

**CITY OF NEWARK
DELAWARE
COUNCIL MEETING MINUTES**

AUGUST 25, 2025

Those present at 7:00 p.m.:

Presiding:	Mayor Travis McDermott District 1, John Suchanec (<i>virtual</i>) Deputy Mayor, District 2, Corinth Ford District 3, Jay Bancroft District 4, Vacant District 5, Jason Lawhorn District 6, Emile Brown
Staff Members:	City Manager Tom Coleman Deputy City Secretary Diana Reed City Solicitor Paul Bilodeau Parks & Recreation Director Paula Ennis (<i>virtual</i>) Planning & Development Deputy Director Jessica Ramos-Velasquez Public Works & Water Resources Deputy Director Ethan Robinson (<i>virtual</i>) Chief of Community Engagement Officer Jayme Gravell (<i>virtual</i>) Assistant City Manager – Operations Jeff Martindale Assistant City Manager – Personnel Devan Hardin (<i>virtual</i>) Chief of Police Mark Farrall (<i>virtual</i>) Electric Director Bhadresh Patel Electric Superintendent Phil Sawyer (<i>virtual</i>) Finance Director Jill Hollander IT Infrastructure Manager Donald Lynch (<i>virtual</i>) Parking Supervisor Courtney Mulvanity (<i>virtual</i>) Accountant II Jim Smith (<i>virtual</i>) Planner I Katya Raskin (<i>virtual</i>) Administrative Professional II Alexis Van Campen

1. Mr. McDermott called the meeting to order at 7:00 p.m.

2. **SILENT MEDITATION & PLEDGE OF ALLEGIANCE**

Mr. McDermott explained the protocol for the hybrid Microsoft Teams meeting platform. For each agenda item, assigned staff will present first. For land use applications, public comments will be invited after the presentation and prior to Council remarks. For all other items, Council will provide comments after the presentation, followed by comments from the public. Councilmembers wishing to provide additional comments should ask the Chair to be recognized. He noted in-person attendees wishing to comment should sign up by utilizing the sign-in sheet near the entrance to Council Chambers, while virtual attendees should use the hand-raising feature on Teams. Microphones will remain muted until the speaker is called upon. Comments are limited to three minutes with no ceding of time. He requested speakers to state their name and Council district or street address prior to commenting. He noted remote Council members will be polled for audible votes, and visual votes would not be accepted. He asked in-person attendees also present on Microsoft Teams to mute their speakers and microphones. Councilmembers at the dais should mute their microphones unless speaking. Public comments must relate to City business or an agenda item. Violations will receive a warning, while repeated violations may result in removal or a muted microphone. However, the City has zero tolerance for hate speech for vulgar language, which will lead to immediate removal or muting of the microphone. He concluded his remarks by thanking all for their cooperation.

He proceeded to ask for a moment of silence and the Pledge of Allegiance.

MOTION BY MS. FORD, SECONDED BY DR. BANCROFT: TO MOVE ITEM 10A ABOVE ITEM 6 ON THE AGENDA.

MOTION PASSED. VOTE 5 TO 0.

Aye – McDermott, Ford, Bancroft, Lawhorn, Brown.

Nay – 0.

Absent – 0.

(Secretary's Note: Mr. Suchanec could not provide a vote for the motion due to technical difficulties.)

3. 1. **PUBLIC PRESENTATION: (15-minute limit):** None

4. 2. **ITEMS NOT ON PUBLISHED AGENDA**

A. Elected Officials who represent City of Newark residents or utility customers (2 minutes): None

5. 2-B. **UNIVERSITY**

(1) Administration (5 minutes per speaker) (10 minutes):

3:11

Caitlin Olsen, University of Delaware (UD) Administration, shared the city experienced a significant traffic influx during the recent student move-in weekend. UD will conduct a full debrief on how to improve for future years. Additionally, the Twilight Ceremony will take place this evening, allowing students to begin meeting one another. Classes begin on August 26th. She noted she would disseminate more information to Council regarding upcoming UD events, but there may be significant traffic on the night of Thursday, August 28th, for the Del. State – UD football game. UD staff expect a significant traffic during rush hour due to the 7 p.m. start and it being the first game of the season.

Mr. McDermott asked if the Newark Police Department (NPD) could be included in the debrief with the University of Delaware Police Department (UDPD) regarding traffic during student move-in. He additionally asked if Ms. Olsen could reach out to the UD Student Government Administration (SGA) to determine whether there will be a student body representative to speak with Council on a routine basis.

Ms. Olsen responded in the affirmative. She understood UD SGA representative Patricia Maloney would continue to attend Council meetings this year.

6. 2-B-2. **STUDENT BODY REPRESENTATIVE(S) (5 minutes per speaker) (2 minutes):** None

7. 2-C. **CITY MANAGER (10 minutes):**

6:20

Mr. Coleman announced the filing deadline for the District 4 Council vacancy passed at 5 p.m. this evening. As only one candidate, Marge Hadden, has filed, there will be no election.

8. 2-D. **COUNCIL MEMBERS (5 minutes):**

6:44

Dr. Bancroft:

- No comment.

Ms. Ford:

- Noted she has observed the Main Street safety improvements are proving to be effective in slowing down traffic, and traffic has been quiet otherwise.

Mr. Brown:

- Concurred with Ms. Ford, noting he has only witnessed a single driver neglect to stop at a stop sign on Main Street since the improvements.

Mr. Lawhorn:

- Noted two constituents expressed their concerns to him about slow and congested traffic on Main Street following the safety improvements.

Mr. Suchanec:

- Agreed that the stop signage on Main Street is proving to be effective, and commended staff for installing these improvements in time for the new school year. However, he has noticed a significant

amount of jaywalking. He was concerned about the potential serious issues that jaywalking could cause. He encouraged City and UD staff to collaborate on jaywalking education, training and enforcement.

Mr. McDermott:

- Stated he has observed the improvements on Main Street, noting there appears to be confusion at the Haines Street intersection as to who has the right of way, if it is an all-way stop, and if vehicles on Haines Street must yield to Main Street vehicles. He noted that while it is an all-way stop, drivers on Main Street may not treat it as such. However, he believed this confusion would work itself out in time.

9. 2-E. PUBLIC COMMENT (5 minutes per speaker) (10 minutes): None

11:03

Mbwidiffu Dibal, non-resident, explained she is a family nurse practitioner and a Menopause Society-certified practitioner. She announced the opening of her menopause clinic at the Glasgow Medical Building. She believed her clinic would decompress the backlog women often experience in scheduling their routine gynecological exam. She noted 20% of women in Delaware are within the menopausal age group, indicating a significant need for such a business.

Mr. McDermott welcomed Ms. Dibal and her business to Newark.

10. 3. APPROVAL OF CONSENT AGENDA: (1 minute)

- A. Receipt of the March 31, 2025 Financial Statement
- B. Receipt of the April 30, 2025 Financial Statement
- C. Recommendation to Approve a Budget Amendment and the Purchase of One (1) Forklift for CIP EEQSF

12:59

Ms. Reed read the consent agenda into the record.

MOTION BY DR. BANCROFT, SECONDED BY MR. LAWHORN: TO APPROVE THE CONSENT AGENDA AS PRESENTED.

MOTION PASSED. VOTE 6 TO 0.

Aye – McDermott, Suchanec, Ford, Bancroft, Lawhorn, Brown.

Nay – 0.

Absent – 0.

11. 4. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS: None

12. 5. ITEMS NOT FINISHED AT PREVIOUS MEETING: None

13. 10. RECOMMENDATIONS FROM THE PLANNING COMMISSION AND/OR PLANNING AND DEVELOPMENT DEPARTMENT:

- A. Request of Antonios Fessarar on Behalf of CaféNeo for a Special Use Permit to Allow a Restaurant with Alcoholic Beverages for Consumption on the Premises of CaféNeo Located at 139 South Main Street, Unit 101 – Planning & Development Deputy Director Jessica Ramos-Velasquez

13:50

Jessica Ramos-Velasquez, Planning & Development Deputy Director, shared this is a request from Antonios Vessarar for CaféNeo, located at 139 South Main Street #101, for a Special Use Permit for a restaurant with alcoholic beverages. The Planning Department received this application on July 20th in accordance with City Code. Staff have identified that CaféNeo complies with the land use recommended in the Newark Comprehensive Development Plan V 2.0, which calls for mixed urban use on this site. All alcohol served can provide and enhance the experience of being in a restaurant. Additionally, the Special Use Permit would enable them to operate under similar guidelines to those of other businesses in the area. The applicant has informed the department that they are currently in discussions with the landlord to establish patio-type setting. Additionally, they have been notified by staff that if they wish to serve alcohol on the patio, they will need to return to add it to the Special Use Permit and review any additional needs. If any renovations are undertaken, the necessary permits must also be obtained. The Police Department and Code Enforcement Division have indicated that they have received no calls for services at the location since its opening, and neither department has expressed any concerns about the business commencing alcohol sales. No other departments have expressed concerns or objections. She stated that because the proposal does not conflict with the land use guidelines in the Comprehensive Development Plan, it is compatible with the Zoning Code Special Use Permit criteria, and the relevant City departments

have no objection to the proposal, the Planning & Development staff recommend City Council approve the Special Use Permit for the sale of alcoholic beverages at CaféNeo.

The Mayor opened the table to Council comment.

Dr. Bancroft wished CaféNeo luck in this expanded business venture.

Ms. Ford noted CaféNeo is near the hair salon she frequents and has become one of her favorite spots. She believed these beverages would be a beneficial addition to their menu and supports this approval.

Mr. Lawhorn asked if Council could approve the patio at this hearing, or if the applicant does not yet have the construction plans to do so.

Antonios Vessarar, Owner of CaféNeo, explained the business and landlord are negotiating lease terms as they currently end in February 2026. Although there was a gentleman's agreement for external use free of rent, they are working diligently to negotiate these terms as soon as possible. CaféNeo will conduct any expansions in phases once negotiations are complete. He noted that they are looking to build two 12 x 24-foot pergolas, which can be closed during the winter months to allow for year-round seating and provide a better aesthetic for the outdoor space. CaféNeo is meticulously planning this addition to complement the existing building.

Mr. Lawhorn asked for clarification if Mr. Vessarar could provide Council with the drawn plans this evening.

Mr. Vessarar responded he has preliminary drawings which he could forward to Council, and with his architectural certificate, can render three-dimensional structure images if Council requests. However, Council will likely not be able to approve said addition this evening.

Mr. Lawhorn asked if Council will need to add a condition to the Special Use Permit that it will expire if not utilized for one year consistent with other recent approvals.

Mr. Bilodeau responded in the affirmative.

Mr. McDermott asked if this Special Use Permit correlates to the establishment and owner, and not the building itself.

Mr. Bilodeau stated the Special Use Permit generally runs with the property.

Mr. McDermott noted in the past, Council refrained from following this practice and instead applied the Special Use Permits to the businesses themselves. This would prevent the next tenant from inheriting a Special Use Permit to serve alcohol if the business were to move.

Mr. Vessarar asked how this would apply if an interested party wishes to buy the business, and the business wishes to transfer the Special Use Permit to new ownership.

Mr. McDermott stated the new owner would need to reapply for a Special Use Permit.

Mr. Coleman asked for confirmation this Special Use Permit would be applied to the present applicant, CaféNeo, and not the owner of South Main Plaza.

Mr. Bilodeau responded in the affirmative.

Mr. Suchanec asked if this patio was a separate area from the sidewalk.

Mr. Vessarar confirmed.

Mr. Suchanec believed parking on South Main Street to be an issue that will need to be addressed at a future meeting.

Mr. Vessarar agreed and offered to be a part of that conversation.

There was no public comment.

MOTION BY MS. FORD, SECONDED BY MR. BROWN: THAT CITY COUNCIL APPROVE THE SPECIAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES FOR CAFENEO AT 139 SOUTH MAIN STREET SUITE #101 AS STATED IN THE AUGUST 18, 2025 STAFF MEMO WITH A CONDITION THAT IF THE USE IS ABANDONED FOR MORE THAN ONE YEAR THAT THE SPECIAL USE PERMIT WOULD BE REVOKED.

MOTION PASSED. VOTE 6 TO 0.

MS. FORD VOTED YES FOR THE MOTION BECAUSE THE PROPOSED USE DOES NOT AFFECT ADVERSELY THE HEALTH OR SAFETY OF PERSONS RESIDING OR WORKING WITHIN THE CITY OF NEWARK BOUNDARIES OR WITHIN ONE MILE OF THE CITY OF NEWARK BOUNDARIES AND WITHIN THE STATE OF DELAWARE, WILL NOT BE DETRIMENTAL TO THE PUBLIC WELFARE OR INJURIOUS TO PROPERTY OR IMPROVEMENTS WITHIN THE CITY OF NEWARK BOUNDARIES OR WITHIN ONE MILE OF THE CITY OF NEWARK BOUNDARIES AND WITHIN THE STATE OF DELAWARE, AND WILL NOT BE IN CONFLICT WITH THE PURPOSES OF THE COMPREHENSIVE DEVELOPMENT PLAN OF THE CITY. SHE MADE THIS FINDING DUE TO THE REASONS OUTLINED IN THE AUGUST 18, 2025 PLANNING AND DEVELOPMENT REPORT.

MR. LAWHORN VOTED YES FOR THE MOTION DUE TO THE REASONS STATED BY MS. FORD.

DR. BANCROFT VOTED YES FOR THE MOTION DUE TO THE REASONS STATED BY MS. FORD.

MR. BROWN VOTED YES FOR THE MOTION DUE TO THE REASONS STATED BY MS. FORD.

MR. SUCHANEC VOTED YES FOR THE MOTION DUE TO THE REASONS STATED BY MS. FORD.

MR. MCDERMOTT VOTED YES FOR THE MOTION DUE TO THE REASONS STATED BY MS. FORD.

Aye – McDermott, Suchanec, Ford, Bancroft, Lawhorn, Brown.

Nay – 0.

Absent – 0.

14. 6. SPECIAL DEPARTMENT REPORTS:

- A.** Discussion on Potentially Adjusting Minimum Qualifications to Serve on City Council – City Manager Tom Coleman (15 minutes)

23:25

Mr. Coleman stated this discussion has been added at the request of Council. Noting his research in the correlating memo, he believed Council can add minimum qualifications via ordinance without necessitating a charter amendment. Staff are seeking direction from Council as to what they wish for those minimum qualifications to be, and then he and the City Solicitor will prepare an ordinance for future consideration.

The Mayor opened the table to Council comment.

Ms. Ford noted there is already an existing qualification that a candidate must not have been convicted of a felony. She noted a public commenter previously suggested it must be affirmed that a Council candidate is a citizen in good standing without outstanding debt to the City. She was unsure if the City should add a dollar amount to this suggested qualification. She also wished to impose a minimum age of 21 years old to serve as Councilmember, and 23 years old to serve as Mayor.

Mr. Coleman noted the charter specifically outlines qualifications for Council, along with provisions for vacancies and forfeiture of office. He was unsure if the City could implement additional requirements to be eligible to run through ordinance implementation. Still, the City can create requirements in an ordinance that, once a candidate is elected, would result in the candidate being removed from office if these qualifications are not met. Effectively, this would mean that a citizen would not necessarily need to be in good standing to run for office, but would need to be in good standing to stay in office. He asked the City Solicitor if this understanding was correct.

Mr. Bilodeau stated he would follow up after reviewing the language in the charter.

Dr. Bancroft concurred with Ms. Ford.

Mr. Lawhorn did not favor restrictions, believing the public votes for whom they choose in elections. He asked how a qualification to not be in debt to the City with an explicit dollar amount would

function, using the example of a Councilmember accumulating a large amount of debt to the City in a short period of time. He wondered if this would mean they would automatically be removed from office. While he agreed with this sentiment, he wondered where the limit should be set. He was unsure how to execute this qualification without unceremoniously removing Councilmembers who may otherwise be in good standing but have not paid a large utility bill or mortgage.

He reminded that age restrictions had been proposed twice and subsequently voted down. He noted a previous District 5 Councilmember was a student who was widely popular among his constituents and was regarded as doing a great job in his service. He believed an 18-year-old candidate would be fighting a significant uphill battle when running for Council. He noted the City has struggled to find candidates to run for office, which has meant elections are becoming rarer than ever before. He opposed restrictions because he believed the people have the right to pick and vote for their chosen candidate, regardless of age. He believed there are positive factors to having both young, excited candidates and older, experienced candidates.

Mr. Brown concurred with Mr. Lawhorn. He agreed with imposing a financial standing requirement with a base amount, but asked if other municipalities have imposed a similar qualification.

Mr. Bilodeau noted staff researched a charter amendment for a municipalities downstate that was passed and had good language. He noted the City's charter provision clarifies this condition would apply after a candidate takes office and would not prevent an individual from taking office if done by an ordinance. It will instead prevent the individual from remaining in office if they reach a certain threshold of debt to the City.

Mr. Suchanec did not believe this would be as ill-defined as perceived. He noted registered voters must be at least 18 years of age and believed any person who can vote can run for a vacant seat. He believed the City has implemented policies and procedures that, if an individual falls behind or is delinquent in their taxes or payments, the City will act as necessary. He did not support placing a dollar amount on delinquency; however, he suggested requiring that if they received notice from the City, that is qualification or catalyst for considering removal from office. He believed it would be arbitrary to impose a delinquent dollar amount. He believed a notification of delinquency would be a legitimate trigger.

Mr. McDermott believed a Councilmember with a substantially negative financial situation could potentially become compromised and make rash or questionable decisions as an elected official. He believed a dollar amount would be essential to impose, but it should be a significant amount that could compromise an individual's thought process in voting, and not simply being late on your utility bill once. He wished to impose a numerical amount, and then, after the individual receives notice, they have a specified period to find a solution. He was concerned about individuals in significant arrears making financial decisions for the city in which they reside.

Mr. Lawhorn suggested an automatic process in which the Board of Ethics would automatically review a Councilmember who reaches a certain level of arrears to the City. He believed this would ensure there is due process associated with such situations and the circumstances are adequately reviewed.

Mr. McDermott asked if this fell under the purview of the Board of Ethics.

Mr. Bilodeau read a charter amendment from Milford that was passed by the State legislature: "This act prohibits any person in arrears and owing the City funds for taxes and other applicable fees. They will be ineligible to serve as Mayor or Councilperson. If a Mayor or Councilperson becomes more than two months in arrears to the City, they shall be disqualified from their position, and the seat shall be declared vacant."

Mr. Coleman believed that an alternative could be for Council to provide staff with direction to notify the body when an individual on the board falls behind a certain number of months or dollars. However, months may be odd because taxes are an annual bill, so an individual missing their tax bill will be more than two months behind. He suggested a fixed dollar amount where staff can notify Council, and Council will decide whether to refer the matter to the Boards of Ethics or handle it themselves. He believed this could be imposed via ordinance.

Mr. Bilodeau noted the Board of Ethics will soon be revamping the ethics code, which may be beneficial for this discussion.

Mr. Coleman stated he did not prefer to have staff to make decisions on when a Councilmember is removed from office.

Mr. McDermott agreed the Board of Ethics should review these cases. He reiterated his belief that an individual could become compromised in their financial decisions on Council if they fall to a certain amount in debt.

Ms. Ford asked why an individual who falls into this category should be allowed to run for Council if they would be removed upon election.

Mr. McDermott believed it is required by charter, although an ordinance will address that problem. The City could take steps to change the charter, but that would require legislative action and would take longer to accomplish.

Ms. Ford agreed to impose a dollar figure through Code and send these cases to the Board of Ethics when applicable. However, she believed this should also preclude an individual from running and supported proposing a charter change for this reason.

Mr. McDermott believed this process began due to an upcoming election, and Council wished to impose an ordinance for a near-immediate solution. Then the charter change could be addressed and pursued later.

The Mayor opened the floor to public comment.

Antonios Vessarar, 139 E. Main Street Ste. 101, agreed with Mr. Lawhorn that the Board of Ethics should review this on a case-by-case basis. He believed there are not enough individuals running for Council; however, during an election, he, as a business owner, would love the opportunity to run for Council. While he spends most of his time in Newark, he cannot run for Council because he does not officially reside within City limits. He believed the Council would greatly benefit from allowing business owners within the City to run for Council, as they could provide a new perspective to decision-making. He believed this would be an opportunity for individuals who want to be a part of helping Newark continue to grow and flourish from both a residential and commercial perspective.

Kevin Mayhew, of 103 Elmwood Drive, agreed with Mr. Suchanec that individuals who are eligible to vote should also be able to run. He believed his daughter, who attended UD for Public Policy, would have made a great Councilperson before the age of 21. However, she did not reside within city limits.

There was no further public comment.

Mr. McDermott asked Mr. Coleman if he received sufficient direction from Council.

Mr. Coleman believed staff could create an ordinance close to Council's wishes. While it may take multiple iterations, there is no other election planned until April 2026, so staff will have adequate time.

Mr. Bilodeau concurred.

15. 6-B. FY 2026 LEGISLATIVE DEPARTMENT BUDGET PRESENTATION – CITY MANAGER TOM COLEMAN (15 MINUTES)

42:12

Mr. Coleman, on behalf of City Secretary Tara Schiano, provided a presentation to Council regarding the FY2026 proposed Legislative Department budget.

(Presentation: [Attached here](#). The presentation spanned from 42:12 to 47:00.)

He began with an overview of the individuals who comprise the Legislative Services Department. He noted the Records Division was transferred to Administration in late 2024, but the transfer occurred too late in the budget process to be reflected in the FY2025 budget. However, this is reflected in the proposed FY2026 budget. He explained the City Secretary oversees one part-time and three full-time employees in the Legislative Division, while both the City Solicitor, and Deputy City Solicitor who acts as the City's prosecutor in Alderman's Court, operate out of this department contractually. The City Secretary's Office provides administrative and research support to both Solicitors.

He noted the Legislative Department was busy this year. In addition to providing administrative support to the City's boards, commissions, and solicitors, they tackle many other priorities. They made revisions to the City's lien cert process, including integration into the City's new permitting and licensing software, began leveraging AI to assist with minutes preparation, and reduced the time taken to complete

these minutes, processed 264 lien cert requests and 90 Freedom of Information Act (FOIA) requests for the first half of the year. However, a change in State Law, approved in 2021, led to a dramatic increase in expungement orders processed. As of the end of July 2025, the City Secretary's office had processed over 1,500 orders, which is more than 12 times the number of orders previously processed in a full year. If this trend continues, the office will likely process over 2,500 expungements in total. Additionally, the department supported three elections within one year, which is also not the standard.

Mr. Coleman stated the department has established goals such as supporting City Council and boards, commissions, and committees either through direct improvements to the meeting processes or through general enhancements. Staff recently restarted the electronic packet software program effort, which is expected to be operational in the upcoming year, and will help streamline processes and reduce printing. Staff are also working to update internal processes, including a departmental procedures manual.

He explained the overall budget for the department has decreased by 12%, or \$190,000, from 2025, primarily due to the transfer of the Records Division, as indicated by the considerable reduction in personnel salaries. Most other changes were driven by personnel costs, with non-personnel costs stable from year to year. He noted that the City has a contractually mandated cost-of-living increase for department employees, as all employees except the City Secretary are in the Communications Workers of America (CWA) union. Some of this increase is also due to benefits, including healthcare, workers' comp insurance, and retirement program costs. He noted the City Solicitor's contract value has been held flat in the contractual line. This will need to be revised, depending on any potential rate changes by the City Solicitor.

There was no Council or public comment.

16. 6-C. FY 2026 ELECTRIC DEPARTMENT BUDGET PRESENTATION – ELECTRIC DIRECTOR BHADRESH PATEL (45 MINUTES)

48:18

Bhadresh Patel, Electric Director, provided a presentation to Council regarding the FY2026 proposed Electric Department budget.

(Presentation: [Attached here](#). The presentation spanned from 48:18 to 1:01:01.)

He explained while Electric Deputy Director Sam Sneeringer was unable to attend this evening, Electric Superintendent Phil Sawyer would be available online for questions and concerns. Regarding the accomplishments of the Electric Department, staff have installed two new electric vehicle (EV) charging stations with dual ports at a City lot and have added a couple of fleet charging stations at the Maintenance Yard. Additionally, they have made significant progress on CIP Project E2303, which involves replacing the underground cable at Devon. Until this point, the Electric Department has installed 3,235 feet of new cable and is in the process of installing an additional 1,325 feet this year. Additionally, there are still 3,625 feet to be replaced in this neighborhood. Regarding CIP Project E1807, to replace electromechanical relays at the cursor substation, all engineering and design work for transformers T4 & T1, as well as buses 1 & 2, has been completed. The T4 installation has been completed, and the electromechanical relays have been replaced with a new microprocessor relay. The department is in the process of changing its Remote Terminal Unit (RTU) and Supervisory Control & Data Acquisition system. This is the "brain" of the substation, which brings data from the substation into the office. Staff are replacing older equipment with new equipment to communicate effectively with the latest releases planned for installation. 60% of this design work is complete, and the order has been placed for this RTU.

Mr. Patel noted that the department's most significant accomplishment in 2025 was the launch of the Outage Management Software (OMS) system and portal, which is now live and available to customers. Through this system's customer audit portal, texting, or calling the City's number, they can report any outages they are experiencing. There are only 6,000 residents currently opting into this program as only 6,000 cellphone numbers are registered in this database. This accounts for almost 50% of the City's total electric customers. Therefore, any customer not currently registered in this database who wishes to receive outage information must provide their cell phone number through customer service to opt into the program. He expected CIP Project E1912 will be completed by late 2025 – early 2026. Additionally, staff installed an additional 35 new electric meters for the apartment building at 134 East Main Street. Staff are continuing to move forward with the Briarcreek North project and have installed an additional 11 new electric meters. Staff installed two new electric meters for two restaurants at The Grove. Staff installed 58 new electric meters at 268 East Main Street.

He noted that for E1807, staff are moving forward with the distribution substation at STAR Campus and are working toward obtaining a purchase order (PO) for 30% of the engineering design. In 2026, staff will place orders for engineering, construction, and equipment for this substation. He noted the City received an email from Delmarva Power for their side of the substation stating that they agree with the proposed design. The City will start processing these POs and begin the 30% design drawing for that portion of the substation. The City is constantly working with UD and the State to obtain the right-of-way and easement to run the pole line between the two in-progress substations. Delmarva has provided the City with a 5-year completion date, contingent upon finalization of the designs and signing of the agreements. He noted the Electric Department does not have any new projects. Hence, their goals are to continue working on the currently ongoing CIP projects, complete them, initiate a new substation project, and finalize the current substation projects. They will then be converted into the new Supervisory Control and Data Acquisition (SCADA) system.

Mr. Patel stated that the Electric Department's budget has increased by 6.8% compared to FY2025, with the majority of the increase being allocated toward utility purchases. The projected revenue has increased by 6.5% compared to FY2025. Staff estimates bringing in \$17.7 million for FY2026. Staff have increased the budget by \$15,000 for Item #7270, Substation Maintenance, to complete transport testing. The Line Maintenance item has increased by \$17,000 due to the ongoing material price increase. Two additional line items have been added to the materials and supplies section. Item #7272 for EV charging station maintenance has been added, as the City is both the owner and operator of these charging systems. This line has been added to facilitate budgeting for the costs associated with maintaining these systems. \$10,000 has been budgeted for this item in FY2026. Solar Field Maintenance has also been added for McKees Solar Park to keep any damaged equipment. \$5,000 has been budgeted for this line item in FY2026. He noted the \$10,000 cost decrease on Item \$7030, House Service Maintenance. This is due to a past trend; staff previously used this line item to replace all non-disconnects with remote disconnects. However, in the last two years, staff have created a new CIP project to allocate those funds to for this purpose. Therefore, this cost has been reduced from the maintenance operating cost. Contractual services have increased by \$180,000, mainly due to increases on insurance lines, which have increased by \$29,000. Outside engineering has increased by \$5,000. Tree trimming and maintenance have increased by \$17,000 due to current trends and price increases for all vendors. As the Electric Department reaches the end of this contract, it will be up for renewal for at least one more year.

He further explained that equipment costs have increased by 9% based on the depreciation schedule for the equipment. Other expenditures have decreased by \$4,296 due to a lower write-off for bad debt expenses. This includes subventions such as \$25,000 to Catholic Charities, \$58,000 to Aetna Hose, Hook and Ladder Co., \$60,000 to the Newark Senior Center, and \$100,000 to the Conservation Advisory Commission (CAC). Interdepartmental charges have increased by \$196,000, representing the Electric Department's share of services utilized by the other departments. Debt service has increased by \$778 based on the smart meter and escrow debt service schedule. The substation interest cost has also been included in this line. While there are no new CIP projects this year, there are two changes to two CIP projects. \$600,000 has been added to the previous budget for E2502, the Unit 45 substation replacement project, due to rising costs of transformers and breakers. CIP project E1911 has been moved from FY2026 to FY2027 due to upcoming CIP projects.

The Mayor opened the table to Council comment.

Dr. Bancroft noted these percentages do not indicate significant increases on their own but do mean large & absolute increases when looking at the department presentations. He appreciated the investment, upgrading, and maintenance of the department's cables, systems, and projects. He noted the STAR Campus project is another significant expense but is a reason why Newark compares so well to other cities regarding electric reliability. He stated he would disseminate information to his constituents on how to opt into the OMS system.

Mr. Brown asked if the increase in tree removal maintenance costs is due to ongoing contracts.

Mr. Patel confirmed this is due to an ongoing increase from the vendors. The City is soliciting proposals this year for the following year's contract, hence the increase of \$17,000.

Mr. Brown asked if any of these trees are on residential property and in need of maintenance, therefore being the responsibility of the resident.

Mr. Patel stated this maintenance is for trees that are directly on the City's power lines and need to be immediately trimmed to maintain them. All trees, private or public, that meet this criterion will be trimmed. However, residents are responsible for removing trees on their property if necessary.

Mr. Brown asked for clarification that the solar field line did not exist prior to this presentation.

Mr. Patel responded in the affirmative.

Ms. Ford agreed the City's electric service is very reliable. She noted there is a significant data center project being proposed near Delaware City and has been indicated to impact the electrical grid. She asked if there would be any ramifications from this project for Newark.

Mr. Coleman stated this would likely result in higher wholesale costs in the Delmarva zone due to limited capacity, generation, and transmission. This additional load without accompanying generation or system improvements will likely increase the City's costs.

Ms. Ford asked what Mr. Coleman expected the magnitude of this impact to be on the City.

Mr. Coleman believed it would be higher but was currently uncertain.

Ms. Ford requested a further explanation of what the \$100,000 subvention to the CAC is used for.

Jeff Martindale, Assistant City Manager – Operations, explained the CAC has \$100,000 budgeted for projects they wish to approve. In recent years, Council approved an ordinance requiring that any budget allocation over \$1,000 that the CAC wants to implement immediately, based on its own suggestion, must come to Council for approval. Any items provided by staff to the CAC as a recommendation for allocating a portion of their budget would not need to go before Council.

Mr. Lawhorn asked what items the CAC allocated their budget on in FY2025.

Mr. Martindale stated he did not have it readily available, but noted it was shared in the previous year's Administration presentation.

Mr. Lawhorn believed there are items that Council would automatically approve, such as the Tree Giveaway Program. However, \$100,000 is a substantial amount of money, some of which could be spent on other innovative projects that would already come to Council. He felt if the full budget is not utilized, the unused funding could be redirected to another purpose. He wished to see more information on the CAC's budget allocations so Council can determine what they would like for the CAC to continue and what processes may need to be changed. He understood the CAC's frustration that Council had not yet provided responses to some of their reports and requests but believed that if the CAC had to request money from Council, it would effectively force a response. He asked if the full \$25,000 allocated to Catholic Charities had been distributed.

Mr. Coleman responded in the affirmative.

Mr. Lawhorn believed this was a good program but wondered if the dollar amount should be increased or decreased. He noted the interest in debt service is double the principal and asked if this was because the City is paying interest-only loans.

Mr. Coleman responded this is related to the substation. The City budgeted interest payments but has not yet spent capital. The money spent thus far has been set aside in the reserve for this project; however, staff anticipate needing to order transformers in 2026.

Mr. Lawhorn asked if, once this funding has been used, the City will then start paying the interest and will not pay principal until the project's been completed.

Mr. Coleman stated this is how the City closes on loans.

Mr. Lawhorn asked how the electric rate study, which has still not yet been adopted or received, influences this.

Mr. Coleman explained that staff have incorporated the anticipated revenue increases in the FY2026 budget. He reminded staff presented the cost-of-service study back at the beginning of the year. In accordance with the electric service agreement the City has with UD, UD and City officials met last week so that UD could review and comment on the study before finalization. The meeting went positively, and UD has until the end of October to provide its comments. Staff will bring an ordinance with the rate design forward to the Council in November to take effect by January 1, 2026.

Mr. Lawhorn asked if staff were confident that Council would be on board with their proposal.

Mr. Coleman stated it will be effectively the same as what was proposed in March.

Mr. Lawhorn requested clarification that Delmarva will pay \$5 million for its portion of the substation costs.

Mr. Patel responded in the affirmative, but the City will need to pay the application fee; however, they are not yet sure how much that fee will cost.

Mr. Lawhorn asked about the total cost of the substation.

Mr. Patel responded the total cost is currently \$37 million.

Mr. Lawhorn asked if the 5-year timeframe is within the expected staff timeline.

Mr. Patel stated that this is within the timeline. While the City would like to get it earlier, the lead time for the equipment is causing a delay.

Mr. Lawhorn noted costs only increase over time and was concerned that a longer timeline would significantly impact staff's plan.

Mr. Patel explained that one reason why staff are moving forward with the distribution substation first is that Delmarva does not need to be involved in that project, and the City does not need them to move forward with construction. If there is any potential for more growth at STAR Campus, the City can use its existing 34 kV system to provide power to the campus until the new interconnection is operational.

Mr. Lawhorn asked when staff anticipate this will be available.

Mr. Patel explained staff are planning to complete the engineering design, go out for an Energy Performance Certificate (EPC), and will start purchasing the materials next budget year.

Mr. Lawhorn asked if this would be in 2027.

Mr. Patel stated this is the equipment order time. Once the City issues a PO, the transformers & breakers have a two year delivery window, but at the same time, will the City start construction? He estimated it would likely be 2 – 3 years before the distribution substation is complete.

Mr. Lawhorn agreed with Council that, in his opinion, the City is the best electric utility company in the state by far. Additionally, it makes a significant contribution to the general fund, which helps keep taxes low. However, he encouraged each department director to discuss with their staff how to improve efficiency within their department and identify at least one process, cost or area where this could be improved. He believed that there is always room for improvement for any company, including local governments. This can then lead to a discussion of what resources need to be provided to the department to make those improvements effectively. He noted Council would likely deny resources without ample justification, but ways such as hiring new consultants or improving efficiencies could help in the long term. He encouraged staff to engage in these discussions as the budget process moves forward.

Mr. Suchanec concurred with the shared opinions about the reliability and cost of the City's utilities. He believed this budget was solid. He asked if all Councilmembers were added to the OMS, believing they needed to have access in case their residents who do not, contact them to inquire about outages. He hoped the vendors used for tree trimming would be meticulous when performing these services. He encouraged the City to find alternative vendors to the current ones.

Mr. Patel stated all Councilmembers have access to the OMS portal. He noted the portal also provides an estimated restoration time for service as well, which is available for both residential and commercial customers.

Mr. Coleman noted the City's tree trimming, cutting, and removal costs have significantly increased in recent years. Staff are discussing whether it makes sense to use contractors for this service, especially as many older trucks may not be reliable for electric work but could be fine for tree trimming. The City could effectively recycle old trucks and use them to trim trees instead of spending \$400,000 or more per year on a contract.

Mr. McDermott noted the Uniform Allowance and Safety Shoes & Supplies lines. He asked how many employees those uniforms go to.

Mr. Patel stated every field employee receives uniforms & shoes; there are 20 field employees. In addition, all engineers and field employees receive safety shoes.

Mr. McDermott asked if these employees receive those uniforms yearly.

Mr. Patel responded in the affirmative.

Mr. Coleman noted that fire-retardant uniforms can only be washed a certain number of times before they become ineffective. They are also more expensive.

Mr. McDermott wanted to ensure the department's money is diligently managed. He asked what the \$1,700 in the Public Relations line is utilized for.

Mr. Patel explained that this line is utilized for activities such as the Bring Your Child To Work Day event, where they will order merchandise and items for the employees' visiting children.

Mr. McDermott asked if this occurs every year.

Mr. Patel responded this occurs every year if the day allows; this year, the City was unable to hold the event and therefore did not spend as much money.

Mr. McDermott clarified he believes the CAC does an outstanding job, but the money allocated for them is utilized by the City only at certain times. He wondered if this is the best use of the money. He believed the CAC's budget is utilized like a slush fund and wished to see what the CAC is choosing to spend their money on. He wondered if the amount allocated to the commission should change moving forward, if the funds will be paid by the City anyway.

Mr. Coleman stated that the \$100,000 budget allocation to the CAC began around 2018–2019, but prior to that, it was included as a reservation in the budget. Staff recommended eliminating it, but Council opposed, so it was budgeted upfront so all parties could see it each year. At the time, Council believed that most of the projects the CAC was spending money on were appropriate. Staff can collect the data on previous CAC expenditures to provide to Council; he noted most projects are those approved by Council, such as solar fields, EV charger installations, EVs, and the energy service company (ESCO) project.

Mr. McDermott noted he would likely approve these items on a one-by-one basis. However, Council will have to make budget cuts this year, and not every project in the pipeline may be approved. He encouraged staff to bring forward this data. He commended the Electric Department for their work.

The Mayor opened the floor to public comment.

Chris Locke, District 1, Chris Locke, District 1, echoed Mr. McDermott's comments regarding cutting expenses. He was surprised to see specific nonprofits receive the City's subventions, and believed this should be questioned, as many nonprofits in the city do not receive that same support. He was concerned that this effectively picks and chooses who receives support and should be reviewed by the Council when discussing expenses.

CJ Jia, 303 Chickory Way, noted that the electric utility recently received a \$1 million refund from the supplier, and the City of New Castle chose to refund its residents. He has not heard the same about the City of Newark and asked if the money has already been included in the budget. He wondered if the residents would receive a similar refund or if this money would be used for another purpose. He asked how this situation would be handled.

Mr. McDermott explained it has not been decided what this money will be spent on; this decision will be part of the budget process. However, choosing to use this money, such as giving back to the residents, means the money cannot be utilized to support the budget, and Council would either need to implement a 10% tax increase to cover that shortfall, find another source to recoup that money, or cut \$1.1 million from the budget. He stated Mr. Jia would receive a definitive answer by watching the budget process as it moves forward.

There was no further public comment, and the Mayor proceeded to the next item on the agenda.

17. 6-D. FY 2026 ADMINISTRATION DEPARTMENT BUDGET PRESENTATION – ASSISTANT CITY MANAGER – OPERATIONS JEFF MARTINDALE (30 MINUTES)

1:27:08

Mr. Martindale provided a presentation to Council regarding the proposed FY2026 Administration Department budget.

(Presentation: [Attached here](#). The presentation spanned from 1:27:08 to 1:50:55.)

He began his presentation with an introduction of the full-time Administration Department team. Along with himself, the department is comprised of City Manager Tom Coleman; Chief of Community Engagement Jayme Gravell & Communications Assistant Jenny Darden in the Communications Division; Assistant City Manager – Personnel Devan Hardin, Human Resources (HR) Administrators Marta Pacheco and Tracy Bak in HR; Facilities Maintenance Supervisor Christopher LaPorte; and Purchasing Assistant Cathy Trykowski. Additionally, the Records Division has been transferred to the Administration Department, which is comprised of Digital Records Management Coordinator Raquel Arban, and Digital Scanner/Records Assistants Sandra Bradley & Anastasia Baluk.

Mr. Martindale stated that the Facilities Maintenance Division has had a busy year utilizing ARPA and bond bill funding to improve the buildings to a more valuable and welcoming state. The division's highlights in accomplishments include the Municipal Center improvements, the warehouse expansion at the Field Operations Complex, and the ongoing restoration of the Historic Train Station. In HR, the most significant accomplishments included re-implementing a pension plan for non-Fraternity of Police (FOP) employees, ratifying the collective bargaining agreement with the American Federation of State, County, and Municipal Employees (AFSCME) #1670 union, and completing an employee climate survey with Bolton Talent. Noting the included data on the number of job postings this year, the City is slowly creeping downward toward pre-COVID job posting levels, which indicates a reduction in staff turnover. This can be attributed to both the reimplementation of the pension plan and the general tightening of the job market. Approximately 2/3 of all employees (67 out of 108) who were offered the pension chose to opt into it. While the estimate for 2025 is based on trends to date, this number is likely to drop below the projected 49 following the previously discussed hiring freeze.

He noted that the most significant achievements of the Community Engagement Division have been the City website overhaul and the implementation of Meta ads. The website update should go live soon, and the City has noticed an increase in qualified job applicants through advertising specific positions on Facebook and Instagram. The Purchasing Division has been busy rounding out 2024 by issuing bid opportunities to encumber remaining ARPA funds. Staff have also held several training events to ensure standardization in their own Citywide procurement processes at each department level. The Records Management Division had a very productive year, implementing several changes to enhance efficiency and conducting training and coordination events with departments to ensure the record system works optimally for all employees. They have implemented a policy of not scanning documents with a short (1–3 year) retention period, as this was very inefficient and led to the team previously scanning documents that were close to being ready for destruction. The only exception to this policy is for documents that would be particularly useful for staff as a future resource. This has effectively saved the equivalent of a whole person's worth of production that was previously spent scanning nothing but Miss Utility tickets.

Mr. Martindale stated despite these strides, the Records, Legislative and Alderman's Court teams have been bogged down in processing expungements. The City observed a 300% increase in expungement requests in 2024 compared to 2023 and is now approximately 800% higher than the 2024 numbers. He commended all groups for a phenomenal job coordinating procedural changes to keep up with this new norm and all are processing expungements in a very timely manner.

He stated that, for general Administrative achievements, the first and most notable is related to the Main Street improvements. The short-term solutions are currently wrapping up; he commended Public Works & Water Resources (PWWR) Director Tim Filasky, PWWR Deputy Director Ethan Robinson, UD, Aetna, the Delaware Department of Transportation (DelDOT), and all other stakeholders for their work in quickly implementing these changes. Administration has also collaborated with its vendor, Elovate, on the installation of the new speed cameras. The City also established a \$50 per-student per-semester tax on colleges and universities earlier in August. By the end of the fall, the City will have completed its Emergency Operations Plan (EOP) and Continuity of Operations Plan (COOP), brought its Sustainability Plan update to Council for adoption, and presented a new electric rate design to the Council for final adoption. He noted the City has procured over \$2 million in competitive grants for Newark. However, over \$600,000 of that money was retracted at the federal level before being disbursed.

Although disappointing, he considered obtaining any competitive grants in a nationwide funding pool to be a massive accomplishment for the City in general.

He stated the primary goals for the Administration Department begin with searching for grants to keep current resource costs down, along with ensuring all ARPA funding is entirely spent by December 31, 2026. Staff will continue to work on the vast number of capital projects funded by the State Community Reinvestment Fund (CRF) as well as the bond bill. The HR team is also looking to update the City's Personnel Manual and Employee Handbook. Staff will also conduct tabletop exercises to test the newly updated EOP and COOP plans, and implement an action plan based on the 2025 Employee Climate Survey findings. Lastly, staff will aim to bring the Record Division's strategic plan and policy manual to City Council for adoption and integrate new tools, such as AI and Meta ads, for City programs.

Mr. Martindale noted in the budget that there is a slight total increase in Facilities Maintenance, with a much steeper rise in Administration. He reiterated Records is now budgeted under Administration for the first time, so these figures are largely offset by reductions in the Legislative budget to account for the move. One utilities-related scanner has been previously booked against PWWR as well, so this position has been transferred to Administration as a housekeeping item. He noted that there are many negative figures on the operating side, except for Personnel Services, which largely stems from the addition of Records. He stressed that, excluding the Records team's housekeeping changes, Administration & Facilities have a net decrease in the operating budget from 2025. In the Records move, three full-time employees and one part-time employee moved over from the Legislative Department. The City has already observed some personnel cost savings within the Records division, as one of the long-standing top-of-scale full-time employees retired to a part-time role, with the part-timer taking their place. This is not yet reflected in the budget figures, so these totals will also shift downward accordingly.

He noted that there is a significant reduction across both operating budgets for 2026, as major one-off costs in 2025 fall by the wayside. The Records move drives personnel growth, and there is a \$5,000 increase in depreciation costs resulting from the holiday snowflake lights purchased in 2023. He noted there is a slight increase of 1.7% in Facilities. Personnel expense increases are covered, and then some, by material and contractual expense decreases. Insurance premiums, equipment depreciation and debt service are the major drivers of the remaining increases, which are not discretionary for the division.

Mr. Martindale stated that the Administration Department's proposed personnel requests aim to increase efficiency and reduce future costs and risks. He noted that none of these proposed personnel costs are accounted for in the previously presented operating budget slides, so the budget figures would change if requests remain moving forward. He noted the first request is for a full-time grant administrator in Purchasing. Currently, grant management is handled separately by each department, primarily completed at the director, deputy director, or senior staff level. He explained that this process is very inefficient, as the City does not have staff with backgrounds in grants, competing for grants, and grant management, which is handled by the City's most expensive employees. He believed consolidating these responsibilities into one position would lead to more specialization in grants administration, as well as making more time available for senior employees to complete other necessary tasks. He understood this is not an optimal time to ask for this position due to the vast changes in federal grants, but the City does not typically see or apply for grants below the six-figure range, since the cost-benefit analysis of spending so much executive time applying for smaller grants is never to the City's advantage. He believed having a dedicated employee for this purpose could help to maintain a serviceable level of grants that is currently unavailable to the City.

He shared a visual of a simplified version of the City's current grants process. Each department finds its own grants or is afforded grant opportunities by someone within the City's orbit; the senior leadership of that department will then research, write, and submit the grant. They then individually coordinate with the Finance Department to set up tracking mechanisms, followed by managing the grant funds and projects. Then, they wrap up completing the final grant reporting and close out. This proposed process would be more streamlined with a dedicated grants administrator; department coordination would still be required as grants are being written, since they are the subject matter experts on the grants in question, as well as managing the projects themselves. However, one person in one department will be primarily responsible for the majority of everything else.

Mr. Martindale explained the second position request is for a full-time building maintenance worker. Currently, Facilities has three part-time maintenance workers or carpenters in the budget, which historically have been "turn style" positions with constant turnover. The work completed by these employees typically takes much longer due to the reduced hours available. He added that part-time staff are far less available to respond to emergencies when they occur, as they are ineligible for overtime under the current system, which staff have identified as a significant issue through their development of the

EOP. He believed that adding a second full-time employee would be an excellent insurance policy for the City at a very minimal net cost of about \$9,000. He noted that this proposal eliminates two part-time positions by merging them into one full-time position. The Facilities Division's contractual budget would also be reduced to make this position largely cost-neutral, as more work could be completed in-house.

He stated the third and final request is for a temporary part-time digital record scanner for the Records Management Division. While the division has made great strides over the last year and has increased productivity, clearing the backlog of paper documents will take staff several years to complete. This request involves hiring a part-time employee for at least 2026 to help clear the backlog. With some additional help, the Records team would be able to make substantial progress toward removing all old paper records, which would make searching for these documents more efficient for staff digitally and reduce the storage space needed in City Hall. Eventually, once a purely document maintenance point is reached, this position, along with the other part-time Records position, could be eliminated. He believed a slight staffing increase now could help avoid future personnel costs. Once this maintenance point is reached, he aims to eliminate the part-time positions through attrition as staff retire, which may be soon. Administration is proposing removing a part-time web designer position currently in the Communications Division to accommodate this change, effectively keeping the request cost neutral.

Mr. Martindale noted there is only one capital project for this year – holiday snowflake lights. \$50,000 was budgeted for this project in FY2023, which involved adding 25 snowflake lights to the City's electric poles. This project was removed from the FY2024 and FY2025 budgets. He reminded that whenever this topic is discussed, this is for the following year, which is 15 months from this meeting. He noted the Town of Elkton gave away gift card prizes to households with the best decorations in town, and the Town of Elsmere holds a similar event. He believed the City could implement a similar event as an alternative and at a reduced cost compared to the \$50,000 needed for holiday lights. This would also reduce staff time required to hang the additional lights. He believed a decently aggressive prize pool could garner substantial interest and lead to increased traffic in Newark during the holiday season. Additionally, staff believe they can implement the program for this coming holiday season using funds largely available within the current budget instead of waiting the traditional 15-month period.

He noted three new capital projects proposed for Facilities, though none of them need any cash in FY2026. Only one project for 2026 has a current resources request associated with it. Staff need to begin two short-term projects at the Field Operations Complex, both of which involve substantial risk and security: the replacement of underground storage tanks and the construction of a parks maintenance warehouse. The City has received CRF funding from the State this year that would allow it to use the funding for either project; however, there is not enough funding to cover both projects. N1806, the Field Operations Complex Master Plan, currently has \$500,000 in current resources budgeted for FY2026. This involves the replacement of the underground storage tanks, which includes a 10,000-gallon gasoline tank and a 5,000-gallon diesel tank. This project would replace them with above-ground tanks. With both tanks reaching their 30-year end-of-life date in November 2026, the City's insurance broker has informed that if we do not replace these units, their deductible will skyrocket from \$10,000 to \$250,000 for any claims related to the units. Additionally, the Delaware Department of Natural Resources and Environmental Control (DNREC) advises against leaving units in the ground for longer than 30 years. In addition, they will continue to impose stricter inspections on the units unless they are replaced with above-ground units. He believed this project is a need for the City due to the cost and environmental risks associated with inaction. He suggested using current resources for this project as Facilities Maintenance is charged to all other departments based on usage. With the fuel pumps being utilized by the City's utility departments as well as general fund departments, he believed there is a better opportunity to allocate some of this cost to the City's utility funds, which are currently unavailable for the next project.

Mr. Martindale explained N2602, the Parks Maintenance Storage Warehouse, will allow the police to take over the Olan Thomas warehouse for use as an impound facility; Parks Maintenance currently uses this facility as storage. The police have outgrown the Field Operations Complex, which is presently the impound facility. Additionally, the City's forever evidence now spills over into the space that would otherwise be used for the City's utilities. This project would allow the City to relocate evidence for major crimes that currently sit outside exposed to the elements to a secure, enclosed facility. This includes the motorcycle and van involved in both Main Street fatalities. He added that this evidence currently sits along the James Hall Trail, which is among the most trafficked trails in the state. Security measures have been substantially improved at the Maintenance Yard over the last few years, but none of this is as secure as a dedicated facility. Funding to convert the Olan Thomas warehouse to an impound facility has already been secured, so moving parks equipment to a new warehouse at the Yard is the last item to address in this project.

He continued by explaining that, like the fuel tanks, this project was also included in the City's approved CRF request for this year. While the CRF funding would reduce the City's current resources need for the fuel tank replacement, any future current resource expense towards the parks warehouse would be primarily charged to the general fund from the Maintenance budget, as no utility departments would use the facility. This limits the City's ability to distribute costs evenly, or potentially ever complete the project. He noted that the storage tank replacement is also the cheaper of the two projects, so using cash for this purpose reduces the City's contribution to complete both projects.

Mr. Martindale noted the Administration Department's future year capital projects begin with N2601, Round 3 of the Energy Savings Project. This is a third phase energy savings project for Facilities. With the expansion of the warehouse at the Field Operations Complex, there is now room for additional rooftop solar. Additionally, previous energy projects have not tackled LED lighting along trails or in parks. The CAC has also requested that staff investigate the use of directional light shielding and light timers at City facilities to reduce light pollution and energy consumption. He noted Mr. Coleman mentioned wanting low-flow toilets in City Hall to save water; all of this could be included in a potential project, which would be financed through a self-support loan program from Solar Generation and Energy savings. FY2026 would only account for an initial investigation and would be funded through a grant. He explained N2603 proposes more minor Police Department improvements following the sallyport slab replacement project, but these are slated for FY2027.

He concluded stating that the \$50,000 for N2601 and \$650,000 for N2602, are grant-funded as proposed, with the \$500,000 for N1806 using current resources. He summarized that there is a significant operating increase for Administration, with the vast majority of the expense coming from the transfer of Records from the Legislative Department, which is offset by a full-time and part-time request, accompanied by the removal of a part-timer. There is a slight overall increase in facilities, accompanied by a \$500,000 capital expense, which includes a full-time addition and two part-time reductions. He noted that he wished to receive Council feedback on the position requests, specifically regarding the use of State grant funding for underground storage tank removal or the Parks maintenance building, which would have different cash costs, as well as on the holiday lighting project: whether to maintain the current approach, conduct a contest instead, or scrap it altogether.

The Mayor opened the table to Council comment.

Ms. Ford believed Council will need to make difficult decisions this budget session. She noted the ARPA money must be spent by December 31, 2026. However, she asked whether money committed to certain projects can be moved to fund other projects.

Mr. Martindale responded in the negative.

Ms. Ford understood the process for pursuing and acquiring grants but did not believe it would be responsible to hire a new employee to do so in the current financial climate. She believed it would be best to wait until the City's financial situation improves before implementing this position. She believed Council agrees in not being inclined to approve any additional personnel this year. While she understood that these are not frivolous requests, she could not justify adding more personnel due to the potential for increases that would need to be passed on to the residents. While she was pleased with the City's holiday lights and believed they could be improved, she believed a good alternative would be to task residents and businesses with decorating their houses and buildings. She believed a competition like this would be a good alternative until the financial situation is improved. She commended Mr. Martindale and staff for a job well done.

Dr. Bancroft believed the City has invested wisely, as evidenced by its efforts in the CIP to improve facilities. While he appreciated this effort, he believed the City is likely to see "leaner" times. He believed the City would be in a holding pattern with new positions. He appreciated the staff's prompt action in making improvements at the Council's request. He acknowledged Mr. Martindale's rationale for the new positions but supported waiting to see if they can be fit into the budget. He endorsed a decoration contest over the City taking on additional decoration costs. He believed that numbers in projects, such as the ESCO project, can be worked out so they can move forward. If they did not work out, he was unsure whether the City should invest a substantial amount of the general fund in them. He stated he and Council appreciate the City's work in acquiring grants.

Mr. Brown asked how fuel is handled for the City, if it is on a bid process, and if the tank is filled twice a year.

Mr. Martindale explained the tanks are filled more frequently. As they receive fuel from the State contract, it is closer to a wholesale cost than a retail cost. The Maintenance Yard stores 10,000 gallons of gasoline and 5,000 gallons of diesel to support all the City's fleet vehicles.

Mr. Brown asked if the tanks were underground.

Mr. Martindale responded in the affirmative.

Mr. Brown noted that staff suggested using above-ground tanks and asked if they had considered going out to market through agreements with local gas stations.

Mr. Martindale explained the City already has agreements with local gas stations, such as the Sunoco on South Main Street. When the City pumps go down, as they are old and failing, the City needs a resource for fuel, which is often Sunoco. UD has many vehicles that also frequent Sunoco, but he was unsure of their agreement with the company. He noted many larger City-owned vehicles may not be capable of managing those parking lots as easily as others.

Mr. Coleman added that when staff investigated in the past, there were two main detriments: Sunoco does not have backup generation, as opposed to the Maintenance Yard's pumps, and the City does not pay tax on fuel, so their State contract rate is low. Therefore, the City would pay a significant premium when using Sunoco.

Mr. Brown explained that when obtaining a contract with a major company, they can have that tax isolated from the bill monthly. In his experience with Texaco and Star Enterprise, there were government contracts that allowed counties or government entities to receive preferential pricing. He agreed with the previous comments made about holiday lighting. He believed it to be hard to bring on new employees, especially considering a hiring freeze. He believed it would be a better option to utilize State funding for the maintenance building.

Mr. Lawhorn expressed his encouragement for improving departmental efficiency and acknowledged that the Records Division has already made significant progress in this area. He asked staff to consider "out of the box" solutions regarding what they are required to do in terms of record management. He noted some processes are requirements and other methods that are "the right thing to do"; however, he questioned why and how the City conducts specific processes, and what could be changed in the Code or requirements so the City either does not have to keep certain records, can keep them for a shorter period of time, or use programs to document items such as minutes more efficiently. He encouraged staff to bring forward any ideas they have of this nature.

He believed it was important that Main Street looked festive and inviting during the holiday season but noted that there should be a balance when determining how much money to spend on holiday lights. He wanted the City to take part in these decorations and believed the competition would be a good idea. He would be willing to increase the dollar amounts if the competition was successful and Main Street were significantly decorated. However, for this to work, the City needs to do its due diligence to encourage Main Street's businesses to take part in these activities. He believed it would be worthwhile to invest in inspiring others to decorate Main Street.

Mr. Lawhorn did not believe the solution to grant administration would be to hire a new employee; instead, he believed that documenting and identifying the processes, and then improving them, would be more efficient. This data may justify hiring another individual, but it may also show that the process needs significant improvement. He noted this may be a project that requires additional resources, such as hiring a consultant, for a temporary exercise. He believed that instead of high-level employees spending time on the process of finding grants, another employee could be trained to do so. Justifying a new employee would require detail and a simple exercise to collect that data. He believed consideration of a new maintenance worker would still need more details provided, but understood the value of having a full-time employee instead of two part-time employees. However, he wished for more data to support this case.

Mr. Martindale stated the justification of this request would be the redundancy of having additional staffing to cover emergencies. He noted that every division in the City has at least one non-management full-time employee, except for Purchasing, Facilities, and Communications, all of which fall under Administration. Regarding Facilities, having a full-time employee is insurance against situations such as the basement flood in June 2024, when Mr. Martindale could not coordinate his grant work duties while attending to the flood damages at the same time. Additionally, having only one manager underneath him does not leave much room for vacations, and there would be no fallback on the occasion

he does so. He believed having an additional employee to respond to critical incidents would be significantly helpful.

Mr. Coleman stated that under the Affordable Care Act (ACA) and the Delaware Paid Family Leave Act (DPFLA), there is a reduced ability to flex employees' time. If a part-timer usually works 24 hours, or three 8-hour shifts, the lookback periods are different. If a part-timer is brought in for an extra shift, it could trigger the need for the City to retroactively provide them with benefits. This issue is more frequent with the part-time Parking Ambassadors. He noted before the DPFLA that the City could utilize its part-time employees more effectively than it currently does, so that other part-timers would cover the time of an employee on vacation. However, the City cannot do that because it will trigger issues they did not have before.

Mr. Lawhorn asked if the \$85,000 listed for Salary & Benefits would be the total cost or the maximum potential cost.

Mr. Martindale stated this was built around AFSCME and is closer to the bottom of the scale. He noted with recent CBA negotiations, it is no longer fixed in place.

Mr. Lawhorn preferred to see maximum cost included instead of minimum cost.

Mr. Coleman stated that part-timers tend to move in and out of the organization, often remaining at the bottom of the scale. He noted a full-timer would be more likely to stay, so over time the position would become more expensive.

Mr. Lawhorn noted that the requested temporary part-time Digital Record Scanner would ultimately be removed after the work is complete. He asked what the catch-up work is, that requires an additional part-time employee in the division.

Mr. Martindale noted that the Records Division's office is filled wall-to-wall with records that need to be scanned into the system, and the current staff have not had the opportunity to review, classify and monitor them all. These are all permanent documents that the City needs to retain.

Mr. Lawhorn asked if the State requires this, or if Council could allow staff not to do.

Mr. Martindale stated this is a State requirement. While the issue has been mitigated with the implementation of EPL, and many records have been digitized, there are still decades' worth of documents that need to be scanned. He explained that bringing in another employee would be a temporary solution to allow a catch-up period for scanning.

Mr. Lawhorn asked if there is a requirement to keep these records digitally.

Mr. Martindale stated that while there is no requirement to keep these records digitally, the Delaware Public Archives (DPA) is requesting digital copies of all documents sent to them. However, digital copies do not occupy physical space, which is a premium in municipal buildings.

Mr. Lawhorn asked how frequently the City needs to provide these records to supply to another person or use them internally.

Mr. Martindale noted these records are sometimes requested through FOIA requests in the City Secretary's Office, and by the City when there is a development project for a specific parcel.

Mr. Lawhorn wondered if the City should move forward with the scanning process, as they already have the records and are meeting the requirements for retaining them. He noted FOIA requests that require significant effort need to be paid for by the requester, which would not cost the City any money. He wondered if it would be worthwhile for staff to cease making digital copies of these records.

Mr. Coleman explained that the City's primary driver for digitizing these records is the growing space issues within the building. Due to the digitization of documents, the City has been able to clear a significant portion of the basement and relocate half of the IT division and the Records division downstairs. He noted that the City has discussed whether it would be worthwhile to change the format of minutes to summary minutes, given the audio recordings of Council meetings, and then only produce verbatim minutes when requested. He did not believe the minutes were either requested by FOIA or required the detail that could not be conveyed through audio at a significant rate. While staff could certainly examine

which documents tend to receive the most requests, he believed that most records did not and only took up physical space.

Mr. Lawhorn asked if staff were prohibited from utilizing off-site storage space for these files.

Mr. Coleman responded in the negative.

Mr. Lawhorn believed this could be addressed in another way.

Mr. Martindale noted digitizing those files also enhances their security during emergencies such as the flood in June 2024.

Mr. Lawhorn supported utilizing off-site storage for these files. He believed that if it is not required to digitize them, then staff should not be spending their effort on doing so and should only do so when requested by either FOIA or internal staff. He did not have a preference on utilizing State funding for either the tanks or the Parks maintenance building. He would wait to provide comments until staff return from investigating other avenues.

Mr. Suchanec noted Council have refused to include holiday decorations in the budget for 3 or 4 years in a row. He believed it would be nice to have, but not necessary; however, he believed making downtown more appealing during the holidays would help Newark become a regional destination. He did not oppose running a decorating contest, but there are already other individuals and businesses who make significant decorating efforts. This may lead to potential participants being discouraged from joining because of the impression that a specific business or property may win every year. He believed that including a provision that precludes a previous winner from winning again could have merit.

He believed that the storage of police evidence is essential but wondered if the same facility could also be considered for the City's records to make more space available in the municipal building. He believed something needs to be done about storage due to the high risk. He commended Mr. Martindale's work in justifying these positions but acknowledged that they may not be approved in this budget due to budget constraints. He wished Council could find a means to include them such as finding money in other budgets to offset them.

Mr. McDermott stated he would defer to staff regarding how to use the state funding, as he believed staff to be aware of what issues are more pressing for the City than others. He did not support adding any new positions to the budget. While having a grant administrator would be beneficial, and he would likely approve it at a less constrained time, he could not support it during the current budget season. While he was slightly undecided about the full-time maintenance worker, he was aware that the costs to maintain that position would only increase, and he did not believe it was appropriate to add it to this budget. Regarding the temporary part-time digital scanner, he asked about the duties of police recruits who are hired but are not currently in the Police Academy.

Mr. Martindale stated these employees scan police records, which the City also has a surplus of.

Mr. McDermott wondered if one of these employees could be temporarily relocated to the basement to address this backlog. He was unsure whether the \$50,000 allocated for holiday lights would be successful in creating a holiday destination in Newark. He did not believe it would be a worthwhile effort to spend that money on this at this time. He supported a decorating contest but believed hosting two separate contests – a residential contest and a commercial contest – would be worthwhile. A potential prize for the commercial contest could be several free employee parking passes.

Mr. Brown asked if the City's fuel tanks are double walled.

Mr. Martindale confirmed.

There was no public comment, and the Mayor proceeded to the next item on the agenda.

18. 6-E. DISCUSSION ON POTENTIAL IMPLEMENTATION OF SPLIT TAX RATES – CITY MANAGER TOM COLEMAN (15 MINUTES)

2:21:13

Mr. Coleman explained that Council has asked for a discussion on the potential to implement split tax rates for property taxes, similar to what New Castle County and Wilmington have done following the recent reassessment. Staff have outlined the background of the City's tax rates, and they have the authority to do so, both within the charter and pursuant to SB-204. While he was confident the City could

do this legally, there have been questions around whether the City has the authorization to. There have also been questions about whether that authorization would withstand a legal challenge and what the safest way to structure it for defense against such a challenge would be.

He explained initially, residential properties comprised about 54% of the tax revenues before reassessment, using the County's definition of residential property. He noted apartment buildings with greater than four units are theoretically non-residential, so apartment buildings with four or fewer units would be considered residential. However, despite this designation, there are some locations where this is inaccurate. Before the reassessment, residential properties made up 54% of the total tax revenue; after the reassessment, this increased to 63%. He noted that this effectively means the tax burden was shifted from non-residential properties to residential properties.

Mr. Coleman noted the memo includes different implementation considerations for this idea. The City initially discussed opting for designation based on zoning category. He explained his thoughts that apartments are residential, as they provide housing. He was aware that the County has a reason for placing designations at a certain threshold, where five or more units are non-residential and four or fewer are residential. He believed if there is a legal challenge, it will likely fall on the Delaware Constitution's uniformity clause. This raises the question of how to establish split rates that conform to the uniformity clause. He noted the City Solicitor has been researching this and was unsure if the City is prepared this evening to commit to one location. He acknowledged that the Council has had some open questions about what they would like to categorize under the different categories; while staff has crunched the numbers, he has not yet reviewed them. He asked Council for direction on one or more scenarios they would like staff to evaluate, and what falls into each category. This data can be brought back to Council for consideration at a future meeting. Then the City Solicitor can provide guidance on which configuration he feels is the most likely to sustain a legal challenge.

The Mayor opened the table to Council comment.

Mr. Lawhorn found it unfortunate to have this discussion, as the State and County had to do the same. However, he understood the necessity to act. He believed the City should not go beyond correcting the problem. He believed residential areas should be clearly defined, such as houses and neighborhoods. For complexes that offer both residential and commercial space, the residential units should be considered residential, and the business space should be designated as commercial. He believed this was important due to Council's efforts to combat the affordable housing crisis. Additionally, he believed this to be a fundamental fairness issue, and he believed that residential should be defined as a space where a person can live. He wondered how to execute this properly and would defer to the staff's recommendations but believed this could be done through a calculation of the square footage of commercial and residential property in a single building. He wondered how Council should split the rate and by what amount. He wanted to revert the balance to pre-assessment numbers. He did not want to follow the school board's lead, as he believed this could be irresponsible. He believed the City should fix the problem, determine and revert it to the pre-assessment balance, then apply a fair rate, and simply define residential and commercial.

Mr. Brown partially agreed with Mr. Lawhorn. He noted in #3 of staff's recommendations, there is a limit of the residential category to only one single-family designation versus residents in apartments. He wished to see the numbers for each category and how they would be affected. While he appreciated the "quick and easy" approach of some of these recommendations, he wished to see how the County would choose to act.

Mr. Coleman stated staff will bring forward data with numbers for whatever scenarios Council wishes to see.

Ms. Ford favored splitting the rates but wished to see the data and potential impacts before deciding. While she believed it would be beneficial for the City to follow the County, counties and municipalities have different rules. She noted in the Colonial Garden Apartments' tax records, they have previously paid \$93,000 in taxes, and in 2024, the last bill they paid was \$101,000. She noted that under the new assessment for school taxes, the amount decreased to \$46,987. She believed this to be dysfunctional and that Council should act. She wished to see dollar amounts for Options #1 and #2. She noted staff stated their recommendation was the cleanest and fastest way to implement, and #2 uses the categorization as New Castle County with the same claim. She asked for further clarification on these statements.

Mr. Coleman stated both recommendations would be easy to implement because the data exists in the database already; it would simply be pulling from a different column than normal. He believed

following the County would be marginally easier due to consistency between governments. However, the County is treating residential property differently depending on the number of units, so it comes down to Council's opinion on what should be defined as residential. He explained theoretically that if larger apartment buildings are designated as non-residential, traditionally lower-income residents will be supporting higher tax rates through what is passed down as part of their rent. He noted Council may want to consider, as an alternative, communicating what multiplier is the highest they wish to go to. He stated a cap has not been placed on municipalities for how high the multiplier could be. However, he strongly recommended not implementing any, or going as high as the school board. He agreed with Mr. Lawhorn that the City should reset the balance percentage to its pre-assessment figures. He believed if the City pushes too far, the commercial tenants in commercial buildings will also end up paying that tax. He believed these tenants are already paying some percentage of the building's tax bill through their lease agreements. He noted that many small business owners have recently raised concerns about the tight financial situation downtown. He suggested either following the County as Option #1 or including all apartments in residential and addressing the mixed-use buildings on a case-by-case basis as Option #2. This could be achieved through an appeals process, where a property owner could apply, and the City could adjust on a case-by-case basis, using either the square footage of the building or an assessment provided to the City.

Ms. Ford inquired about the amount of work this would entail for City staff.

Mr. Coleman stated there are not many properties in the city that would fall under this category. This would also be easy to execute if based on square footage. He expected the residential value per square foot would be higher than the commercial value per square foot. With a mixed-use building, the value per square foot would likely differ for each use.

Ms. Ford believed the City would need to place a reasonable cap if it were to implement split-rate taxes. She agreed with reverting the figures to their pre-assessment iteration due to the current imbalance. She believed this should be completed as a two-step process, where the City could first step back to its original position and then consider further adjustments in the following year.

Dr. Bancroft believed it to be fundamentally fair for all businesses to be in one category and all owner-occupied residences to be in another. However, he believed isolating out businesses or apartment complexes was a poor idea. He believed apartments and rented townhouses could be charged at the commercial rate to reflect their increased usage of City services. He thought it would make sense to follow the County's perspective on a threshold to designate when apartment complexes are residential or commercial. He was concerned about gentrification and believed that this would serve as a positive incentive for individuals to rent out rooms in their houses to keep pressure on apartment complexes. He believed the cap differential made sense. He supported selecting an arbitrary middle figure, and then the City will need to address it in the future if they do not want to overcomplicate the system by setting a multitude of differing rates.

Mr. Suchanec supported a split tax rate and designating it by zone. He believed any outliers could be brought back to conformity later. However, he was unsure about mirroring the County's approach, as he was unfamiliar with what that would entail. He noted it would likely cost the City a significant amount of money to issue a refund and preferred issuing an itemized credit on future tax bills. He was unsure about implementing a cap on a split tax rate.

Mr. Coleman explained the Finance Department prefers to issue refund checks, as the billing software does not handle credits well. He noted New Castle County has already implemented split rates on its portion of the tax bill, while the school did not. He reminded there are some issues with their assessments and property categorizations; however, the County bill should be accurate based on their two-tiered rates.

Mr. McDermott agreed with Ms. Ford and Mr. Lawhorn to revert to pre-assessment rates. He did not want to follow the County due to potential legal challenges speculated to occur. He believed for this fiscal year, the City should follow Mr. Lawhorn's suggestion to do a split rate and balance the figures back to what they were before to be as fair as possible. He also believed that residential and commercial areas should be simply but adequately defined.

The Mayor opened the floor to public comment.

Bruce Harvey, 5 Phillips Avenue, believed taxing a residential property as anything other than residential does not make sense. He believed these discrepancies in the assessment were due to an error in the technology process. He noted the State of Delaware was founded on the principle of equal taxation

due to an agreement between Dutch and English settlers. He stated the inaccuracy will be a serious problem only until it is fixed, and that has put the City in a position where it must clean up a complicated mess.

Mitch Slijepcevic, 7 Chippenham Drive, believed a two-tiered structure would affect residents' ability to "make the American dream come true." He noted his parents were immigrants from communist Yugoslavia who did everything possible to make ends meet. After moving from an apartment to a house on Choate Street, they started a deli on Elkton Road while also working at the Chrysler Plant. With the money earned, they acquired houses in Newark whenever the opportunity arose and invested in real estate; the resulting funds allowed Mr. Slijepcevic and his sister to obtain undergraduate degrees from U.D. Their children then followed in their footsteps, and it took 25 years, of them and their spouses working full-time jobs, to eventually propose a redevelopment plan due to the monetary risk associated with being denied by Council. Since that proposal six years ago, the cost of redevelopment has continued to increase significantly. He believed a tiered tax structure would penalize anyone choosing to invest in real estate and small businesses. He was concerned this would substantially impact anyone's ability to do the same as his parents. He asked Council not to move forward with this proposal.

Kevin Mayhew, 103 Elmwood Drive & President of the Newark Property Association, explained that he had previously notified Council with an endorsement of a two-tiered tax system. However, after researching its legality, the association withholds its endorsement until there is a clear decision on whether this violates the uniformity clause of the Delaware Code. If Council proceeds, he wanted to ensure all rental units be considered residential. He believed it was unfair for some who cannot afford to buy a home to have to pay more in property taxes solely because they need to rent. He did not believe it would be fair for commercial tenants occupying the same building as apartment buildings. He noted that some of his commercial tenants will have higher taxes due to the assessed value of the property increasing because of the apartments. He noted Council has encouraged mixed-use development for many years, but now these occupants will be penalized for their choice of location. He believed that if Council would like this type of development to survive and continue, they need to ensure all residential users are taxed at a residential rate.

Chris Locke, District 1, explained the United States of America will be celebrating its 250th birthday in 2026. He reminded that 250 years ago, many businesspeople stated they could no longer tolerate ill treatment from the British monarchy. However, he noted the Delaware House of Representatives "suspended all rules and tried to solve a crisis," but in turn made the crisis even worse. While he believed the assessment process made mistakes, he did not think the residential assessment was done incorrectly. He believed Dover's solution was more to "make people feel good" than solve any problems. He stated that in the Christina School District, 68% of properties are residential, but will pay 53% of the school tax. 31% are commercial but will pay 47% of the school tax. Commercial property tax will increase by an average of 51%, while residential tax will decrease by 23%, despite the number of residential properties rising from 1984 to 2024. He stated there are over 570,00 residents in New Castle County, and the CPI has risen by 300% over the past 40 years. The US residential housing prices index increased by 430%. He believed the assessment was likely done too little when discussing the real value of a residential property. He believed Dover effectively addressed the problem by giving money back to residential taxpayers that had been taken from commercial taxpayers. This affects residential tenants, businesses, restaurants, hotels, manufacturing facilities, mobile home parks, and other entities. He implored Council not to make the same mistakes as Dover. He believed if taxes need to be raised, they need to be raised across the board and not only on a single group.

There was no further public comment, and the Mayor proceeded to the next item on the agenda.

19. 7. **FINANCIAL STATEMENT:** None

20. 8. **RECOMMENDATIONS ON CONTRACTS & BIDS OVER CONSENT AGENDA LIMIT:** None

21. 9. **ORDINANCES FOR SECOND READING & PUBLIC HEARING:**

- A. **Bill 25-11** – An Ordinance Amending Chapter 2, Administration, Article IX, Personnel Rules, Code of the City of Newark, Delaware, by Amending the Minimum Standards of a Police Officer – Chief of Police Mark Farrall (10 minutes)

2:56:26

Ms. Reed read the ordinance into the record.

MOTION BY MS. FORD, SECONDED BY MR. LAWHORN: FOR SECOND READING AND PUBLIC HEARING.

Mr. Coleman explained that the City did not have a mandatory retirement age until the implementation of the new pension. At that point, they were sending people to the State Municipal County Police Pension. This plan has a required “55 and out.” If the City hires someone too old, they will spend the money to send them to the academy, train them, spend a year getting them up to speed, only to have them retire a few years later. This proposed ordinance aims to codify a maximum age-at-hire of 39, providing the City with one year of academy and field training, followed by 15 years in the field before retirement is required. The Delaware State Police also utilize this age.

The Mayor opened the table to Council comment.

Ms. Ford requested clarification to confirm that this would mean the City cannot hire a police officer over 39 years of age.

Mr. Coleman reiterated this in the affirmative, stating it would be by ordinance.

Ms. Ford asked if the City could raise the retirement age.

Mr. Coleman stated there are multiple reasons why the retirement age is set at 55. Under the County-Municipal plan, when an officer reaches 55, they can theoretically accrue a pension of more than 100% of their salary at retirement. Additionally, a police officer position is very physically demanding. He noted 55-and-out is not uncommon for police agencies.

Ms. Ford was concerned that this ordinance would be perceived as discriminatory and would face potential legal challenges.

Mr. McDermott explained an age cap is standard in many police departments around the country, including the Federal Bureau of Investigation (FBI) and the Delaware State Police. He believed that if this could be legally challenged, it would have been done before.

Mr. Bilodeau believed there was a logical basis for this cap.

Ms. Ford noted previous mentions of the recent difficulty in recruiting police officers. She asked if this ordinance would apply to a 40-year-old officer who has worked for 10 years at another agency.

Mr. Coleman believed that would not be permitted due to the language of the ordinance. However, this could be revisited with the Chief’s support.

Ms. Ford believed that, in the wake of the difficulty in recruiting officers, a qualified and experienced officer should be welcomed, even if this criterion was not met.

Mr. Coleman stated that while the City is happy to employ certified officers in the short term, they prefer to recruit and train their own officers due to the Chief’s policing philosophy for Newark compared to other agencies. He would prefer the City’s officers be trained in that manner from the beginning. He did not believe the City had received many applications from certified officers for their open positions, besides one with 11–13 years of experience and another with 10. He noted that the Chief of Police brought this forward because people over 39 years old were applying, and he was concerned about the cost-benefit analysis of that for the investment the City would need to make.

Ms. Ford asked how many officer positions are currently available in the Newark Police Department.

Mr. Coleman believed there were 6 open positions.

Ms. Ford believed if a police officer is recruited at 39 and needs to retire at 55, the City would get their service for roughly 16 years. The City would get 15 years out of a 40-year-old recruit. She asked what the typical turnaround would be for the City’s police officers, as there is no guarantee a 30 – 34-year-old recruit would stay for more than 15 years.

Mr. Coleman stated many officers will stay for 20 years as that is when they become pension eligible. However, they can also retire if they reach 55 years of age.

Ms. Ford believed the City would get more value out of an officer who is 39 and leaves when 55 than a recruit who is hired at a younger age but only stays for a few years. She did not support age

restrictions and found them discriminatory. She was concerned this ordinance would be ageist. She asked how often a recruit over 39 years old has left before retiring at 55 in the City of Newark.

Mr. Coleman did not believe the City has hired a recruit over 39 years of age, but did not have the data on-hand to confirm.

Ms. Ford did not support passing an ordinance for a problem that has not yet occurred.

Dr. Bancroft was concerned that this ordinance might be perceived as offensive due to the issue of age. However, he believed the City is “stuck” with the “55-and-out” clause, finding it to be a “cloistered pension trap.” He found this system annoying and discriminatory. He noted his belief that the line “must meet physical requirements” captures the individuals who may be older and cannot meet the physical needs of the position. He believed that the fact that the City could not offer transfers and was experiencing attrition issues due to pay competition was bothersome. However, he understood where this ordinance came from and believed Council should go along with it for the time being.

Mr. Lawhorn expressed that he did not have strong feelings about this ordinance; he was curious about the drive behind its proposal and was concerned about its legality. However, he would accept it if it were common practice. He understood the other Councilmembers’ reasoning, but if this is a common practice with a fundamental reason in many agencies, he would support it. He noted that he found Ms. Ford’s statements regarding ageism ironic, as she had previously proposed implementing a minimum age restriction for adults to run for Council candidacy.

Mr. Suchanec believed this ordinance would implement an artificial obstacle for accepting a qualified individual. He concurred with Dr. Bancroft that a candidate from this demographic may be disqualified for reasons other than age.

Mr. Brown was indecisive about this ordinance as he understood both perspectives and did not have strong feelings for either opinion.

Mr. Coleman asked if Council preferred postponing this hearing to another date for when the Chief of Police could be present to answer their questions.

MOTION BY MS. FORD, SECONDED BY MR. BROWN: THAT COUNCIL TABLE ITEM 9A.

MOTION PASSED. VOTE 6 TO 0.

Aye – McDermott, Suchanec, Ford, Bancroft, Lawhorn, Brown.

Nay – 0.

Absent – 0.

22. Meeting adjourned at 10:10 p.m.

Tara Schiano
Director of Legislative Services
City Secretary

/jh