

**Town of Milton  
Budget Workshop  
Milton Library, 121 Union Street  
Tuesday, August 28, 2012  
6:30 p.m.**

**Transcriptionist: Helene Rodgville  
[Minutes are Not Verbatim]**

1. Roll Call – Mayor Newlands

Councilman Lester	Present
Councilwoman Jones	Present
Councilwoman Patterson	Present
Councilman Booros	Present
Councilman West	Present
Mayor Newlands	Present
Vice Mayor Betts	Absent

2. Budget Workshop

Mayor Newlands: Okay, everybody has the sheets that I gave out at the last Council Meeting. I emailed you with the little summaries, this is what we're going to go over. It's a combination of what was first given out and some of the police budgets and some corrections.

Councilman Booros: But apparently Mr. Mayor there are none of the things we went over in that 3 or 4 hour first workshop, budget workshop, where we cut the revenues? You've put them all back to where they were and ignored what Council did for 3 or 4 hours, that particular night?

Mayor Newlands: The only thing I put back was the houses and I have justification for that and I'll explain that to you when I get there.

Councilman Booros: Yeah, I understand that Mr. Mayor, but I didn't bring another budget, nor did Councilwoman Jones nor did Councilwoman... What right did you have to change what we decided that night, independently, without a vote from anyone else in this room?

Mayor Newlands: The only thing... Number one, we're not voting on anything. It's all suggestions.

Councilman Booros: Then why aren't we dealing with the book that we dealt with the other night when we were here in the budget workshop? You had this book on the 19<sup>th</sup> of July, you had until the 26<sup>th</sup> of July before we had that budget workshop and went through that whole process here, that night.

Mayor Newlands: We...

Councilman Booros: You had... Excuse me, Sir. You had seven days to object to what was going on in this budget, before we sat here that night and you didn't say a word. You put us through that budget workshop that night; this room was filled with people. Just for you to just stop it all and change it...

Mayor Newlands: We went through only...

Councilman Booros: You wasted our time.

Mayor Newlands: We went through only revenue that night, we did not...

Councilman Booros: You wasted the time of this Council. You wasted the time of the public and you have changed everything we did that night.

Mayor Newlands: Councilman Booros if you're going to have an attitude, please leave. You've got to cut the anger out.

Councilman Booros: I for one do not appreciate...

Mayor Newlands: You've got to lighten up with the anger, number one.

Councilman Booros: This is not anger. This is I don't understand. I don't understand where what we did means nothing, that night. Where the public sat in this room and watched us, means nothing.

Mayor Newlands: Did I not explain in here what I'm doing? There's everything and the public has copies.

Councilman Booros: I don't know what you're doing, quite honestly, Sir, because I've seen a separate budget go before the Finance Committee, again, since we met the first time and I've seen a different budget presented to me the other night at the Town Council meeting.

Mayor Newlands: And the Finance Committee has yet to go over either of these budgets.

They've gone over none of them. Nobody's walked them through it. That is what the problem is.

Councilman Booros: We've already missed the dates for accepting the budget; we've already missed all the dates required by Town Charter we have missed.

Mayor Newlands: We have not missed any dates. Budgets have been produced 60 days in advance of when they're supposed to be approved. They're not due to be approved until the end of September. We've missed no dates.

Councilman Booros: I thought we were supposed to accept it at the next Town Council meeting; we were supposed to vote on it within so many days.

Mayor Newlands: The next regular Town Council meeting is on September 10<sup>th</sup> and last year...

Councilman Booros: After our first budget workshop, our first Council Meeting was in early August.

Mayor Newlands: Yes, but the intent there is the next regularly scheduled Council Meeting, which will be September and last year what we did was yes, we voted on it. We voted no. That we were not accepting the budget and that gave us more time until the end of the month. So we have until the end of September to do that. Okay? And I explain in here why I put the homes back to 20, because there are different studies that Mr. Abbott has from... I'm not sure where they're from. Where are they from?

Win Abbott: Building permits.

Mayor Newlands: Okay, but you had some other study, but I went through and looked at all the home sales from May of last year to May of this year and there were 24 in Milton in all the developments. I went through and looked at all the building permits for new home construction and they were 24, between July of last year and July of this year; so there was no reason to knock that number down like that and I explained this to Council. Some think I'm hiding this and not telling you about it. It's all in here in the document.

Councilman Booros: I've read what you had to offer.

Mayor Newlands: Okay.

Councilman Booros: I don't necessarily agree with it, but I've read it.

Mayor Newlands: You may not agree with it, but it's right here in the third paragraph. So it's here for discussion for tonight.

Councilman Booros: Okay.

Mayor Newlands: And those were my justifications for doing that, alright? And we now have Schell Brothers who came out today and put in a permit request to put a building up in Wagamon's West Shores and they're not one of the builders in Wagamon's West Shores as Kincaid Homes. So they have a sub-division now, so they're now going to be building in another development. They're also building a home in the Preserve. So there's lots of building and development going on, so knocking those numbers down would be extremely, extremely, extremely conservative.

Councilman Booros: And if you knock down the average cost of those homes?

Mayor Newlands: I did not knock down the average cost of those homes, because...

Councilman Booros: Okay because the cost of the homes that were referenced in here for Heritage Creek are not going for \$350,000 apiece.

Mayor Newlands: That only affects transfer tax. That's all that affects and transfer tax I did knock down \$30,000, yes I did. That was \$185,000 in the previous budget and it's now \$155,000.

Councilman Booros: We now have three budgets in front of us. I...

Mayor Newlands: I would like to use this one, the one that's here, because the first budget you got did not represent what the departments wanted, because the departments did not confirm what was going to be put in those budgets. It was not put back to them and they did not confirm what was going to be in there. Okay?

Councilman Booros: And you had from the 19<sup>th</sup> of July until the 26<sup>th</sup> of July to bring that up and you didn't bring it up the night we sat in this budget meeting. That night. You didn't bring it up.

Mayor Newlands: I didn't know it at that time.

Councilman Booros: Excuse me Mr. Mayor, but you had that budget in your hands on the 19<sup>th</sup> of July. Okay? You had seven days and did not bring that up and we went through the budget process; we went through one workshop and it was never brought up until this Council cut back the revenue and then all of a sudden a new budget appears, which is completely different, that shows up before the Finance Committee, completely different budget and just ignoring everything that this Council did that night.

Mayor Newlands: The only thing that's different... The things that are different... The things that are different on this budget are the expense part, which we did not go over yet and I had that all...

Councilman Booros: And the grants?

Mayor Newlands: The grants are in here. The grants are all in here.

Councilman Booros: Were they in the one that went to the Finance Committee that I sat through?

Mayor Newlands: I have no idea what...

Councilman Booros: It was your budget Mr. Mayor that you sent to the Finance Committee to review and it did not have all the grants in it.

Mayor Newlands: I did not create that budget. That was not created by me. My name was put on it, I did not create that. That's why I have this one. I spent all of last weekend doing this, creating this budget, so it is correct so that the grants are all on here.

Councilman Booros: So the budget that we're now working on is not the Town Manager's budget, it is Mayor Newlands' budget?

Mayor Newlands: It's the town's budget. Okay?

Councilman Booros: I'm going by what the Town Charter says Mr. Mayor, not by what Mayor Newlands says.

Mayor Newlands: The Town Charter says that the Town Manager is supposed to present the first budget to the Town Council; then after that it's the Council's budget to work on.

Councilman Booros: The Council's budget?

Mayor Newlands: And that's what we're doing. Yes. There were a lot of inaccuracies on the first one, to be honest with you the first one, when you had actuals fiscal year 2011 and 2012 amended, in some cases those columns were actually flipped.

Councilman Booros: My personal opinion Mr. Mayor is this is a one man show and you're running it. Okay? That's my personal opinion for public knowledge.

Mayor Newlands: That's fine, but we're at a public meeting so I'm sorry but everything's come in front of the public, so I don't know what's being hidden from anybody, but...

Councilman Booros: And they know how I feel about it.

Mayor Newlands: Alright, what I did, and I would like to go over expenses first, because it is a long... First of all, I would like to end at 8:30. Okay? I don't want to spend all night doing this. The way I like setting up the budgets, I left all the salaries as is, with the current salaries and I put the COLA and the 5% in the spreadsheet separate so you could see what the effects are. Okay? That's the first thing that I did. And just to let you know that insurances throughout the entire budget, the health insurance part increases by 13%; we haven't received the bills yet, but that's what we've been told by the carriers, that we're going to get a 13% increase. Pension did increase in all the different departments by just 6.84% for civilians and 4.75% for the police and the police is on base pay only, not on pay and overtime, so that's only on base pay. I explained before about the homes, we had 24 homes going up the last year within town and we're still getting new permits in and to be quite frank when we get into revenue, you'll see that our building permits are way, way high. The first item is we adjusted the salaries for the Admin Department and I forgot to put the 5% on the Admin, I have to add that in. But the salaries decrease 15%. We just did the split a little bit different between Water and Admin. As far as the Town Manager goes and most towns are doing that, they do about a third for the water. Some towns if they have sewer, they do a third for sewer and a third for the admin and that's pretty much how it breaks down. Temporary Labor... and I'm going over the exceptions. These are the things that were adjusted and changed. What we pay right now for the temporary service, we pay \$19.00 an hour. I'm looking at transitioning Helene and she's listening to this, she'll listen to this in a day or two; over to town. She's currently getting \$10 an hour and if we bring her on as a part-time employee, we can probably bring her on for \$15 a hour and maybe another a dollar or so an hour for FICA and Medicare. We do not have to pay her pension, the state doesn't require us to pay a pension. I reduced supplies down just \$1,000 to be more realistic. What I did with the holiday bonus, instead of reflecting it in here, it's \$125 per person; I added that back up into salaries, because that's just part of their pay and it actually didn't balance well with the budget if I left it alone. There's an item no on your list and it's just a late item. It's 5400 for Admin, for insurance and that actually should be reduced to about \$9,000, from \$29,000, down to \$20,000 and that's because these are the deductibles for a lot of the ongoing lawsuits that have all been paid off and are finished, so that's going to be a savings to the bottom line of the budget.

Councilwoman Jones: Mr. Mayor?

Mayor Newlands: Yes.

Councilwoman Jones: I'm just having a slow uptake here. Personally I spent so much time on this other document, this is... It's difficult to make the switch. Um, Temporary Labor. When was that decision made? I do see it adds something to the budget. This woman has been doing the transcribing; I know that she's been answering the phone now. Is that just a decision that we needed that position? What warranted that?

Mayor Newlands: It saves us money. It gives her more money. It saves us a few dollars, it gives her more money.

Councilwoman Jones: It saves us.

