

MILFORD CITY COUNCIL
MINUTES OF MEETING
June 10, 2019

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, June 10, 2019.

PRESIDING: Mayor Archie Campbell

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

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

City Accountant Suzannah Frederick and Planning Director Rob Pierce were also present.

CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance, followed the invocation was given by Councilmember Wilson.

APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes from the March 25, 2019 and April 8, 2019 Council Meetings, April 22, May 6 and May 13, 2019 Committee and Council Meetings. Two typos were noted and Committee Assignments read by Mayor Campbell at the Reorganization Meeting on May 6th were questioned. The City Clerk will follow up with Mayor Campbell.

Motion made by Councilmember Wilson to approve the minutes, with the two typos corrected, seconded by Councilmember Morrow. Motion carried.

RECOGNITION

Bug and Bud Festival Children's Art Contest Winners.

Chair Nina Pletcher thanked Mayor and Council for allowing them to recognize the Art Contest Winners. She explained that DMI collaborated with Milford School District and thirty-five entries were submitted by students. The winner's works were on display in the Council Chambers.

With the help of Milford Art League, they chose four categories and the top three entries in each of three art mediums—crayon/pencil/markers, 3D and paint.

In attendance, the following students were recognized for their achievements:

Best in Show—Onel Jean Baptiste 11th grade-MHS

Crayon/Pencil/Marker medium

1st place—Lea Heesh 4th grade Banneker

2nd place—Payton Lane 3rd grade Banneker

3rd place—Keegan Dennehy 4th grade Mispillion

3D medium

1st place—Emmaline Green 1st grade--Banneker

2nd place—Chloe Lebo 2nd grade—Mispillion

3rd place—Samuel Chavez Corzo Kindergarten—Morris Early Childhood

Paint medium

1st place—Isabella Valentine 3rd grade--Banneker

2nd place—Kate Wilson 1st grade—Mispillion

3rd place—Lilly Enck Kindergarten—Morris Early Childhood

MONTHLY POLICE REPORT

Police Committee Chairperson Wilson presented the monthly Police Report on behalf of Chief Brown noting that our Police Chief remains very busy. Chief Brown had nothing to add to the report.

Chairwoman Wilson moved to accept the monthly police report, seconded by Councilmember James. Motion carried.

MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced his monthly report. The finance information will be added later this week following the completion of the budget process.

Mr. Norenberg noted that renovation work continues at the Milford Armory with some temporary spaces being set for DCRAC to meet with clients while the offices are being worked on.

He reported that he has executed the University of Delaware IPA proposal for a City Council retreat later this summer. He will follow up with City Council to schedule a partial Saturday later this summer, and to discuss the format, which includes pre-retreat interviews with Council.

Councilmember Boyle moved to accept the monthly City Manager report, seconded by Councilmember Culotta. Motion carried.

MONTHLY FINANCE REPORT

Finance Committee Chairman James reported that with the end of the fiscal year, revenue is tracking above budget and expenses are below budget as reflected in the projections for FY19-20 budget.

Chairman James moved to accept the April 2019 Finance Report, seconded by Councilmember Wilson. Motion carried.

COMMITTEE & WARD REPORTS

Ward 1-Hearthstone Manor

Councilman Boyle reported that he continues to receive phone calls from residents regarding some construction-related items, and associated increases of HOA fees. Though he understands it is not under the City's purview, he asked that it be on record that we continue to assist look for answers and solutions.

It was noted that because 75% of the total properties have not been sold, the HOA remains under the Fannin's jurisdiction.

Mayor Campbell noted that there have been continuing issues at Meadows at Shawnee and City Staff continues to work with them, in addition to the Public Works Director, City Manager and Water/Wastewater Manage who will be attending the upcoming HOA Association meeting at the Rookery North

Ward 2-Brown Water

Councilman Culotta has received complaints from Ward 2 residents about dirty water; Mr. Norenberg confirmed he is referring to New Street and reported that our Wastewater Manager has met with that resident and for some reason, it is isolated to their property. Other neighbors in the area were not having problems. The City will continue to work with that resident to resolve the issue.

