we voted at the exact same time as we voted the budget; we voted for the things that were coming out of cash reserves. It wasn't a meeting later; it was the very same time; and we did those items. My argument is that I don't like the softness of when we're ready; in other words, at the same time we vote on the budget, we're voting \$83,000 from cash reserves to do the reassessment. If it happens in November, okay. C Duby: Basically what you're doing is you're saying we will decide to take that money out of cash reserves. It's no different to me. The money is fungible. We have a \$264,000 deficit; which now if we vote on the things we've done so far; is now down to \$192,000; basically at the end of the day we're going to say we've reduced it by X amount of dollars and we'll have to take the rest out of cash reserves. So if we leave the \$83,000 in; then at the end of the day there will be another \$83,000 that will have to come out of reserves, or we'll take it out and we'll say that we're going to take it out of cash reserves; but the bottom line is that it's exactly the same thing. Mayor Post: It is in many ways, but when you're doing capital improvements or whatever, that's a little different. That is not an ongoing reappearance in the budget year after year after year. The Police Department renovation was one time until 15 years when it needs to be done again. The Town Hall was one time, except some minor repairs now that we have to do. These things were just one time expenses that would not show as a line item year after year after year. It's stupid to have it show up every time, than have

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a 0 next to it. What I'm saying is that it should be pulled out; doesn't make it look like we've done some horrible thing; even though there are a lot of deficits floating out there. What I think is that we've created this false sense of an issue that we should not have put upon us. That's what I feel. I feel that we have diligently tried to work hard with this, with the budget; the staff has worked very hard maintaining their budgets; the Police Department; all that. It's in the perception of how we've done this, because there is nothing wrong with voting for capital improvements. That's all about improving the Town. This, whatever you call it; is being taken out of cash reserves; all I'm saying is if we're going to remove it from there; I'm not going to do this hypothetically; we'll go ahead and say we're going to do it sometime; and we'll just set aside \$83,000 and might do it. I'm saying that I'm only going to support it the same way that we did the other capital improvements; that right then and there when we vote the budget, we vote the \$83,000 out of cash reserves. C Duby: A deficit is a deficit. No it won't reflect in the budget as a deficit; but it will be money out of cash reserves whether you call it a deficit or not. C Martin-Brown: It is the prerogative of the Council to decide what is an ongoing budget obligation and how to live within their means vs. unique expenditures that rotate on semi decade or decade basis. Mr. Mayor, I am not saying and I don't want to hear this interpreted one more time, Joanie says X. Joanie says \$83,000 comes out of the 2008 monies of the Town; whether its reserve or the budget; and it will be spent in 2008 on reassessment. My point was simply if somebody else ends up picking up that tab; and we have a firm signal as to when that tab is being picked up by somebody else; not that we're thinking about; but if one of the first actions of the Sussex County Council is to delegate funds and contract; then we should have the right; without alienating the Town, to say the deal is done and we're going to have a reassessment in twelve months and it's all rolled into the County box. It's not a matter of waiting and waiting; we should know very soon whether or not the Sussex County Council is going to bite that. I'm also very sensitive to what I'm hearing on the streets; and that it is that there is a huge fiscal irresponsibility at play. That annoys me so if I jump around on this budget; you'll have to tolerate it Mr. Mayor, because one of the things I'm trying to have us very clear about demonstrating; is what we're spending and how we're spending it and why we're spending it; in a way that everybody in Town doesn't accuse us of spending money like drunken sailors. I don't drink; and I don't sail; and I'm offended by this. Mayor Post: You know what, Joanie Martin-Brown, I'm glad you brought that topic up, because I want to throw my 2 cents in; because I wrote a speech for tonight and I let it go because I know some people get annoyed. I was highly offended, I had a brother who died from alcoholism and that was an uncalled for comment. C Martin-Brown: There is a good side to some of these ugly moments; and that is when we moved here in 2002; I know there was a finance committee and all of that; but I was at all of those Town meetings; and I don't what the finance committees' conclusions or strategies or expenditures were about and why. I think that's important because when you have the very excellent work done by these three gentlemen; their names are: Mr. Wheeler, Mr. Lester and Mr. Newman. How fantastic is it that they have a transparent itemized budget to respond to; to critique; to make constructive recommendations; in a very professional and informative way. Whether I agree with all of it or not; I feel empowered by the citizens of this town in this discussion tonight. And that the transparency of the figures enabled this. Mayor Post: And Judy Schandler was another one that put it in writing; who did an excellent job. We can take criticism, but there's a way to do it very constructively; but don't reflect other terminology, even if it sounds off-the-cuff, because you can take it many different ways and we've been trying to be a very responsible government. Do we do things wrong? Absolutely. I'm human. But we have a great staff that I'll stand behind; I may not agree with everything and it's the same way with this Council; I don't always agree; but I know one thing, everybody up here is trying to come up with a budget that will

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work. C Martin-Brown: If we put \$83,000 back in reserves and get it out of this budget; we now have to find \$109,644 to go. C Duby: Can I just say one thing. I would support taking the \$83,000 out of here; only if we do what the Mayor has suggested and that along with the passage of the budget, we pass this and if there are other items that we want to do, specifically designated for the reassessment. What I don't want to have happen is that we take this out; we put it back in reserves; and we say, at the time we have the vote on the reassessment, we know we can go back into reserves and take the money. I want it designated. We are required to do it and we'll be open to litigation if we don't; and it's the only fair and equitable way to do taxes in this City. I'm very sorry that people who have lived here for a long time and have older houses that they're terrified that their taxes are going to go up. They probably will go up a certain amount; but the fact is if they sold their house today, I'm sure they would be more than happy to take the profit that has accrued in that house over the years; but they're not willing to pay the taxes they owe and they're willing to let other people pay the taxes for them. That concerns me and it's not fair. We are more than willing; and I as one of the advocates for it; am so willing I can hardly stand to talk about it. I'm so willing to talk about the appeal process and abatement systems and payment plans and anything we can do to help people who are adversely affected by it; but if we don't do this, then we're asking a certain amount of our citizens to pay an unfair share. C Martin-Brown: This is the debate that I still think we need to have. I just think right now we stick with the \$83,000; the resolution that C Duby said; and the debate should continue. Mayor Post: I don't think there needs to be a debate. C Hudson: I would like to go on record as saying I think we should leave the \$83,000 in the budget; I think if we could have taken this out of cash reserves; then the last time we voted on a budget, we should have taken the \$79,000 deficit that the admin department had out of cash reserves; and we did not do that. We deleted the \$83,000 from the budget. I don't see this thing about using cash reserves now, when we didn't do it back then. There was a \$79,000 overage in the admin department and part of the way to balance the budget was to delete the \$83,000 from the proposed budget. I'm going on record to say that I think we should leave the \$83,000 in the budget; we told people it would be in there; and I think we should be honest enough to keep it in there. I'm just saying it should stay in. That's just my opinion. Vice Mayor Betts: I would like to know what the \$79,000 was. I don't know what you're talking about. C Hudson: I'm just making the point that I think we should leave the \$83,000 in the budget. Mayor Post: I have a problem putting things in the budget that reflects a deficit that's an incorrect deficit. George Dickerson: I don't understand the \$79,000; that's my question. I'd like to know what that is so that I could address it. I don't know what that is. C Hudson: I don't want to get off track. I would just like to say that I would like to leave the \$83,000 in there. Mayor Post: Since we're trying to balance the budget; I totally support the reassessment; but it's just where I would like to see it reflected. That's all I'm asking. I've said publicly for several months now that I accept this reassessment and I do. As long as the reassessment is done properly and fairly; as long as the vulnerable people are protected; that's all I care about. Other than that, it needs to be done. We can asterisk that or what; but I think the consensus is that people would like to see it; because we're trying to balance the budget; and it's put as a separate item; just like we did with the Town Hall and the other items; there were four items where we voted separately the very same night as the budget; and passed it all together, even as a lump sum part of the budget; because they should have had their capital improvement thing here to review. I don't know if they've gotten that yet, but you need to review that as well. You've reiterated that's the way you want it. You've said you're okay with it. You guys over there seem as if you'll support it; just as long as it is not reflected as a negative thing in the budget, because we're trying to balance the budget. Vice Mayor Betts: It's going to take a year and we're trying to balance the budget. We have the money there, in the cash reserves, when we

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eventually do it. Mayor Post: You can't start it within a year; it's going to take a year to do it. Vice Mayor Betts: It will start way before that. C Hudson: How can you spend money on something if you don't have a line item for it? Mayor Post: Because you're approving it just like the Town Hall was not in the budget. C Hudson: Then how come we didn't spend \$1,600 for the radios when we did have the money in cash reserves? Mayor Post: You can present it that way. If you want to present it that it comes out of cash reserves; you could; and we would need to take a vote. You bring it in front of us and we decide if that's the way we wanted to punish our cash. That's fair game. Certain things should not be reflected in the budget. Where are we now?

C Martin-Brown: I have a question about the trash revenues being approximately \$8,000 more than the proposed budget of expenses. Is there going to be an increase in trash collection? Its \$40, is it going to remain at \$40? George Dickerson: The expenditure is a contract. The trash expenses, would you please explain the trash expenses and the reserves and the differences in the two? Jennifer Cornell: The trash expenses are based on a contracted amount with MT Trash; it's a 3-year contract and each year the amount increases. The amount in the budget was calculated based on current residents times the rate. As far as revenues go, there is not an increase built into this budget. There is a separate proposed increase which is on the fee schedule, but it is not built into this document. C Martin-Brown: So that's my question. I don't see it on the fee schedule; because it says under the old one, behind it, trash \$40 and under the new one with all the red on it, it still says trash \$40. Could you show me where the increase is built in? Mayor Post: What is she looking from, because I'm getting very confused? I'm seeing \$199,772. C Duby: The revenue goes from \$175,000 to \$205,000. Where does that come from? Are we asking people to pay more for trash collection? C Hudson: That's my question; are we going to have a trash increase? Jennifer Cornell: The expense to the town increases every year. We were going to propose an increase, as far as the revenues are concerned. It should be in that fee schedule. I'll have to look into why it is not. C Hudson: That's what I'm saying, it's not. What is it going to be? It's currently \$40. Jennifer Cornell: In the budget, the revenue amount you're looking at is at the current rate; that has not been factored in. So that's still at the \$40. Mayor Post: So it's not reflected in the fee schedule. C Hudson: You're saying it's going to increase. Jennifer Cornell: If it's voted on and that proposed amount we were looking at \$44 going up. C Hudson: So it will be \$44; shouldn't you put it in as this is proposed. Jennifer Cornell: We did not. We wanted to leave it at the \$40. C Hudson: Shouldn't it be there? Jennifer Cornell: If it's voted on. C Hudson: All the other increases are here, but that is not here for people to see. Mayor Post: She's saying it's not showing up on the fee schedule; it would have to be added. C Hudson: So, potentially it's going to go from \$40 to \$44, right? Mayor Post: That is a standard rate; the community pays what we pay; we're not making any money; it's a pass-through, an assessed cost of what it costs to pick up that trash. Yes, it must have increased; we had an attorney and everybody that had reviewed the bids that came in; we had to go with the bid by law of who we accepted, because they were the lowest bidder. That's what we have. Yes, we're going to have to make sure it reflects on the fee schedule. It's not like the water, which we're going to have to talk about the fee schedule, either tonight or at Council meeting, because water is assessed to go up and the reason it is, we have been depleting our reserve account, which contains restricted funds. We spent \$80,000 on a new pump that went up; and some other things; so we are looking at whether we agree with the proposed fee increase; or part of it, or whatever; we need to build some reserve into that account again, because it's getting down because of the repairs we had to make. You're right, we're also going to need to show what that rate increase would mean to get up to that point of \$205,000; what that has to show in the budget as a fee increase and C Hudson is exactly right on that. If it's not

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reflected in there, it should be reflected. Back to the Police budget, we've got a lot to do tonight. Now we're at another interesting issue, because we know COLA is taken care of. So overtime for the Police Department it was budgeted last year at almost \$50,000; \$70,000, or so, was used; some of that was offset by a cost of downtown, which by state law required us to police the demolition of the building; which has to be billed back to the person. It has and he's not paid it, so we're going to probably have to lien the property, so yes it's better than going to court and spending it on legal fees; just slap a lien is what I've asked to be done on the property and they'll sell it one of these days. Instead of eating up the \$12,000 in legal fees, we'll get a lien on the property, so at least when it is sold; and it's a good piece of property; that we'll get our \$12,000 back from it. I have to admit that the Chief had sent numerous letters with no responses; I don't know if he turned it over to our new attorney, or not. The old attorney did have a copy of it. It's the demolition of the building next to the theater; and the state requires that we had to police the area and we paid for it; and it's a lot of money; but guess what, the demolition took a lot of time; it was days on end. The previous owners have refused to pay us. They are very well aware of it and he didn't like the price. It's not like we've cushioned anything; it was a dollar for dollar for manpower; it was a lot of money; it was probably \$12,000 and some dollars; but he's refusing to pay it. But the bottom line is he has to pay it. It doesn't require a contract; the Chief did it. I'm just going on what the Chief has told me on this and its going to be easier to lien it than it would be to go after them in court; because legal fees for \$12,000 can go quickly. So we're on the overtime issue; which had been reduced. I certainly know that overtime is a hot issue; I don't want to jeopardize security in the town or the fight of criminal needs; and I know you're going to say you really need the \$50,000. Chief Phillips: What I was going to say is the remark that you made about me scheduling unnecessary overtime is very incorrect on your part. The bottom line is the FLSA says Police Officers work 12 hour shifts; in two weeks that's 48 hours; the FLSA states you don't get paid. It works out to 168 hours in 28 days; if you go that route. You don't have to pay overtime until they work 171 hours. Mayor Post: We've been paying at the rate of 161 hours, correct? Chief Phillips: That's right, because we weren't following the standard act. Mayor Post: We started following that just about a month ago. Chief Phillips: No, you're not following it according to this police officer thing, the way it works. What I've been doing is cutting guys back on their schedules and asking them to take off when they can and without trying to jeopardize the public safety. Mayor Post: So you're telling me that you don't pre-schedule any overtime whatsoever. Chief Phillips: I explained it to you one time before; basically I explained that they work 12 hour shifts; one week they work 60 hours; the next week they work 24; next week they work 60; and the next week they work 24; in 28 days. If they work just that, it comes to 168 hours, no overtime has to be paid until they work 171 hours according to the FLSA. George Dickerson: 160 hours would be 40 hours a week, correct? So you're ending up with 8 hours over it. If you're not calling it overtime, the 8 hours would not be paid at time and a half; but wouldn't the 8 hours still have to be paid at straight time; so you're still eating up some overtime that wouldn't be scheduled? Chief Phillips: That would be correct. What I'm stating is the schedule that we're working and the schedule that all Police Department's are working in Delaware, is 12 hours shifts. We have tried to cut back and have people monitor the time they take off; but we also have a lot of court time and the more arrests you make, the more court time you're going to have. I can't mandate who is going to break the law; and who is not. Mayor Post: I'm just saying, that every time that I see the amount scheduled for the Police Department, that's how much is spent, so it's \$50,000; that's how much it is. I think that's a lot. Comparing overtime to the Police Department in Rehoboth Beach; I think their overtime is \$60,000; I just think that \$50,000 is a lot. I certainly recognize the importance of overtime; I certainly respect that; again I think we should aggressively

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be looking at flex time; even in the Police Department. I had proposed that we go up to \$25,000; because I do think \$15,000 is too low; and, again, and I'm not trying to micromanage; I was also proposing that I have no problem with adding overtime back into the budget if there's good justification that shows how \$25,000 worth of overtime was used and expended; so therefore, after a 6 or 7 month period, I have no problem with you, as a department head and the Chief; because there are really two major department heads that we're talking about; coming back to Council with a proposal, since you would have seen that you had used the overtime that you need more money allocated. Chief Phillips: What I'm asking is, if they have a dog and pony show; things in the park, etc., where they need officers; is Council requesting me to not schedule overtime when I've scheduled those people to be there for that, if needed to be there? Mayor Post: I'm saying that scheduled overtime needs to be done when it's needed. I don't know if \$50,000 worth of overtime is needed in the Town of Milton, Delaware. I know you're saying it is and I'm just saying that it is a lot of money. Right now we have to be a little more conscientious. That's all I'm saying. Chief Phillips: I agree. Mayor Post: I don't care if it's the administrative office using \$12,000; I believe these things can be cut down to almost half; and there are creative ways of doing it and I'm a true believer in flex time; I do not like comp time, because, again, with the Police Department we have paid out thousands of dollars of comp time and that's what happening is that we are paying it out; because we have been requested by our auditor to only carry so much on the books; because it's very dangerous when it gets way up there. We have and I've used it before; and I know, it's a touchy subject; but for example, one officer who made \$70,000 this year; I don't know. Chief Phillips: I think you need to go back and check that, I don't think believe he made \$70,000; I think we have to check the numbers again. Mayor Post: Chief, I have all the figures right here and you're welcome to have them. Chief Phillips: I would like to see that please. The bottom line is that when our computers break down, that one officer you're talking about, comes in to fix our computers and saves us about \$80 an hour on weekdays; and \$130 an hour on weekends. Mayor Post: Okay, if you're using an officer, does that create overtime or is he paid like in a contract where it doesn't show any overtime? Chief Phillips: No, we try to schedule it around his schedule. Also, that one officer is the evidence tech; every time there is a drug arrest, he is the keeper of the drugs and he gets subpoenaed to court; nine times out of ten, he's not needed, but he has to get the drugs out to the officer and be in court with them. C Duby: Can I ask a general question? It shows that \$48,000 was what was budgeted in the revised budget for this current year. What's the year-to-date usage, do we have that? Chief Phillips: The numbers I have back at my station, I don't have them with me, are right about \$50,000. C Duby: So we've gone over budget? Chief Phillips: I don't know that to be true exactly, but I'm not sure what the exact numbers are. C Duby: Do you think that the special thing that we had this year which was the Presta property teardown, was about \$12,000. Mayor Post: I have it but I'm not sure where it is. Chief Phillips: It was about \$11,000; but yes. C Duby: So that would reduce it some, because theoretically that would not be happening again. Chief Phillips: Right. Mayor Post: But the \$12,000 overtime, is above and beyond the \$50,000. C Duby: I asked what the year-to-date actual is. Mayor Post: Its \$70,000 total, because there is some other overtime in there. C Abraham: Do you want me to give this to the Chief? Mayor Post: You're welcome to give it to him and he can review it. It will be hard for him to tell whether it's been reflected accurately at this time; but this was what was pulled from payroll as of when we had our first workshop. One officer, at that point, at a base salary of \$52,000, had already been paid \$14,000 in overtime. And that's just 3-4 months prior to the end of the year; so that right there alone adds up to almost \$70,000; another officer who earns a base of \$43,500, had already at that point been paid \$14,000 in overtime; so my argument is that the overtime altogether is \$78,338.19, with 3 months of

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the year left to go. I respect it; I understand that the reimbursable hours of the \$12,442 is what we're going to have to take up in a court issue. Bottom line – it did not show up in our budget, so now we're going to have to eat it. I understand why it was done; I'm not questioning that; but we have to eat it; it did not come back so we have to absorb that cost until sometime when the property is sold; and it could be 10 years down the road. I'm proud of our Police Department. I think they are doing a great job, but I'm just saying that we've got to start taking some hard looks now and sometimes I feel like I'm being pushed back on. Chief Phillips: I agree. We did have also a couple of big rape cases; we had one at a Day Care that took numerous hours in collecting evidence from the place; we've had officers called in for that; we also had a home invasion which numerous officers were called in the night of; and we've had sightings of the suspect later on, where officers were called in, in the middle of the night trying to catch them; and there are numerous other cases that have been followed up on; burglaries, etc. Mayor Post: I can just read it: \$6,000; \$8,000; \$14,000; almost \$14,500; \$8,000; \$5,000; almost \$14,000; \$6,000; almost \$10,000; \$7,500 and \$294. C DUBY: Even if we got to a point where we were making some fairly significant cuts in that; which I would like to see happen, obviously we all would; I think to go from \$48,000 in the budget, which ended up being an actual of \$78,000; down to \$15,000 is not realistic. Mayor Post: And that's why I have no problem with going up to the \$25,000 and then they could come back with good justification for overtime. Right now when I review personnel justification things, I don't see enough justification. I don't want to get into that here. I think there are things that we can do and just being a little bit more conscientious of trying to make these things work this year; if nothing else. I don't care if you have as much flex time as you need; that's fine; I don't care about that; I agree with you that \$15,000 is not realistic and that's why I put back in \$10,000; but again, keep in mind, every penny you put back; your little deficit number you keep throwing out over here is going to keep going back up. Chief Phillips: I have a question on this overtime thing. We had officer highway safety grants and also ED Drug Grant money. Does this reflect that or is this without it? It appears it reflects it according to the reason for overtime over here; it shows ED hours. Because we had numerous DUI checkpoints where the officers were paid by the state of Delaware to work that; some officers like working DUI patrol and some don't; one officer, in particular, likes working them. George Dickerson: Jenn, could you please answer that question? Chief Phillips: The sheet I'm looking at here; the budget overtime sheet; where the totals of the overtime; is that counting the grant money also? Jennifer Cornell: That document was without those reimbursements. That is strictly what they have been paid; base and overages. Mayor Post: But working those extra hours; does that create overtime? In other words, if they worked additional hours to that, or hours that we're paying; does that push them into overtime with us, or not? Chief Phillips: I don't follow your question there. George Dickerson: It's about your scheduled hours. Mayor Post: I'm just wondering, with your scheduling, it could push this back. Are we also paying the benefits with that? George Dickerson: Yes. Chief Phillips: Are you talking about the DUI checkpoints and the seatbelts? Mayor Post: The DUI money. Chief Phillips: That's right. But the money you get back from the fines would definitely make up the difference of that. Not just as far as the overtime, but as far as the insurance and the other benefits. Mayor Post: Again, we don't want to push that we're an unfriendly town or that we want to fine people; but out of the entire budget we have about \$30,000 in fines; out of an \$800,000 budget. I don't know how much; and that's throughout the year; all the men contribute to that \$30,000 in that fine pool. I don't know how much we offset it. I'm saying we need to look at this overtime; just like we need to look at it in every department; it's just like with them; they're actually using \$12,000; we've cut it back to \$7,500; we may trim it a little more; we don't know at this point. George Dickerson: Perhaps what was not clear, is that on the schedule which the Chief

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and I have talked about several times, you have 60 hours worked one week; and the next week is 24 hours; so there is an automatic 8 hours of overtime. We had been paying that at time and a half; so aptly you pointed out that the FLSA only requires us to pay the officers to 171 hour threshold at a straight time rate; that seems a little unfair to me; but, so be it. Every officer that works a rotation on a shift automatically has an additional 4 hours; is there any possibility of changing those shifts? Chief Phillips: We've already adjusted that where certain officers work 11 hours on the one shift and that takes some of theirs. They are the sergeants and they see that the other officers try to burn their four hours before the 2 weeks are up. George Dickerson: I know we discussed it and thank you. I guess what I'm confused about is the Milton Police Department has SOP's which is your standard operating policy, and your hours worked that is designated and that was adopted by Council; the shifts that you're working does not coincide with that document, is that correct? Chief Phillips: Right at this time, I'm not sure. George Dickerson: It doesn't. The shifts that you're working are not authorized by your SOP's. C Duby: If you're talking about an extra four hours because they work a 12 hour shift; instead of an 8 hours shift; are you saying we're paying overtime for those 4 hours? I thought what he said earlier was that overtime doesn't kick in until they work 171 hours. George Dickerson: You still have to pay 4 hours of straight time; it's based on 80 hours at the end of a two week period. Chief Phillips: The Town can elect to pay the overtime, if they wish. George Dickerson: What I'm saying is that we've discussed this; the scheduling of the 84 hours that a person works in the two week period; those 4 hours, whether you pay it at a straight time rate, is still above and beyond the 80 hours. Then the question that I have is that your SOP's clearly state that those schedules that you're working are not authorized. That's the problem. That's the way I see it. C Duby: Could I ask that when we look at this for the vote on September 8th, that we get a little more information about this, because I'm very confused. There's apparently different scheduling that needs to be done; or a different approach to overtime; or something; if we are going to go from \$78,000 worth of overtime; to even \$25,000. That's cutting it by 2/3; even if you take away the \$12,000 that is reimbursable theoretically. It's still a lot of money. Mayor Post: There's a little more than \$12,000 that's reimbursable. There's more than \$12,000. C Duby: I would like to see something before we vote on this that gives me an indication of how we are going to make those cuts without endangering security, or anything else. C Prettyman: I agree with you on that part but I would like to have it before the September 8th meeting, so that we can look at it and understand what it's going to be before us instead of looking at it that evening and voting on it; I don't think that's fair to the Chief. C Duby: So if we could have it earlier than September 8th. C Martin-Brown: I need some help. A policeperson is paid for two weeks of work, right, and it's 60/24. Now if the SOP authorizes 80 hours; every two weeks; no matter how it's chopped up; and you have nine officers working that 84 hours; then you've got 27 hours every pay period; every two weeks; that may or may not qualify for overtime; but even if their paying straight time; those 27 additional hours among 9 officers are not authorized by the SOP? George Dickerson: There are not nine officers that would work for. Chief Phillips: There are actually eight. The detective works 10 hours day shift, 4 days a week, to save money. C Martin-Brown: So it's 32 additional hours; above an 80 hour two week period per officer times eight; so you have 32 hours; whether they are paid straight time or time and a half; that need to be authorized by the Council and be changed in the SOP, is that correct? George Dickerson: The SOP could be changed to fit the schedule, based on what Council would approve. C Martin-Brown: I'm going somewhere from a budget perspective; I'm trying to stay in the budget tunnel. So if you take those 32 additional hours; per pay period; and multiply those times X amount per hour (I don't know what the rate of the police is), then you've either got to adjust the budget for that or reprogram overtime to cover that or cut the hours. You can't be pregnant three ways. So that

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would explain Chief Phillips that you're trying to deal with the budget overrun that doesn't get reflected in the SOP, is that correct sir? Chief Phillips: Yes. C Martin-Brown: Now, if the Council said, well because of public safety and availability that rather than having as much overtime, it was reprogrammed, just to assume that your eight officers worked the 84 hours in two weeks; that might be a more honest reflection of the workload requirements; but it would be covered by a reduction in overtime. Chief Phillips: Give me that one more time. C Martin-Brown: I'm too pooped to do it again. In fact, your eight officers, each are working 84 hours every two weeks. The SOP only provides they work 80 hours every two weeks, per officer. That's under your salaries; but the extra four hours each of them is working is not covered by salary. And it is being counted, or accommodated, as overtime. C Duby: That's the question I have. Chief Phillip: Yes, it falls into overtime. George Dickerson: You either call it overtime or you pay it at time and a half, which is the overtime rate for each hour worked; or, if you just pay the straight hours now; it's their regular hourly rate times those four hours. It's still overtime. Chief Phillips: It's one at regular time and one at time and a half. It was time and a half, but after we found out that we could do it at just regular time; we went ahead and moved it back for those hours that we were allowed to. C Duby: Because the FLSA says 171 hours. George Dickerson: For Police Officers; for Firefighters their threshold is higher; police officers get saddled with 11 hours that they have to work overtime at a straight time rate. C Martin-Brown: So where I am in my imagination is that by cutting overtime we're really cutting police service by four hours for each of the eight officers. George Dickerson: I'm not sure I agree with that statement. C Hudson: Is it actually hurting our safety and security? If they were over-scheduled; then bringing them back to the correct schedule; doesn't necessarily hurt our safety and security. C Martin-Brown: I'm just trying to get the connection between salary and overtime and the number of hours they actually work; so how do we deal with this? C Duby: That's why I'm asking if we could have, ahead of the vote on this; sometime between now and the 8th; information on this scheduling issue and how we expect to actually make even \$25,000 worth of overtime work without harming security or whatever. If we could have that from the Chief, that would be great. Chief Phillips: You need what again? C Duby: What's being proposed is we have the actual figures that we paid \$78,000 in overtime in the past year. The proposal is to budget for \$25,000 worth of overtime in the upcoming budget year. That doesn't seem doable to me and if in fact, is doable, I would like to see what our plan is for making it work. Are you going to change the schedule; are you going to say we're going to cover overtime in other ways; or we're going to flex; or whatever? I just need some explanation before I feel that in good conscious, I can vote for \$25,000 worth of overtime for the police force; rather than more than that. I just need to know what is going to change to make that a realistic number. Mayor Post: What I would like to see is what you could trim your overtime to at the rock bottom and I'm talking about realistic, trimming off the 4 hours; you've got 8 hours that you're talking about, which could be reduced; because I agree with the way that C Hudson had figured it out. We don't know if by trimming down the officers by 4 hours in a 2 week period; is it really going to raise the crime level? I think you could start right there. Chief Phillips: It's hard to answer that because two things could happen: if two officers are working and one has to take his four hours off, he goes home; the other officer gets a prisoner and you're calling that someone's breaking into your house; you're going to have to wait for the State Police which could take 45 minutes to an hour to get there. So, as far as having two men on a shift, that's where we're going with this. But somehow it could be trimmed, somehow, someway. Mayor Post: That's all I'm asking, you can go with every scenario; it could be the worst thing in the world has happened; you don't know. What I'm asking is will you take a really good look at the overtime? Chief Phillips: Absolutely. I've already got people on stand-by for Court and have the day man go to Court and try

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to plead their tickets out and their issues out, without the officer being there. Mayor Post: Highway safety was \$12,000 last year and that was zeroed out; it's from a grant and so whatever we get, then we'll have. Social Security will stay the same. Vice Mayor Betts: Will you put back that \$10,000 for overtime? Mayor Post: Well, definitely the \$10,000; but it might be more. What did Deanna say more might have to go in? We're just going to play around with that one; we know that's a hot one. Vice Mayor Betts: I just asked if you will put back that \$10,000 for overtime. Mayor Post: I would just say that we don't know where we are on that one. C Duby: We're going to get more info on that. C Prettyman: Mr. Mayor, could we just leave that \$15,000 alone? Mayor Post: You can do whatever you want. You could bump it all the way up to \$10,000, because that's \$10,000 later that we have to cut; or add in. If you want to go ahead and know right now; you definitely want to go up. What I'm trying to say is even if you want to say that right now I know I want \$30,000; go ahead and throw it back in; because, if he can justify why it should go up even further, I'd rather at the end of today, see where we are going to be. If you're all fine saying definitely, I want \$25,000; then we know we have to add \$10,000 to Joanie's figure; and let's do it right now; or if Deanna says I know I will never agree with \$50,000; and everyone is sitting here saying I might consider \$30,000; let's get it in there because we know the bottom line where it's going to be. It can only go up; it's not going to come down. So, if we go back up to \$50,000, then at the end we know at the next Town Council meeting, we voted and we wanted to give them every penny of the overtime; then we know we add \$15,000 to whatever the deficit is. C Hudson: Then why not do what you did with the reassessment \$83,000; and just say you know it's going to be out of cash reserves? C Martin-Brown: It's not a capital improvement. These are fixed expenses. Mayor Post: These expenses show up annually. This should show in the general funds account. I was saying I have no problem going up to \$25,000; I'm not saying entertain it later; but I don't see how we're going to. Whatever you want to do is fine with me. I think what I hear from Deanna and others; and I do too; I think \$15,000 is totally unrealistic; that's not going to work; but what I'm saying is if we want to say X amount and we all have a little bit of a consensus; still knowing it could go back another \$15,000. At least we know when we leave here today; where our deficit is. C Martin-Brown: How about bumping it up \$10,000; then we're in the hole \$119,000? Mayor Post: Okay, that's fine. C Martin-Brown: Is there a consensus on bumping it up \$10,000? C Prettyman: Wait a minute. That's \$25,000. Mayor Post: Where are we? Jennifer would know the exact figure. George Dickerson: We've got \$109,585. C Abraham: She was \$2,000 off, I don't know how. Mayor Post: \$109,585; if we put \$10,000 back, we're going up on the deficit. C Martin-Brown: If we went from \$15,000 to \$25,000. Mayor Post: We're putting \$10,000 back; it's raising the deficit. Over here they've got two different numbers. Jennifer Cornell: My numbers are a little different, because as we're working through I'm adjusting Social Security and Medicare for the COLA; so that's why it's changing a little as we go through. I'm at \$117,350.

Mayor Post: Pension: that's not going to change. Training & Seminars: there's \$7,000 in here; I don't think we should reduce it anymore. C Duby: I wonder, again, we want our police to be trained; that's a huge dive. C Martin-Brown: We can just leave it at \$7,000. Mayor Post: Go ahead and comment, Chief. Chief Phillips: The training also covers ammunition for our three shoots per year that are mandated by the State for shooting qualifications. That's what that money is for. Mayor Post: It's training, but it's including supplies in the training. C Duby: Is \$7,000 realistic? Mayor Post: Can you do it for \$7,000? Chief Phillips: Sure. Mayor Post: Supplies: we have in there at \$5,550. I certainly don't think we should go down on that. Under supplies, is that other ammunition and things like that you may need, Chief? Chief Phillips: No, not for ammunition, like that. Mayor

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Post: The \$5,550 is just office supplies, all that kind of stuff, toner. C Hudson: Do you recycle the toners, Chief? Chief Phillips: Yes. Mayor Post: Do you think you can work with the \$5,550? Chief Phillips: Yes. C Martin-Brown: I'd like to reduce that by \$550. Chief Phillips: We will do our best. Mayor Post: So we're reducing Supplies by \$550 and making it a flat \$5,000? C Martin-Brown: Right. Mayor Post: Night Out: the only reason that's zeroed out; is because there is some money that's left over. Chief Phillips: There's only \$900 left over now. C Prettyman: I think that's kind of low for the Night Out. Mayor Post: Zero? That's low. C Prettyman: Oh, come on now, work with me. From the expenses; but the money for the Night Out is not budgeted. Mayor Post: People give, so I think we're all right. You've got \$900. You did a great job this year. Chief Phillips: We ran out of food; we ran out of a lot of things. C Prettyman: It's getting bigger every year. Mayor Post: You know we can't feed every town either. C Duby: 1,500 people would not have fit and that was donated stuff. Mayor Post: Balance a budget that's an item if you're in dire need when you get closer, then you need to come to Council and we'll need to see if we can whittle it out of somewhere; because it is a great thing that we do. Advertising: \$500. I think you'll be all right with that. Dues & Subscriptions: didn't change. Uniform Cleaning: is just about the same, maybe a \$40 difference. Oil: same. Gasoline & Oil: now that was \$32,500. I don't know if we're going on more of a realistic amount, but \$19,795 is in there. George Dickerson: Based on the take home cars. Mayor Post: So if the take home cars end up going back in; then that's going to go back in too. We leave it right now where it is. C Duby: The assumption with this reduction is that we will reduce some of the take home cars. George Dickerson: Just the five essential personnel that were identified. Mayor Post: That's how it is proposed. C Prettyman: Excuse me, C Hudson, I didn't hear you. C Hudson: We discussed that we might even go to four cars. Mayor Post: Wait until we get there. That will be coming up and we might have to come back to this one; so you might want to just flag this one. Miscellaneous Operating: that's \$1,300; of course you still have your supplies too; but do you think you can miscellaneous operate for \$1,300? Chief Phillips: We'll take that. C Duby: I'd still like to know what's in it. C Prettyman: It's like for the town if you need petty cash. C Duby: Well, there's another line item for Repair & Maintenance Building. I'm just curious. Mayor Post: Chief, can you tell us what that is for? C Martin-Brown: Let's say it's discretionary. Mayor Post: Jennifer, what's the \$1,300 for? Jennifer Cornell: I'm trying to think of that off the top of my head. It's going to be just small items. C Martin-Brown: Drinking water? Mayor Post: If your taser breaks and you need a new one. Jennifer Cornell: It's just going to be minor purchases and it's very minimal. Year-to-date it's a small amount. Mayor Post: To me that's micro-managing. Last year it was \$5,000; it's been trimmed to \$1,300; and if he can live with it, then that's all there is to it. Printing & Postage: are we okay on that one Chief? Repair & Maintenance to Autos: that's \$8,000. C Prettyman: Aren't some of those cars under lease? George Dickerson: Yes, we still have some vehicles under lease. Vice Mayor Betts: But you still have to pay for the repairs, if it's leased. George Dickerson: The thought was that we reduced that because if the vehicles go to a fleet rotation, that the maintenance would go down some. Chief Phillips: What was that, I didn't hear that? Mayor Post: Well, if the fleet was reduced some; then the maintenance would go down some. Chief Phillips: No, that's false. If you reduce the fleet, the cars would be run 24 hours a day; 7 days a week. You'll get 2 years out of them. With the Take Home Vehicle Program – you get 7 to 10 years out of a vehicle. C Martin-Brown: Line item 5460.