Mayor Newlands: It's not a decision we made, it's just a recommendation that we're having right now; that we're going through. Instead of paying \$19 a hour, we can pay \$16 an hour; or the equivalent of \$16; pay her \$15 and she gets an increase.

Councilwoman Jones: And what is Temporary in terms of hours.

Mayor Newlands: She runs around 40 hours a month; what is it Win; about 40 hours a month? Yes, she runs about 40 hours a month and I think this week was probably, or last week, was probably the first week she's been answering phones for us and that's because Lonnie's left the firm and this week we've had Kristy being out sick.

Councilwoman Jones: Actually it was when Kristy was on vacation.

Mayor Newlands: Thank you. So that's just a suggestion to save some extra dollars.

Councilman Booros: She's already working as a Temp?

Mayor Newlands: She's been working through a Temp agency and there's no fee to convert her over. She has been working for us for seven years, I think; six years. She's already fulfilled...

Councilman Booros: As a transcriptionist, not answering our phones?

Mayor Newlands: Correct. Correct.

Councilwoman Jones: That belies the question, what is her position now, as...

Mayor Newlands: She's still a transcriptionist.

Councilwoman Jones: Who works in Town Hall?

Mayor Newlands: That's where she does her work. I mean, she's filling in and she's doing her transcription work as she's on the phone. She's sitting there with a laptop and answering the phone. I don't see what the problem is. I would rather that, then hiring somebody else as a temporary person to answer phones.

Councilwoman Jones: No, I...

Mayor Newlands: She's doing that in between typing, so I don't see what the issue is.

Councilwoman Jones: Right now do we pay her as a contractor?

Mayor Newlands: Yes. She's always been paid as a contractor.

Councilwoman Jones: Okay.

Mayor Newlands: That's what the problem is, it's \$19 a hour as a contractor.

Councilwoman Jones: And using our facility?

Mayor Newlands: Uh-huh.

Councilwoman Jones: I'm just, you know, going somewhere with that.

Mayor Newlands: Can we go on? Are we done with that?

Councilwoman Jones: I am.

Mayor Newlands: Okay. The one item that's not in here, that we have to add is hold on, Win you didn't put anything in here about the camera system, the \$4,995; I didn't see that anywhere on anything.

Win Abbott: I had been under capital.

Mayor Newlands: I don't remember seeing that. There are two capital requests that Town Hall needs to do. One is we do need a new server. It's already out of warranty. It's four years on a three year warranty and they're recommending that we get a new server and that's \$8,200. I skipped ahead, I'm sorry; let me go back.

Win Abbott: Mr. Mayor, under the Town Manager's budget, Appendix "F", there's a whole detail on capital expenditures.

Mayor Newlands: Yeah, but it wasn't in the spreadsheet, though, was it?

Win Abbott: No, Sir.

Mayor Newlands: Okay, that's why. Okay. Let's go back to 5410, just the bottom of page one, 5410 and 5421, this is meetings and mileages; they've been increased a little bit to reflect Council going to S.C.A.T. Meetings and other meetings throughout the State, so we have a little bit of mileage increases.

Councilwoman Jones: Mr. Mayor what was the second item under Admin, besides the server that you were recommending?

Mayor Newlands: Oh, a new camera system. Our camera system mother board blew out and Advantek wanted \$1,300 to fix it; as soon as we complained about it, they said okay, we'll do it for cost, \$650. So we knew right then that we were being ripped off. Then we found out that they're charging us \$100 a month for software that Security Instrument will give us for free. There are other costs and things per month that Security Instrument... We went to Security Instrument just to get a quote from them and they came back with \$5,900 and eventually, actually right away our monthly cost to them will go from \$415, to like \$150 a month; so we'll

have a substantial savings on our monthly expenses to the security companies.

Councilman West: Mr. Mayor is that for the cameras in Town Hall?

Mayor Newlands: Yes. All of them get replaced.

Councilman West: Why do we need those cameras in Town Hall? I can see it in the police station, but I can't see it in Town Hall.

Mayor Newlands: There's money being handled back and forth. They're taking in checks, they're taking in cash.

Councilman West: But I still don't see that we need it in Town Hall.

Mayor Newlands: The people that they're watching are taking in money, they're taking in cash and checks. That's where the transactions are occurring.

Councilwoman Jones: Do we have perimeter cameras?

Mayor Newlands: Excuse me.

Councilwoman Jones: Do we have perimeter cameras? Doors, outside?

Mayor Newlands: Yes, perimeter.

Councilwoman Jones: Perimeter cameras?

Mayor Newlands: Yes, we do, but we still need a system, so the system is what blew out and that's what we still need to get done. And the cameras are six years old and we've been having them burn out. We've had to replace a couple already.

Chief Phillips: We had a robbery a few years ago at the liquor store next to the police station and the cameras actually helped out in apprehending them; we had him on video running up past Town Hall.

Councilwoman Jones: For the \$5,900 for the purchase, won't that also show...

Mayor Newlands: \$4,900.

Councilwoman Jones: Up as a maintenance agreement line somewhere, for that?

Mayor Newlands: In Equipment Maintenance, yes, because that will be the \$150 a month. Yes, I'm bringing that actually 5470, where you see \$15,900, that's all of our equipment rentals; that's the computer guy that comes in to service our computers, it's our Xerox copiers and our cameras, camera maintenance and security system maintenance and our phone maintenance. The next item is 5530. That's on top of the next page, that goes down to \$800 and since we're going on the State; you may think that went up from \$200 to \$800, but in previous spreadsheets the web expense was paid \$200 per department, for a total of around \$2,000 a year I think it was; and now it's \$800 total and that's going to be just for our email services, because the State's going to do the website for free, so the State of Delaware is going to be hosting our website for free and just to have either Google Mail or have our vendor that does our computer repairs, he can host the email for us too and they're both about the same price. The Edmunds Software got reduced a little bit. Win, we just apportioned that back down to Water, right?

Win Abbott: Yes, Sir.

Mayor Newlands: So the Edmunds Software has a big component that handles our water bills, so the reduction there is really just removing a piece of the cost of the software that goes to water, so you'll find that other piece in the Water Department. The top of the second page of the narrative, 5808, and that's \$8,200 as a capital expense for our server. The server is four years old. It's one year out of warranty. We can stretch that one more year, but they don't recommend doing any more than that. So the difference right now is being one year out of warranty. It will take a couple of days if we lose a part; we need to get a part from Hewlett Packard; it will take a couple of days, as opposed to them overnighting them when you are in warranty, unless you're going to pay them a premium to overnight it. So that's an option we have. Either we get it this year or next year. In the Streets Department I just reduced a little bit some of the engineering costs and the snow removal costs. I mean snow removal you could put \$1, you could put \$1 million, you're never going to be right. In the Police Department, the increase in Police

Department from last year from \$431,000 to \$463,000 is two-fold. One, I had kept the COPS Grant, one of the officers out of that budget and I did not include the grant money as revenue in the budget. Even last year, we kept that outside. This year we were asked to put that in, so you're going to find that extra \$30,000, or \$31,000, is for one of junior officers and you'll see reflected in the revenue, \$41,000 for the money we get per year to cover the cost of the officer, his benefits and pension, things like that. One of the few increases in the police is \$5,000 for overtime, we're tracking right now just about \$2,500 over for the overtime and the overtime that I'm detailing out here, is for shift coverage for vacations, sick time, court appearances, training when they're not on duty, meetings when they're not on shift, handling of prisoners if they get stuck after work, the special duty – like we had somebody here for the Bargains on the Broadkill. We have, I think, I don't know four parades during the year; we have one or two races now during the year, throughout town; so we need extra officers for that. And I'm going to defer, actually I'm going to ask the Captain a question. Highway Safety and EDIE, we get that money in and it sits in a pot someplace and we only spend... We don't get it after we spend it, we only get to spend what we got originally, right?

Captain Cornwell: Highway Safety lets us know how much we're getting and they're budget starts in July and EDIE and SALLIE, they cut us a check and it sits there in the bank until it's used. Highway Safety, I believe, reimburses us as we go along through the process and enforcement; like right now we're in the DUI enforcement until the beginning of, the first weekend of September; so after that's done, once the information or the stats and everything's turned in, the Highway Safety then they'll reimburse the town.

Mayor Newlands: Okay, so for EDIE and SALLIE we get the money ahead of time.

Captain Cornwell: EDIE and SALLIE they send us after everything's approved, they send a check; it sits in an account that the town has until it's spent. So that's already on hand. The Highway Safety, as we do it and the information is given to them, they reimburse the town.

Mayor Newlands: And I know we have some members of the Finance Committee here. If you guys have any questions, this is a workshop; I have no problems answering questions, suggestions.

Jim Crellin, Finance Committee: My question is the EDIE and SALLIE grants are reflected in revenue and the anticipated expenditures are put in expenses, correct?

Mayor Newlands: No. No they're not. No neither of them do, that's why I brought that up.

Jim Crellin: My question is why?

Mayor Newlands: Because I didn't know how you guys wanted to handle that.

Jim Crellin: I think it should be reflected.

Mayor Newlands: Well they go into separate accounts.

Jim Crellin: Well it doesn't make any difference.

Mayor Newlands: But we transfer the money when they use it. And I don't know if you know how much you're going to use every year, do you?

Captain Cornwell: No. A lot of it's put for...

Jim Crellin: You don't know how much you're going to spend of any of this. You make estimates based on experience.

Mayor Newlands: Right.

Jim Crellin: So I think there should be an estimated expense put in and the revenue should be reflected on the books.

Mayor Newlands: Okay, then it will be a net zero. Okay. So that will be for all three of them, EDIE, SALLIE and Highway Safety.

Councilwoman Jones: Sussex County Grant.

Mayor Newlands: Part of that's in here right now and Chief has the rest of it with him.

Councilwoman Jones: It should also be reflected in what you're spending it on.

Mayor Newlands: Okay.

Captain Cornwell: Can I make a comment? A lot of times we buy equipment and things that, because of the operations and there's a Federal and State law that stipulates that we don't put out what we purchase and I know people may have a problem with that, but if we give all of our inside information on the type of equipment we have for investigations, things like, then everybody knows what our capabilities are; so there are some things that you're we're not going to divulge that we have and it's covered under Federal and State law.

Jim Crellin: All expenditures should be reflected. We're not asking you to tell us what you're spend it on, we're just asking you to tell us how much you spent.

Captain Cornwell: Okay. That's no problem. As long as there are certain things about what we buy, we can't divulge. That's all.

Jim Crellin: Well that's the only thing we're asking.

Mayor Newlands: Okay. How would you like to see those depicted in the budget then?

Jim Crellin: We're just talking line items; one line item for each grant; Revenue and Expense.

Mayor Newlands: Okay.

Jim Crellin: The details are in the general ledger.

Mayor Newlands: Well the details won't be put there either, because that gets put out to the public. We do the transaction...

Jim Crellin: Well how do you handle it now when you... You still have to write checks for what you spend, where is that reflected?

Mayor Newlands: We may just write a check to Lawman Supply and they see that.

Jim Crellin: That's fine.

Mayor Newlands: Well we get complaints about people just seeing that and not seeing the details.

Councilwoman Jones: Well, since I'm the one that you're talking about, Mayor...

Mayor Newlands: No, it's not you, there's people in the public too.

Councilwoman Jones: Well let me jump on it, because I'm usually the one, but I know that during the budget meetings, it was offered that a spreadsheet could be made. Can you help me out, I was not at that meeting?

Councilman Booros: Well I was checking the minutes to see where we would \_\_\_\_\_ the overtime.

Councilwoman Jones: That a spreadsheet could basically be made and an extra column, so that that information could be supplied. I'm not well versed enough to speak about the Federal regulations you're talking about, but in SALLIE and the County, I wonder what their outline is that you cannot and will not release certain information about what you purchase under those grants.

Mayor Newlands: For the County, there isn't any stipulations on that.

Councilwoman Jones: Right. Right. So what grants are you talking about that have to be kept secret?

Captain Cornwell: I'm not talking about the grant being kept secret; what I'm talking about is purchases. If we buy a camera system that's a covert camera system and we let everybody know that we bought a covert camera system, and what type it is, and they Google it and they see it, then we just spent X amount of dollars to buy a system that everybody knows when they see it what it is and we've just downfalled our investigations.

Councilwoman Jones: But I believe those grants call for full disclosure of what is purchased. As far as public information goes, I believe that you would be apt to know...

Captain Cornwell: You believe or you know that?

Councilwoman Jones: I believe you could get that information. Those are State Grants; those are State tax dollars.

Mayor Newlands: Everybody's speculating, so let's push that off to the side and we'll research that and we'll come back to that. I don't want to sit here and speculate all night. I'm sorry.

Councilwoman Jones: It's written in the portion of the grants that outline the use of the grants and I haven't read anything like that in the grants that both Milton and Rehoboth use.

Mayor Newlands: We'll find out.

Chief Phillips: If it's an officer safety issue, you cannot divulge it. If you're buying like certain body wire and telling everybody what kind of body wire you have and then all of a sudden the drug dealers know that every time they see it, they who we are and what's going on; so there are certain things that are officer safety wise, that have to be confidential.

Councilwoman Jones: We're going to agree to disagree, because I don't believe there's... As far as purchasing, I don't know where you think this information is going out into the general public.

Mayor Newlands: Okay can we stop. Councilwoman Jones. Councilwoman Jones. It's not a matter of agreeing or disagreeing, we'll find out what the law says, okay? So let's move on. Next item down is actually insurance and we just redid some insurance figures and that item is not in the text here, but on your spreadsheets. If you look at 5150, that actually should read \$77,601, instead of \$88,000.

Councilwoman Jones: Wait a minute.

Mayor Newlands: \$77,601 and that includes a 13% increase already. Alright Gasoline 5390 on page 3, that's up a little bit, \$5,000; these guys are driving more and we also have more officers on the road now, then we ever did before and the Chief is putting in some of the Sussex County Grant to cover some of that fuel. Auto maintenance is slightly higher, it's just a matter of... auto maintenance, well we do try and predict some of it, but some of it you can't. You can't tell when you're going to get flats and you can't tell when some of these guys they ride a little bit too hard, depending on what they're doing, they may need brakes more often than normal. Do you have a question, Michael? Can you grab a microphone?

Mike Cote, Finance Committee: On the gasoline, it's up \$5,000 and we're talking about using part of the Sussex County Grant in the revenue section. Now the revenue section, that was a \$25,000 grant in the earlier budget submitted. On this one it says \$10,000 revenue for the Sussex County Grant, now this \$5,000 that you're saying is going to cover this increase, is that... Is it \$10,000, plus \$5,000?

Mayor Newlands: No. No. It's in the \$10,000.

Mike Cote: It's in the \$10,000.

Mayor Newlands: Right. Right.

Mike Cote: So how do we go from; it's not an expense question; but somewhere we have to figure out how we went from \$25,000 to \$10,000.

Mayor Newlands: Oh, the Chief had, because I was always under the impression that we keep a lot of the grant money out of the budget; okay we're going to put it all in. The Chief has another list that he'll give out with all the other expenses for the rest of the \$25,000. We have some cars to paint, he's got some cameras he's got to get for his place, for the police station, so he's got a list of the other expenses for the rest of the Sussex County Grant.

Mike Cote: Okay. Well I think... I guess I would like to see all the revenue and all the expenses shown clearly.

Mayor Newlands: It will all be depicted in there. That's fine.

Mike Cote: Thank you.

Mayor Newlands: We had an item in there for office cleaning and it was 5813 and it was going to be \$5,700; but we wound up getting our prisoners back, so at least the County, I don't know if everybody's familiar with it, but the prison was no letting us have the day laborers for a while there and they since put that program back, so we now have them back. The Chief can get one

person to come in and do his cleaning. Our Public Works Department gets two guys, three days a week, so we get one whole person for a year, that's equivalent, just by getting that labor for free. All we have to do is buy them lunch for \$8 apiece. Parks money in 5286; we just had an increase there because what is it every two years you do the safety mulch, Allen? So every two years we get a more expensive mulch for the playground equipment. And Miscellaneous Operating Expense was \$2,500. We actually removed that. It was put there in error. Next under Code...

Councilman Booros: Can I ask something under Parks?

Mayor Newlands: Sure.

Councilman Booros: Where's the insurance for the employees; you have salaries, you have payroll taxes; Medicare; Social Security; but I don't see health insurance under Parks?

Mayor Newlands: They go under Water, only, because what happens is Parks and Streets is an allocation of their time. It's the same people.

Councilman Booros: Oh, I understand who it is.

Mayor Newlands: So we just keep pension underneath there under...

Councilman Booros: So we take it out of the water pot, because there's money there?

Mayor Newlands: No, this is the way we've always been budgeting it; it's just the way it's always been done. It's really an allocation to that department, that's all, of use of money.

Councilman Booros: I understand what you're saying, but I would like to see the allocation to where the hours are being spent, not all out of the water fund, quite honestly.

Mayor Newlands: Uh-huh.

Councilman Booros: You're not billing their salaries to the water fund, so why are we billing their health insurance to the water fund?

Mayor Newlands: I think in the past they just had a problem with trying to figure out all the numbers and stuff.

Councilman Booros: I think we have two finance clerks and other people – we can figure it out.

Mayor Newlands: We can look at it.

Councilman Booros: And put it where it belongs.

Mayor Newlands: Okay, we'll talk to them about that. Under Code, one line item that's not there, so I didn't know this until yesterday was insurance. It goes down to \$15,433. I'm sorry, \$15,676. There's a newer employee in there and he has different insurance from the previous one.

Councilwoman Jones: Can you repeat the number again, please?

Mayor Newlands: \$15,676. And training, we haven't had much money in training before and there's some different classes and certificates that the Code and Project Coordinator need to go to and I'm going to give you acronyms and to be honest with you, I don't know what they all mean. There's an ICC, APA, and IPA courses and some Federal Emergency Management Agency training that they have to go to. These are to keep their certificates up. Mr. Abbott, do you know what these certificates are again? I know some of them are building certificates and things, but I'm not sure what they all stand for.

Win Abbott: Yes, ICC is the International Codes Council, that's for building and Code Enforcement Officer, in particular; APA is the American Planning Association. That's for Mr. Davis and his interactions as a liaison with developers regarding land planning issues and of course, his role in Planning and Zoning and Historic Preservation Commission and then IPA is the Institute for Public Administration, the University of Delaware classes that go for like \$35 apiece and they typically deal with land planning and Planning and Zoning issues. Those things, which are the lowest cost, the IPA classes; they basically have the same thing recycled over and over again for the past six or seven years. I took them five years ago. Occasionally they have a different speaker and it doesn't hurt to refresh, but certainly for career development purposes,

making yourself available to APA or other certification classes on a national level is a good idea for career development.

Mayor Newlands: Okay, thank you.

Councilwoman Jones: Question for you. How far along are you on the proposed training you had given to Council last year about ICS and National Incident Management System? You had a very detailed...

Win Abbott: I have not progressed on that. By the way it costs nothing to do those classes. It just takes them out of the field and when we began that, it was the latter part of the winter and the next big deal was, of course, the water department, not just the referendum, but also installing all the meters, which has come on the heels of the fact that these guys have all had to do their lawn cutting, the parks maintenance and whatnot; the wintertime is the best time for that and we look forward to doing that soon.

Mayor Newlands: And didn't the State come out recently and approach you that we're behind in what we should have been doing our State certifications?

Win Abbott: Actually, there is an all hazards mitigation plan for Sussex County that the town never adopted. In similar fashion, we hadn't adopted the National Incident Management System six years ago. I'm receiving those documents now, so that we can move forward with that and that sort of compliments our efforts for training, but they're not necessarily one tied to the other as a requirement.

Mayor Newlands: But that was due years ago that we should have started that too for the County, right?

Win Abbott: Correct.

Mayor Newlands: Okay, thanks. Next one is 548...

Councilman West: Mr. Mayor, can we go back to the Concerts in the Park under General, 5600? You need to put on there that's pass through money.

Mayor Newlands: Did I skip that?

Councilman West: Yes. That's pass through money. Because Charlie Fleetwood works his tail off to get all these sponsors, so they need to be specified, pass through money.

Mayor Newlands: Okay. Is he having a problem with that?

Councilman West: No. No. Charlie, he works his tail off to get all these sponsors and it doesn't cost the town anything.

Mayor Newlands: Yes, I know he does. I can just note that on there. Okay, 5480, cell phones, that just got reduced a little bit. We just changed our contracts last year with Verizon. Okay, onto Water and Training, that went up a little bit. Hang on a second. That went up a little bit because they need license certifications, water certifications; there's a little bit more training that has to get done this year. Do you want to explain that Allen? Not particularly?

Allen Atkins: Basically, the biggest part of the training would be on the back flow prevention, which Dustan has a four-day class coming up in September, in about three weeks.

Mayor Newlands: Okay and that's just on irrigation systems, the back flow prevention or everything?

Allen Atkins: Everything.

Mayor Newlands: Everything now.

Allen Atkins: That's the biggest thing, plus just refresher for everything else.

Mayor Newlands: Okay.

