CITY OF NEWARK
DELAWARE

COUNCIL MEETING MINUTES

August 27, 2018

Those present at 6:30 p.m.:

Presiding:	Mayor Polly Sierer District 1, Mark Morehead District 3, Jen Wallace District 4, Chris Hamilton District 5, Jason Lawhorn District 6, Stu Markham
Absent:	District 2, Jerry Clifton
Staff Members:	Acting City Manager Tom Coleman City Secretary Renee Bensley City Solicitor Paul Bilodeau Assistant to the Managers Mark Brainard Communications Manager Kelly Bachman Community Affairs Officer Megan McGuriman Finance Director David Del Grande Deputy Finance Director, Jill Hollander Parks and Recreation Director Joe Spadafino Planning & Development Director Mary Ellen Gray Planner Michael Fortner Acting Public Works and Water Resources Director Tim Filasky

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1. Ms. Sierer called the meeting to order at 6:30 p.m.

2. **EXECUTIVE SESSION**

A. Executive Session pursuant to 29 *Del. C.* §10004 (b)(9) for the purpose of discussing personnel matters in which the names, competency and abilities of individual employees are discussed.

MOTION BY MR. MARKHAM, SECONDED BY MR. MOREHEAD: TO ENTER EXECUTIVE SESSION PURSUANT TO TITLE 29, SECTION 10004 (B) (9) SUBSECTIONS FOR THE PURPOSE OF A DISCUSSION OF PERSONNEL MATTERS IN WHICH THE NAMES, COMPETENCY AND ABILITIES OF INDIVIDUAL EMPLOYEES ARE DISCUSSED.

MOTION PASSED. VOTE: 6 to 0.

Aye –Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

Council entered executive session at 6:30 p.m. and exited executive session at 7:02 p.m.

3. **RETURN TO PUBLIC SESSION**

00:52

4. Ms. Sierer asked for a moment of silence and the Pledge of Allegiance. She indicated that Mr. Clifton would be absent.

5. 1. PUBLIC PRESENTATIONS:

A. FY2017 Comprehensive Annual Financial Report-CLA

1:40

Mr. Del Grande stated that he was pleased to present the FY2017 Comprehensive Annual Report, published in compliance with section 807 of the City Charter. The FY2017 Comprehensive Annual Report provides financial data for the following: tax and utility payers, bond holders, federal and state agencies, and the financial community at large. CliftonLarsonAllen, LLP (CLA) an independent private firm of certified public accountants, audited the financial statements. CLA provided an unmodified opinion on the City's financial statements for the year ending in 2017.

Mr. Del Grande thanked Deputy Director of Finance, Jill Hollander, for leading the finance team in the preparation of the financial statements. He thanked the rest of the accounting staff for their hard work in the daily operations of the finance department.

Mr. Del Grande introduced Bill Early (Principal) and Alexander Lobeck (Manager) of CLA to discuss the audit results.

Mr. Early thanked Council for allowing them to discuss the audit results at the meeting. He informed that the firm presents the audit results on a yearly basis. Mr. Early thanked the City's Finance Department for turning over materials promptly and accommodating the firm to move efficiently and effectively through the audit procedures. He stated that he was happy to report this year's report was very brief and good. Mr. Early said that questions were welcome at any time during the presentation.

Mr. Early stated that both he and Ms. Lobeck have been on the City's account for several years and are the main two individuals that completed the field work. He informed that Ms. Lobeck was onsite daily with the firm's seniors during the auditing process. Mr. Early said that Phillip Del Bello was the IT Manager and he had been on the account for several years. Mr. Del Bello provided the IT system controls, application controls, and processing controls used in the audit.

Mr. Early said Ms. Lobeck managed staff level associates from the government services team out of an office in Baltimore, Maryland.

He informed that all CLA's employees are government specialists who work strictly on state and local government matters. Mr. Early said that CLA provides expertise because of the specialists assigned to the City's audit.

Mr. Early stated that he would cover the audit approach, results, and required communication in the presentation.

As previously mentioned, Mr. Early reiterated that CLA used an integrative team of IT auditors and government auditing staff. He informed that the firm utilized a risk-based approach, including risk assessment as per standard requirements. During the risk assessment process, high risk areas are identified. Mr. Early stated that high volume and complicated transactions classify an area as high risk.

Mr. Early mentioned that payroll testing of controls, and utility testing are performed throughout the process.

Communication with City staff management is frequent throughout the auditing process, including both formal status updates and informal communications. Mr. Early expressed that any questions CLA might have for City staff were communicated in a timely manner. He said if adjustments were needed, they would discuss with City Staff and address them. Mr. Early reiterated that routine questions were common throughout the auditing process, and the firm addressed them as financial statements were prepared.

As previously mentioned, Mr. Early stated that the Auditor's Report for FY2017 was an unmodified opinion. The Report on Internal Control Over Financial Reporting showed no material weaknesses or significant deficiencies. Mr. Early reiterated that previous deficiencies were noted in previous years, but the report for FY2017 shows marked improvement since there were no deficiencies found. He stated that the City's finance staff should be proud of the findings for this year.

Mr. Early stated that the American Institute of Certified Public Accountant's Statements on Auditing Standards require the independent public accountants to communicate certain matters to those

who have responsibility for oversight of the financial reporting process. He informed that the results of the audit for the City for the year ended December 17, 2017 and a formal notice was provided to the City on June 28, 2018 per the standards.

As previously stated, Mr. Early expressed that the financial statements were the responsibility of City management. He reiterated that the audit by CLA was performed to form an opinion as to whether the financial statements have been prepared in accordance with GAAP.

Mr. Early announced that significant issues were discussed with City management prior to retention, and that there were no significant issues discussed with City management prior to retention as the auditors. He informed that City management made no consultations on the application of GAAP and GAAS. Mr. Early stated that City management was responsible for the selection and use of appropriate accounting policies. He indicated that there were a few new accounting standards indicated for the current year:

1. GASB 74-Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans;
2. GASB 77-Tax-Abatement Disclosures;
3. GASB 78-Pensions Provided through Multiple- Employer Defined Pensions Plans;
4. GASB 80- Blending Requirements for Certain Component Units;
5. GASB 82- Pension Issues.

Mr. Early informed that the GASB 74 requires the City to have full liability for post-employment benefits and report same. He said that liability reporting was required by standards, and that there was no way to get around reporting it. Mr. Early stated that GASB 74 refers to the plan, and GASB 75 would be implemented next year. He said that liability would not hit the statements until next year and that the GASB 74 referred to disclosures of liability in the financial statements. Mr. Early informed that the liability would be disclosed on the front of the statements next year since the financial year ended on December 31st.

He informed that GASB 77, 78, 80, and 82 were not as significant as GASB 74. He said that GASB would be a big item next year since the City will pick up full liability at that time.

Mr. Early encouraged Council to read the management discussion analysis and year to year comparison for a detailed account of the City's financial standing.

Mr. Early stated that the preparation of financial statements requires that certain estimates and judgement be made by City Management. He said that CLA tests the estimates provided from City Management and compares them with industry standards. If the comparison reveals anything that is out of the normal, City Management is notified. A common list of judgements and estimates include:

1. Depreciation of capital assets;
2. Pension liability assumptions;
3. Other post-employment benefit (OPEB) liability assumptions;
4. Liability for self-insurance claims;
5. Allowance for doubtful accounts.

He reiterated that CLA concluded that City management has a reasonable basis for significant judgements and estimates that effect the financial statements.

No particularly sensitive financial disclosures outside of the new GASB 74 were found in the audit. Mr. Early expressed that management should discuss GASB 75, and how it would affect the front of the financial statements for the next year.

Mr. Early informed that CLA did not encounter any difficulties while preforming the audit. As he previously stated, the audit of the City of Newark was one of the smoothest audits completed by the firm for this year. He thanked City management for their attentiveness and efficiency in providing the necessary information for the audit.

None of the misstatements detected because of the audit procedures and corrected by City management were material, either individually or in the aggregate, to the financial statements taken as a whole. Accordingly, those past minor misstatements were not material to the financial statements and the firm passed on audit adjustments.

Mr. Early stated that City management signed a representation letter stating that all necessary information was disclosed or provided for the audit. He informed that there were no disagreements with management on financial accounting and reporting matters, auditing procedures, or other matters. He reported that a Billing Cycle Exception Report was released to City Management detailing best practices of what they observe when other cities or counties are audited. He noted the Billing Cycle Exception Reports are not a finding but provide a potential recommendation or area for improvement if the City chooses to follow it. Mr. Early felt that the Billing Cycle Exception Report increases the value of the services that the City pays CLA for.

Mr. Early informed that GASB 75 has been issued that will require the reporting of the OPEB liability in the same manner that the pension liability is currently reported. Currently, if the annual contributions are not met, a liability occurs. In the future, a large liability will be reflected in the statements since it is a requirement of the GASB 75 for the whole liability to be covered. He expressed that these will be effective for the year ended December 31, 2018. The disclosures for this liability are presented in the December 31, 2017 Financial Statements.

Mr. Early stated that bond companies were aware of the change in coverage with the GASB 75. He informed that bond companies had previously investigated the effect that the GASB pension liability contributions would have on the ratings. He stated that the ratings might change down the road as different places might choose to fund or not fund the pensions. He reiterated that an immediate impact to bond ratings was unlikely.

Ms. Sierer thanked Mr. Early for his presentation and opened the discussion to questions from the table.

Mr. Markham asked if steps had been taken towards the Billing Cycle Exception Reporting Issue as it appeared to be the only issue that stood out.

Mr. Del Grande said that the City was taking steps to review exception reports regarding utility meter readings. He informed that availability of resources, specifically the need to have enough staff to perform the work necessary, needed to be addressed. Mr. Del Grande informed that there was a need for one additional position to help with the utility readings. He stated that the position request would be reflected in the FY2019 budget request.

Mr. Markham informed that the FY2017 Budget report was significantly better than in previous years. He informed that when he first joined City Council, audits were not performed for 2-3 years and issues arose as a result.

Mr. Lawhorn had no additional comments regarding the report.

Mr. Morehead had no additional comments or questions.

Ms. Wallace asked if staff felt it was necessary to provide further information on the GASB 75 to help them understand if it would impact the City in any way.

Mr. Del Grande said that the GASB 75 would impact future statements and ultimately double the size the City's liability from $10-$20 million. He stated that the funded piece of liability currently $9.5 million.

Ms. Sierer asked Mr. Del Grande to confirm if the GASB 75's impact on liability could be discussed at further Council meetings. Mr. Del Grande confirmed that he would discuss the impact at future meetings.

Mr. Hamilton asked how Newark's financial audit rated when compared to other cities.

Mr. Early informed that they prefer not to give grades or ratings and that they only issue opinions on their findings specific to the account that is reviewed. He stated that every City and Council have different priorities, so it is difficult to compare or assign ratings. He said that an unmodified opinion like the one previously mentioned is the best opinion that one can receive. Mr. Early expressed that the main take away for the City of Newark was that no material weaknesses or civic deficiencies. He informed that the absence of material weaknesses and civic deficiencies indicates that the City has strong accounting

and internal controls. Mr. Early said that Newark, specifically the Finance Department, should be very proud of these findings given the volume of transactions in relation to its size.

There was no public comment.

MOTION BY MR. MARKHAM, SECONDED BY MR. LAWHORN: TO APPROVE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY2017 PRESENTED BY CLIFTONLARSONALLEN.

MOTION PASSED. VOTE: 6 to 0.

Aye –Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

6. 1-B. SECOND QUARTER 2018 PENSION/OPEB REPORT-DTI:
15:36

Andrew Zimmerman, Investment Consultant with DT Investment Partners, stated that he was the consultant for the Pension and OPEB Portfolios. He informed that Vanguard currently manages the Pension and OPEB Portfolios. He stated that his firm provides a portfolio review to the City Finance Department on a quarterly basis. Mr. Zimmerman informed that DT is tasked with evaluating Vanguard's performance and looking at the structure of each portfolio. Most importantly, DT makes sure that the portfolios are in compliance with the Investment Policy Statement (IPS) as created by the City's pension committee on June 30, 2018.

Mr. Zimmerman informed that both portfolios slightly under-performed the strategic target allocation benchmark for the second quarter of 2018 at a return of a little over 1.5%. Portfolios trailed slightly on the year-to- date basis. Pensions returned at 7.5% at the 1-year mark, with OPEB at 7.37% rate of return. Mr. Zimmerman informed that the pension has returned 8.7% on an annualized basis since its inception on July 31, 2016, and OPEB has returned 8.5%.

He said that Vanguard invested in a combination of stock and bond mutual funds with most of the stock funds in US based stocks. The remainder of the investments are with international developed markets, emerging market stock funds, and Real Estate Investment Trust funds (REIT).

Mr. Zimmerman reiterated that it was important for both the pension and OPEB portfolios to be compliant with the City's IPS. He stated that Vanguard is overweight, and US large Cap Stocks were the biggest overweight. He informed that the second biggest overweight stock was non-US International Developed Markets Stocks. He reiterated that US large Cap stocks for the quarter were the second best performing asset class, and international based stocks were the second worst performing asset class for the quarter.

He informed both portfolios are invested approximately 67% in risk-based assets (stocks) with 33% in bonds. As mentioned previously, both portfolios were in compliance with the Asset Allocation Guidelines in the IPS as of June 30, 2018. Additionally, both portfolios slightly underperformed the strategic target allocation for the second quarter of 2018.

Performance contributors for the second quarter included the overweight allocation to Real Estate as REIT's were the best performing asset class and the underweight to Emerging Markets stocks which happen to be the worst performing asset class. Additionally, security selection decisions in the Vanguard International Growth fund contributed to performance.

Mr. Zimmerman said that detractors to performance during the second quarter included the overweight allocation to International Developed Markets stocks and the underweight allocations to U.S. Small Cap and Mid Cap Stocks. Additionally, Mr. Zimmerman informed that security selection decisions in the Vanguard Windsor and Primecap Funds acted as drags on performance. He informed that the pension portfolio and OPEB portfolio were much more efficient than the typical 70% stock/30% bond index.

Mr. Zimmerman stated that DT Investment Partner's outlook on the market year to date through today showed promise. Both portfolios are higher than they were on June 30, 2018. The OPEB portfolio was up just under 3% and the pension portfolio was up 2.8% year-to-date. He stated that they observed the U.S. economy to be performing better than it has in the past 10 years. Corporate earnings have been historically strong, and inflation/inflation expectations in wage growth have been relatively low.

He stated that the Federal Government has done great job at telegraphing its move in terms of gradually raising interest rates. Mr. Zimmerman informed that markets hate uncertainty and surprises and reiterated that the Federal Government has done a good job in sticking to their plan as advertised. He informed that the interest rate will likely increase in September and possibly December, bringing the overnight Fed funds rate to 2.5%. Mr. Zimmerman believed that the government will pause next year and observe the economic growth to see if inflation remains low.

Mr. Zimmerman stated that there are two uncertainties with the market. The biggest uncertainty is trade policy, and whether the U.S. was in a trade war with China or other trade partners. He indicated that he did not think a trade war was likely, but mentioned the President uses the rhetoric of trade war as a negotiating strategy. Mr. Zimmerman stated that DT Investment partners remained focused on trade policy considering the circumstances. He said the likelihood of a trade war and its impact was hard to quantify as not much has currently been enacted. Mr. Zimmerman said the potential impact of a trade war or a potential policy mistake (i.e. if the government raises interest rates too much and slows the economy) were the two biggest uncertainties with the market. He reiterated it was unlikely the government would make a policy mistake since they have done a good job in telegraphing their predictions. Mr. Zimmerman informed they would watch trade protectionism, tariffs, and so forth.

Financial market volatility was at a historical low last year. This year, market volatility spiked for the first 3-4 months and then came to a low level. Mr. Zimmerman attributed the decrease in volatility to the government's good job of telegraphing their moves regarding gradual interest rate increases. He stated that an increase in trade war rhetoric might lead to some market volatility in the year's end, but absent that U.S. Large Cap stocks will continue outperforming International and Emerging stocks as long as the U.S. dollar holds steady. He indicated that the U.S. dollar had some difficulties last year, but the U.S. was outpacing the rest of the world in economic growth. Additionally, the Fed raised interest rates which in turn makes bonds more attractive. Accordingly, the dollar has strengthened as both investors in the U.S. and abroad want to own dollars.

Mr. Zimmerman reiterated that the ability of the U.S. dollar to appreciate will indicate that U.S. Large Cap Stocks will most likely be the best performing. He stated that the dollar will weaken at some point and International and Emerging stocks will do well. He informed that it has been a great economy for the market and sees it continuing at least for the remainder of the year.

Mr. Hamilton stated this was good news.

Mr. Zimmerman agreed with Mr. Hamilton.

Mr. Markham asked if they had been following the most recent trade war that was announced with Mexico. He wanted to know if the trade war had a positive effect on the market since it was previously stated that markets do not do well in times of uncertainty.

Mr. Zimmerman informed that it makes sense for parties to cooperate with the government for the long term.

Mr. Markham clarified that he was not intending to discuss the political climate but inquired if the current state of the market was a positive in terms of finance.

Mr. Zimmerman confirmed potential involvement with the trade war showed some positivity, specifically regarding the auto industry. He stated that the auto industry has caught the brunt of the potential trade war, and it was evident in Ford and GM's performance that sales were up around 5%.

There was no public comment.

MOTION BY MS. WALLACE, SECONDED BY MR. MARKHAM: TO ACCEPT THE SECOND QUARTER 2018 PENSION/OPEB REPORT FROM DTI AS OUTLINED IN ITEM 1-B.

MOTION PASSED. VOTE: 6 to 0.

Aye –Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

Ms. Wallace asked Ms. Sierer for consideration to make a motion to move item 1C to follow 3C. She stated that she did not want to make members from the public wait through the presentations if they did not want to. She said that she wanted members to be able to provide public comment.

Ms. Sierer asked if there was anyone in the audience who was not interested in the budget discussions. The audience did not indicate that they did not want to be a part of the budget presentations.

7. 1-C. FY2019 OPERATING BUDGET AND FY2019-FY2023 CAPITAL IMPROVEMENT PROGRAM OVERVIEW AND PRELIMINARY DEPARTMENTAL BUDGET HEARINGS FOR THE ADMINISTRATION, POLICE, LEGISLATIVE, ELECTRIC AND PARKS AND RECREATION DEPARTMENTS:

27:10

Mr. Del Grande thanked Ms. Sierer and members of Council for their help with the budget process. He indicated that 2018 was a year of learning for all involved with the budget, and that the Finance Department evaluated every component and department involving same. He said last year's budget presentation was very detailed.

He reported the budget presentation would consist of the same format from previous years, but the process for presenting the information has been changed. Mr. Del Grande informed that Directors from each department will discuss their budgets. The budgets will be presented from a one-page executive summary that provides highlights of their budgets for 2019 compared to 2018 and any changes. He said he believed this process would eliminate going through pages and pages of information during the meeting. He informed that the budget information for each department would be disbursed to Council a week in advance, providing them with adequate time to review the information. He stated the new system would be more efficient and allow the budget process to be discussed during Council meetings in a more effective manner.

There were some common items throughout all the budgets. For personnel costs, AFSCME voted for a 2.5% cost of living effective January 1, 2018. AFSCME's contract states a 1.5% baseline increase with a .5% rider depending on what CPI turns out to be, so the cap would be 2%.

Mr. Del Grande said that CWA's only had step progression and that there was no cost of living built into their contracts for 2019. Management only had step progression and there was no cost of living built into their contracts for 2019. He informed that there was no cost of living adjustments in Management salary. He reiterated that step progression was utilized for any employee in Management that was eligible for a pay increase.

Mr. Del Grande stated that the FOP had a cost of living adjustment of .75% on October 1, 2018. Another cost of living adjustment of 2.5% was scheduled for July 1, 2019.

He informed that all cost of living adjustments and increases had been factored into the budget presentations and would be shared with Council in the next couple of weeks. Health benefits were estimated to have an 8% increase over 2018. He stated that the 8% increase was based on the City's current employees. Vacant positions were estimated with full family coverage to allow for a conservative approach through 2019. Mr. Del Grande stated when comparing 2019 benefits to 2018, a full 8% increase was based on budget versus actual experiences. He said he hoped that the benefit increase would come in lower than 8%. Mr. Del Grande indicated that the recent trends shown in the news with Affordable Care Act showed an increase of 3-5%, and he hoped that the percentage translates towards the City's market as well. He expressed a positive outlook and hoped the increase in health benefits would come in lower than the 8% originally projected.

Mr. Del Grande stated that debt service was a big component of the budget. He informed that the Finance Department was still working on the debt service piece which ultimately speeds up the timelines for all the referendum items that just passed. All the projects and items included in the referendum will be presented to Council, as well as the effect and cost that the projects will have on the 2019 budget and future. Mr. Del Grande informed that the City's ability and methods to fund the projects outlined in the referendum would be discussed. He said that an idea for funding through real estate transfer tax had been discussed previously. He indicated that the utilization of funds generated through real estate transfer tax had been discussed, as well as using the funds to cash finance some projects upfront vs. debt finance for longer periods of time.

The consumption data for all electric, water, sewer, was being reviewed regarding revenue to ensure that any projects coming online within the next year would happen when management projected/felt they were going to happen. Mr. Del Grande indicated that they did not overestimate or underestimate the timeline that the projects would occur. He informed that the intent was to take a conservative approach regarding how the project's timeline effects the revenue on the utility side. Mr. Del Grande expressed that the data needed to be fine-tuned, specifically regarding Star campus and forthcoming projects with apartment complexes.

Mr. Del Grande informed he was still waiting on the State to advise whether they wanted to administer a lodging tax. He said that communication with the State has been difficult due to position vacancies on their end and various personnel vacations. Mr. Del Grande stated that it was imperative for the State to be onboard with the City, ensuring that both the State and Newark were going in the same direction regarding the administration of lodging tax.

If the State indicated that the lodging tax was not to wither parties' advantage, then the City would likely handle the issue in house. Mr. Del Grande informed that Newark would have to develop a type of back office or SOP in order make sure all information was accounted for. Mr. Del Grande informed that information would be provided to any hotels that may be impacted so that there would be no surprise or shock regarding lodging tax.

Mr. Del Grande reiterated that the presentations tonight would consist of the directors of each area providing an executive summary, ultimately providing the changes from the 2018-2019 budget. He informed that he reviewed the information with Mr. Coleman several times. Accordingly, many of the initial requests would not be shown this evening, as adjustments have been made since the initial requests were submitted. He informed that the information provided from each department is in draft form and would be changing. He expressed his hope that future changes would not vary too much. Mr. Del Grande stated that he believed the requests to date have provided a good idea regarding what each department needs and the timing of when those items can be funded.

The CIP projects would be included in the executive summary. Any new funding or projects for 2019, as well as any new cash or continuing projects in 2019 would be reflected in the executive summaries. Mr. Del Grande indicated that Mr. Coleman would move on to discuss the Administrative Department's budget presentation.

Mr. Markham asked if he could interrupt the presentation with an overall question regarding insurance coverage, which covers all departments. He also wanted to know if it would be announced when something had moved from one apartment to the other (i.e. from IT to another department).

Mr. Coleman agreed, and Ms. Sierer confirmed that Mr. Markham could proceed with his overall question.

Mr. Markham asked if every department had casualty insurance, auto insurance, and insurance broker assigned to them. He also inquired if history or an x-ray number was used to assign it, or if a blanket number was provided and insurance given based on the number.

Mr. Del Grande stated that the City had premiums that were allocated based on different mechanisms depending on the type of insurance (i.e. if it is auto or individuals). He informed that the took the actual premiums for 2018 and added a 2% increase to the number for the 2019 budget.

Mr. Markham asked Mr. Del Grande to clarify how the premiums were allocated to the original departments. He expressed he realized that maybe the allocation could not be explained tonight, but it was a question that he had.

Mr. Del Grande confirmed that he would explain the allocation.

Mr. Markham stated that he would assume the police have significantly more motor vehicles, resulting in a higher allocation on the auto side.

Mr. Del Grande confirmed that the police had a higher allocation on the auto side compared to some departments.

Mr. Markham expressed that he would like to know how the allocation was determined.

Mr. Del Grande informed that he could provide that information.

Mr. Markham said that he was not sure that each department getting the same allocation was quite fair.

Mr. Del Grande informed that allocations were determined on each department's need.

Mr. Markham thanked Mr. Del Grande for clarifying the allocation process.

Ms. Sierer opened the discussion to questions from the table for municipal purposes going forward and would open the discussion to the public after each department presented. She asked if anyone from the table had further questions.

Mr. Morehead asked if the presentation would be similar to last year in that the expenses for all departments were shown with revenue displayed at the end.

Mr. Del Grande confirmed that expenses for all departments would be created first and revenue displayed at the end.

Mr. Morehead asked when revenue could be expected this year. He wanted to know how Council could determine the affordability of the proposed expenses rather than just agreeing to pay for them. Mr. Morehead expressed that he did not want Newark to be left in a hole from a financial standpoint.

Mr. Del Grande informed that the first budget hearing of the year would be held on October 3rd, where an overall summary of expenditures vs. revenue would be discussed. He stated that the meeting tonight was simply informative.

Mr. Morehead asked if Council was expected to approve the expenditures or simply acknowledge the presentation.

Mr. Del Grande stated he expected Council to acknowledge the presentation.

Mr. Coleman expressed that the intent of the presentation was to allow for questions to be answered early. He informed that potential additions or things that Council would like to see could be addressed now. Additionally, he informed that Council should notify them if there are things that they feel might be too high in the budget. Mr. Coleman stated that getting the revenue forecasts now would mean that the forecast will change based off recommendations that Council or Newark thinks are needed in order for increases to be made.

Mr. Coleman said a proposal of a rate increase or tax increase will directly affect the City's revenue. He stated that realistically a forecast could be provided using the previous year's breaks for everything. He informed that things have become more expensive and that the pension expenses have gone up significantly year after year. Costs have gone up, which can be directly carried over to the revenue side. Theoretically, new revenue would be generated through the lodging tax. He stated that there would be no new revenue coming in unless the City changed some rates.

Mr. Morehead acknowledged that there was revenue from the referendum. He stated that the money generated from the referendum was a kick in the arm as far as a lot of cash.

Mr. Coleman confirmed that revenue from the referendum would be factored in the ability of the proposed expenses.

Mr. Morehead said he was concerned that Council was being asked to approve this.

Ms. Sierer said Council was not being asked to approve items in the presentation.

Mr. Coleman reiterated that the purpose of the presentation tonight was to provide a first look at the proposed budget and wanted to obtain initial feedback from Council. He stated that what was approved by Council last year also fit into last year's budget. Mr. Coleman said last year's numbers and this year's numbers are presented to provide insight as to whether the numbers were going up or down relation to each year. He stated that they would not be able to know what rate change would be required

to fund the proposed items, and that the information would not be known until later in the year when revenue could be more accurately forecasted.

As previously stated by Mr. Coleman, Ms. Sierer confirmed that the initial look at the proposed budget in tonight's Council meeting would be helpful in providing necessary information for the first budget hearing on October 3rd. Additionally, such information would allow the staff and members of the public to provide feedback, ideas, thoughts, and concerns that would help streamline the October 3rd hearing. Ms. Sierer expressed that answers would be provided tonight, as opposed to the meeting after the budget hearing on October 3rd.

Mr. Coleman stated that the presentation included everything management was asked to add from the budget process last year. He emphasized that the material presented tonight would be the worst-case scenario unless something unexpected came up between now and October 3rd, and then staff could pair back from here on the expense side.

8. 1-C. <u>ADMINISTRATION DEPARTMENT:</u>
39:05

Mr. Coleman informed that the organizational charts were modified from previous years to reflect what was in code.

Mr. Morehead asked if the Downtown Newark Partnership (DNP) moved from the Planning Department to Administrative Department. He asked for confirmation that the DNP was previously under the Planning Department.

Mr. Coleman said that the DNP was previously under the Planning Department, but he did not believe that it was mentioned as a function on the organizational chart. He confirmed that the DNP was listed as a function of the Administrative Department.

Mr. Morehead thanked Mr. Coleman for confirming where the DNP fell on the organizational chart and referenced Mr. Markham's previous request to disclose items that have moved from one department to another.

Mr. Del Grande asked if Mr. Coleman if he wanted to run through the presentation based off department order or Administrative.

Mr. Coleman confirmed hat he wanted to follow the agenda and would start with Administrative Department's presentation.

Mr. Coleman informed that the executive summary for the City Manager's office includes all subgroups. Full time wages were reduced by $30,000. He informed that the decrease reflects the City manager for nine months and Deputy City Manager for seven months. Mr. Coleman stated that the calculation was conservative and considered the possibility that the position could be filled earlier or later than the time frame listed. He reiterated that there would be enough funding for either scenario.

Regarding part-time wages, the mailroom transferred from finance to the City manager's office. Mr. Coleman stated that this transfer was reflected by moving the part-time mail room aid from the finance department to the administrative department in this year's budget. He referenced Mr. Markham's request to clarify when something moved from one department to another. Mr. Coleman stated that there was a $21,000 offset in funds in the Administrative Department and that the Finance Department could expect the equivalent.

An increase of $21,000 for transitional changes was included in other regions for transitional wages. Transitional wages were defined as wages to cover acting stipends for the Acting City Manager and Deputy City Manager. Mr. Coleman said that additional two months of wages were included for the Acting City Manager and Deputy City Manager in an effort to be conservative and account for the possibility that either position had to stay longer than initially planned.

Mr. Coleman informed that personnel costs increased by $1.8 million year over year, costing the City Manager's office $19, 288.

Materials and supplies increased over 900%. Mr. Coleman acknowledged that this was a large number, but informed that the initial number was very small to begin with and indicated that transfer of

mail room operations from the Finance Department to the Administrative Department. He stated that an equal opposite and reduction in the finance side for those supplies occurred.

Mr. Coleman mentioned that contractual services were discussed at a previous meeting. He informed that they would attempt to renegotiate with the grant writer to reduce their annual rate by $24,000 from the rate that the City paid in 2018. Mr. Coleman informed that the budget already reflected that amount. If the grant writer did not agree to the proposed reduction, the City would terminate the contract in general. He stated that this process would initiate throughout the course of the fall, and that the cost may stay the same or decrease even further.

Other expenditures are down slightly at 2% year over year.

Mr. Coleman stated that Interdepartmental charges increased by 13.8%, which was mainly attributed to the transfer of mailroom from finance to the City Manager's office. Mr. Coleman stated that Interdepartmental charges increased by 13.8%, which was attributed to the transfer of mailroom from Finance to the City Manager's office.

He expressed that the Administrative side specifically did not have any new projects, specifically projects that needed funding in 2019. Mr. Coleman informed that one facilities project moved, and it would be discussed at later point in the meeting. He asked if there were any questions about the presentation so far.

Mr. Markham asked how moving the mailroom increased interdepartmental expenses. He said he believed that it would come through the Administrative Department.

Mr. Coleman said the increase of interdepartmental expenses was due to the allocation of an extra person. He stated that Mr. Del Grande would be best suited to answer his question.

Mr. Markham asked if allocation went to IT.

Mr. Del Grande stated that instead of the City Manager's office paying into the mailroom, the mailroom is now part of the City Manager's office, reversing the cost. He informed that the mailroom is ultimately allocated 100% across all departments to provide services to them.

Mr. Markham asked if the mailroom should receive revenue from every department now.

Mr. Coleman informed that they received less revenue now. He stated that the reduction in cost was originally reduced from $330,000 to $376,000. He said they were inter-departmentally charging an additional $45,000 to other departments. As previously stated, the mailroom was charged out since it moved from the Finance department to the Administrative Department.

Mr. Del Grande informed that the mailroom was only part of the indirect costs (which increased by 13.8%) and that other costs in the City manager's office are associated in that calculation. Del Grande informed that the mailroom was only part of the indirect costs (which increased by 13.8%) and that other costs in the City Manager's office are associated in that calculation. He said that it was likely for there to be additional increases and decreases along the way that netted out to be $13,000. Mr. Del Grande said a breakdown of the indirect costs would be provided if needed.

Mr. Coleman reiterated that the increase was 13.8% in how much is distributed to other departments and understood that it could be confusing.

Mr. Markham said he would like to understand the 13.8% increase and its distribution and a later time.

Ms. Sierer asked Mr. Coleman to complete the presentation and take questions at the end.

Mr. Coleman indicated that the DNP summary would be short due to the pending re-organization and would not reflect any changes. He informed the presentation displayed exactly what was given for 2018 and 2019 and expected to have more information to provide regarding where the budget is headed in terms of the DNP's expenses. He reiterated that there were no new changes and that all expenses are intended to have offsetting revenues. Mr. Coleman said that that lack of change and offsetting revenues will not have an impact on the budget.

Mr. Coleman said the Facilities division was showing an increase just over 5% to the full-time wages, making it contractual with the Communications Workers of America union (CWA). Part time wages increased just under 2%. The increases were completed on a contractual basis. He informed that other wages increased by a large percentage (53.28%) due to the movement of cell phone stipend from contractual services to personnel costs. He informed that the cell phone stipends were negotiated into CWA's contract. He concluded that the total increase for personnel services was just under a 1% increase year over year in personnel and in facilities.

Materials and supplies showed an increase of $3,600 mainly due to increased preventative maintenance or additional maintenance that the City completed in-house with in-house forces.

Contractual services increased by $14,000, mostly driven by the City's HVAC system in City Hall and the Police Department. Mr. Coleman stated that the City had many issues with the heating and cooling system in City Hall and the Police Department. He said that non-essential employees were sent home early that day in the Police Department because the AC failed again. Mr. Coleman indicated that a lot of money was spent patching the HVAC system and informed that it would be discussed in detail later during the City Hall HVA System upgrades Capital Project.

Per the Finance Department, depreciation expenses decreased year over year and based off the depreciation of equipment. Mr. Coleman informed that other expenses increased by 20% as an anticipated increase in the storm water bill due to the Rodney project.

Mr. Coleman informed that Interdepartmental charges will be increasing by 11.7% as a result of the increase in the cost of interdepartmental charges (i.e. the general charges for billing, accounting, electricity, IT etc.).

He informed that there were no changes in FTE for the Administrative/City Manager's office in general and that transferred through to facilities.

Mr. Coleman stated that the only new Capital Project for the City Manager's office was the HVAC system. As he previously stated, there have numerous ongoing issues with the HVAC system in City Hall. Mr. Coleman stated that issues with the heating and cooling have occurred for some time and they are accelerating. He said that the HVAC system is constantly being worked on in City Hall and especially the Police Department. Mr. Coleman stated that the HVAC system is near the end of its life. Contractual repairs for facilities have cost the City close to $138,000. Mr. Coleman informed that a large portion of the $138,000 was spent on the HVAC, and that a higher number is proposed to be conservative for 2019. He informed that they are proposing to have the HVAC system replaced starting in 2019.

The HVAC system repair would be a 2-year project with $400,000 in 2019 and $600,000 in 2020. Mr. Coleman said the City was working with DEMEC and that they hoped to have DEMEC's Efficiency Smart Program replace the current HVAC system through some type of performance contract. Mr. Coleman stated that DEMEC gave a presentation last year on the Efficiency Smart program. The Efficiency Smart program would be a program run in Newark to do efficiency upgrades for the City's electric customers. He informed that the City did not move forward with the Efficiency Smart program last year but informed that staff still believes the program should be investigated further. Mr. Coleman said they reached out to DEMEC and the Efficiency Smart staff to see if they would be willing to do a pro bono analysis and provide for the City. He informed that the idea was for the Efficiency Smart staff to bring a potential project to present to Council, showing how the City might work through the steps to implement. Ultimately, Council and management would evaluate the findings and decide if this would be something that they wanted to pursue.

Mr. Coleman informed that using a performance contract to replace the HVAC with the Efficiency Smart program would be one with off-setting cost savings. He stated that the cost would be spread out over several years, hopefully paying for the new HVAC with the efficiency savings through the Efficiency Smart program.

Mr. Coleman referred to the HVAC system in City Hall as "interesting", meaning that some vents blow out the cold air, but the electric strip heat warms the rooms. Many times, there is no balance between the two systems. He informed that it is common to have both the heater and air-conditioner running at the same time in one room. Unfortunately, the vents cannot be turned down and the room ends up very cold. Mr. Coleman said the Finance Department often will be up to 85 degrees. The heat temperature in that area requires the use of a stand-alone air conditioner sitting in the room that has

been ducted to the outside to try and keep the area cool and dehumidified. He stated that the system is very ineffective and inefficient and has resulted in sending staff home on more than one occasion due to the heat in the office.

Mr. Del Grande added that mostly they were finding issues with the HVAC's parts. This was due to the fact that there are no longer parts available to fix the HVAC system.

Mr. Coleman agreed that the lack of availability of HVAC parts was a good point to address. In the Police Department, the control boards for the HVAC are not being manufactured anymore. He stated that the Police Department just received the last control board that was made by the manufacturer. Mr. Coleman emphasized that action must be taken, otherwise the system effectively would not work anymore.

Mr. Coleman said the City has several options to deal with the HVAC issue. He informed that the first option would be to do a wholesale replacement. Mr. Coleman mentioned that the HVAC could be a second option provided was to replace the HVAC one floor at a time, salvaging the parts from one floor to patch the other. He reiterated that there were a few options, and that the City was investigating all of them. Additionally, Mr. Coleman informed that they hoped to work with the staff from Efficiency Smart personnel in the coming months to determine the best course of action. He said that this concluded the official presentation and would answer any questions that people may have.

Ms. Sierer thanked Mr. Coleman for his presentation and opened the discussion to the table.

Mr. Hamilton asked what grant writing currently cost the City.

Mr. Coleman said that grant writing cost the City $48,000 in 2018 and that the proposal was to halve the price to $24,000 for the next year.

Mr. Hamilton asked if the grant writing service was not performing.

Mr. Coleman said the grant writing was performing, but they were basically trying to value the performance. He expressed that the City needed to determine how much effort the grant writer was saving on their end by completing the grant writing process for them. Mr. Coleman informed that he reviewed the grants with Mr. Del Grande and had conversations with some Police Department personnel. Reviewing the grants showed that the value of grants they were receiving was less than the $48,000 it cost the City to fund the grant writer. Mr. Coleman reiterated that the estimated value of grants obtained through the writer was around $24,000. He said the best course of action for the City to obtain a fee reduction from the grant writing services would be to discuss the value of the grant writer's services vs. cost to obtain them.

Mr. Coleman previously stated that the grant writing service obtained many grants on the police side. He informed that many of the grants obtained by the service would have been able to be retrieved without their help. He said that the grant writing services did save the City's time by having someone else do the leg work. Mr. Coleman expressed that the City had some success in getting grants that maybe they would not have applied for otherwise, and he knew of one grant they received that the City initially would not have even applied for. He reiterated that there was some value to the grant writing service, but it was not worth the $48,000 value per year.

Ms. Sierer asked if the City was not obtaining funding to cover the cost of the grant writer on new grants outside of what the City historically applies for.

Mr. Coleman said he did not believe that the City was receiving funding on new grants outside of what the City typically applies for.

Mr. Hamilton asked where the expenses of the parking vouchers were displayed. He also asked where lost revenue from parking for DNP events showed up in the numbers.

Mr. Coleman stated that he would need to talk to Ms. Gray and Mr. Fortner in order to get the exact number for the DNP. He stated that the City had not charged for those days in a while, so the numbers they used were estimated based on the time of the event (i.e. weekend event, weekend before or the weekend after, holidays). Mr. Coleman said that initial discussions mentioned that there were three other non-holiday days (i.e. Black Friday) that the City did not charge for parking. He informed that they

could obtain the numbers and that the parking vouchers may display the data. In the past, the numbers used to be betted out of the parking revenue.

Mr. Del Grande confirmed that parking vouchers were netted out of the parking revenue.

Mr. Coleman informed that they could provide the information regarding lost revenue from DNP events. He mentioned that the information would not show up. Mr. Coleman stated that parking was now in planning and would be seen at a later time.

Mr. Hamilton said that there was clearly a link as to why the vouchers were being used and it was for the DNP.

Mr. Coleman stated that he would get the numbers for Mr. Hamilton.

Ms. Wallace asked what a W/C Communications assistant was. She stated that it appeared to be an additional communications person and said that Mr. Coleman mentioned there were only four personnel in that position in the summer.

Mr. Coleman said that the position referred to the Welcome Center Employees and that Council approved the change earlier in the year as one of the reclassification changes. He expressed that the change was made to reflect the fact that the Welcome Center Attendant when there was no one at the booth and phone was reviewing communications documents and doing work. He mentioned that the work was outside of the scope of the position and that it was one of the reclassifications that was made.

Ms. Wallace asked for clarification on what the receptionist Welcome Center position entailed.

Mr. Coleman said that there was a receptionist in the Welcome Center in 2018. He informed that the position was reclassified for 2019 and no longer existed under the former title.

Ms. Wallace expressed that she was not a fan of the contingencies, as she felt the City always found a way to come up with the money that was needed. She said she felt the same about every department that had contingencies and reiterated that she did not like them.

Ms. Wallace asked if the phone charges would increase throughout all departments, as she was aware that they were related to the CWA contract.

Mr. Coleman said both CWA and AFSCME contributed to the rising phone charges as part of their contractual agreements.

Mr. Del Grande said CWA and AFSCME had administrative changes as well. He informed that phone charges used to be processed independently of payroll. Now, for the sake of efficiency in the accounting office, the charges are deducted from employees' paychecks every other week. He emphasized that the payroll deductions were one less step that accounting had to go through.

Mr. Morehead asked that a breakdown of depreciation could be explained or broken down at some point. He also wanted to know if the parking voucher would be split out rather than netted like the City did with electric.

Mr. Del Grande said that the parking voucher could be split out rather than netted. He informed that the City had not done it with parking yet, but that it could be done.

Mr. Morehead stated that it would be nice to see what that number actually was.

Mr. Del Grande noted that the expense would be shown to reflect on parking's budget and that there was an offsetting in revenue. He said revenue would go up because the expenses used to me netted against revenue. He stated that the impact would be zero.

Mr. Coleman stated that the City had an expense issue with the voucher program that was more than the revenue brought in. He stated that the City lost revenue with the DNP program because they were only charged half for parking.

Mr. Morehead agreed that there was a loss of revenue and that the City had charged half for parking. He said he wanted to see more details when it was the appropriate time for that discussion. Mr. Morehead informed that he was okay with acknowledging the plan.

Mr. Markham thought that the City was going to attempt to use renewable energy funding. He asked for clarification on the plan.

Mr. Coleman said the City was going to use renewable energy for a different project, specifically the George Wilson Center. He expressed that the George Wilson Center was potentially considered as part of a performance contract, bit the numbers did not substantiate a performance contract for that project. Mr. Coleman said the City has been working with DEMEC to move forward with clean energy fund source for the George Wilson Center. At this point, he stated that DEMEC has been given enough information so that they are comfortable with the project. He indicated that Council would be presented with DEMEC's findings for review and consideration at a later point in time as the plan develops.

Mr. Markham said that care should be used when tapping the Green Energy Fund, as he believed that some of the current numbers would harm the fund for years to come.

Mr. Coleman stated that the George Wilson Center project was not as expensive and came in under $100,000.

Mr. Markham said that $100,000 was almost a year's worth of Green Energy Funding. He asked why a charge for Civic Plus appeared for 2019 but did not appear for 2018. Additionally, Mr. Markham wanted to know if civic plus moved from one department into another. He stated that he did not believe Civic Plus would decline to make the City pay for their services.

Mr. Del Grande informed that Civic Plus was formerly a part of the City Manager's office budget in the contractual line. He said that Civic Plus moved from the City Manager's office to IT's budget. The move distinguished Communication's actual budget used for themselves, rather than charges that are recurring daily.

Mr. Markham thanked Mr. Del Grande for providing a breakdown of the information regarding Civic Plus. He informed he did not know how competitive Civic Plus was now. Mr. Markham asked if the copier lease had changed or if it reflected a replacement.

Mr. Del Grande said the copier lease transferred with the movement of the mailroom to the City Manager's office.

Mr. Markham stated that the mail room would bring quite a bit of mail to finance department, as the finance department sent out the most bills.

Mr. Del Grande confirmed that the finance department sent out the most bills.

Mr. Markham asked what Site Improv consisted of.

Mr. Coleman said he needed to confirm what the Site Improv was.

Ms. Sierer asked IT Director, Kelly Bachman, to explain.

Ms. Bachman said Site Improv is a third-party source used to scrub the City's website once a month to identify any broken links or issues with the website. She said that Site Improv notifies the IT department of any issues and allows the problems to be fixed immediately.

Mr. Markham asked what Laytronics was used for.

Mr. Coleman said he would have to get back to Mr. Markham regarding the specifics of Laytronics.

Mr. Markham expressed that he was appreciative of the breakdown regarding the distribution of IT funding.

Mr. Coleman informed that Mr. Spadafino mentioned that he thought Laytronics were used for the call boxes on the Pomeroy Trail. Mr. Markham said he did not think it made a lot of sense for the boxes to fall under the City Manager's office since they were related to the Pomeroy Trail.

Mr. Coleman said he would investigate the department that Laytronics was categorized under and would provide further information.

Mr. Lawhorn asked for clarification on when the Efficiency Smart Program through DEMEC would be coming to the City. He asked for additional information on the benefits that this program would provide.

Mr. Coleman informed he would do his best to describe the program. He informed that previously, a group of professionals for the City did not do a good job with the original HVAC system. He said that the general premise of the Efficiency Smart Program was that consultants would come in and would work with key account customers (large commercial customers) to do an engineer review of their facility to recommend improvements that they can make to a performance contracting type program to reduce their peak energy usage. Mr. Coleman said the that one of the more complicated components with electric rates versus water and sewer rates is the time that they are used. He said that time of use is important in an Efficiency Smart Program, and that would be discussed with the engineers. Mr. Coleman said a water tank could be put up and it would not matter if it was used during the middle of the night or in the middle of the day. He mentioned that big tankers are very inexpensive.

Mr. Coleman said that electric prices differed in that a block of energy must be bought for 24 hours a day, and that it is equivalent to the peak usage for that day. If peak usage is exceeded, they had to go to the spot market that day and purchase additional usage for a very high rate. If the peaks can be reduced, the whole price of the block to be purchased can be reduced.

Tackling the projects that most highly effect the curve's price (i.e. the largest variation of the valley to the peak) would be a goal of the Efficiency Smart Program. Mr. Coleman stated that the goal was to save on transmission cost, which is part of the bill, and also the bulk power purchase costs.

Mr. Lawhorn asked if the value provided by the Energy Efficiency Smart program was that it provided future savings. He asked if the system generated would be more efficient but would not necessarily help with the cost.

Mr. Coleman said that one of the more confusing parts of the Energy Efficiency Smart Program was that less power would be sold, but more money would be saved. He informed that there would be a certain point where money would not be saved any more and that costs would incur.

Mr. Del Grande said that the Energy Efficiency Smart Program would help to address this issue and would minimize the need to build an infrastructure down the road. Controlling demand would mean that the City would not require that a huge infrastructure in place to take on the demand. Keeping the demand stable or flat meant that capital projects would not have to be brought up every year to increase the ability to increase the City's load and capacity.

Mr. Markham stated that the total peak over 5-7 years ago was 92 megawatt hours. He said it appeared that now the discussion involved continual lowering of the peak.

Mr. Del Grande said that 60% of the peak demand accounted for the current load.

Mr. Coleman informed that there would be an increase of peak demand over time and that there were diminishing returns on this. He said that it was important to tackle the low hanging fruit and focus on the projects that pump up the peak demand as much as possible in the initial stages. Mr. Coleman mentioned that once the peak demand is brought up as much as possible, the Energy Efficiency Smart program might not be a huge benefit to the City.

Mr. Coleman said that there were certain programs at the State Level that the City did not have to follow because they were a part DEMEC and are a municipal public power entity. The City is required to have programs that are equivalent or similar to the State's requirements. Mr. Coleman said that having the Energy Efficiency Smart program in place would help protect the State from taking away their exemption and making the City comply by their rules. He informed that he did not believe the City was in

a position for this to occur but emphasized that the Energy Efficiency Smart program would provide a way to accommodate the key account customers who have large loads of peak usage.

Mr. Markham said that Honeywell did an efficiency study of the City Municipal Building many years ago.

There was cross-talk at the table that determined the study was not done very long ago, as several Council members indicated that they were on Council when the study took place.

Mr. Markham asked if there was information that the City could pull from the study and that he thought some performance return items were found as well.

Mr. Coleman informed that the Honeywell study did find some performance return items, and that the City initially used it to work on lighting and water treatment plants. He said that initial project used information from the study to tackle the low hanging fruit. As a result, most of the lighting was converted to fluorescent lighting. Mr. Coleman stated that according to DEMEC, LED lights perform much better than the CFL bulbs. He informed that if a lighting project was completed 5 years ago, another project could be completed today, and it would still pay for itself. Currently, the rate of return would not be as good.

Mr. Coleman informed that they might begin the project and would realize that the energy costs savings would not be there to substantiate it and would force the City to pay cash. He reiterated that the cash option was considered in an effort to be conservative. Mr. Coleman informed that the most ideal method for fixing the HVAC issues would be through some type of a performance plan.

Another option would be for the City to look outside of the Municipal building add lighting replacements at some of the other facilities to try and improve the savings to pay for the HVAC.

Mr. Markham mentioned that he thought the report from the Honeywell study mentioned the HVAC in the report.

Mr. Coleman confirmed that previous work had been done regarding thermostat control, specifically setting the thermostat in a manner that would save money. He informed that the resetting of the thermostat only lasted a day or two, and that it did not work because the system was bad. Mr. Coleman informed that most of the savings in the project with Honeywell were driven from water treatment plants and the over-frequency drive on the larger pumps there.

Ms. Sierer said that she was not in favor of eliminating the contingency number from the budget because there were times in the past that it was used in an appropriate manner. She asked to be provided with some idea of what the contingency money has been historically used for. Ms. Sierer mentioned the example of a staff member who was invited to speak at a conference and it was not budgeted. She mentioned that the City Manager had made the decision that the person could travel to the conference and sent them there. Ms. Sierer said the contingency fund was useful for situations like that and asked for an idea of what the monetary amount would be. Specifically, would the it be in the $10,000 that range or equivalent to the amount that it was in 2017 or 2018. She mentioned that the name of the funding could be changed from contingency to another option.

Ms. Sierer stated that she wanted the word training to be replaced with learning. She expressed that it was a minor change, but important.

Ms. Sierer asked if there were any further questions from the table before the floor was opened to public comment. There was no additional comment from the table.

Ms. Sierer opened the floor for public comment.

Chief Tiernan said that the HVAC went out again today and the temperature in the police department was 85 degrees. He said that he came in to the building 3 Sundays ago and that the air-conditioning was broken at that time. He informed that the air conditioning broke down a month before that and it was always something that was being repaired.

9. 1-C. <u>POLICE DEPARTMENT:</u>
1:11:47

Chief Tiernan said he would go over the operating budget quickly as he was aware that three other departments had to present after him. He informed that the Police had a couple big capital projects and was aware that people may have questions. Chief Tiernan said that he planned on getting to the first two capital projects.

Ms. Sierer said that she wanted Chief Tiernan to present the entire presentation and take questions at the end.

Chief Tiernan stated that the operating budget is very lean except for personnel services which cover contractual merit adjustments and cost of living adjustments both for full time police officers and civilian employees. He informed that materials and supplies increased by $2,282 over 2018 to purchase 4 communication headsets for the firearms instructors. He stated that firearms instructors are at the range with a very long line and someone may have a jam. Occasionally, someone may not practice in a safe manner, and there is a lot of shouting to communicate due to the noise levels at the firing range. Chief Tiernan stated that officers needed to communicate with each other at the range, and that the headsets facilitate increased communication and safety.

He stated that materials and supplies cover the tools and small equipment needed. He informed that tools and small equipment increased over $10,500 in 2018. Chief Tiernan stated that they had $7,500 and they needed to purchase new ballistic helmets, fire rigs, and ballistic shields. He said this equipment is specifically used in high risk warrants, barricaded subjects, or assisting other agencies. For example, NPD assisted the Delaware State Police at a high-profile event, which included the use of SWAT equipment.

Chief Tiernan said that the following items were included in materials and supplies and reflected little change:

- Uniforms;
- Office Supplies;
- Books;
- Copies;
- Prison expenses;
- Forensics;
- Photography

Contractual services, specifically miscellaneous contractual services, increased by $7,525 over 2018. Some of the increase was attributed to going over budget in 2017 by $7000 due to the cost of blood draws for DUIs. Chief Tiernan explained that sometimes people are arrested for DUI's and require a blood draw to provide a sample. In 2018 there have been 33 more DUI arrests than in 2017, indicating that the number of arrests for Driving While Intoxicated are going up. Chief Tiernan clarified that every arrest will not result in a blood draw, but the costs associated with DUI are increasing because of the overall increase in DUI arrests.

Chief Tiernan stated that they were looking into getting a Crime Mapping Vendor. Crimemapping.com, which would be a $1200 charge. He said that Crimemapping.com was used by multiple police agencies throughout the state (i.e. Wilmington Police, Delaware State Police, New Castle County Police, Dover Police, Smyrna, University of Delaware Police etc.). Crimemapping.com would take data automatically from Newark's CAD system, crime map it, and a member of the public could go onto Crimemapping.com and see the crime statistics. He mentioned that it is currently used in roll calls, and that they utilize some-one inside the police department to compile the crime statistics. Chief Tiernan stated that it is a lengthy process, and it would be more economical for the Newark Police Department to contract with this vendor.

Chief Tiernan said the cost of boarding stray dogs with the Office of Animal Welfare has increased. In 2017, they spent around $600 with $325 just on the stray dogs.

Contractual services also cover the big-ticket items such as IT costs, casualty insurance, auto insurance etc.

Chief Tiernan stated that training for the department is covered under the learning category. He informed that this would increase about $5,500 over 2018. He stated that some of the money would be needed for advanced training for Corporal Barnes who was moving to the Criminal Risk Unit. He indicated that the training for this unit was extensive since it involved evidence collection and blood sampling for

major crimes (i.e. homicide). Chief Tiernan informed that it would be another 5-6 years until another officer would rotate to the Crime Risk and reiterated the extensive nature of the training.

In 2019, the Newark Police Department will have approximately 17 police officers that are eligible for retirement. Chief Tiernan indicated that police officers occasionally leave and transfer to other law enforcement agencies.

He informed that it cost approximately $3500 to send a recruit to the academy. $14,000 was added to the budget to cover the cost of 74 recruits if 17 left for the academy in 2019. If the finds were not used (if somehow no-one uses the funds allocated for sending recruits to the academy), they will be returned to the general fund. Chief Tiernan said they also use part of that $14, 000 to pay a retired civilian police officer to perform background checks on potential new hires. Background checks are critical in the police officer hiring process to make sure that there is nothing in a new hire's background to prohibit them from being employed.

There are still 71 full-time positions for the police department, but for the past year, the department has been short one person. Two officers re-enlisted to start careers with the Delaware State Police. Chief Tiernan informed that the City hired two new police officers who will attend the Delaware State Police academy for training. Additionally, a new certified police officer will begin his career with the City of Newark in September. Chief Tiernan said the new police officer that was already certified as a police officer would complete an in-house training with the City and would be able to be put to work immediately.

Chief Tiernan asked if anyone had questions pertaining to the police officers. He informed that he presented the operating budget in a nutshell and that two of project managers for the capital budget would present their items. He stated that Sergeant Chris Jones would present on the shooting range, the first capital project. Chief Tiernan said the NPD currently utilizes two firearms facilities: The Delaware National Guard Range (DNG) and the Southern Chester County Regional Police Department range (SCCRPD). NPD is required to pay for use of both facilities.

The DNG range is used by 17 law enforcement agencies, approximately 2500+ officers. Big departments like WPD and NCCPD have a lot of time and resources at the DNG range. Frequently NPD is pushed from using the DNG range, causing the, to go to the SCCRPD range. The SCCRPD is very small and is utilized by 6 different law enforcement agencies. Chief Tiernan informed that the SCCRPD range is owned by the New Garden Flying Field and is currently up for sale.

Chief Tiernan stated that it takes NPD approximately 55 days (440 hours) per year to accomplish the minimum standard for firearms training. Accordingly, Sergeant Jones has worked with the Delaware City Police Chief, and other agencies regarding an opportunity for a new training facility. The NPD and Delaware City Police have been engaged in talks with the Delaware City Refinery to acquire a tract of land that would be donated to Delaware City. The City of Newark would then lease the property from Delaware City for the low sum of $1.00 a year for 99-100 years. Chief Tiernan informed that the intent was to build a range on that property for the officers to train on. He stated that NPD has been in contact with the United States Drug Administration's Philadelphia Field Division (DEA) who are interested to partner on this project. The Philadelphia DEA is seeking approval from headquarters to donate $500,000 to the range. Chief Tiernan stated that if approved, the DEA would be considered a full partner in the project along with NPD and the Delaware City Police Department.

The total cost of the range is approximated at $1.2 million, and there was an additional $600,000 in state funds. He indicated that the $600,000 would help cover most of the range, and that a small amount would be needed in the budget to cover the rest of the cost.

Chief Tiernan said that he would not go into detail about the Body worn Cameras (BWC's) as they were a very complicated issue. He informed that Captain Van Campen would go present on the subject. He stated that all operational officers needed to be outfitted with BWC's. The BWC's would be integrated with the in-car cameras that are currently used by in the NPD vehicles. Additionally, BWC's would be integrated into the recording facilities used in the interview rooms. Many police departments across the country use BWC's, especially in light of the incidents that have happened across the county. Chief Tiernan stated that the BWC's record all police encounters and if there was a complaint against an officer (i.e. complaint of excessive force/bad use of force), that would all be documented and recorded on the device.

He expressed that Captain Van Campen performed extensive research on multiple companies for the cameras and how the technology works.

Chief Tiernan said that network cabling within NPD was necessary to bring the building and IT up to the current standards.

Chief Tiernan stated that the Taser was a less than lethal weapon that the NPD uses in the effort to hopefully prevent the use of deadly force. He informed that NPD has been replacing approximately 14 tasers per year. Taser costs are estimated to increase approximately 5% each year.

Ballistic vest replacement also is an ongoing project for NPD. Ballistic vests have an expiration rate of 5 years. 13 ballistic vests are set to expire in 2019, 11 in 2020, and 21 in 2021 with 13 additionally expiring in 2022. The current price of the ballistic vest package is approximately $1,079.50 per the Delaware State Police Contract. Chief Tiernan informed that the price for ballistic vests increased by approximately 3% each year.

Chief Tiernan stated that he provided the basic summary for capital budgets and was available to take questions.

Ms. Sierer opened the discussion to the table.

Mr. Lawhorn asked if the DUI blood drawing ends up costing Newark money and if City paid for the blood draw.

Chief Tiernan said that the City utilizes a company called Omega to come in and paid them to perform the blood draw.

Mr. Lawhorn asked if the money spent to pay Omega for the blood draw gets back to the City through court fines, specifically cases where the subject is found guilty. He said that he thought that the idea of paying for Omega's services through fines might be a method for the City to recover some of the money spent on those services.

Mr. Lawhorn asked for more details regarding the firing range. He wanted to confirm that the DEA would cover $500,000 of the $1.2 million needed for the project. He stated that Newark would essentially be leasing the range from the refinery for free and would build a training facility. He wanted to know if Newark would own the training facility.

Chief Tiernan stated that Sergeant Jones had extensively worked of the firearm training project and asked him to provide details.

Sergeant Jones clarified that the land for the range would be leased from Delaware City, not the refinery. He reiterated that the lease would be for 99-100 years at the rate of $1.00 per year. Newark would functionally be considered the owners of the property, but it would be a partnership with the DEA and Delaware City Police Department.

NPD would be the party primarily responsible for the maintenance, upkeep, and any other issue that happens, but the DEA and Delaware City Police Department would have equal access. Sergeant Jones informed that the DEA has approximately 100 agents that need to be trained. Newark has 71 officers that need to be trained, and Delaware City Police Department has 6-7 officers that need training.

Mr. Lawhorn asked if NPD would manage the training facility and asked how the schedules would be managed to guarantee that the issues experienced at the DNG range (range availability and being pushed off from training) would not occur.

Sergeant Jones confirmed that Newark would manage the facility. He informed that 2500 officers per month utilize the DNG range. He stated that NPD just lost every fall shoot date that was previously scheduled at the DNG. Additionally, SCCRPD range is currently closed due to maintenance issues. Sergeant Jones informed that NPD had no area to practice shooting now. He said he hoped that the SCCRPD range's maintenance issues would be resolved by the fall so that NPD would be able to resume firearm training.

Discussions with the DEA emphasized the importance of maintaining availability for the officers to train at the new facility. The DEA and Delaware City Police Department also utilize the DNG range and

experienced the same issues obtaining range time that NPD has. Range time and availability was of the highest priority in conversations with the DEA and Delaware City PD. Sergeant Jones said the goal was to limit the use of the new firing range to NPD, DEA, and Delaware City PD so that there was always availability to go to the range. He informed NPD was not concerned with WPD, NCCPD or other agencies.

Mr. Lawhorn stated that he was concerned with the ongoing costs of the range, He stated that Newark would be responsible for the building and maintenance. He informed that he assumed this would require personnel to be staffed there and wondered if this was factored into the current and proposed budget. He said that the personnel cost might not be factored in now since the project was not set to begin until 2019. Mr. Lawhorn stated that he did not know what it costs to run a range and wanted an idea of the ongoing costs and maintenance.

Sergeant Jones stated that the ongoing costs associated with running a range were very limited. He informed that the current plan did not require officers or personnel to be permanently stationed there. Sergeant Jones said NPD does not have a full-time firearms instructor and that a permanent person would not be onsite. The DEA would have their permanent firearms instructor for the Philadelphia region onsite and would most likely take care of the cable. NPD would be responsible for the water, sewer, electric, and maintained costs.

He informed that the range provided a benefit to ongoing costs is the brass that occurs from shooting. The brass collected from shooting over the course of the year would most likely cover the costs of electric, water, sewer, and ongoing maintenance. Sergeant Jones said that he spoke with other police agencies comparable in size to NPD and own ranges like the one that Newark will have, and they informed that the brass collected over the course of the year payed for the upkeep and utilities. He stated that there would not be additional requests for funding the range for ongoing costs or maintenance. Sergeant Jones reiterated that costs would be covered through the brass and revenue that NPD would get from turning the brass in.

Mr. Markham said that he understood there would be three agencies using the proposed firearm range. He asked if the range would be exclusive, meaning that it would be 100% in use. He asked for clarification if there would be times where NPD would let others come in and use the range to help defray the cost. He stated that he heard that NPD had major competition getting range time at the other locations and wanted to know if NPD wanted to help relieve the pressure that others might be experiencing.

Sergeant Jones stated both the DEA and Delaware City PD were strongly opposed in their partnership discussions with NPD regarding opening the range to other police agencies. The issue with opening the range, even on occasion, is that it becomes a habit. He stated that they would not open the range to other agencies in order to prevent losing range time like they encountered at the DNG.

Mr. Markham informed that he was not suggesting NPD open the range up to other agencies on a regular basis but wanted to know if they would consider letting another agency use the range if there was a week that NPD would not be using it. He said he believed many ranges had open times when they were not being used by the agencies. He said he though opening the range during open times might be something for NPD to consider.

Chief Tiernan expressed that Delaware City did not want the range used that much or more frequently by outside agencies. He said that the range was not in a residential area, but the Delaware City did not want to hear the “bang” of gunshots all the time. He said that limiting the range’s use to NPD, DEA, and Delaware City PD would make sure that the range would not be utilized a lot.

Mr. Markham expressed that he understood that the request to limit range time was also in consideration of the City of Delaware City. He stated that he wanted to ask about the pension reduction due to recognition of the State’s contribution made annually to the police pension. He said he thought it was counterintuitive because he saw an increase in the amount, not a reduction.

Mr. Del Grande said that the net difference of the pension increased. He stated that Newark received about $300,000 per year from the State’s insurance department for a percentage of insurance premiums collected by the state, which goes towards Newark’s availability to fund police pensions. Mr. Del Grande informed that the numbers for pensions is calculated statewide based on the number of authorized police strength per police force.

Mr. Del Grande informed that the City previously used the pension contribution amount to the pension for the ADC. For example, the ADC for 2018 was $3.8 million, but was really $3.5 million after the state's contribution was deducted from the pension. Mr. Del Grande said the City used the actuary's estimate of $3.5 million for 2019 vs. $3.8 million because they already considered the $300,000 received from the state. He emphasized that they are not double counting money. Initially, the $300,000 was at a negative. Allocation adjustments were made to allow for the pension increase, and part of the increase was attributed to the 18 non-FOP personnel included in the pension.

Mr. Markham asked what the exact number was in relation to the pension increase.

Mr. Del Grande informed that $112,000 were estimated for the increase.

Mr. Markham said he thought that $300,000 was mentioned before.

Mr. Del Grande informed that $300,000 was initially calculated for the increase but had been adjusted to $112,000 since then.

Mr. Markham expressed that the calculations can be hard to follow at times.

Ms. Sierer wanted to know why ballistic vests and tasers were listed as a capital item.

Mr. Del Grande said NPD had received grant funds for ballistic vests and the ballistic vests were depreciated, creating funding for them in future purchases. He stated that ballistic vests and tasers were kept in the Capital Improvement Plan (CIP) for that reason and stated that NPD had money available to purchase same and would not be taken out of current resources.

Ms. Sierer asked if ballistic vests and tasers needed to remain as part of the CIP for 2019 since it was under $25,000. Since it was under $25,000, Ms. Sierer informed that she did not believe that it needed to be brought before Council.

Mr. Del Grande agreed with Ms. Sierer and stated that there were a few items that were historically part of the CIP plan that could be moved to the operating budget.

Ms. Sierer stated that she would like to see that some items be moved under the operating budget from the CIP if Mr. Del Grande believed the items were better suited for that section.

Mr. Del Grande confirmed that he would evaluate some items (i.e. the tasers and ballistic vests etc.) to see if they could be moved to the operating budget.

Ms. Sierer asked if there was a State regulation regarding BWC's or if the City needed to create an ordinance regarding proper use of same. Specifically, she asked when cameras needed to be turned on and wanted to know if NPD was in line with policy and was ready to implement BWC usage.

Captain Van Campen said the Delaware Police Chief's Council (DPCC) has come out with a best practice model for BWC's. He said that NPD has been in conversations with Mr. Bilodeau to make sure that there is a congruent policy on BWC usage. Additionally, NPD is part of the Commission on Accreditation for Law Enforcement Agencies (CALEA) program and just received the Gold Standard rating. He informed that NPD was working with Mr. Bilodeau, DPCC, and CALEA to craft a suitable policy regarding BWC usage.

Ms. Sierer informed that she was aware that the biggest cost associated with BWC usage was the data storage. She wanted to know if NPD was comfortable with setting up the data storage system and the costs.

Captain Van Campen acknowledged that the cost associated with BWC storage was a concern and that NPD had looked at CJIS compliant vendors, many who use Microsoft Azure. He expressed confidence with the security of the Cloud Storage but reiterated the significance of the costs associated with it. The CIP shows minimal cost when compared to contractual services or others. He reiterated that storage costs were factored into the plan.

Vendors who offer unlimited data storage have been considered to reduce cost, because it is a requirement to keep up with the yearly data and maintain the required retention schedules. Captain Van

Campen mentioned that the amount of data would be compounding, and NPD was investigating the issue and would address it.

Ms. Sierer asked if NPD was ready and comfortable to implement the use of body worn cameras for the officers.

Captain Van Campen confirmed that NPD was ready to implement BWC usage.

Ms. Sierer asked Chief Tiernan if he thought 71 officers was enough for the City of Newark.

Chief Tiernan said he could only speak from his experience from his previous position in New Jersey, where there were approximately 10,000 residents and 104 officers. He said it might be beneficial to hire an outside independent consultant to look through the calls of service and see what the optimal level of officers related to the number of calls would be. Chief Tiernan expressed his hesitation in asking for more officers since he was aware that officers are a very expensive item for the budget. He said they were managing the workload with the officers that they currently had, and that all officers were cross trained to perform different functions. Chief Tiernan stated that the SWAT team was not a full-time unit.

He mentioned that NPD was busier than usual because of the UD students returning and the shortage of officers, they have pulled officers from different divisions of the department (Crime Analysis, Street Crimes) to assist the SWAT team and patrol units. He believed NPD needed more officers but acknowledged the expensive nature of obtaining more personnel.

Ms. Sierer said that it would be worth staff having a conversation regarding a study to analyze Newark's need for additional officers. She stated that it would be a worthwhile venture for NPD and wanted to know if NPD ever 71 officers had actively working at a time.

Chief Tiernan said that NPD had 71 officers on paper with the two going to the academy. He reiterated that 1 or 2 officers were leaving soon as mentioned earlier.

Ms. Sierer informed she though the study would share exactly how many officers worked during a 12-month period as opposed to what was budgeted.

Chief Tiernan expressed that he had a lengthy email with an individual who complained about the lack of bicycle enforcement. He informed the individual that NPD has 71 officers on paper, but never functions fully at that amount. The 71 officers are split between 3 shifts, 365 days a year. Additionally, sick time, vacation, and training are factored in, so it is a small group of officers on duty at one time.

Chief Tiernan stated that from two weeks ago until Thanksgiving, the officers are busy with maintaining order maintenance. The rest of the year, NPD spends attempting to catch up on other police issues and investigations. As mentioned previously, DUI arrests have increased significantly. Drug overdose complaints have increased as well, and the department has been increasingly busy overall.

Ms. Sierer added there are more students coming back to Newark and that also contributed to NPD's workload. Additionally, Ms. Sierer said the number of apartments being added will increase the department's responsibility and workload.

Chief Tiernan informed that some people think the University or students are the main reason for NPD's increased workload. He stated that there was much drug activity that was unrelated to the University or its students. He informed that crime and complaints were increasing, and that the University was not the reason for it.

Ms. Sierer asked if DNG had considered to appraise or increase the size of their current firearms facility.

Sergeant Jones indicated that he did not see any hope for the DNG to appraise or increase their firearms facility. Wilmington PD currently holds the lease for the DNG police firing range. He stated that NPD had discussions with Wilmington PD regarding an appraisal or increase of the DNG range, and they were not optimistic about it.

Chief Tiernan sad that it came to a point where the DNG spoke about ending the lease since the DE National Guard considered pulling out of the range. Wilmington PD was able to renegotiate the lease,

but he mentioned that it was a possibility at one point that no police agency would be allowed to use the DNG range.

Mr. Morehead asked if NPD currently used an outdoor range. He also wanted to know if the proposed range would be a building or an outdoor range or a combination of indoor/outdoor.

Sergeant Jones said NPD currently used an outdoor range. He informed that the proposed range would be an outdoor range with a lined backstop and a rubber berm that would catch the lead. He informed that the rubber berm would be 100 yards long, and that there would be a classroom on the facility with PowerPoint capability. He reiterated that the nature of the range was an outdoor range.

Mr. Morehead asked if there would be parking and bathrooms. He said that there would be accessory buildings, but the range would be outdoor only.

Sergeant Jones informed that there would be a small 24 x 24-foot garage for storage, and there would be a secure DOD/ATF ammo bunker for ammunition to be stored securely. There would be a 75-person classroom with a TV screen, complete with bathrooms, sink, refrigerator, microwave and room for lunches, and parking lot.

Mr. Morehead asked who would carry the insurance for the range and if it was self-insured.

Sergeant Jones said that discussions so far indicated that NPD would carry the insurance on the range.

Mr. Morehead asked if it was expensive to carry insurance on the range.

Sergeant Jones informed that speaking with agencies in Pennsylvania, Michigan, Texas, and California with police departments similar to the size of NPD that have their own ranges, that there was no significant increase in their insurance premiums for the range. He said that there was no increase on those insurance premiums for their ranges because they were professionally constructed to a standard. He could not speak regarding the NPD range in that it was not yet constructed, so he answered based on the benchmark data from the previously mentioned departments.

Mr. Del Grande said the Finance Department was looking already investigating Mr. Morehead's question regarding fire range's insurance premiums.

Mr. Morehead asked if the area where officers stood was covered.

Sergeant Jones informed that the area that officers stood was fully exposed to the weather, similar to what a real-life situation would entail.

Mr. Morehead asked how recently NPD piloted the BWC program.

Captain Van Campen said NPD participated in 2 different vendors and that 1 pilot was still going. He reiterated that the pilot program was extended with 1 vendor, and that NPD has completed 2 pilots and 2 vendors, with the possibility of a third in the next few weeks.

Mr. Morehead stated that he saw 5 years' worth of numbers in the CIP plan and was curious if it acknowledged an implementation schedule or if it accounted for purchasing the equipment and the ongoing costs.

Captain Van Campen informed that the 5 years' worth of numbers in the CIP was primarily associated with the ongoing costs. He stated that it was previously mentioned that most of the additional pricing was for the services associated with BWC's.

Mr. Morehead asked if the $118,000 would continue from now on and likely increase.

Captain Van Campen said the $118,000 would most likely increase and that they first year primarily dealt with the hardware for BWC. He said most vendors have programs where the first year BWC's are supplied, and a refresh is supplied at year 2.5 and year 5. Captain Van Campen stated that he used the 7.5 year for the project life and moving into year 5-6 shows that mist of the costs have recurred

at that point by having the equipment. At year 5-6, maintenance and storage would be the primary issue or focus. He said that most costs are also associated with licensing agreements.

Mr. Morehead asked if NPD considered refresh cycles for tasers and ballistic vests and that they were replaced periodically. He informed that the technology for those items would continue and change for the better.

Captain Van Campen confirmed that NPD used refresh cycles regarding equipment replacement and that he assumed the technology behind ballistic vests and tasers would get better with time.

Mr. Morehead asked if BWC's would be on in all situations or only is some per policy.

Captain Van Campen referred to the best practices through CALEA and with the City Solicitor's office to make sure that NPD had a good, comprehensive policy and to be in compliance.

Mr. Morehead wanted to know if the Ethernet rewiring referred to the Municipal Building.

Mr. Del Grande said that the ethernet rewiring was a complete rewiring of the police building for more reliable connections with better access.

Mr. Morehead asked if BWC's would have internal memory on the cameras itself and if there was memory in the car.

Captain Campen indicated that the internal memory for the BWC was dependent on the vendor. He said when officers come back to the station, they would dock the cameras in there. He said some BWC's could be routed through the modem through the cars. NPD was still in the process of looking at vendors. Typically, the memory for BWC's is within the unit itself and must be uploaded once the officer comes back to the station.

Mr. Morehead said he remembered when the City used Smart Meters and were talking about NPD possibly being able to use the system. He expressed that the system was technically not compatible or workable, and NPD was unable to use it.

Captain Van Campen said that NPD was looking at the Wi-Fi offloads when officers come back to the vehicles. He said that the actual bodycams, docking stations for each unit were needed.

Mr. Morehead said it was because there was too much data or information to be stored on the BWC' s at one time.

Captain Van Campen stated that the proposals mention 60 units for officers to include all the field personnel. Additionally, they would have overlaps with overtime and a couple extra in case there was any damage or turnaround. Ultimately, it was better to have 60 units for accountability.

Mr. Morehead asked if the BWC units had battery power.

Captain Van Campen said that most of the vendors offered up to 12 hours of battery power. He mentioned that the battery life also depended on whether the officer recorded 1080 or 720. Many BWC's have standard preventers that NPD has looked at. He mentioned that certain events trigger a higher definition. The definition can always be increased if there was a need. Accordingly, battery lives would be dependent on the type of recording.

Ms. Wallace informed that it might be helpful at some future meeting to have a presentation explaining the policy of the BWC use. She said the public might be interested in the presentation as well.

Captain Van Campen said that all vendors have offered to help with the presentation. He said he personally worked overtime assignments and participated in the pilot program, so he could make informative decisions. Captain Van Campen informed that he could bring his findings and testimonials for future presentations.

Ms. Wallace said she would find that helpful and interesting. She asked what would happen to the lease and gun range if the Delaware City Refinery went out of business. She wanted to know what guarantees NPD had in the lease regarding their ownership of owning a building on the property. Her

concern was that she knew the lease was for 99 years, but she did not know what would happen if the refinery ceased to exist.

As previously stated, Sergeant Jones informed that the Delaware City Refinery is donating the land to the City of Delaware City. Accordingly, NPD would have a lease with the City of Delaware City. He informed that the refinery going out of business was a concern from the beginning, and that it of course would have been easier to have a range that was their property with the City of Newark limits. Sergeant Jones stated that he knew no-one in the City wanted to hear a gun range going.

Sergeant Jones expressed that the Delaware City location was idea since it is out of the way of residential area. He restated that Delaware City previously owned the land and they were willing to donate it to the City of Delaware City. Delaware City was willing, in turn, to partner with NPD on the project and agree to a 99-year lease.

Ms. Wallace said she needed more information before she was willing to support the firing range project, specifically regarding ongoing maintenance costs and potential offsets that may arise due to reclaiming of the brass. She wanted to know why the DEA only was going only going to contribute $500,000 if they had over 100 agents. NPD was contributing $700,000 and had fewer officers in addition to maintenance costs.

Sergeant Jones said the DEA historically does not own property, and only owned three buildings in the entire country. One of the buildings owned by the DEA is in Quantico. The DEA typically leases property and enters into partnerships to help agencies like NPD. He informed that the partnership would be with the DEA and the FBI. The DEA provides funding, but they do not have the footprint.

The DEA had 9 other ranges available in the Philadelphia area available to them in the Philadelphia region. Sergeant Jones stated that the proposed range would be the DEA's main range, but it would not be the only range that they used. He informed that this was the process that NPD has used for additional funding and will help them to ultimately maintain control of the range.

Sergeant Jones said that the big picture ultimately was that NPD wanted to make sure that the firing range did not turn into something that spiraled out of control. Maintaining control was much easier since NPD would be the controlling entity as owners of the lease.

Ms. Wallace asked about bringing in other municipalities or smaller police agencies with similar concerns to help shoulder the cost of the range.

Sergeant Jones informed that they initially held conversations with smaller agencies and the common thread for concern was funding. He emphasized that there was no funding by any of these agencies to support that project. NPD was fortunate that they had funding, but the other agencies they spoke with did not have available funding at this point. The more agencies that are brought on board will lessen the amount of available range time.

Ms. Wallace asked what smaller municipalities (i.e. Middletown) do and if Middletown specifically had its own police force.

Sergeant Jones said Middletown PD utilized the DNG range when there was availability. Additionally, the Delaware River and Bay Authority (DRBA) had a small range underneath the bridge that is occasionally used by Middletown and others.

He stated that the issue created by maintaining the relationship with the DNG is the uncertainty. Another concern is the extra cost involved to utilize their range. NPD was required to have more personnel from an instructor's perspective when using the DNG range because they are required to have a range safety officer. NPD must abide by the DNG's regulations, which meant that they must have two firearms instructors plus an additional range safety officer who has been through the National Guard Course. Additionally, a river guard was needed to pay attention to boat traffic, and when boats come within certain buoys the officers must cease shooting completely.

Sergeant Jones stated that they kept track of the number of times over the last couple of years that NPD had been on the DNG range and had to stop shooting. It averaged 1.5 hours every single day they shoot at the range. He informed that although it does not sound like a lot, over two years 1.5 hours per day of down time is equivalent to $44,000 lost training and productivity value.

Ms. Wallace said that the explanation of lost range time was helpful and bringing that information back to Council along with the maintenance cost would provide a more holistic picture of the associated costs so that she could feel more comfortable in supporting the project.

Sergeant Jones mentioned that he would be happy to provide more information at future meetings.

Mr. Hamilton asked what NPD currently spent on leasing and if they currently paid for any leasing at the DNG range.

Sergeant Jones said that they did in kind services and about every other year would take money from the ammunition budget to fix barricades, benches, tables, or whatever was needed at the DNG range. NPD provided a moving target system that is utilized at the DNG range, but they do not provide any normal funding for the operations of the range. Wilmington PD and NCCPD pay the utilities for that location (i.e. electric, water etc.).

Mr. Hamilton asked if the DEA would be a minority partner in the range since they were donating only $500,000 and NPD would contribute the remaining $700,000. He was concerned how NPD would remain in control with fewer officers and did not want the DEA to dump 100 or so of their officers at the proposed range and displace NPD.

Sergeant Jones said that his experience from talking to the other municipal agencies throughout the country who partnered with the DEA and FBI have been very beneficial. He stated that the police department in Frederick, Maryland just received $900,000 of additional finding to renew the lease with the FBI.

Mr. Hamilton said that amount of money sounded good, and I was already in support of that idea.

Ms. Sierer stated that there was a networking aspect with the DEA partnership.

Sergeant Jones confirmed that there was a networking aspect to the relationship the DEA, and informed that the DEA has deep pockets to utilize funding from. He stated that the DEA has already mentioned building shoot house on the NPD's range property where officers could do simunitions training in the shoot house for a variety of scenarios where the walls move and inside. The shoot house was valued at $1 million, and the DEA wanted to build this for their people. Since it would be on NPD's facility, NPD officers would be able to have access to that. Additionally, the DEA wanted to bring up resources from Quantico one or twice a year for a one-week course. These courses would be free to NPD and would eliminate the need to send officers away for certain types of training.

Mr. Hamilton wanted to ask about the blood testing process and stated that he wanted to make sure that the fines collected from such were balancing out the cost of Newark's policing. He said he did not want to get into a situation where the public was accusing the City of over policing to collect revenue. On the other hand, Mr. Hamilton said he understood it was expensive to have a police force and that crime does cost. He said crime pays in the form of fines, but it does come with a cost to the City. Mr. Hamilton was curious to know if a study had been done to assess the adequacy of fines related to the crime. Additionally, he thought the study should reveal if the fines were high enough to act as a deterrent to crime and would offset the City's police expenses.

Mr. Coleman said that he was not aware of a study being done but was confident that the fines obtained from court costs did not offset the cost of the police force. He said he would have to review the files to see the last time that a comprehensive review of the fine system was done in order to provide a definitive answer.

Mr. Hamilton said that he would like to know since the discussion was brought up regarding adding more policemen. He stated that there was nothing more important to him than having a safe town, but he wanted to make sure that NPD was not losing money on blood tests when defendants were found guilty and they were the ones causing their own problems.

Mr. Hamilton stated that he thought they were working on a project with the GIS team that was all encompassing as far as crime and location of the problem properties. He asked if NPD was still working on the program and wanted to know where the status.

Mr. Coleman informed that he needed to check with the GIS team. He was aware that they had a crowd source app at one time for police concerns that was used as a trial. He said that it was not back up and running, and that he would have to check with Chief Tiernan and the GIS team specifically to see where the effort stands.

Mr. Hamilton said that he thought the NPD force was large and asked how large the University of Delaware Police (UDPD) was.

Mr. Coleman mentioned that he believed UDPD had 50 sworn officers.

Mr. Hamilton said that Newark really had 120 sworn officers when considering both NPD and UDPD. He indicated that he knew the relationship between UDPD and NPD was a sore subject, but he believed there was a better way to leverage the relationship in a more efficient manner than was currently used. He stated that he thought improving relationship between both forces would ultimately increase NPD's coverage and make it more efficient or impactful for residents.

Chief Tiernan informed that he worked frequently with UDPD, especially when responding to noise complaints regarding parties. If NPD responds to an event of that nature, the will call UDPD to make sure a university officer is dispatched. UDPD gets the information from those complaints, usually takes care of the situation, or they issue a referral to work together with NPD on that case.

UDPD has many additional complaints that they handle on the University of Delaware Campus and certain checks that they must perform. Besides assisting NPD in the in the City, UDPD has their own responsibilities to attend to. The UD Star campus is an additional area of coverage for UDPD to patrol.

Mr. Hamilton acknowledged that there are issues with two different forces and overlapping jurisdictions but believed working on the relationship and making it more efficient would help Newark as well.

Ms. Sierer said she wanted to commend Chief Tiernan and the other NPD officers because she believes they are constantly working on a collaborative relationship with UDPD. She mentioned that the effort shown should not go unnoticed.

Ms. Sierer asked if UDPD used the DNG shooting range and asked if there would be any opportunity for UDPD to use NPD's shooting facility and contribute to it.

Sergeant Jones confirmed that UDPD used the DNG shooting range. He said that incorporating UDPD would involve discussions with Delaware City and the DEA, before the idea was considered.

Ms. Sierer asked if there were any further questions from the table on the police department budget. There were no questions from the table.

Ms. Sierer opened the floor for public comment.

Dr. Amy Roe, District 4, said that she had several comments on the firing range. Earlier this summer she was asked by a Delaware Senator to evaluate the lead poisoning risk from firearms use. She examined all the leading peer reviewed scientific and medical literature that has been recently published. Dr. Roe quoted Laid et. Al, in a 2017 publication of Environmental Health, "Firing ranges comprise one of the largest unregulated sources of occupational and para-occupational lead exposure for adults. Occupational exposure would be exposure from firing range instructors, or police officers, or firing range employees.

Dr. Roe said that para-occupational exposure is exposure to lead that remains on the bodies of people who are using firing ranges, coming home and exposing their family members. For example, like dust on your clothing being transferred to your vehicle or being transferred to your home. She informed that the research also says that the inhalation risk is the high, being the most severe and serious type of exposure to lead. She expressed that individuals absorb much more lead by inhalation than if it was ingested or exposed to one's skin. The inhalation risk for outdoor firing ranges matches that of indoor firing ranges even though there is natural ventilation outdoors.

Dr. Roe expressed that she wanted to protect the health of NPD's police officers, especially since they were given the task of building a firing range for NPD. She proposed that if the City wanted to pursue

the that engineering work be done to make sure that the design of the firing range, which is unregulated in her opinion, is as rigorous as possible.

She informed that OSHA monitors occupational health for all workers in the country. Dr. Roe stated that the scientific literature is universal. According to Dr. Roe, the OSHA standards that were established in 1978 are inadequate to protect the health of occupational exposure to lead. Accordingly, Dr. Roe said that OSHA allows people to continue to work with very dangerous levels of lead in their blood.

Dr. Roe stated that there are more rigorous standards that have been proposed in the scientific literature which is kind of beyond the scope of establishing a new range, but the point is that it was important to design something so that it protects the health of the people who are using it. She said that she wanted the health and safety to be taken seriously.

John Morgan, District 1, wanted to echo the concern that Mr. Hamilton raised about revenue through overly aggressive policing. He said that he wanted to make sure that revenue was not raised through aggressive policing and thought that it would make sense to examine the fine structure. Particularly, Mr. Morgan said that nuisance types of crimes that really degrade quality of life should be considered. He encouraged Newark to look at what other municipalities in the state are doing with their fine structure, because Newark has a unique situation with the large university population. He said that the university setting provides a party scene that attracts many people who are not students to come to the City. Unfortunately, some people who come to the City for a good time o not act in a responsible manner.

Mr. Morgan reiterated that Newark should look at other cities with large universities to see what they were doing. He said that Newark should investigate other university towns (i.e. University of Maryland, Penn State, and Rutgers) and see if they could determine from the findings from those Universities if a substantial increase in fines for certain types of bad behavior could be justified.

Ms. Wallace informed that she would be in support of looking at the fine structure. She mentioned the recent top position of the University of Delaware as a party school. Ms. Wallace said that it was not only University of Delaware students, but I agreed that that is a serious quality of life issue.

She stated that Newark should first be making sure that they are recouping some of the costs, but also make them more of a deterrent for crime. Ms. Wallace said she was aware that certain districts frequently went to their Council members about the behavior of undergraduate students.

Ms. Wallace expressed that in addition to making sure Newark recouped costs, they needed to make sure to address the future growth of the University as well. If the university is growing and there are going be more students coming to a party school, she believed that it was necessary to look at a review of the fines. Ms. Wallace reiterated that she would be in support of fine review and wanted to see if other Council members would support it.

Ms. Sierer said that they needed to be considerate regarding the timeline for staff to complete the fine review. She said that she was not sure that it would happen in this budget cycle.

Ms. Wallace expressed that she was not looking for it to happen in this budget cycle but thought that it was a bigger item that could not incorporate staff to incorporate in this budget. Ms. Wallace said she believed that it would be best suited after the budget process next year. She stated that she thought they needed to start by determining when the last time the fines were review, and that staff could undertake that. Regarding the larger evaluation, Ms. Wallace stated that she thought it would occur after the budget.

Ms. Sierer told Ms. Wallace that she supported the request for determining fines and a larger evaluation.

Mr. Morgan stated that he wanted to follow up on Ms. Wallace's comment regarding the University's reputation as a party school. He wanted to reverse the reputation of the University of Delaware as the number one-party school in the nation, and informed that it would require a major effort. Mr. Morgan informed that reversing the university's reputation would require a lot of cooperation from the City and from the leaders of the university. The leaders of the university should be the ones who are most concerned about this situation. Mr. Morgan informed that University leaders have a lot more

resources than the City has and should be willing to take the lead in terms of staff time and money to try to get this situation addressed as soon as possible.

Ms. Sierer thanked Mr. Morgan and asked if anyone from the public had additional comments. There was no additional comment.

10. 1-C. LEGISLATIVE DEPARTMENT:
2:06:50

Ms. Bensley informed that the Legislative Department had a few changes regarding the budget in terms of personnel. Full-time wages increased by 15.7%, primarily because of the addition of the new full-time Administrative Professional I position which Council approved in June. Contractually obligated increases for employees contributed in part to the increase as well.

Part-time wages stayed about the same, covering two part-time employees at 27.5 hours a piece.

Other wages, wage costs that are not included in the actual salary (i.e. service award, reimbursements for devices, sick pay etc.) increased by 6.76%.

Benefits showed a 37.12% increase, which was due primarily to the new employee as well as the estimated increase for healthcare premiums.

The total estimated increase in the personnel services this year for the Legislative Department was 19%.

Ms. Bensley said that it is significant to note that while there was an increase of one position overall, the Records Division moved from IT to the Legislative Department in 2017 to 2018, increasing the number of full-time positions in the Legislative Department to three in the last two years.

Materials and supplies increased by 92.6% increase mainly attributed to two IT projects that will be completed in 2019. One of the IT projects is the replacement of the recording deck machine that records the City's meetings in Council chambers. Ms. Bensley informed that Microsoft is no longer updating and upgrading Windows XP, which is the platform that the current recorder runs on.

Ms. Bensley said that the second IT project will be the implementation of electronic agenda management software, which will encourage individuals to get out of paper and onto digital packets. Ms. Bensley stated that materials and supplies would include a $500 stipend for each Council member plus the City solicitor to purchase the device of their choice to facilitate use of the electronic agenda and software. She said that there would be a list of recommended devices as part of that project, and that she would be able to address any issues that might arise from the use of electronic software management during the night of a meeting. Ms. Bensley stated that people were welcome to use devices that were not on the list, but that they would have to troubleshoot on their own.

Ms. Bensley expressed that they were considering a stipend verses providing the actual machines themselves so that if someone left Council, then the device would be theirs to keep. She stated that the City would provide a stipend to the new Council members to obtain their device. Ms. Bensley said they would be periodically be reviewing the budget in future years for stipends for ongoing Council members to be able to get upgraded devices as needed.

Contractual services displayed the transfer costs from the records division moving into the Legislative Department budget including the copier lease for the records. The increase includes the price of the copier itself and the individual scanners for each workstation to scan documents. Ms. Bensley said that the current scanners need to be upgraded this year as they are not able to function at the level needed for the department's high volume. The scanners are frequently in need of repair, and the constant maintenance causes significant down time as staff waits for service to be performed or attempts to repair the machines themselves.

Also, regarding contractual services, Ms. Bensley informed that the annual subscription for agenda management software is $1,000. Ms. Bensley stated that Civic Plus recently acquired an agenda management company. Civic Plus's series has been reviewed, and the features that are required are available at a much lower cost than some of the other software products reviewed in previous iterations of the software package. A $1,000 increase a year is estimated to add a module for the Civic Plus

agreement as opposed to paying anywhere from $6,000 to $12,000 more per year for a separate software package.

Additionally, Ms. Bensley informed that there will be an increased budget of $12,000 for the City Solicitor and Deputy Solicitor. The increase is due primarily because of the request from staff to begin prosecution of unpaid business licenses in the Alderman's court. The increase of $12,000 to the City Solicitor and Deputy Solicitor is anticipated to be offset by approximately an increase $50,000 in business license revenue.

Election expenses are reduced by $10,000 since there would be one election this year instead of two.

Ms. Bensley said that depreciation is calculated by the Finance department.

Other expenditures remained flat from 2018 to 2019.

Ms. Bensley expressed that there was a substantial increase in interdepartmental charges. She stated that the increase was due in part since they were working with the Finance Department to charge out a lot of work of the Records Division since they are working for other departments. Charging out to other departments would help recoup some of the expenses.

Ms. Bensley informed that they were looking at a decrease in the overall budget for 2018 to 2019.

Ms. Bensley stated that the Legislative Department did not have any Capital Improvement Projects on the list and was available to take questions.

Ms. Sierer opened the discussion to the table.

Ms. Wallace expressed that she liked the stipend option regarding the electronic software management and devices. She felt that the stipend was a good choice since staff who already had a device could decline to accept it. Ms. Wallace also approved of the $1,000 price and requested that Council had the opportunity to review the software in advance. She stated that she thought the City previously tried to use Fresh Desk. Ms. Wallace informed that a software was previously chosen for Council, and it was not utilized which caused them to lose money. Accordingly, Ms. Wallace reiterated that she wanted Council to review the software so that they new it would work for the members currently on Council staff.

Ms. Bensley informed that there would be a presentation to internal staff, as the Council chambers were not set up with Webinar capability. Staff would work with the vendor to see what was allowed operationally before signing or a decision made.

Mr. Morehead asked if the budget encompassed training for new devices.

Ms. Bensley said that the training would be in-house so there should not be an additional cost.

Ms. Morehead wanted to know if the public website and agenda management software would be on the same page.

Ms. Bensley confirmed that the public website and agenda management software would be on the same page.

Mr. Morehead asked if the website would be more complete and if the public would have the same features as staff. He mentioned that he was aware that occasionally items would be specifically uploaded on the web for the public as needed and stated that the same items traditionally were always available for staff.

Ms. Bensley confirmed that the website would have capability to add certain information for public and staff. She informed that there was a front facing and back facing portion of the general management software. For example, the material for the executive session of Council would only be pushed out to Council but would not be posted for the public on the website. In short, all items that Council gets through the agenda management software would not be available in the public facing.

Mr. Morehead thanked Ms. Bensley for holding the Legislative Department's budget.

Mr. Markham asked if Civic Plus was only for the agenda and referenced the meeting management software. He wanted to know if the meeting software reported number of votes or speakers.

Ms. Bensley expressed that she would have to review the specifics of the software but understood it to be more than just a general management software that they planned to implement incrementally. She informed that the implementation would be incremental in nature so that individuals would not be overwhelmed in the beginning. Ms. Bensley reiterated that she would get back to Council regarding the specific abilities of the software as the project moved forward.

Mr. Markham said he was interested in the specifics of the software since it was very important to him to understand how each item in a meeting was voted on. He expressed that software that helped account for votes would aid the individual who led meetings by providing clarity in votes and mutually addressing everyone who wanted to speak at each meeting.

Mr. Markham asked Ms. Bensley why emergency room reimbursements were accounted for in the budget as he found it surprising to have them clearly delineated.

Ms. Bensley informed that emergency rooms were specified on the budget because of the way that the City's health insurance is set up. In order to reduce premiums, the City raised deductibles for employees from $100 to $500. However, the City had reimbursed employees with the difference if they go to the emergency room. So, there is a $500 deductible through the City's insurance, but if employees submit paperwork to HR, they pay $100 and the City pays the difference.

Mr. Markham asked if all departments were set up with this emergency room reimbursement system.

Mr. Del Grande informed that every department in the City was set up with the emergency reimbursement system, and that it ultimately provided healthcare savings for employees by paying out of pocket.

Mr. Markham expressed that he thought it was different to see the emergency room line item on a budget and the City health plan, but it made sense.

Mr. Lawhorn stated that Ms. Bensley referenced that the Legislative Department spends a lot of time manually completing minutes. He wanted to know if the technology was there to partially alleviate the burden of minutes or to automatically complete them.

Ms. Bensley informed that the capability to complete minutes was not a feature of the software program. She stated that the technology for voice to text translation was not developed to the extent needed for minute completion. Ms. Bensley said that the system can only be trained to recognize one voice. Where the technology loses accuracy is when they are trying to train multiple voices and when adding new voices. Dragon, a common software, enables people to talk into the program and the program gets used to their voice (i.e. voice cadence pattern of speech). Ms. Bensley informed that they had used Dragon occasionally for the City Solicitors, where they had trained the software to their voices for their handheld recorders when they are doing dictation. However, Ms. Bensley informed that when there is are meetings with 10 or more standard voices each time and various staff etc., it was apparent that the technology did not provide enough service to be utilized in the context of minutes.

Mr. Lawhorn asked if technology was not up to date with the services needed for minutes.

Ms. Bensley confirmed that the technology was not to the level that the City needed for minute transcription etc.

Ms. Sierer asked if the transcription services were still needed. She stated that the original Council had expensed use of transcription services due to staffing concerns and wanted to know if the service was needed since the Legislative Department had increased staffing.

Ms. Bensley stated that the department was evaluating the need of the transcription service and that it was included in the 2019 budget. She said that they were working with a new staff member who is working on Council minutes to evaluate the value of the transcription service. The transcription service used is done by live people and not by a machine, providing a more accurate transcript. She informed that they needed to be diligent in evaluating the transcripts and providing feedback to the transcription service

company. Ultimately, if transcripts of a lower quality are received, providing feedback to the company removes the lower quality transcribers from the City's account. Ms. Bensley reiterated that the department was in the process of reviewing whether they needed the service with the new staff member.

She expressed that they were looking to speed up the turnaround time for minutes with the new staff member dedicated to the process of transcription that did not rely on the service. Ms. Bensley informed that more time was needed (a few weeks) to assess the process, as there will be more meetings and two new personnel were added to the staff just two weeks ago. She stated that they would decide if the transcription service was still needed by time the final budget request was submitted.

Ms. Sierer thanked Ms. Bensley for evaluating the transcription service. She asked what the expense for the employee holiday party was last year, and that she wanted to consider increasing the budget due to increased attendance. Ms. Sierer wanted to make sure that there was appropriate funding to provide a nice luncheon for the employees, and that the budget increase to accommodate same was the least the City could do.

Ms. Bensley expressed that the Legislative Department was able to stay on budget last year due to some extra funds provided by the City Manager's office as a supplement.

Ms. Sierer asked if the extra funds from the City Manager's office from contingency money.

Ms. Bensley said that she did not believe the supplemental funds from the City Manager's office were from Contingency. She informed that she believed the funds were obtained from the recruitment and retention line item. Ms. Bensley expressed that the department went a little more expensive on the employee gift the last couple of years to make the numbers work. She expressed that they moved the party to a larger venue to accommodate the increased number of attendees, incurring a larger cost. Ms. Bensley said that if Council was inclined to increase the budget, they would be able to utilize the funds to accommodate the demand. If Council did not approve of the increase, Ms. Bensley informed that they would make due.

Ms. Sierer expressed that she would entertain increasing the budget for the holiday party and wanted to know how the rest of Council felt. She stated that she wanted to make sure they had an adequate facility, lunch, and gifts for all employees who wanted to attend. She reiterated that she wanted the budget increase for the holiday party to be evaluated.

Ms. Bensley informed that the line for recruitment and retention was not only listed for the holiday luncheon. She stated that it also included lunches or dinners for Council when there were early meetings. Ms. Bensley also said that funeral arrangements or situations of that nature also are covered by the recruitment and retention line if Council decided that they wanted to do something.

Ms. Sierer expressed that the number in the recruitment and retention line concerned her, as it was used for multiple purposes. She stated that the number was not accurate to reflect the employee holiday luncheon considering its other uses.

Mr. Morehead stated that he appreciated the fact that more employees attended the holiday luncheon each year, as it was a good chance to have a minute to talk to everyone. Additionally, he noted that the new venue was nice, and the food was good. Mr. Morehead expressed that he felt the gifts should not be so cheap, as he usually was the one to distribute them with Mr. Markham He informed that he was a little embarrassed with the price, and that he thought more money was needed to provide better gifts. Mr. Morehead said that the City employees do a great job and that the gifts needed to reflect that.

Ms. Sierer agreed that the price could be increased for gifts and stated that the budget could kick it up a notch regarding same.

Ms. Bensley said that the department has made a conscious effort to make changes in the scheduling portion of the holiday party so that more people can attend. She stated that they worked with Public Works, refuse department, and Court staff to accommodate employees' attendance at this function. Ms. Bensley indicated that certain departments wanted to participate but were unable to because of their work schedules.

Mr. Morehead reiterated that the holiday party was noticeably more well attended than in previous years.

There was no public comment.

Ms. Sierer informed that the two-hour time limit advertised on the agenda for the budget discussion had been surpassed. She asked if Council wanted to continue with the electric department and parks and recreation, or if they wanted to push them to the next meeting. Ms. Sierer stated that she would be in favor of continuing with the discussion, as she believed that they needed to get through the two items since they were in budget season.

Mr. Lawhorn stated that he was fine with continuing the conversation.

Mr. Markham said he was fine with continuing and that electric was always quick. He expressed that Parks and Recreation may be longer.

Ms. Wallace said that her only concern was that she considered there would be a lengthy discussion on item 11-1-A, and that wanted to move the discussion forward to 10:00 p.m. She said that they would probably get through the Electric department's presentation but did not know if there was time for Parks and Recreation. She stated that she did not want to have a discussion on charter changes after 11:00 p.m., and that members of the public in the audience may want to discuss the charter changes.

Ms. Sierer stated that they had not even reached item 2 on the agenda that evening. Ms. Wallace said that she felt something had to give. Ms. Sierer agreed, and mentioned that there was a timing challenge with item 11A. She expressed that she appreciated Ms. Wallace's concern regarding the timing of 11A. Ms. Sierer stated that she had asked to have a discussion regarding legislative concerns and ideas coming forward from the first of the year on the September 24th Council meeting. Ms. Sierer asked if moving discussion on item 11A to September 10th would work for members of the Council and Ms. Wallace. Ms. Sierer informed that if Council approved, item 11A would be put on as a presentation at the beginning of the agenda.

Ms. Bensley said that her only concern regarding moving Ms. Wallace's discussion would be if there were any items that needed additional research to come back to Council. She expressed that the timeframe would be compressed, and it would shorten the time frame that staff would be able to turn around additional research in time to meet the seven-day deadline for the next meeting's packets.

Ms. Sierer asked Ms. Bensley if her request regarding item 11A could be moved to the October meeting. She asked Ms. Wallace if the October meeting would work for her as well.

Ms. Bensley said that the October date would provide more cushion.

Ms. Wallace confirmed that she was okay with Ms. Sierer's request to move item 11A to the October meeting.

Mr. Markham asked if Council could have a workshop meeting regarding item 11A prior to the October meeting. He expressed that the meeting could be conversational in nature.

Ms. Wallace said that she would welcome a workshop meeting regarding item 11A and felt that it would be more productive. She said that staff could come back at a later meeting with any necessary follow up.

Mr. Markham expressed that the challenge would be finding that additional date.

Ms. Sierer stated that a date for the workshop needed to be in the month of September.

Ms. Bensley informed that that current schedule laid out for the budget hearing delineated 2 hours at tonight's meeting to potentially cover 5 departments. She stated that the clearly did not get through 5 departments as hoped for in the two-hour period tonight. Ms. Bensley stated that the next meeting on September 10th would include 2 hours for them to try and get through the rest. Additionally, a meeting for September 17th was scheduled for any overflow. Ms. Bensley stated that if Council wanted to finish the budget items in this meeting and September 10th, then theoretically the September 17th meeting could be used as a workshop for charter changes.

Ms. Sierer said that she was not available on September 17th and that the date would not work for a workshop. She asked Council if they were available on September 17th.

Mr. Markham stated that he potentially would not be available on September 17th.

Ms. Sierer stated that September 17th was not an option for the charter changes workshop and asked Ms. Bensley what other options were available.

Ms. Bensley said that September 17th was the only available Monday in September, as the 3rd was Labor Day and the City was closed. September 10th and 24th were scheduled for regular Council meetings. Ms. Bensley stated that if they wanted to keep the workshop on Mondays, the only option was to look at October 15th or 29th. Ms. Bensley stated that the quorum for Council was not available on Monday, October 1, due to a conference.

Ms. Sierer asked if October 15th was too late considering her presentation and Ms. Wallace's charter changes in terms of legislation.

Ms. Bensley stated that the intent was to wrap up discussions before they went into full blast budget hearing time in November. She stated that there were special budget meetings on November 6, 20th, and December 3rd.

Ms. Sierer informed that she thought item 11A was going to be a separate discussion and indicated that it was another meeting night. She reiterated the discussion's importance.

Ms. Bensley corrected her previous statements regarding the date for special budget meetings. She informed that special budget meetings were scheduled for November 5th, 19th, and December 3rd.

Mr. Lawhorn said that based on the commentary regarding future availability for the special budget hearing, it was important that Council got through the remaining budget presentations at tonight's meeting. He stated that the alternative night provided seemed to be on an evening where many Council members were not able to attend.

Ms. Wallace stated that another meeting was needed besides September 17th and that it would not be able to be scheduled on a Monday.

Ms. Sierer asked the table if they objected to a meeting that was not scheduled on a Monday.

Ms. Bensley said that the calendar in September showed that Council chambers were not open any other night the week of the 17th. She said that Ms. Sierer was out of town the entire week following the 17th, and that she was unavailable at a meeting on September 24th. Ms. Sierer had the Newark Futures workshop on September 25th and another meeting on the 26th. Accordingly, Ms. Bensley asked if Ms. Sierer would want to go to a meeting on the 27th.

Ms. Sierer stated that Ms. Bensley was receiving an award on September 27th and that a meeting would not work that night. Ms. Sierer said an additional date in October needed to be considered.

Ms. Bensley stated that October 4th or October 10th were available for meetings.

Ms. Sierer asked for two dates to be provided and informed that they would decide on a specific date and time accordingly.

Ms. Bensley said that October 4th and 15th were the two best dates, and that the 16th could potentially work.

Ms. Sierer asked if anyone had any objections to meeting on October 4th, outside of not knowing what Mr. Clifton's schedule is or anyone sitting at the table.

Ms. Bensley informed Ms. Sierer that there was a meeting scheduled for October 3rd for the financial workshop.

Ms. Sierer reiterated that it was important to meet since they were bringing up ideas that needed to be discussed.

Ms. Sierer asked the table if November 4th worked for the workshop on item 11A. The table confirmed that they were available on that date.

Ms. Wallace asked Ms. Sierer when the larger legislative discussions would occur in relation to the November 4th meeting.

Ms. Bensley informed that the legislative discussions could not be any earlier than October 22nd because the packet for November 8th would have already gone out.

Ms. Sierer stated that the first meeting Council meeting in November is scheduled for the 12th. She said that the legislative meeting would have to be October 15th or November 12th. Ms. Sierer asked if October 22nd would work for the discussion.

Ms. Wallace informed that she would not be in town for the meeting on November 12th.

Ms. Sierer said that the meeting regarding item 11A would have to be scheduled on October 22nd. She asked the table for their availability on that date.

Mr. Lawhorn asked if a meeting was already scheduled on October 22nd.

Ms. Sierer said that there was already a meeting scheduled for October 22nd, but that a legislative discussion could also be scheduled for that evening. She stated that October 4th would be a workshop on potential discussion of charter changes. The October 22nd Council meeting would incorporate a legislative discussion as part of the regular meeting.

Mr. Lawhorn asked Ms. Sierer to clarify the specifics of October 22nd.

Ms. Sierer stated that the legislative discussion would occur as part of the traditional Council meeting on October 22nd.

Mr. Markham asked if the meeting would start at 7:00 p.m. on October 4th.

Ms. Sierer told Mr. Markham that the meeting on October 4th would start at 7:00 p.m.

Ms. Wallace asked if item 11A needed to be pulled from the agenda indefinitely.

Ms. Bensley said that item 11A did not need to be postponed since it was not a bill. She stated that if Council voted not to extend the meeting that item 11A would naturally be postponed.

Peter Younkle, Covered Bridge Farms, informed that he and several members of the public were in the audience to discuss item 11A for the proposed charter changes. He asked if the discussion for the proposed charter changes would be open to the public.

Ms. Sierer informed that the meeting for the proposed charter changes was scheduled for October 4th at 7:00 p.m. in City Hall. She apologized that item 11A was not going to be discussed at tonight's meeting and said that she looked forward to Mr. Younkle and other members of the public joining the discussion on October 4th.

11. 1-C. <u>ELECTRIC DEPARTMENT:</u>
2:36:03

Mr. Patel stated that full time wages decreased 3.7% due to the deletion of one Deputy Director position. He said that other wages increased by 26.59% for 2019 because of an increase in overtime for of $85,000 for reimbursable projects. Benefits increased by 5.14% due to an increase in health insurance. Mr. Patel informed that all personnel services combined showed an increase of 1.84% for 2019.

Materials and supplies were up 2.01% for 2019, due to an increase of $5,000 for sub-station maintenance and a $1,000 increase in needs for general supplies.

Contractual services increased by 6.64%, due to a $60,000 increase for credit card and merchant fees. $50,00 were added for rate study, and outside engineering increased by $25,000. The Elster upgrade (radio infrastructure) was projected to cost approximately $21,000.

Mr. Patel said the Depreciation expenses were calculated by the Finance department and were up by 38.38%.

Other expenditures were up 12.72% due to the movement of Catholic Charities ($25,000 annual contribution) from Contractual Services and added $60,000 subvention to the Newark Senior Center (previously deducted from sales revenue).

Mr. Patel informed that interdepartmental charges increased by 68%. He expressed that an increase in interdepartmental charges is common and is seen throughout other departments in the City.

Mr. Patel stated that 2 new Capital Improvement Projects (CIP) were added into the five-year projects for the Capital Improvement Program.

The first CIP project is the 34kV Line 3202 capacity upgrade estimated at $25,000. Mr. Patel said that the project is needed to ensure the capacity and reliable back-up capacity to the Phillips substation, Chesnut Hill Substation, Sandy Brae substation, and West Main substation. The upgrade would also allow the City to tie this feeder to the new substation in the future if needed.

The second CIP project is the 35kV Disconnect Switch replacement at Kershaw substation. Mr. Patel informed that there are twenty 40 years old 35kV disconnect switches at Kershaw substation. He said that this CIP project would replace those 20 disconnect switches and increase system reliability.

Mr. Patel said that there are ongoing and future CIP projects. In total there are six CIP projects for 2019. He expressed that the 6 projects were basically what was listed for 2018 and that there were no major changes.

Mr. Patel said the only change in the CIP project was in project E0503 for SCADA and Automatic Switching. He stated that extra money was added to the project to allow for a system upgrade. Mr. Patel informed that the current SCADA provider proposed to the City to upgrade the existing SCADA system to a newer platform to keep up with industrial standards. He reiterated that the current system was outdated and not up to industry standards which necessitated the use of a newer system.

Ms. Sierer opened the discussion to the table.

Mr. Markham asked for clarification on the subvention for Catholic Charities and the Newark Senior Center. He wanted to know if the movement of the $25,000 was simply stating details from an accounting standpoint and shifting it from one account to another in the department.

Mr. Del Grande confirmed that the placement of $25,000 for the Catholic Charities and Newark Senior Center was described to provided clarity on how the funds were being used and where it was from a departmental standpoint.

Mr. Markham asked if the Electric Department was getting their own copier or if individual employees were getting their own copiers.

Mr. Coleman said that the copier was a portioned expense and Mr. Del Grande confirmed.

Mr. Markham stated that the department did not have any allocations last year for the copier.

Mr. Markham asked what the Red Hat Linux Software maintenance indicated if maintenance was not done or if it was maintained by IT.

Mr. Patel said that IT was doing maintenance on the Red Hat Linux software.

Mr. Markham asked if the electric department would be doing their own maintenance, or if they were simply paying for same themselves.

Mr. Patel asked Mr. Markham what specific program he was referring to regarding the maintenance.

Mr. Markham clarified that he was referring to maintenance on the Linux Operating Systems and Red Hat servers.

Mr. Del Grande said that the maintenance on the Linux systems would be covered by IT.

Mr. Markham asked if the department was paying for the maintenance and then transferring it to IT.

Mr. Patel said that all the maintenance was one of the costs that every department sends to IT.

Mr. Markham stated that he thought smart meters were specifically referenced.

Mr. Patel said that basically the department has infrastructure, but IT maintains all the networking and all the maintenance. He informed that whatever costs incurred from networking and maintenance were transferred to IT. Ultimately, the money needed for repairs was transferred from the electric department's budget to IT.

Mr. Markham stated that there were a lot of items listed in the CIP for reliability. He said that most of the projects probably affect the point of the City. He expressed that he would like the electric department to consider some of the spokes of the City that do not have the ability to have redundant pathway out to them. Mr. Markham said he knew they were expensive. He informed that Papermill Road was a spoke and said if someone took out a Delmarva pole the other day. Ultimately, it took Delmarva 30 hours to replace the pole. Delmarva was able to switch everyone, but there was no way for the City to switch the people who lived at the end of the spoke.

Mr. Markham stated that he did not think his district was the only one affected by the spoke issue, but that his district was probably the most expensive one to fix. He said there are lot of redundancy and fail-over issues and wanted to make sure that people affected by power outages in certain spokes were not out for very long. Mr. Markham said he felt like the issue was not being addressed.

Mr. Patel said that the department would investigate the spoke issue and referenced the CIP project E0503 (SCADA and automatic switching). He reiterated that the automatic switching project would increase reliability, which will add extra reclosers to the existing automation software in 2018. The reclosers will automatically isolate a faulty circuit and switch customers to a different circuit if the alternate circuit is available. Mr. Patel stated that the addition of reclosers and forthcoming updates also would reduce outage time.

Mr. Markham said that the reclosers and updates provided by project E0503 did not solve a problem if the severed wire was held to a spoke. He reiterated that severed wires have the potentiality to cause power outages in residential areas impacted by the affected spoke.

Mr. Patel said that he would investigate the problem that a severed wire would cause on residential areas and would see what could be done to improve the issue.

Mr. Markham said that the problem of the spoke and power outages in certain districts would not be solved by the following year but mentioned that it was important to bring up because his district was not the only affected area with a dead end.

Mr. Morehead stated that the spoke issue was interesting because there are several rings outside of each spoke. He informed that the problem could potentially be that the spoke could not be closed off when repairs are being made. Mr. Morehead expressed that they knew areas could be powered back, but power was not able to be brought back while crews work on repairing the affected area. He said that the immediate bigger issue was that power could not be brought back when crews were working to repair an area.

Mr. Markham expressed that last time he needed to get power restored to his district, they had to send the power down Kirkwood Highway and Possum Park to be able to cover it. He informed that it was not a small project but needed to be thought about for the future.

Mr. Morehead said that he saw two non-profits listed in the subventions. He informed that he thought there were more subventions on the list and believed that Aetna was listen.

Mr. Del Grande mentioned that said that Aetna was supposed to be listed but Finance did not have it all spelled out. He said that they would go back and check and that they knew the amount that corresponded for each subvention. Mr. Del Grande informed that that he needed to go back and check the method that all money was processed by subvention and non-profits.

Mr. Morehead said he though it would make sense for all non-profits and subventions (including Aetna) to be listed and shown for clarification.

Mr. Del Grande said that Aetna spanned water and sewer, not just electric.

Mr. Morehead informed that he expected there to be an electric component. He stated that there was a situation with the Asplundh contract in District 1 where there were power lines behind the houses and on some private land. He expressed that there was supposed to be access but wanted to know what work was done (i.e. trimming trees) during the power outage.

Mr. Patel stated that the department does trim trees during power-outages or similar situations. He informed that the main priority was to trim the primary lines, specifically where the 34kV line goes. The next priority is to trim the 12.47kV distribution primary line. He indicated if there was a single service or secondary service going into the backyard, the department did not keep them as a priority since they wanted to keep the primary out first to make sure that there is a smaller outage if a tree comes down on primary lines.

Mr. Patel expressed that if a secondary line went behind a backyard, the City was most likely not able to trim it. He said that when the City had time and money, they would send crews to service and clear the alternate areas and secondary lines. Mr. Patel reiterated that the main priority was to keep primary lines out of the trees.

Mr. Morehead said that he noticed an increase in uptime since the implementation of keeping the primary lines clear from trees. He said that he was concerned that there were very specific areas where trees were not trimmed, or power lines not accessed. Mr. Morehead said that certain areas are not able to be accessed by City electric crew trucks since they have fences, gardens, pool houses, sheds, etc.

Mr. Patel said that a backyard crew is used in situations where areas were not accessible for trucks. He informed that backyard crews would climb the poles and trim out some of the areas where trucks could not access. Mr. Patel said that the backyard crews service these areas year-round.

Mr. Morehead said that he remembered that Council asked for the ability to frame the goals regarding the utility rate study. He reiterated that he wanted Council to be a part of the goal framing.

Mr. Coleman said that including Council in the goal setting for utility rates was part of the plan. He expressed that the hope was to bring consultants to Council and have a goal setting discussion regarding utility rates. Mr. Coleman said that a previous limitation encountered by the rate study was that it was not established that all members were on the same page regarding the water, sewer, and electric. He informed that it was important to manage expectations to make sure that all Council and staff were on the same page, and that this would be facilitated going forward.

Mr. Morehead stated that he wanted to go over prior electric rates. He thanked Mr. Patel and the electric department for providing great work and excellent service. He congratulated finance for their findings.

Mr. Morehead said that the electric department significantly funded the City, and that they provided a quality of life. Additionally, he stated that the City could not even functions for minutes and hours without electricity and clean water.

Mr. Patel expressed that they needed to thank the line crew. He informed that the line crew did a tremendous job during the last storm. He said that comparing outage time with neighboring utility providers showed that the City's response time was superior.

Mr. Morehead agreed that the line crew provided excellent service and response time to outages. He informed that people just outside of his district in New Castle County, Delmarva customers, all had gas-powered generators as a necessity. He said that their generators come on and stay on during an outage. Conversely, when lights flicker in his district, Newark residents very seldom lose power.

Ms. Wallace asked if Council could depend on the Finance Director addressing credit card use as a means of utility payment.

Mr. Del Grande informed that credit card use was a growing concern and lively topic across all municipalities in the area. He said that the City of Wilmington has been in frequent contact with his department to find out how Newark is accomplishing it. He stated that Wilmington planned to go in the opposite direction (i.e. not use credit cards as a form of payment) and said that there were trade-offs.

Mr. Del Grande said that Newark needed to come up with a happy medium regarding the use of credit cards for payment. He informed that Newark implemented a soft launch this week of the new Paymentus software, and thanked Council for their help. Mr. Del Grande said that he hoped staff would try to use Paymentus if they chose to pay their bills online, familiarizing themselves with the process.

He stated that Paymentus would be the first opportunity for the City to start passing along fees for credit card payments. Mr. Del Grande stated that using Paymentus would be easy and that it was managed by a third party. He stated that tax billing eventually would be added to Paymentus, and that further conversations regarding credit card payments could be continued in the next year or two. Mr. Del Grande indicated that it was difficult to break out various payment methods regarding which method of payment would be accepted. He stated that anything that could be done to keep costs down but maintain the ability to collect is something that the Finance department is interested in pursuing. Ultimately, University of Delaware with the P card, was the lion's share of the credit card expenses that the City incurred.

Mr. Del Grande said that there were two options regarding credit card payments. One option was to pass along the expense built into the City's fixed cost of demand charges, which are built into the City's utility rates. The second option would be for customers to pay out in alternative means, so demand costs remain low.

Ms. Wallace asked if two options for payment would increase the workload for the finance department.

Mr. Del Grande said that the payment options should not increase the workload.

Ms. Wallace said that she looked forward to hearing more regarding the future of credit card payments down the road.

Mr. Hamilton stated that he noticed a $1,000 increase for credit card immersion fees. He wanted to know if 3-4% could be added to people who paid with the credit cards instead of requiring an immersion fee.

Mr. Del Grande said that department could set the bar wherever they decided to, but it needed to be uniform across the line. He reiterated that the same standard needed to be applied across the board.

Mr. Hamilton said that he felt a service charge of 3-4% or whatever the City decided to apply across the board would make sure that customers could still make payments by credit card.

Mr. Del Grande agreed that customers would still be able to pay by credit card.

Mr. Coleman said that one of the downsides of giving people a disincentive to using the credit card as payment is that if they pay by cash or check, there are costs to the City for those methods as well. He informed that the City is staffed at the level where they can accept payments at the rate they are currently coming in. He stated that if the City did something that would make payments shift in a ratio where more people would come to the window in the Municipal building and pay in person by check, it might impact the current staffing levels. An increase of traffic at the payment window would potentially result in the need for additional personnel to help process the payments.

Mr. Coleman informed that there was a potential for more bad debt expenses if people were not able to pay their bills by credit card. He said that if people were short on cash one month, they had the ability to put their utility bills on a credit card and pay it off. Mr. Coleman informed that taking away a credit card option would result in the City losing money if people did not accept credit cards as an option when they were short on cash.

Mr. Coleman reiterated that there were some downsides to accepting payment and not accepting same. He informed that he has discussed an idea with Mr. Del Grande where a fee to use a credit card would be set at a certain dollar amount. For example, if the fee was set above thousands of dollars, it

would allow families to pay their electric bill online without incurring a fee. However, if someone comes into build a building on Star Campus with a $600,000 permit and did not put it on a credit card, the City would lose out on that 3-4% service fee. Mr. Coleman reiterated that there was most likely a method where the City could set the fee to prevent most people from getting caught but would still capture most of the revenue.

Mr. Hamilton said that the City should take the steps to address the credit card payment issue, He stated that he had a question regarding the Catholic Charities account and wanted to know how the numbers were calculated or named.

Mr. Del Grande informed that they have always contributed to Catholic Charities in the amount of $25,000 yearly. He said the $25,000 used to be accounted for in the contractual line. Mr. Del Grande said the money helped the City with the underserved.

Mr. Hamilton explained that he was believed the increase was $109, 076, but the provided explanation only accounted for $75,000 to $85,000.

Mr. Del Grande stated that only $85,000 of the $109, 076 was due to Catholic charities and the Newark Senior Center.

Mr. Hamilton stated that Aetna was mentioned, but it must not be named.

Mr. Del Grande stated that Aetna was not mentioned in the number. He stated that there were about $21,000 per year in electric costs on the bills, not including their utilities. He mentioned that Aetna and the utilities would be moved to the same line item in the budget to avoid confusion.

There was no public comment.

12. 1-C. <u>PARKS AND RECREATION:</u>
2:55:51

Mr. Spadafino informed that much of the 2019 budget for Parks and Recreation was staying the same, with some minimal increases. Part time wages increased by 4.35%, some of which was attributed to shortfall in the 2018 year due to success of programs and increased need for part-time staffing. Mr. Spadafino said that it was necessary to increase part-time staffing since the number of children who participated in programs increased. Additionally, a minimum wage increase is predicted for 2019.

Other wages will be up 3.3%, and benefits will increase 6.46% due to pension allocation increase.

Materials and supplies decreased by 4.15% for 2019. Mr. Spadafino informed that the department had some one-time purchases (i.e. new banners) that helped to bring the materials and supplies number down.

Contractual services increased 1.67% which was due in part to the cost of fleet and facilities maintenance.

Mr. Spadafino said that interdepartmental charges increased by 21%. He stated that full-time positions remained the same.

Parks and Recreation has 4 CIP's for 2019, as well as 3 ongoing CIP's (i.e. the equipment replacement program, children's play equipment, and improvements to hard surface facilities).

Mr. Markham informed Ms. Sierer that the Parks and Recreation presentation had just started.

Mr. Spadafino reiterated that there were 4 CIP's for 2019 and 3 ongoing CIP's. He informed that there would be no new CIP's for 2019. He stated that they have a new Recreation management Software project in 2019, and Preston's Playground and Utility lines project for $60,000.

He said that the Charles Emerson bicycle/pedestrian bridge was estimated to be at $1.25 million and was another CIP project for 2019.

Parks and Facility improvements projects are estimated to cost $145,000, and the Pomeroy Trail Connector project was projected at $11,000. Mr. Spadafino believed the department would be able to

complete funding for the Parks and Facility improvements and Pomeroy Trail for around $150,000 in the 2018 budget.

Old Paper Mill Park improvements were expected to cost $100,000 for the creation of a new plan. He informed that the old plan was over 10 years old and needed to be updated. Additionally, there were many park improvements needed for the creation of a parking lot that will be located at the reservoir of Old Papermill Park. Mr. Spadafino informed that Children's Play equipment would be updated, and that there was $60,000 allocated for 2019 for this project. He stated that there was $245,000 in the Equipment Replacement Program for 2019.

Ms. Sierer thanked Mr. Spadafino and opened discussion to the table.

Mr. Hamilton asked for clarification on the budget regarding the Charles Emerson Bicycle and Pedestrian Bridge. He stated that he saw $300,000 listed and that he believed it was previously reduced to $233,000 or $244,000.

Mr. Spadafino stated that City's portion of the cost would be $200,000 which would be equivalent to the New Castle County match. He informed that the rest of the funding would be obtained through different grants. Mr. Spadafino said $800,000 would be coming from the Federal Highway Administration Transportation branch. $300,000 was coming from funding through the State Outdoor Recreation Parks and Trail grant. Additionally, $200,000 was coming from New Castle County, as well as an additional $166,000 in Legislative funding. Mr. Spadafino informed that an additional $33,000 was coming from an additional City legislator's match. Finally, the University of Delaware was contributing $100,000.

Mr. Morehead asked Mr. Spadafino how much the plan for Old Papermill Park was.

Mr. Spadafino said that the department was looking at $60,000 for the parking lot and $40,000 for the plan of just Old Papermill park.

Mr. Morehead asked if Parks and Recreation was looking at plans on other land.

Mr. Spadafino stated that they were looking at plans at the land for Iron Glen Park off Elkton Road. He informed that the Iron Glen Park project was moved to 2021 to align with the DelDOT improvements with Elkton Road and the signalization of the park entrance.

Mr. Morehead asked if the Iron Glen Park project was only in the planning stages. Mr. Spadafino confirmed that the project was only in the planning stages at the moment.

Mr. Markham wanted clarification on the funding for the Old Papermill Park plan, specifically the breakdown of $40,000 and $60,000. He wanted to know if the $40,000 was for the plan and if $60,000 was the estimate for the parking lot. Mr. Markham stated that he thought the parking lot would be used because the reservoir's parking was heavily used.

Mr. Spadafino confirmed that the $40,000 was allocated for the plan for Old Papermill Park, and that $60,000 was for the parking lot. He confirmed the parking lot was needed for overflow since the reservoir parking lot was heavily used.

Mr. Markham asked if the reservoir parking use would increase with Preston's Playground.

Mr. Spadafino confirmed that Preston's Playground was expected to increase the use of reservoir parking. He stated that the overflow parking lot entrance would be close to the reservoir.

Mr. Markham said that a project proposing a fence along Old Paper Mill Road was discussed when Charlie Emerson worked for the City. He informed that the intent was to replace the telephone poles that are currently in place. Mr. Markham said he would like Parks and Recreation to consider adding the fencing project to the budget for 2019.

Mr. Spadafino stated that the parking lot was being installed in 2019.

Mr. Markham informed that he thought the fence could be installed while work was being done on Iron Glen Park. He stated that it was proposed in 2016 by Mr. Emerson, and that it would be nice to finish the project.

Mr. Markham wanted to know if the cost of the fireworks cost the City.

Mr. Del Grande said that fireworks were not listed on the budget presentation.

Mr. Markham said that he saw Liberty Day fireworks were listed for $2,400, and that he did not believe the number was accurate.

Ms. Sierer said that the firework cost was around $39,000.

Mr. Spadafino informed that fireworks were listed with contractual services and that the total cost was $39,000. He said that the firework portion was $22,000 and that he would verify that number.

Mr. Markham stated that he always appreciated the beautification program and that he personally participated in the program every year. He said he did not intend to raise the cost of what he paid yearly for the program but wanted to know if there was enough money to cover the project.

Mr. Spadafino expressed that the beautification projects costs were covered through the City's budget. He said that the program would continue to be covered if the department stayed at or below the current rate. He informed that the they increased the beautification costs by $50.00 per year.

Mr. Spadafino informed that sign replacement would be covered as a part of the beautification project. He said the number of signs that have been run over accidentally have been increasing.

Mr. Markham expressed that he was surprised with how little the department spent on materials and supplies for different events. He mentioned that Community day only cost around $1,700.

Ms. Sierer said that she did not have any further questions and opened the forum for public discussion.

Ms. Sierer thanked all departments for their budget presentations at the meeting. She stated that she wanted Council to consider a wage increase for management, whether it be the unions or the FOP, as they were the only group that did not have a wage increased listed in the budget. Ms. Sierer informed that staff should look at what opportunities there may be with justification outside of the hard work performed for increase in management salaries.

Ms. Sierer asked council to take into consideration that she did not feel comfortable giving everyone but management an increase. She encouraged increases for management to be considered, as other increases were readily approved by Council. Ms. Sierer said that not considering a raise for management seemed like a slap in the face for all their hard work.

Ms. Sierer mentioned that there certainly was a ceiling that was being hit with some management positions regarding the union contracts, and that it needed to be investigated. She reiterated the need to consider some type of increase for management employees and stated that it would be unwise on Council's part to not address the issue. Ms. Sierer informed that the next round of budget discussions should include increases for management. She asked the table if they had any objections.

Mr. Hamilton said that he did not have any objections. He stated that the way things have been presented in the past makes it difficult to determine increases since they are presented with a whole bunch of ranges of positions and are given a list of all the changes to approve. He informed that Council needed to figure out a different way to present the raises and positions instead of throwing all the information at them at once.

Ms. Sierer mentioned that approving salary increases, and ranges were a difficult task. She indicated that this is nothing against the union contracts or the FOP contracts but mentioned those raises were approved before the budget cycle started. Ms. Sierer expressed that management was left out in the cold to begin with because there were already anticipated increases set in stone with the FOP and union agreements. She reiterated that FOP and union raises were approved by Council and covered before the budget cycle even started, making increases for management behind from the get-go.

She reiterated that a conversation regarding management increases needed to take place and stated that as much information as possible should be provided to help Council understand the complexities of raises and merit increases.

Mr. Lawhorn informed that there was a presentation last year for a pretty comprehensive change to the whole management pay structure. He said that he remembered much of the presentation was well received, but there was a desire by some Council members to go back and refine the process. He asked if the management pay structure was still in the process of being refined or if the idea was shelved.

Mr. Coleman said that the large change that was pushed off was the potential change of moving people from hourly to salary, and that the intent was for the next City Manager was to address the change. He informed that he hoped the process of switching staff from hourly to salary would be started in the fall and reiterated that he wanted to save the task for the next City manager.

Mr. Morehead said that thought management had a plan with steps, benefits, and bonuses. He stated that it was different than the unions, but it was a complex system. Mr. Morehead said that without Council acting or doing anything significant, management gets raises. He informed that the raises were not enough, but there was still movement going on in the background.

Ms. Sierer stated that it needed to be addressed and presented to Council. Specifically, Ms. Sierer said that the whole topic of raises for staff should be presented to Council in its entirety. She acknowledged the complexity of the situation and admitted that it was not enough to tell management that they could not provide increases when they did not understand the system itself.

Mr. Morehead said he did a study where the management staff showed that the vast majority of management employees were at 92% of grade and that there were 3 people who were not. He informed that management employees were moved very quickly through grade.

Ms. Sierer informed that she wanted the information that showed the rate that management employees moved through grade.

Mr. Coleman stated that he would bring the information regarding movement in management grades back to Council.

Mr. Morehead said the movement through grade was public information.

Ms. Wallace agreed with Mr. Morehead's point that Council should understand all the increases that management staff has. She acknowledged that management has a different structure than the unions, and that if there was anything brought back to Council for an increase for management staff, she wanted it to be presented along with a deeper understanding of what other movements are already going to happen. Ms. Wallace said the information would be useful for newer Council members as well as the public to understand.

Ms. Sierer stated that the information regarding management increases would be useful to have for City Manager discussions going forward.

There was no public comment.

Ms. Sierer announced that the time was 10:15 p.m. and that the next item for discussion was 2B.

13. 2. <u>ITEMS NOT ON PUBLISHED AGENDA:</u>

A. Elected Officials who represent City of Newark residents or utility customers- none

14. 2-B <u>UNIVERSITY:</u> Caitlin Olsen

3:13:52

Ms. Olsen announced that the first football game on Thursday night, August 30th. She informed the game starts at 7:00 p.m. and that the parking lots would open at 3:00 p.m. Ms. Olsen advised that paratroopers would be standing on the field and that people should not be alarmed.

Ms. Olsen informed that Taste of Newark was scheduled for Sunday, September 30th from 12:00 p.m. to 3:00 p.m. on Old College Lawn. Approximately 15 restaurants, breweries, and vendors will be at the event. She asked everyone to remind attendees to bid on the silent auctions for the Newark Arts Alliance.

The Newark Futures Workshop was scheduled for September 25th from 6:00 p.m. to 8:00 p.m. at the Trabant University Center. Ms. Olsen said that the workshop will have presentations from Peter Krawchyk, UD's Vice President for Facilities, Real Estate, and Auxiliary Services and Mary Ellen Gray from Newark's Planning Department. Ms. Olsen informed that there would be small group discussions open to the public after the presentations. She stated that she believed Dr. Rich previously sent out an online registration link for the small group discussions, but she would send out the link again so that people could register and participate in conversations.

Ms. Sierer opened discussion to the table.

Mr. Markham informed that they had a workshop or presentation from the University regarding the University's economic contributions to the City and region. He asked for details regarding same.

Ms. Olsen expressed that she believed the presentation would deal mostly with subvention, but the University's economic impact to the City and region would be discussed.

Mr. Markham asked if it would be possible to receive a topic agenda for the University's presentation to provide a reference regarding topics that would be covered.

Ms. Sierer informed that she was working the University to get the presentation ahead of time so that it could be distributed to Council before the meeting within the 7-day policy. She stated that she had been working for about 12-months to attempt to get the University to the table and work as partners to make the information public.

Ms. Sierer said that the University told her they completed the project regarding their economic impact on the City and region and indicated that they want to share the information with the community. Additionally, the information will include a discussion regarding the University's value to Newark's community, which also includes the event. Ms. Sierer informed that Alan Brangman and Kim Reinagel-Nietubicz would give a presentation ahead of time for Council and the public. Ms. Sierer reiterated that public comment and discussion was welcome at the UD presentation.

Mr. Markham informed that he sat through several presentations with the University and that he was glad their direct impact to the City would be discussed. He stated that previous presentations had focused on the University's indirect benefits, specially the area around Newark. Mr. Markham reiterated that he was interested to hear how the University views their direct benefit to the City, specifically the government.

Ms. Sierer said she had attended meetings regarding planning the University workshop and that there is direct information on how it benefits the City and their impact through this event.

Mr. Markham expressed that he was looking forward to the workshop with the University.

Mr. Hamilton thanked Ms. Olsen for stopping by and participating at the Old Newark Civic Association meeting. He said he was appreciative of Ms. Olsen's follow-up regarding questions presented at the meeting. Mr. Olsen informed that he and the people in Old Newark appreciated this information and indicated that it strengthened relationships between the community and University.

Ms. Olsen stated that she was happy to help, and that she was willing to attend other meetings and groups if requested.

Ms. Sierer thanked Ms. Olsen for her presentation.

15. 2-C <u>CITY MANAGER:</u>
3:18:01

Mr. Coleman said updates to the City's general contract provisions were completed to address the application of lead paint to reflect the City's new ordinance. The contract provisions would apply to all City projects, even those that occur outside of City limits. Mr. Coleman informed that the provision would be incorporated into all contracts moving forward as of today.

He informed that City finalized additional revisions to their lead paint prohibition and would be having them, ideally first and second reading at the first and second meetings in September. Mr. Coleman

stated that moving weekend was this past weekend and Newark's code enforcement, public works and police departments worked throughout the weekend to help the City stay clean.

Code Enforcement had good success dealing with banners with 12 of 13 banners found and voluntarily removed by the occupants without Citation from the City. Mr. Coleman said that the City had to cite one and two of the thirteen were at bars but they all generally complied.

Several citations were given for trash and vehicles on grass over the weekend. Mr. Coleman stated that Ms. Gray informed that the Code Enforcement crew would be out throughout the whole week, just like the police at the beginning of the year trying to educate people on the City's rules and regulations.

Mr. Coleman informed that he was out of the office last week on vacation and thanked staff and Council for their efforts and participation at the Jerry Fickes trail dedication last Tuesday, August 21st. He stated that he heard the event was well attended despite the weather, and the sign was already installed at Rittenhouse Park. He encouraged everyone to visit the sign and enjoy the trail.

Mr. Coleman announced the closing of City Offices on Monday, September 3rd, in observance of the Labor Day Holiday. He informed that there would be a modified refuse collection schedule that week.

Ms. Sierer thanked Mr. Coleman and informed that she had some quick announcements to make before opening discussion to the table.

Ms. Sierer personally thanked the Finance Department for their excellent fiscal year 2017 Comprehensive Annual Financial Report. She stated that staff and Council should be proud of the report and stated that management should thank their staff members for their efforts regarding the compilation and production of same. Ms. Sierer stated that the financial report reflected the excellence in planning and budgeting that occurred 12-months prior to the presentation of the report. She reiterated the positive impact that planning had on the 2017 Comprehensive Annual Financial Report and thanked Finance for their diligence.

Ms. Sierer announced that Friday, September 7th, was the First Friday Ride with Bike Newark, and now departed at 6:00 p.m. She reiterated that 6:00 p.m. was a time change, and that the ride would leave from Newark Shopping Center and would end at Deer Park Tavern for food and conversation. She encouraged people to attend the rides if they have not had the chance and informed that they were fun.

As previously stated by Ms. Olsen, there was no fee to register for the Newark Futures Workshop, but attendees should register in advance to provide some idea of how many people were coming. She said that attendees could go to Eventbrite.com and put in Newark Futures Workshop and it will come up.

Ms. Olsen reiterated that there would be a University workshop in Council Chambers on September 26th.

Finally, Ms. Sierer announced that Newark Parks and Recreation Department and the UD Athletic Department were co-hosting a family movie night on Saturday, September 29th at 6:00 p.m. to 9:30 p.m. She informed that the event would take place at the UD athletic complex, and that it was new event and partnership with the Athletic Department at the University of Delaware. Ms. Sierer said the event would be similar to a drive-in movie, where a limited number of people could drive. Additionally, people could enjoy the movie on the lawn, and there would be popcorn available and the movie will be "Star Wars: The Last Jedi."

15. 2-D <u>COUNCIL MEMBERS:</u>
3:22:01

<u>Mr. Morehead:</u>

- Mr. Morehead announced on behalf of Mr. Clifton that the developer of College Square Shopping Center was having a meeting with the public in common to show the concept of the proposed development. The meeting would be open for public comment and opinion, and would take place on Tuesday, September 11th, at 6:30 p.m. at the Newark Shopping Center.
- He stated that the Parking Subcommittee of the Planning Commission spoke with Council a few weeks ago, and that one of the highlights of their proposal was that they get rid of the downtown parking requirements. He informed that he had a great deal of trouble with this and sat down with members of

the Planning Commission and came to understand that what they meant was to get rid of the residential requirements downtown but to keep the commercial ones in place. He stated that it made sense to him because the University has stated that they were willing to house students' cars. He informed that there is no reason for Newark to add that traffic downtown.

- Additionally, Mr. Morehead stated that there is reason for Newark to keep commercial requirements because we want customers to be able to park if they come in from out of town. He stated that Newark did not have a trolley system or something of that nature for customers, so it made sense to keep commercial spaces for that reason.
- Mr. Morehead informed that the developers at Dickinson were willing to address what potentially is a traffic concern created by all the extra cars by doing a similar thing and having fewer residential cars there. He informed that reducing residential car permits made a tremendous amount of sense and said that he was willing to talk with people who had concerns or questions to help them understand.

Ms. Wallace:

- Ms. Wallace said that she moved to the other side of her district and has had to call the City as civilian on occasion. She expressed that she received excellent service from Mr. Coleman and Mr. Del Grande's staff, and asked them to pass the information along. She stated that she had multiple bulk trash pickups and had to change the electric over to a new account, and the City staff were helpful and pleasant in their interactions.
- Ms. Wallace wanted to know if the City was going any extra enforcement for jay-walking with the return of students.
- Mr. Coleman said he was not aware of the City doing extra enforcement for jay-walking, but UDPD indicated they were doing extra enforcement.
- Ms. Wallace said that she was aware UDPD was doing extra enforcement for jay-walking, but she received some complaints from some constituents regarding the increase in jay-walking. She indicated that she knew there was increased enforcement at the beginning of each semester to try to train new students not to jay-walk. Ms. Wallace stated that the City may want to reconsider increasing jay-walking enforcement to educate students and increase safety.
- Ms. Sierer asked the Police Department to share their thoughts regarding jay-walking enforcement.
- Captain Van Campen stated that as previously mentioned by Ms. Wallace, the City had previously provided extra jay-walking enforcement with the return of UD students. He informed that NPD received finding through the Office of Highway Safety to help with the enforcement, and that an officer was on a directed patrol for jay-walking enforcement this very evening. Captain Van Campen stated that NPD typically takes an educational approach at the beginning of the semester where they give out brochures to promote safety. He informed that NPD would continue the educational approach to target jay-walking this year.
- Ms. Wallace asked Ms. Bensley if there needed to be a Newark Futures Posting. She stated that she would be attending the event, and that she was not sure how many Council members were attending. Additionally, Ms. Wallace wanted to know if there would be a quorum, and a required posting like last year.
- Ms. Bensley informed that the Newark Futures Meeting last year just posted a quorum notice. She expressed that it was not a formal agenda, and that there would be no minutes and there would be a posting.
- Ms. Wallace said that Council had not discussed what the next steps were or what the timeline was regarding the City Manager search. She expressed that rather than using public comment time to give individual feedback, a discussion that involved all of Council might be more beneficial and effective. She requested that the City Manager would be placed on a future agenda just to see where members of Council were regarding the previous manager search. Additionally, Ms. Wallace said discussion regarding the previous search, and items that needed to be changed for the future should be discussed.
- Additionally, Ms. Wallace expressed that the timing of the City Manager search should be discussed at the next Council meeting. She said that it was imperative for Council to decide what the next step for the process would be and requested that the discussion be placed on the next agenda.

Mr. Hamilton:

- Mr. Hamilton thanked the Police and the Parks and Recreation Department for the Party in the Park at Dickey Park on Friday, August 24th. He informed that he attended for the last hour and a half to hour and forty-five minutes, and the event was well attended. Mr. Hamilton expressed that he believed it was good for the community to come together. He reported that he saw lots of smiles and enjoyed watching some the neighbors work together. Additionally, there were many contributions from

volunteers. Mr. Hamilton thanked Acme for their donations of food and drinks and DSM Commercial for stepping up at the last minute with funding for the bouncy house.

- Mr. Hamilton stated that one of the residents on Madison Drive provided musical entertainment. He informed the resident out his speakers out at the park voluntarily and stated that actions from the community reflect well on the City as well as the Police Department. He reiterated his thanks to NPD and Parks and Recreation for putting on the event on Friday, August 24th.
- Mr. Hamilton thanked the NPD for their presentation at the most recent Old Newark Civic Association meeting. He thanked Code Enforcement for their presentation at a prior Old Newark Civic Association meeting, and thanked Ms. Olsen from UD and Mr. Clifton for their participation.
- Mr. Hamilton expressed questioned what they needed to do when there is a whole group of people moving into the City. He informed that he had many new residents moving into his area. Mr. Hamilton reiterated permanent residents have questions regarding the influx of residents. He informed college towns provide great benefits as well as challenges. Mr. Hamilton said that the more residents and students work together, the quality of life in the neighborhoods will improve for all.
- Mr. Hamilton encouraged everyone to continue to bring their neighborhoods together with neighborhood meetings. He stated that Blair Court had a nice gathering last Saturday for the children. He stated that there was food donated as well and he appreciated seeing smiling faces. Mr. Hamilton reiterated bringing people get together as neighbors only strengthens the City's communities.
- Mr. Hamilton thanked Code Enforcement for their efforts. He said he knew Code Enforcement went through some of the areas that have challenges and wanted to encourage them to continue to do so on a regular basis. Mr. Hamilton stated that neighborhoods sometimes start to fall apart when things are neglected. He expressed that he wanted to work with Mr. Coleman and management to try to figure out how the City could be more proactive in addressing neglected or challenged areas. Mr. Hamilton said there were some mattresses that were sitting out for three weeks. He stated that neglected items (such as mattresses etc.) does not reflect well on a neighborhood or the City of Newark. He said he encouraged people to call in but has heard them say that nothing happens when they report it. Mr. Hamilton said the City needed to work on responding to reports of neglected items more efficiently. He stated that if the community does not believe they are given enough attention, then they start to let their neighborhoods decline.
- Mr. Hamilton said the City as a whole has done some great work with community building and believed it needed to continue. He expressed that he encouraged meetings and community parties, as he believed they brought a positive spin to some neighborhoods that need help.

Mr. Lawhorn: none

Mr. Markham:

- Mr. Markham informed he received complaints regarding bicycling on the Main Street Sidewalk. He said he was not sure what could be done to discourage biking on the main sidewalk and encouraging them to use the roads.
- He stated that he walked the Jerry Fickes trail and was not sure what was part of this trail since he noticed it split into three different pieces. He informed that he wanted to see how the trail marking works.
- Mr. Markham stated that the recodification project has been going on for a while and that he knew it was supposed to occur every 10 years. He wanted said he was hoping the recodification would be complete before the next 10 years come around. Mr. Markham asked Ms. Bensley for an update as the status of the recodification at the next Council meeting. Additionally, he requested that a recodification schedule be re-established.
- Ms. Bensley informed that she would provide an update regarding recodification at the next Council Meeting.
- Mr. Markham echoed Mr. Hamilton's concerns regarding the bulk trash pickup. He stated that he personally had some challenges with bulk pickup, and the City Manager took care of it. He informed that there was a street that seemed to have ongoing issues with trash not disappearing and expressed his concern.
- Mr. Markham asked for an update regarding Cleveland Avenue. He stated that he knew the lights were not working up until last Thursday. Mr. Markham expressed that people would not have much faith in the new system for Cleveland Avenue if the lights continued to be out of service. He wanted to confirm that the system was connected and working.
- Mr. Coleman stated that new system was basically a loop of wire at the traffic signal that detects the presence of a vehicle at the intersection. He stated that the loops at the mid-block intersection and Papermill Road intersection were not functioning until last Thursday. He stated that this contributed to longer than usual backups, and traffic did not seem to flow as well as expected. DelDOT ended up bringing

in their specialized contractor and fixed all signals on Thursday night, and stated that all were operational. Accordingly, Mr. Coleman stated that there would have to be timing tweaks, but everything was currently working as it should.

- Mr. Markham asked if the Creekview Light was now connected to Cleveland Avenue traffic light.
- Mr. Coleman stated that the Creekview Light and Cleveland Avenue traffic light was currently functioning.
- Mr. Markham inquired if the repairs helped the Creekview Light and asked if it was now connected to the traffic light at Cleveland Avenue.
- Mr. Coleman stated that the Creekview Light and Cleveland Avenue lights were functioning correctly.
- Mr. Markham asked if the sidewalk for Alder Creek and crossing would be fixed.
- Mr. Coleman informed changes would be made to the on-road striping on Cleveland Avenue based on feedback since it has been in place. The original plan was for the lane guide to go in in the spring, but since Main Street was delayed, DelDOT was able to move that forward. Unfortunately, the lane guide got in front of the crosswalk installation. Mr. Coleman said that Newark would be working with Alder Creek and DelDOT to fine tune the exact location of the crosswalk to be installed in 2019.
- Mr. Markham asked if the western section would be repaved.
- Mr. Coleman informed that the western section would be repaved further down the road, and that it was pushed back further since the Main Street project was delayed. He stated that he was not sure how repaving the western section would fit into DelDOT's schedules but emphasized that it was further away. Additionally, he noted that the extra time would be beneficial to address the one resident with on-street handicap parking and work something out with them.
- Mr. Markham stated that no-one could use the areas since they were not striped off.
- Mr. Coleman confirmed that the un-striped areas could not be used and acknowledged the pros and cons of the situation.
- Mr. Markham asked if DelDOT would address the right turn and huge no-turn on red sign.
- Mr. Coleman informed that the City and DelDOT met onsite last week to discuss additional tweaks needed, including some of the on-street striping.
- Mr. Filasky mentioned that the signaling would be clarified, specifically the red ball signal and green arrow.
- Mr. Markham agreed that it needed to be clarified and stated that traffic needed to follow the green arrow when turning right.

16. 2-E. <u>PUBLIC COMMENT:</u> None.

17. 3. <u>APPROVAL OF CONSENT AGENDA</u>: 10:14pm

A. Approval of Council Minutes – August 13, 2018

B. Receipt of Alderman's Report- August 9, 2018

C. ***First Reading*- Bill 18-21-** An Ordinance Amending Chapter 32, Zoning, Code of the City of Newark, Delaware, By Allowing Sidewalk Cafes, Patios, Decks, Balconies and Parklets in the Downtown District – ***Second Reading- September 24, 2018***

3:39:07

Ms. Bensley read the consent agenda for the record.

MOTION BY MR. MARKHAM, SECONDED BY MS. WALLACE: TO APPROVE THE CONSENT AGENDA AS PRESENTED.

MOTION PASSED. VOTE: 6 to 0.

Aye – Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

18. 4. <u>ITEMS NOT FINISHED AT PREVIOUS MEETING:</u> None

19. 5. <u>APPOINTMENT TO BOARDS, COMMITTEES AND COMMISSIONS</u>: None

20. 6. <u>SPECIAL DEPARTMENTAL REPORTS:</u>

A. Approval of the FY2018 Edward Byrne Memorial Justice Assistance Grant (JAG) Application-NPD.

3:39:51

Captain Van Campen stated in late July of 2018, NPD was notified that they were eligible to receive $18,548.00 from the 2018 Edward Byrne Memorial Assistance Grant. He stated that the department intended to use the grant money as they had in the past to fund overtime patrols, specifically for bicycle patrols or saturation patrols. Captain Van Campen said the application for the grant was drafted and submitted by August 22nd as the deadline, and a copy of the application should have been forwarded to Council for their review. He informed that they would answer any questions that people might have based on the application.

Ms. Sierer thanked Captain Van Campen and asked the table if they had any questions regarding the application. There were no questions from the table.

There was no public comment.

MOTION BY MR. MARKHAM, SECONDED BY MR. LAWHORN: TO APPROVE THE APPLICATION FOR THE EDWARD BYRNE MEMORIAL ASSISTANCE GRANT FOR 2018 IN THE AMOUNT OF $18,548.00.

MOTION PASSED. VOTE: 6 to 0.

Aye – Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

21. 6-B. FY2018 BUDGET AMENDMENT FOR THE POLICE DEPARTMENT PURCHASE OF A NEW EVIDENCE REFRIGERATOR.

3:41:56

Mr. Del Grande stated that the Department of Police requested a new refrigerator to replace the one that they bought in 2002. He said the current refrigerator was old and needed to be replaced, and that he was asking for approval to appropriate $11,000 of excess real estate transfer tax revenue received in 2018 to buy a refrigerator in 2018.

Ms. Sierer opened the discussion to the table.

Mr. Morehead asked why the department was not utilizing the funds saved on item 7A (Police Vehicle Radios) for the purchase of the new refrigerator.

Mr. Del Grande said that the police vehicle radios were part of the CIP and the refrigerator was part of OpEx. He informed that ultimately the excess funding would end up in reserves.

Mr. Markham said that he though the warranty for the refrigerator should be included in the purchase price, otherwise the City would eventually need it.

Mr. Del Grande stated that the refrigerator would cost around $9,500 and they budgeted $11,000 to include an extended warrantee and shipping.

Mr. Markham expressed that the amendment was not clear if the warranty was added to the price as he thought the language stated they were reviewing the ability to add same.

Mr. Del Grande clarified that finance was still calculating the numbers and stated that if they happened to go over the $11,000 budgeted, then they would pull money from the existing police budget to cover the difference.

Ms. Wallace asked if the CIP money would go back to the general fund it was not utilized.

Mr. Del Grande confirmed that CIP money would go back to the general fund if it was not utilized.

There was no public comment.

MOTION BY MR. MARKHAM, SECONDED BY MR. MOREHEAD: MOTION TO AMEND THE GENERAL OPERATING BUDGET BY ADDING $11,000 TO THE POLICE DEPARTMENT BUDGET TO REPLACE A LAB REFRIGERATOR.

MOTION PASSED. VOTE: 6 to 0.

Aye – Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

22. 7. RECOMMENDATIONS ON CONTRACTS AND BIDS:

A. Recommendation to Waive the Bid Process in Accordance with the Code of the City of Newark for the Purchase of Motorola Vehicle Radios.

3:44:39

Captain Van Campen said the State of Delaware Division of Communications announced last year the upgrade of the statewide MHz radio system. The radio upgrade would replace key structures that are nearly 20 years old. As part of the upgrade, all in car 800 radios must be replaced by 2024 and funded by each individual agency. To help facilitate the process, the State of Delaware signed a contract with Motorola Solutions, and Motorola is offering rebates for radios through 2021, decreasing $200.00 yearly. The 2018 rebate is currently $900.00 per unit, and to maximize the rebate incentive in cost-saving efforts, the police department's fleet needs 27 replacements.

The total replacement cost, including the rebate, materials, and labor is $95,391.87, and the NPD department is seeking to use Delmarva Communications as they have an extensive experience in installation supporting emergency services, service vehicles, retrofits, radio communications, and support. Captain Van Campen informed that Delmarva Communications have successfully performed this type of work for the City and is approved vendor by the NPD, due to their consistency and the historical cost-saving. Most recently, Delmarva was selected to support CIP projectI18-06, the retrofit of the Newark police department's vehicles as presented to the Council in May of 2018. Delmarva is also a State of Delaware contractor for emergency vehicle contracts and all radios will be priced according to the State of Delaware Motorola contracting pricing.

Captain Van Campen requested that the council waive the fee of processing according to the code of the City of Newark for the purchase and installation of 27 Motorola radios from Delmarva in the amount of $95,391.87 and stated that it was listed as a CIP for 2018 from the Newark Police Department.

There were no further comments from Council.

There was no public comment.

MOTION BY MR. MARKHAM, SECONDED BY MR. MOREHEAD: MOTION THAT COUNCIL WAIVE THE BID PROCESS IN ACCORDANCE WITH THE CODE OF THE CITY OF NEWARK FOR THE PURCHASE AND INSTALLATION OF 27 MOTOROLA VEHICLE RADIOS IN THE AMOUNT OF $95,391.87.

MOTION PASSED. VOTE: 6 to 0.

Aye – Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

23. 7-B. RECOMMENDATION TO AWARD CONTRACT NO. 18-05- 2018 STREET IMPROVEMENT PROGRAM:

3:47:28

Mr. Filasky stated that the beauty of the annual street contract is that it comes back every year, making it a familiar topic. He expressed that the only items that change are the amount and sometimes the contractor. Mr. Filasky said they were confident with Grassbusters as their contractor, since they have performed admirably for several projects for the City.

He noted that Grassbusters recently purchased their own milling machines, so they had a more control over the schedule and can accommodate changes the City might need. Mr. Filasky expressed that there was some confusion that was brought to his attention regarding $1.75 million figure regarding road repair. He stated that the road repair work plan was based on the $1.75 million funding level which was supported in the 2017 budget process which took place in 2016. He stated that actual the funding utilized was essentially free money this year from MSA and CTF. MSA and CTF, the municipal streeting and the community transportation funds, came from legislators. He informed that this funding was utilized

primarily since, budget-wise, the City was short in the general fund for the tree program. Additionally, they were waiting for the referendum results to look to 2019 to get back to the higher funding levels.

Mr. Filasky said it was important to note that they are going to perform the analysis again that will give us all the data on where to go next. He anticipated he would have this information probably toward the end of 2018. In looking at the 2019 budget process, he stated there was a list of streets where he felt the funding would go. Mr. Filasky said he would take questions at this time.

Ms. Sierer said the condition of Center Street was very poor in her opinion. She stated that she would like Council and staff to consider repairing that street now, or as soon as possible, due in part to the fact the Main Street project begins in the Spring and it would not be a goof idea to carry out another project in that timeframe. She stated that the Center Street should be taken care of before the spring and did not believe it was wise to be carrying out the Center Street repairs with two parking lot entrances there. She informed that these repairs should be done regardless of the students being back, even though paving typically was not carried out during this time. Ms. Sierer reiterated that enter Street be repaired sooner, rather than later and before the Main Street Project. She said that Center Street was in poor condition where there was a major parking lot. Ms. Sierer expressed that there was a developer assisting in part with funding and the repairs needed made.

Mr. Filasky said the City has discussed Center Street repairs numerous times with staff and potential bidders. He stated that it was their intention to get the contract out earlier and have it done before the students came back. He expressed that they were in a situation where the City needed to discuss with the contractor once the contract is awarded. Mr. Filasky informed that if they could work around the contract, they could start work Center Street.

Mr. Filasky said there was more work than just repavement being done on Center Street. He informed that there was a lot of concrete work and sidewalk work, specifically because they know that it is downtown and there is a lot of foot traffic. Mr. Filasky stated that they wanted to make sure all handicap ramps and sidewalks are co-compliant. He reiterated that a discussion was needed with the contractor, and that it was the intention to repair Center Street before Main Street reconstruction begins.

Mr. Markham asked if work on Center Street could be completed over the Thanksgiving period.

Mr. Filasky said that typically concrete is repaired first, specifically the curb and sidewalk. After the cub and sidewalk are completed, the paving is replaced. Mr. Filasky said that some portions of Center Street could be repaired over the Thanksgiving period. He informed that usually paving and concrete are not done at the same time, and that pacing typically takes a much shorter time than concrete.

Mr. Filasky expressed that the pavers typically come back at a later date after the concrete. He stated that they can work around various schedules during the Thanksgiving holiday to see how much work could be accomplished. He acknowledged that scheduling and weather provided challenges.

Mr. Markham told Mr. Filasky that he left off the Hartford Place on the memo. He stated that Hartford Place was listed on the map. Mr. Markham asked if the memo or the map was correct.

Mr. Filasky stated that the memo was correct, and that Hartford place was left out because they wanted to finish the Cul-De-Sac streets in Country Hills so that the next step in Country Hills would be to work down the main drag on the way out of the neighborhood. Mr. Filasky informed that all the Cul De Sacs were complete, but the main drag was not.

Mr. Markham said he heard some implication of knowing what roads are going to be coming next and expressed that both he and his residents would like to know where their neighborhoods stood regarding the replacement.

Mr. Filasky said the 2016 analysis would provide a pretty good idea but stated at that point the City still received funding from legislators. He expressed that if legislators were willing to provide funding, they often tell the City which streets they want the finding to be applied to. Mr. Filasky reiterated that 2016 provided a good example and mentioned that the roads are in no better condition now than they were in 2016. He stated that the 2016 analysis would be provided before the completion of the 2019 budget.

Mr. Filasky stated that he started to see entire neighborhoods that were hitting a 20-25-year mark since their last repair.

Ms. Wallace asked if legislators received an increase in funds this year.

Mr. Filasky stated that he did not think the legislators themselves received the increase, but MSA increased.

Mr. Coleman informed that the Senate and legislators received an increase, and that the increase would be seen next year.

Mr. Filasky told Ms. Wallace that he had already been contacted to repair a street next year for a street that he believed was in her district.

Ms. Wallace asked if Senator Hanson contacted Mr. Filasky.

Mr. Filasky stated that he was contacted my Representative Kowalko to repair a street in Ms. Wallace's district next year.

Ms. Wallace asked if notifications regarding road work etc. could be improved and recommended that Council work with the Communications department to do so. She mentioned that Apple road was an issue, and that many of her residents were concerned.

Mr. Filasky informed that Apple Road was pushed. He stated that he was aware of the issues regarding communication and said that they tried to put something on each resident's door. He expressed that the Communications Department was more proficient at disbursing information than he was, but that there still a time and place for handing people information still had value. Mr. Filasky said he understood the concern regarding communication, specifically when it deals with someone's ability to access their parking lot or their own driveway.

Ms. Wallace said that she believed more could be done to communicate upfront, such as advertising in the newspaper, newsletter, or in the inserts that accompany electric bills. She stated that advanced communication was important, so people repairs was coming down the line. Ms. Wallace stated that communication might help alleviate exacerbated residents regarding the Center Street repairs.

Mr. Lawhorn stated that he has constantly heard feedback regarding the completion of the Pomeroy Trail Connector. He wanted to know what the status was regarding the repair.

Mr. Filasky said the Pomeroy Trail Connector was a much bigger paving job than some of the other projects, and that there was some earth work and other projects that needed to be done. He reiterated that once the contractor was onboard, they would figure out a schedule. Mr. Filasky said that they wanted to do Center Street and that he knew they needed to take care of it as well.

As previously stated by Ms. Wallace, Mr. Markham agreed that the Communication Department should be more involved with planning and repairs to provide advanced notification to residents. Mr. Lawhorn said that Council had an advantage of knowing what repairs would occur from internal communication. He expressed that it would be useful to find a way to incorporate the groups together so that that information comes out kind of organically instead of it being a forced. He stated that it would be useful to for groups to work together in the idea of open government and information sharing. Additionally, he stated that it would be a good way to get residents involved.

Mr. Filasky informed that they had started to send out information to all districts as opposed to only the affected ones. He said that Council information was sent to all Council by email, with the choice to send the notification out to the public.

Mr. Markham agreed that email was a good way for Council to get information out to their residents. He stated that Council had the expertise and knowledge to send notifications, but mentioned communication was an area that provided an opportunity for improvement.

Ms. Sierer opened the floor to public comment.

Lena Thayer stated that she had an idea during the discussion of communication of traffic issues. She wanted to know if information could be reported to the Waze app or Google Maps for people who are technically savvy. She mentioned that the apps would provide a clear view to the slowdown or traffic patterns and would show a disabled vehicle.

Mr. Lawhorn said he assumed that could happen but asked if using Waze or Google would be Crowdsourcing.

Mr. Coleman stated that he thought a lot of the Waze information was crowdsourced.

Ms. Sierer brought the discussion to the table.

MOTION BY MR. MARKHAM, SECONDED BY MS. WALLACE: MOTION TO AWARD CONTRACT 18-05 TO GRASSBUSTERS LANDSCAPING INCORPORTATED FOR THE BASE BID ALONG WITH OPTIONS ONE AND THREE AS THE LOWEST RESPONSIBLE BIDDER, IN THE AMOUNT OF $705.970.00.

MOTION PASSED. VOTE: 6 to 0.

Aye – Hamilton, Lawhorn, Markham, Morehead, Sierer, Wallace.
Nay – 0.
Absent – Clifton

Ms. Wallace asked if there needed to be a vote if it was after 11:00 p.m.

Ms. Bensley informed that it was 11:01 p.m. and that a vote was not needed unless they wanted to continue the meeting.

24. 11-A. <u>COUNCIL MEMBERS:</u>

1. Council Discussion and Potential Direction to Staff Regarding Charter Changes- Councilwoman Wallace- *This topic will be discussed at a future meeting as mentioned earlier during the meeting.*

25. 11-B. Others: None

26. Meeting adjourned at 11:02 p.m.

Renee K. Bensley, CMC
Director of Legislative Services
City Secretary

/wcp