Ward 3-Silicato Parkway Open

Councilman Morrow said he is glad Silicato Parkway opened again for easier access to those businesses from his ward.

Ward 4-Sidewalk Project

Councilman James advised that many residents are asking the status of the City sidewalk project and his response is that it continues to be discussed though he did not share the information that was talked about until there is a final resolution in place.

City Manager Norenberg reported that it will be discussed again at the next meeting.

COMMUNICATION & CORRESPONDENCE

Included in packet.

UNFINISHED BUSINESS

None to discuss.

NEW BUSINESS

Adoption Resolution 2019-06/Scheduling Board of Revision and Appeal for said General Assessment

After the process was explained, Councilmembers were assured that any information related to specific property appeals would be provided to them as soon as the City Assessor gathered the comps and documents related to specific appeals following the July 12, 2019 filing deadline.

City Accountant Frederick also agreed to provide the number of property owners who appeal.

Mayor Campbell then asked if anyone from the public wished to speak on the resolution. No one responded and the floor was closed.

Councilmember Wilson moved to adopt the following resolution, seconded by Councilmember Peel:

RESOLUTION 2019-06

WHEREAS, the provisions of Article VII, Section 7.05 of the Charter of the City of Milford state that Council shall cause a copy of the General Assessment, as adjusted, to be posted in two public places in the City of Milford and there to remain for the space of ten days for public information; and

WHEREAS, attached to said copies shall be notice of the day, hour and place that Council will sit as a Board of Revision and Appeal for said General Assessment.

NOW, THEREFORE, BE IT RESOLVED, that on Monday, July 22, 2019 at 6:30 p.m., the City Council of the City of Milford will sit as a Board of Revision and Appeal for the 2019-2020 General Assessment.

Motion carried.

Adoption/Resolution 2019-07/Approval of 2019-2020 Fiscal Year Budget & Capital Plan

City Manager Norenberg remarked on the documents included in the packet related to the budget and reviewed the following memo and subsequent changes to the new budget:

Overview

The Fiscal Year 2019-20 budget was prepared in conjunction with department heads and superintendents from all departments and with special thanks to the hard work of Accountant Suzannah Frederick. We are pleased to present you with this recommended Budget for the City of Milford that covers the General Fund and the various Enterprise Funds for the time period of July 1, 2019 through June 30, 2020 totaling \$45,233,237.

The annual budget document serves a number of purposes for the City. First, the budget provides the citizens of Milford with information regarding the operations of the City government and details on how public funds will be utilized throughout the community. Next, the budget serves as a roadmap for the City Council and City Manager to achieve the City’s priorities, not just in this fiscal year, but in the future. As staff prepared this year’s budget, priorities and requests were expected to align with the Strategic Plan that was adopted in 2018.

Finally, the annual budget is used as a managerial tool by the City Manager, Police Chief and the City’s department heads. This annual spending plan not only serves as a monitoring tool of revenues and expenses for the various departments, but also as a means of evaluation to ensure public resources are used in the most effective and efficient manner.

Background and Summary

As we prepare to the start the new fiscal year, changes are in large part driven by requirements of the organization related to growth and associated demands on staff and operations. For example, the majority of growth (53%) in the General Fund is due to the addition of five police officers, a dispatcher and the new Teamster contract for the Police Department. Other departments have requests for additional staffing to support quality, efficient operations that will support a growing community. These include, additions of staff in the Customer Service Office, the Finance Department, the City Clerk’s Office and in Park Maintenance.

Laying the groundwork for these plans have been moves to achieve greater efficiency with existing resources and facilities in recent years and careful stewardship of our resources in a number of areas of our municipal operation (examples: greater use of purchasing cooperatives, energy efficiency measures, replacement of the outdated systems and equipment, and selected use of contracted services).

Revenue Overview

The FY 2019-20 budget constitutes an increase of \$1,999,647 or 4.6 percent over the prior fiscal year. At this time, the property tax rate remains unchanged at \$0.46 per \$100.00 of assessed value.

Electric, Water and Wastewater enterprise revenues continue to be stable. The Kent County Wastewater treatment charge is increasing effective July 1. However, the customer portion of this treatment charge is a pass through and no change to the City rate is proposed. In addition, the negative electric power cost adjustment (PCA) is recommended to continue until the end of December and no change is recommended for the water rates. In order to balance the Solid Waste enterprise, a \$1.00 increase is recommended.

Budget Overview / Highlights

The individual fund changes are as follows:

	FY2019-20 Budget	Change from FY2018-19	Percent Change
General Fund	\$10,728,735	\$1,094,388	11.41%
Water Fund	\$2,859,500	\$11,000	0.39%
Sewer Fund	\$4,645,000	\$188,500	4.23%
Solid Waste Fund	\$1,182,003	\$6,760	0.57%

Electric Fund	\$25,815,000	\$690,000	2.75%
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This year's General Fund budget continues to utilize a transfer from Realty Transfer Tax Fund for public safety staffing (\$723,000). In addition, the appropriation for Downtown Milford, Inc. and the financial support for the Kent Economic Partnership continues from the Economic Development Fund, but now draws on that fund for the support for the Milford Museum, the Milford Public Library and to pay for new and replacement parking directional signs for downtown (\$166,360). The General Fund capital reserves will support general fund capital equipment or projects totaling \$623,775.

The recommended FY 2019-20 budget includes:

- An overall 2.0% pay increase in base pay for non-union employees and additional funds to begin the merit pay program discussed with City Council earlier this year (non-union employees with Meets Expectation or Exceeds Expectations on their annual performance evaluation may receive a 1.5% step increase).
- Continuing to expand employee recognition initiatives, including the Safety Incentive program, and beginning to recognize Special Performance of individuals or teams.
- Continuing the halftime Local Government Management Fellow shared with Lewes.

We continue to monitor healthcare costs. As we try to anticipate and mitigate the impact of possible increased healthcare costs, we negotiated a move to increase the employee share of premiums in next year (July 1, 2020) and plan to explore alternatives to the State benefits program in the next year.

Following is a partial list of capital equipment and projects. (The full list is in the budget materials, see Attachment A.)

Capital Equipment

- Replacement trucks, chipper and material handler - Electric
- Replace Dump Truck with Hook-lift Truck – Water
- Portable Soccer Field Lighting - Parks and Recreation
- New Zoom camera – Sewer

Capital Improvements / Repairs

- Water valve and hydrant replacements / improvements - Water
- Match for the NE Front Street Transportation Alternative Program improvements - Streets
- Replacement of lead water services - Water
- Automated blow off / flushing valves – Water
- Targeted Inflow and Infiltration investigation and repair – Sewer
- Final phase of Riverwalk Lighting Powder coat and Retrofit
- Continued downtown parking lot improvements and directional signage
- Continued resurfacing and repair – Streets
- City share for sidewalk improvements
- Basketball Court repair – Parks and Recreation

Planned Major Capital Projects

- Replacement of a section of sewer line and lead water service lines, and deteriorated curb on Southeast Second Street ahead of DelDOT repaving
- Shawnee Acres pump station upgrade
- Replacement of Northeast/Northwest Front Street sewer line and water line ahead of DelDOT repaving

In addition, the following additional staff are included in the proposed recommended budget:

- Customer Service Clerks (two)
- Police Dispatcher

- Accountant
- Administrative Assistant for City Administration / City Clerk’s Office
- Administrative Assistant for Public Works
- Parks Maintenance Coordinator

Conclusion

The current fiscal condition of the City is stable. In particular, the water and electric reserve funds are healthy and building permit revenues are growing. However, funding decisions to improve the City’s general fund capital reserve (typically used for capital equipment, vehicles, building repairs and street improvements) is needed in order to have a stable fund for future street maintenance, equipment replacement and facility maintenance and repairs. State Community Transportation Funds and Municipal Street Aid cannot be counted on to make up the difference. In the coming year, it will be extremely important for the City implement sound financial policies and practices, while looking to build financial stability for the future.

