

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
June 3, 2019

A meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers, 201 South Walnut Street, Milford, Delaware on Monday, June 3, 2019, to discuss the proposed Fiscal Year 2019-2020 City of Milford Budget.

PRESIDING: Mayor Arthur Campbell

IN ATTENDANCE: Councilpersons Daniel Marabello, Mike Boyle, Lisa Peel,  
Owen Brooks Jr, Jason James Sr. and Katrina Wilson

STAFF: City Manager Eric Norenberg, City Clerk/Recorder Terri Hudson and  
City Accountant Suzannah Frederick

ABSENT: Councilman Todd Culotta and Douglas Morrow

*Call to Order*

Mayor Campbell called the Council Meeting/Budget Hearing to order at 5:09 p.m.

Several City of Milford Staff Members were also present.

*Review and Discussion of Proposed City of Milford FY 2019-2020 Budget*

*Introduction and Overview*

Mr. Norenberg reviewed the process explaining the general fund accounts will be discussed tonight and enterprise accounts tomorrow night. Any items not completed tonight will be brought back before Council tomorrow night for final action.

What is being presented is a balanced general fund budget. There are increases in several areas that will be discussed. In addition, there is no tax increase included in the proposed budget.

He explained that when the enterprise funds are discussed, some issues related to the solid waste fund and the wastewater fund will need to be worked out. The City Manager also reported that Kent County is passing on a 10% increase of water and wastewater treatment. In Milford, that is shown as a separate line though that will also impact the City's overall budget.

Base pay increases for non-union employees are included, in addition to the implementation of a merit-pay program discussed with Council earlier this year. The safety incentive program will also be implemented to recognize employees that provide suggestions to make our workplaces safer.

He also recalled the Special Performance Recognition Program that has been discussed with City Council.

Capital items and equipment will be reviewed and discussed.

He also referenced a list displaying items that are included in the budget and some not in budget, but have been previously discussed by City Council.

Tomorrow night, Council will need to make some final decisions on a number of the items, in addition to any new items Council wants included.

*General Fund:*

Councilman James questioned the revenue projections. He noted that at the end of March after 75% of the fiscal year had elapsed, the total general revenue fund was \$8.6 million and running 87% ahead or 12%. Based on that run rate, it would have been about \$11 million. He does not understand the total projected general fund revenue of \$9.8 million and asked how that number was obtained.

Ms. Frederick will speak with the Finance Director and provide a follow-up to Councilman James.

*Police Department  
Page 8-9*

|                                | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|--------------------------------|-----------------------|--------------------------|-----------------------|
| <i>Salaries-Sworn Officers</i> | <i>2,054,350</i>      | <i>2,180,000</i>         | <i>2,406,020</i>      |
| <i>Officers Overtime</i>       | <i>178,000</i>        | <i>178,000</i>           | <i>206,000</i>        |
| <i>Officers Court Standby</i>  | <i>35,000</i>         | <i>33,000</i>            | <i>40,500</i>         |
| <i>Officers On-Call</i>        | <i>55,000</i>         | <i>58,000</i>            | <i>50,000</i>         |
| <i>Salaries-Civilians</i>      | <i>398,520</i>        | <i>433,500</i>           | <i>475,960</i>        |
| <i>Uniforms</i>                | <i>37,500</i>         | <i>80,000</i>            | <i>63,700</i>         |
| <i>New K-9 Unit</i>            | <i>0</i>              | <i>0</i>                 | <i>12,800</i>         |
| <i>Retirement</i>              | <i>476,267</i>        | <i>497,605</i>           | <i>581,570</i>        |
| <i>Vehicle Maintenance</i>     | <i>164,000</i>        | <i>163,429</i>           | <i>187,000</i>        |
| <i>Vehicles</i>                | <i>87,100</i>         | <i>85,000</i>            | <i>92,300</i>         |
| <i>Capital Equipment</i>       | <i>0</i>              | <i>0</i>                 | <i>13,885</i>         |
| <i>Legal Expense</i>           | <i>50,000</i>         | <i>45,000</i>            | <i>50,000</i>         |
| <i>Holiday Sellback</i>        | <i>0</i>              | <i>0</i>                 | <i>3,630</i>          |

Chief Brown was present. Ms. Frederick reviewed the police budget on his behalf.

