



TOWN OF MILTON

2014 Fiscal Year Budget

**Mayor Marion Jones
Vice Mayor John Booros
Councilman Emory West
Councilwoman Kristin Patterson
Councilman Michael Cote'
Councilman John Collier
Councilwoman Esthelda Parker-Selby**

TABLE OF CONTENTS

Letter of Transmittal

Revenue

Property Tax	Page 4
Realty Transfer Tax	Pages 5-6
Other Sources of Revenue (Fees and Fines, Fee Schedule)	Pages 6-7
Business & Rental Licenses	Page 8
Building Permits	Pages 8-10
Grants	Page 11-12

Expenditure

Administrative Department	Pages 13-15
Building and Code Enforcement	Page 16
Streets & Parks	Page 16
Police Department	Pages 16-17
General Department	Page 17
Water Department	Page 17

Budget Worksheets

Tab #1

Appendices

A – Debt, Schedule of Maturities and Sinking Fund	Tab #2
B – Building Permits, Business and Rental Licenses	Tab #3
C – Salary Schedule	Tab #4
D – Administrative Department Program Expenditures	Tab #5
E – Building & Code Department Program Expenditures	Tab #6
F – Streets Department Program Expenditures	Tab #7
G – Police Department Program Expenditures	Tab #8
H – General Department Program Expenditures	Tab #9
I – Water Department Program Expenditures	Tab #10

LETTER OF TRANSMITTAL

July 29, 2012

Mayor and Town Council:

The following budget for the fiscal year beginning October 1, 2013 has been prepared in accordance with the Charter of the Town of Milton, Section 18. It is a proposed budget and work program for the town (Sect. 18 (i)(4)). A recommendation of a salary schedule is provided for your consideration (Sect. 18 (i) (8)). The budget is an instrument of policy and, as such, service and policy needs are included as part of the budget narrative (Sect. 18 (i) (9)).

I offer my sincere thanks in gratitude to the dedicated staff that helped me to prepare this document. Our Senior Accounting Clerk, Mrs. Kristy Rogers was an invaluable assistant in this endeavor. The preparatory work of Mr. Robin Davis, Mr. Dustan Russum and the administrative staff of the Police Department were also integral to the compilation of this document.

The 2014 Fiscal Year Budget that follows is the product of departmental meetings and Finance Committee meetings. It has been submitted to Council not later than sixty days prior to the beginning of the next fiscal year. It includes a detailed estimate of expense of conducting each department and office for the ensuing fiscal year.

A statement of the amount of debt, schedule of maturities and amount required for a sinking fund has been noted, as well. Finally, an estimate of revenue to be received by all sources has been noted. This has been provided in accordance with the Town of Milton Charter, Section 28. Your thoughtful consideration is appreciated.

Respectfully,

Wilmer E. Abbott, IV.
Town Manager

REVENUE

Property Tax

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Luther Towers (in lieu of taxes) 200-4210	\$2,500	\$2,500	\$2,500	No change
Property Tax 200-4600	\$810,000	\$811,763	\$814,000	+\$4,000
Tax Interest rev 200-4605	\$7,600	\$5,000	\$5,200	-\$2,400
Interest Income 200-4905	\$4,500	\$4,000	\$4,000	-\$500

Property tax is the primary source of revenue for the Operating Budget. In accordance with Section 25 of the Charter of the Town of Milton, an assessment of the value of all property and improvements is conducted every ten years. The last assessment was conducted in 2010. The net value of current assessments, less exemptions, in town is \$337,000,400. The current property tax rate is .216 per \$100 of assessed value.

The 2013 FY Budget for property tax revenue is \$810,000. A closer examination reveals that billing for the same in 2013 was \$809,974. Differences between the calculated value (of net assessment x rate) and billing or collections may be attributed to adjustments, appeals and duplicated payments (both homeowner and mortgage bank pay).

The current assessment, times the rate, results in a property tax value of \$814,320. Approximately 4% of the property tax billed in a given year is not collected because of foreclosures, etc.

Not all improvements made to lands in the last year have been added to the assessment listing, though. There are known improvements that will have the effect of increasing the value of billing in FY 2014 (20.00-53.00 – 39 acres owned by Dogfish CVI LLC, for example). This particular improvement is expected to add approximately \$2,160 to the FY 2014 billing. The pace of construction at Heritage Creek and Waggamons West Shores continues at a rate exceeding twenty homes per year. Improvements for some homes in Heritage Creek are valued at \$289,000. A conservative estimate of \$250,000 for improvements, times the tax rate, with twenty homes added in a year, would add another \$10,800 to the aggregate property tax bill.

So, even though the \$814,000 value for property tax approaches 100% of the current billing, it is a conservative figure in light of the changes in assessment that are anticipated in the coming year.

Other Administrative Revenue

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Lien Certificates 200-4910	\$5,940	\$6,000	\$6,700	+\$760
Misc Rev				
Misc. Rev. Invoices only	\$1,500	-\$5,520	0	-\$1,500
Returned Check Fees		\$35		
Photocopies/Fax	\$250	\$375	\$250	No change

Lien Certificate Revenue is based on the service the Town provides for property settlements or refinance; the information provided is current and delinquent tax and utility balances. The fee is \$35.00 per request. On average, 16 are mailed out a month. The 2014 estimated Lien Certificate Revenue is \$6,700.00.

Realty Transfer Tax

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Transfer Tax 200-4960	\$157,500	\$170,000	\$174,000	+\$16,500
Transfer Tax Int 200-4945	0	\$350	\$350	+\$350

Title 22 of the Delaware Code empowers municipalities with the authority to collect a tax on all transfers of real property – not to exceed 1 ½% of the sale price. Funds realized through this tax and interest shall be segregated and used solely for the purpose of capital and operating costs of public safety, economic development, public works, capital improvements and debt reduction.

Month	2010 FY	2011 FY	2012 FY	2013 FY
October	23,996	21,456	15,082	26,368
November	21,373	27,645	25,795	15,835
December	12,028	6,900	18,595	23,981
January	5,212	7,458	0	16,440
February	19,289	6,439	16,489	12,540
March	12,509	4,821	32,073	7,959
April	12,126	13,079	45,496	0
May	31,652	10,077	18,623	14,745
June	26,379	8,587	16,842	17,269 est.
July	4,587	75,274	4,987	12,000 est.
August	Not listed	12,600	34,006	12,000 est.
September	Not listed	19,303	15,953	15,000 est.
Total	169,151	213,639	243,941	174,137 est.

Realty Transfer Tax, continued

Realty Transfer Taxes collected ytd on June 30, 2013 were \$129,792. A projection, based upon the fact that this represents the passage of 75% of the fiscal year, would put the estimated annual value at \$173,056. Averaging prior year activity (and deducting for a one-time event) would put the FY 2013 annual value at \$174,137.

Receipts in FY 2011 exceeded FY 2010 by 26%. Receipts in FY 2012 exceeded FY 2011 by 15% and the estimate of FY 2013 represents a 29% decline in receipts from FY 2012. The budgeted revenue from Realty Transfer Tax in FY 2014 of \$174,000 is a conservative figure, considering the four-year trend.

For management purposes, this category has been included in the Operating Budget. Funds, however, are segregated as directed in Section 1601(c) of Title 22 of the Delaware Code.

Franchise Fees

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Franchise Fees 200-4990	\$33,143	\$33,223	\$34,720	\$1,577
Subtotal Operating Rev.			\$1,041,720	

Franchise Fees are received from Comcast and Chesapeake Utilities. The current local tax rate for Comcast services is 3%. This rate is determined by a contract that extends through 2015. There is an opportunity to increase this rate. Any gains would not be realized until the next fiscal year.

Competition from satellite services has been offset by increased demand for high speed Internet service. The estimated revenue of \$34,720 is based upon the trend from 2013. The budgeted revenue represents a 5% increase, year-to-year.