Councilman Booros: While you're on the Water Committee, not only is the employee insurance benefits all being charged to the Water Committee from the Parks and the Streets, but also the pension; that needs to be fixed, too.

Mayor Newlands: No, that is correct. The pension actually reflects the...

Councilman Booros: The entire pension comes out of that?

Mayor Newlands: I'm sorry, as far as...

Councilman Booros: Streets, there's no pension mentioned.

Mayor Newlands: Yeah, okay.

Councilman Booros: And Parks, there's no pension mentioned. It's all coming out of the big water fund.

Mayor Newlands: Actually in year's past, the pension for the entire town came out of the Water Department.

Councilman Booros: Let's not talk about year's past, because they were wrong.

Mayor Newlands: I know, what happens is that in year's past, we have to actually net down the accounts at some point, since the audit's been done; one of the departments owes the other department a lot of money. Okay. Supplies, which is spelled wrong, 5280. That just reflects parts, so parts and supplies were just merged together. I also have a correction. Win, do you know why we had so much money in Supplies for Water? Is that reflecting all the metering that we're doing?

Win Abbott: No, Sir, one of the proposals put within the Town Manager's proposed budget was that we actually had parts on hand; now we got a vehicle for bringing parts to the scene, but a lot of the parts that we had in our shop were used, broken parts, that were taken off of a prior repair and thrown back into the box. The actual things that we have to work with are quite minimal, which means that when a situation happens, whether it's a routine meter replacement or it's a leak that requires other things, they often have to go to the vendor to get those parts, losing precious time. So it was bumped up and explained to the Town Manager proposed budget, with regard to having little bins on hand with some of the most commonly used parts available in our shop.

Mayor Newlands: So keeping more supply on hand. Okay, fine. Thank you.

Win Abbott: Yes, Sir.

Mayor Newlands: Okay, 5285, that's actually pretty much what we've gotten to date, \$15,300 for pits, meters and lids. That reflects 20 homes and 10 irrigation meters. That's tracking what we have so far this year. And 5300 Advertisements, we just have additional reporting that we have to publish. Can you explain what CCR is?

Allen Atkins: That's your Consumer Confidence Report that we put out at the end of June.

Mayor Newlands: Okay. Thank you.

Councilman Booros: So the Advertising budget had nothing to do with the referendums, the \$1,773 this year-to-date actuals?

Mayor Newlands: Hang on a second. Did you do any advertising for the Referendum?

Win Abbott: Yes, Sir. Everything for the Referendum is reflected in the Water Department; other advertising that we did for things such as elections and advertising for new employee positions, advertising for bids and whatnot; most of those things showed up in the Admin Department under Advertising, but in the Water Department Advertising had to do with the Referendum.

Mayor Newlands: Some of it does, yes. Next item is 5430. That is increasing because we had the water system improvements, so anything we're sending out has to have postage and printing; hopefully all that will come back if we get awarded any grants from the State. 5440, that's Propane, that gets reduced a little bit because we we put a partition up in the maintenance yard to keep the heat in one of the bays. We have a very, very small space heater that we use in there, so we put a partition up last year to keep the heat in the bay. 5450 is Tower Maintenance. You increased that Win. Do you know why? We don't have a new contract on that yet, do we, on the water tower?

Win Abbott: No we don't have a new contract. I did guesstimate that it was going to increase, I think it was by 6%.

Mayor Newlands: Okay and that goes out for an RFQ for this year?

Win Abbott: It is out now.

Mayor Newlands: It's out already, okay good. Hydrant Repair 5465 – is that something that we're doing cyclically or something; every so many years, that that increased? The Hydrant Maintenance and Repair.

Allen Atkins: I believe that was to replace a couple of old hydrants that we...

Mayor Newlands: Not for \$1,500.

Allen Atkins: We have the hydrants. It's just the cost of digging them up and the parts to hook them up. We have to stock hydrants in supply.

Mayor Newlands: Oh, so that's what it is. Okay. Water Main Maintenance, we're just increasing that because we've had a lot of water main breaks. In the next items, there's a couple of capital expenditure items under Water – one is called a trench box. I don't know if you remember during the early summer, some guy passed away and he was in an open trench and it caved in on him? They have these boxes, we're looking to split it with Georgetown, where it protects the guys when they're in a trench, so it stops the cave ins.

Councilman West: Mr. Mayor, that is an OSHA law that you need those trench boxes.

Mayor Newlands: Is it?

Councilman Booros: I thought I heard in the Finance Committee that we would contract those services out and not buy a trench box, unless I'm mistaken.

Mayor Newlands: I don't know.

Win Abbott: Councilman Booros is correct, that proposition was made by Allen to me and I asked a number of times that we would need to use a trench box and I did not find it to be the most cost effective use of our capital expenditures and therefore I did not include it in this, with the idea in mind that we could contract out for that, when we needed to do that and it would be a more cost effective alternative.

Mayor Newlands: Okay, good. So we can remove \$5,554. The next one is the truck; what size truck is that?

Unknown Speaker: Half ton.

Mayor Newlands: Half ton truck. The other one... Can you explain what's going on with the other truck, Allen or Dustan?

Allen Atkins: It just wore out; it's got quite a few miles on it. It's a 1998 Dodge, 4-wheel drive. The front end is shot on it and it's just a lot of other; we're afraid to go to far on it; it's got a lot of problems.

Mayor Newlands: Okay. Do we get these on leases or do we have to buy them outright?

Allen Atkins: We can do probably like we did the last time; I think we can, a lease/purchase deal like we did with the two we have right now?

Mayor Newlands: And what is that over three years?

Allen Atkins: Three year period.

Mayor Newlands: So this reflects the full purchase price that we got the full one?

Allen Atkins: The full purchase price, right.

Mayor Newlands: Okay.

Councilman Booros: Guys, question, does the Code Enforcer have a truck?

Mayor Newlands: Yes, he does.

Councilman Booros: Is it a half-ton truck in any better shape than the one that you have? Nope, the same thing, old?

Allen Atkins: It's got a lot of problems with it too. It's not the best in the west.

Mayor Newlands: What are you looking to do?

Councilman Booros: I was just wondering, because nobody mentioned buying him a new truck and I didn't know, because we haven't had a Code Enforcer for long periods of time. We've had vacancies over the course of the last couple of years.

Mayor Newlands: Yeah, I think it was probably a total of a year, but still...

Councilman Booros: I don't know if it sits or if it doesn't sit or if it's been used or if it's usable. I was just asking.

Mayor Newlands: He's using it... It's used every day now.

Councilman Booros: Well I know it does now.

Mayor Newlands: The Code Enforcer. Yeah.

Councilman West: Allen, have you looked into some of these State vehicles that they've turned in? Because the State's got some good vehicles they turn in. Okay, I'll get you a phone number.

Councilman Booros: Troop carrier?

Chief Phillips: Also, just to let you know, I'm still looking to lease a military thing so we can get some help with that. The blue truck they're using for the water truck, that's where that came from and we can try to see if we can help them locate something also and save some money.

Mayor Newlands: Yeah, that blue truck's officially turned over to the Water Department now, correct?

Chief Phillips: That's correct.

Mayor Newlands: Okay, good. The fire hydrant on Federal Street, that's already paid for out of this year's budget; because I remember it being in the budget for this year, but it should be in fiscal year 2012, right? Yeah, okay, because I moved that one over because I thought that was paid for already. Does one of you want to explain what these 3G Systems and the transducer are?

Dustan Russum: The 3G Cellular is, it monitors all of our wells, 24 hours a day. Anytime Allen or I or if Win or the Mayor wanted to look, they would have a password to get in and they could tell where the wells are running, any time of the day; how many gallons are pumping and how many hours the wells are running. There's also set points in there. Let's say we pump 500,000 gallons a day, we could set a set point in there for 450,000 and if we hit the mark of 450,000, it will automatically send an alarm to Allen's phone or my phone and that's an indication that we could have a leak within the system. It's just basically a tattle-tale; that's what I call it. It tells us what's going on when we're not here. The transducer goes on the water tower, here on Chandler Street, because the other water tower at Shipbuilder's does not have electric; but our supplier, Ray Horney, said that he could scale this tower to that tower to show us the level of how much water is in each tower. Right now, the only way we have to tell how much water is in the tower, is looking for the sweating line in the bowl, when the sun is reflecting on the tank; so this would give us a more accurate reading. It's either that or drop a string down in the water and figure out where it gets wet.

Mayor Newlands: I don't think you want to climb up there all the time to do that.

Dustan Russum: No, that's a long haul.

Mayor Newlands: Do we know why the tower looks so dark. Is that mold on there, the one on Chandler Street?

Dustan Russum: Yes, it's just algae build up. This one here you're going to notice more because of the pine trees are so close and it's just a straight shot up.

Mayor Newlands: Okay. Does that go away in the wintertime?

Dustan Russum: No, it's there until it's pressure washed.

Mayor Newlands: It's going to stay there... So it's going to stay there. So it's going to get darker and darker until it gets the next service, which is next year? This fall? Oh, this fall, okay.

Alright. The next item is Edmunds Software, which is the \$2,316; that's just what we moved down from Admin. The last item is a pressure washer. Do we have any pressure washers? We have a small pressure washer. Okay. Also, Dustan's been mentioning to me about the mag meters and they're magnetic meters on the wells. Do you want to explain what you're...

Dustan Russum: Going through this with the missing water issue; first off, we've checked

everything in house; no problems there. I've had the house meters tested; no problems there. Now we're getting down to the nitty gritty because we've also checked all of our old mains and there's no leaks, so now we're going back to the meters that are in our well houses. We're talking with some other places, there has been a little bit of an issue with the low flow detection on these mag meters, so if there's a little bit of a low flow going through those meters, it's not registering and that could be going forward in the system or backwards, what's going back down into the well, because the check valves don't hold 100%. So one of the options we're looking at is changing those meters out to the octave meters that we're currently using, because the octave meters will read a sixteenth of a gallon of water, an hour. Just take for instance, the school on Federal Street. By taking that old meter out and putting one of the octave ones, we picked up another 175,000 to 200,000 gallons a quarter, so the accuracy is there vs. the other ones that we currently have.

Mayor Newlands: Did you get pricing yet on what it would be for the wells?

Dustan Russum: No, Tony stopped by from Bel Air Road Supply, he stopped by Friday and I spoke with him today. He had an emergency call in Jersey, so he's supposed to be faxing something over to me tomorrow.

Mayor Newlands: Okay. I know you had estimated somewhere on a 2" meter, it was \$2,000.

Dustan Russum: Yes, so \$1,000 an inch, maybe.

Mayor Newlands: And that's on three wells.

Dustan Russum: Yes.

Mayor Newlands: So if we did that, that would be \$12,000.

Dustan Russum: Yes.

Mayor Newlands: That's just something for Council to think about. One of the things I would recommend is we try it on one well and see how it does.

Dustan Russum: Well we looked at possibly just changing one out in the well house, even though we don't have to turn that reading in, to the State, in the well house; that's more for our use. We can change that one out and then use that reading off of the well house reading, compared to the other three wells to see if those meters match up to the meter in the well house.

Mayor Newlands: Okay. Then you would have to go in to do all the other three wells anyway, wouldn't you?

Dustan Russum: Yes, we have to go to the wells every day anyway.

Mayor Newlands: No, I'm just saying you'd have to change the other three out just to make sure we're not exceeding our individual daily per gallon usage on each individual well...

Dustan Russum: Yes.

Mayor Newlands: So you would want a better reading on those.

Dustan Russum: Yes, but if you're after like a trial and error to see if those three meters are not accurate, it would be better just to change the one because the one in the well house reads all three of them.

Mayor Newlands: Oh, I see what you're saying. Right. Okay. Is there any way we can borrow one of these meters to try them out?

Dustan Russum: No.

Mayor Newlands: No? There's no 30-day money back guarantee.

Dustan Russum: No.

Mayor Newlands: Okay. That's it on expenses. Let's just go over the revenue. After seeing some of the reports we've been getting in at Town Hall from Dogfish I actually increased some of the revenue we expect to get in from property tax, because that vacant land they have out there, is going to have a warehouse on it in the next tax season. So by January, February, when we go to the next tax season, we're going to have a warehouse on there, so we expect that that should increase by at least \$6,000 and this year I know I put \$798,000 in there for how much property

tax we've collected already, but as of this morning, it was \$801,000 we've collected in property tax. We're only owed \$25,000 in delinquent taxes right now and that's with ten people owing at least \$1,000; actually I should say nine people owing \$1,000-\$1,500 and one person owing us \$6,000, so we're owed very little in property tax. We do quite well. The accounting clerks every two months they send out delinquent notices to people and eventually it shakes them up. We got probably \$5,000-\$6,000 in this month alone. Let's just go over the rest of this. Lien Certificates, just so everybody knows, they're \$35 per lot, so every time a house closes, they change over lots, we get \$35 for that. It was very high this year because Wagamon's West Shores changed over and, I forget when Heritage Creek, yes Heritage Creek changed over also, so both of those came out high in the accounts, because we charge \$35 per lot. The transfer tax, like I said before, I wanted to leave at \$155,000 as a cushion. We're tracking right now at \$195,000 and we still have two months of transfer tax money to come in and based on the number of lien certificates we've got going out, which I don't know the number, but it's about a dozen or so, we should have a dozen closings coming up pretty soon and by the 10<sup>th</sup> of next month we'll get August money and by the 10<sup>th</sup> of October we'll get September's money, so we should be tracking that pretty high. In the Streets, I did put the grant money; I'll put that back up in the top of the budget, but I did have the expenses for Shipbuilder's down below, outside of the budget. I will put that back in. That is on your next to the last page, so it's there, it's just not in the totals. SALLIE and EDIE, like we said before, we can only spend up to what we get, so we'll reflect that back in the budget. For police fines, we budgeted \$42,000, but right now we've collected \$48,000, so I still kept that low, that's just subjective to how well people drive and catch onto the fact that we're a 25 mph speed zone. The boat dock rentals under Parks, 4965, that's just set to reflect what we're actually getting on that.

Councilwoman Jones: Mr. Mayor, why did you reduce the Sussex County Grant here under the revenue?

Mayor Newlands: Because the Chief has a separate list that we don't have included in here. We said before, he's going to present a list of other expenditures. It was just put in here before as \$25,000 without having the list of the things that he needed to spend against it, that's why.

Councilwoman Jones: But it is still \$25,000.

Mayor Newlands: Right, but initially we were keeping that on the side. Okay? The Chief had a separate list of expenses.

Councilwoman Jones: I don't know about keeping it on the side, it's a revenue.

Mayor Newlands: I understand that. We're going to change it. We're going to change it. We said before, we're going to change it. Put the \$25,000 in here and he's going to put in the expenses in the budget. We talked about that a little while ago. Okay, under Code, rental licenses and business licenses are up, so those are reflecting what we are actually picking up now. We're about \$41,000 on rental licenses and \$45,000 on business licenses. And the staff has a good handle now on business licenses and rental licenses, so next year when we send out the licenses, we'll know who our target audience is and who we're hitting, so we won't be missing people like it's happened in the past. We're still looking at different software that we utilize to handle that, just to make sure that we get a better track of the individuals that we have to hit for rental licenses. As far as building permits go, we've marked in there \$100,000 and let's see, we're expecting to get \$119,000 alone from Dogfish this year, which we should be getting that money in the next two or three weeks. \$85,000 of which, we keep, the other \$23,000 goes as a pass through to First State. Now I talked to Councilman Lester earlier about First State. I want to put an agenda item for expenses under the Code Department of building inspections for the prior years, so we know how much money we're spending this year, that we took in last year. We have \$23,000. It's kind of something you have to get used to. We take in \$23,000 from Dogfish this year. Part of that goes out to First State this year for inspecting their plans. The rest of it

comes out next year, next budget year, when they inspect the building. So Dogfish is prepaying us \$23,000 of money we know that we're going to spend out to pass through to...

Councilman Booros: Do they bill us at the end or do they bill us when they inspect the foundation and then when they inspect parts of the building as it goes along, the electrical, the plumbing?

Mayor Newlands: First State bills us as they go along. So right now, in the beginning we give them a chunk of money, I think it is just to do the plans, because they get that along with the permit costs and then we'll get paid the \$23,000 now and we pay that money out as it's spent; as they inspect. That's why I'm saying we need to... part of this \$23,000 and probably half of it, will get paid out in the next fiscal year, so it will look like we're spending a lot of money, but we're just really paying out money that we collected this year. That holds true for engineering fees and some of the legal fees that we get, and consulting fees, because at this time of year we're collecting it... I'm sorry, with engineering fees, we're incurring the bills from the engineers, and we don't collect the money until afterwards. That's kind of done in the opposite direction. If you look at 4609 under Building, there's a \$13,122 charge there, that actually gets moved down to the next line, because it was just booked in the wrong line. Under Water, we have the water rents, which is just our water fees. That should be increasing somewhat because of the more meters we have put in and we're getting better meter readings. 4620 is sale of meters, that's really a pass through. And Allen, did we get any money for that truck? \$1,000 for the truck. So the way the budget stands right now, we had a deficit of \$3,400, but we had a couple of adjustments and I'll go through them with you. We had a \$10,000 adjustment in police health insurance, so that gets taken off the expenses. We have \$9,000, I have an adjustment in Admin insurance and that's not health insurance, that's town insurance and then Code had \$2,000 for health insurance and in Admin there was \$2,000 extra for utilities. And we haven't made a decision as to whether or not we're getting a server at \$8,280. So that would be \$23,000 less in expenses that we have. These are all things that changed since I passed these out last week.

Councilwoman Jones: Mr. Mayor, two items and I'm going to look at the Finance Group because definitely one came out of that. We've talked a couple of times about charging more money for reading and presenting the meter information over to Tidewater each year. Have we increased that; and I don't see it?

Mayor Newlands: No, it's what the contract currently reflects.

Councilwoman Jones: Okay, but you've stated that you're working on the contract.

Mayor Newlands: Actually we have a Memo of Understanding, that's what that reflects and we're working on the contract with them and they're coming in September to give us a proposal on the contract. I don't know what they're proposing. They're going to try to propose nothing, to be honest with you, but we're going to work on that.

Councilwoman Jones: Okay. The other was an item that was discussed during the Finance Committee about a certain percentage of money being tacked on when we have billed, but we're waiting for the money. Late payment service charge. Was that on Water, or was that on a Code issue?

Mayor Newlands: We do it on Water already.

Councilman Lester: It was the legal fees and engineering fees that we should add a handling charge, a service charge.

Mayor Newlands: We talked about it, but that's as far as it went. We'll talk about it during the meeting.

Councilwoman Jones: I defer back to Finance because they talked about it; that's where I heard it and I didn't know whether or not you had included it anywhere.

Mayor Newlands: No. I didn't because nobody gave me anything definitive to include.

Councilman Lester: Can we do it now?

Mayor Newlands: Sure.

Councilman Lester: A percentage is... I don't know what you guys think... somewhere between 5 and 10% at least and maybe 10% because we're out of pocket for awhile.

Mayor Newlands: Yes we are.

Councilman Lester: And we could be out of pocket for a long while, sometimes.

Mayor Newlands: We shouldn't be out of pocket for more than a month.

Councilman Lester: Yes, but sometimes we are. Unfortunately.

Mike Cote: It's not only for the late payment but it goes to the preparation of the documents.

Mayor Newlands: They're not late payments. They're not late, it's that we get the engineering bill, when we get it we have to turn around and create an invoice to send back to the entity who's doing the work and then wait for that money to come in; so it's really just a float issue.

Jim Crellin: They're also not very prompt with payment.

Mayor Newlands: True. Right.

Jim Crellin: So part of the 10% could be attributed to late payment.

Mayor Newlands: Actually we don't... I would add a late payment on it.

Jim Crellin: And that 10% could be for preparing the invoice, the clerical.

Councilman Lester: So I would assume for the amount we hope to collect, the pass through, we add at least 10% to that.

Councilwoman Jones: Where would you put that?

Mayor Newlands: That would be under Code and then there would be legal, engineering fees; that's the only two it's applicable to.

Councilwoman Jones: It's under the Revenue, Legal, Engineering Fees.

Mayor Newlands: Yes. Page 8.

Councilman Lester: Well, if we're going to add it, it should be both engineering and legal fees.

Mayor Newlands: Right, both of them.

Councilman Lester: Yes. That's another \$2,700 we'll get.

Mayor Newlands: The consulting, a lot of that is used... On the consulting end, a lot of that was for our own internal use under Code, if we had to get advice on something?

Win Abbott: Under Consulting, the line that said URS Planning Consultant for \$1,000, which I left in, you zeroed out, was as a back-up for Robin in case he really needed professional help to make a decision on something like that. In similar fashion, if myself or Mrs. Rogers needed help and we did not have the benefit of a CPA, as a Town Council person, we would be able to pick up the phone and call somebody for an answer. However, that was zeroed out. The other consulting fees are 90% pass through; 10% of that is netted out as an expense to the town; but 90% of it is billed back out to the developers that warranted a need for this engineering consulting service.

Mayor Newlands: Right. Or legal.

Win Abbott: Or legal.

Mayor Newlands: Okay.

Win Abbott: So that the \$1,000 for URS that was in the Town Manager's proposed budget, but is not reflected in your version of the budget, was for that purpose, so it's not there now.

Mayor Newlands: Well actually it is. Actually it is back in there, by the way.

Win Abbott: Different place?

Mayor Newlands: It's in the same place, but there's \$1,000 for revenue for the same one, because Robin had told me that some of that was going to get reflected back in. Isn't there something under Admin for consulting?

Win Abbott: The Admin Consulting that I had proposed was for CPA services. There was also some reference to the insurance component in the Admin budget that I had proposed, which

currently are the deductibles that you mentioned earlier and that was for the purposes of using Paychex human resources consulting in order for us to develop updates to the Employee Handbook and other Policies and Procedures that are necessary relative to the audit findings.

Mayor Newlands: Why did you put that under insurance?

Win Abbott: That's because that's where it was before, okay, and I just saw it instead of adding an additional line item, I kept the number the same as it was in past years, when we were paying deductibles and left that, because I saw it as a risk mitigation practice.

Mayor Newlands: No, okay that's got to get put out someplace different. We've got to find out... What's that number, do you know?

Win Abbott: That was within insurance under Admin, on the Town Manager's proposed budget.

Mayor Newlands: It wasn't \$9,000 was it?

Win Abbott: Pardon me.

Mayor Newlands: That wasn't \$9,000 was it?

Win Abbott: Approximately.

Mayor Newlands: For Paychex?

Win Abbott: Yes.

Mayor Newlands: Really.

Win Abbott: We have to go back and look up the details here.

Mayor Newlands: Now the insurance company said that they would look at the Handbook for us, for free, didn't they?

Win Abbott: No, not necessarily. They said they would take a look at it. They also offer a similar service for a price. So they would take a look at it, but they weren't going to be constructive in their suggestions, because they have a service that they'd like to sell us similar to what Paychex offers.

Mayor Newlands: Do we have a price on that?

Win Abbott: Not from our insurance company, no, that just came up in the past two weeks.

Mayor Newlands: Can you pass your mic back to the Captain?

Captain Cornwell: I'm not sure if you know, but there was a revised Handbook that was done a couple of years ago and it had a lot of changes and that could already put a lot of things ahead of the curve with doing the Handbook that's there now.

Mayor Newlands: No, we have the revised one, we just want to get it approved and looked at by professionals.

Captain Cornwell: Okay.

Mayor Newlands: Yes, it's been looked at internally, we just have to get it past professionals.

Mike Cote: Do we need to add anything... I don't know if it's buried in some of what you folks were just talking about... Do we need to add any money to the budget expenditures to write the procedures and the handbooks and notebooks that are basically delinquent from the State Auditor's Report? It sounds like there's a lot of missing procedures and all kinds of documentation on how things are supposed to function?

Mayor Newlands: You want to do me one big favor?

Mike Cote: Yes.

Mayor Newlands: Wait until Councilman Lester comes back.

Mike Cote: Okay. I was a little... I saw him go out.

Mayor Newlands: He's the expert on that, not me. Procedure wise I could go through some of them, but accounting wise...

Mike Cote: I think that it's a big project, I think.

Mayor Newlands: Yes, I know, there's 61 issues.

Mike Cote: That's a lot, and I'm not sure that while I think it's great that Councilman Lester might take it on, I don't know that if the town should expect that of him.

Mayor Newlands: I agree with you. I agree with you. I don't think he's going to take it on anyway. I don't think he would volunteer to do that. Yes, that is a good point. Let's wait until he comes back. I did put in on the side here, the raises and for COLA it would be \$24,000 for the 3% COLA and the longevity raises, I put in it would be \$26,000, plus there's another... That should read about \$29,000 actually. I missed the first one for the Admin.

Councilman Booros: Do those reflect the overtime numbers; the higher dollar hourly rate for the overtime at time and a half or double time or whatever people are getting paid overtime?

Mayor Newlands: No, it just reflects base pay.

Councilman Booros: Just base pay.

Mayor Newlands: Yes. Yes. I did it with... It includes Pensions, Social Security, all that. It does include all that. Yes, it would be a lot of number crunching to figure out the difference on the...

Councilman Booros: There's a lot of overtime.

Mayor Newlands: Yes, I know. I know some people like having those salary numbers put in there and just the assumption that we made, that we'd do it. I like keeping them on the side, because I like to be able to pick and choose and adjust those numbers a little bit and it's much easier if they're visually put there on the side and the numbers are set up at Water and Non-Water. And the longevity I went down to three years, not five years, because that includes two officers that I think should wind up being included in the longevity. It does not include the four recruits that we have or the four younger officers that we have. At the bottom of Page 9 there's the estimate that we got from Jerry's Paving last year for Shipbuilder's was \$43,000. We have an estimate from CABA Associates for the design cost for the engineering at \$7,000 and monitoring the project would be \$2,000 and so that will be \$52,000. We have funding from our State Representatives at \$23,000 and the Municipal Street Aid monies for two years is \$12,672. Is that the right number, Win? It was within \$200 of being correct, so that would be \$48,000, so we'd have to fund around \$4,000 of that.

Councilwoman Jones: Excuse me Mr. Mayor, that \$9,000 we had already heard of that. Have we accepted that we're looking for bids from other companies?

Mayor Newlands: The two engineering fees?

Councilwoman Jones: Yes.

Mayor Newlands: Yes, we sent that out for bids. It's already been sent out. When are they due back, Win?

Win Abbott: September 7<sup>th</sup>.

Mayor Newlands: Okay. I used the CABA Associates numbers as ball parks, just to have it in there. Mr. Cote, thank you.

Mike Cote: We waited for you to return, Norman. The question I asked was should we be putting money in the budget to help rectify some of the 61, the Mayor quoted the number, 61 line items that were problems in the State Auditor's Report? Should we be paying someone to come in and help document the systems and set out all the rules and how things are supposed to be processed and where they're supposed to be filed and all of that?

Councilman Lester: Some of those things, of course, in the last couple of years have been corrected, but I had a conversation with Mrs. Rogers the other day and we went over some of those items and the new audit firm will be in in September to finish up the year and we're going to sit down with them at the same time and go through it, because I'm sure they're going to have some suggestions too. So they would give us a similar report, so I don't want to spend a lot of time going through the 60 some items, when they're going to give us another list and we can combine them and come up with a coordinated plan.

Mike Cote: Should we be budgeting some amount of money to get those things accomplished?

Councilman Lester: I don't see... It can all be done internally. I don't see that we need to pay anybody. Do you think so?

Mike Cote: I think putting the procedures together and documenting how everything should be handled, is a significant project and I don't know... And right now there's you and there's Kristy and there's a potential new employee.

Councilman Lester: Right.

Mike Cote: Who all have work to do and lives to live.

Councilman Lester: Did I hear you say you volunteered?

Mike Cote: Ha, ha, ha. No, you didn't hear that. You didn't hear that. So I'm just wondering if we should consider a budget amount of... I don't know what the number would be, but to get somebody who does these kinds of things formally so that we have it done and we're not still trying to do it and trying to do it and trying to catch up for the next two or three years.

Councilman Lester: Actually, I think Mr. Mayor that's probably a good idea.

Mayor Newlands: I agree.

Councilman Lester: And possibly we'll have the conversation with PK&S when they come in, so that they're not involved in the management of the town, because that would conflict with their opinion, a third party.

Mayor Newlands: Could PK&S give us an estimate of what it should cost to do that so we could budget something?

Councilman Lester: Yes, I'm sure they could. Yes.

Mayor Newlands: We just need a target number to go at.

Councilman Lester: Yes. Because we need to document... Some of the things that I had asked for over the years for documentation, but some of the things like reconciling the checking accounts and some of the... That's all been... We're current. Some of those things have been done.

Mike Cote: I know. I understand. I'm sure that some of those have been corrected, but I'm just thinking about getting it done so that whoever comes into that, comes into those positions, can go to a place and find out exactly what they're supposed to do and when and how and where they're supposed to put the result when they get it done.

Councilman Lester: Exactly. I think that's a good idea.

Mayor Newlands: Yes, I think so.

Councilman Lester: Yes, thank you.

Mike Cote: Thank you.

Mayor Newlands: Will you talk to PK&S and get an estimate from them?

Councilman Lester: Yes.

Mayor Newlands: Okay. Chief, do you have your list of the Sussex County Grant?

Chief Phillips: You want me to go over what...

Mayor Newlands: Yes, do you have handouts?

Chief Phillips: No. I didn't get that far.

Mayor Newlands: Can we get them for Thursday?

Chief Phillips: If I'm still waiting on prices of things to come back, yes.

Mayor Newlands: Okay, thank you. But can you go over them, just what we have on the list?

Chief Phillips: Basically the Sussex County Grant I want to add \$5,000 for fuel and then auto repair, I want to add \$2,000 and then equipment repair I want to add \$500.

Mayor Newlands: \$500 or?

Chief Phillips: \$500, yes.

Mayor Newlands: Okay.

Chief Phillips: The other monies we're looking at are we've got some paint issues on some of the Crown Vics, we've got five of them. We're also looking to upgrade a new phone system.

Mayor Newlands: Hold on, go through the Crown Vics. What were they \$600 apiece.

Chief Phillips: Approximately \$600 apiece.

Mayor Newlands: You have five, so that's \$3,000. The camera system. Did they come back with a price yet for the cameras?

Chief Phillips: We're still working on that. Still working on that. Upgrade to the phone system is approximately \$7,000.

Mayor Newlands: And your phone system is what year?

Chief Phillips: About eight years old.

Mayor Newlands: No, it's older than that, isn't it? Isn't it the original one from...

Chief Phillips: It might be eight or ten, somewhere close to that.

Mayor Newlands: Okay. This is the PBX and all the telephones and stuff. Okay, what else?

Chief Phillips: Another thing was paint the black Ford F-350 and put decals on it.

Mayor Newlands: Oh, the ambulance?

Chief Phillips: Yes, Sir.

Mayor Newlands: Do we need to do that this year?

Chief Phillips: Yes, it should have markings if we're going to use it for what we're going to be using it for. Like I said, I'm still waiting for a price on these things and we're also looking, like I said, we're looking for updating our camera system and getting an upgrade to our access service interface \_\_\_\_\_ system, the alarm system in the building, and key pads and all of that; we're waiting on trying to work something out with them?

Mayor Newlands: With Advantek?

Chief Phillips: No, it would be Security Instrument.

Mayor Newlands: Oh, okay, you're looking to switch over the same as Town Hall. Okay.

Chief Phillips: We're trying to save money on that, yes, Sir.

Mayor Newlands: We attempted to do a Voice Over IP (VOIP) in Town Hall. We had a company come in and I think they got scared and they wouldn't come back and give us a quote, because we said give us a quote and they were all eager to come in and talk to us and they came in and talked to us, because we wanted to get the price really low, and they just never came back with a quote. They kind of ran away. We have Collins coming in tomorrow to talk with us at Town Hall. What else do you have on that Sussex County Grant? You're not fully up to \$25,000 there.

Chief Phillips: Well at this stage of the game, we're still waiting to get prices to see which way we're going to go, how we're going to...

Mayor Newlands: He's going to get back to you tomorrow?

Chief Phillips: Which way we can go and what we can afford. Yes.

Mayor Newlands: Are they getting back to you tomorrow?

Chief Phillips: I'm hoping that we come up with something by tomorrow.

Mayor Newlands: Because Thursday we have a meeting to finish this off, so.

Chief Phillips: That's great.

Councilman Booros: I'd like to ask a question. Didn't we already pay to paint the Ford Ambulance, the Ford F-350?

Chief Phillips: Now we did not.

Councilman Booros: It used to be camouflage, now it's black.

Chief Phillips: I believe some people may have brought some spray cans for themselves and tried to fix it up a little bit with that spray.

Councilman Booros: Okay.

Mayor Newlands: Paint party, I guess, we missed it. Alright so we had about \$20,000 we were putting back in, so we were... \$23,000 we were going to fix up on expenses, so that would have basically made us flat for the year, except for all of the increases that are going to throw us over. That's the first thing. I'm just trying to think. We have to get some sort of an estimate. We're not going to get the estimate for the accounting for awhile, I guess, if we're just going to ask for that.

Councilman Lester: I'll call him tomorrow.

Mayor Newlands: Okay.

Councilman Lester: I'll call Ginger.

Mayor Newlands: So we need to make some recommendations of what we want to do with increases. We will have extra money next year. There are two... I don't know if I explained this in the building permits, but Dogfish does have two more projects going into Planning and Zoning right now, that they'll be doing over the next year or three years, so we will have more revenue coming in from that. So we do have one more meeting next week and then we'll have a Public Hearing.

Councilwoman Jones: Mr. Mayor, perhaps you saved your template last year when you provided us with a very helpful document that was the employees listed their hire dates, base salaries, the benefits that are paid out and a final dollar figure for what the entire employee package is, per person and I wonder if you have the capabilities of then adding, per person, breaking out that 3% COLA and/or the 5%.

Mayor Newlands: I think Mr. Abbott has that. Is that what you have tonight? He has that. He can hand that out now.

Councilwoman Jones: Was that the information that you couldn't understand where the figures came from or is this a new one?

Win Abbott: It is the same document with some corrections. There was one person's salary that was understated and then the health insurance formulas that applied to that were duplicated, so that they value of the employer contributions to health insurance was overstated. All the corrections have been made and I have that ready to pass out.

Councilwoman Jones: And that 13% insurance that we're anticipating, will that be solely on the responsibility of the employer?

Mayor Newlands: It's split, 70/30. The same as we split everything else.

Councilwoman Jones: Okay.

Win Abbott: And the document I gave you is 14%.

Mayor Newlands: Is it 14%?

Win Abbott: So there's a modest difference.

Councilwoman Jones: Is it 14%?

Councilman Lester: Uh-huh, 14%.

Win Abbott: It's 14% in the document I gave you. It's 13% in the document that Mayor Newlands gave you and it's all an estimate, because we really don't know what it's going to be.

Councilwoman Jones: Okay.

Win Abbott: That's just our best estimate. We spoke to our insurance agency just last week. They said that the range is from 8-20%. Am I correct Mayor Newlands? With their clients that are renewing right now, the range is 8-20%, the 20% company was an anomaly because they had a high experience rating this year and they're in a very small pool, so for us, their best estimate was 14%; so whether it's 13 or 14%, it really matters little. It's just our best estimate at this time.

Mayor Newlands: And the insurance is looking at a different carrier, Aetna, as opposed to Blue Cross Blue Shield to see if that comes out any cheaper. We sent that out to all the employees to see what effect that has on them as far as if their doctors are available in those plans, or not, to see if it's advantageous for them to switch carriers. Have we gotten any feedback on that, Win?

Councilman Lester: I think Aetna, it was in the paper today, Aetna is buying out Coventry, so that's going to shorten the pie.

Mayor Newlands: That ends that. Coventry was one of our options to go to.

Councilman Lester: That's going to shorten the pie unfortunately.

Mayor Newlands: Well actually they didn't recommend we look at Coventry because of the

limited number of physicians, so we were actually recommended not doing that.

Councilman Lester: Physicians, right.

Mayor Newlands: And if people don't know Blue Cross Blue Shield was taken over by Highmark last year, so they told us it was costing Blue Cross Blue Shield \$2 per claim and it costs Highmark 2¢ per claim to process, big difference. Mr. Abbott, without going into individual details, can you go through the columns and just let us know...

Win Abbott: I'll go with the simplest one first. There's one entitled Town of Milton Health Insurance Expenses. It shows each employee, the current payroll deduction and basically I have monthly amounts that I validated it with, as well, with me, but nonetheless what I took was the current deduction, their annual would be 26 times that amount, for their total premium. Take their total premium, divide it by .3 and you'll come up with the total premium for both Employee and Employer. The Employer share is 70% of that, that's the column that says ER Share = .7 and the Estimated Employer Share for the fiscal year 2013 is that number times 1.14. So there you have, by individual, with sub-totals by department, for the Employer Share of health insurance premiums estimated during the fiscal year 2013.

Mayor Newlands: Is this a month or the \$71.66?

Win Abbott: That is per pay and then the annual amount is 26 times that, because we're paid bi-weekly, there are 26 bi-weekly periods in a year. 52 weeks.

Mayor Newlands: I know that math. It's just at \$71.66 that's health insurance?

Win Abbott: Correct.

Mayor Newlands: That's every two weeks then?

Win Abbott: Correct.

Mayor Newlands: That's awful low, I think. I thought a single was \$516 or something like that?

Win Abbott: It is. \$517 and change...

Mayor Newlands: A month?

Win Abbott: Yes. Would you like to see? I only have one page that shows the monthly premium by employee, but I do have that if you would like to check it out yourself?

Mayor Newlands: If it's \$517 a month, I don't know how you can get \$71.66 every two weeks.

Win Abbott: I have a calculator, would you like to check it out?

Mayor Newlands: I can do the math in my head. I don't know. We'll go over it tomorrow, so I can understand what it says, so we can talk about it Thursday night. But I don't understand that math.

Win Abbott: Did you want me to go over the columns in any of the other spreadsheets?

Mayor Newlands: Yes, all of them please.

Win Abbott: Okay, there is another spreadsheet which shows, I guess it's not entitled, I suppose the best thing to do is to reference the notations on the bottom and the bottom of the one I'm looking at, the first \* says positions marked with an \* were vacant for some portion of the year. A negative value for the difference in annual comp equivalent, less the base hours, times the rate can be expected. So for this particular page, where that is indicated, it's the very first note of explanation, you'll find at the top the hire date of the employee as Councilwoman Jones had requested. The employee's name, the current hourly rate; now the next column where it says 2011 year-to-date same period. This is what the year-to-date earnings were during last year, up until this very same pay period that we're in right now and the reason for that is because that's going to be deducted from the value of their year end, so that we can get an accurate reflection of the last 52 weeks. So the formulas work out so that the very next column where it says 2011 year end, that column, minus the previous column, gives you the net value of earnings for the equivalent of this period through December 31, 2011 and then the very next column is 2012 calendar year-to-date for the annual compensation equivalent to be all weeks worked for the same period from this point forward to December 31<sup>st</sup> and then from January 1<sup>st</sup> to this date, this

last payroll. That's the annual compensation equivalent. The next column shows the annual base salary, which is the current rate, times 2080 hours, that is 40 hours per week, 52 weeks a year. So you'll see on the first individual, which is myself, that there is a negative \$20,944.74. This is because I did not work for a part of that last year. And then it goes on down to show each person's annual compensation equivalent for earnings, actual earnings that were in the payroll system, their equivalent for the base pay, the difference in the percent of base pay; just as a measure for analysis purposes.

Councilwoman Jones: Mr. Abbott, it's very interesting, but I have to admit, it's very confusing to me written like this, and perhaps it is only challenging to me and maybe I need to make, specifically, an appointment to see you, but I'm looking for not projected and not what we have to date, but just an employee and what the Town of Milton can expect to pay out in a year's time. What that employee is worth to the Town of Milton once all compensation including Christmas bonuses, are added in and unless it is hidden in the next page, which is filled with the increases, plus the pension and healthcare differentials, I'm still left not understanding this. Am I the only one who does not understand this?

Councilwoman Patterson: It's a little confusing.

Councilwoman Jones: This entails a lot of work and I appreciate it, but it's not getting to me for what I need to see, what I've asked for. Um, let me see. I wish I could find the document. It was really very quite elementary, again, lined up like you've done here, the current rate, what Milton pays for that insurance at that rate for the year, health benefits for that individual for the year, Milton's portion, of course; and any other monies that are given to that employee.

Mayor Newlands: I have that. It excludes their overtime, it excludes...

Councilwoman Jones: Correct.

Mayor Newlands: Their Highway Safety, all that stuff. I have that updated.

Councilwoman Jones: Correct.

Mayor Newlands: The only thing it doesn't include is the \$125 bonus. I can email that to everybody. It's up to date.

Councilman Lester: I think that would make more sense. It's what Councilwoman Jones is just wanting to come to is a simplified what is the cost.

Mayor Newlands: I have that.

Councilman Lester: Salary, plus FICA, Medicare, Health Insurance, etc., and you come to a bottom line.

Mayor Newlands: And the pensions.

Councilman Lester: Yes, all the out of pocket expenses.

Councilwoman Jones: Though I must say I appreciate, I just cannot keep up with this...

Councilman Booros: Well this one sheet gives us the projections for next year if everyone gets a COLA and a 5% raise. It's all that same information with the raises.

Mayor Newlands: Right, that's a good sheet to have. How do you want to proceed for Thursday night? Do we need this information sheet anymore for Thursday night? It's not going to change. Yes.

Captain Cornwell: Mr. Mayor, when you do the pension part, I know that the town has 13% for police, however, can you show what the actual town pays per individual for pension; because we get a set amount, a quarter percent of one percent that comes in, that comes from the State, that the Town applies towards their amount, so the town's not actually paying 13%, they're paying whatever the balance is from the State and I think last year it was \$4,600 per officer, so if the pension part of the town was \$7,300, or \$7,200, then the town was only paying \$2,200, instead of minus the amount that they get from the State.

Mayor Newlands: Actually, I think it's less than that.

Councilman Booros: Could you put that amount in a separate column down on the end, just

where the Police Department is concerned, so the taxpayers what they're paying in State taxes for those officer's pensions, not just town taxes, but State taxes?

Mayor Newlands: It is. Well it's on the Revenue and Expenditure Report, how much we get in for that.

Councilman Booros: I mean on your spreadsheet that you've got the simple spreadsheet going across, could you have one extra column under the police to show what each one of their portion the State's given back?

Mayor Newlands: I have a separate column for all employee's with the State... Do you mean what they're getting back?

Councilman Booros: What the State's reimbursing us for.

Mayor Newlands: Oh, okay. Okay.

Councilman Booros: That is an expense of that officer, whether it's town taxes or State taxes. The people in this town are paying for it.

Mayor Newlands: Oh yes.

Councilman Booros: I would like to see it.

Mayor Newlands: Actually, it's 14.75% for the pension now, not 13%. That's gone up.

Captain Cornwell: That's actually not tax money, that's insurance money, not tax money that comes in. All insurance policies in the State of Delaware, it was set up for police and fire that a quarter of one percent of all insurance policies, not taxes, were taken and put towards retirement for the fire and police, so it has nothing to do with taxes. It's not anybody's taxes. It deals with insurance.

Councilman Booros: So it's a percentage of my car insurance and a percentage of my homeowner's insurance and a percentage of...

Captain Cornwell: And the same thing that I pay everything, everybody pays a percentage of the taxes, a quarter of one percent goes to both the police and the fire department, so your volunteer firemen also get a retirement out of this, also.

Mayor Newlands: Is the amount based on number of officers, or how much we pay in pension?

Captain Cornwell: They take a tally of number of officers every year and based on that number of officers that we have that year, that's how much they give us for each officer.

Mayor Newlands: Is anything based on salary, at all?

Captain Cornwell: No, it's not based on salary, it's on number of officers.

Mayor Newlands: Okay. Hang on a second. I can't give it to you based on officers, but just totals.

Councilman Booros: That's fine.

Mayor Newlands: I mean, we pay out so far this year we paid...

Councilman Booros: Well it's an equal amount based on every officer, then that's not rocket science to figure if you have 13 officers and here's the amount they give us, you divide it by 13. It's not based on their salary. It's based on the number of officers.

Mayor Newlands: But it has no bearing... It's \$41,000 that we get back.

Councilman Booros: Divided by 13, so it's a benefit to each one of those officers.

Mayor Newlands: By 11.

Councilman Booros: By 11.

Mayor Newlands: It's a benefit to town, not the officers, it's a benefit to town.

Captain Cornwell: Actually that \$41,000 was based on line officers at the time, so when we get through this year, they'll base it on the 11 officers for the money that will go in for that next year.

Mayor Newlands: Okay. Because we pay out like, right now we're at \$53,000, so we get back a good percentage of it.

Councilwoman Jones: I wanted to go back to this sheet, if I may, with Mr. Abbott just a

moment. The first \* at the bottom says contract details. I just want to be able to understand this. Now we have the list of the employees and their current annual. Then we have what that current annual would become at 3% and is that the increase in both pension and the health insurance reflected on that 3%; those next two columns? And that's it done again at 5%.

Mayor Newlands: Insurance wouldn't change. Insurance is based on what we get charged, not based on salary. Pension is based on salary, not insurance.

Win Abbott: Councilwoman Jones, I'll go back and check the formulas for that.

Councilwoman Jones: No, no, no. I'm just asking you, the pension...

Win Abbott: I don't recall at this point.

Councilwoman Jones: Okay. Alright.

Councilman Lester: Mr. Mayor, I'm just looking at the first person under Code, on the same page, and the health insurance is coming out to be \$12,638, when on the health insurance expense sheet, it's like \$4,751 that employee's share.

Mayor Newlands: Where do you see... Oh, okay, the health insurance expense sheet.

Councilman Lester: Yes. So I'm not sure that the \$12,000 is probably a total health insurance cost.

Mayor Newlands: That's an annual one, yes. That's just health, not life insurance, right? Yes, I see there's a difference. No, if you look over to the right, that's... On that same person, the \$12,638, the numbers are the same. It's increased by 1.4%. You have to go to the last column, that's including the rate increase.

Councilwoman Jones: Say that again.

Mayor Newlands: It looks like it's including the rate increase.

Councilwoman Jones: That's at the far right would now be we're up to the 8%.

Mayor Newlands: No, no, no. We're talking about health insurance.

Councilwoman Jones: Okay.

Councilman Booros: That does have the increase in it.

Councilwoman Jones: Oh, the health insurance page.

Mayor Newlands: And I had a different figure that I handed that. I think it was \$2,000 difference for Code. Because the numbers I was given were different.

Councilman Lester: So for the same person we go along the line; I'm not sure what this... there's a column that just says Insurance and it says \$42,000, which is close to the number that first worksheet had some really odd numbers, \$42,000 for the employee's portion.

Mayor Newlands: I think that... Do you see that Win, the Insurance column...

Councilman Lester: The Insurance column and go down to Code.

Mayor Newlands: I think that has your same math error in it that didn't get fixed.

Councilman Lester: Yes.

Mayor Newlands: Because that was the problem we had before was \$42,000 for some of these people. Even about 3 or 4 columns to the left of that's got the same \$42,000 in it. It looks like it was only fixed in one place.

Councilman Lester: Yes. This whole thing needs to be corrected.

Mayor Newlands: Yes. We have a recruit making \$80,000 according to this. He would love to, I'm sure.

Councilman Lester: Because I took a quick look at this and I thought to myself, Robin's going to get maybe a \$1,300 or \$1,400 increase at 3% and then he's going to pay \$1,600 in health insurance. But it won't be quite that much, but it's going to be steep.

Mayor Newlands: Just on percentages alone, you do that math, yes. They haven't had raises in five years and they're still going to fall behind. The health insurance is going to kill them.

Councilman Lester: Yes, this health insurance is going to hurt and we have to take that into account.

Mayor Newlands: Yes. What do we need to see on Thursday night?

Councilman Lester: See this sheet corrected, if we can.

Mayor Newlands: Right and I'll put out the other wage sheet.

Councilwoman Jones: I would like to see some details in some line items, just as we had asked for last year, that just don't make much sense without them. I guess I can keep referring back to the original book, but when it comes to police just...

Mayor Newlands: We'll put the SALLIE, the EDIE, we'll put all those grants in.

Councilwoman Jones: No, no, when I talk about details, I mean we are this year up to, I believe, \$12,000 for training and it would be nice to know what that represents and if a document has been presented with that itemized list, then perhaps that can be shared.

Mayor Newlands: That was shared with the Finance Committee, wasn't it? That was already shared with the Finance Committee.

Councilman Booros: I was in that meeting and I think the exact words Councilman Lester used to the Chief was, Kristy can't we drop that out of the master file into a spreadsheet and add three columns so that he can give us more detail on those expenditures; and we never saw the additional detail on those expenditures. I think that it says it in the minutes, for that particular meeting.

Mayor Newlands: You just want this on training?

Councilman Booros: No, it was on a lot of things under the police budget, where the Committee asked for additional details and I never saw it.

Mayor Newlands: Well they haven't had a meeting since.

Councilman Booros: They've had 2 meetings, 3 meetings since, Sir. Three, since that particular meeting that I sat in back in May, maybe.

Mayor Newlands: Well the July meeting he presented... Wasn't that accepted by the Finance Committee, what was given out in July? The July 19<sup>th</sup> meeting.

Mike Cote: No. My recollection was that at the first meeting I think it was training and equipment repairs, there were... The spreadsheets were a little unclear as to what made up the two \$12,000 line items and we thought we were going to get information. I think what he came back with was the actual expenses for this current year, for the auto maintenance and I'm not sure about the Training, but I don't remember seeing the details of what made up the two \$12,000; I think it's two \$12,000 items.

Mayor Newlands: I thought that you were satisfied. I'm sorry, I thought that was done. He presented it to the Committee, but that wasn't accepted by the Committee? At that second meeting, wasn't that...

Councilwoman Jones: I don't recall the information being detailed Mr. Mayor.

Mayor Newlands: I've seen it. I thought that was what was given out.

Mike Cote: What we received at the second meeting was the details of the actual expenses for at least one of those accounts for this year, but not a projection of... and it worked out that it looked like it was on track to be about \$12,000, but it wasn't the projection of what we were going to spend the \$12,000 for for the repairs.

Mayor Newlands: Okay.

Councilwoman Jones: Right.

Chief Phillips: I believe the third draft I handed out had all that in it, but I'll have to double check that.

Mike Cote: Oh. I only have two. I only have two drafts. If there's a third draft, I'm missing that and would like to see it, if it's available.

Mayor Newlands: Wasn't that the one you gave out on the 19<sup>th</sup>, the day you were on vacation?

Mike Cote: I think that was number two.

Chief Phillips: That was on August 15<sup>th</sup> when I handed that one out.

Councilwoman Jones: July 19<sup>th</sup> was the last Finance Committee prior to the first workshop of Council on the 26<sup>th</sup>.

Chief Phillips: Perhaps it didn't get handed out that day. That was the day the meeting was cut short and we do have a third draft right here, yes we do.

Mayor Newlands: Okay.

Mike Cote: I would like to look at that.

Mayor Newlands: Do you have enough copies?

Chief Phillips: Not right this second, but we can get them.

Mayor Newlands: Okay, we'll make sure they get emailed to everybody.

Chief Phillips: Right, we'll take care of that.

Mayor Newlands: I will update the spreadsheet with the couple of little changes we had. We've got to talk about whether we're going to do a new camera system, whether we're going to do a new server, so Thursday night we need to talk about that. When the recommendation on the server is we can get away with one more year. If we have something that breaks, it will just cost us a few more dollars to get Express Shipping, which is no big deal. The camera system, I think we already have a lot of the cameras in Town Hall, just updating them and putting newer cameras in and a newer system, I think we should do that. I mean, they are exchanging money and it is proof that somebody came in and paid us.

Councilman Lester: It's also a safety factor for the back door.

Councilman West: I've got a problem with the cameras and I always will.

Councilman Lester: Well, it provides a safety factor because the back door is opened.

Mayor Newlands: Right.

Councilman Lester: You could go to another step and make it look like a bank and there you have \_\_\_\_\_ glass.

Mayor Newlands: The banks took a lot of that out, for some reason. The banks took a lot of that out, I don't know why, but... Okay, any other questions? Okay, cool, 8:30 look at that. Thank you.