Mayor Post: Repair & Maintenance Building: \$3,500, I think that's realistic; if your furnace went; there's a lot of things in that building. Chief Phillips: Is that for building, you said? We may have to keep it up there, because the cleaning is \$100 a week. C Martin-Brown: A week? Mayor Post: A

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week? Chief Phillips: Yes. C Martin-Brown: A week? Chief Phillips: A correction; that's \$75 a week. Excuse me. Vice Mayor Betts: Cleaning? Chief Phillips: Yes, that's right, vacuuming, cleaning the windows. Mayor Post: If we leave it at \$3,500 then you might go to twice a month. We're going to leave it at the \$3,500. Repair & Maintenance Equipment: there's \$6,000 in there for that. Telephones: is \$7,000 and I think that's based on some of that merging of the phones. C Prettyman: Let's go back to the telephones. This telephone goes back to the page with the administration telephone. Why did we total it all in to one? Mayor Post: Because the auditor said that good budgets reflect the departments it applies to. Vice Mayor Betts: But we reduced the other one. C Prettyman: No we didn't. Vice Mayor Betts: Yes, we did. We reduced it. C Duby: Yes we did and she's going to spread it out so that it reduces this one too. C Prettyman: Well I'm looking at telephone for the administration and I see \$10,000 for that. I guess my paper is wrong then. Mayor Post: Sitting here tonight, we reduced it \$2,000. They'll spread it out, if it's more; but we don't show any reflection less than \$7,000 here; we'll spread it out between the Administrative and the Police Department. When they do the actual budget, they'll be reflecting it appropriately. Uniforms: \$5,000. Utilities: \$5,000. Web-Site: \$500. There was a capital expenditure. Here's another one that we used last year for a toxilizer; that's been bought. Police No. 4 is \$10,000 in the lease; Police No. 3 is \$9,551; Building Renovations: there's nothing in it for this year. New computer: that was done last year. And, just for clarification, because I even read something in the paper about computers; many of the computers that we were working with were 8 to 10 years old; you can't work on 8 to 10 year old computers. Plus, we buy them very competitively; I don't think we use the State contract, but we get a very good price. It's very competitive to the State price. Chief Phillips: No, we do use the state contract, but we have to upgrade to keep up with the State system; the programs they have or we wouldn't be able to run with them. Mayor Post: The long guns you bought your Sheriff, last time. Guns for new officer; we've zeroed it out. Prior lease of police cars; those two had been paid off, so we don't have anything this year. C Hudson: Before we turn the page, we're still on Police expenses. We did vote to spend \$1,600 on the radios and then there was a question of back and forth in the emails about a line item. The thing is that that money would be returned to us from DEMA. George Dickerson: Are you saying that we're getting a grant from DEMA for the radios? C Hudson: That was supposed to come out of grant monies. Chief Phillips: That was the original plan and at the Council meeting that night; I fell under the assumption that the Council decided to pay for this itself; and I was taken aback later on when I found out that wasn't the way it went down. C Hudson: We had to vote to spend the money and DEMA was going to reimburse it. I want to know where that is in this, because the Town Manager said in an email that that had to be a line item and I don't see it; and even though it is going to be reimbursed to us from DEMA; it's been over a year. What budget are we going to put it in and when are we going to get the radios? How are we going to put it in this budget? George Dickerson: If it's a Grant, do you have to apply for a grant process? C Hudson: We've already been approved for the Grant; and Council already voted to spend the money. George Dickerson: Since it is a Grant, we can just create a new separate and distinct line item, just like we do for Highway Safety or any other grant. So let's get the money and we'll expense it; when we buy the radios. C Hudson: Is it reimbursable? Chief Phillips: Yes. C Martin-Brown: It's reimbursable. Mayor Post: It's almost like a pass through, like a wash. Once it happens, it will show; eventually it goes into the system. It's just like C Betts having the street money. C Hudson: It needs to be in here. Chief Phillips: The problem we had with the radios were that we needed a repeater system and insurance-wise we couldn't put the repeater on the water tower; so the radios aren't going to be as safe as they should be, without a repeater system. C Hudson: We need to start with something; because we were talking in the meeting the other night

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that maybe we could even get smaller antennas or anything. But there was grant money from DEMA that we agreed to spend on the radios; the Council voted to spend the money on the radios; I would like us to go ahead and get the radios? Chief Phillips: But they're not going to work without a repeater. C Prettyman: Excuse me, so we're going to get radios that are not going to be able to be workable; just because we have a grant. Chief Phillips: According to the people we were buying them from, that's correct. C Hudson: They will have a range is what I was told. Just that the repeater enhances the range. Mayor Post: I would hope that any radio is going to work within a certain distance. C Prettyman: What is it two houses, every two houses, every four houses. We're over on this. You're saying get the radio, but why are we going to get the radio and we don't even know what the limitation is; what the distance would be between radios. C Hudson: We discussed the correct frequency in our meetings and a police officer was there and he represented to the liaison that they would work and the town voted to spend the money. Mayor Post: If it's going to be covered by grant, what does it matter? C Prettyman: If you're going to get the radio, you should have the repeater that the Chief was talking about so you can get the best out of them. What's the sense in having the radio? Mayor Post: We have a grant that's going to cover 100% of the radios, that's the first start. The radios should go from one street to the next street; they may not go across town and maybe that's what the repeater would do. We need to start with the radios; and get them in place first. Chief Phillips: Let me search it out again and we'll get back to you. Mayor Post: If we can get a grant for that, I have no problem with it. C Hudson: Can you make it a line item? C Prettyman: C Hudson is asking for a line item number and I don't know what it might be. Chief Phillips: At the time I had talked with Mr. Dickerson about the repeater, we came to the conclusion that we couldn't get the radios because they wouldn't fulfill what we wanted them to do; it was a safety issue at that time, because if the radios are not working and someone needs to talk to someone else, that could cause a problem. C Hudson: Did we bring that up in our neighborhood watch? Chief Phillips: At that point, you were talking about the officer carrying one to be able to hear you all, is what I thought. C Hudson: Our liaison officer did not discuss that. As a matter of fact, we were discussing that we could get small radios with antennas and extend the range that way if we had to. Mayor Post: Can we move on? C Hudson: Can we get a line item number? C Abraham: No. I wouldn't want one until we knew that we were going to get the radios. Mayor Post: I'm going to rely on the Chief and if we are going to get reimbursed, we will create a line item and if he thinks it will work, that's fine. Let the Chief handle it and research it. C Prettyman: Chief, could you please pass the paperwork on the grant over to the Town Manager, so that we can assign a line item number? C Hudson: Are we getting a line item number? Mayor Post: Only if the Chief sees that the grant is coming, then there will be a line item. Yes. C Hudson: He said that the grant had already been approved. Mayor Post: We will get it as a line item if the Chief says we're getting funds through a grant. C Hudson: Are we getting the funds, Chief? C Prettyman: He doesn't have the grant; he doesn't know. Chief Phillips: I have to look at the paperwork to tell you. The money is out there, yes. C Martin-Brown: The money is out there, Chief? Chief Phillips: Yes. C Hudson: A year ago you wrote that grant and you made the announcement that it had been approved. Chief Phillips: And since then we made changes, but we can go back and make the changes again. C Martin-Brown: Mr. Mayor, I'm sticking my nose in something that I shouldn't because this is C Hudson's project, but, she has spent many, many hours with a citizen's group examining all of this; finding out about the grant; and working with the Police Department. I think if there is any meeting to discuss the future of this thing between the Town Manager and the Chief that C Hudson ought to be included. This is the kind of thing that I think is very, very difficult when males in position of authority don't include females. C Prettyman: Oh, please. C Martin-Brown: I feel that C Hudson should have been included in the discussion between

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the Town Manager and the Chief, so she's privy to the process. That's all I'm saying, however it works out C Hudson: The police liaison should have brought that to our attention. C Prettyman: I am saying that C Hudson should have put that on the agenda for the Town Council meeting. Chief Phillips: I will take full responsibility for that. C Duby: Can we do the same thing with this as we will with anything else; get more information and move on? Mayor Post: This is kind of minor compared to the issues we still have ahead of us. The bottom line is the Chief is going to handle it and if the Chief sees that there is a grant out there for \$1,200 then he talk to the Town Manager and get a line item put in there. If there's no grant out there, then it won't be a line item. Again, Highway Safety is zeroed out. Is there a reason why it's reflected twice? Wasn't that up on the other page? Oh, we're in revenues. Now we're into parks. The salaries are not going to change, because that's how they've been split out and they were never put into the park before, which would have shown a zero balance; but I understand why it's being done this way. The 3% COLA gets minused out at the \$947. Social Security and Medicare stay the same. Supplies are \$5,000. C Abraham: What is that for? Mayor Post: Well, let's see, I would assume that includes grass seed, weed killer, it probably includes mulch, and so if you look at the two you have \$12,000. We're doing improvements now and you can see how it was neglected for years, when you can hardly walk on the gazebo. You have to spend money to make money, to a point, so I think \$5,000, unless somebody wants to trim it down. Allen, do you think you can do the park for \$1,000, \$2,000, or \$3,000? C Abraham: I didn't know it was maintenance split off. I'm just thinking its more flowers or something to that effect. I didn't have a clue its part of the Maintenance Department. Mayor Post: It could require replacement of trees; it could require replacement of bushes that have died; it could require many things. Just because you see a line item, it is not like each of these department heads have not spent hours already on this budget, to know what they think they can do. What we're trying now to do is to trim it back. Allen says that it would be impossible to go less than the \$5,000. Milton Memorial Park and Mill Park and that's between the two parks. I'm not quite sure what the second one is, the \$7,500. There was something that was explained in the first meeting. George Dickerson: Go ahead, Allen. Milton Memorial Park and Mill Park we broke that out. What would it cost to maintain those? George Dickerson: Okay, Jennifer's got it. You were in my office when we discussed this, weren't you? Jennifer Cornell: The \$7,500 is specifically for Milton Memorial Park and Mill Park. It's split out \$5,000 for Milton Memorial and \$2,500 for Mill Park. Vice Mayor Betts: What is it for? Jennifer Cornell: That's just for maintaining the upgrades, the mulch, things like that. The supplies item for the \$5,000, that's buying items like hoses, things just to maintain the park in general. Weed killer, things like that. Mayor Post: Well I would assume, at the same time, it shows, even though it's not listed in the budget that way; how many feet of Governor's Walk do we weed kill as well; and the town sidewalks? C Prettyman: All that is put in there for Milton Memorial and Mill Parks. Mayor Post: I would think Governor's Walk comes under this probably because it is a recreational area and the same way with the boat docks; they all come under the parks. There are three boat docks here and even though the State owns them, they don't maintain everything. Sometimes we have to come around and spray, as well, to keep it maintained. There are times when stain has to go on some of the natural wood equipment; there are a lot of different things. Miscellaneous Operating is \$500. What about the Repair & Maintenance of Equipment for \$1,500? That's the equipment used to maintain the parks: the weed eaters, etc. Utilities are zero. Web-site expenses are \$500. Engineer fees we've greatly reduced down to \$3,500 and we might not even need that. I don't know if we'll need anything in there. C Abraham: I was thinking about the lawn mower. I would certainly think with all the money we're spending on the parks and beautification, we have to have a lawnmower. Mayor Post: We've not gone that far yet. The engineer fees, should