Misc. Operating Revenue

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Fines 300-4800	\$42,000	\$36,000	\$32,500	-\$9,500
Fingerprinting/Report 300-4820	\$1,000	\$1,000	\$1,000	No change
Misc Rev Police 300-4925 & 4930	\$1,265	\$1,408	\$1,200	-\$65
National Night Out Donations 300-4935	\$1,500	\$1,500	\$1,500	No change

Misc. Operating Rev., continued

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Permit Fees Sewer 350-4200	\$13,000	\$13,000	\$13,000	No change
Sewer Impact Fees 350-4250	\$30,000	\$30,000	\$30,000	No change
Concert Donations 350-4935	\$9,500	\$10,000	\$9,500	No change
Tidewater Sewer Acct. Maint 350-4940	\$4,980	\$4,980	\$4,980	No change
Boat Dock Rental 600-4965	\$2,500	\$1,500	\$2,500	No change

Fine Revenue comes from Police Department patrol activity. There is a delay in the receipt of fines because payments are made through the Delaware court system. The \$42,000 figure budgeted for FY 2013 was based upon the expectation that the staff would be eleven officers – with two being dedicated to administrative tasks. The average production per officer, then, would be \$4,667. The current level of uniformed officers is seven (one on temporary leave).

If the Council directs the hiring of an officer that is already trained, as well as one recruit in the coming year, the patrol strength over the course of the year would be approximately seven. Using the prior year as a benchmark, the projection would be \$32,669. So, an estimate of \$32,500 was made for the FY 2014 Fine Revenue.

National Night Out donations are set aside for this event and are balanced by an equivalent expenditure. No changes are expected in this category.

The Sewer Impact Fee is paid by developers or purchasers of new homes on a per-house/equivalent dwelling unit basis. It is a common method to pay the long-term costs of capital improvements needed for the service. Under the terms of Tidewater Utilities' contract with the Town of Milton, this fee is then sent to the town as an installment payment on the purchase of the plant. The revenue called "account maintenance fee" is the value of our service to Tidewater. The town prepares water use data for Tidewater to calculate consumer sewer bills.

Boat Dock Rental fee collection in FY 2013 has been below expectations because of a delay in implementing needed revisions to the agreement between owners and the Town of Milton. This has been resolved. Signs that direct owners to Town Hall have been installed. This effort will be complimented by local advertising. The slips offer the potential for revenue in excess of \$6,000. The Fee Schedule (2013) details a \$150 per month rate for the April – September period and \$100 per month from October through March. Annual slip rental is \$1,200. The \$2,500 estimated revenue is a conservative figure.

Misc. Operating Rev., continued

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Code Violation Fees 650-4600	\$500	\$2,000	\$6,000	+\$5,500
Rental License Receipts 650-4604	\$61,000	\$61,600	\$61,000	No change
Business License Receipts 650-4605	\$45,000	\$45,000	\$50,000	+\$5,000
Building Permits 650-4607	\$100,000	\$100,000	\$116,000	+\$16,000
Misc. Fees Collected (re: Planning) 650-4608	\$1,200	\$6,500	\$4,000	+\$2,800
Prof. Fees, Legal 650-4610	\$9,900	\$6,000	\$9,000	-\$900
Prof. Fees, Consult 650-4611	\$1,100	0	\$1,100	No change
Prof. Fees, Engineer 650-4612	\$19,800	\$34,500	\$19,000	-\$800
Refund Prior Year Exp. 999-4999	0	\$258	0	No change
Overpayments 999-5999	0	-\$100	0	No change
Subtotal Misc Rev.	\$238,500		\$362,280	\$123,780

Code Violation Fees are projected to increase because the discrepancies between the Fee Schedule and Municipal Code violation costs have been reconciled. The estimated revenue for each property maintenance violation is \$250. The FY 2014 budget represents 24 citations at that rate. To date, approximately 50 certified letters have been sent – regarding the same. A contract relationship with a service provider has been established. There will be some increase in cost. Continued enforcement, however, will very likely result in \$6,000 of revenue for these violations in FY 2014.

It is believed that the town has achieved the maximum amount of rental license compliance. The completion of a comparison between State of Delaware business licenses (registered to an in-town address) and town business licenses will soon be complete. This should result in an increase for the business license category. License fees vary by the type of license. The \$5,000 increase is representative of an additional 100 licenses of the most common type.

Revenue from legal, consulting and engineering fees is estimated at 90% of the town's cost for these services – as they relate to developer-driven activities (a reimbursement, only).

Misc. Operating Rev., continued

Construction activity is increasing. A change in the method of valuing projects will likely result in higher calculation for building permits in FY 2014. The current method uses a builder's reference that was published in late 2005. Each component of a project is given a (2006) value. The values are added, and then multiplied by the rate described in the Fee Schedule. The rates are: \$0 for a permit on a project valued at less than \$300, \$30 for projects valued from \$300 to \$3,000 and 1% of the value of projects that exceed \$3,000.

This method is time-consuming and the values have little relevance to current costs. The Consumer Price Index for the Philadelphia-Delaware Metropolitan Statistical area in December 2005 (approximate publish date for value reference) was 204.9. In June of 2013, it was 240.99. This represents an increase of 18% in the cost of goods and services during this period.

**CONSUMER PRICE INDEX
PHIL-DEL METROPOLITAN STATISTICAL AREA**

Year	J a n	Feb	M a r	Apr	M a y	Jun	Aug	S e p	Oct	N o v	Dec	Annual
2003		186.6		187.2		189.7		191.1		190.3		188.8
2004		191.4		194.8		198.0		199.1		200.2		196.5
2005		200.1		203.3		204.8		206.6		207.5		204.2
2006		209.0		211.6		213.9		216.4		211.6		212.1
2007		213.152		215.270		217.255		218.692		218.929		216.743
2008		220.935		223.622		228.408		228.337		225.113		224.131
2009		220.262		221.686		223.810		226.039		224.787		223.288
2010		226.529		227.432		228.074		228.500		228.543		227.715
2011		230.878		233.143		234.463		236.196		235.440		233.809
2012		235.857		237.782		237.405		239.557		240.537		238.097
2013		240.137		240.345		240.990						

If the two large Dogfish Head projects are taken out of the prior year's data and the projects over \$3,000 have fees calculated using the current cost, the estimated revenue would increase by \$27,452 with reference to the FY 2013 budget for this revenue category (see table on next page).

Building Permit Revenue (using the 2005 values for calc.) for the current and prior years is: FY 2010 - \$101,070, FY 2011 - \$44,677, FY 2012 - \$189,750, FY 2013 - \$115,500 (est. by trend). Plans for another substantial Dogfish Head project are known. A start date for this project is not known.

Milton's second-largest manufacturer is expected to make improvements to its facilities in the next year, as well.

Misc. Operating Rev., continued

In November 2012, the Delaware Economic Development Office Council on Development Finance unanimously approved a request for \$260,440 from the Delaware Strategic Fund, from Atlantis Industries, to expand its Milton operations. Of this amount, \$70,440 has been dedicated to capital expenditures. In May 2013, the Sussex County Council approved a grant of \$44,800 to be awarded to Atlantis Industries as a \$800 per job (added to the base employment) incentive.

**PRIOR 12 MONTHS' PERMIT ACTIVITY
WITH LARGE DFH PROJECTS SUBTRACTED**

<u>Month</u>	<u>Fees Calc. by %</u>	<u>Inflation Adj.</u>	<u>Adj. Total</u>	<u>Flat Rate Fees</u>	<u>Total</u>
Oct '12	6090.83	1.18	7187.1794	60	7247.179
Nov '12	241	1.18	284.38	120	404.38
Dec '12	7066.8	1.18	8338.824	60	8398.824
Jan '13	693.51	1.18	818.3418	30	848.3418
Feb '13	2288.6	1.18	2700.548	0	2700.548
March '13	10362.31	1.18	12227.5258	120	12347.53
April '13	7129.53	1.18	8412.8454	240	8652.845
May '13	21268.23	1.18	25096.5114	180	25276.51
June '12	11673.8	1.18	13775.084	120	13895.08
July '12	2360.95	1.18	2785.921	60	2845.921
Aug '12	28826.48	1.18	34015.2464	180	34195.25
Sept '12	9,016.64	1.18	10639.6352	0	10639.64
					127452

Removed from calculation:

Sept 2012 Dogfish Properties, LLC	69,016
Nov 2012 Dogfish Properties, LLC	27,585
Total Adjustments	96,601

The current pace of new housing construction and indications from our manufacturing sector support a building permit revenue projection that is equivalent or greater than was budgeted in FY 2013. The change in the methodology of calculating fees requires no change to the Fee Schedule. The estimated increase of \$27,452 for Building Permit revenue is not fully reflected in the Draft Budget. The Draft Budget shows a \$16,000 increase over the prior year budget.

The Code Department has a revenue class that has little or no effect upon the "net" revenue to the Operating Budget. This generally comes from developers that have been billed for professional services related to their development projects.

Grant Revenue

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Grant Receipts Legislators 250-4510	23,000	0	0	-\$23,000
Grant Rec. MSA Street Repair 250-4520	\$12,672	\$12,672	\$14,369	No change
Grant Rec. MSA Street Lighting 250-4525	\$50,590	\$50,590	\$50,590	No change
Grant rec. MSA Interest Revenue 250-4530	\$50	\$24	0	
Grant Rec. Police Sussex County 300-4520	\$25,000	\$25,000	\$25,000	No change
Grant rec. Police Violent Crimes 300-4540	\$18,973	\$18,973	\$14,000	-\$4,973
Grant Rec. Police EDIE 300-4560	\$4,100	\$4,100	\$3,889	-\$211
Grant Rec. Police Highway Safety 300-4570	\$13,000	\$12,000	\$10,000	-\$3,000
Grant Rec. Police Pension 300-4580	\$42,000	\$48,000	\$42,000	No change
Grant Rec. State Aid to Local Law Enf. 300-4610	\$5,120	\$5,120	\$4,713	-\$407
Grant Rec. Parks 600-4520				
Grant Rec. Other xxx-xxxx			\$30,607.00	
Subtotal Grant Rec.	\$194,455		\$195,168.00	\$713

The first line item in this group "Grant Receipts Legislators" refers to supplemental funding received from our State Senator and Representative for the completion of a paving project in Shipbuilders Village. The last line item "Grant Rec. Other" anticipates \$10,000 for signs in Cannery Village from the same source. This funding is not yet confirmed.

Grant Revenue, cont.

The remaining \$20,607 amount within the "other" category includes confirmed amounts from the US Department of Agriculture Rural Business Enterprise Grant for directional/attraction signs and the Historic Preservation inventory/assessment grant.

The Town of Milton could greatly enhance its Capital Improvements Program through the creation of plans for the rehabilitation of streets and sidewalks. A list of projects and estimated costs is in an Appendix to this document.

The costs for these projects could be greatly diminished through the effective use of the Community Transportation Fund (CTF). A description of the CTF and its FY 2014 funding level is within the same appendix section.

Funding for this grant program comes through the annual Bond Bill and the level of funding in FY 2014 remains the same as it was in FY 2013. Based upon an equal division of each chamber of Legislature and a similar division among the members of each body, the funding available to each Senator is approximately \$398,000 and each Representative is \$204,000. Each local State Legislator must balance the interests of several constituencies. But, preparation and effective lobbying for projects in Milton could have a significant impact on our Capital Improvements Program.

The "MSA" categories within Grant Revenue refer to the Municipal Street Aid Fund (MSAF). This is another part of the State Bond Bill and the level of funding has not changed this year. A restriction to use a portion of the funds exclusively for paving projects was removed for FY 2014. The planned expenditures for the Town of Milton (to include paving) has not changed, though. There is \$14,369 in the Capital Budget for this purpose.

The anticipated revenue for Police Department grants has changed. The change is an estimate that is based upon the State of Delaware increase of approximately 10% for these programs – less the impact of a reduction in personnel (from 11 officers to 9). The actual value of State Aid to Local Law Enforcement (SALLE), Drug Enforcement (EDIE), Violent Crimes and Highway Safety grants may be known in August.

The Police Pension grant cannot be predicted by way of an application or legislative act. It is an outcome that is based upon the market for insurance. State revenue from a tax on insurance is allocated to agencies, based upon the number of uniformed officers in the entire state – and within each department. The figure used for budgeting is an estimate based upon history and anticipated staffing levels.

The General Fund Revenue Total is budgeted to be \$1,599,168. This is a 2% increase over the prior year. Projected Revenue increases are not the result of any change in the rate for taxes or fees that would be subject to an act of Council.

EXPENDITURE

Administrative Department

As with all departments, Payroll-related expenditures are the defining element of the Administrative Department. Salaries and benefits, however, are allocated between this department and the Water Department. This had the effect of diminishing salary expenses for this department – beginning in FY 2012. A shift of expenses from “Temporary Labor” to Admin Salaries (changing our Transcriptionist from a contract laborer to regular part-time employee) in 2013 has had the effect of increasing this line item.

Payroll-related expenditures for this department are:

Description	2013 FY Budget	Est. Year-End \$	2014 FY Proposed	Budgeted Change
Admin Salaries 200-5100	\$100,165.50	\$98,826.00	\$115,381	\$15,216
Council Salaries 200-5101	\$4,380.00	\$5,000.00	\$5,670.00	\$1,290
Admin Overtime 200-5110	\$200.00	\$100.00	\$200.00	No change
Payroll tax FICA 200-5141	\$5,798.01	\$6,333.00	\$7,166.02	\$1,837.73
Payroll tax Medicare 200-5145	\$1,355.99	\$1,482.08	\$1,675.92	\$429.79
Council FICA 200-5141	\$271.56	\$357.53	\$351.54	\$79.98
Council Medicare 200-5145	\$63.51	\$83.61	\$82.22	\$18.71
Empl. Health Ins. 200-5150	\$3,309.65	\$2,983.69	\$6,146.00	\$2,836.35
Admin Pension 200-5160	\$6,396.51	\$6,216.87	\$6,777.00	\$380.49

Administrative Salaries are calculated with an existing rate of pay – with the exception of the January promotion of our Senior Accounting Clerk to the position of Municipal Clerk. The minimal 5% increase for a change in grade has been incorporated. A part-time (12 hours per week at \$12 per hour) receptionist has been added for the period from late January until the end of the fiscal year. The value of the employee Christmas Bonus (in existence for several years) of \$125 per person has been included in the Administrative, Streets, Police and Code Departments. Employer paid FICA and Medicare taxes for each of these departments has been calculated with the same.

Employees pay 30% of the cost for health insurance. Premiums for health insurance are expected to increase by 13% in the next fiscal year. The increased cost for this line item is based upon the rate increase and current staff participation in the program.

Administrative Department, cont.

Description	2013 Budget	2013 Est. Year-End	2014 Proposed	Budgeted Change
Accounting	\$31,000.00	\$25,500.00	\$18,000.00	-\$13,000
Engineering	\$0	\$1,090.00	\$1,000.00	\$1,000
Legal	\$23,000	\$35,200.00	\$32,000.00	\$9,000
Temporary Labor	\$750.75	\$750.75	\$1,000.00	\$4,199.25
Tax Assessment	\$13,000	\$10,850.00	\$13,000.00	No Change
Software Upgrade	\$2,500	\$2,500	\$2,423.50	-\$76.50
Supplies	\$5,000	\$5,000	\$5,000	No Change
Advertising	\$1,000	\$1,700.00	\$1,000.00	No Change
Holiday Expense	\$225.00	\$402.00	\$250.00	\$25
Holiday Lights	\$2,000.00	\$2,357.20	\$2,500.00	\$500.00
Dues & Subscriptions	\$1,700.00	\$1,700.00	\$1,700.00	No change
Training & Seminars	\$2,000.00	\$1,000.00	\$4,000.00	+\$2,000.00
Meetings	\$1,200.00	\$1,200.00	\$1,200.00	No Change
Election Expense	\$3,500.00	\$2,709.00	\$3,000.00	-\$500
Town Insurance	\$20,500.00	\$24,900.00	\$25,000.00	\$4,500.00
Mileage Expense	\$1,200.00	\$1,700.00	\$2,000.00	\$800
Misc. Operating	\$350.00	\$1,782.00	\$350.00	No Change
Town Manager Expense	\$500.00	\$500.00	\$500.00	No Change
Printing & Postage	\$4,500.00	\$3,350.00	\$4,500.00	No Change
Repairs & Maint. Building	\$5,500.00	\$5,000.00	\$5,500.00	No Change
Repairs & Maint. Equipment	\$15,900.00	\$15,400.00	\$15,400.00	-\$500
Telephone	\$4,500.00	\$4,400.00	\$4,500.00	No Change
Utilities	\$6,000.00	\$6,000.00	\$6,000.00	No Change
Heating Fuel	\$700.00	\$250.00	\$600.00	-\$100
Web Site Exp.	\$800.000	\$1,000.00	\$300.00	-\$500
Payroll Processing	\$6,200.00	\$6,200.00	\$6,200.00	No Change
Bank Fees	\$2,000.00	\$2,000.00	\$2,000.00	No Change
Edmunds Software license	\$6,458.00	\$6,458.00	\$6,458.00	No Change
Code Book	\$6,500.00	\$5,000.00	\$3,200.00	-\$3,300

Administrative Department, cont.

The Administrative Department expenditure highlights are as follows:

- Accounting expenses relate to our contracted audit service (\$18,000)
- The increase in legal services follow the monthly trend in 2013. A re-negotiation of our cable franchise will require additional fees in 2014, though. Even the increase proposed for FY 2014 will not be enough if there is little control over who may trigger a charge to the Town of Milton. A policy that establishes exactly who may contact our attorney, and under what conditions, is necessary.
- Temporary Labor has been increased because of an expected absence for maternity leave.
- In 2013, the Microsoft Office suite for all computers in the Town Hall was upgraded from the 2005 version to the 2010 version. A similar upgrade of the Windows operating system is required for 2014.
- Training and seminars has been increased because the Town Manager's training at no expense cannot be repeated every year. In 2013, the Town Manager received training at little or no expense through Delaware Technical & Community College (Base Level Water Operator) and the Emergency Management Institute (Hurricane Preparedness & Response). Attendance at the Annual Conference of the International City/County Managers Association is necessary to achieve Credentialed Manager certification. The Senior Accounting Clerk has, likewise, taken advantage of several one-day seminars. More training in the area of Human Resources may greatly diminish the town's exposure to employment practices lawsuits. Information about training is included in the Administrative Department Program appendix.
- Insurance includes policies for Property, Crime, equipment, General Liability, Public Officials, Employment Practices, Workers Compensation and Bonds (for check signers).
- Repairs & Maintenance of the building is primarily driven by the weekly cleaning contract. There are other sundry expenses for repairs and supplies.
- Repair & Maintenance of Equipment consists of contract costs for the copier lease (\$7,140 per year), the security system (\$2,040 per year) and information technology services (\$4,908 per year).
- Town Hall telephone expenses are for five land lines, a fax line and a cell phone for the Mayor (Verizon - \$3,600 and Verizon Wireless - \$900).
- The Town web site is now maintained by the State of Delaware at no charge. Hosting e-mail service will cost \$300 per year.
- Payroll processing is through Paychex. Quarterly and annual tax reports are also provided through this service.
- Bank Fees are associated with the cost for the Sussex County recorder of Deeds to process deeds prior to the town receiving their share of the Realty Transfer Tax. The cost is 1% of the fee collected and is billed monthly.
- Edmunds is our accounting software. The charge is an annual fee for licensing and software support.
- The Town of Milton maintains a record of its ordinances through a service called Municipal Code (www.ecode360.com). The cost is an estimate based upon 2013 activity – which was less than 2012 when code updates for prior years had been neglected.
- Appendix D details the scope of a capital expenditure to replace the phone system

Code Department

The Code Department Expenditure highlights are as follows:

- A Client Relationship Management (CRM) program with three “seats” is proposed. This will enable us to document steps in the process of opening a business, etc. It will also allow for the Town Manager to get regular reports of this activity.
- Additional information may be found in Appendix E

Streets & Parks Departments

The Streets & Parks Departments’ expenditure highlights are as follows:

- A review of manpower requirements has caused an adjustment in the allocation of labor expenses. Streets salaries have been diminished – while Parks has increased.
- Additional details related to street and sign capital improvements may be found in the Appendix F

Police Department

The Police Department expenditure highlights are as follows:

- There is a line item for signs in Cannery Village within this department. It is partially offset by the expectation of a grant from one of our legislators.
- It is highly likely that the Police Department will hire two new recruits that may begin a 22 week academy in October.
- Market demands warrant a base salary adjustment. The proposed adjustment is weighted to the lowest tier of officer.
- A proposed schedule includes 24 hour coverage on a 28 day schedule. During this period, 171 working hours are allowed before overtime must be paid.
- The estimate of annual salaries and overtime results from the following:
 1. The attached schedule shows six patrol officers and two officers that serve primarily in an administrative function.
 2. There are 5.5 28-day periods in 22 weeks. The number of regular hours in this period, per patrol officer, is 171. There are 21 overtime hours for each in the period.
 3. When the officers are out of the academy, the total share of overtime hours will change. The estimate is subject to amendment with field training requirements.
 4. The Highway Safety grant provides an extra opportunity to be flexible with overtime hours.

Payroll Expenses During Academy

<u>POSITION</u>	<u>RATE</u>	<u>Increase</u>	<u>REG HRS</u>	<u>Pay</u>	<u>OT HRS</u>	<u>Rate</u>	<u>Pay</u>	<u>TOTAL HRS</u>	<u>Total</u>
Chief	31.445	1	880	27671.6				880	27671.6
Captain	25.953	1	880	22838.64	44	38.9295	1712.898	880	24551.538
Admin	14.451	1	880	12716.88	0	21.6765	0	880	12716.88
B1	21.537	1.03	940.5	20863.215	115.5	33.274665	3843.2238	1056	24706.439
B2	21.543	1.03	940.5	20869.027	115.5	33.283935	3844.2945	1056	24713.322
C1	19.358	1.03	940.5	18752.385	115.5	29.90811	3454.3867	1056	22206.772
C2	16.068	1.03	940.5	15565.313	115.5	24.82506	2867.2944	1056	18432.607
D1	15.3	1.07	940.5	15396.926	115.5	24.5565	2836.2758	1056	18233.201
Recruit	15.3	1	880	13464	0	22.95	0	880	13464
Recruit	15.3	1	880	13464	0	22.95	0	880	13464

Total 181601.99 18558.373 200160.36
Police Department, continued

Payroll Expenses After Academy, through Sept 30

<u>POSITION</u>	<u>RATE</u>	<u>Increase</u>	<u>REG HRS</u>	<u>Pay</u>	<u>OT HRS</u>	<u>Rate</u>	<u>Pay</u>	<u>TOTAL HRS</u>	<u>Total</u>
Chief	31.445	1	1200	37734				880	37734
Captain	25.953	1	1200	31143.6	60	38.9295	2335.77	880	33479.37
Admin	14.451	1	1200	17341.2	0	21.6765	0	1200	17341.2
B1	21.537	1.03	1282.5	28449.839	119	33.274665	3959.6851	1056	32409.524
B2	21.543	1.03	1282.5	28457.764	119	33.283935	3960.7883	1056	32418.553
C1	19.358	1.03	1282.5	25571.434	119	29.90811	3559.0651	1056	29130.499
C2	16.068	1.03	1282.5	21225.426	119	24.82506	2954.1821	1056	24179.608
D1	15.3	1.07	1282.5	20995.808	119	24.5565	2922.2235	1056	23918.031
Recruit	15.3	1	1282.5	19622.25	119	22.95	2731.05	880	22353.3
Recruit	15.3	1	1282.5	19622.25	119	22.95	2731.05	880	22353.3
Total				250163.57			25153.814		275317.38

Annual Salaries 431765.6
 Annual Reg Overtime 43712.19
 Holiday Overtime 15,600
 Reimbursed Overtime 13,000
 Total Payroll 504,078

- Additional detail regarding Operating and proposed Capital expenditures may be found in Appendix G

General Department

The General Department Expenditure highlights are as follows:

- The Economic Development Committee has submitted a Budget request for \$10,000. The Town Manager's Draft Budget shows \$15,700. Of this, \$14,700 is earmarked for signs that are fully paid with a grant from the USDA.
- Additional information about proposed expenditures may be found in Appendix H

Water Department

- A new requirement for lead-free components will drive costs in this department.
- Additional details regarding projects, both proposed and considered, may be found in Appendix I