

Town of Milton

115 Federal St
Milton, DE 19968



www.ci.milton.de.us

Phone: 302-684-4110

Fax: 302-684-8999

TOWN MANAGER'S MONTHLY FINANCIAL REPORT

For the period ending 11/30/11:

The Town of Milton has completed two-thirds of its first quarter of the new fiscal year. The following is an un-audited account of finances. Adjustments to the final accounting of the last fiscal year may result in minor changes to the figures reported for the first period of the current fiscal year.

Summary

With one-sixth of the year completed, trends of revenue and expenditures can be identified. There are some areas that are subject to seasonal variation. The best example is property tax – which is billed at the end of the first quarter and collected mostly in the second quarter. Other items, however, occur on a regular basis. This means that “behavior” during the first couple of periods may be a good predictor of the annual outcome.

If revenue is predicted to exceed that which was budgeted, the positive behavior should be reinforced. If the revenue is predicted to fall short of budget, adjustments may be required with regard to both revenue-producing and expense-reducing habits. The same can be said of expenses that are predicted to exceed budget. Corrective action should be taken, now, to bring those items in-line with the budget.

Type	General Fund +	General Fund -	Same Period Prior Year	Annual Budget FY 2011-12
All Revenue ytd	\$109,751.10		\$105,543.22	\$1,374,675.00
All Expenditures ytd		\$204,082.80	\$185,390.50	\$1,371,293.66
Difference from prior year	\$4,207.88 + (more revenue than same period in the prior year)	\$18,692.30 (more expenditures than same period in the prior year)	\$14,484.42- (net effect of both changes to the General Fund)	

Revenue Highlights

Gains in the Code Enforcement Department continue to favor the town's revenue stream. Building permits and business & rental license income year to date are \$16,290. This is nearly three times the value of our Code Enforcement Officer's salary. This income is complimented by the value of customer service rendered by our officer – both in the field and in the office.

Realty Transfer Tax revenue is driven by the economy and not affected by town activity. So far, \$40,891 has been collected. If the pace continues, the \$155,000 budget will be exceeded by \$90,000 this year. And, at \$5,364 ytd, the collection of fines may exceed the budget by almost \$5,000.

More on Revenue

Other income streams are trending in the opposite direction, though. Lower account balances and interest rates were anticipated when the budget was drafted. The combined budget for this source was pegged at \$82,000 in 2010-11 and was reduced to \$15,000 in the 2011-12 budget. The current trend, however, predicts that interest income will be only \$5,270 by year-end.

When comparing this year's ytd revenue with that realized during the same period last year, the current year revenue is about \$4,000 greater. This is despite the fact that a \$20,000 Criminal Justice Council grant, \$10,000 parks grant and about \$8,000 more in Transfer Tax revenue was realized last year.

Expenditure Highlights

Two periods are equivalent to 16.67% of the fiscal year. This figure can be used to determine both the equivalent year to date budget and the annualized trend for each department's expenditures. The department subtotals all reveal a trend that is favorable at this time.

Department	Prior Year to Date Expense	Current Year to Date Expense	Year to Date Budget (by % of year)	Annualized Trend versus Budget
Administration	\$44,868.98	\$47,457.51	\$49,902.63	\$14,670 (or 5%) under budget
Streets	\$2,949.96	\$2,769.68	\$8,301.49	\$33,184 (or 64%) under budget
Police	\$117,891.64	\$127,984.31	\$131,591.89	\$21,641.16 (or 3%) under budget
General	\$1,195.81	\$0	\$2,833.90	No divisor
Parks	\$4,218.63	\$1,682.88	\$6,168.81	\$26,910.24 (or 8%) under budget
Code	\$14,265.48	\$10,218.62	\$29,795.92	\$117,440.34 (or 33%) under

Within each department, there are expenses that are essentially "fixed". These include contracted services that are not scheduled for expiration in the near term. There are also variable expenses which may be more responsive to management control. Variable expenses that are trending over budget should be recognized and addressed *before* that particular budget category is exceeded.

If the Administration's temporary labor expense (transcription) continues on its trend, that budget item will be exceeded by \$2,400 by year-end, for example.

The current trend for police salary (salary, OT and holiday pay) would make this item \$15,653 over its \$479,260 annual budget, too. The same can be said of gasoline usage in the police department – which is on a trend to exceed its \$30,000 annual budget by \$4,735. That line item was increased by 50% as a corrective measure related to price increases. The price of gasoline in this area, however, increased by only 23% since the same period last year. An increase in staff levels has impacted this expense category. Management efforts with regard to routine practices can help to control it, though.

Conclusions

The Town of Milton is on a positive trend with regard to most revenue and expenditure categories. There is still some work to be done regarding receivables for engineering services provided to developers last year. Increased compliance for water meter usage and rental licenses this year will help the revenue stream, as well. Additional expense controls will also help us to meet our budget plan.