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we leave that in there? George Dickerson: Sometimes Allen has to call the engineer for something unforeseen and ask questions about miscellaneous stuff and we get charged for that. Mayor Post: Concert in the Park \$7,000; but its 100% in and out. Park Upgrade and Repair that is \$85,000, because I know that was in question. It is solely based on a grant that looks as if we will definitely receive. It might even be more than that. C Duby: If we don't get it, we don't spend it. Mayor Post: Right. The shed was partially split out with the park because stuff is stored in the shed that has to do with the park. C Abraham: Does this pay for the gazebo? Mayor Post: No. The gazebo is in this year's money. We allocated the gazebo under capital improvements, which was \$160,000 for the park; \$80,000 will be the playground equipment; and \$60,000 for the gazebo and staging area. It might be a little bit more than that when it's over. The RV we discussed the first time was going to be removed, so that's coming out -\$13,348 that was the Kubota. The lawnmower is in there for \$15,000. Has the lawnmower been priced out? Quite frankly this lawnmower cuts other grass; it should be spread out to other areas. Dustan Russum: I've called around and got prices from John Deere and others. Mayor Post: Do you think you can get one for \$12,000? Dustan Russum: No. If you go with diesel, it will cost you a little more. It lasts a lot longer and its going to cut a lot better. Right now I've got a gas one [everyone speaking over the speaker's voice]. Mayor Post: Some of the people up here don't like the idea of diesel. Would you look at some other good alternatives that work with gas? Dustan Russum: We all have a preference for diesel; everything else around here is gas. Mayor Post: Do you want to budget \$30,000? Do you want an environmentally friendly and state of the art mower, it would probably be double. C Martin-Brown: Let's find out. Mayor Post: Will you price out what's going to be the best; as far as the quickest time to save in cutting and to do the best quality of work for all of our grass cutting needs? George Dickerson: So now it's being left in? Mayor Post: It's being left in, right now. If you look back to revenues, that's where the \$85,000 comes from the state grant, the donation washes the concerts, the boat dock rental (\$3,600) and revenue reserves of \$15,000. C Duby: What is that \$15,000? Mayor Post: Yes, what is that? C Duby: I know the \$160,000 was what we approved for the renovations this year. But what's the \$15,000 for next year? Jennifer Cornell: The lawnmower. C Duby: So that's coming out of reserves? George Dickerson: Yes, that's the way it was done. C Duby: Then that will be designated in the way the \$83,000 will be designated? George Dickerson: Yes, if Council decides that, yes. Mayor Post: Should that show up in here? C Duby: It shouldn't show up on this. Mayor Post: Wouldn't that minus \$15,000 if we're taking it from the reserves? C Martin-Brown: Yes, it would. Jennifer Cornell: It will increase your deficit. If you leave the \$15,000 in as a capital expenditure, you're going to spend that \$15,000. George Dickerson: No, they're saying they're taking it out. Jennifer Cornell: If you take everything out, it is not going to change anything, as far as your deficit is concerned. C Martin-Brown: Yes, it will, it will come out of the reserves. C Duby: That's what I was saying earlier. If it comes out of one place or the other, either way, we're in the hole for it; whether the \$83,000 or the \$15,000 or anything else. Mayor Post: I don't look at it that way. There are two types of accounts. It's like saying I'm taking it out of checking or savings. Yes, I still have the same amount if I don't take it out, but I guarantee if you take \$300 out of your checking, it isn't going to affect your savings. C Duby: It will affect your overall budget. Mayor Post: Capital improvements, for one thing, should always come out of cash reserves. C Duby: Acknowledge that you're spending the money; whether it comes out of your checking or your savings; you're \$15,000 less or \$83,000 less. Mayor Post: I'm not saying that. That was the same thing we did last year and for some reason some of these things got thrown in and absolutely you don't do it twice. If it is showing here coming out of our cash reserves and showing here also coming out the \$15,000, I would say there's a big difference if we're saying things are coming out of the reserves. C Duby: But the bottom line, if you

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recall when Mr. Newland spoke to us the other night at that public hearing, basically he said you say you have a deficit of \$264,000; and in fact, you have a deficit of \$334,000; because you took money out of reserves. It's true. We're spending town money, whether we take it out of reserves or we have it in the budget. I'm happy to do that, because I think these things are important; but I don't think we should fool ourselves to say if we take the \$83,000 or the \$15,000 out of reserves, we're not really spending it and we don't have a deficit. Mayor Post: I thought the deficit reflected where it would come from, whether cash reserves or not. C DUBY: No, it doesn't, this is the budget deficit. Yes, it reflects the cash reserves. Mayor Post: I think you're incorrect on that but if you look at the \$264,000 and you remove the \$83,000 from that deficit it absolutely depletes the general funds deficit by \$83,000. C DUBY: And then you have a deficit from your cash reserves. Mayor Post: Fine, we're using it out of cash reserves. C DUBY: I understand that, Don, but you said at the last workshop you were adamant, you said I feel very strongly that I don't want to fix this deficit by depleting our reserves and I agree with you; but if you take \$83,000 out of here and then you say we're going to take it out of this and we're going to get it by taking it out of the reserves; you've depleted the reserves by \$83,000. Mayor Post: I agree with you on that. C DUBY: You can call it different things, and I'm happy to have you call it different things, but I don't want to try to fool the public or anybody else, by saying we don't have a deficit of that much. Mayor Post: We're going to have a deficit, I agree with you on that. Vice Mayor Betts: It's not going to be a deficit; we've still got money in it. C Martin-Brown: I think we're really talking about apples and bananas. C DUBY: It's no different than if we said we don't want to do any of these things; we don't want to reduce the COLA; we don't want to do all these things; we want to just take \$264,000 out of the reserves. We could do it. C Martin-Brown: No we could not. C DUBY: Yes, we could. It would not be wise fiscal work, but we could do it. C Martin-Brown: There's a difference. We mix capital one time expenditures with ongoing operating costs. Even in people's homes they have an ongoing month to month budget with fixed expenses, mortgages, etc., but they have a savings account which is drawing interest and you can go into that savings account for extra kinds of investments, like a car that is not a monthly operating cost. I thought the budget we're trying to balance is our household general operating budget. Mayor Post: And that's my take on it, as well. C Martin-Brown: The other is a savings account, not a slush fund, you don't eat it up and you don't spend it on operating costs, but you do spend it on capital investments that don't reoccur. In the meantime, those reserve funds are earning interest.

Mayor Post: We're into Code now. C Martin-Brown: We're down to \$88,066. George Dickerson: Is the \$15,000 in or out? Mayor Post: The \$15,000 is over in the cash reserves and out of general funds. George Dickerson: The \$15,000 is out. Mayor Post: It's exactly what we did last year. COLA is - \$2,442. Overtime: we've cut that down and he goes to the meeting: \$1,500. I think that's realistic at this time. The Social Security, Medicare, Employee Insurance, Pension will all be the same. Training and Seminars: \$750 and I don't see how you can go any less than that; but I don't think they used it all this year anyway. George Dickerson: The reason for the increase last year is there was a conference that was attended and that was out-of-state. That was the majority of those costs. C DUBY: So \$750 is realistic. George Dickerson: Yes. Mayor Post: Now we're looking at the consulting fees. Consulting fees at \$25,000. I want to look at this. C Martin-Brown: I want to cut those. Mayor Post: Just wait, please. If we could get a total here, I think this is very important because we need to look at these, because these are all things that can be billed back. A lot of this should have been billed back. I am confused about the building plan review and inspection fees, but I think that's a bill back, as well. I think we should be reviewing consulting fees, engineering fees,

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building plan review fees and legal fees as a package deal. There is \$25,000 here; \$40,000; \$36,000; \$30,000. I'm just throwing this out and I'm proposing that we reduce that by \$35,000 of the total of the four. It can either be totally reduced, or it reflects back as being more aggressively billable where it should be billed out. When I look over here, you add these together, there's \$130,000, and we're only showing \$60,000 going back to be billed out. With all the things that are happening, a lot of that could be a bill back thing. Showing it at a 45% bill back I think it could be much higher than that. I'm saying two things, either we don't use the services (and I hate to go that way), but no matter what, we should reflect out of this budget \$35,000 and you can discuss it more of how you want to go, higher or lower, but \$35,000 to make that become a billable. A lot of the things that are being reviewed now can be billed back. George Dickerson: Well, Robin is here now. Mayor Post: Robin? Robin Davis: Building permit, plan review and inspection fees, that is billed back. If you look at the revenues it comes back as part of the building permit. As you know, we've been charging 3% for new construction. Council voted to reduce that down to 2%; so we basically lost about \$1,200 for every permit that we issue. Mayor Post: That's going to show in revenue. Robin Davis: The \$36,000 that we budgeted that we pay First State Inspection Agency to do reviews and inspection fees it comes back as part of the building permit fees. Mayor Post: It's a 100% bill back. Robin Davis: So it's in the revenues. That \$36,000 that we pay out to First State we get back from the building permit fees. Mayor Post: Where does it show in the budget that it comes back? C DUBY: In revenues, it's part of the \$60,000 that is under building permits. Mayor Post: So you're saying up here in the \$275,000 revenue, all of that \$36,000 is included. Okay, I only allocated \$10,000 for that part to be billed back. I think \$30,000 for legal fees; all I'm seeing is that we will have attorney representation. I think to build in all of these thousand dollars for legal fees, because these are the other things that you have to take from cash reserves is legal fees, I think you should put realistic legal fees in there. There's a time when the Town Manager might have to come and say we need \$20,000 coming out of cash reserves to settle something; that's what we did with the \$80,000 or \$100,000, whatever we did with the previous lawsuit from 3 to 4 years ago. It didn't come out of general funds; it came out of the cash reserves. I totaled it all up and there's over \$200,000 for consultants, engineering fees, and I know they're expensive; the review inspection fees and the legal fees. You're saying the \$36,000, 100% of that is billed back. Then if we take the \$95,000 of the remaining, you're saying \$60,000 of that is billed back? Robin Davis: That's only for professionals; they're classified as engineering and consultants. I don't think the attorneys' fees are part of the professional fees. C DUBY: Robin, isn't part of it that you have meetings with the developers and you, Debbie, the attorney and Bob Kerr sit down with them and give them what they need? Is that billed back to them, those fees? Robin Davis: I think in the past the attorneys' fees were never billed back. C DUBY: But the engineering and consultant fees were. Robin Davis: Anything that goes towards that certain project whether it's River Walk or the Preserve on the Broadkill, any time they review a plan or talk to the other engineers that are billed, we get a monthly bill and we turn around and bill it out. C DUBY: So essentially, this is an in and out for the consulting and the engineering fees; but not the lawyer. Robin Davis: There are some issues that sometimes I'll talk to Bob Kerr or Debbie Pfiel regarding procedural issues. We might not bill back 100%, but overall I would say with Bob Kerr it's 100% because it's about a particular project; but with Debbie from URS it's something different, that's maybe in the 80-85% range. That's why there is a little bit of difference in what we will be billed for and what will actually get out. The new line item was the legal fees that we put in this year; because it was always over in administration; that's why you got the \$30,000 now going in towards Code; because we do Planning & Zoning and they should have the attorney there at all times. If an issue is to be brought up, this way it doesn't have to be tabled until

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we can get a legal opinion. Sometimes in the Historic Preservation Commission it's not as important. Board of Adjustment issues, yes a lawyer should be there. Mayor Post: We have \$95,000 that we're talking about for consulting fees, engineering fees and the legal fees that are all part of billable time. Even the lawyer is billable and we need to make sure that is done on every penny of what's billable. Robin Davis: We never did that in the past. Mayor Post: So that's \$95,000 out of those line items and you're projecting in the budget \$60,000 out of that \$95,000 will be billable; which leaves \$35,000 that is not billable. That is meeting attendance by the consultant or meeting attendance by the lawyer. That's why I feel that we can reduce the lawyers' fees to \$20,000 and add at least \$10,000 back and increase the \$60,000 to \$70,000 on the revenue side. A lot of the engineer fees are billable back and that's \$40,000 right there. The consultant fees, there's a lot of that that is billable, too. I think we can take a little bit off that; raise the billable and shrink what is showing currently as a debt because we've not got it over in the billable column. C Martin-Brown: I've got a question about that. In fact, is that a wash through? Mayor Post: It's not 100%; because there are certain things that we have costs on. C Martin-Brown: I understand that, but if what I understand, Robin, is that a great amount of each of these figures is billable. We're also looking at a deficit that doesn't exist if it's recycled at 80%; let's say 20% is not billable. Mayor Post: He's reflecting \$60,000 as billable. That's coming over here as professional fees collected. C Duby: If it shows up in revenue, you can't take these out, because they are offset by revenues. Mayor Post: Robin has said that the inspection fees show up in the other, that under the building permit and signage, but I do feel comfortable that we could reduced that \$95,000 (probably 75% of that amount is a billable). The legal fees I would be very content to take \$10,000 out of legal fees. It doesn't mean we're not going to have the \$30,000; because we're going to increase the \$60,000 up to \$70,000. C Duby: But you don't take it out here and also add it in here; you do one or the other; because you would be doubling it if you take it out and put it in. Mayor Post: Right, I just increased the \$10,000 under revenue coming in. C Duby: So revenue becomes \$70,000. Mayor Post: Yes, \$70,000. I think we've got to be very diligent on making sure that every penny that can be billed legally, needs to be billed; especially since we've not been doing attorneys' fees, we need to make sure those fees are reimbursed. Robin Davis: Because it's now a line item we can address it that way. Mayor Post: It helps a lot with it becoming pulled out as individual line items. George Dickerson: So, we're increasing professional fees by \$10,000, under revenue. Mayor Post: I don't know if any of the others can or not, I had a lot more than that, but now that I found out that the engineer fees were put over in the other. Meetings down to \$750, I don't see how you can do it for less. Supplies at \$1,500 that's for all the office supplies, toner, etc. Advertising is \$1,500 and there's a lot of advertising that comes along, but we haven't reduced it so it needs to stay the same. Gas and oil reduced a small amount because of the car thing. Mileage expense is at \$100. Printing & postage is at \$900 and I know there's a lot of printing because there are a lot of notices. We need to make sure that all notices that can be billed back should be billed back. Repair & Maintenance Automobiles we left the same \$700, the same as last year. Repair & Maintenance Equipment we put at \$750. Telephone is at \$1,600, I assume that's an actual. Uniforms are at \$300. Web-site is at \$500. We are doing another lease/purchase. Revenue is code violation fees, business licenses, building permits, zoning variances and professional fees collected. Moving on to Water: salaries stay the same. COLA back out \$3,845. Overtime for the water department is \$5,000, which is very realistic. Payroll taxes, Social Security, Medicare, Insurance Benefits and Pension, Training & Seminars (I guess there is a reason, because they just went up a touch) are at \$1,000 and there must be some training that is required. Allen Atkins: There is a water class coming up. C Martin-Brown: Mr. Mayor, are we down to \$74,000? George Dickerson: What's our total Jennifer? Jennifer Cornell: I'm at \$90,000. Vice

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Mayor Betts: I'm at \$78,000. Mayor Post: You guys eventually will have to compare notes, but let's keep going. Engineering fees have been spread out, I guess before it showed up heavily in this version, because it wasn't spread out for some of the other departments, but it's reduced down to \$10,000. Do you think there is any way to cut any of those engineer fees a little bit from this line item? George Dickerson: They cut it 75%. Mayor Post: I know, but I thought it was shifted possibly to other areas or departments. I don't know what type of engineer fees they need. I guess if a water main breaks does the engineer get involved for that? When does the engineer get involved into the water department? George Dickerson: The \$41,000 was probably for water taps and those types of things. Mayor Post: Is it \$10,000? Are there more water taps? Could we possibly, realistically reduce that line item some and if something else comes up we'll approach it as the reserve account? C Duby: I would hesitate to try to reduce it more than 75%, because if they looked at it and decided they could reduce it by 75%, that's cutting it pretty deep. Mayor Post: But that's because there were no water taps. That \$41,000 is because we were doing water taps; and we're not doing water taps this year. I think you could possibly cut it because really I don't see any engineer services needed within the water department. C Duby: Any time you do street repairs. Jennifer Cornell: The \$41,000 from last year, we had a water facilities update plan, so that's the big cost there. That was the reason for the \$41,000. Mayor Post: All right, if everybody wants to leave \$10,000 in there. I think you could trim it down to \$5,000; I don't see why you need \$10,000. It doesn't need to be used there. Water, I agree with you Deanna, but it's under the water department as engineer fees. C Duby: So the engineer fees to the water department are what they have for streets, should be charged to streets and not charged to water department. Vice Mayor Betts: You cut streets to \$5,000; you cut streets and gave everything else to the parks. I didn't know how you could cut the streets and then go ahead and charge this to us again. It's ridiculous when our streets are more important than some of the other things that we need to ride on. C Duby: I wasn't suggesting that it be charged to streets. I was trying to determine what the \$10,000 is. Vice Mayor Betts: I'm saying it shouldn't be charged to streets, because of the fact that it's been cut to the bare minimum. C Duby: I know and I wasn't suggesting that it be charged to streets. I was just trying to figure out what was in the \$10,000; could it be and I didn't know, that if an engineer is brought in to figure out some water issue that goes with streets, if that's why it was here. Mayor Post: Under Streets, the engineer fee is \$5,000; so what I think is let's leave it between the two at \$5,000 each and if one needs the other, the funds could be transferred. C Duby: So \$5,000 goes into engineering fees, instead of \$10,000. Mayor Post: Yes. I just don't think we're going to need it in this year's budget. C Duby: I wish we could get some information about what the \$10,000 is for so we can see if it makes sense. Mayor Post: I think people estimate what could happen, but you can't plan the whole world around what could happen. C Duby: I haven't heard anybody on the staff say that's what we're doing. I'd like to have an answer from somebody as to why we've put \$10,000 there before we say let's cut it by half. George Dickerson: Can you answer that Jennifer? Jennifer Cornell: It was just an estimate. C Martin-Brown: So we're going to chop it by \$5,000? Mayor Post: Yes. C Martin-Brown: Okay, that will bring our budget cuts down to \$69,000? Jennifer Cornell: Because the lawnmower revenue and expenses didn't have an effect on the deficit figure. Mayor Post: No, that's not true. The \$15,000 was taken out. It should show as reducing the budget by \$15,000. George Dickerson: No, they determined that the revenue side is a different fund. It's not part of the budget process. Jennifer Cornell: It's in the budget though. C Duby: It's in the budget, we had \$15,000. Jennifer Cornell: The lawnmower is not affecting your deficit. It's just taking that line item out, so it's pretty much a wash. Mayor Post: I don't see how that could be. C Duby: Because we have it in revenue. Vice Mayor Betts: We didn't have it in revenue. C Duby: Look at Revenue, Parks. It had \$15,000. George Dickerson: We did it

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as cash reserves, \$15,000. C Martin-Brown: It's actually \$5,000. Revenue reserves would be used for the purchase of a new lawnmower. If you take out the lawnmower then you have to take it out of the reserves and it's a zero. So it is a wash. We were at \$90,000 and now we're at \$85,000. Mayor Post: Supplies at \$30,000 have been reduced and I wouldn't go any lower on that. Pits, meters and lids I would assume it is realistic at \$9,000 and that's a projection, but they feel that's how many are going to be needed. Sewer and water tests \$500; Advertising \$100; License and Permit Fees \$200; Equipment Rental \$300; Gasoline has gone up a little bit to \$15,000. Is that a definite number? Chlorine supplies we've had that, because that was a question from someone, we know there's been a doubling of the price already; we know we're using \$5,000 this year and it will be \$10,000 next year. Miscellaneous Operating is at \$1,000. Printing & Postage. C Martin-Brown: Can we reduce printing and postage? George Dickerson: No, that's the water bills and late notices and cut-offs, which are certified. C Duby: If we go to a monthly bill it will be more, right? George Dickerson: It was never broken out as to them paying under that department and we have just broken them out. Mayor Post: I'll be curious to compare it at the end of this next year because I do think that's a little high. I think it will be \$11,000 or \$12,000. C Martin-Brown: I'm looking at trash, which is the same bill. So I'm trying to figure out why trash is in there; it's one stamp; one envelope; one bill? Jennifer Cornell: There's not a postage line item in trash. C Martin-Brown: So this would cover trash? Jennifer Cornell: That's correct. C Martin-Brown: Well it might just help to throw that in there – water/trash. Mayor Post: Parts we'll leave at the \$14,000. Parts are at \$4,000. Propane is at \$3,700. Repair & Maintenance of the Water Tower is \$15,000 and that's contractual. Repair & Maintenance Automobile is at \$750. Repair & Maintenance Building is at \$750. Pumps/Hydrants are at \$500. Now Repair & Maintenance Equipment – it's come down from \$35,000 to \$25,000. Do you think it could go lower? Is the maintenance equipment contracted for? Are they contracts that we are already obligated to? Dustan Russum and George Dickerson: If you have a well or a pump go down; back hoe, tractors, all your trucks, etc. Mayor Post: Do you think we can go to \$20,000? Dustan Russum: You can go to \$20,000 and if something breaks, you'll need to give us more. Mayor Post: That's when things come out of the cash reserves. You want enough of a reserve so that you don't have to come to us every five seconds. If you have a little bit less money in those line items, maybe we would be a little more conscientious so that we can prioritize our needs. I'm recommending that we take it to \$20,000 from \$25,000. We understand that if something happens, and it is a dire need, we will address those issues as they come up. I don't know how other people feel. This is just a guesstimate. It's a guesstimate that these things might happen and I think we have to have a happy balance where we guesstimate. George Dickerson: We believe that our guesstimate is correct. C Martin-Brown: Don, what line item is minus \$5,000? Mayor Post: Nobody's talking, so we don't know yet; but it's 5470 under water expenses. C Martin-Brown: Okay, but that would help us get down to \$82,000. Mayor Post: I'm trying to get a consensus to go to reduce it \$5,000. It's at \$25,000 and I want to go down to \$20,000. Water and Sewer Mains are remaining the same at \$5,000 for each. Telephone is at \$7,250 which is the same. Uniforms are \$9,000, was that an actual figure from this year? George Dickerson: That's a contract carry-over from this year. Mayor Post: I know what that it, it's an old carry-over. How much longer are we stuck with that? It was a signed contract from a previous staff person that indebted us for a while to a company that was very expensive. We had legal representation and we were in Court with it and we took the easy way out; because the other way we were going to lose and it was going to cost us more. But I don't think its forever. Somebody needs to check into that contract, when it can be cancelled, because I thought we only had 2 or 3 years. Jennifer Cornell: I believe it was 168 months. It was either 160 or 180 months. It's a length of time. C Martin-Brown: When was the initiating date for this contract?

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Mayor Post: About three years ago. What had happened was that a previous staff person cancelled a contract; I guess that they first initiated and then cancelled, and then we got sued. We are obligated to pay the entire thing and believe me, we had to do this. The \$9,000 can not come out. Utilities: is that realistic? George Dickerson: Yes, that's your pumping stations. Mayor Post: The loan expense, the 24 person vote that is almost \$50,000 a year in interest. C Martin-Brown: Mr. Mayor, when you refer to the 24 person vote, this was under the old charter a town-wide referendum that indebted the Town for \$1.1 million to build infrastructure for the developers and 24 people voted. C Duby: Apparently, it was not advertised that there was going to be a vote. Mayor Post: I think there was an advertisement, but it might have been in the New Jersey Times, but I do believe there's a copy. In defense of it, I think it was advertised, because somewhere I have seen a copy of the ad. Vice Mayor Betts: I was on Council and I didn't even know about it and didn't vote. Mayor Post: We have three Council members that didn't know about it and didn't vote. C Martin-Brown: Have we taken the legitimacy of that loan to court, Mr. Mayor? Mayor Post: It's a bank loan. It was done on the referendum and there's nothing we can do about it. C Martin-Brown: Council did not know? Mayor Post: It was discussed but it went through and there's nothing we can do about it. I didn't know about it in the first year, because it was on a deferred payment plan, so I inherited it the second year when the bill came in; and it's not nice to see a \$90,000 bill come in and see the amortization of the payments over the years that I didn't realize we were obligated to pay. Web-site expense is at \$500. Bank fees are at \$200. Truck/lease is at \$9,000. I'll be glad when all these leases on these trucks are done. Water taps are zeroed out because that was a capital expenditure; tools are a capital expenditure; shed was a capital expenditure; new computers were a capital expenditure; radio read meters - we are at \$55,000. I would like to see us take the \$55,000 out and put it in the cash reserves. It's the same bottom line, but it is a capital improvement. C Duby: It's already in here as a capital expense. Mayor Post: If we removed it, it would be a wash and not affect the deficit. C Martin-Brown: Could we defer the expenditure regardless of what fund it comes out of? Mayor Post: I think we might as well just do it, bite the bullet, this has been going on for four years. George Dickerson: This is the final phase, right, Allen? Allen Atkins: Yes. Mayor Post: Then let's go ahead and end it. Revenues, there's probably nothing unless somebody sees something that we need to discuss. C Martin-Brown: So now we have to find \$82,000 more. C Prettyman: Jennifer, what do you have? How much more do we have to find? Jennifer Cornell: I'm still at \$82,000. C Duby: I've got \$153,000 out of reserves, so far: \$83,000 for the reassessment; \$15,000 for the lawnmower and \$55,000 for the radio read meters. C Martin-Brown: That's out of our savings account. Vice Mayor Betts: No, that's a wash, the \$55,000. C Duby: It's not saving anything here, but it's still coming out of cash reserves. We've committed ourselves to taking \$153,000 out of cash reserves. C Martin-Brown: But \$83,000 is the reassessment, everybody wants that money spent; \$15,000 for the lawnmower and this is the last year for this radio read meters of \$55,000. Mayor Post: You know what we didn't discuss, the take home cars. Where did that show up? I thought we were done because I thought they were regular accounts after that. Vice Mayor Betts: Aren't we going to go over these things? Mayor Post: Yes, we will. C Duby: That was one of the general things.

Mayor Post: Yes, but we have missed the take home cars and we need to discuss it. C Duby: I'm not saying don't discuss it, but I thought we were going to discuss it at the end, because it's a general thing that affects more than one department. Mayor Post: Where is it? C Duby: It's in two places; it's in the Police Department and the Administrative. C Abraham: It's in Code; it's in Maintenance. Mayor Post: I thought I saw a one-pager, is that in here? C Duby: It's a separate one; it's not in the budget. Mayor Post: I would rather look at the one so I know what we're talking about; what we are

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talking about. C Duby: Take home cars are under a tab in the book. Mayor Post: We don't know what savings could come from that. C Duby: The other thing that we haven't discussed is the water increase. Mayor Post: That's under what Leah is talking about down here; we need to discuss the fee schedule, but that's separate all together. That will reflect some things possibly. First we need to go ahead and take on this issue of take home cars. We are saying that however we handle this take home car issue, it's going to raise the budget again possibly. C Duby: You assumed they would be taken out, so you never put them in. C Martin-Brown: Then why are we discussing them, they're out? Mayor Post: I think we need to discuss them. It was a draft budget. George Dickerson: You could put them back in. They could go back in because it was such a controversial issue, maybe some people wanted it back. C Hudson: I said from the beginning that I didn't think anybody should have cars. C Duby: Did you leave the five essential ones in? George Dickerson: Yes, the five essentials were left in. C Duby: On the third page under that tab, it says take home car mileage, essential personnel. Mayor Post: Lendon Dennis is not in the five essential personnel; he's one of the administrative personnel. What we're saying is; where does \$8,300 come in. George Dickerson: That's the cost of those five essential personnel. That cost is already factored in. If you were to eliminate the five essentials, you'd save \$8,300. Mayor Post: If we eliminate the five essentials, it would save \$8,300. Now, what I want to ask was how much of the Police take home cars were in there; anything, besides the Chief. C Duby: Two, there are two police. Mayor Post: There's the Chief and another car in the Police Department. The five essentials include two for the Police Department. C Duby: George, do you have any guess as if we take away all but the five essentials, the gas and mileage figures in these departments, will they go up with people using their own cars for meetings and stuff? George Dickerson: That will factor in, but I don't have a guess as to how significant it is. C Martin-Brown: The budget we've worked so hard to reduce \$84,000 reflects the five essential take home cars. If we open that up to adding on to that, we run our deficit back up. C Duby: The issue is do they need them. I don't know. C Martin-Brown: Do we need the five essentials? C Duby: No, do we need the ones that have already been taken out. I don't know whether anybody is making an argument for putting them back in. C Abraham: Is it just a matter of the gas? What is the cost of putting them back in? Mayor Post: That's what I was looking for. C Hudson: Why don't we just sell some of them and just reduce the fleet? George Dickerson: The cost each year could be determined by what is the cost? C Duby: \$17,900 minus the Chief and Cornwell; and you've got \$8,217, minus Allen, you and Dustan. George Dickerson: Right. C Prettyman: Then on the other page, you have the whole Police Department, if you turn back one page. C Abraham: I'm just thinking to myself as much money as you pour into a park, for flowers or trees or what have you, do you find that more important than public safety or emergency equipment; I'm even talking maintenance because we've left out Dustan; I'm just saying that we find the frilly things in town and sure it's a draw for the citizens or a draw for the outsiders to come in to town; but who's going to handle all this growth; who's going to be the security for all this growth; who's going to maintain and perform the maintenance and we've taken money; we're taking raises; and, now we're taking cars, which is an incentive to work for the Town? What is the cost difference? C Hudson: We're still going to have the same staff, the same hours; they're still going to put in the same amount of work. We're just taking away all the perks. C Prettyman: I have this to say, also, along with Ms. Abraham. With the Police Department, I can not see taking any of their vehicles away from them, because their vehicles have been equipped; it is their full office there; each one of those cars has their computers in them; they have their SWAT gear; they have everything in those cars. To think that we would have to build another addition onto the Police Department to store these things and then they would have to come in to get them and then go out. C Abraham: And locker rooms to

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change their uniforms; location to store the uniforms; to store firearms; they have to switch equipment in and out of the computers, because essentially the cars are their office. C Prettyman: And that is exactly what I was trying to say. I think at this time and in the future, that the police officers should have their cars; they should be able to; if you look at our whole country today; because of the way the economy is; the way the job market is; there are more burglaries; there are more sexual assaults; rapes; there are more domestic squabbles; it's an ongoing thing and I would hate to see just one officer here and there and not knowing that they have someone to back up that officer. I think it is a safety issue for the community that we let them have those cars, because when you sit down here and you figure it up and talk about it; well they don't pay taxes on their gas; so there are a lot of things that we really need to look at. Overall, for the safety of the community that we need to let the officers keep their cars, as is; I don't think it is going to make that great of an impact. Most of the cars are already paid off. Why are we going to punish our residents and not have the proper coverage; and once a cow gets out of the barn, oh, we wish we had this, we wish we had that; but the officer had to come in and find his gear and all this. For the safety of our community we need to stay on base and let them continue to utilize their cars and the mileage. That's where I stand. Mayor Post: I don't want to see another study; I've seen tons of studies. I know there are controversies on both sides. I've heard it from both sides. There are people that don't believe; there are theories out there that believe that take home vehicles do not save money. There are theories out there where people believe that the take home cars do save money. We have enough common sense up here to know what we want to do. Chief Phillips: I had a conversation with you about the Sussex County ramp. Mayor Post: But I want to find out first, because I know what the grant says too, and what I would like to propose from this grant. What I would like to know is an answer right now, is if the police cars are put in, how much more will it increase the police budget? Is this \$32,500 on gasoline and oil an actual from this year or is this the estimated and are we at \$28,000 or are we at \$25,000; it's been shrunk down to \$20,000 in there. I'm not totally upset about take home cars, because I know it's done both ways. I'm on the fence. I know there's an issue here with deficit. But also at the same time, I have a slight problem of having a car for a take home person that lives across the street. I absolutely do have that problem. I have an absolute problem with people that live 2 miles and they're having a take home car. I understand with C Duby when we were at the first meeting, she discussed it about first responders, the distance. I could even see saying that makes sense; they're first responders; and we make anybody that lives within a 15 mile radius a first responder and we provide cars for them; there's another option. I want to know how much money do we have to put back into the Police Department, forget CC, because I am fine with the five essential personnel. I don't think CC needs the vehicle. How much money do we need to put the cars back for the Police Department? Is it \$10,000? Jennifer Cornell: Just in gasoline, it would be \$12,700. I'm looking at a year-to-date report, as of July 25th, they had already expended \$28,000. Mayor Post: Here's what I'm proposing, you guys can go with whatever you want, because I've had plenty of time to think about this; I know you're talking about it and you're up here advocating for your position. The \$25,000 County Grant; we take \$10,000 of that grant and that buys your gas for a year. Then we take the \$15,000 to offset the deficit of these leased vehicles. The problem is that we get into these leases and everything looks good because we've used the County Grant the first time for the leases, but the 2nd and 3rd year we're paying out of general funds. So if we take \$15,000 to offset the cost of leased cars. Chief Phillips: Actually it's just the opposite. Last year we budgeted a car and we line itemed it and we bought it and paid for it with a Sussex County Grant that the Town Manager did for us. This year, I'm proposing to spend \$10,000 on fuel on take home cars and spend the \$15,000 to make the car payments. On the chart that the Town

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Manager made about the take home cars for officers on gas, there are some numbers that were different than ours. His was almost \$18,000 and I come up with \$9,402. He based it on a 40 hour week, I guess; but basically if you base it on ours, our officers work 14 days in a 28 day period. So he had us scheduled where we were working 22 days. Then he had the gas thing listed as \$3.90 something and we get \$0.41 off a gallon so it's actually \$3.53 and when we checked the mileage with the Crown Vic's, they are getting between 20 and 23 miles per gallon, not 15; which drops down to \$17,997 and a difference of \$8,893.27 per year, where the number we came up with was \$9,104.02. C Duby: I don't know how this system works. You keep talking about the person who lives across the street from the Police Station having a take home car. Essentially, he wouldn't be using it at all unless he was using it for his own social purposes, so if they have take home cars, does that mean if they go out to a movie with their wives, that they use the cars? George Dickerson: No, they don't use it. Then he doesn't have a take home car, because he isn't going to drive across the street. Chief Phillips: He parks right next to the police station. Mayor Post: We have purchased for each of these officers a take home vehicle, so yes; nobody else is using that car. Chief Phillips: The car he's driving was a seized car anyway; it's got 150,000 miles on it. Mayor Post: Fine, but the bottom line is that we have a car for every officer whether they are driving it to the movies or not. It's a take home car. The 2nd shift officer is not using it. C Duby: It's the idea that it's in service. Mayor Post: There's a theory that it is better; and a theory that it isn't. One person calculating gas at \$16,000 for 10 officers and another \$10,000; I know what I pay just going to Dover and I know we have officers living in Laurel; several that live a pretty good distance away. I'm not saying right or wrong; but I am saying I don't believe you can do 10 cars for \$10,000 a year. I pay a lot just driving to Dover on a very economical car. Chief Phillips: That's the fuel for just back and forth to the house, that's correct. Mayor Post: Take that out of the equation; I'm just saying that we take \$15,000 which we can add to our deficit because it will be applied to the line items of the cars, wherever they are in here. Chief Phillips: It's \$19,000 for the cars. Mayor Post: Yes, but we'll apply \$15,000 so we'll reduce one of them and we'll still have a \$4,551 leftover and we apply the \$10,000 towards the gas; the take home cars are there; because we've got the cars. I know C Hudson you say, put them up for sale, but what are you going to get for a used police car with a bubble on top. You're not going to get a thing. We're stuck with the cars, whether it's a good idea or a bad idea, I understand both sides, but if we have a \$10,000 grant that's covering it, then so be it. C Hudson: It's not going to be there forever; eventually it's going to be gone. Mayor Post: We may be able to address them when they get old and we might not replace a couple of them. C Duby: I'm persuaded somewhat by the argument that is being made about the wear and tear on the cars. If we had fewer cars and we rotated them among people, it's more wear and tear on the car and so cars last longer if just one person is using it. I don't know how that weighs against the overall cost. I don't know enough about it. Mayor Post: I've seen theories both ways and I don't know which one to believe. I have seen documents that state it both ways. We have 10 cars; we have to park them somewhere. To me if we have this \$10,000 grant that's going to cover the gas that's fine. C Martin-Brown: So we reduce it by \$15,000? Mayor Post: And we increase it by \$10,000 but we're going to reflect a \$25,000 revenue coming in from a grant. C Duby: Which we don't have; we've just applied for it. Mayor Post: We'll have it. They're doing it. It's held up right now because I wanted to get here tonight to figure out where we were going with this. C Martin-Brown: Well, just as a P.S., when we interviewed people for the Town Manager, every single one of those people interviewed was asked what their position was on take home cars; and these were very experienced people; and every one of them advocated take home cars for police, for better maintenance and because they were serving as officers. There has been quite a bit of literature on that. C Hudson: So what you're saying is you

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are going to keep all the 15 take home cars? C Martin-Brown: How many we have, depends on how many police we have. C Prettyman: We do not have 15 police officers. Abraham: No, it's Town Code and Maintenance (maintenance is two). C Prettyman: We have 10 police officers; we have the 2 maintenance and the Town Manager. So you only have 13 take home cars C Hudson: I'm talking about police cars? C Martin-Brown: Now we've dropped our deficit to \$67,000 in the monthly operating budget. C Duby: It should be going up. C Martin-Brown: Instead of 15 take home cars, we're down to 13. C Duby: Because we added \$15,000 back in. George Dickerson: We're down to \$67,003. C Martin-Brown: Yes, that's what I have. C Duby: Because of the offset of the grant, against what we're keeping. C Martin-Brown: So now we have to cut \$67,000. Mayor Post: I know it's easy to cut and everybody has the answers, but it's a difficult situation and we're doing the best we can. This way is working, as well. If you go bottom up or top down, you're still going to get into the same situation. C Martin-Brown: We still have to cut \$67,000. George Dickerson: Deanna, what is the total you have in cash reserves? C Duby: \$153,000. George Dickerson: \$267,000 in cash reserves. You know what, don't beat yourself up. Vice Mayor Betts: I'm going to question them. C Abraham: Well you'll be getting a raise in some of that that may take care of it. Vice Mayor Betts: I want to talk about that too. C Abraham: If we were to increase some of the fees, we would also gain revenue that way. Vice Mayor Betts: I would like to say something about the rental license. I went in and talked to George and we have been taking money from property owners on rental houses; but not asking the owners of the businesses that rent buildings; like the Milton Sausage and Scrapple rents all those offices out and we haven't been charging them a rental fee. George Dickerson: No commercial business has paid a rental license fee. She's absolutely correct. Vice Mayor Betts: And there are a number of them, 49 of them. Now they're going up for the poor old property owners from \$50 to \$100 and I think that's wrong. I think it should stay \$50 and collect it from the businesses that are renting to other people. Say the Reed boy who has 5 or 6 offices in that one building. He owns that and he's renting it; he's not paying any rental license; but a person that owns a house that rents it has been paying it all along. To me this is wrong. C Martin-Brown: In the new charter if you're not advertising for rent or sale, a commercial building after 6 months, the Town Council has the right to determine and levy a fee, a vagrancy fee. Mayor Post: But I don't feel like that tonight. I would like to quickly go over this fee schedule. Nobody had a problem with anything, except there is the question on the table on the water fee; we have to average out what the correct trash fee is, but as far as I'm concerned, the trash is a complete wash, it's got to be what it is to cover the cost. Jennifer Cornell: I would like to clarify something I said earlier when you questioned the \$40 vs. the \$44, if that was calculated. I just looked over my calculation and it is the \$44. The figure in the budget was based off the \$44.

Mayor Post: It shows the new rate here that trash is now \$44. I know we have the rental license fee on the table; do we want to leave the rental license at \$50? Do you want to go to \$100? Do we want to leave them at \$50 and make sure we increase it to include commercial properties, as well? C Duby: We're really struggling on economic development and I can tell you how many commercial people that are renting that I have talked to that are on the verge of going out of business because they are paying such high rent. You can bet if we impose that fee on commercial landlords, they're not going to pay it; they are going to pass it right through and make the tenants pay it. If we decide to do it, that's fine, we'll do it, but we need to know that these people are already stretched. Vice Mayor Betts: It's not fair for the people that own houses and rent to tenants to have theirs double. C Duby: I understand that and all I'm saying is that we don't want to see business close. Vice Mayor Betts: And they're not getting \$3,000 a month rent. C Duby: But the people that are hurting are the

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people that are trying to maintain businesses in the town and we want businesses in the town. Vice Mayor Betts: You're hurting the people they're renting too; they have to repair. Mayor Post: We're talking about \$50 annually. C Abraham: I would say leave it at \$50. Vice Mayor Betts: I have a problem with it. C Hudson: We talked about \$100. Why don't you just compromise and make it \$75 and then add in the commercial. C Duby: Stay at \$50 and add it to the commercial. Vice Mayor Betts: No. I think the property owners have been paying that rental license for years and the businesses have never had to do it and they're getting \$3,000 a month. Mayor Post: Joanie, you've had a lot to say throughout the night and we've got to discuss that one and the water one. Then we need to move on. C Martin-Brown: I've come down on the side with Deanna, in terms of how can you do it and prevent the owner from passing it through to the renter? Vice Mayor Betts: So are the property owners and they're not going to be able to rent. C Martin-Brown: Leah, people like Cliff Diver who has that building across the street from the coffee shop where it was all occupied and now it's all empty and he doesn't care. He's got an apartment in Paris and he's got an apartment in NY and he says he can write it off as a tax deduction. He's not even leasing it. Vice Mayor Betts: Those are people with money. I just don't think it's fair. C Hudson: You're missing the point. If you raise it, it isn't going to make a difference. Mayor Post: What do I hear over here, \$50 or \$75? C Abraham: I would say leave it at \$50 and include the commercial. C Martin-Brown: I would like to be so radical that the town people leasing business space, if you agree to come in town for the first two years you get a free ride. Mayor Post: What's the consensus if we leave it like it is now \$50? C Duby: I'm on the fence. I think Leah is absolutely right, it does seem to be unfair, but I've heard so many people complain. The villain here is the commercial landlords who want to screw people out of their money. Vice Mayor Betts: That's true, but are you going to do that for them just to make the other people pay? C Duby: I said I agree with you; it's unfair and I don't know how I'll vote; probably I'll vote with you. Mayor Post: Right now, we're going to leave it and if we want to raise it to \$100, we will, but let's leave it at the \$50 and let us get done with it. It's not much of an addition, anyway. C Duby: And apply it to the commercial? Mayor Post: I'm on the fence with that one too. Maybe it will be an asterisk and a question mark on whether to apply it to commercial. C Martin-Brown: It's a really bad time. George Dickerson: What, the \$50? I just want to clarify one thing. The ordinance clearly states that we should have been charging commercials. Mayor Post: If the ordinance says it then we don't have a choice. That's it \$50 and it's a done deal. The only other thing now is the water. Are we going to increase the water rate? C Prettyman: I don't see why? Mayor Post: To build a reserve where we don't have any reserve. The problem is that the reserve has been depleted by that pump. C Duby: According to the information you gave us, if we don't raise it we're going in the hole. We're not even covering our expenses. Mayor Post: So we're not even going to break even? George Dickerson: No. Mayor Post: We must show a figure where we will break even. C Duby: I think we have to make it very clear and I'm sorry that everybody left, because I think there's a misunderstanding among the public based on those questions that we got and things I've heard on the street, that somehow what we're trying to do is go in the back door of raising water bills in order to cover our deficit for the rest of the budget. They don't understand that the water money is going into a "water" account and that's all it can do. It's not to cover the rest of our deficit. Mayor Post: We can make sure when the budget comes out, that we highlight that and bring it out at the meeting. C Abraham: Didn't we have an answer to this rounding up, wasn't it compatible to others, or not? Jennifer Cornell: In our response we explained that the water funds would be specifically designated for water use only. C Martin-Brown: That was a lot of work and it was a good response. Mayor Post: So what do we want to say here? Vice Mayor Betts: Do we have to go up that much? I've heard a lot of people complain about the amount. Mayor Post: I vote that

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we need to go up that much and enough to get us somewhat of a reserve. C Duby: It's going from \$2.00 to \$3.36. C Martin-Brown: It's going to go up \$120 a year more? Jennifer Cornell: Yes. Jennifer Cornell: I just wanted to state that in the water revenues, the figure used there was \$3.00 per 1,000 gallons. Initially I had calculated \$3.36 and the Mayor had asked that I reduce that a little bit just to see a difference, so the figure you are seeing is if it was raised to \$3.00; so if you choose the \$3.36 the revenues would actually go up a little bit. Vice Mayor Betts: I would say, stay at the \$3.00. Mayor Post: So we're at the \$3.00 and that's what you have got in there now? Jennifer Cornell: Yes. Mayor Post: That sounds very good. George Dickerson: What did you decide about the cash reserves for \$67,000 deficit? C Abraham: Take it. George Dickerson: We're still at \$67,030 deficit. C Martin-Brown: And the decision is not to touch any staff positions? Mayor Post: Right. C Martin-Brown: I wasn't at the first Workshop, that's why I'm asking. Mayor Post: I thought we were pretty adamant - no touching of the positions. That's what I thought at the first workshop. C Duby: That, and not raising property taxes. Mayor Post: Is that what we're going to do? C Martin-Brown: So that gives us \$67,030? George Dickerson: \$220,000. C Duby: So basically we've taken \$220,000 out of cash reserves, of the \$264,000. George Dickerson: Yes. Mayor Post: If we could get this budget redone and into us in several days, so we can review it; we might come up with some new ideas the night of the meeting. C Martin-Brown: The only thing I feel really badly about in this decision is the \$67,000. The other costs are one time things and they're not in the discipline of a household budget. The \$67,000 coming out of the reserves does bother me; because it's operating costs and we haven't made enough cuts. C Duby: I feel badly about what we are doing to the employees.

Mayor Post: Can we have a motion to adjourn? C Duby: So moved. Mayor Post: All in favor say "aye". Opposed. Motion carried. Thank you. Meeting adjourned at 11:15 p.m.