The City Accountant confirmed that \$425,000 is the cost of the five new officers (\$85,000 per officer); that same amount is being transferred from general fund reserves to cover those costs. She explained they were hired between September and December, so the actual numbers this fiscal year are lower than what was projected for FY20.

- Officers' Salaries increase-\$350,000 additional officers approved July 2018.*
- Overtime and court standby increase-result of the five new officers.*
- On call pay decrease-significant reduction due to fully staffed.*
- Civilian Salaries increase-includes an additional full-time dispatcher.*
- Uniforms increase by \$27,000-Ballistic vest replacement and additional uniforms and dry cleaning for five officers.*
- K-9 Unit increase-additional unit; initial cost to purchase dog; remaining years maintenance only.*
- Retirement increase-additional five officers.*
- Vehicle increase-replacement of two vehicles (regular rotation).*
- Equipment-Replacement recorder.*

When asked about vacancies, Chief Brown reported that the department remains short-handed until the officers graduate from the academies. Three are attending New Castle County Academy and three attending the Delaware State Police Academy. Once they graduate, the patrol division will be full.

Chief Brown added that the recorder replacement is for a computer that records phone calls and radio calls in dispatch.

He also commented that the vehicles they purchase are not new vehicles and are left overs.

Uniform costs are also unknown at this time. The City Accountant noted that the projected \$80,000 for uniforms this current year is much higher than projected because that includes the cost of purchasing uniforms for the five new hires and several replacement officers as well.

Ms. Frederick continued her review and Mr. Norenberg confirmed that the new enhancement fee for new construction created this year is .75% for police and general government.

Ms. Frederick also reported that when the Teamsters contract was approved, \$197,000 was needed, which Council approved for year one (FY18-19). An additional \$160,222 is needed for FY 19-20.

Chief Brown commented that the civilian salary line item is over budget because they are down a dispatcher and have been paying a lot of overtime for current full-time dispatchers and having to bring in more part-time help.

Ms. Frederick clarified that by Chief adding another full-time dispatcher will result in a substantial decrease in overtime, as well as part-time salaries, as that will no longer be required; Chief Brown agreed that was one of the reasons he asked for two more full-time dispatchers.

It was confirmed that the \$50,000 budgeted in legal expenses will pay two \$25,000 deductibles required for two law suits. Ms. Frederick noted the current budget projection includes legal expenses related to the Teamsters contract negotiated over the past year.

Councilman James expressed concern that once the two deductibles are paid, there is nothing left to pay the department's labor attorney, who is contacted intermittently throughout the year. When asked if the \$25,000 deductible has been paid for the latest suit, Chief Brown stated that it has not and it usually takes more than a year or two to come to a final settlement.

Ms. Frederick also referenced the new holiday sellback line item which is a new item added to the Teamsters contract. Because of the related accrued financial liability on the books for the police, they agreed to sell back up to two weeks per year. As a result, two officers took advantage of that this year which is reflected as \$3,630.

She also called attention to the new line entitled sick and vacation payout, which is also related to the accrued financial liability that has not been budgeted in the past. Those items are paid at the time an employee resigns/retires, etc., as indicated.

Chief Brown shared that this year, they are required to purchase new vehicle sensors at a cost of \$11,000; Ms. Frederick confirmed that was not included with vehicle expenses. That line item ranges from \$28,000 to \$39,000 and budget will be adjusted accordingly.

Ms. Frederick explained that the new citywide fuel system requires each car to have a donut ring/sensor kit.

She also added that garage labor across the board will increase due to increases in that budget. It is funded through interservice billings from each department who utilize it. That will be discussed during the garage budget discussion by Public Works Director Whitfield tomorrow evening.

Councilmember Wilson confirmed there is nothing in the proposed budget that reflects any fees related to the new police facility, including the marketing firm hired to promote the referendum nor the engineering/architectural work.

Mr. Norenberg explained the engineering work was paid for this current year. After July 1<sup>st</sup>, he will know whether any State funding will be awarded. However, he and Chief Brown continue to work on the cost estimate of the project. Once he receives those numbers, they will meet with the Finance Director to talk about funding options. The building would then be constructed in the following fiscal year.

Ms. Frederick recalled Council authorizing appropriations out of the general fund reserves in the current year.

Mayor Campbell expressed concern about the air conditioning problems and the heat-related issues in the building. Chief Brown said that when he found out what the estimate was, he decided to hold off, grin and bear it for a while. Mayor pointed out that extremely hot summer weather has not yet arrived and he has concerns. Chief Brown asked if the Mayor wants to spend a couple hundred thousand dollars on a building they will be moving out of in a couple years.

Mayor Campbell asked that something be done because he is very concerned about the health of employees working in a ninety-plus degree building.

Councilmember Wilson asked that portable units be considered; Chief Brown said he believes he has already received prices on them.

Ms. Frederick said that completes the Police Department budget review.

*Planning Department  
Page 4B-1 & 4B-2*

|   | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|---|-----------------------|--------------------------|-----------------------|
| <i>Contract Services</i>                                  | 0                     | 0                        | 25,000                |
| <i>Legal Services</i>                                     | 15,000                | 15,620                   | 20,000                |
| <i>Building Maintenance-<br/>Transfer to Public Works</i> | 0                     | 0                        | 5,295                 |

Planning Director Rob Pierce was present to review his budget.

*Contract Services increase-Zoning Code update; proposal has been received.  
Legal Service increase-uptrend of land development and other code rewrites including sign ordinance.  
Transfer to Public Works-portion of building maintenance paid by each department using that facility.*

Mayor Campbell recommends Planning Commission and Board of Adjustment members receive some pay. Mr. Norenberg polled those officials attending a League of Local Government meeting which resulted in about half those present who paid those boards and the other half did not. The City Clerk is also surveying other municipalities.

Councilmember James also supports their pay considering the amount of work those commissioners and board members do. Councilmember Wilson agreed as well emphasizing the importance of their recommendations which is heavily relied on by City Council.

Mr. Norenberg will work with the City Clerk to determine how that can be accomplished.

When asked about vehicles, Mr. Pierce explained that planning budget includes himself and half of the Permit Technician. No City vehicles are associated with that department.

City Manager Norenberg explained that they are in the process of working on a policy related to the use of personal vehicles and mileage reimbursement for City business. However, the City has some pooled vehicles that can be used for business trips and/or City errands. It was agreed that mileage reimbursement through the use of personal vehicles would be the quickest and easiest method at this point.

Councilman James feels this is a good time to determine whether a car allowance or mileage reimbursement is more economical.

*Code Enforcement and Inspections  
Page 8-9*

|                          | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|--------------------------|-----------------------|--------------------------|-----------------------|
| <i>Contract Services</i> | 0                     | 49,300                   | 35,000                |
| <i>Demolitions</i>       | 0                     | 17,955                   | 0                     |
| <i>Capital Vehicle</i>   | 0                     | 23,792                   | 32,000                |

*Contract services decrease-New Code Official hired; third party contractor only utilized when necessary.  
Demolitions-funding requested at time of need due to fluctuation in demo costs.*

Mr. Pierce stated he previously contracted a third-party inspector after the departure of the City's Building Inspector. A new Building Official was hired this past November. However, there has been a tremendous increase in permits and plan reviews, monitoring and review of related documents. He is asking the contract be renewed for the new fiscal year to take some of the burden off his staff. They would only be used when needed over the next fiscal year.

He explained that Code Officials primarily focused on dilapidated buildings, high grass, abandoned vehicles, etc. They are also now overseeing the rental inspection program that was previously handled by First State Inspections.

When asked why nothing was included for demolitions, the Planning Director confirmed that over the past couple of years, five buildings were demolished voluntarily. They are presently working on a list of fifteen or so vacant homes that have been sitting for a long time and are working with those property owners to remove them.

Should the situation not be worked out, Mr. Pierce will come back to Council to have an appropriation authorized. This allows Council to be aware of situations prior to the demo occurring. When that occurs, a lien is placed on the property until such time the property is sold.

The rental process was also discussed.

Property maintenance remains at \$16,000. That line item handles grass cutting, rubbish cleanup, bamboo removal, etc. While the associated bills are paid at the time, those expenses are eventually transferred to the Finance Department and added to the property taxes.

Ms. Frederick added there is a related line item under revenue which balances the two items out.

Mr. Pierce confirmed they hire outside contractors to cut grass.

Mayor Campbell then talked about the problems related to violations and due process, the court system and the time that lapses which escalates the problem.

Mr. Pierce noted that he had a replacement vehicle budgeted beginning in 2017 and only replaced it this year, which is why it is showing up in 2019. The request this year is to replace a 2006 vehicle.

He also requested \$200,000 for open space acquisition. Mr. Pierce said that the 2008 Comprehensive Plan required and creates more green space throughout the community though that has never been addressed. DMI has put a task force together, related to the Vinyard Shipyard, which was identified in the 2015 City Master Plan.

Mr. Pierce said Council may want to purchase some properties along the river over time, as opposed to waiting and purchasing them all at one time.

Councilman Marabello recalled that in 2008-2009, the City had a green-acres fund. At that time, \$100,000 was put away each year in case the State offered matching funds should green areas become open. Before the former Parks and Recreation Director retired, he used the fund for Goat Island. He thinks it is a great idea and feels we should be proactive in acquiring lands, especially if there are matching funds available.

Councilmember Peel agreed adding that could impact the future plans for the Riverwalk.

Mr. Norenberg pointed out that the City has a lot of small parcels and partial parcels and our Parks and Recreation crews struggle to maintain those properties, particularly this time of the year. He agrees we also have more buildings than we need such as the old Peninsula Oil building that was used by Park maintenance at one time.

When talking about operating more efficiently, there is a need to reduce the amount of City assets that are not contributing to the City or benefiting our employees. Should that occur, we would be able to focus some money, time and attention on acquisitions like Councilman Marabello and Mr. Pierce talked about.

The sale moneys from the business park and Independence Common properties are put in the economic development fund which could be a way to generate funds for possible acquisition of lands for open space.

Mr. Norenberg recommends this be presented for review by the Community and Economic Development Committee at a future meeting.

*Parks and Recreation Department  
Page 12-13*

|                                     | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|-------------------------------------|-----------------------|--------------------------|-----------------------|
| <i>Salaries</i>                     | <i>323,670</i>        | <i>282,500</i>           | <i>335,080</i>        |
| <i>Requested New Hire</i>           | <i>0</i>              | <i>0</i>                 | <i>34,430</i>         |
| <i>Temporary Wages</i>              | <i>120,000</i>        | <i>115,500</i>           | <i>100,000</i>        |
| <i>Boys &amp; Girls Club Rental</i> | <i>33,000</i>         | <i>18,750</i>            | <i>18,750</i>         |
| <i>Cemetery Wages</i>               | <i>55,000</i>         | <i>55,000</i>            | <i>0</i>              |
| <i>Capital Equipment</i>            | <i>49,000</i>         | <i>28,713</i>            | <i>72,000</i>         |
| <i>Capital Parks</i>                | <i>55,000</i>         | <i>25,000</i>            | <i>120,000</i>        |

*Salaries-projected number low due to two vacant positions for majority of fiscal year; budgeted amount includes all salaries (minus new hire).*

*Requested New Hire-new field position requested.*

*Temporary Wages-attempting to reduce costs.*

*Boys & Girls Club Rental-restructured contract which resulted in a decrease in costs.*

*Cemetery Wages-temporary crew no longer needed; private contractor hired.*

*Capital Equipment increase-two attachment for Ventrac tractor; Kubota tractor; portable lights/soccer fields.*

*Capital Parks-additional funding/resurfacing SE Front Street and Banneker basketball courts; separation and installation of Armory utilities; Armory parking lot improvements as a result.*

Parks and Recreation Director Brad Dennehy reviewed the budget explaining that for several years, they have had a staffing shortage. Currently he has one full-time park employee and one full-time recreation employee. He has two vacancies and tried hiring a Recreational Supervisor, who unfortunately did not last three months due to the amount of work that is needed.

The one recreation employee is working approximately sixty hours per work. He wants to restructure the department as a result. Mr. Dennehy then explained the multitude of duties his park employee was handling. He wants to take a lot of the field work away from him and assign him solely to the park area.

As a result, he is asking for \$32,430 to hire an entry-level field position.

Mr. Dennehy said he constantly sees new positions in other departments like the Police, Public Works and Customer Service, and his department has not added any additional positions in many years. He pointed out this is a small department with a hands-on director who assists with gardening, ground work, trash maintenance, etc., though he is happy to do that.

He also recommends looking at all departments Citywide. He asked that Council to consider the growth that has occurred and impacts every department.

Mr. Dennehy also asked Council to consider the Strategic Plan which he does not believe can be accomplished without his department acquiring more help.

His department oversees two cemeteries for a total of 26 acres which is problematic, never-ending maintenance. When the mowing is completed, it needs to be started all over again.

Mr. Dennehy explained when Parks and Recreation was delegated the maintenance of the cemeteries, the plan was that when a lot is sold, those funds would pay for the maintenance. The \$55,000 previously budgeted to cover temporary labor hired by Parks and Recreation though the Milford Community Cemetery were used to cover those costs.

They have tried for the past few years to hire a private contractor unsuccessfully. This year, they have acquired a contractor and his bills are being paid directly through the Community Cemetery.

Parks and Recreation still oversees it, but right now does not need the temporary crew for that purpose.

The projected salary for FY18-19 is low because a supervisor was hired and left after a few months. That position has not been filled. There is also another vacancy that has not been filled for approximately two months. The \$335,080 includes filling the vacant positions and the additional hire for \$32,430.

Ms. Frederick confirmed that contract services include Comcast (internet), Mid-Atlantic Services (park bathrooms and supplies), Seascope Health Services (pre-employment, random drug testing), Brothers Pyrotechnics (fireworks), etc.

All other items remain about the same.

Councilman James pointed out that Mr. Dennehy is cutting temp services and asked if one additional employee will satisfy his needs. Mr. Dennehy said he is well aware of the fiscal responsibility as a department head. He could always use more employees but also noted there are two open positions. If the new hire is approved, he can restructure the recreation area, and shift some responsibilities to parks. The three positions will help and he is willing to re-evaluate at some point in the future.

He stated the one major challenge for his department is not having its own community center. Because of that, he has to depend on the schools and Boys and Girls Club. Milford School District is also suffering because of the lack of facilities for their use.

After explaining his capital needs, Mr. Dennehy spoke about the \$474,000 requested for the Riverwalk Extension. He reiterated that is not funded at the moment and not a necessity capital item, though he wanted to bring it to Council's attention. He referenced the section of the Riverwalk that extends from Bicentennial into Memorial Park and stops at Calvary Church. There is a possibility Sudler and Joan Lofland will grant the City an easement to continue the Riverwalk in front of their property, where their boat ramp is located. That would allow a tie in of the remainder of the Riverwalk which has been on hold for many years and is the last key piece.

The estimated \$474,000 is for design and construction. He has already submitted a grant application through the State of Delaware and there is a chance they will fund up to 50% or \$237,000. If the City funded \$100,000, then he would need to come up with another \$100,000 and feels the City could pursue that through our local legislators.

It will be discussed by the State the end of this week, though they are aware the easements are not in place.

Councilman James commented that the Riverwalk is very beautiful and it has never made sense why it did not connect completely.

Ms. Frederick explained that the budget presented is balanced. If Council approves the \$237,000, an appropriate funding source will need to be determined, which is the reason it was added to the list and not included in the current budget.

Mayor Campbell also presented some recommendations for the dog park to be considered. Mr. Dennehy followed with a summary of the challenges and solutions, which are currently being explored.

It was confirmed there are no current plans for a public bathroom on the Riverwalk, though it has been discussed. Funding and security remain problems.

*Finance Department*  
*Page 8-9*

|  | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|--|-----------------------|--------------------------|-----------------------|
|  |                       |                          |                       |
|  |                       |                          |                       |
|  |                       |                          |                       |

*City Administration*  
*City Clerk*  
*HR*  
*Page 8-9*

|   | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|---|-----------------------|--------------------------|-----------------------|
| <i>Salaries</i>                         | <i>355,080</i>        | <i>375,505</i>           | <i>397,820</i>        |
| <i>Temporary Wages</i>                  | <i>0</i>              | <i>0</i>                 | <i>7,970</i>          |
| <i>Contract Services-Staffing Study</i> | <i>0</i>              | <i>0</i>                 | <i>20,000</i>         |
| <i>Training</i>                         | <i>3,200</i>          | <i>4,000</i>             | <i>4,500</i>          |
| <i>Computers</i>                        | <i>0</i>              | <i>0</i>                 | <i>3,700</i>          |
| <i>City Hall Cost Allocation</i>        | <i>8,000</i>          | <i>8,000</i>             | <i>19,250</i>         |

*Salary increase-a portion of the City Clerk’s salary was previously budgeted under Council; it is now included as part of her salary.*

*Temporary Wages added-Summer Intern hired to work on Records Management and Archiving.*

*Contract Services Staffing study added-recommendation of Council to ensure needs are being met in terms of growth.*

*Training increase-based upcoming location of professional development sites for the four Administrative Employees.*

*Computers increase-replacement needed as determined by IT Manager.*

*City Hall Cost Allocation increase-doubled as a result of the Planning and Code/Inspections Departments moving to Public Works.*

The City Clerk has a Delaware Tech student working over the summer to address the City record and document needs.

The one item not included in the current budget is an Administrative Assistant that the City Clerk has requested. Mr. Norenberg said he understands the needs and sees the number of hours and work being done by the City Clerk and Deputy City Clerk.

Ms. Hudson talked about the increase in work load as a result of the growth that has occurred over the past few years and the ten to twelve-hour days needed to keep up with just the basic duties. She noted there is need to update the election process, records work, ordinances, just to name a few items that need her attention.

Councilman James expressed concern about the starting salary and whether that would buy the quality of work needed for the position. Human Resources Manager Jamesha Eaddy was present. She pointed out the administrative assistant is a great buy right now. She also noted that we have not yet defined the functions of that position, but she is willing to review that in comparison to the volume of an administrative assistance in other departments.

Councilman James wants to make sure someone will be hired with the qualities of what is really needed and not just fill the position in an effort to relieve the City Clerk and Deputy City Clerk.

Mr. Norenberg explained that when he was hired, Ms. Crouch was already Deputy City Clerk/Executive Assistant adding that she provides assistance to him as well. However, he sees the piles of documents she is involved in and often decides to wait until the following day to ask her to do something or often does it himself.

He agrees there is a demand and need for help adding that Ms. Hudson is now on the Board of the International Institute of Municipal Clerks and Ms. Crouch is President of the State Chapter. As a result, they are very involved in their professions, which involves additional activities, and is beneficial to the City.

Councilman James emphasized it is essential to hire what is needed and not to settle.

Council confirmed that Ms. Hudson will participate in writing the job description; Ms. Eaddy said that once the job description is created, we can move forward with publishing the notice. She noted that the City received over 200 applicants for the Public Works' Administrative Assistant. Right now, the qualifications are unknown until it is written.

Mayor Campbell said he is here three and four days a week and they both work non-stop. Council agreed that they receive emails from the City Clerk at all hours of the night.

City Manager Norenberg then discussed the budget reflects a 2% increase in base pay for non-union employees, as well as funding for a step increase for those employees receiving successful performances at either meets or exceeds. That could be as high as 3.5% increase.

Mayor Campbell expressed concern that last year, all non-union employees only received a 1.5% cost of living. Indirectly, they did not receive a raise. When the salary study was done, a lot of the management employees received between 8% increases and higher on top of 1.5%. Anyone not included only received a 1.5%. He still does not think the study was fair nor the way the select increases were given.

Councilmember Peel feels the cost of living is a raise and there are times employees gets nothing, which is what happened to the State employees. She added that the cost of living increase on the State level was frozen for years and no one received it.

Mayor Campbell stressed that he feels we are penalizing City employees who are not part of a union.

Councilmember Peel said Council has talked about the pay study ad nauseam and the past cannot be changed.

A long discussion followed regarding private versus government employees increases and the most recent pay study.

Ms. Frederick recalled that last year, the 1.5% was given because that is what the IBEW was given.

Mayor Campbell said he feels that each department head should be given an amount that can be split among their employees.

Councilmember Peel and Wilson both stated that is what is being done.

Ms. Eaddy then explained the new evaluation system emphasizing those employees who meet or exceed what is expected of them, will receive an additional increase.

According to Mr. Norenberg, the consultants were informed by many of our employees that they did not feel motivated when everyone received the same increase. Also, this year, the City is giving safety recognition and special performance recognition for individuals or teams.

Mr. Norenberg explained that the performance appraisal document is completed by both the employee and their immediate supervisor. The supervisor will review that performance and make the recommendation to implement the 1.5%. Ms. Eaddy said that is then forwarded to her adding there are multiple layers to the process.

Ms. Frederick shared that the step increase is based on the annual evaluation which is given at the time of their anniversary date and given throughout the year. However, most people were hired in July and August after the budgets were approved.

On July 1<sup>st</sup>, all non-union employees will receive the overall 2%. On their anniversary date, employees will be eligible for the 1.5% based on their performance evaluation.

Mayor Campbell and Councilman James asked how that works during the first year of implementation.

Mr. Norenberg explained that in the first quarter of the fiscal year from July-August-September, the vast majority of non-union employees were hired. Another segment was hired in October-November-December. All but seventeen non-union employees were hired in the first six months of the fiscal year. The other seventeen have anniversaries between January 1<sup>st</sup> and June 30<sup>th</sup>, with the majority in March-April-May. Those seventeen employees will have their evaluations done in the next week or so. They will be eligible to get their step increase at the start of the new fiscal year, rather than having to wait until June 2020. Almost everyone else will have their increases in the first three months of the fiscal year.

It was budgeted in that manner after considering seven different options.

Councilman Boyle asked for confirmation that an assistant will be hired for the City Clerk. Council stated yes and Ms. Frederick explained that will be determined tomorrow night because presently that is not part of the balanced budget and funding will need to be appropriated.

*Finance*  
*Page 6A-6B*

|                         | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|-------------------------|-----------------------|--------------------------|-----------------------|
| <i>Tax Assessor</i>     | <i>16,100</i>         | <i>21,700</i>            | <i>32,000</i>         |
| <i>Training</i>         | <i>9,000</i>          | <i>6,500</i>             | <i>9,000</i>          |
| <i>Office Furniture</i> | <i>0</i>              | <i>0</i>                 | <i>3,500</i>          |

*Tax Assessor increase-result of new construction and improvements resulting in more assessment needs.*

*Training-training was postponed this year; once a new program is selected, training will resume as normal.*

*Office Furniture-replacement desks are needed.*

Ms. Frederick reported very little changes. However, it does transfer Ms. Frederick's salary to Customer Service as she is physically moving there once the budget is complete to oversee the implementation of policy and procedures.

They have advertised to backfill her position in the Finance Department, which is included in the budget.

When questioned, she explained the City has a policy that allows employees to sell back one week of vacation after five years of employment. That is determined in January so it can be budgeted in the new fiscal year.

When asked about assessment costs, she explained that Tyler Technology manages interim tax matters on a quarterly basis. The increase is a result of continuing new construction and associated assessment needs. Next year, it was agreed that Tyler Technology would do this monthly versus quarterly because Customer Service staff can no longer keep up with interim bills which has increased from an average of 30 to 120 each quarter. This will allow them to get the interim bills out more quickly, thus the City receive those revenues faster.

When asked about the Finance Director, Ms. Frederick explained he is fully budgeted at seven full months, followed by a part-time status and elimination of benefits. Mr. Norenberg reported that though Mr. Portmann is winding down, he wants to ensure he leaves us with a good team and in good shape.

In addition, the finance and billing software will need to be replaced over the next year, though that process has already started.

When asked about overlap, Ms. Frederick explained the roles of the current staff members, in addition to the new person that will be hired. She does not believe the plan is to hire another person once he is gone. Instead, the four employees will assume his responsibilities. They are already in the process of learning what Mr. Portmann does and as he slowly cuts back his hours, they are taking on more of those duties.

Councilman James stressed the need for a Finance Director and does not recommend a committee of four and hopes that one of the four will fill those shoes.

She then addressed the \$9,000 budgeted for training over the last four years though only \$6,500 was spent this year. No one was sent to the software training due to anticipated vendor changes this upcoming year. The full budget will most likely be used in the new fiscal year as that includes GFOA Conference and other government accounting and financial training that will be needed.

In addition, a new line item was added for office furniture. The current desks in the department were purchased at the time it was built and several are held together with duct tape. An exact price has not yet been obtained.

*Customer Service  
Page 30-31*

|                          | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|--------------------------|-----------------------|--------------------------|-----------------------|
| <i>Salaries</i>          | <i>338,730</i>        | <i>343,129</i>           | <i>493,160</i>        |
| <i>Credit Card Fees</i>  | <i>60,000</i>         | <i>65,000</i>            | <i>70,000</i>         |
| <i>Capital-Building</i>  | <i>20,000</i>         | <i>16,675</i>            | <i>32,000</i>         |
| <i>Capital-Equipment</i> | <i>0</i>              | <i>0</i>                 | <i>15,000</i>         |
| <i>Capital-Vehicle</i>   | <i>0</i>              | <i>0</i>                 | <i>32,000</i>         |

*Salary increase-two new hires previously approved by City Council.*

Ms. Frederick reported on behalf of customer service.

She said that the first new customer service employee will begin June 17<sup>th</sup>. Seven interviews are scheduled for the second position. Associated benefits line items have been increased as a result.

Meter technicians were previously budgeted out of customer service; a new tech services division was created and will fall under the responsibility of the new Electric Superintendent. Several line items have been reduced as a result of the change.

Contract services includes cleaning, cable, first aid supplies, etc. The department runs bills and outsources the printing and mailing to Pinnacle (separate line item) which results in a significant savings.

A large number of customers pay utility bills by credit card; a line item is associated with those fees that are charged.

Property taxes must be paid in full and the property owner pays that transaction fee.

Ms. Frederick reported that customer service is in another older building that needs a lot of work. The basement needs waterproofing, the drive thru curb is crumbling and additional workspace and electric is needed. It was noted that there was not a lot of exterior and infrastructure work done at the time the building was renovated.

Last year, the windows had to be sealed after they began to leak each time it rained.

The \$15,000 is for two new workstations to accommodate the two new employees.

The vehicle line item was added for the purpose of replacing the 2006 Dodge Stratus currently used by customer service employees for daily trips to the post office and bank(s).

*IT*

|                             | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|-----------------------------|-----------------------|--------------------------|-----------------------|
| <i>Software Maintenance</i> | <i>145,000</i>        | <i>115,000</i>           | <i>129,000</i>        |
| <i>Capital Equipment</i>    | <i>49,000</i>         | <i>47,727</i>            | <i>48,500</i>         |

*Budget includes cost of one full-time and one part-time employee.*

*Software maintenance decrease-includes a non-occurring credit for payroll software that was unable to be utilized. Also includes the cost for a new software program (started this year) that backs up email server.*

*IT is exploring a more user-friendly citywide software program; the cost will be a long-term cost savings with a reduction of servers required.*

*Capital equipment includes three replacement servers and four new firewalls.*

*City Hall Cost Allocation*  
*Page 5*

|                              | <i>Budget FY18-19</i> | <i>Projected FY18-19</i> | <i>Budget FY19-20</i> |
|------------------------------|-----------------------|--------------------------|-----------------------|
| <i>Building Maintenance</i>  | <i>5,000</i>          | <i>47,500</i>            | <i>3,000</i>          |
| <i>Interservice Billing:</i> | <i>-</i>              | <i>-</i>                 | <i>-</i>              |
| <i>Administration</i>        | <i>8,000</i>          | <i>8,000</i>             | <i>19,250</i>         |
| <i>City Council</i>          | <i>16,000</i>         | <i>16,000</i>            | <i>19,250</i>         |
| <i>IT</i>                    | <i>5,800</i>          | <i>5,800</i>             | <i>7,000</i>          |

*Building Maintenance increase-basement flooding matter; \$40,000 funded from Capital Reserves as previously approved.*

Ms. Frederick explained the substantial increase in allocation costs is a result of the relocation of the Planning and Code/Inspections.

*City Council Discussion and Wrap-up – Night One*

Councilman James asked that the Council salary issue be resolved while in budget hearings, though it should have minimal financial impact.

The consensus of Council was it be paid in accordance with the language in the Code. Further discussion on the matter will follow tomorrow evening.

*Adjournment*

The Council Meeting was adjourned at 9:09 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder