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CITY OF NEWARK
DELAWARE

PLANNING COMMISSION
MEETING MINUTES

MEETING CONDUCTED REMOTELY
VIA GO-TO-MEETING

OCTOBER 19th, 2021
7:00 P.M.

Present at the 7:00 P.M. Meeting:
Commissioners Present:
Chairman: Willard Hurd, AIA
Vice-Chair: Alan Silverman
Secretary: Karl Kadar
Allison Stine
Mark Serva
Stacy McNatt
Commissioners Absent:
Staff Present:
Paul Bilodeau, City Solicitor
Tom Coleman, City Manager
David DelGrande, Finance Director
Katie Dinsmore, Administrative Professional
Mark Farrall, Deputy Chief of Police
Tim Filasky, Director of Public Works
Thomas Fruehstorfer, Planner
Mary Ellen Gray, Planning and Development Director
Chris Jones, Lieutenant (Police)
Bhadresh Patel, Director of Electric
Ethan Robinson, Deputy Director of Public Works
Joe Spadafino, Director of Parks and Recreation
James Reazor, IT Infrastructure Manager
Paul Tiernan, Chief of Police
Chairman Hurd called the meeting to order at 7:00PM

39 Chair Hurd: Good Evening everyone, and welcome to the October 19th, 2021, City of Newark
40 Planning Commission Meeting. This is Will Hurd, chair of the Planning Commission. Referring
41 to the Governors declaration of a health emergency and with the decision of Council we are
42 holding this meeting remotely on the GoTo Meeting platform. Our goal is to make it...sorry I
43 lost my place...our goal is to support the participation of everyone in this meeting. Katie
44 Dinsmore the department's Administrative Professional will be managing the chat and general
45 meeting logistics. In accordance with the guidance on remote meetings, everyone needs to
46 identify themselves prior to speaking. Tonight's meeting will only be for considering the Capital
47 Improvements Plan. Staff will present first, once the presentation is complete, I will call on each
48 Commissioner in rotating alphabetical order for comments or questions. If a commissioner has
49 any additional questions or comments they would like to add afterwards, they can unmute
50 themselves and I will call on them to make it clear who is speaking next. Otherwise, keep
51 yourself muted to prevent background noise and echo. Please also avoid talking over other
52 people so that everyone listening can hear clearly. We will then read into the record comments
53 received prior to the meeting, followed by open public comment. If members of the public
54 attending tonight would like to comment on the agenda item, they should send a message
55 through the chat function to Miss. Dinsmore with their name, district number or address and
56 which agenda...there's only one agenda item sorry. The chat window is accessed by clicking on
57 the speech bubble icon on the top bar. For those attendees connected to the meeting only through
58 their phone, I will call on you separately and you can press *6 to unmute yourself. We follow
59 public comment with further discussion and questions from the Commissioners and then the
60 motion and voting by rollcall. If there are any issues during the meeting, we will adjust the
61 guidelines if necessary. Alright, so we'll start. Mr. Coleman are you leading off?

62 City Manager Coleman: Yes, I will lead off and thank you for hosting us this evening, Dave and
63 I are happy to be here tonight to share our highlights from our 2022 to 2026 Capital
64 Improvement Budget. Katie, do you have the presentation, can you pull up the first slide?

65 Miss. Dinsmore: Sure, give me a moment.

66 City Manager Coleman: While she works on that I'll just continue. There's nothing too
67 important on that first slide anyway. So, our departments have worked to identify the needs of
68 our community and feels that the five-year capital program presented this evening meets those
69 needs while balancing the fiscal constraints on the city. Unique from years past, we now have
70 access to the American Rescue Plan Act funding, and there's potential for significant, additional
71 funding in the Infrastructure and Jobs Act that's being deliberated in the senate currently. The
72 plan you'll see tonight tries to find a balance of spending ARPA funds while reserving funds to
73 potentially be used for leveraging funding if additional funding becomes available from the state
74 or feds in the future. Looking back over the past few years with the successful passing of the
75 Capital referendum in 2018, has helped us keep our most important infrastructure projects
76 moving and on schedule. For those of you who have been keeping up with the City's CIP process
77 before the referendum, it was rare for our CIP for them to look similar year to year. Due to the
78 need to reshuffle projects, because of a lack of funding. That's not the case for almost four years
79 now. Most of what you'll see this evening is what we presented initially during the referendum
80 process and again each year since with some minor changes often in facilities and IT where non
81 referendum projects have risen in priority since 2018. To the extent possible, the CIP will serve
82 as our guide for the next five years. Each of our department directors have a project in the CIP
83 budget and are online this evening to answer any project related questions should you have any.
84 We also have a list of departmental accomplishments to show what we've been up to the last
85 year, and we'll provide an update on the large energy conservation project we completed this
86 year or are in the process of completing in our facilities. Believe it or not, we've been dealing
87 with the Covid-19 pandemic for 18 months now, and I wanted to take a moment before we begin
88 to recognize our directors and other staff members who've been working hard over that time to
89 not only maintain our day-to-day operations, but to also move the ball forward on the Capital
90 Improvements Program in the face of a pandemic. It's disrupted pretty much every aspect of our
91 lives. It's a testament to their talent and their dedication to the city and I thank them for their
92 service. Alright, could you go to the next slide please? Alright so this slide details the target of
93 the Planning Commission with respect to the Capital Budget with the pertinent sections bolded.
94 Ultimately, the Planning Commission has a responsibility to review the recommended CIP and

advise Council on expenditures for capital projects referring to a matter covered by the COMP plan or the official map of the city. I think you'll find that every project has some sort of connection to the Comp Plan and principles. Next slide please. Ok, thank you. In developing the Capital program our departments begin by reviewing projects that were previously approved or are underway from an earlier program we confirm completion levels and discuss modifications to projects that may have become necessary as we progressed further into them. Likewise, staff has had an eye out for (inaudible) projects identifying new needs and confirming the continued need all while incorporating Council and community feedback. These efforts are completed with a focus on how each project supports the provision of services today and moves the city's vision forward from tomorrow. The Capital program presented in the 2022 to 2026 CIP aligns with the vision elements noted here on these slides. The city's belief that a healthy, active sustainable, and inclusive community resonates with all that are who are committed to Newark's continued success. The capital program is the backbone of the city's work as a local government. This year's CIP carries four of the plans we put in place four years ago as it keeps up primarily focused on our infrastructure. Maintaining our utilities and ensuring that all of those who work and reside in Newark are receiving the electric, water, stormwater, and sewer service they require on a daily basis. It also includes funding from the American Rescue Plan act to help us complete some projects that have been delayed due to funding challenges or would benefit from being accelerated and brought forward to an earlier year in the budget then we would (inaudible). Lastly, we must safeguard the financial strength of the city via prudent investments and decision making. Primarily our utilities and parking funds make up about three quarters of the city's revenue so properly maintaining our assets is critical to long term financial strength of the city. Next slide please. A successful referendum and now federal support has been key to the city's ability to meet our capital spending requirements. In past years we have primarily used our reserves and current revenue to fund long term projects. All of our projects are competing for the same dollar which resulted in delay of many projects, especially large ones repeatedly pushing them out into future years. Deferring maintenance on our facilities and utility infrastructure often results in higher future expenses as infrastructure continues to deteriorate. It can also lead to lower levels of service for our customers due to more frequent service interruptions and power outages, and water main breaks. Lack of resources resulted in five-year capital plans that changed frequently beyond the first year as it was uncertain as to how the projects would be funded. Since the city only has so much cash available in each year, projects over a million dollars stood almost no chance of being completed unless they were the only project in the budget after paying for equipment replacement and street paving. Now with an approved referendum behind us, the city has a secure funding mechanism for much needed projects which has enabled us to stick to our plan from 2018 and carry it into 2022. In addition, with the state revolving loan program, as part of our capital portfolio, we now have the ability to secure new state grants and principal forgiveness which we previously weren't eligible for. A great example of this is the more than 600,000 dollars in principal forgiveness that we've received for our water tank rehabilitation project. Having these additional funding resources enables us to effectively plan and accomplish the projects we set out to do in the timeframe that was originally intended. While we're approaching the end of the referendum funded projects, ARPA has given us the ability to hold off on a second referendum until the funding runs out in 2024 delaying the additional debt services payments and saving our residents money. Next slide please. So now we'll do a quick overview of accomplishments that we think will be relevant to the commission. You're likely aware of what the planning department's been working on, so we'll cover it pretty quickly. Some of the longer-term initiatives of the Rental Housing Workgroup, the parking subcommittee work with Kimley Horn, the Transportation Improvement District we're working on with DelDot, they also revised our Green Building Code and are working on the five-year review of the Comprehensive Development Plan. The parking division completed our transition to multi-space kiosks, from individual parking meters and this included a citywide adoption of the PASSPORT parking app and full license plate recognition enforcement which greatly improved our efficiency. Next slide please. The electric department spent much of 2021 working on infrastructure necessary for new development activity in town. In addition to the projects listed above, they spent considerable time working on the College Square redevelopment project which will transition into the Grove at Newark, which is a really large project. They also included all of the necessary infrastructure to begin our EV charging station adoption both at city hall and at Municipal lot 1 right behind Grottos. The charging

stations should be active and available for charging now. Next slide please. So, three big Parks and Recreation projects have either be completed or are scheduled to be complete before the end of the year, these are long, multi-year projects. The first is completion of the long-awaited bathroom at Preston's playground and that was opened earlier this year. We expect that our new park at site of the old Rodney Dorm will be open by mid-November and we're looking forward to announcing the name at that time. And the approach and abutment work for the new pedestrian bridge over the White Clay creek is already complete, and right now we're just waiting on the bridge delivery which will wrap this project up. It's currently scheduled to be installed this coming December. This bridge will provide a better bike and pedestrian crossing from downtown to our immensely popular reservoir park and to Preston's playground. We see such a demand at this park that we had to create a temporary overflow parking area to address the demand until we can complete the permanent parking area across the street associated with the old Papermill park project that's included in the 2022 CIP you'll see later. Next slide please. Public Works continued to work on street and drainage work along with many projects included with the referendum. As you can see here, they rehabilitated nearly two miles of sewer mains and completed several high need point repairs. These projects are anticipated to add at least 50 years to the remaining life of the respective sewer mains. They also completed the largest water project since the reservoir a 4-million-dollar overhaul of the South Wakefield water treatment plant. This project replaced a failing air stripper used to treat BOCs with a newer significantly more capable system that allowed us to begin using Well 14 which had been offline due to BOCs for little over 10 years. We also eliminated two storage tanks on site that had lead coatings and installed a new (inaudible) system which will allow for better automation, remote monitoring, and control. On the street side, we've continued our regular street program paving 14 street segments around the city, along with hard surface improvements in Fairfield Park. Next slide please. Public works also worked with the city's GIS team to create several dashboards to assist with the day-to-day operations of the department's utilities and maintenance actions. We added our first fully electric vehicles to our fleet this year in a 3 Nissan Leafs and we have several more included in the 2022 budget that's presented here tonight. With gas prices as high as they are today, it's making the cost benefit of this transition even better I'd say. On the Stormwater side, we brought the new stormwater (inaudible) that came online and passed the test this year that came with tropical storms and heavy thunderstorms that we normally would anticipate would have flooded South Main Street and Devon, and the Bins. We also continued our corrugated pipe metal rehab program totaling over 10 segments of pipe and 1,050 feet many of these were high risk outfalls through pond (inaudible). We had one of these pipes fail a few years ago taking out the embankment and the cost to restore it was easily several times the cost of proactively maintaining that pipe ahead of time. Next slide please. IT spent much of 21 working on items relating to cyber security and hardening our IT systems. We implemented multi-factor authentication for network access, think the key fobs with numbers you have to enter before getting access. And mobile device management system that allows us to centrally configure and control the city's mobile devices. We also updated our anti-virus and content filtering systems and updated our workstations, screening them all under support again. Upgrades were also made to our Wi-Fi systems to improve coverage. Next slide please. In addition to the expanded Wi-Fi coverage, we also made changes to our server farm that supports the Wi-Fi to improve security and we continued our migration from on premises storage of applications to cloud based systems. These systems provide additional redundancy while reducing the amount of local IT infrastructure we have to buy and maintain to continue our operations. Next slide please. The GIS team worked with several departments on dashboard like I discussed previously in the Public Works section. A good example is the tree maintenance dashboard created for the Parks department. This is even more important with the continued assault on our tree canopy by the ash borer, but we spent over 50,000 dollars on ash tree removal this year that can be directly attributed to the emerald ash borer. The Planning department has a new story map showing current development plan proposals and the Public Works department is tracking pipe condition using pipe wall samples that are collected when water main taps are made by developers and contractors working on our behalf. We're now doing our stormwater inspections directly in the field using a GIS application and this application generates reports that we can provide to facility owners that they can use to prioritize much needed maintenance. This wasn't an all-exhaustive list of the projects we've completed this year, but we felt it did a pretty good job of covering the highlights. So now I'll turn it over to Dave for the current proposal for review this evening.

Director DelGrande: Thanks Tom. Good evening, Planning Commission. If we could move to the next slide, please Katie? Thank you. This slide represents the proposed 2022 to 2026 Capital Improvement Program which has been presented to Council in our departmental hearings since our budget process began back in August. When we look at the CIP program over the five-year period, our Capital plan totals 79 million dollars. As you can see, our plan is frontloaded in the 2022 through 2024 due primarily to the 16.9 million dollars in ARPA projects that must be expended or encumbered by the end of 2024. Due to the availability of funds in the out years, our CIP will undoubtedly change in 2023 onward. The 22 to 26 is a frankly 2 million dollars increase from our 21 and 25 Capital project that was passed last year. The requested total CIP for 2022 is just under 16.5 million dollars but we are proposing to fund 22 with 4.2 million dollars in debt financing, 1.6 million in capital reserves, 733,000 in vehicle and equipment replacement funds, 708,000 dollars in grants and 5.9 million in the American Rescue Plan Act funding. Next slide please. So, the city utilizes a variety of sources upon capital projects. In 22, 3 million dollars or 18.4 percent of the CIP will be funded via city funds. Over the five-year plan 28.2 million dollars or 35.7% will be funded via the city directly through its funds. Our reliance on the state revolving loan program, the American Rescue Plan Act, and other grant funding helps us fund our much-needed capital needs. Which keeps the burden of our residents as low as possible year over year. Next slide please. This slide represents 57 percent of our 22 CIP and 8 of our largest projects will be a collectively total 9.4 million dollars. 87 percent of the funding for these projects are coming from grants, the state revolving loan program, and the American Rescue Plan act with only 13% or 1.2 million coming out of the city's capital reserves with current resources. All of these projects with the exception of the Inter Gov Civic Software Service Project for 644,000 and the city hall parking lot rehabilitation project for 525,000 are continuations from prior year projects. In the out years, we do have two projects worthy of mentioning and we talked about last year. They are the new electric substation at 17.7 million dollars and upgrades for the Newark Reservoir for 1.6 million dollars. These two projects as I mentioned were in our 20 CIP also. Next slide please. So, the Covid-19 pandemic and the resulting economic crisis placed most governmental agencies under unprecedented strain. The feds are providing much needed relief to the state, local, and tribal governments to enable us to continue to support the public health response and lay the foundation for a strong and equitable economic recovery. The American Rescue Plan Act or ARPA has provided 350 billion dollars in emergency funding for eligible state, local, territorial, and tribal governments to respond to the Covid-19 emergency and bring back jobs. Of this 350 billion, the city has been designated to receive just over 18.1 million dollars for us to use for these efforts. As outlined on the slide per the U.S. Treasury guidelines, these funds can be used to support public health expenditures, to address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and to invest in water, sewer, and broadband infrastructure. Although broadband is not applicable in Newark due to having adequate coverage already. Next slide please. So, the city has earmarked from our grant these items that are shown on the slide. So, we are supporting public health expenditures by covering the cost of supplies, vaccinations, and mitigation efforts, we plan to address the negative economic impacts caused by the public health emergency by the addition of two temporary planner positions in managing the CDBG and other grants as well as assist with planning review needs due to renewed development activity. Through revenue replacement we are going to use ARPA funding to make capital investments to strengthen support our critical government services which is our Informational Technology and also to improve cyber security. We are not planning on planning any premium pay for essential workers at this time, we are planning though in spending the majority of the money in investments to our water, sewer, and stormwater infrastructure as we'll show over the remainder of this presentation. A list of all currently proposed ARPA projects can be found on budget central it's on that link on the slide here. This slide represents a list of projects for our facilities maintenance division. There were two new projects added in the program, with one of them not looking to begin until 2023. Which are the entryway repairs for the George Wilson Center and the Field Operations complex. Our goal is to complete needed facilities work not directly prior to the energy savings projects in order to bring city facilities back to maintainable levels. For 22, we are requesting 245,000 dollars in funding, in project end 2201 to upgrade the safety and security of city hall. These funds will be used to demolish the semicircular structure in the atrium entryway which is in dire need of repairs. It includes replacing the entryway with a replacement

awning, installing a permanent bailiff station in the atrium, along with metal detectors. And
lastly, to replace the floor tile in the lobby. I'm not sure if you've noticed it, but if you've ever
been to the tristate mall both had similar tiles and the tristate mall's been ripped down so we're
happy to go behind them. And sticking with city hall renovations, we are looking to replace
aged carpet and damaged flooring throughout the building and to spruce up the dated and
weathered exterior as presented in our projects numbered N1803 and N2002. In addition to the
three originally purchased dual port charging stations, new funding for N2001 will allow the city
to expand from 2 to 8 EV charging stations in lot number 1. Next slide please. So, to save you
some time these pictures generally say a thousand words, so I won't waste my own on these
slides, if you've been in the building, you can kind of see the disrepair that the building is in, and
the CIP itself had a lot more examples of that. If we could go to the next slide, please Katie.
Here's some lovely pictures outside city hall, as you can see it's looking a little weathered these
days, we're looking into getting that maintained and back to the way it needs to be which has
been in our plans for some time now but has been cut due to funding issues. Thank you, Katie.
In 2020, City Council approved Newark's Energy Performance Savings contract or ESPC as well
call it. It performed by (inaudible) this 10-million-dollar project has a net zero cost to the city
over 20 years as the project costs are matched to the savings generated from the (inaudible).
This project combines three prior capital projects which are roof repairs throughout the city
buildings, to HVAC renovations at city hall, and also at the George Wilson Center. This project
in a 500 percent increase in total solar output and 1300 kilowatts which includes city hall, the
Newark Reservoir current expansion and our current McKee's solar park and at the field
operation complex. This project also allows us to retrofit over 3000 city owned outdoor lights,
on the streets, lots, and facilities and is about 45% complete as of now. And there's also other
smaller savings, with projects throughout the city which are pumps, controls, transformers,
etcetera. Overall, the entire project is about 70 percent completed and is expected to be 100
percent completed by the first quarter of 2022 which is right around the corner. Next slide
please. So, we left this slide in from last year to reflect all of the projects that are included to
make this large 10-million-dollar project. One major change we have done is that we are not
placing solar panels at the top of the George Wilson Center at this time mainly because we could
obtain the same number of kilowatts in the solar panels at the remaining locations using more
efficient solar panels. We will retain the George Wilson Center as a future location for a solar
project. Next slide please. So ARPA. So, the city was awarded as I mentioned, 18.1 million
dollars in direct aid which will be coming to us in two (inaudible) in the next year. To date we
have received half of our allocation back in July and the entirety of the grant must be expended
or encumbered by the end of 2024. In addition, the state has its own ARPA grant, and they are
planning to provide hundreds of thousands of dollars of their own allocation to localities through
a competitive application process. Which we hope to be leveraging our own funding within order
to apply though we will need to finalize our budget in order to do so. At the federal level there
may be another source of funding coming to Newark, and that would be through the Federal
Infrastructure Bill. This 1.2 trillion-dollar bill passed the U.S. senate back on August 10th, it
stalled a bit in the U.S. House of Representatives. Some of the eligible projects that we're
looking to fund through ARPA could also be funded through this bill. The table to the right on
the slides shows the high level of how the funds are allocated in the budget by year and by
department. We have 331,000 in 21 that's already been approved to be spent by Council. Staff is
seeking approval for 2022 funds now along with the plans for 24. Projects in 23 and 24 can be
altered in the future if Council decides to do so and then most 22 capital projects will require
Council approval before proceeding with contracts due to their size. As we've talked about
before with Council, with all the various levels of funding, our own operating budget will remain
fluid until the state and federal programs and U.S treasury interim directives are finalized. Next
slide please. And this slide represents the revenue streams of each fund's capital program for
2022. Two thirds of the funding of the 2022 CIP is from non-city resources which totals 11.1
million out of our 6.5-million-dollar request. Our stormwater, sewer, and water program is
mostly funded via state and revolving loan. Electric projects are generally funded via current
resources which are comprised of the electric rates we charge our customers this year's no
different as 96 percent of electric's capital program is funded via city resources. 100 percent of
our maintenance projects are funded via non-city funds. Next slide. And here's a visual
representation of our 22 funding sources. 3 million or 18 percent of the funding for our CIP
comes from current resources in 22 current resources also support all the city's operating

expenses and debt services that are continued in our operating budget. 11.6 million comes directly from our capital reserves which is called (inaudible) Capital spending. This is not relying on debt or borrowing. The majority of the use of the reserves in 2022 is to fund ongoing electric projects, which are 440,000 dollars towards an engineering study. And design cost for our new substation, 320,000 dollars for a new 12,470-volt circuit to be constructed as highlighted in E1805 and 460,000 dollars towards our (inaudible) project. Vehicle and equipment replacement account for another 733,000 dollars or 5 percent as a planned funding source for depreciation funding that we commit to annually. While it doesn't cover 100 percent of our replacement needs, it does help us fund our large equipment purchases each year. The state revolving loan program is funding 23 percent of our 22 CIP across stormwater, water, and sewer funds and were approved in 2018 referendum. Another 4 percent comes from our grants that our departments work diligently to obtain every year, funding in 22 totals 708,000 dollars. A new piece of the CIP pie that we will see in the next few years reflects funds coming from the American Rescue Fund Act; this includes 5.8 million in projects in 22 and accounts for 35 percent of our spending plan. Next slide please. Most years, our utilities drive our capital spending. 66 percent of the gross capital spending in 2022 is earmarked for water, sewer, stormwater, streets, and our electric department projects. These projects aren't glamorous or pretty, but they are the backbone of the city and do often go unnoticed until an issue arises. The infrastructure projects in our CIP keep most unforeseen surprises from occurring making our utilities reliable and efficient for our customers. Now I will pass it back to you Tom.

City Manager Coleman: Alright, thanks Dave. So now we're going to go through each of the individual project groups by priority. So, I know most of you will be familiar with these, so I'll move relatively quickly because there aren't a whole lot of new ones. So, the projects here are priority 1. They are by definition, currently underway, or have grant funding. The individual CIP sheets provide further detail as to the funding sources for each of these projects. There's only one new non-recurring priority 1 project in the budget from what appeared last year and that's the city hall access, safety, and security upgrade project that we showed pictures of some of the deterioration in the earlier presentation. Funding for all priority 1 projects totals 3 million dollars in 2022 and the largest part of this is the SO904 which is the sanitary sewer study and repairs project and that's the capital program that funds our sewer projects each year. Next slide please. Alright this slide summarizes all equipment sinking fund spending across each separate fund as you can see, we have 14 separate sinking fund accounts where we track spending. We're proposing to replace equipment valued at just under 1.4 million dollars. Sorry 951,000 dollars, sorry driven largely by the timing of necessary replacements. This is a good time to remind everyone of how the equipment sinking fund works. Each piece of equipment in the sinking fund is tracked separately with an amount of money that is deposited over the expected life of the asset equal to it's purchase price. What this means is when this equipment needs to be replaced, there generally won't be enough funding in the sinking fund to cover the replacement due to rising equipment costs. To make up the difference, we use current resources or capital reserves from the funds within which the vehicle exists. So, if it's a water vehicle we would use water reserves, etcetera. When we push a vehicle out from the year it was originally set to be replaced, we save money in the near term by avoiding a one-year depreciation expense, but it results in a larger differential between what was saved for the replacement and the final replacement cost. In order to make it into the current year for replacement, each piece of equipment is evaluated by a mechanic, so the report provided to the Public Works Director for review with each respective department director. Vehicles that can be retained for another year are generally only pushed one year in the CIP. Staff is also evaluating the ability to replace equipment with electric vehicles as part of this process which in some cases does add to the initial cost of the replacement vehicle. As you can see above 2023 to 2024 are going to be difficult equipment replacement years due to large replacements. Recent approval from Council to move towards a lease purchase program provides us with another budgeting tool to incorporate these vehicles in future budgets without having a large one-year impact. And we are recommending as part of the 2022 to replace 11 pieces of equipment valued at 885,000 dollars via the lease program. Next slide please. Priority 2 are the highest priority for projects that are new this year have not been started or do not have grant funding. Funding for all priority 2 projects totals 8.8 million dollars in 2022 alone. Many of these projects would have fallen victim to being bumped in previous years but were able to stay in the budget either to the referendum or ARPA funding. Next slide

384 please. Priority 3 projects are medium-high priority where the department director has
385 determined that the city would be taking a calculated risk in deferral of the project. Now we
386 only had 2.9 million dollars of priority 3 projects in this year's budget; half of which is the Old
387 Papermill Road project and that one was included specifically at Council's request. Next slide
388 please. Priority 4 projects are considered needs, but they are projects where there's not a
389 considerable risk of deferring the project. We have 773,000 dollars of priority 4 projects in this
390 year's budget. Next slide please. And finally, priority 5 projects are projects that can easily start
391 in year 2 or later of the CIP. We only have 75,000 dollars in priority 5 projects in this year's
392 budget and the Harris Automation Platform project, which is currently underway, which will be
393 asking Council at a later date to use these funds to upgrade our customer connect portal in order
394 to provide our customers with better user experience when accessing their utility accounts, which
395 they've been asking for over the last two years since we lost some capability during a previous
396 upgrade. So, the next slide please. Alright that wraps up our presentation for this evening, I'll
397 pass it back to Chairman Hurd for any questions.

398 Chair Hurd: Alright, thank you so much. Always fun to see projects that we've been helping
399 along over the years finally come to fruition. I'm thinking like the South Well Field, we always
400 used to talk about things out there and I'm glad to see that's moving ahead. Alright we will begin
401 with Commissioner Kadar.

402 Commissioner Kadar: Good Evening. Question on page 11 of your presentation it is the last item
403 on the page, there's a, it says parentheses December, is that am I to imply that that is going to be
404 completed by the end of this year? Or is that indicated that it was already done in December
405 2020?

406 City Manager Coleman: That means it would be completed this year, it's not yet complete.

407 Commissioner Kadar: Ok. Alright. Ok the large expenditures in 2024 on page 13 (inaudible) the
408 new substation which has been under work for a couple of years correct?

409 City Manager Coleman: That is correct. So, we completed Director Patel is on and can get into
410 the specifics if you like. But we were able to complete our capacity study of the electrical
411 system this year very recently actually. And it's determined that based on our expected growth in
412 electric demand, both through regular development, the STAR campus, and through adoption of
413 electric vehicles, that we have adequate capacity until about 2026. At which point we won't have
414 enough capacity to safely take one of our transformers at one of our current substations offline
415 because if any of the others, we have three, so if we take one offline for service and anything
416 happens to the one of the other two, there won't be enough in one to handle the capacity of the
417 city. So basically starting in 2026 we need to have, assuming construction continues as
418 anticipated, we would need to have that substation complete so we've included money in 2024
419 expecting that it's probably going to be a two year project and we conservatively place it there
420 not exactly knowing but electric is working on the next phase which is in the budget the
421 feasibility study which will start to build out you know doing an alternative analysis and firm up
422 the pricing because right now we essentially have a placeholder in there for price until we get
423 further into the design process.

424 Commissioner Kadar: Ok, thank you very much. I noticed that the Old Papermill Park project
425 for 1.5 million dollars is still in the budget. There was a lot of discussion kicking around as to
426 whether or not that would make it through. Is it in fact still in the budget or is discussion still
427 under way?

428 City Manager Coleman: So, it's technically still in the budget, so Council had given us direction
429 to essentially use the funding that was intended for that also some other funding that we were
430 using current reserves for. So, the park was planned to be paid for with ARPA funds. We had
431 some IT projects that would be eligible for ARPA funding, but we didn't have enough to cover
432 them also. So essentially, we're going to scale back the Paper Mill Road project by enough
433 money to offset those two projects which would give Council the option to not do those
434 increases.

435 Commissioner Kadar: (inaudible) I would like to see it, but that's a personal opinion.

436 City Manager Coleman: We would too, and we're not proposing to eliminate it would just be
437 scaled back and frankly our recommendation to Council is going to be to continue forward to
438 still do the tax increase because the way our tax (inaudible) since our budgets are on a calendar
439 year and our taxes come in on a fiscal year if we didn't do a tax increase last year for example.
440 So, since we didn't do a tax increase last year, if we needed to raise let's say, 100,000 dollars
441 through taxes to balance our 2022 budget we would need to raise taxes by 200,000 dollars
442 because we only get 50 cents on the dollar in the next year. So, Dave and I get concerned when
443 we're not putting a whole lot of tax in the budget or there won't be much cash left in the budget
444 because when the ARPA funds run out we're not going to have a buffer anymore. So,
445 anticipating that the budget will be even tighter in the 2023 year, our recommendation to Council
446 is to still do something in 2022 because otherwise it's going to be even harder to balance the
447 budget in 2023.

448 Commissioner Kadar: Ok. So just two more items and then I'll turn it over to the next
449 Commissioner. You mentioned that in the current budget, the proposed 2022 budget, the use of
450 reserves to pay for the capital improvement projects was at 10 percent. And my question is when
451 you explain what the 10 percent is going to be used for, it sounded to me like it was mostly
452 electrical upgrades, electrical system maintenance. Why could we not use ARPA funds to
453 support that activity rather than dipping into reserves?

454 City Manager Coleman: So ARPA money cannot be used on electric, it's expressly restricted.

455 Commissioner Kadar: So electric isn't an infrastructure item?

456 City Manager Coleman: Not under ARPA unfortunately. It's water, sewer, stormwater, and
457 general governmental expenses. You can use general governmental expenses with money that
458 has been used for revenue replacement and they do not consider electric to be a general
459 governmental expense.

460 Commissioner Kadar: Ok, this is a question from someone who doesn't know any better but
461 anyway.

462 City Manager Coleman: It's ok, it's really confusing, and we did meet today actually with staff
463 from Senator Carper's office to discuss federal funding options that might be available to help
464 defray some of the cost of that... the substation project specifically.

465 Director DelGrande: If I could add as well to this, the federal infrastructure bill that we've been
466 waiting on, there could be some use of electric funds, diesel, or electric projects from that bill.
467 So definitely not ARPA, but possibly infrastructure.

468 Commissioner Kadar: Ok, well alright, it's something to look forward to. And the last question.
469 I've worked on budgets for you know 40 some odd years when I worked at a private company.
470 And the question that always comes up when a budget is proposed like this, and this relates to
471 ARP funds. How confident are you that you have adequate resources in place to be able to spend
472 all of those ARP funds by the end of 2024 and not lose them? And here I'm talking about
473 people, infrastructure, you know. Because we can make projections on what we're going to
474 spend on projects, but if we don't have the resources to spend the money, we could be in some
475 problems.

476 City Manager Coleman: That's actually a great question. And so, there's some asterisks on that
477 "spend it by 2024" so we have the ability to encumber it to 2024 and it can be spent out to 2026
478 so that does take a little bit of the pressure off. But one of the concerns that we have...it's a lot
479 frankly, but we do have the ability to scale up water and sewer projects pretty dramatically and
480 frankly some other projects, and it doesn't it's not like a linear increase in the amount of work it
481 requires of staff. We can supplement our staff with engineering consultants for example, to do
482 the construction inspection and that we can spend (inaudible) because water and stormwater is
483 one of the top-level expenditure options that are pretty much covered with no questions asked.
484 Now, where we are getting nervous is our ability to actually hire contractors to do the work. So,
485 there's 2 trillion dollars floating around in ARPA money already, that all has the same deadline.
486 There could be another trillion or two dollars floating through the infrastructure bill, and we're
487 all going to be competing for same contractors and consultants and we fully anticipate we're
488 going to see some higher-than-normal inflationary impacts on construction costs, you know the

489 labor market's really tight right now. So, it'll be interesting to watch how expensive things get
490 over the next couple of years.

491 Commissioner Kadar: Well in many ways that's a good problem to have, but in others it might
492 turn into a real nightmare and losing money at the end. But anyway, excellent piece of work as
493 always, last year's was good, this year's was better. And I thank you very much for all of your
494 time and effort to but this all together. And I'm done, thank you.

495 Chair Hurd: Alright, thank you. Commissioner Serva? If you're talking, we can't hear you. Mark
496 we're not getting anything. I can see your microphone. Should I come back to you?

497 Miss. Dinsmore: He says he's experiencing audio problems in the chat Will.

498 Chair Hurd: Yeah, I'm looking at the chat that's why I'm just yeah ok. So, we will jump ahead
499 to Commissioner Silverman.

500 Commissioner Silverman: I've got a number of comments that jump throughout the document.
501 Miss. Dinsmore if you could go back to slide number 3? Goals of the CIP... with respect to
502 projects that seek to advance Newark division elements I think there are two key items that are
503 missing that are reflected in the Comp Plan. One is that the CIP is to facilitate economic
504 development and redevelopment within the city. And another key one is that the CIP is the
505 underpinning of maintaining and enhancing the tax base. I don't know if we want to include
506 these two ideas in there. With respect to the actions of the Public Works Department and the city
507 in general, I really applaud the interest and effort in the rejuvenation of the South Well Field; 10
508 years ago, that was considered a dead project, it was beyond redemption, it was totally
509 contaminated, it was a write off, and I noticed in the document that the layer tracked wells that
510 were shut down for a number of reasons are also being rehabbed. It's a good way to bring
511 groundwater resources back online with relatively minimum cost. The discussion touched on the
512 impact of EVs I submitted an interesting report that will be coming out next month in the packet,
513 with respect to EVs and redevelopment in our community. Is the city gearing up through the CIP
514 process to handle a relatively steep curve in the use of Electric Vehicles, particularly if we can
515 believe some of the production and marketing information that's out there? I know that Director
516 Coleman touched on the substation project E002 being a number one priority to handle some of
517 this load. It sounds like the entire system has been evaluated and there is an anticipation of
518 rather heavy use of electronic vehicles. Director Coleman, can you comment on that?

519 City Manager Coleman: Yeah. So, I'll probably end up differing some of these to Director Patel
520 but the capacity study that we completed down to the feeder level on the electric system. They
521 modeled various adoption rates for EVs at the feeder level too. See if we have any feeders that
522 would be negatively affected and also, they've modeled different levels of solar adoption
523 because what we don't have is a feeder sending electricity the wrong way for example. So, they
524 went down very granularly looking at the system and out quite a few years. And Bhadresh, do
525 you want to provide any more specifics on that one?

526 Director Patel: This is Bhadresh Patel, the Electric Director. The study that we did included
527 three major parts. One was the capacity of a level for our growth especially STAR campus,
528 second, we wanted to take a look on the impact on our system with increasing solar and electric
529 vehicle charging stations. So those other three things we wanted to make sure that our system is
530 capable of handling and those three aspects were included in the study; the study came out
531 saying we had about 15 megawatts of capacity of a level in our existing infrastructure. If the
532 STAR campus grows really fast, like somebody like Nemours comes in then we are in big
533 trouble and that is the main reason we would like to get the second substation as soon as
534 possible. Also, we looked at the solar growth as well as the Electric Vehicle charging to see how
535 our system will behave. To do this study, our electrical engineering group did analysis on 75
536 percent increase, 50 percent increase, and 10 increase on solar as well as electric vehicle in our
537 system. And right now, the way our system is, it is capable of handling 75 percent of growth.
538 The one recommendation that they gave us was to keep a detailed record on where the solar are
539 going to install on each individual feeder. So, our goal is to make a map of where all the solar is
540 installed by feeder wise, make a decision on how much capacity we have left on each feeder to
541 include the solar. So that is our main goal going forward to document every single solar
542 application that comes in. Each part of town it's coming in from and which circuit it's going to

543 attach to. And we're going to consciously monitor each individual circuit with solar and EV
544 growth. Right now, the biggest challenge we are facing is that when somebody buys the Electric
545 Vehicle, we don't know where it is or how to track them. So, we are trying to come up with the
546 different ways or insert these programs so that a customer will come to us and say "hey, I
547 purchased an electric vehicle, here is my address" that it gives us a better understanding on
548 where EV's are growing and in which circuit they are growing. That way, we can plan if the
549 circuit needs any infrastructure upgrade at that time.

550 City Manager Coleman: Something else on the EV side that I would like to point out at this time
551 is that as part of our electric grade study that we were pretty far into and then had to put on hold
552 due to the pandemic, we do plan to bring forward an option for an EV charging rate that would
553 provide a financial incentive for people to charge their vehicles overnight. So, what we don't
554 want to have happen is everyone come home from work, plug in their vehicles at 5:30 when they
555 turn on their electric ranges and start running the dryer, and the lights come on and everything
556 else, because that will put a much larger strain on our infrastructure basically. We are lucky that
557 our electric demand curve is a little different than most cities; we peak much earlier in the
558 afternoon than a normal city. So solar assets will be able to offset some of that peak. But it is
559 still an important thing, like I said we don't want everyone to plug in as soon as they get home,
560 so similar EV as Bhadresh mentioned, tracking where the vehicles are going, we can provide a
561 different charging rate that has ton of use rates that would be higher in the peak hours and lower
562 overnight to incentivize people plugging in overnight and in total they'll get the savings on their
563 electric bill and it saves us money on our infrastructure investments.

564 Commissioner Silverman: Thank you, it's very encouraging to hear that technical staff is way
565 ahead of the curve in a lot of this. And my final question relates to something Commissioner
566 Kadar brought up, do the rescue plan dollars have a percentage for administration and overhead
567 in them? Or are they strictly dollars and the local jurisdiction has to find a way to administer and
568 implement the money?

569 Director DelGrande: I can help with that. I believe there's some leeway to have some
570 administrative costs associated with this, but right now the city has no intention of doing that; we
571 want to put all of our funds into the projects themselves.

572 Commissioner Silverman: Ok, thank you. Mr. Chairman that's the end of my questions.

573 Chair Hurd: Alright, thank you so much, Commissioner Stine?

574 Commissioner Stine: Thank you Chairman Hurd. This is a really impressive presentation. The
575 only real question I have is back in I don't know if it was 08 or 09, there was an economic
576 stimulus bill that will be dwarfed by any potential money coming from the infrastructure bill and
577 I know that there are no details at this time, I don't know if it's been passed, but one of the things
578 that I remember is Bethany Beach being able to benefit from that stimulus bill, was because their
579 projects were what they called "shovel ready". So, they were able to plug them in very quickly,
580 so they were ready to go, and I think the big difference between 2009 and 2021 to your point Mr.
581 Coleman, is where are you going to find the contractors and the workers to do these projects?
582 And they do we have these projects what they would call "shovel ready"?

583 City Manager Coleman: So many of the projects I would say right now aren't. On the Public
584 Works side, they have water main projects ready to go for next year, and those I would consider
585 shovel ready. They also have on the Public Works side a pretty good relationships with local
586 contractors. One benefit that we have is that our projects are big, but they're not so big that
587 they're not too big for a lot of contractors. So, if the County wants to do a big sewer project,
588 they can get out of scale for a lot of contractors really quickly. Our water main contracts for
589 example which is water and sewer is probably where we're going to spend the lion's share of our
590 money. They can be broken up into bite size pieces, this road we can do over one contract, this
591 road here under a different contract and they can be doled out to different contractors fairly
592 easily. But a big project like the South Well field project that's a totally different animal, you
593 can't split that up, it becomes very difficult to do that if there aren't many contractors available.
594 And Tim just sent me a message which is a good point, one area were we are seeing lots of
595 problems is in procuring the actual materials that we need for projects. Our pipe, wire,
596 everything's more expensive and it's probably on a boat sitting off the coast of California. We

597 for example, the Rodney Park project; when we open it in mid-November the pavilions aren't
598 going to be done yet because they aren't here. The bridge for the White Clay Creek bridge we're
599 waiting on the bridge. All of the labor is done, it's just the actual piece of metal that we need to
600 drop on, we can't (inaudible) so keeping track of where our materials are you know we're
601 starting to keep a larger inventory of common parts but just out of concern that where we need it,
602 we might not be able to get it, so we're kind of slacking off on some things. But that will be one
603 of the bigger challenges.

604 Commissioner Stine: Alright, that's all I had. It's an impressive piece of work, thank you.

605 Chair Hurd: Ok, thank you. Commissioner Serva are you back with us?

606 Commissioner Serva: Yeah, hopefully you can hear me now?

607 Chair Hurd: Yes.

608 Commissioner Serva: Ok, great. As being new to the committee and taking this all in I agree this
609 is very impressive and it's wonderful to hear some of what we're working on and I look forward
610 to hearing more, but I don't have any questions at this time. Thank you very much.

611 Chair Hurd: Oh, thank you. I guess just a couple of comments. I was glad to hear that we've
612 gotten the electrical resource study, the capacity of the study. Because I know the previous times
613 when we've talked about the substation, we weren't sure when we were going to actually need it,
614 so it was good to sort of say ok, we have actually a better idea. It doesn't feel like we're pushing
615 it out every year like we had been. On the funding, I guess if I understood you correctly, the
616 funding to the bond issue, the referendum bond issue is sort of fizzling out in 2023 and we're
617 looking at the ARPA funding to kind of bridge before we pick it back up again?

618 City Manager Coleman: Yes, that's correct. So originally, we had planned on doing another
619 referendum in 2022 and then the spending, assuming that it passed, the spending under that
620 referendum would begin in 2023. So, we're really kind of hitting the tail end of the original
621 referendum.

622 Chair Hurd: Right. Alright and just looking for at least next year's budget, you know there's not
623 a huge, there's like what 2 million dollars discrepancy between the two. So, it's not like ARPA
624 funding is pushing our budget up into a new level of spending. We're sort of in some ways
625 maintaining kind of where we were.

626 City Manager Coleman: Yeah, that's exactly right.

627 Chair Hurd: Ok. Because I know a concern I have and I'm sure a concern you have is that you
628 don't want to take all this free money and build so much stuff or do so much that you now have
629 to spend a lot more of your money to maintain it when that money goes away. Or to raise taxes
630 to maintain it. So, I was glad to see that the money is going for really discreet next level you
631 know next projects kind of thing that are already in the pipeline we're just kind of accelerating
632 them. That was just my general, as always, I just think that this format is really excellent for
633 explaining what the Capital Improvement Plan is and how it is structured and how it's broken
634 down, and I have no specific questions. So, I will open the floor to any public comment.
635 Director Gray have received any public comment via email?

636 Director Gray: No Chairman Hurd we have not.

637 Chair Hurd: Ok. No one has requested in chat, but I will open the floor if there's anyone who
638 wishes to speak on the Capital Improvement Plan, they can unmute themselves.

639 City Manager Coleman: If there is no one there is a shameless plug I will make after we're done.

640 Chair Hurd: Ok. Yeah, we have a spot for shameless plugs in here some place. Alright I am
641 seeing nobody leaping at this opportunity, so I will close public comment and bring it back to the
642 table. Are there any further comments or questions from the Commissioners or staff about the
643 Capital Improvement Plan? Alright is this where you wanted to put the plug Mr. Coleman, or
644 did you want to put it after the motion?

645 City Manager Coleman: This is fine. So, one thing I really didn't give a big update on was the
646 sustainability plan and what we've been doing on that.

647 Chair Hurd: Ah, ok.

648 City Manager Coleman: One of the more exciting things in the sustainability plan that we were
649 able to get in place this year in May is we now have 100 percent renewable energy options for
650 our city's electric customers; it went into effect the end of May right before student move in
651 move out and it is opt out, so all new customers are opted in automatically all existing customers
652 have the ability to opt in. We have seen really dramatic adoption of that, Dave may have the
653 exact number but we're over 2200 accounts that are now in the 100 renewable program out of
654 roughly 12000 total, but really that's about a quarter of our residential accounts and we've had
655 very few people opt out, probably less than 1 percent of the people that had opted in.

656 Director DelGrande: Yeah Tom, if I can give you info as the end of September, we have 23088
657 are in the program and only 34 have actually opted out so it's been very successful.

658 City Manager Coleman: It definitely exceeded our expectations.

659 Chair Hurd: Is that different than the previous Green Power Plan because I think that's what I
660 sign up for many years ago and I didn't know if I had to stop one and start the other?

661 City Manager Coleman: So, it depends on which one you're talking about so we used to have a
662 block where you could buy a block of recs and then we would kind of whittle away at it and then
663 we also had one where you could buy a block of (inaudible), and you'd get a credit on your bill;
664 so, it's very similar to the first one except its very user friendly.

665 Chair Hurd: I think I just got a (inaudible) that says Green Power Plan or something, but I think
666 it's (inaudible) as well.

667 City Manager Coleman: That's the Green Energy Fund, so we're required by state law to collect
668 that fee and it's a fee that goes into a pot of money that's used to pay for incentives to pay for
669 solar panels and geothermal heating and those types of projects.

670 Chair Hurd: Ok. Then I need to go sign up.

671 City Manager Coleman: Yep, it's about 1.5 cents per kilowatt hour extra and then for this year
672 we just heard today at DMEC that the rec rates had dropped some, so if we over collect, we'll
673 take that money and knock that rate down for the subsequent year. It's not intended to be a profit
674 center for the city so if we make more than we expected we'll kind of use it to lower the rates in
675 subsequent years and vice versa.

676 Chair Hurd: Ok, thank you for that. Seeing no further questions or comments, we can move to
677 the motion. Secretary Kadar I don't know if you found the motion on the back side of the memo.

678 Commissioner Kadar: No, I didn't.

679 Chair Hurd: Ok, if you look in the lovely binder that they gave us there is an introductory memo
680 to the Planning Commission right before all the sections and on the back of that page is a
681 recommended motion.

682 Commissioner Kadar: The back of that page is blank. Mine is, there's nothing there, I would
683 have found it if it was there.

684 Chair Hurd: Alright, so since I'm looking at it, I'll read the motion into the record to keep it
685 moving.

686 Commissioner Kadar: Ok, don't forget the two comments that were made by Commissioner
687 Silverman that were going to be added.

688 Chair Hurd: Right, and you've made notes of those Mr. Coleman so you're clear?

689 City Manager Coleman: Yes.

690 Chair Hurd: Ok so **I move that we recommend that City Council approve the 2022-2026**
691 **Capital Improvements Program as presented to the Planning Commission on October 19th,**
692 **2021, with the notes comments as from the Commission.** So, we're just waiting on a second
693 here.

694 Commissioner Kadar: I haven't seen anything on the back of that page but that's pretty close to
695 what I was going to say without it.

696 Chair Hurd: Ok.

697 Commissioner Silverman: Mr. Chairman a point of clarification on my statement "maintain and
698 enhance" I believe I said tax base looking at my notes I would like to enhance property tax base
699 I'd like to add that word.

700 Chair Hurd: Ok, so as amended and noted we'll say. Do we have a second on the motion?

701 Commissioner Kadar: I'll second the motion.

702 Chair Hurd: Thank you Commissioner Kadar. Any discussion on the motion? Beyond what
703 Commissioner Silverman has provided? Ok, seeing none I'll move to the vote, Commissioner
704 Kadar?

705 Commissioner Kadar: Aye.

706 Chair Hurd: Commissioner Serva?

707 Commissioner Serva: Aye

708 Chair Hurd: Commissioner Silverman?

709 Commissioner Silverman: Aye.

710 Chair Hurd: Commissioner Stine?

711 Commissioner Stine: Aye.

712 Chair Hurd: And I am aye as well. The CIP is recommended. Alright thank you everyone and
713 that concludes the item for consideration and this meeting is adjourned.

714 **The meeting adjourned at 8:15PM**

715