

Town of Milton  
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[www.milton.delaware.gov](http://www.milton.delaware.gov)

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To: Mayor and Council  
From: Kristy Rogers, Town Clerk  
RE: Proposed Budget – Fiscal Year 2017  
Administrative (200-) and General (350-) Departments

To follow is a brief summary of the projected Administrative/General revenues and proposed budget.

*Administrative and General Revenue:*

G/L Account #200-4210

Luther Tower In Lieu of Taxes: On an annual basis, Luther Towers is invoiced \$2,500.00 for property tax.

G/L Account #200-4600

Property Tax Revenue: Property Tax is the main source of General Fund revenue. Based on the current tax assessment, Land Value is \$228,557,000; Improvement Value is \$272,372,400; Exempt Value is \$84,557,800. The total taxable assessed value is \$416,371,600. As of June 30, 2016, the 2016 billable property tax is \$999,292. With considering the 25 new residences built in 2016, an additional \$12,000 is estimated in property tax for fiscal year 2017. The total annual property tax revenue is estimated at \$1,011,292.

G/L Account #200-4605

Tax Interest Revenue: Reviewing property tax collections as of June 30, 2016, 10.5% are uncollected. Tax Interest Revenue is estimated at \$20,000. Interest of 2% and penalty of 2% is charged to each delinquent account on a monthly basis.

G/L Account #200-4905

Interest Income: Interest income is received on the monthly balances of interest earning bank accounts.

G/L Account #200-4910

Lien Certificate Revenue: Lien Certificate Revenue is based on the service provided by the Town for property settlements or refinance; the information provided is current and delinquent tax and utility balances, along with outstanding code violations, permit fees, or miscellaneous accounts receivable items. The fee is \$35.00 per request or \$85.00 if the Accounting Clerk receives the request with less than 5 days' notice of the settlement/refinance. On average and in line with previous years' revenue totals, 16 are completed a month. The 2017 estimated Lien Certificate Revenue remains \$6,700.

G/L Account #200-4945 and #200-4960

Another large source of revenue in the administrative department is Realty Transfer Tax (RTT). RTT is 1 ½ % of realty sales price. In the past, the revenue adopted for this line item has not been the projected earned amount, but rather the amount to be used from this source of revenue to fund such items as Public Safety, and Capital Improvements (being two examples of qualified expenses

allowable under Title 22 of the Delaware Code). For fiscal year 2017, \$110,000 is the revenue amount included in the budget.

Transfer Tax Interest Income: Transfer Tax must be segregated in a separate bank account, it may be interest bearing.

G/L Account #200-4990

Franchise Fees: Franchise Fees are those received from Comcast and Chesapeake Utilities. Franchise fees are based upon customer subscriptions.

G/L Account #350-4200, #350-4250, #350-4935 and #350-4940

Permit Fees – Sewer: Sewer Permit fees are based on \$650.00 per new residential building permit; it's estimated that 30 new residential units will be built during fiscal year 2017.

Sewer Impact Fees from Tidewater: Sewer Impact Fees are paid to Tidewater Utilities by the developer for each new residential construction unit. On a quarterly basis, Tidewater remits \$1,500 to the Town of Milton per residential permit issued. This revenue line is also projected based on 30 new residential units.

Concert – Donations: Concert donations are offset by the amount paid to concert performers. Donations and expenses remain the same as 2016.

Tidewater Sewer Account Maintenance: Under the terms of the Tidewater Utilities agreement with the Town of Milton, the Tidewater Sewer Account Maintenance fee is invoiced on a quarterly basis, in the amount of \$1,245.00, after the utility billing has been processed. If the proposed MOU is agreed to by Tidewater, the fiscal year 2017 revenue will increase \$3,000, totaling \$7,980.00.

#### *Administrative and General Budget:*

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G/L Account #200-5100 through 200-5160

Salaries and Wages: The proposed amount is \$133,200. The budgeted amount represents the current employees' allocated wage amounts for the administrative department, including the Town Manager at the same salary discussed in the fiscal year 2016 council meetings. Current employed positions are Town Clerk, Accounting Clerk, and Office Assistant / Receptionist. Council salaries are based upon estimating 24 meetings for the upcoming fiscal year. Social security (6.2%) and Medicare (1.45%) payroll taxes remain unchanged; payroll taxes are based on the wage amounts times the tax percentage. Employee benefits represents 70% of the health insurance premium paid by the Town and 100% of the life insurance premiums. Administrative pension expense is based on the State of Delaware rates effective each July 1<sup>st</sup>; the fiscal year 2017 rate is 6.76%.

Within the department salary line items, \$200 per employee is included for distribution of a holiday bonus and a 3% pool of funds for performance evaluation increases.

G/L Account #200-5200

Accounting Fees: For fiscal year 2017, the accounting fees are based on the Council approved PKS audit contract, which was approved in April 2016 in the amount of \$19,469.

G/L Account #200-5215

Consulting Fees – Comprehensive Plan: Funds dedicated to completing the 2020 Comprehensive Plan update.

G/L Account #200-5220

Engineering Fees: Funds budgeted for Administrative use for code reviews, title searches, surveys, and other projects or tasks needing engineering services.

There are several projects preliminarily being discussed among the department supervisors and council; these engineering fees may be expended to assist in planning/concept renderings. For example: sidewalk repairs, expansion of Governor's Walk, expansion of Rails to Trails, and street paving, and downtown flooding.

G/L Account #200-5240

Legal Fees: Legal fees are an estimate, based upon previous years.

G/L Account #200-5250

Temporary Labor: Same amount as FY16.

G/L Accounts #200-5260

Tax Assessment: PTA DelVal is the tax assessment firm for the Town of Milton. We are invoiced, as contracted, on a quarterly basis for maintenance of the accounts and any additional assessments that are performed during the quarter for issued building permits. The base quarterly fee is \$3,252; \$1,500 is being budgeted for new home assessments (each new home is \$50.00, based on 30 new homes); an additional amount of \$750 for possible addition, demolition, and commercial assessments.

G/L Account #200-5280

Supplies: The administrative budget line for supplies consist of paper, pens, highlighters, paperclips, binder clips, binders, paper towels, toilet paper, soap, trash bags, printer ink, etc.

G/L Account #200-5300

Advertising: Advertising expenses cover public notices for hearings relating to Ordinances, and Community Development Block Grant, invitations to bid, and employment.

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G/L Account #200-5310

Holiday Expense: Holiday expenses are those for Town Hall Christmas decorations and an employee luncheon.

G/L Account #200-5320

Holiday Lights: Holiday lights expense consists of costs relating to the Delmarva Power street light bills, lights in the Park, additional costs for hanging the lights, and replacing bulbs and bows as needed.

G/L Account #200-5340

Dues and Subscriptions: Administrative dues cover expenses for notary fees, Milton Chamber of Commerce, Delaware Municipal Clerks Association, International Institute of Municipal Clerks, Cape Gazette, Delaware League of Local Governments and Sussex County Association of Towns. The line items also supports an amount for dues payable to the International City Managers Association.

G/L Account #200-5345

Training and Seminars: Training and Seminars line item provides training funds for the administrative staff, Mayor, Council, and Committee.

G/L Account #200-5346

Meetings: The fiscal year expense for meetings is associated with the costs for Mayor, Council, Town Clerk, and Town Manager to attend the monthly meetings held by Sussex County Association of

Towns and Delaware League of Local Governments. Also included are quarterly meetings held by the Delaware City Managers Association.

**G/L Account #200-5350**

**Election Expense:** Expenses classified under Election are those incurred for the annual Municipal Election. Expenses are advertisement, legal fees, envelopes/postage, voting machine rental, and meals for the Election Day workers.

**G/L Account #200-5400**

**Town Insurance:** This line item is only for the administrative department and general insurance for the Town. Examples are Property, Crime, Equipment, General Liability, Public Officials, Employment, Unemployment, Workers Comp and Bonds. At this time, the annual increase has not been determined for any policy, but a 4% increase has been budgeted.

**G/L Account #200-5410**

**Mileage Expense:** Mileage expenses are related to employee reimbursements (based on the annual Internal Revenue Service mileage rate) for attending professional training and association meetings.

**G/L Account #200-5425**

**Town Manager Expense:** Funds available for Staff Appreciation Day, and other expenses of the Town Clerk (Town Manager).

**G/L Account #200-5430**

**Scanning, Printing and Postage:** Printing and Postage expenses are the costs for administrative postage, printing costs, and scanning service fees.

**G/L Account #200-5460**

**Repairs and Maintenance – Building:** This line item is for the weekly cleaning of Town Hall and other items such as light bulbs, cleaning supplies, and exterior and interior repairs. Also included is an estimate of \$5,000 for a new heat pump, upstairs at Town Hall; there have been multiple repairs during the current and previous fiscal year and it's been advised a new heat pump is needed.

**G/L Account #200-5470**

**Repairs and Maintenance – Equipment:** Basic contract cost for the copier lease (\$4,500 per year), security system (\$1,200 per year), and information technology semi-monthly on-site schedule and daily back up of data (\$6,250 per year). Extra funds in the amount of \$1,050 is budgeted for any repairs for the above listed items.

**G/L Account #200-5480**

**Telephone:** The Town Hall telephone expenses represent the 5 land lines and 1 fax through Verizon and Verizon Long Distance, and cell phones for the Mayor and Town Clerk through Verizon Wireless. The projected expenses for 2017 are in line with the trend from past years. The estimate for Verizon is \$3,800.00 and Verizon Wireless is \$1,200.00.

**G/L Account #200-5500 and #200-5510**

**Utilities:** Utilities for Town Hall are those from Delmarva Power and Tidewater.

**Heating Fuel:** The Town hall heating fuel budget amount has been decreased from prior year.

**G/L Account #200-5530**

**Website/Email Expense:** Since the State of Delaware hosts the Town of Milton website, there is no corresponding cost, but the Town must maintain a vendor for email hosting. Currently, the email

service is provided by Delmarva Digital and fees are based upon the number of email addresses for the Town. This expense is estimated at a yearly cost of \$1,000.00.

**G/L Account #200-5600**

**Payroll Processing Fees:** Payroll is processed through Paychex, a web based system. Along with bi-weekly payroll submissions, Paychex also prepares all quarterly and annual payroll tax forms.

**G/L Account #200-5610**

**Bank Fees –** Bank fees are the fees associated with collecting and processing of the transfer tax revenue (as referenced in the above revenue section #200-4945). The Sussex County Recorder of Deeds office processes all deeds for the Town for a 1% fee of the revenue collected per month. After the Recorder of Deeds office has processed the property deed, the Town receives the deed for recording.

**G/L Account #200-5700**

**Occupational Health –** The fees for new employees of the Police and Public Works departments to receive Hepatitis and Tetanus vaccines.

**G/L Account #200-5803**

**Downtown Beautification:** On an annual basis, the Town reimburses the Garden Club up to \$3,000.00 for their expenditures relating to planting and maintaining gardens throughout town.

**G/L Account #200-5805**

**Edmunds Software:** Edmunds software is the software used for Finance, Utility and Property Tax in Town Hall. The annual fee to maintain the software is \$4,332.00; this amount has decreased from the prior fiscal year due to shared costs with the proprietary fund.

**G/L Account #200-5806**

**Code Book:** The Town of Milton subscribes to the services of General Code for the Charter and Code. The yearly fee for General Code is \$1,195.00. When an ordinance or resolution is approved or amended, the update is made official by sending it to General Code. After a quantity of changes has been sent to General Code, a supplement to update the official code books is ordered. The additional fees budgeted are to pay for the updates ordered during the fiscal year.

**G/L Account #350-5370**

**Council Approved Donation:** This amount represents a donation to the Milton Fire Department.

**G/L Account #350-5500**

**Utilities – Street Lights:** The annual amount of Municipal Street Aid money is not enough to pay the entire year street light bills through Delmarva Power. It's anticipated that the Town may receive a request for street dedication. The budgeted amount is only to cover the months when MSA funding is not available.

**G/L Account #350-5600**

**Concerts in the Park:** The budgeted expense amount for the concert performers is based on the donation amount received in revenue account #350-4935.

**G/L Account #350-5610**

**Economic Development:** Amount dedicated from the Town for economic development purposes.