

CITY OF MILFORD
COUNCIL BUDGET WORKSHOP MINUTES
June 6, 2024

The City Council of the City of Milford convened in a FY25 Budget Workshop on Thursday, June 6, 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

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)

Capital Improvement Budget

Finance Director Lou Vitola explained that the bulk of the presentation tonight will involve the first twelve pages of the presentation that represent summaries of those projects that are driving the FY25 reserve funded capital budget.

The operating budget was also updated with addition of the 0.6 part-timer back to the Clerks Department and refunded with the economic development transfer. He referenced the tab showing the changes from when it was first introduced to where it stands tonight that only involves a change of 1.6 employee funded through a combination of items.

Parks and Recreation (P&R) Director Brad Dennehy then read comments into record which included a review of the following projects:

FY25 Budget Draft – General Fund CIP – Parks & Rec

\$467k in combined FY25 Reserves; \$185k in PY Reserves

- Riverwalk Improvements
 - Riverwalk Extension / Bulkhead Construction – Bond Bill & RTT Funding
 - Continuation of Paver Projects - \$10k; Prior Bond Bill & ORPT Funds
- Marshall Pond Riverbank Development - \$100k
- Sharp Property Open Space Development - \$250k

- City Hall Plaza - \$150k

Mayor Culotta pointed out that there is a need to carefully review each of the projects considering the substantial increase in healthcare costs and salary increases. He questioned whether the City Hall Plaza \$150,000 project and while nice to have does not seem vital. Councilwoman Zychal agreed adding it is not a burning urgency and believes other priorities need to be addressed.

P&R Director explained that the project will remove the current landscaping and some trees, making it more pedestrian friendly and the driveway will be removed for everyday use.

City Manager Whitfield said he included funding in last year's budget for its design and the project is ready to be bid out.

Councilwoman Kalesis then questioned the \$500,000 allocated for open space acquisition and whether that should be removed or the \$150,000 for refacing the front of city hall. She would rather remove the \$.5 million project.

- Gateway Signage & Improvements - \$20k
 - Annual Recurring Upgrades & Minor Projects
 - Basketball Court Rehab - \$15k
 - Tree Planting - \$10k support from Electric Reserves FY25
 - Volleyball Court Construction - \$10k
 - Playground Repairs - \$25k
 - Park Maintenance Equipment - \$22k
- Current & Future Needs Analysis - \$50k

P&R Director Dennehy also talked about the need to add fencing to the pickleball courts because he gets a lot of complaints about the balls rolling under the fence. Additional fencing will be added to the front of the playground due to the higher level and drop off in front of the playground. Safety railing is needed as a result.

It was also suggested that lighting be considered in the area. P&R Director estimates no more than \$200,000 to add lights at the pickleball and basketball courts. When asked if it can be done in-house, Mr. Dennehy prefers to use Musco's who is a contractor that specializes in sports stadium and field lighting and not normal street lighting.

Councilmember James asked that if a project has been previously funded, Council be informed of the total project cost and the amount of associated funding that was spent.

The volleyball court will be added to an area near the Parks & Recreation office on Franklin Street though it came in higher than anticipated.

The P&R Director talked about the portable downtown bathrooms, noting that some funding is being held up by DelDOT and on hold for the time being.

Improvements to the Banneker basketball court include milling, patch, and top coding. He would then bring in the sports contractors to finish it with bright colors. The projects were separated due to the escalation in cost, though Mr. Dennehy hopes to get the overall costs down to about \$100,000.

When questioned about the \$2.5 million allocated for open space acquisition, the P&R Director said the previous administration and council wanted open space purchased. He noted that \$500,000 is on a wish list only and that would only occur if grant funding became available. However, that is not part of the FY25 projects.

In the case of the Sharp property, additional funding was acquired even after the property was purchased because it was made a priority by council to make it a part which played into the requirements for the grant funding.

FY25 Budget Draft – General Fund CIP – PD/IT/Parking

\$152k in combined FY25 Reserves; \$300k RTT & \$320k prior year GF Reserves

- Police Department
 - Camera Equipment – Body & Fleet Camera Upgrades - \$74k
 - Safety Equipment – Ballistic Vest Replacement - \$23k

Chief Ashe talked about the need for the body and fleet camera upgrades. This is required for all police officers by Delaware law. She also talked about the cost savings today compared to the original purchase in 2013. Because the vests expire in five years, her plan is to start replacing the vests by three or four versus a large number in five years.

She discussed the emergency vehicle planned for purchase in 2029, and Senator Tom Carper has submitted a grant to the Appropriations Committee on behalf of the department.

• Information Technology Department

- Ongoing Tyler ERP Project - \$55k

Finance Director Vitola explained this is a project approved a long time ago. First in 2019 in the form of a study to find a vendor. In FY22, it was added to the CIP at around \$1.2 million and that number remained in FY23. In FY24, there were changes for licenses and additional work that was needed. This year, more is needed, including some additional hardware items. Some additional packages, or modules are also needed by the planning and code division and another \$100,000 was added to the project and \$55,000 is included in FY25.

IT Director said he was very aggressive in FY24 thus the reason for only one item this year. All their CIP projects are complete or underway. His O&M budget only has a 5% increase based on the increase in vendor contracts.

• Parking Lot Improvements

- North Walnut / NE Front Street Lot Improvements - \$300k RTT; \$200k PY Reserves
- Park Avenue Lot Enhancements - \$120k PY Reserves
- Parks & Rec Lot Upgrades moved to FY28 Project contingent on other upgrades
- City Hall Lot scope reduced & combined with approved FY2024 streets project

Public Works Director Willis Shafer talked about the North Walnut/Northeast Front Street parking lot design and reconstruction and is asking for \$300,000 of which \$200,000 was in prior authorizations.

Mayor Culotta recalled other options being considered but City Manager Whitfield said the money was added because of the related requests that will involve a complete reconstruction in lieu of just the resurfacing.

The Public Works Director shared the other projects are deferred. Park Avenue is in reserves and the parks and recreation lot was moved to FY28, and the city hall parking lot will be addressed as part of the 2024 streets project.

FY25 Budget Draft – General Fund CIP – Streets & MCC

\$2.9 million in combined FY25 Reserves

- Milford Corporate Center
 - \$1.5mm of FY25 project costs funded through water reserves
 - \$4.8mm balance is funded through impact fees/prefund grant

Public Works Director Shafer said there is \$300,000 set aside for the water tower design. Infrastructure funding is included in FY25, 26, 27, and 28 as work progresses and includes both entrances as part of Phase I. In addition to the roadways, it also includes utility work. The worksheet includes grant funding received from the state.

• Annual Street Program

- \$650k from GF, Water and Sewer Reserves; balance from RTT & MSA

KCI was hired to perform the 2022 pavement study and field inspection.

• Bike Path & Streetscape Projects

- Bike Paths: \$80k GF Reserves FY25; Some RTT/DeIDOT funded, phases staggered

City Engineer James Puddicombe shared that City Planner Rob Pierce managed to convince DeIDOT to install various bike paths along Route 113 and Northwest Front Street with \$80,000 being paid from general fund reserves. Most of the funding came from DeIDOT

- Streetscape Projects:
 - N Washington Street - \$200k GF Reserves FY25
 - Park Ave / Denny Road - RTT funded
 - Columbia/Franklin – deferred to FY26-27

City Engineer James Puddicombe reported that the North Washington Street and the Park Avenue/Denny Row Streetscape projects are combined. That will be done in conjunction with the Park Avenue parking lot improvements and are presently being designed in preparation for construction.

The Columbia and Franklin Street streetscapes were pushed out one year into FY26 and 27.

- Sidewalk & Gap Project - \$238k GF Reserves FY25

Public Work is developing a plan with hope of having the sidewalk plan approved by Council and introducing it to the public this fall, with implementation in spring 2025.

It was confirmed the City Manager included funds to reimburse the property owners who have already paid for sidewalk improvements as well as any improvements needed this fiscal year.

- TAP Projects: NE Front St TAP Phase II - \$65k RTT FY25

It was confirmed several TAP projects are included in out years of the CIP. Funding was received from DeIDOT for the continuation of the Northeast Front Street TAP project from Northeast Fourth Street out to Rehoboth Boulevard. Funding is allocated in FY25 for the match portion for the design until estimates are received for the construction.

- DDD Flooding - \$200k match if grant funded

The \$200,000 match is related to the Fourth Street flooding study performed two years ago. Funding was requested in the amount of \$1 million and the funding requested from the city is the match portion. Work continues the project.

Councilwoman Wilson expressed concern but received assurance from the City Manager that the enhanced pond work would not impact the park either in size or aesthetically. Councilman James also reported on the crawlspace water issue in the Fourth and Walnut Streets area. Pipework is needed that will keep the water upstream and away from the residential units.

- New Equipment: Trailer Mounted Attenuator - \$44k FY25 GF Reserves

Public Works Director Shafer explained the last item is a safety device needed for any roadwork done by the various divisions. The trailer mounted attenuator can be attached easily adapted to multiple applications and used for sweeping, salting, mowing and striping operations.

FY25 Budget Draft – Internal Service Fund CIP

\$160k in combined FY25 Reserves

- Facilities
 - Parks & Rec Office - \$39k
 - Parks & Rec Maintenance Facility - \$26k
 - Customer Service Building Repairs - \$22k

Public Works Director Shafer talked about the three projects identified for modifications or repairs this year.

The P&R Director also requested a concrete pad and fencing for a dumpster, blinds for the building and new flooring.

They also requested \$26,000 for a new ice machine in the P&R maintenance shop and a new security access system.

The last project is a new HVAC unit and sidewalk replacement at customer service for a total of \$22,000.

P&R Director Dennehy reported that when he became the P&R Director, the P&R building had been neglected for years and he immediately started addressing it. He installed a new roof, new flooring and painted the siding. He is now replacing the remaining flooring and blinds need to be added. The dumpsters are unsecure and need to be behind fencing, on concrete pads and under lock and key. Otherwise, they find sofas and other furniture in their dumpsters after being closed over a weekend.

- City Hall Upgrades - \$28k

The Public Works Director reported that the City Manager is requesting new chairs for the conference room and interior painting of city hall.

- Public Works Garage

- Garage Equipment - \$45k
 - Welding Equipment
 - A/C Machine – Fleetwide Compatibility
 - Transmission Exchange Flusher
 - Roof Enclosure over Fuel Pumps

Director Shafer talked about the need for the three pieces of equipment for the garage including an air conditioner recharging machine and transmission exchange flusher.

The last item is a roof enclosure over the fuel pumps which protects the pumps and the fuel master system, which is a computerized device that shouldn't get wet. Up to this point, there has never been a covering over the pumps, and this will also protect employees who are getting gas in inclement weather.

FY25 Budget Draft – Utility Fund CIP – Water & Sewer

\$2.2 million in combined FY25 Reserves; \$1.8mm CY/PY Impact Fees & \$2.8mm PY Reserves

- Water & Sewer Fund – Combined & Interrelated Projects
 - Utility System Extensions – No New FY25 Funding
 - Upgrades Tied in with Street Rehab Projects – No New FY25 Funding
 - Kent Place Tie-ins - \$75k

Director Shafer explained the Kent Place is a shared road project with Milford Middle School.

- Water Fund Projects
 - NW Area Wells, Treatment & Tower - \$300k Design/Engineering (Impact Fees)
 - Annual Treatment Plant Upgrades - \$150k
 - Chlorine Scrubbers (Gas Chlorine) - \$75k

He again talked about the new northwest Milford well and water tower that was previously discussed. Also included are maintenance items needed throughout the year.

The chlorine scrubber is a new item that will allow the modification of the water treatment facility without the use of the chlorine tables.

- Sewer Fund Projects
 - Sewer Infrastructure Projects - \$1.8mm
 - Transit Pipe Replacement
 - Pump Station Relocation Projects
 - Pump Station Decommissioning Projects
 - 8” Bypass Pump for Large Lift Stations - \$70k

Funds are requested to address the relocation of the southeast pump station in the amount of \$1.5 million. The current pump station is in the roadway making it difficult for staff to maintain.

Controls in the Washington Street pump station is deteriorating due to the environment and need to be relocated to another building for a cost of \$100,000.

An 8-inch bypass pump has been requested for large maintenance operations throughout the year.\

When questioned, Finance Director Vitola explained that on the summary, it is part of the \$1.14 million in the prior authorization column. And \$800,000 of that is for the SE 2nd Street pump station and \$200,000 in prior funding for the Washington Street controls. Another \$100,000 and \$40,000 has rolled from FY24.

FY25 Budget Draft – Utility Fund CIP – Solid Waste
\$0.52 million in FY25 Reserves

- Add 5th Unit to Refuse Vehicle Fleet - \$0.5 million
- Install Cameras for Two Refuse Vehicles - \$16k

There is a request to replace a refuse vehicle though they would like to keep and not trade in that fifth vehicle due to the low trade in value and use as a backup vehicle.

Two cameras are being requested to be placed in two refuse vehicles at a cost of \$16,000.

When asked if the parts and equipment are in stock when a truck is down or have an outside vendor available to do on-site repairs due to the ongoing problem with multiple trucks being down. Director Shafer said there are varying reasons for the trucks to be down from brakes to hydraulic equipment failure to transmission problems. Staff can do minor repairs though often they have to go out a fleet repair shop. Larger repairs must be done in a larger repair facility.

It was recommended that an analysis be done of the repairs that are needed on a regular basis.

Director Vitola shared the vehicle replacement was originally scheduled in FY26, but the administration felt that with two trucks being down on a regular basis, keeping the fifth truck as a backup would be beneficial. With the lead time for a new truck such as this, and funding concerns in the solid waste division, Director Vitola feels if it were approved, it could be ordered and funded with solid waste reserves. In the meantime, a study could be done, and an analysis of failures tracked.

Councilman James said his point is that trash is not being collected on a regular basis and something Council has heard the past couple of years. There is a need to make sure trash is being collected on a regular basis as our customers expect.

Director Vitola said he can be creative with funding as always to address these shortcomings.

Councilwoman Wilson added that in the past, trash services were one of the stars and a priority and the city was always able to accommodate those needs as was noted by our residents and businesses. We need to get back to our citizens being happy with refuse collection and away from the constant complaints we have been receiving the past few years.

Mayor Culotta agreed and recalled the pitch for the new automated trash truck with the arm that handles the containers, in addition to the increase in truck prices. Those investments were made, but the past several years the quality of service was reduced from when two men handled those duties from the back of a truck.

He is asking if a less expensive, rear loading truck should be made available instead; Public Works Superintendent Steve Ellingsworth talked about the difficulty in getting parts for the trucks and the associated delays. Hydraulic hoses are now being kept in stock though the automated arms are up and down throughout the day. Things do happen but they do want to please the public, but the town continues to grow which results in more wear and tear on the trucks.

Mayor Culotta agrees, but pointed out that our customers are expecting trash collection regardless of the problem. He added that growth brings more revenues which can be used to address part problems and be prepared in these situations.

Councilmember James agreed noting we need to be prepared operationally.

FY25 Budget Draft – Utility Fund CIP – Electric Fund

\$0.58 million in combined FY25 Reserves; \$0.4mm PY Reserves

- Substation Upgrades - \$167k
- Physical Security - \$125k
- Fiber-Optic Backup to Public Works - \$100k
- Fiber Network Mapping - \$30k
- Annually Recurring Projects - \$155k
 - Advanced Relocation - \$100k
 - Pole Inspection - \$25k
 - Regulator Refurbishment Program - \$30k

Electric Director Tony Chipola referenced the request for electric capital funding adding this year is nominal. The request involves about \$.5 million combined in FY25 reserves and \$.4 million from prior year reserves. The bulk of that will go toward the substation upgrades. That involves the aggregation of about five projects over the next five years.

Of that, the \$167,000 is for FY25 and entails additional circuits out of both delivery one and two substations, and the continuation of our electrical testing, which is done every five years at each location. Included is a distribution relay upgrade at delivery two which will increase our protection, reliability and operability.

The physical security project was a prior authorization and was started with the installation of cameras, alarm systems and similar items. Some upgrades to the fencing are included with a focus on anti-climb, anti-cut type fencing.

Also included is a fiber optic backup for public works that will provide some redundancies to our fiber optic network which supports the city network as well as their SCADA network.

The fiber network mapping is similar to what was done for the electric infrastructure and getting it into a GIS environment. There are 96 pairs inside those cables and tracking each of those pairs on paper can be daunting and the reason it should go through a GIS module.

The last item is for some annual reoccurring projects advanced relocation which will help projects such as DelDOT or other agency work that cannot be planned for in advance but could impact our infrastructure.

The poll project will identify deteriorated polls and get them addressed, treated or replaced prior to any kind of failure.

The regulator refurbishment program will address the deterioration of some regulators within our substations by sending out several sets of regulators out each year for refurbishment and then placing them back into the system.

In conclusion, the City Manager explained that concludes the projects that are funded in FY25.

A conversation followed regarding snow plows and associated costs of equipment and insurance and whether those services could be contracted out for a cost savings. Council agreed an analysis be performed.

Also asked if we self-insure for this type of equipment, Director Vitola explained we carry fleet insurance through a commercial policy for things like snow plows, tractors, trailers, and other things that aren't necessarily vehicles. It was also noted that we are now purchasing multi-purpose trucks that have interchangeable bodies that can be used for various services.

Snow blades will be added to any capable truck in the event of a snowstorm. City Manager Whitfield agreed that there are several dump trucks that are not being used, however, most of them were purchased prior to his employment.

FY25 Budget Wrap-Up

The City Manager deferred to the Finance Director to review the changes to the proposed budget.

Director Vitola referenced the tab outlining the changes to the operating budget since the first budget workshop. The one full time position was added to fill the economic development/community engagement vacancy. The \$20,000 for the Kent Economic Partnership was removed and was viewed as a swap. Though it was mainly funded using economic development reserve money.

More of a correction, there was \$20,000 in grant funded expenditures in the general fund and not having the offset paired to it and was updated for the new position added in the police department this past year. Grant funding was obtained to pay for the position in full without the need for an offset.

Typically, the armory expense line item is underspent, so \$5,000 was removed there.

The part time position remains in city clerk's budget though there was a great deal of conversation about that. Councilmember James challenged that noting that at the last meeting he attended in person the City Clerk repeated several times it was not her that requested that position and was the request of the former Mayor. He questions the makeup of the work of the city clerk and is of the belief that it should be in the form of a receptionist for all of city hall and not assigned to the city clerk. If the deputy city clerk does not have to do that receptionist work, he feels she will be able to focus on the deputy city clerk work.

He recalled it was also asked by another councilperson whether that position should report to the city manager instead of the city clerk. Then the clerks can do their clerk work for city council and the public.

Director Vitola recommends that position be treated like the addition of the 3rd person in the 24 budget and included in the FTE count that was funded for twelve months. But the direction from council was to scope the position and it was not an automatic hire. It became a bring back to council with a plan.

He emphasized it should not be viewed as a definite hire and again, will be based on need. Councilman James said he is willing to accept that.

The City Manager said he will present the final budget on Monday night for adoption of the operating and capital budget for FY25.

It was suggested that a summary of any questions related to the budget be prepared and sent to Council before the budget is adopted.

Councilmember Samaroo confirmed the vacation sell back shown in the budget is complete. Chief Ashe added that is over a three-year period to prevent it from being paid in one fiscal year. She also confirmed that the amount will not continue to increase and will be frozen at their present salary rate as of today. It was noted that was negotiated and Chief Ashe will let Council know.

With no further business, the Budget Hearing concluded at 7:33 pm.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder