

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
June 8, 2016

The Finance Committee of Milford City Council met in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware, on Wednesday, June 8, 2016 to discuss the proposed FY 2016-2017 City of Milford Budget.

PRESIDING: Chairman Douglas Morrow

IN ATTENDANCE: Committee Members:  
Councilmembers Christopher Mergner and James Burk

MAYOR & COUNCIL: Mayor Bryan W. Shupe  
Councilmembers Arthur Campbell, Lisa Ingram Peel, Owen Brooks Jr.,  
James Starling, Sr. and Katrina Wilson

STAFF: City Manager Eric Norenberg, City Clerk Terri Hudson, Finance Director  
Jeff Portmann & Accounting Manager Sandra Peck

*Review and Discussion/Proposed FY 2016-2017 Budget*

Chairman Morrow called the Finance Committee meeting to order at 5:52 p.m.

*Planning and Zoning Department Page 4B1-2*

City Planning Coordinator & Economic Activities Coordinator Rob Pierce was present.

Finance Director Pormann continued the review of the proposed budget from the previous night, noting that a new item for contract services has been added to the planning and zoning department budget. He reported that the Planner is asking for some assistance with the City's Comprehensive Plan that is overdue and must be completed this year.

Mr. Pierce then explained that \$30,000 will cover the costs of the University of Delaware (UD) Institute of Public Administration assisting with some of the text revisions and to facilitate the meetings.

He added there is grant money available that could be used as well. DNREC may be willing to partner with UD to do some sea level rise and resiliency in Milford as a pilot program that could provide some assistance with the comprehensive plan update.

It was determined the last full update was completed in house in 2008 when Gary Norris was the Planner.

When asked why it was not being done in house, Mr. Pierce said he does not have the time to handle by himself. Mayor Shupe agreed pointing out that Mr. Pierce is involved in economic development and planning; Mr. Norris was the City Planner only.

City Manager Norenberg explained that outside assistance keeps the process on track and on schedule. The day-to-day requests received in the planning department could defer the comp plan update causing it to stretch longer than the anticipated 12-month process. That would prevent any development or other changes to be delayed as a result.

The Finance Director noted that the last increase is in legal services. Mr. Pierce explained that we have been processing a lot of the economic development matters through the planning and zoning budgets. He also anticipates a number of code revisions and amendments that will require some additional legal review.

He noted that the increase is reflective in the economic development issues, including incentives, agreements and land

issues.

Mr. Portmann noted that the training budget went from \$5,000 to \$1,000 as a result of the Deputy City Clerk being moved to the City administration budget.

Mr. Burk asked how much was spent this year in training, Mr. Pierce said some unexpended funds were transferred from the training budget to the legal budget to cover some incoming legal bills. Approximately \$3,000 was spent to cover the training costs associated with the Deputy City Clerk. Mr. Pierce said he only takes an occasional class that is typically held in Dover.

The increase in materials and supplies is the result of an additional \$2,000 requested for a large cabinet to store plans and maps.

There are no reported changes to employee benefit changes and no capital requests.

When asked what happened to the Planner's vehicle, Mr. Portmann said it was transferred to the police department to be used for transporting evidence in an unmarked vehicle to Dover and Wilmington. Mr. Pierce didn't feel he needed a vehicle and uses his personal vehicle when one is needed for meetings. Mr. Portmann said the City discourages that though the finance department vehicle is always available as the City Manager pointed out.

*Code Enforcement and Inspections Pages 4C1-4C2*

The Finance Director reported the big change in this budget is the addition of a third code enforcement official. He then referenced the proposed increase in rental licenses to \$75 and the addition of a \$100 business license which will pay for a new code official.

Ms. Peel then stated that she has concerns in the code department. She referenced the City Manager's report that was e-mailed to City Council on Friday noting there were 46 open cases and zero closed. She said it appears we are growing in the number of monthly cases without closing them out. Each month, the reports state zero closed though additional cases are opened.

Mr. Brooks said that the code official has personally closed a lot of cases for him.

The Planning Coordinator explained that grass cases stay open; once a grass violation is issued, it is not closed out until the season ends.

Mr. Burk asked if we still plan to be complaint driven; Mr. Pierce stated he is promoting being proactive. Mr. Burk commented that if we continue to be complaint driven, then the 46 cases a month will need to be split between the two officials.

Mr. Pierce reminded the committee that we are not doing any rental inspections. With the additional official, one would be primarily focused on exterior and property maintenance; the second official would be focused on rental inspections and added that the City currently issues 1,600 rental licenses. He said there may be a handful of inspections performed as complaints are received, but a more active process through an annual or twice-a-year inspection of each unit seems more beneficial in his opinion.

Ms. Peel asked for confirmation that the Planning Coordinator is stating we are closing cases even though it is not reflected in the report. Mr. Pierce explained the grass cases are being addressed and those yards are being maintained. However, the violation is kept open because once the notice is sent, that property is in open violation the entire calendar year which makes the process easier if the grass gets tall later during the year.

Mr. Brooks said he thought we hired a rental person but found out about a year or two later that even though our citizens

were paying for a rental person, the City never hired one. Mr. Morrow agreed that we have not had one for a couple years.

Mr. Portmann then explained that the code official was actually hired and laid off a couple weeks later. Council approved the layoffs to prevent raising property taxes to balance the budget.

Mr. Burk recommends that the City have documentation to support the rental license increase to \$75. He has done a lot of research on rental licenses though he wasn't at the Community Affairs Committee meeting when the increase was discussed. He said the City of Newark lost a \$900,000 lawsuit because they had no substantial documentation that their increase was justified.

Ms. Peel said the intent is to increase our code officials' presence and feels it is a good move and compared our fees to surrounding municipalities.

Mr. Burk continued his argument stating that Georgetown also lost a lawsuit when they raised the rental licenses and no other fees.

Mayor Shupe asked why they lost the lawsuit; Mr. Burk reiterated it was because they raised the fee without substantiating there were more man hours involved.

The City Manager then stated that the Community Affairs Committee was presented with the rental fee and business license concept in order to get their ideas and thoughts. He wants this to go back to that committee versus discussing it tonight.

Mr. Pierce then informed the committee that the following fees are being charged by similar municipalities:

Harrington	\$75
Georgetown	\$65
Smyrna	\$55/unit + \$35 inspection fee

As a result, their recommendation is an increase to \$75.

The \$25 increase will raise \$41,000 annually in addition to our current \$50 fee that brings in \$82,800 in revenues.

Ms. Peel recalled that rental units were not inspected on a regular basis as was discussed by the committee; Mr. Pierce agreed it is currently more complaint driver.

Mr. Brooks asked if the standard practice and job procedures have been read for a rental person that are on the books. Mr. Norenberg said that he and the Planning Coordinator have spent a great deal of time meeting with both code officials to discuss tracking data better, the focus of the entire City and more proactive responses in addition to complaints.

Mr. Brooks pointed out the City has job descriptions and asked how many of those duties are involved and how many will be changed. The City Manager is unsure if there is a need to change the job description though it can be revisited if Council feels it is necessary. However, he feels that is more of an administrative function.

Mr. Brooks said it states what each employees' job duties are. Each code official has specific duties and the rental person has assigned duties. He said it talks about gate keepers and asked if the City Manager read the City books.

Mr. Pierce' intention is to bring in the new position at a step lower and create a career path for the position. In that manner, there would be a Code Official I and our current employees would be titled Code Official II (two).

Ms. Wilson pointed out that it makes no difference what the job descriptions state if we do not have enough manpower.

Having only one code official does not allow half the work to be done that everyone expects. No matter what is on the books, when they receive a complaint, that becomes a priority. She emphasized that in customer service, you need to take care of that customer and the bottom line is we need another code official to get everything up to par. At that point, the other official could pick up the other duties that are expected.

Mr. Pierce pointed out that if we have a resident who has a code violation and is reluctant to comply, our next step is the JP Court system which is extremely time consuming. Mr. Burk said even if it gets to a trial, the judge may issue a \$25 fine which is nothing compared to the time and money that are put into that case.

Mayor Shupe asked that Mr. Pierce obtain more information and present it at the committee level for further discussion. He then pointed out that in the Newark case, the landlords claimed the steady rise in the rental fees made it a tax versus a fee that pays the City's cost of regulating rental properties. He feels we can justify this increase.

Mr. Burk said the reason Newark was sued is because a municipality in Pennsylvania lost a similar case and Newark's landlord association took an interest. He suggests the City learn from someone else's mistakes.

Ms. Wilson pointed out that Milford does not have a landlord association but recalls when the landlords got together to come before Council. They did not fight against the fee that was under consideration but wanted to know the reason behind it. They also accepted it because they knew that something had to be done to try and manage the rental properties for the benefit of the entire City.

Mr. Norenberg said the question is whether to raise the fee or allocate more money from the general fund. As Mr. Portmann pointed out earlier, this has been helping to balance the budget of this department. Mr. Brooks said Council did not know that until two years later.

Mr. Morrow suggests using \$41,000 out of the general fund and hire another code official that handles inspections. We will then see the actual costs are being justified. He recalled implementing this back in 2010 or 2011 with a \$50 fee though the code official was never hired nor were inspections done.

Mr. Portmann then pointed out the proposed new business license can also help in this situation. He said the initial proposal was a \$100 business license, but if that is increased to \$135, then the rental fee can remain at its current rate.

Mr. Burk said a lot of municipalities have handled this through a percentage fee and each fee increased in the same percentage. It would then not appear the City is picking on a landlord versus other businesses. He said that is the problem that Georgetown encountered when they raised the rental license fee but not the business license.

Mr. Norenberg pointed out that Milford currently does not have a business license; Council agreed adding it has been discussed for years but it was never implemented. Mr. Portmann emphasized that the City only requires a \$100 contractor's permit in addition to a vendors/solicitors permit.

Ms. Peel said that ward two has a concern about code violations and asked that the department collect data. Though it does not look like the numbers are moving in the right direction, she wants to make sure that everyone is doing their job efficiently.

Mr. Morrow agrees and reiterated that the \$50 rental fee was implemented four or so years ago and that income was not used as the City Manager stated it would at that time. Mr. Portmann said the other option is to raise property taxes to make up the difference.

Ms. Peel said she wants to see the number of cases closed and wants to make sure that is going to happen with the new employee.

Mr. Pierce explained that they discussed instituting a business license for the approximate 500 businesses in Milford.

He said this would be similar to the current contractor/vendor/solicitor license already in place meaning anyone doing work or having a business would be required to pay \$100 a year.

He referred to the comparison of business licenses in other municipalities and their fees.

Mr. Norenberg stated that currently, a business can open anywhere in the City regardless of the zoning district. Mr. Pierce agreed adding this is a good way to identify operators of businesses, track changes in ownership and business activity in general. The big issue is compliance with City codes governing business operations and commercial building codes.

It was confirmed that currently both code officials look for contractors who are unlicensed in the City. However, those tasks will need to be delegated once the third person is on board.

Mr. Pierce advised that the City receives calls from new business owners on a regular basis who expect to file and pay for a City business license.

When asked how much money is needed to hire a third code official, Mr. Portmann answered \$77,215.

Mayor Shupe prefers not stating that we are using this money to fund this position because that is what was done in the past and not done. He feels it is more appropriate to explain the need for the business license and the advantage to the City and residents.

Mr. Portmann agrees it can be used to balance the budget but not to hire this person.

Mr. Campbell questioned whether or not to base the business license cost on square footage; for example, the City could charge \$100 for a small store, but a business with 2,000 square feet would pay more. Mr. Burk said it could also be based on the number of employees.

Mayor Shupe feels we can make the argument that the business license actually benefits the businesses to ensure we have legitimate businesses operating in the City. It was agreed they will be the ones to report unauthorized businesses in town.

Mr. Morrow said he has no problem with the \$100 fee.

Mr. Morrow then summarized the conversation stating it is the consensus of the committee and Council to keep the \$100 business license in the budget; Mr. Portmann noted that as a result, the budget is \$27,000 short which will have to be found in another area.

The Finance Director then explained the Planning Coordinator proposed a combination of the rental fee and business license which he felt was low in comparison to other municipalities in the area.

Mr. Portmann recalled the earlier comment that if a fee is increased, it needs to be increased uniformly. He pointed out the \$100 contractor license has been the same for at least 27 years. He explained if the business license is implemented at \$125, then the contractor license should be raised to \$125.

Mr. Burk said in that case, we could raise the rental fee from \$50 to \$75 and \$100 to \$125 for the contractor license.

When asked what other towns charge for the business license, Mr. Pierce said that Harrington was at \$50 but \$250 to \$500 for distributors (based on employment); Smyrna is at \$50; Georgetown is at \$78 for an employee with one to ten employees, \$180 for eleven to fifty and \$270 for fifty and more employees.

Mr. Brooks pointed out that we have no way of knowing how many businesses or contractors never file; it was noted

that these budgeted numbers are based on what we are aware of.

It was confirmed that rental inspections, which would be assigned to the new code official, are presently only done upon request.

Mr. Norenberg said he is aware of one rental property where our current code official has had to return two to three times. Based on the complaint, it was an expensive inspection process.

He then confirmed there is a consensus to not only raise the rental fee, but proceed with developing a business license fee of \$100 to \$125. It was reiterated the \$100 fee creates a budget shortfall \$27,000. Mr. Portmann recommends a cross-the-board increase for each of the fees which can be substantiated.

It was agreed that \$125 would be charged for both a business license and for the contractor fee. It was agreed that basing the fee on employee data would require a lot of follow up and investigation.

Mr. Portmann then continued with the review of the proposed budget. He noted there are some increases as a result of the new code official including insurance, an additional computer and benefits in addition to the \$25,000 vehicle.

#### *Parks and Recreation Pages 12-13*

Parks and Recreation Director Brad Dennehy was present. When asked to explain the \$20,000 increase for temporary wages, he stated that he has seven seasonal workers of which three are assigned to the cemetery every day. The other four seasonal workers maintain more than 200 acres of parkland, sporting fields, goat island and the ballpark. There have been no additional workers hired as a result of the nine acres added when goat island was opened. He explained those seven workers can only work six hours and the additional \$15,000 will allow them to work longer.

The other \$5,000 requested is for a backup office worker because his full time office manager is unable to take vacation.

Mr. Dennehy reported that he has a lot of pressure from DMI to make things look better and plant more flowers. The flowers and plants need weed maintenance and watering. The additional \$15,000 will take care of that problem.

When asked about the three workers assigned to the cemetery, Mr. Dennehy explained that Milford Community Cemetery pays for them. There are two different cemeteries and the City agreed to take over their maintenance after Odd Fellows petitioned the City to do this. Currently, the City spends around \$32,000 to maintain that cemetery. They have considered contracting that work out but it was agreed to keep it in house.

Mr. Campbell pointed out that he is in the Lions Club and they periodically volunteer to clean up the cemetery. Mr. Dennehy said they did that before Memorial Day, but he needs to communicate with them because they left a big pile that his staff was unable to remove with our equipment. He said arrangements have to be made for a dump truck or trash truck so the debris can be loaded versus handling it as was done this last time. He feels it was not a good use of time and labor by City employees though he is willing to accept volunteers from the Lions Club at other cemeteries though they seem to only focus on the Union Cemetery.

Mr. Portmann then referenced the contract service line item that increased from \$20,000 to \$24,000. Mr. Dennehy said that is the result of the bathrooms at the Can Do Playground that needs regular maintenance by a professional cleaning service. He explained it is too much work for his employees who are park guys and not cleaners.

Another reason for the increase is the addition of wi-fi which would allow organizations who rent out the meeting room at the Parks and Recreation building to connect to the internet.

The Finance Director said the budget also includes a new computer. The fuel oil line item decreased from \$5,000 to zero after the unit at their Mill Street facility was replaced and an energy-efficient electric system installed.

Employee benefits had minimal increases as a result of the new part-time office worker.

Referring to the list of capital requests, Mr. Portmann noted the \$7,000 is part of the roof replacement approved last year (year two).

Mr. Dennehy also explained that soccer fields were built at the Can Do Playground; the irrigation was replaced last year and a zero turn mower and aerator is now needed at a cost of \$18,000 to keep them fertilized and watered.

In addition, he wants to replace his Park Supervisor's 1996 truck with a bare bones pickup that can be purchased off the state contract.

He recalled the conversation last year about the wooden riverwalk that is now rotting. The deck boards need to be replaced of which \$50,000 allocated last year. Mr. Dennehy is requesting an additional \$50,000 be added this year. He received quotes for the complete removal and replacement at a cost of \$350,000.

Mr. Dennehy is not asking for the full amount, though \$100,000 is needed for maintenance-free composite boards such as Trex or a similar item. He hopes to get some additional grant money to assist with this project.

He said it has been his idea to get more river-based activities and he will be seen frequently in future newspapers discussing this. He wants more kayaking, paddle boarding and rentals on the river. By accident, he received a \$17,000 grant last year from the DNREC Community Environmental Project fund and wants to build another floating kayak dock along the river behind Arena's Restaurant. There is a second one located by the dog park.

Mr. Dennehy feels the idea is a good one because it will allow someone to launch behind the police department, go up the river to Arena's where they could tie up, go in and get a meal and a beverage. The cost of his concept is about \$100,000 and he has already covered about \$25,000 with grant money and City money.

He has had several conversations with the owners of Arena's and believes there are a number of people who would be willing to pay toward the additional \$75,000. According to the Director, if he can get a portion through the City, he will find the balance elsewhere.

Mr. Morrow asked where this money would come from; Mr. Portmann said this is one of many new items being requested.

Mr. Norenberg prefers to discuss those items at the end of the discussion and asked Mr. Dennehy to discuss goat island and the causeway in order to stay on schedule.

Mr. Dennehy then continued by stating there was \$30,000 budgeted to dig out the causeway of goat island. This is the last piece of the greenway project and once this is done, it will be complete. He recalled that Planning Coordinator Rob Pierce came to him last year with representatives of the DNREC Water Infrastructure Advisory Council. The \$20,000 would bring the City's portion to \$50,000 with the money that was budgeted last year. DNREC would then provide a matching grant of \$50,000. He said that Mr. Pierce accomplished that by having City Council approve a water quality, living shoreline, wetland restoration and causeway removal plan.

Mr. Dennehy said there are a number of components though his plan is to get the causeway removed. The City Engineers believe the \$30,000 that was allocated for this work is more realistically \$75,000. This will then allow someone to paddle completely around the island.

*Police Department Page 8-9*

Chief Kenneth Brown was present.

Reviewing the police department budget, Mr. Portmann noted that Chief Brown moved the \$15,000 special duty radar funding into the officer's overtime line item which increased to \$164,000.

Chief Brown also eliminated the seasonal cadet program. He explained that the department originally had a \$14,000 cadet program, but ran into some problems last year. They started with five cadets and only ended up with two. He stressed that with Councils' emphasis on downtown and additional foot patrol and enforcement, the cadets are unable to take any enforcement action. As a result, he has requested they use the \$14,000 for downtown foot patrol for the full-time officers.

In addition, extra officers will be paid for foot patrols during the special event downtown. This will also prevent the event organizer from paying the special duty rate.

Mr. Brooks said the cadets were seen at the little league park on a regular basis which was very much appreciated. He asked if last year's group was a bad group; Chief Brown said that two were fired and Mr. Brooks recalled a number of really good cadets over the years.

Mr. Portmann noted that legal expenses increased as a result of the ongoing contract negotiations aside from the binding arbitration budget that was also increased. In addition, negotiations will be starting next year on the next contract.

Renewal insurance increased by more than \$10,000 and though it went down in some areas, the police portion went up.

Mr. Portmann then pointed out the training budget increased this year; Chief Brown attributes that to the number of young officers he has hired who need training. They are all sent to officer survival training which is held in Atlantic City and he hopes to have all his officers complete that training this fiscal year which is the reason for the increase.

The chief added that ammunition also comes out of that line item and officers are required to certify three times a year.

Mr. Brooks asked if there is enough money for the FBI Academy; Chief Brown said that is not included in the new budget.

Mr. Portmann referenced the increase in vehicle maintenance, repairs and insurance. Chief Brown attributed that to the cost of the Dodge Chargers which he said have turned out to be very disappointing to the police community. They plan to purchase two Chevy Tahoes and will trade in two of the Dodge Chargers.

The Finance Director referenced the five-year capital budget for showing \$71,600 for vehicles and equipment. In addition, there is \$15,000 allocated to extend the rear parking lot which the City Street Superintendent is handling and providing additional financial assistance.

*IT Department Page 7A-7B*

IT Manager Wes Banasan was present.

Mr. Portmann noted that the salaries and wages in the IT Department decreased because they removed the hybrid accounting/IT position that had been budgeted the past five years and never filled. That funding was transferred for the new Accounting Manager in the finance department.

The Finance Director explained that IT Manager Wes Banasan is requesting a part-time 24 hour/3 days a week employee with no benefits. He said that Mr. Banasan recommends hiring a person that he and Mr. Portmann both know from their military background. He worked for a company that is downsizing and will be without a job this month. He has retirement benefits from the Air Force and does not need City benefits.

Mr. Banasan said he has been here for a long time and is concerned he will become ill. He would like to have some good

help this year in case that happens. This person wants a part-time position and Mr. Banasan knows him personally. He is currently working for NAPA (IBM) with the same experience and background in servers and equipment and he wants to hire him as his assistant.

When asked if this is a position that has been posted, Mr. Portmann said he is unsure and deferred to the City Manager noting this is a part-time position and he is unfamiliar with those requirements. Mr. Norenberg stated that the City is in the process of updating its personnel rules and typically for part-time positions, they do not have to be posted and advertised. Mr. Morrow agreed the City does not have to do that with part-time positions.

Ms. Wilson asked for clarification stating she feels the City needs to post all positions. She feels it is wrong and Mr. Mergner agreed. Ms. Wilson noted that in the business world, a company posts internally as well and reiterated that all openings need to be announced. She feels it is only fair and that everyone should have the chance to be considered.

Ms. Wilson said she is aware of two applicants that applied for IT positions in the City. One person she knows personally submitted a resume approximately two years ago when their company downsized and his job was eliminated after spending twenty years in the company.

She emphasized how unfair it is to bring someone on board just because they know someone without giving everyone an opportunity to apply and feels that should apply to any job opening, including internal openings.

Mr. Campbell agreed it should be done even if someone has been chosen for a position as the City has done in the past. Ms. Peel feels it is even more important when the position increases the budget.

Mr. Portmann said he has no problem with that and he is unsure of why it has not been posted because he is not the HR person.

Mr. Burk said we should do everything to stay out of court adding that we have paid enough legal fees the past couple of years.

Mr. Banasan suggests hiring him part-time this first year and if things work out, he could later become full-time.

It was agreed that the part-time position needed to be posted and that no benefits will be paid.

Mr. Portmann continued by explaining that software maintenance is an ongoing cost and increased from \$117,00 to \$124,000 though Mr. Banasan is adding new products. The computer line item decreased by \$5,000 and recalled when the last City Manager asked for additional money for the City Planner to set up the GIS system and related items.

He reported that Mr. Banasan has requested \$55,000 in his capital budget for the replacement of four major servers and one primary and secondary domain controllers. A third domain controller would be built at public works and both Naviline servers replaced.

Mr. Banasan said he tries to even out the capital every year and plans to replace the I Series next year as well as the exchange server. After that, there are servers and other equipment planned for each subsequent fiscal year.

*Finance Department Page 6A-6B*

Mr. Portmann reported the only increase in this department is in salaries and wages. Mr. Portmann said he is considering retiring next year and in order to do so, someone else needs to be hired next April in preparation of that transition. As a result, his salary is there for the entire year, along with the additional three-month salary for the new hire. The Finance Director's salary would then be eliminated beginning the following fiscal year.

He noted that the training budget is higher because of the new Accounting Manager he hired, in addition to any training

needed for the new person who will be hired.

The Finance Director noted that our Payroll Person has been here seven years and though she has never been to a conference, he plans to have her attend the software conference this fiscal year.

*City Administration Page 4A-4B*

He noted that salaries and wages are down because the City is no longer paying two City Manager salaries as they have the past two years.

Mr. Portmann referenced the tax assessor services involving Tyler Technology's assessments that are done on a quarterly basis. In FY 14-15, \$30,000 was budgeted though that was reduced by last year's City Manager who misjudged the amount of work needed that year. This year the cost is anticipated at approximately \$15,000.

City Manager Norenberg then discussed the compensation study line item in the amount of \$25,000. He said that currently, a compensation analysis is being done on the union officers. As he and Mr. Portmann met with the various department heads, several salary adjustments were requested. They heard from enough departments to justify a compensation analysis being done citywide. The last one was done in 2007 and was implemented in 2008.

He said that HR Manager Lisa Carmean feels that because we are covering the majority of the police department with the study currently underway for the binding interest arbitration case, the balance of the City and the non-union employees in the police department can be done for \$25,000. They will then consider anyone that has taken on additional responsibilities or duties over the past few years to ensure they are fairly compensated.

The City Manager said that Council talked about the study of the police department operations. That information would then be fed into the plans for the future police department and anticipated future growth of the community.

He explained the \$95,000 is based off of a similar study underway by the City of Dover.

According to the City Manager, this was discussed at the police committee approximately two and a half months ago at which time there was a suggestion to look for grants to do this study. He said this type of study is not eligible for grant money and is more routine in nature. The Department of Justice is funding more trending topics and not things like the number of officers needed at a department. As a result, he and Mr. Portmann were able to squeeze the \$95,000 into the City Administration's budget.

Mr. Morrow asked if Chief Brown has provided the prior study; Mr. Norenberg said he is still trying to get all of the documents though the chief is trying to locate them.

Mr. Morrow said we need to utilize the study that was done as there was a lot of work and time put into that study.

Ms. Peel asked when the previous study was done; it was noted there was a needs and feasibility study completed under City Manager David Baird. Mr. Norenberg explained that part of that study assessed appropriate sites for the new police department. Mr. Burk asked if that where the idea for the Growmark site came from; Mr. Morrow explained there were several sites chosen with three final sites of which Growmark was one. It was determined that would be the most appropriate because of its location in the downtown area.

The other two sites were in the City's business park. One had the solar panels placed on it and is no longer feasible.

Mr. Norenberg said they also came up with some preliminary plans for the building and there were some questions about potential growth and whether it should be built in a way it could expand or could the space be utilized more efficiently. He is unsure that information can still be used because an informed decision is needed and we cannot rely on a study that is out of date now.

Mr. Morrow asked why this is budgeted in the City administration budget and not added to the police budget noting that is a unique situation; Mr. Norenberg said that Council made this one of the City Manager's goals so it was added to his budget and ended up on the City administration side. However, he and Chief Brown have been collaborating up to this point and will continue to do so in the future.

When asked the time frame, Mr. Norenberg explained that once the study is done, the big factor is how to pay for it. He said it is very important to make the public understand the needs and benefits to the community because the voters will have to approve this.

Mr. Burk questioned Mr. Norenberg's goals and asked if he is referring to the \$25,000 non-union employee study. Mr. Norenberg answered no, that one of the goals set for him was to work with the police department to develop a plan for a new station. He added that to his budget in order to keep that goal on track.

Mr. Portmann referenced the increase in legal services from \$18,000 to \$21,000; engineering fees decreased from \$12,500 to \$5,000. He recalled the previous City Manager adding an engineering line for the first time. Mr. Norenberg believes that \$5,000 will more than adequately cover the periodic engineering issues that need to be paid by the City administration.

The records retention line item shows a decrease due to being combined with the codification line item in the City Council budget.

The vehicle was removed as is noted in Mr. Norenberg's contract whereby he receives a monthly allowance for using his personal vehicle. Gasoline and oil is also down to zero as a result.

The HR Manager was moved to the administrative budget so the advertising and printing budget increased by \$4,000.

The City Manager noted that the HR Manager previously fell under the finance department and there are a number of other line items that increased as a result.

The training budget includes the City Manager, City Clerk, HR Manager, Deputy City Clerk and Office Assistant. The general expense increase and copier costs are a result of the additional personnel. The copier had a lot more use this past year due to the staff in the lower level; that created a shortfall because those costs are based on the number of copies.

Ms. Peel also suggested downgrading the quality of paper being used.

The computer line item increased to \$6,000 for a large laser printer which will be shared at City Hall though the former City Manager requested it last year and it was never purchased.

Mr. Portmann reported there has always been \$25,000 budgeted for discretionary funds by the City Manager. Last year, City Manager Medlarz felt that no discretionary fund was needed and eliminated that line item. This year, Mr. Norenberg decreased added \$15,000 though that is still \$10,000 less than a previous City Manager used.

No capital items were requested this year.

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Mr. Portmann reported that insurance is down as a result of the public officials' decrease this year.

He referenced the new Christmas decoration line item of \$15,000; the Finance Director recalled this was added to last year's budget and the Electric Superintendent and Parks and Recreation Director were tasked with purchasing the items after the holidays though that was never done. As a result, Mr. Portmann said the \$15,000 can either replace the original

funding or be added for a total of \$30,000 though that is up to this committee.

Mr. Burk recalled the conversation and his recommendation was to purchase the new items after Christmas when the items were on sale. It sounds to him like a good opportunity was missed.

When asked how the \$15,000 was determined, Mayor Shupe said it was just an estimate though the committee can determine the exact amount.

Mr. Portmann referenced the codification line item that increased from \$4,000 to \$9,500 based on the elimination of the records retention line item under City administration.

Service agreements remain the same; the cemetery expense was a salary stipend for the Parks and Recreation Director that was not requested this year.

Economic development is a new line item under City administration. There is \$15,000 budgeted for the first time this year. Mr. Brooks asked why this was added when we have a completely separate economic development budget; Mr. Portmann confirmed the \$15,000 will come from the fund Mr. Brooks is referring to as will be explained when the revenues are discussed.

Mr. Portmann then explained that the City Planner's salary, the \$30,000 earmarked for the comprehensive plan and the \$15,000 economic development line item all come from the economic development fund Mr. Brooks is referring to. Mr. Norenberg explained this includes items such as appraisals and legal expenses related to economic development items as have been paid the past couple months.

The City Manager further explained that before the end of June, we will be spending some of the economic development funds to provide a match against the DEDO (Delaware Economic Development Office) grant. Similar expenses are anticipated as we move forward with the DDD next year.

Mayor Shupe verified we received \$20,000 from the DEDO/Downtown Planning Grant of which we had to provide \$3,250 in match money. Mr. Portmann stated yes adding that the City agreed to spend \$20,000 by the end of the year and is why \$23,250 is budgeted in FY15-16. Of that, \$1,000 is left to spend.

It was noted that Carlisle Fire Company signs an annual service agreement to provide fire protection at a cost of \$140,000. The museum is a landmark commission of the City supported in the amount of \$26,000. Our economic development fund has actually paid Downtown Milford \$40,000 over a five-year period and will expire in FY18-19.

Mr. Norenberg reported that the Milford Historical Society is asking why they are not receiving an allocation like Milford Museum does; they were told they have to be a commission of the City or provide direct services that benefit the entire City.

The armory expense line item was reduced to \$10,000 because of the inactivity at that site.

When asked if the building will ever be used, it was noted that parks and recreation, police and public works actually use the facility. Mr. Norenberg explained that the building is not ADA accessible, has an antiquated boiler system so it cannot be heated and no air conditioning. A determination of the future of the building is still needed though that is beyond its current, but limited uses.

A new item added is a resident survey at a cost of \$15,000. Mr. Norenberg explained that one of the things that would be helpful in providing future services to our residents. He said the National League of Cities and International City Manager Association support a national citizens survey that can be administered through either the mail or internet. The intent is to get a random sample survey and quality feedback on our services. Items such as public safety, quality of life and comfortable living would be tracked overtime and benchmarked against communities of similar sizes and

characteristics. He recommends repeating the survey every couple of years.

There is no increase to the City Hall cost allocation and actually a \$6,000 decrease.

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Mr. Portmann reported there is an increase in the general fund capital reserves from \$280,000 to \$356,000. Included are Bridgeham Avenue and Linstone Lane (\$66,000); half of the street sweeper (\$145,000); police study (\$95,000); and riverwalk decking (\$50,000) all of which are non-recurring capital expenditures.

The next item discussed was the economic development fund that increased from \$173,440 to \$201,255. Included is the Planner's salary and benefits (\$116,255); comprehensive plan update (\$30,000); DMI (\$40,000) and economic development expenses (\$15,000) that was previously presented. This is funded out of the old Wawa sale money though the intent is to remove the Planner from beneath this fund and place the position back under taxes before this fund is diminished.

The Finance Director referenced the \$100,000 sidewalk fund that was removed and reduced to zero as a result of last evening's recommendation by the committee.

Real estate taxes increased from \$3.701 million to \$3.738 based on today's numbers; penalties remain the same and real estate transfer remains at \$500,000 for the police department.

Business and mercantile licenses proposed at \$85,000, will be increased to \$106,250; rental licenses proposed at \$124,000 will be reduced to \$85,000 based on tonight's recommendations.

Building permits are being slightly increased to \$75,000 as we continue on a positive trend. The only other change is the SRO officer which Council, in conjunction with the school district, approved a \$50,000 reduction.

When asked that status of the property tax penalty forgiveness program, Mr. Norenberg reported that as of Monday, the City has collected approximately \$24,000 in back taxes. He recalled that more than \$500,000 was owed when he first reported this to City Council in May. Approximately six or eight payment plans are in place and no penalties will be assessed as long as those monthly payments are current.

Unless we hear from a substantial number of the delinquent property owners, we will begin initiating the lien process on a large number of properties. However, Council will be reviewing a new strategy on how to address these properties considering the complex process currently in our charter. An update is needed to help speed up the process in the future which will be reflected when the charter is amended during the next legislative session.

Mr. Brooks asked how we got to the point of so many property owners being delinquent and in particular, how it rose to \$500,000. Mr. Morrow suggested taking the \$500,000 divided by the past twenty years when the delinquent accounts were neglected and that will show exactly how we got there.

Mr. Norenberg said that for whatever reason the City had a reputation of not going after these property owners so they were uninterested in staying current. Mr. Portmann pointed out it was never discussed publicly though it was discussed with the City Manager behind the scene every year during the budget meetings. He said no one wanted to go out and enforce it and make the call to go to a sheriff's sale. He said it is somewhat similar to the sidewalk issue.

Mr. Brooks disagrees emphasizing that taxes are the property owners' responsibility and the City budget is dependent on that. Sidewalks are completely different.

Mr. Portmann then reported the miscellaneous revenues remain the same. The interdepartmental revenues increased to \$800,000.

The total general fund is \$9.152 million.

Budgeted and unbudgeted new items were then discussed.

Mr. Norenberg recalled the IT specialist, resident survey, police legal expenses, parks and recreation seasonal staff hours, replacement accountant, comprehensive plan assistance, police operations and facility needs study, economic development costs, Christmas decorations, non-union compensation study, new code official and the 2% wage adjustment were all discussed and reflected in the proposed budget.

He reported that the life/AD&D & long term disability insurance was renegotiated with a savings of approximately \$7,000. The City Manager is proposing for the first time we add vision coverage as a new benefit for our employees at a cost of \$6,400. Employees will have the option of adding their spouse (\$4.64/month) or other dependents (\$5.16/\$10.00) as optional coverage. The net cost is a savings of \$1,258 to the City.

If Council agrees, an authorization to enter into the contract for the vision care will be added to the June 13<sup>th</sup> agenda.

Mr. Norenberg said this is a better plan than he had in Ohio and a great benefit to provide our employees.

Mr. Burk moved to approve the new benefit for vision care, seconded by Mr. Morrow. Motion carried with all three members voting yes.

The City Manager then referred to the unbudgeted items. Included are several pay adjustments that may be needed after the compensation study is completed.

Mr. Norenberg is proposing to add a public information specialist whose purpose is to increase outreach to residents via newsletters, social media, etc.

In addition, the police department wage adjustment will be needed upon the resolution of the teamsters' contract.

The additional kayak dock on the river and goat island causeway removal are also unbudgeted items.

City Hall has a great deal of peeling paint and dryrot that was discovered on its fascia because there has been no maintenance since the building was renovated in 2008-2009. Quotes will need to be obtained at a later date.

The replacement telephone system is anticipated to be between \$30,000 and \$40,000. The system at public works is failing and this will provide a linked system citywide.

When asked for recommendations, Mr. Morrow recalled the conversation last night regarding the paving of Airport Road which he feels is a priority. Mr. Portmann said that change was made in the official budget.

The Finance Director confirmed that the budget being presented is a balanced budget though these unbudgeted items are not included. He explained that some of what is proposed needs more concrete numbers. Other items such as the kayak and causeway need to be determined as well. Any later pay adjustments will need to be considered at that time.

As a result, there are only a couple items that can be considered tonight.

The phone system will be discussed once the final numbers are received. The same applies to the painting of City Hall.

Mr. Campbell believes the additional kayak dock and goat island are not urgent items and can wait; Mr. Burk agrees that goat island needs more investigation before that happens. Mr. Morrow agreed. Mayor Shupe added there are some developments with the kayak dock that involve other funding mechanisms and not City monies.

Various numbers were then considered for the budget; Mayor Shupe reiterated that there may be some interested parties planning to develop near the river that may be interested in the kayak dock. Mr. Mergner likes the idea the City may not have to come up with that money and instead it could part of a development that is being planned.

Mr. Mergner feels the public information specialist should be considered and feels that is more important than a kayak dock. When asked how this information is being relayed to our residents now, Norenberg said it involves a number of people but no one is a professional in terms of utilizing the website and social media. He said Christine Crouch does a great job of administering the website but fresh content as far as videos and marketing materials as needed.

The City Manager would like to share this position with another organization in town if possible.

Mr. Burk then recommended contacting Milford School District; Mayor Shupe noted that it has been discussed with the school.

Mr. Norenberg said if Council likes the idea, he is willing to work with the new superintendent and bring back a more detailed proposal at a later date. He said the City would hire the individual and be reimbursed a portion of their costs though it is still very hypothetical. He has discussed this with the new superintendent though he does not know how far it has gone.

Mr. Morrow agrees on that point and the need for that position and recommends allocating \$31,500. Ms. Peel asked if that can be paid from the economic development fund. Mayor Shupe suggests nothing else be paid from that fund and recalled the Finance Director's earlier concerns about the fund being depleted.

Mr. Morrow recommends it be paid from the general fund; Mr. Portmann stated no, the capital reserve funds can be used for the kayak but an ongoing personnel position is not a capital item.

Mr. Portmann confirmed the general fund account has \$1.15 million. Mr. Campbell recommends allocating \$31,500 from that fund for the new position. Mayor Shupe noted that will become an annual expense needed in every budget. Mr. Portmann reiterated that Council already funded the economic development position out of the economic development fund though it should be in the tax budget. This will add a second position and at some point, a massive tax increase will be needed to pay both salaries as these funds dry up because they are recurring expenses.

Mr. Burk asked if the PIO can be part-time; Mr. Norenberg said essentially it will be part-time though a split full-time position.

Ms. Peel asked how the new IT assistant and code official will be paid; Mr. Portmann explained that when they met with each department head there was a certain amount of money available. These items were prioritized with the blessing of the department head. Some of the items did not make it because there was not enough money.

Ms. Peel asked if the IT position is more important than the PIO. Mr. Norenberg feels that given the nature of keeping our utility billing system and other systems operating and supported, it is more critical at this time.

Mr. Burk asked to consider hiring someone that can do both noting that we hired someone that was an economic developer and planner. He feels that someone familiar with IT work is probably familiar with how to use social media.

The City Manager explained that Wes is looking for specific skill set in the area of server maintenance. The other position requires the ability to write press releases and other items.

Mr. Burk asked if when the work study is done for the City employees, if man hours and downtime be considered when the work study is done for City employees, or will it only involve comparable wages; Mr. Norenberg explained we would benchmark against other municipalities or similar jobs that exist in the private sector to compare current wages and benefits.

Mr. Burk asked if they will be looking at a typical day in the life of our IT Manager, for example, and how many hours he works. Mr. Norenberg said no, but we would benchmark the job description based on the IT position, versus just a server maintenance person.

Mr. Burk was thinking if we had a part-time person and any downtime when the servers were functioning could be used for social media. He said it would be a similar situation to Rob Pierce who has a two-in-one job combo.

The City Manager stated that we will not know the financial impact of the compensation study until it is completed.

Mayor Shupe reported there may be a possible grant for the public information specialist so we may want to wait on that. It would be part of the Complete Community grant which could happen though we are unsure at this point. However, if it becomes available, one of the eligible items is the cost of someone to handle public information.

It was then agreed to put the public information specialist on hold and budget a \$30,000 one time allocation for the kayak dock. In addition, add the telephone system and Airport Road improvements but remove the causeway.

Mr. Portmann advised the telephone costs are not in the budget and will be presented to City Council at a later date along with the City Hall fascia repairs and any impact as a result of the pay study.

It was agreed that no committee meeting is needed on June 9, 2016.

Mr. Portmann confirmed the budget will be ready for adoption at the June 13<sup>th</sup> Council Meeting.

Mr. Morrow moved to accept the budget as discussed, seconded by Mr. Mergner. Motion carried.

There being no further business, Mr. Mergner moved to adjourn the Finance Committee meeting, seconded by Mr. Burk. Motion carried.

The Finance Committee was adjourned at 8:25 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Recorder