New or Increased for FY2020

Exhibit A

General Fund		Budgeted Amount	Funding Source
City Administration			
	Part time intern	\$ 8,724	Operating Budget
	Administrative Assistant	\$ 74,450	Operating Budget
Council/City Hall			
	Computer upgrade	\$ 7,400	Operating Budget
	ADA Transition Plan	\$ 50,000	Operating Budget
Council Request			
	Staffing Study	\$ 20,000	Operating Budget
	Legal Review of Code	\$ 25,000	Operating Budget
City Council Community Support			
	Carlisle Fire	\$ 140,000	Operating Budget
	Library Funding	\$ 25,000	Economic Development
Planning			
	Legal Review of Code	\$ 25,000	Operating Budget
Police			
	K-9 Unit	\$ 12,800	Operating Budget
	Dispatcher	\$ 62,786	RTT (\$63,000)
	FY 20 of Teamster Contract	\$ 160,222	RTT (\$160,000)
Parks and Recreation			
	Parks Coordinator	\$ 63,375	Operating Budget
Streets			
	Parking Directional Signs	\$ 25,000	Economic Development

Mayor Campbell referenced the 3% overall pay increase for non-union employees. Councilman Morrow asked if that includes COLA; Mr. Norenberg said the COLA has been confused and in lieu of that term, that is the base pay increase that all non-union employees will receive. On top of that, any employee with meets or exceeds on their evaluations, will receive a 1.5% increase.

It was again discussed that unions received 4% and any non-union employees receiving ½% less could create later issues and even consider unionizing.

Councilman Morrow recalled that when Milford Police unionized, Council agreed at that point to always keep the pay increases the same for non-union employees. Mayor Campbell agreed stating that has to happen, otherwise we are opening the door for other employees to unionize.

Councilman Morrow noted that during the last study, there were a number of upper management employees who received large increases and in consideration, he asked that the Finance Department to consider another ½% in an attempt to somewhat mimic the increase the union officers already received at the police department.

Councilman Morrow commended Mr. Norenberg's efforts to stay within budget, adding that he understands he is trying to work with the funding that's available.

When asked if everyone receives the additional 1.5% increase, Councilmember Peel said only those employees that meet or exceed expectations on their evaluations.

Mayor Campbell stressed that not providing the same increase to non-union employees is a risk. The City Manager pointed out the IBEW is still at 1.5% step increases. The Teamsters were benchmarking other police unions who were providing larger adjustments based on changes in benefit and compensation structures. The City agreed with the 4% in an attempt to keep our police officers competitive with other police agencies particularly at the entry level and higher ranks. Each time there is a vacancy, our HR Manager will look at the market place and compare that salary with respect to the position. In this strong economy, they have found some positions have moved up faster and some skill sets will change more rapidly. He anticipates a similar situation when the IBEW contract is negotiated next year.

Mayor Campbell reiterated that if this is not done, the City will never catch up. He recommends 2 and 2% versus 1.5 and 2%. Councilmember Peel cautioned letting one union inflate other salaries which sets a precedence.

Councilman Morrow agrees but pointed out that should have been controlled during the negotiations.

Mayor Campbell also pointed out that the Captain and the Lieutenants do not fall under the union and they are concerned with receiving smaller increases which will impact their salaries over time. They feel that when their salaries are compared to those positions in other area police departments, their salaries will end up being lower.

Councilman Morrow said he does not need any numbers, but is only asking that Finance Chairman James and Ms. Frederick provide a total if that percentage was increased.

Councilman James said if it is the philosophy of the City to keep the non-union employees in step with the unions, that is one case. However, he also feels we should listen to Councilmember Peel's statement because as she stated, the union is always setting the pay for the entire population which is not ideal. The non-union pay should be based on market study/market pay. The union is negotiated and it is dangerous to make them the same.

Mr. Norenberg said they also try to keep the various benefits and there was a request from the union the year prior to him being hired to add vision coverage. The City agreed it made sense for all employees and it was added for no cost to the employees and an option for dependents. As a result, the City tries to keep pace and serve all needs as best as they can. However, the different trades, workforces and professions have different market conditions which is the reason they hired PayPoint HR to complete a pay study. Once that was completed, everyone was brought up to market rate.

Ms. Frederick then reported that to fund another ½% would be \$21,000 across the board for non-union employees. Mr. Norenberg explained that would increase the base pay adjustment to 2½% to be allocated out of the general fund, in addition to the various enterprise accounts.

It was confirmed that the Teamsters at the Police Department agreed to an increase of healthcare premium/employee pay from 90/10 to 85/15 beginning July 2020, based on all employees receiving the same increase. Councilman Morrow pointed out that is more of a reason to provide the other ½% to all non-union employees noting that everyone else only received 1½% compared to the Teamsters 4%.

Solicitor Rutt said that Council has right to recommend tweaks to the budget though he does not think the ½% needs to be voted on tonight.

Mr. Norenberg was then directed to have the additional ½% added to the FY2019-2020 budget and to present the revised budget at the June 24, 2019 fiscal year budget.

Council then discussed Council Salary, as stated in the Ordinance, which reads as follows:

For the purpose of this chapter, the following terms, phrases, words and their derivations shall have the meanings given herein:

COUNCIL MEETING — The monthly Council meeting, workshop meetings and all other executive meetings called to order by the City Manager or Mayor.

Each City Council member shall receive a salary of \$50 per meeting.
The Mayor shall receive a salary of \$400 per month.

Mr. Rutt stated that he is reading this for the first time, but Council must follow what the ordinance states. If there is a special meeting, that is considered a council meeting in which councilmembers would be paid. In relation to public hearings, they are separate and distinct from the council meeting, but are still a full meeting of the council.

Mr. Norenberg reported that he and Ms. Hudson have additional background information that will need to be provided to the City Solicitor.

He tried to calculate the additional costs of workshops, board and commission members and made a projection based on the number of meeting. Council can also discuss an appropriate rate should that be adopted.

It was noted that any increase in pay, would not be effective until after the next election. However, based on the current language, Mr. Rutt feels this is the correction of a past interpretation which can be implemented immediately. He will provide a full update to Council at the June 24, 2019 meeting.

Councilman James pointed out that \$50 is not going to change anyone lives, but when an ordinance contains ambiguous language, it needs to be addressed for clear interpretation and execution.

Councilmember Peel agreed stating a lot of that language can be interpreted in a different manner. Many of the older codes have been addressed by the Planning Director though many are outside his purview. Mr. Norenberg stated that is the reason Ms. Hudson has proposed funding for a legal review of the code again his year.

Councilmember Boyle recalled the code allows for four councilmembers to call a meeting and noted that working committees presently have four members. Mr. Rutt clarified that it states that special meetings can be called by the mayor or by four councilmembers.

Councilmember Boyle said he on council to serve the public and questioned any additional pay. It was agreed the code reads 'per meeting called to order by the mayor' and includes the definition.

It was again agreed that Mr. Rutt should further review the ordinance after which, Council will determine whether a change of language is needed to the ordinance or he can determine the practice needs to be changed based on his interpretation of the current language.

The process for charter amendments was then explained. Solicitor Rutt explained that a review of each article was done by the City Manager, City Clerk and himself. In the end, the revisions were incorporated, which were approved by City Council and then forwarded to the General Assembly.

Mr. Rutt said he would like to review various areas in the charter and compare for conflicting language.

When asked for other comments, Councilman James stated that though we briefly reviewed the budget during the hearings, he has not had a chance to thoroughly review the capital improvement plan.

Councilmember Peel commended the Public Works Director for going back and providing additional information on the enterprise funds, which is handled a little differently, though the hope is to keep the accounts on par. She has also learned that there are emergencies that are unknowns that need to be considered in every budget.

Councilmember James explained that he found some of the FY 2019 amounts were exact duplicates of the FY 2018-19 amounts and not average of the previous years presented and instead carryovers.

There being no further comments, Mayor Campbell opened the floor for public comments on Resolution 2019-07.

Nina Pletcher of 428 South Walnut Street asked about Council being reimbursed for their services and though she feels it is well deserved, she asked if Councilmembers were paid only when they attended meetings.

It was noted that the code states each councilmember receives \$50 per meeting. They have been discussing what is considered a meeting based on that language. It was confirmed that Council is paid \$50 per month, and any additional meetings is \$50.

Ms. Pletcher doesn't understand why a councilperson would be paid for something they didn't do. If not in attendance, she is amazed they would be reimbursed.

Ms. Hudson clarified that the previous ordinance, prior to the amended ordinance twenty years ago, allowed councilmembers to be paid \$50 per month, regardless of attendance or the number of meetings.

No other persons wished to speak and the floor was closed.

Councilmember Wilson moved to postpone Resolution 2019-07 adopting the FY 19-20 Budget and Capital Program, seconded by Councilmember James. Motion carried.

Introduction/Ordinance 2019-21/Authorization/Chesapeake Utilities Franchise

As a result of its nearing expiration, City Manager Norenberg introduced the following ordinance renewing the Chesapeake Utilities Corporation:

*CITY OF MILFORD
ORDINANCE 2019-21*

*AN ORDINANCE OF THE CITY OF MILFORD, DELAWARE GRANTING TO
CHESAPEAKE UTILITIES CORPORATION, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE
GAS SUPPLY AND DISTRIBUTION SERVICES FRANCHISE AGREEMENT
WITH THE CITY OF MILFORD; PRESCRIBING THE TERMS AND CONDITIONS UNDER
WHICH SAID FRANCHISE MAY BE EXERCISED; PROVIDING AN EFFECTIVE DATE;
AND REPEALING AND REPLACING THE PRIOR ORDINANCE AND FRANCHISE AGREEMENT.*

WHEREAS, Chesapeake Utilities Corporation and the City of Milford desire to enter into a franchise agreement for a period of twenty (20) years commencing from the date provided herein; and

WHEREAS, Ordinance 2019-21 repeals and replaces Ordinance 2-1999 adopted by City Council on June 28, 1999; and

WHEREAS, the Council of the City of Milford finds that it is in the public interest of its citizens to enter into an updated franchise agreement with Chesapeake Utilities Corporation.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

*AGREEMENT BETWEEN
THE CITY OF MILFORD AND
CHESAPEAKE UTILITIES CORPORATION*

(Complete ordinance included in corresponding Council Packet)

The Ordinance is scheduled for adoption at the June 24, 2019 Council Meeting.

Authorization/I&I Supplemental Funding

City Manager Norenberg referred the memo, submitted by Public Works Director Mark Whitfield stating that due to the abnormally wet weather for the past ten months, the inflow and infiltration of storm and ground water into the sanitary sewer system has created a deficit in the Inflow and Infiltration Treatment line item in the Wastewater Budget (203-3030-432-40-20). To balance the deficit, \$250,000 need to be transferred from Wastewater Reserves to the Inflow and Infiltration Treatment line item.

Mr. Norenberg recalled the two projects discussed by Mr. Whitfield during the budget hearings regarding two pump stations that will help reduce this number.

Councilmember Peel moved to authorize the transfer of \$250,000 from Wastewater Reserves to Account 203-3030-432-40-20 to cover the treatment of Inflow and Infiltration Wastewater, seconded by Councilmember James. Motion carried.

Board of Adjustment/Vacancy

Planning Director Pierce reported that Board of Adjustment Member Chad Carter has submitted his resignation to be effective on Thursday, June 13th. As a result, there is a need to find a replacement for the third member and he asked City Council to encourage qualified residents to apply.

It was noted the BOA meets monthly on the second Thursday of the month. Those interested persons can submit their application via the City of Milford website.

EXECUTIVE SESSION

Councilmember Boyle moved to go into Executive Session reference the below statutes, seconded by Councilmember Brooks:

Pursuant to 29 Del. C. §10004(b)(4) Strategy Sessions

Pursuant to 29 Del. C. §10004(b)(9) Personnel Matters

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:19 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Council returned to Open Session at 9:26 p.m.

*Police Chief Goals
City Manager Goals*

No action needed; informational only.

ADJOURNMENT

There being no further business, Councilmember Wilson moved to adjourn, seconded by Councilmember James. Motion carried.

The Council meeting was adjourned at 9:28 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder