

CITY OF MILFORD  
COUNCIL BUDGET WORKSHOP MINUTES  
May 29, 2024

The City Council of the City of Milford convened in a FY25 Budget Workshop on Wednesday, May 29, 2024, beginning at 6:00 p.m.

PRESIDING: Mayor F. Todd Culotta

IN ATTENDANCE: Councilpersons Dan Marabello, Madula Kalesis, Nadia Zychal, Lori Connor, Nirmala Samaroo, and Katrina Wilson

STAFF: City Manager Mark Whitfield, Police Chief Cecilia Ashe, and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

ABSENT: Councilmember Michael Stewart and Jason James Sr.

*PUBLIC COMMENT PERIOD PRIOR TO MEETING*

The comment period began by Solicitor Rutt reading the rules into the record.

Milford Public Library Director Lea Rosell said she previously oversaw the Lewes Public Library and was hired as the Director of Milford's library. She recalled doing a presentation before Council in October at which time they requested \$40,000 in support. However, the budget shows an amount of \$28,000. She asked how the different numbers are determined and finds questions Milford Museum's allocation is \$40,000, while the library served 113,000 people the last fiscal year. And asked the mythology for increases and decreases and whether additional information is needed. She also talked about how libraries are integral in a community, and how violence and crime is related to reading failure and provided stats on prisoners who are unable to read above a 4<sup>th</sup> grade level, etc. She expressed concern about the level of support and asked for more information on how the numbers are decided on. And asked that information be provided to her.

No one else spoke and the comment period was closed.

Review and Discussion of Proposed City of Milford FY25 Budget

*FY25 Proposed Budget Review (continued)*

Finance Director Lou Vitola said a personnel update was done and hearing some of the discussion last night, the Economic Development/Public Relations position was added back for the full year. The FTE chart and total city-wide salary, wages, and the expenditures total have been updated since yesterday.

Additional changes can be discussed further into the budget.

*Electric*

Director Tony Chipola presented the electric budget noted that the total expenditures is about a 3.2% increase in FY25. The cost of doing business has increased and have found large substantive material increases and things of that nature. However, they are trying to keep their budget within a manageable range.

The overall headcount shows a reduction of 1.2 FTE's (full-time employee), which is the arborist and arborist helper, which reduces the number by two, though an additional part-time position is being requested in FY25 which is the reason for the 1.4 FTE's.

The overall O&M is up 3.7%, excluding personnel, and includes cost allocations, etc., which accounts for about a 4.2% decrease when compared to FY24. The larger driver is the additional substation work that is needed. Some equipment has been identified that was showing signs of degradation for those substations.

The substation O&M budget has a slight increase. That includes battery replacement, some bushing repairs on the T-1 transformer out of the Delivery 1 Substation. The distribution transformers will cost well over \$1 million. Included in the budget is the replacement of a bushing to prevent any kind of catastrophic failure on that end.

Some additional training is needed that comes with adopting new technologies. They also hired an assistant engineer that was recently hired who will be requiring some training and education, which is important in getting the most out of that employee in the future with the goal of bringing more work in house as opposed to contracting work out which is being done now and at a premium cost.

### *Water*

Public Works Director Willis Shafer then highlighted a few of the budget lines and some of the CIP projects. O&M is artificially high and had some savings due to unused maintenance funds. They anticipate a lot of the budget is based on the maintenance and/or materials. Throughout the year, there are generally savings or unused funds.

A scrubber is needed in the water pump stations and continued excellence in water loss reduction.

Public Service Superintendent Steve Ellingsworth talked about the continued excellence in water loss reduction. Every year they do unaccountable water by tracking the fire company use, water leaks, and hydrant flushing. The difference between the raw used and the actual billed amount. In the past two to three years by 15% which is where the state favors. Last year, they were at 8.2 compared to other towns in the 30 to 40. They will continue to track the water losses as best as they can.

The Public Works Director then noted that training was increased due to sending a staff member to the APWA Conference.

The street restoration is used for contract road repairs due to large water breaks. This year there were only five small breaks which did not require any funding.

### *Sewer*

Again, Director Shafer reported savings in O&M with unused funds again noting that the budget is based on anticipated needs though that usually becomes savings by the end of the year.

Two large projects will be done this year. The Truitt Avenue I&I (inflow & infiltration) study recommendations will be implemented.

Three to four pump grinders will also be added to pump stations.

Contract services include twelve generators that need maintenance.

Studies will continue to help reduce I&I throughout the city.

### *Solid Waste*

Director Shafer said over the next few months, they will be equipping the solid waste refuse trucks with tablets to be more efficient and accountable for daily collections.

The only line item that increased is the O&M trash containers. They acquire about 500 replacements a year and provide containers to new developments for a purchase of 700 containers per year.

### *Public Works*

The public works line deals with public works administrative staff and the engineering division. There are several projects the engineering division will be overseeing. One is a multi-million-dollar road rehabilitation project and countless oversight of new developments throughout the city.

Director Shafer talked about training, noting that engineers require annual continuing education classes. A number of employees are being sent to conferences for educational opportunities.

The software line increased due to the need for updated software programs such as Office 365, an engineering management software program, Comcast, and weather software that allows the engineering division and the street division to monitor weather events.

The supply line increased due to public works events due to the need for additional chairs and other miscellaneous supplies.

Office equipment line item also increased which allowed the purchase of a conference room tables, chairs and a projector.

Director Shafer confirmed that there are five employees in the engineering division, and referred to the various training opportunities they will attend this year.

In street maintenance/environmental compliance, the budget went from \$1,800 to \$14,000. Director Vitola explained that involves street sweeping material that often includes sand, deicing materials, leaves and miscellaneous debris. Those collected materials often contain pollutants and they are required to be tested before they can be disposed of to determine if they are hazardous.

He will find out why there was a substantial increase and why it was never spent.

It was confirmed the trash containers are \$67 each.

### *Garage*

The Public Works Director explained that budget has increased based on the best educated estimates for the needs this fiscal year. Due to the supply chain, things are increasing substantially.

He shared that training was increased to keep the two mechanics up to date on all required certificates and there is a plan to send one of the employees for an outside training opportunity.

The other increase is in software maintenance and is based on the fuel master update and miscellaneous diagnosis devices that allow them to analyze mechanical issues.

The other increase is based on the purchase of an air conditioning recharging machine and a transmission flushing machine.

It was confirmed that an additional mechanic was hired in FY23-24.

### *City Hall*

City Manager Whitfield explained that city hall has a cost allocated budget. The salary and benefits are attributed to the building maintenance person based on the time he is needed at city hall.

Operating and maintenance has decreased over the past several years though city hall needs to be painted.

The copier expenses were combined into one line item and are allocated to all employees in the building.

Building security is a large expense to ensure they are operating.

Coordinating and improving the projects are needed because of the ongoing council meetings and other public meetings that are held at city hall, which according to the City Manager is always a challenge.

### *Tech Services*

Electric Director Chipola noted there are only minor changes and is showing flat versus the fiscal year 24 budget. Personnel costs are up 12.5% and O&M up about 7%, which is a small decrease from the FY24 budget. The main driver is the need for meters that are purchased and installed out in the field and include water and electric meters and replacement plans.

They continue to work closely with the customer service team to ensure accurate metering and provide service excellence.

It also includes the SCADA which automates many of the processes for the water plants and electric, and sends alarms for trips, failures, etc.

### *Street Maintenance*

Public Works Director Shafer explained that road repairs, pavement markings, signage, pre and post event setups, water leak repairs, storm maintenance and many other duties fall under this division.

The O&M is up by about 12% due to supply issues and increased costs.

There are twelve wet ponds throughout the city. Three have been completed and nine remain. They are asking for \$110,000 to continue that pond rehab and make them functional. Over the next few years, they will be asking for between \$100,000 to \$125,000 in the storm drainage line.

The line increase is the street materials, which include cold patch and paving supplies for the markings.

Director Vitola added that the entirety of the stormwater maintenance rehab will be funded with accumulated reserves generated from stormwater charges at our business park and Independence Commons on Airport Road.

### *Police*

Chief Ashe presented the proposed FY25 budget. There is an overall increase of 18%, of which 11% is due to personnel costs. The department negotiated two collective bargaining agreements. One is the Teamsters contract for rank and file (police officers the rank of sergeant and below) and one for the police dispatchers.

They are one of very few departments that are fully staffed. Their retention rate is excellent due to their choice to outpace personnel costs. She talked about the big reduction in legal fees related to negotiations with the average of \$100,000 per contract though this year it \$30,000 less.

The O&M budget has an increase of 11.9% but compared to FY24 they are breaking even and saving money in a lot of areas.

Debt service, fleet, and building maintenance costs are all increasing 1) due to the take home car program, and currently maintaining two buildings (including the old police department).

The Behavioral Health Unit was expanded based on our resident's request to educate the officers in their response, along with compassion and empathy in their policing styles. She also hired a crime analyst and almost 20% of that grant pays for the crime analyst for the next two years.

In her first year as Chief, she determined that one of the major shortcomings was that no one in the command staff has ever been exposed to a budget, understood a budget, or could read a budget. They need to be taught fiscal responsibility that will include mandatory meetings for all officers by providing an explanation of overtime, its impact, and most importantly breaking the cultural habit of thinking there was unlimited overtime by relating to them from a personal standpoint.

Accountability measures are also being put in place for them to evaluate the budget and make sure enhancements are made to fill any gaps.

When questioned about the two additional dispatchers requested by Chief Ashe, she explained that a more responsible approach due to the increases in the personnel and healthcare costs, they were able to manipulate some of the dispatchers'

schedule and to have them floating between two shifts until such time the additional two dispatchers can be hired, providing three full time dispatchers at each shift.

*Police Enhancement Fund*

Finance Director Vitola talked about the police/general government enhancement fund that has generated over \$1.5 million to assist with police and governmental facilities. The first use was \$1 million for the new police facility which resulted in \$1 million in the overall debt amount. The fee paid for new construction is .75% for police/general government and .25% in the fire company enhancement fund.

He recalled at the end of FY22 cautioning council that the economic conditions were not supporting what was collected after was put into place but building picked up again and almost the entire \$1 million was used on the Becker Morgan Group design.

Director Vitola emphasized this fund cannot be relied on and it can only be used for specific purposes with Council approval.

*Vehicle Replacement*

Finance Director Vitola said he changed the police vehicle replacement schedule to eight years at the Chief's request. Also, a mower was removed from the vehicle replacement list because Parks and Recreation has taken over the maintenance of their yards.

Some minor corrections were also made to the list.

The City Manager confirmed the CIP has not been completed yet, so it could not have been added to tonight's agenda.

There being no further discussion, the Council Workshop concluded at 6:49 p.m.

Respectfully submitted,

Teresa K. Hudson, MMC  
City Clerk/Recorder