

**CITY OF NEWARK
DELAWARE**

COUNCIL MEETING MINUTES

September 16, 2019

Those present at 7:00 p.m.:

Presiding: Mayor Jerry Clifton
Deputy Mayor Stu Markham
District 1, James Horning
District 2, Sharon Hughes
District 4, Chris Hamilton
District 5, Jason Lawhorn

Absent: District 3, Jen Wallace

Staff Members: City Manager Tom Coleman
City Secretary Renee Bensley
City Solicitor Paul Bilodeau
Acting HR and Labor Relations Manager Mark Farrall
Assistant to the City Manager Jeff Martindale
Finance Director David Del Grande
Public Works and Water Resources Director Tim Filasky
Public Works and Water Resources Deputy Director Ethan Robinson
Field Operations Superintendent Jason Winterling
Water Operations Superintendent Mark Neimeister

1. Mr. Clifton called the meeting to order at 7:00 p.m. He asked for a moment of silence and then Pledge of Allegiance.

2. 1. **FINANCIAL STATEMENT:** *(Ending July 31, 2019) (5 minutes)*

01:10

Mr. Del Grande started with the expenditures from the month of July which reflected a positive variance of \$1.7 million. This was an improvement of \$400,000 over June. \$1 million came from City's Operations and \$700,000 was a result of the City's utility purchases. Even though the utility purchases fell short of the budget expectations, this was still a positive outcome on the expenditures side. The positive variance also included a \$400,000 savings in personnel expenses. These variances will decline slightly through the remainder of the fiscal year.

Total revenue of \$53.7 million was recognized through July. This was \$174,000 short of the estimate when annualized. It is \$474,000 less than what was collected the same time last year. This figure included a \$400,000 grant from the State which was in lieu of the Newark's inclusion in the FY2020 PILOT Program. Permit activity generated the most revenue. July activity included \$162,000 from the University for Worrlow Hall for interior renovations; \$48,000 for interior renovations at the old Studio Green Apartments; and \$31,000 for the project at 211 Haines Street. This brought the revenue estimates for Permits back to \$2.2 million for the year.

The July electric sales exceeded the budget by 3.4% but were still under for the year. This was attributed to record temperatures in the month of July. Recent activity at the Chemours Building on STAR Campus has provided some optimism for the utilities as the months progress. Water and sewer sales are tracking to be 3% under the sales expectations. Revenue reductions are evident as a result of declines in sales volume. Part of the variances in water and sewer revenue were due to the proposed increases that were not approved for the 2019 budget.

For July, expense revenue netted to a positive \$1.5 million variance. The decline in utilities is being aided by real estate activity as well as the expenditures savings to mitigate the underperformance.

The Cash Balance at the end of July was \$37.9 million. This included \$23 million in the City's long-term cash account and \$14.9 million in Operating Cash. Moving into the month of October, those numbers were expected to increase due to the collection of property taxes which were due in about two weeks.

The Electric Regulatory Liability continued to carry a credit balance. It is a liability for the City and good for the rate payers. It was a \$300,000 increase from June, or \$1.8 million.

Mr. Clifton opened the discussion to the table.

Mr. Markham questioned the Sewer Utility being behind. As he understood it, the County increase was put into the previous budget. Mr. Del Grande explained that he, Mr. Coleman and Mr. Filasky recently spoke about this topic. They discussed the County sewer bill that comes into the City is based on flow and the strength in the flow described as BOD (Biological Oxygenated Demand) and SS (Suspended Solids) meaning the "the stuff in the water". Every sewer customer in the City has a rating in a specific classification based on the type of business or if it is residential. For each classification there are different loadings and strength that go into the rate calculation. Mr. Del Grande believed there to be a couple of accounts classified incorrectly and those accounts were being researched. Mr. Coleman if the City passes along their increase directly to the customer, as it has been done, the City is guaranteed to recover the cost of the flow portion only. The BOD and the SS are independent of flow rate. In this case, it is believed that the strength has increased which is not being reflected in the rates currently.

Mr. Markham did not recall there every being a time where sewer was at a point to require funds from reserves. He understood that it has been low in its percentage as to be transferred to the General Fund. Mr. Coleman responded that it is still transferring.

Mr. Markham did not think the phrase "I told you so" should be placed in the financial statements when referring to a previous year's budget. The use was discouraged because during budget time, there are many conversations and many decisions. Time would be needed to review the minutes from those meeting to see why certain decisions were made. Mr. Del Grande stated that staff uses the approved revenue for comparison. He explained that part of the reason why the revenue was not coming in as expected, is because staff did not get the higher rates they requested.

Mr. Hamilton wanted to know specifically what the higher rates were requested for. Mr. Del Grande stated the rising cost of operations for the sewer and water funds. Mr. Coleman stated that it was included because the approved budget included it as assumed revenue. However, the ordinances were not passed. Mr. Coleman said that it could have been handled in two ways. Mr. Hamilton asked if Council was told that the solids would be different. Mr. Coleman stated they were discussing two different issues. Mr. Hamilton wanted to focus on the solids issue because it has been reported as an impact on revenue. Mr. Hamilton asked if that was anticipated or if there was anything that can be done to tell customers not to put solids down drains.

Mr. Coleman provided a few different options for several different issues. One issue could be commercial food establishments not adequately maintaining their grease traps or flushing grease. The second could be businesses with the wrong classification. The third could be homeowners flushing things that should not be flushed. Mr. Coleman believed it to be the first or the second.

Mr. Hamilton wanted to bring the conversation back to how that would affect the budget. If it was such a large portion of how far off the numbers are, it should be broken down in the current year's budget to explain why the numbers are off. Mr. Hamilton asked if it was anticipated to have customers classified incorrectly or customers flushing fats. Mr. Coleman reiterated that it was two separate issues. He thought that if the increase strength did not happen, then it would be closer to even. Mr. Del Grande stated it was hard number to estimate how many pounds of solids go through the system every year, especially when monitoring mainly flow which is what most of the sewer bill is based on. Mr. Hamilton asked if there was a way for staff to research the classifications now in preparation for next year's budget. Mr. Del Grande answered yes.

Mr. Filasky added that since the BOD and the SS were the two components beside the flow, it is not accurately measured coming out of each classification. Only those customers classified under the "industrial classification" are measured and samples are taken. There were an estimated six customers under this classification. The other 8,000 to 10,000 accounts were estimated. A customer could change their process, the City could be unaware of the process change and that change could affect the City's BOD and SS readings.

Ms. Hughes commented that she was still new to the process and is learning from everyone's questions and did not have any at this time. Mr. Clifton added that he as well is still learning and that it would be an ongoing process.

Mr. Horning asked if there were any changes at the County level regarding the sewer calculations. Mr. Coleman stated that there were no changes at the County level. Mr. Coleman said that the way the City measures the strength is through samples and the samples are inherently just a sample. From time to time there could be spikes. Staff was not sure if this would be a sustained issue or if it is a one or two off that just happen to occur in the same year. Mr. Coleman believed that the strength was higher than they have been traditionally.

Mr. Clifton stated that he had the same concerns as the other Council members. He said to Mr. Filasky's point, Mr. Clifton remember that there was a question about a residential property being used for commercial cooking. Samples were taken from a main conversion point outside of the neighborhood and it was worked backwards to find the residence. Mr. Clifton asked if as a Council they needed to think about, doing random samplings in neighborhoods or would it even be possible to accurately obtain a benchmark. Mr. Filasky believed staff's efforts would be better spent on the larger customers. Because this is a new issue, staff has not formulated a full plan, but they are working on data analysis on all the sewer accounts. Mr. Clifton asked if the larger commercial users no matter what their numbers would add up. Mr. Filasky responded correct.

Mr. Markham asked when the work performed on the McKees Solar Park would show up in the Financials. Mr. Coleman believed it would show in the August or September Financials. Mr. Markham explained that he had spoken briefly with Mr. Coleman as to why was it so difficult to find a malfunction. Mr. Markham explained that every solar panel has its own inverter which should make it easy to figure out what is not working. Mr. Del Grande stated there are reports to show the location of a malfunction. Mr. Markham expressed confusion as why then it took so long for the Electric Department to identify the issue. Mr. Coleman stated that he has not investigated the issue of why it took so long to identify the issue at the McKees Park outside of the statement made in the Administrative Report. Mr. Del Grande stated that once the cost of repair has been determined an invoice will be generated. The invoice will then be sent to DEMEC requesting reimbursement. Mr. Markham stated that he is going have questions if a lot of time was spent trying to identify the problem.

There was no public comment.

3. 2. SPECIAL DEPARTMENTAL REPORTS

- A.** Discussion and Direction to Staff Regarding a Potential Moratorium on Applications for the Green Energy Fund Reimbursement Program for Private Projects – Finance Director (5 minutes)

20:06

Mr. Markham did not have any problems discussing the CAC's recommendation but felt that it should have had more notice than being added to the agenda at such a short notice.

Mr. Hamilton as he understood it, the City's grants were \$5,000 with a potential of suspension. However, he read that four more grants were approved which reduced the account by \$26,000 and the math did not calculate correctly. Mr. Del Grande stated that the City's grants cap at \$7,500 and some at a range from \$5,250 to \$5,500. It is based on the size of the structure.

Mr. Del Grande agreed that it was short notice to discuss this issue, but staff felt that it was an important and critical issue for Council's attention. Back in 2017 CAC brought to Council a report requesting or considering making amendments to the grant program for the renewables coming from the Green Energy Fund. During 2017 there was little activity and two in 2018 for a total of \$11,600. For 2019 there are nine either paid or in queue totaling roughly \$60,000 through August 31st. This brings the grant account balance down to \$38,000. Staff felt it a good opportunity to bring this to Council for suggestions or recommendations or willingness to make some adjustments to go back to the CAC for consideration on their thoughts. Ultimately if there were any more grant requests received at this time there would be a backlog. \$3,000 to \$4,000 a month is added to the grant fund from the Green Energy Funds that come into the City. The grants on hold are between \$5,500 and \$7,500. To do one a month the City would lose \$2,000 a month. Compared to other grant programs such as the Delaware Co-Op's, the City's is very attractive to many people. It could be over subsidizing to a point.

Mr. Lawhorn felt this program was great to encourage people to utilize solar power. However, appears to take money from all residents is funneled into a handful of residents who can afford to pay the balance of the project even after receiving State and City grants. He would rather see the be money used to benefit all residents. There have been some discussions of how it could be done, and he would like to continue those conversations. He supported the idea to place a hold on the program until a decision was made on how to spend the money. Mr. Lawhorn was ok with starting the hold November 1st.

Mr. Horning agreed with Mr. Lawhorn. If Council were to put a pause on the funds, Mr. Horning would like to see what CAC may recommend. He also was unsure about the date and looked to staff for guidance if that is the direction Council wanted to take.

Mr. Markham provided some history pertaining to the fund by stating that in the past, the fund has run out of money. In those instances, residents are placed in a queue and wait for the funds to replenish. He was less concerned about the fund going to \$0 because that is how the fund works. He personally had to wait for his geothermal and his solar. He does not believe that he would do an immediate hold. Mr. Markham was also aware of a resident who has an installation planned. He thought November 1st would be an idea. Mr. Markham stated that they already have a recommendation from the CAC. Asking for them to review it again may take some time as they are very thorough. What the CAC has for Photovoltaic is very much in line with the Delaware Co-Op. He would suggest putting the CAC's recommendation on an agenda and get it done that way. Mr. Markham has had a several conversations with the Mr. Coleman about renewable energy and thought December 2nd was the date for Council to discuss the item with the CAC. Mr. Coleman confirmed the date for the renewable discussion, and he believed that it was also the date for the full discussion on the CAC's recommendation as long as Council does not send it back to the CAC to re-review.

Mr. Hamilton thought that in 2015 and 2016, there were a few. As he remembered when the CAC recommended to reduce the numbers Council had questioned why since residents were not taking advantage of the funds. The thought was that if the numbers were reduced then there would be less incentive for residents to try. The cost of installation has decreased greatly now this could be the reason for the increased requests. There are nine for 2019. Mr. Hamilton's concern regarding holding off on the delay until November 1st would be that it could create a rush of requests. He felt that if the prices continued to decrease to make it attractive to offer \$7,500, he would be willing to revisit the CAC's \$3,500 and suspend it now.

Ms. Hughes asked if the program was a success. Mr. Del Grande stated that it would depend on what would be considered a success. In his opinion, he would like to have the Green Energy Funds on projects that benefit the City and not necessarily giving out large grants to individual electric customers or do things to provide efficiency to customers while continuing to provide electric sources to customers. He provided the example of incentives for people to convert from oil heat to heat pumps or use the Efficiency Smart program to help give additional bonuses to the customers who utilize those programs.

Mr. Del Grande felt that the City would holistically with a lot of customers get to the same goal eventually regarding solar because they are picking it as a choice. Also, since this involves SRECs (Solar Renewable Energy Certificates) then the City should own the SRECs if the City is providing the grants for the projects, which could change the way the program works.

Ms. Hughes stated she has had previous funding experience in the mortgage industry. There the funding came from the State and through the County. She agreed with Mr. Markham that it would be fine for people to be in a queue and wait for the funds. Ms. Hughes would like to have it considered to have less of a payout. She believed there should still be an incentive for savings but not pay out as much. Mr. Del Grande agreed on providing some level of support.

Mr. Clifton stated that he had a conversation with Ms. Wallace regarding Arbour Park and the beautiful trees at that location. Unfortunately, because of the large trees most residents cannot have the benefit of solar. Mr. Clifton felt that this was the point to think more holistically, to fund larger projects and benefit the City was a whole. He recalled that DEMEC paralleled the State on the 25% Renewable by 2025. Mr. Clifton thought that with the rate of travel today with solar and other types of renewable energies in his opinion it was a weak benchmark. He would almost rather see the money go back into renewable projects and something that every resident could receive a benefit from, either by reduced cost or reducing the use of fossil fuels. He re-read the Green Energy Fund program and even though he loves DEMEC he thought the 25% goal was low. He felt that going forward the approach should be a holistic approach rather than singling out the few. If that means doing a moratorium or sending it back to the CAC for a broader discussion, then he agrees with that too.

Mr. Coleman stated that there was a lengthy discussion at the last board meeting regarding DEMEC's 25% by 2025 standard and whether or not 25% by 2025 should be DEMEC's goal. The general take away from the meeting was to think about the mission of DEMEC which is to provide the lowest cost of power to the municipalities and that each municipality has the option to voluntarily go above the 25% by 2025. Since that option was available DEMEC should stay on goal and make it as easy as possible for the number of communities to independently choose where they want to go. He added that this may be part of the conversation on December 2nd when discussing larger projects. There has been an expressed

desire by the community to go above the 25%. Mr. Clifton remembered having conversations back in the late 90's regarding this topic. At that time the City received 1% to 1.5% from Green Mountain Energy located in Vermont.

Mr. Clifton opened the discussion to the floor.

Sheila Smith, Conservation Advisory Commission member, stated this topic has been placed on the next CAC's agenda to discuss. She will take Council's points to the Commission and will review this meeting's minutes as well.

Ms. Berger, District 2, asked if the University of Delaware must be 25% by 2025 and if so, would the Council place pressure on the University. Mr. Coleman stated that the University is not included in the 25% by 2025 but they are actively talking with DEMEC to move to 100% renewable energy.

Mr. Hamilton understood giving out individual incentives and felt that solar panels should be placed on top of every rooftop, especially the City buildings. He asked if \$5,000 is being put into the fund, could the City use the \$60,000 a year to purchase electric cars. Mr. Coleman recalled that they could use the funds for the difference in cost between the base model and the in all electric. On the topic of rooftops, it will be an item discussed at the December 2nd meeting. Mr. Hamilton felt that if these programs are done on a Citywide basis it would benefit everyone because it would reduce the City's cost. Mr. Coleman added that he was the staff liaison to the CAC and at the time, the Public Works Department was doing a lot of efficiency projects to replace pumps and save electricity. Those funds are allocated into thirds. One third is assigned to residential, one for municipal efficiency and one for municipal generations. Yearly, it is \$120,000 which is intended for generation projects.

Mr. Markham stated that there are already three different accounts set up for the Green Energy Fund. He asked what else has been paid for out of the accounts besides the LED street lights. Mr. Del Grande said there were repairs at McKees a year ago. Mr. Markham stated the funds for the repairs for McKees should have come out of its own funding. Mr. Coleman added that the George Wilson HVAC was roughly \$100,000 and had the pledge from the CAC for the use of those funds. However, staff may now go by way of a performance contracting route which may not require funding.

Mr. Markham stated that his point was that the City has not done anything with the funds. If cutting from one set of grants to increase another, there should be plans to use those grants. Mr. Markham believed that on December 2nd they were going to discuss some of the possibilities in terms of where to put solar for the City in terms of buildings and other locations. He apologized to Council as this was something, he has had conversations with the City Manager on how to present the idea. He believed that with funds in two other accounts, they should have plans to be used before restricting the funds to residents. Mr. Markham could agree to a date to stop after a conversation with the CAC but until the City has thoughts and plans, the funds should not be cut off.

Mr. Del Grande stated that Council had the ultimate decision. He suggested the split could be done as an 80-10-10. Mr. Del Grande stated that there are plans for the funds, but it was hard to move a project without dedicated funding. Mr. Coleman added that the largest project was the HVAC Improvement Project which will use all of the third that is allocated to efficiency projects and probably \$500,000 above that at the least. Mr. Markham said that he was interested in the community solar and highly supports that. He would phase down the residential rather than eliminating it completely.

Mr. Horning asked staff that if there was going to be a phase out date of November 1st for a pause, what would be the chances that there would be a rush on applications to come in and a depletion of the fund. Mr. Coleman explained that the applications are to be submitted before the project is finished. He suggested could use the date of November 1st or three applications whichever comes first as from discussions two residents may be in the process currently. Mr. Markham suggested November 1st or the depletion of funds to freeze the account.

Mr. Markham offered two pieces to the motion. First change the Green Energy Incentive structure to freeze payments as of November 1st or at the depletion of promised funds or total amount in grant applications. He explained that if someone were to make an application of \$7,500 then there would be that much less in the account and once those applications reach \$0. Ms. Bensley wanted clarification on if this motion was to be a permanent change in the program or until the CAC can review the program again. Mr. Markham stated it would be addressed in the second part of his motion. Mr. Del Grande verified that once the application has been received by the City the funds are guaranteed for that project and then the applicant is placed into the queue in order.

Mr. Markham said the second half would be to make a request of the CAC to return with their recommendations for the photovoltaic reimbursements for residential projects for Council to consider at the December 2nd Council meeting.

Mr. Hamilton asked if for the first motion was it which ever happens first, Mr. Markham responded yes. Either the funds go to zero due to commitments for the applications or November 1st. Mr. Bilodeau asked if whichever of the two events occurred first, Mr. Markham said yes but the rules would change if the funds are changed at the December 2nd meeting.

Ms. Bensley asked that with the number of applications as of this date, if all approved, what funds would be left. Mr. Del Grande stated currently there was \$38,000 left with everything approved and nothing in the queue as of this date.

Mr. Del Grande asked where to place the generated revenue for the Green Energy Fund for the next two months. Mr. Clifton advised to continue with the regular process.

Mr. Hamilton asked for the division of the funds again. Mr. Coleman said the fund is divided into the following three categories: residential, non-residential and non-profit.

Mr. Coleman addressed an earlier question to say that Council did adopt all the other recommendations given by the CAC. When it came back in September the CAC raised the residential portion back up to \$7,500 when it was converted to size of system because applications were not being submitted in response to Council's earlier feedback.

Mr. Horning asked if staff had any reservations towards the November 1st date. Mr. Del Grande's only concern was the unknown. There were four applications submitted in July and none in another year.

MOTION BY MR. MARKHAM, SECONDED BY MR. HORNING: CHANGE THE GREEN ENERGY INCENTIVE STRUCTURE TO FREEZE PAYMENTS AS OF NOVEMBER 1ST OR WHEN THE TOTAL AMOUNT IN GRANT MONIES ARE DEPLETED BY THE COMMITMENTS TO APPLICATIONS.

MOTION PASSED. VOTE: 5 to 1.

Aye – Clifton, Lawhorn, Horning, Hughes, Markham
Nay – Hamilton.
Absent – Wallace.

MOTION BY MR. MARKHAM, SECONDED MR. HORNING BY: REQUEST THE CAC TO RETURN WITH THEIR RECOMMENDATIONS FOR PHOTOVOLTIC REIMBURSEMENTS FOR RESIDENTIAL PROJECTS FOR COUNCIL TO CONSIDER AT THE DECEMBER 2ND COUNCIL MEETING.

MOTION PASSED. VOTE: 5 to 1.

Aye – Clifton, Lawhorn, Horning, Hughes, Markham
Nay – Hamilton.
Absent – Wallace.

4. 2-B. FY2020 ADMINISTRATIVE BUDGET PRESENTATION – CITY MANAGER (30 MINUTES)
58:35

Mr. Coleman stated that the Administrative Department has had a number of changes this year related to personnel that were reflected in the budget. Overall there was a slight increase 2.47% in full-time wages. He explained that it was a complicated calculation because the number addresses the elimination of one full-time position which was the Communication Affairs Officer. The Communication Manager and Community Affairs Officer positions were combined. Also, staff has counted 100% wages for the City Manager and Deputy City Manager that were both in the 2019 budget prorated based on expectations at the time the budget was approved. This number also includes general step increases.

Part-time wages increased due to a proposal to eliminate a grant writer consultant and reallocate the funding to hire a graduate fellow through the IPA program at the University of Delaware. They have access to extensive grant databases. It is believed that they can do everything the grant writer was doing for the City and staff would have them for the entire year to assist with other initiatives.

Other wages decreased due to the removal of transitional wages or “out-of-grade” pay for the vacancies the City had. Personnel Services increased \$168,015. Of that, \$190,000 is for the transition of partial year to full year wages for the two positions, pension increases and health care increases.

In reviewing the Facilities summary, there is one full time position. In the full-time wages lines has the calculation of step and COLA (Cost of Living Adjustment) assumptions for 2020. Part time wages, there was an error on the sheet, \$215,836 should be \$200,144. That is a 4% increase year over year not 12.15%. The rest of the increases were in line with COLA or contractual increases. The only item to stand out under Contractual Services was an increase of \$11,699. Of that \$11,900 was for workman’s compensation premiums to DFIT (DeLea Founders Insurance Trust) associated with the transition to the DFIT program.

Mr. Hamilton recalled the decision to hire a grant writer in its first year but has seemed to trail off. Mr. Coleman explained that they were very helpful with the grants but after a review, the City was receiving the same grants it has always received. Staff felt that with graduate fellow from the University of Delaware, they can provide the service as well as having access to the grant database. Mr. Hamilton wanted to be sure that this was a partnership, something to be acknowledge that the City is helping a University graduate fellow and providing compensation.

Mr. Clifton asked if the Website Administrator position was separate position and was it under the IT Department. Mr. Coleman explained that the City’s Website Administrator is also the Creative Design person. It is not the Chief Communications Officer. The position is part of the administration under the Communications team.

Mr. Clifton recalled that the City had funded The Newark Partnership in 2019 roughly \$150,000. Mr. Coleman stated that was correct, but funds have not been disbursed or requested. Mr. Clifton stated that they would coming to Council in October. Since 2020 was to be the second leg of the program, Mr. Clifton asked that if they intended to request the money to come out of the 2019 budget as well as request the money discussed for 2020 and where would it come from. Mr. Coleman was unable to make the last TNP meeting but the meeting prior when discussing the budget essentially since they would be making the request so late in 2019, they will not request money for 2020 because this money will cover the 2020 financing. Instead they will be requesting year two money in 2021.

Mr. Markham questioned if City Hall was now under Administration. Mr. Coleman stated the Municipal Building was now under Facilities Maintenance. At one point it was under Public Works and then in Planning and Code Enforcement.

Mr. Markham asked if the stormwater fees were spread across departments, Mr. Coleman responded yes, Facilities Maintenance covered all of those and then they are allocated across different funds by Finance. Mr. Markham questioned if that was represented in the presentation or in the individual departments. Mr. Del Grande explained that staff does not show the allocation on the financial document. The income covering the cost is shown on the “roll-up” level which would show Facilities with a \$0 budget because the money is allocated to the other departments. Mr. Markham asked for a copy of the breakout.

Mr. Del Grande addressed a question asked by Mr. Clifton previously regarding allocating the City Secretary’s Office to the departments similar to how it is done with the IT Department. It is being done, the Records Division is spread out to all departments. The City Secretary’s Office, not including Records, is allocated between the General Fund and all the utilities. The City Solicitor part of the allocation as well.

Mr. Coleman wanted to bring attention to one of the 2020 Departmental Goals. Specifically, having a strategic plan for the City. The goal would be to develop a plan to articulate the City’s priorities, vision and values of the Newark Community. This plan would be used to help guide all the work in the service areas and help to make decisions about departmental initiatives. Currently the closest plan to this goal is the Comprehensive Plan. As Mr. Coleman was completing the prioritization worksheet that was discussed in early August with direction from Council, one of the columns added was to ask how an item tie back to the Comprehensive Plan. Many items do not but some do regarding efficient delivery of City services and properly maintaining infrastructure. He noted there have been many discussions about redoing the Comprehensive Plan. Currently the City has a Transportation Plan, Bike Plan and working on a Community Sustainability Plan. All the plans, in his opinion, are second level plans. The first level plan has not been created and this would be the guiding overarching document. His recommendation would be for Council to have a high-level discussion with a consultant, like with the Sustainability Plan, and reach out to the public so Council and staff knows what the public would like the City to do.

Mr. Clifton stated that it was a wonderful idea because no other business operates without one. Mr. Lawhorn felt that a plan was a crucial piece of running an organization the size of the City. Everyone

needs to understand the mission at a high level and in what direction so that when it is time to prioritize it all ties back into a strategic plan. Mr. Hamilton and Ms. Hughes agreed.

Mr. Markham also agreed and recalled the that previous Mayor had tried to start a plan, but it did not work out. He suggested to review the minutes, see what occurred, and avoid any mistakes to make a better way forward.

Mr. Horning asked if the vehicle reimbursement was a new item and what the increase for \$6,000 was attributed to. Mr. Coleman explained that it was part of the City Manager's contract.

Mr. Coleman expected the estimated cost for the strategic plan to be around \$80,000 and could take between 12 to 24 months if there is going to be adequate public engagement. He believed future updates to happen faster but the first one to be done correctly will take some time. He has an example of a strategic plan that he could circulate.

Mr. Coleman wanted to address a topic which has been brought up recently which is related to whether or not the City wants to be able to provide part time benefits for the Aldermen. Currently the Aldermen are part time and must have another job elsewhere if they want to have benefits. It was brought to his attention that this limits the pool of applicants and it could limit the Alderman's ability to stay in the role if there is any issue with their primary position. Mr. Coleman has spoken with the Aldermen and the recommendation made to him was to have benefits offered as a secondary benefit. If benefits are not offered by a primary employer, then they could be eligible for the City's plan.

Mr. Hamilton asked if there have been any issues since there has been an Alderman. Mr. Coleman stated there has been an Alderman for long time and the issue has worked itself out. However, the City did almost lose an Alderman because of this issue.

Ms. Hughes asked if the cost of benefits to the Alderman create a situation where it would cost the City a full-time hire. Mr. Coleman did not believe it would, but it would narrow the gap considerably between part time and full-time, but the Aldermen are still only paid a reduced salary. For family coverage it would be an estimated 80% increase to the cost, but the cost is relatively low based on their hours and how much they are paid.

Mr. Markham asked if Council should think about a buy in program for part time employees in general. He did not believe the cost could be covered for all part time employee including Council. Mr. Coleman provided the example that if a part time employee worked 60% of the time then the employer would pay 60% of benefits. Mr. Coleman thought that this could be a model for the Alderman. To have a discussion regarding all part time positions would be a larger discussion as it would need to be priced out because it could be theoretically a large number.

Mr. Hamilton added that there are some employers who allow other insurance but if a spouse had access to any coverage then that person could no longer covered and then they would have to get it elsewhere. There could be an Alderman with a spouse who has them covered but if they accept a position with the City then they lose their coverage and then they would have to buy into the City's coverage. He would like to have a deeper discussion.

Mr. Clifton stated that with the University if an employer pays over 50% of health care it had to be taken through them if they were going to be covered at the University as well. That was a benchmark and that was done because previously one of the largest chemical companies in the State of Delaware tried to get their employees to opt out if their spouse worked for the State of Delaware.

Mr. Clifton asked whether they could single out just one part-time employee from that pool versus all part-time employees. Ms. Bensley explained one difference between the part time Aldermen versus other part time employees is that the Aldermen are appointed by Council. It is also in the Charter and the Code that Council sets their compensation during the budget process. That would be the distinguishing factor compared to the other unionized and non-unionized part time employees within the City.

Mr. Horning asked if it could be handled only during the budgeting process or when the issue arises. Ms. Bensley read that for the compensation "...the compensation of the Alderman and Deputy Alderman shall be fixed by the City Council and approved in conjunction with the City Council's adoption of the City Operating Budget. If no changes proposed and approved by the City Council the previously established compensation rate shall continue in effect until revised by a majority vote of the City Council". Mr. Horning stated that it was a good issue to raise but with the clarification just provided it would make sense to leave it "as-is" and look at it again in the future.

Mr. Coleman believed his take-away from the feedback and the comment made by Mr. Markham, is to address the issue when or if it does arise. Mr. Clifton added that his suggestion would be for Mr. Coleman to have some type of framework ready just in case the issue does come up.

Mr. Martindale reviewed the Facilities Maintenance capital projects and noted that there are three new projects for 2020. The first project was the electric vehicle charging station wiring and installation. The estimate provided was very conservative as it is based off of Charge Point's estimate which was provide a few months prior. They are more expensive but have a comprehensive customer use system. It would allow the City to charge for use of its charging stations. Tesla offer lower rates for installation but may not have as user friendly options for the City moving forward.

The second project is for carpet upgrades for City Hall, Newark Police Department and the Parking Office. In 2020 the Parking Office would be the first area to be improved as it is the most public facing carpeted area.

The third project is roof replacement and improvement. David Greenplate, Facilities Superintendent, recently had a company perform a comprehensive roofing survey for City Hall, Building 1, and the George Wilson Center. In 2020 there will just be repairs to extend the life of the roofs for an estimated an additional 5-7 years. This issue will need to be readdressed soon, but this will buy some time until then.

A meeting is scheduled for Monday with Seiberlich Trane to go over the initial audit for the HVAC system upgrades. Staff hopes this would be a budget neutral project long term if the energy performance contract goes through. Also included would be the George Wilson Center HVAC system upgrades.

The rear concrete deck and stairs was listed in error. The work will be completed in 2019.

Mr. Martindale did not know much about the Building 1 and 2 at the maintenance yard for security improvements. As he understood it there are some issues with doors, garage doors and other access points in need of some security improvements.

The \$25,000 budgeted for the Council Chamber renovations is being reviewed to be moved to December 2019 to keep from delaying any Council meetings or other meetings in the space.

Mr. Markham had reached out to Tesla for a conversation and noted they are slow to respond. Mr. Martindale thought the first conversation was two months ago and the follow up conversation was to happen the day after this meeting. Mr. Markham said Tesla had offered essentially free assistance.

Mr. Markham asked if once the HVAC improvements happen, it would be the final time it is discussed. Mr. Coleman stated that the goal is to basically start over where each room would have control over its heating and cooling zone.

Mr. Hamilton asked for the location of the Parking Office. Mr. Coleman confirmed that the Parking Office is in the same building as Grotto's. Mr. Hamilton asked why the City has that office and wanted to know the amount being paid in rent. Mr. Coleman explained the primary reason for the office to be located downtown, was to make it convenient to downtown as it is walkable to the areas it serves. The secondary reason was that he was unsure of where in the municipal building that office would fit.

Mr. Hamilton stated that the meters were being removed and the current location makes customers pay to talk to the Parking Office. Mr. Hamilton asked if it was \$16,000 per year to rent the space. Mr. Coleman was unsure and stated that he would have to look at the lease.

Mr. Horning thought that there was a discussion with the U.S. Marshals' assessment of Council Chambers, and of that would that be something to happen after the renovations. Mr. Coleman stated without having seen their assessment he believes the second access at the start of the dais would be something that they would make a recommendation on. The only other improvement that Mr. Coleman could think that would be suggested would be to armor the front of the dais.

Mr. Horning asked about the staircase construction and renovation. Mr. Coleman explained that it would be placing a space near the podium to allow easier access to the podium but also to provide another way out for residents.

Mr. Clifton asked in regard to the Tesla charging stations, he had the understanding that Tesla used a proprietary plug system. He asked if they have offered to provide a generic plug to fit other car

makers. Mr. Martindale stated that adaptors are available, and it has been discussed if they should be left at the charging stations or would they be susceptible to theft.

Mr. Martindale addressed Mr. Markham's comment that while the Tesla charging stations would be less expensive to install it might be more cost effective over time to buy charging stations versus just taking one from Tesla. The reasons being that staff still needs to follow up to see who would be paying for electric and could customers be charged to use the station. Mr. Coleman added that there are incentives available through the State which is up to \$5,000 per station. There is about \$10,000 worth of work to be done to wire up the units to serve the charging stations. It is also one of the three thirds of the Green Energy Funds that could be used to cover the remaining amount.

Mr. Clifton asked if there was going to be a permanent resolution for the roof in the Police Department. Mr. Martindale stated that was included in the report and in the report, it explained in detail the issues with the roof. The repairs or the replacement should what should fix the issue with the Police Department but in either event what is slated for 2020 and 2021 should address many of the leak issues not just in the Police Department but also the atrium. Mr. Del Grande added that it has been estimated to cost \$800,000 to replace the whole roof. Mr. Coleman stated that they would like to do the project in steps because of the cost.

Mr. Hamilton asked why the City does not just raise the roof instead of continuing to have issues with a flat roof. Mr. Coleman was not sure if that option was priced out, but staff could research the cost. His expectation would be that the first replacement would be a lot more expensive but then the subsequent would be less, but it was hard to say. Mr. Clifton stated that the issue with the Police Department has been over several years or more and a resolution needs to be found.

5. 2-C. FY2020 PUBLIC WORKS AND WATER RESOURCES DEPARTMENT BUDGET PRESENTATION – PUBLIC WORKS AND WATER RESOURCES DIRECTOR (80 MINUTES)

1:44:15

Mr. Filasky stated that most of the budget is still heavily influenced by the 2018 Capital Projects Referendum. There has been some significant progress with large projects such as Rodney. However, there is still work that needs to be done on the water and sewer referendum projects.

Some projects have been presented or described some initiatives to Council that were not Capital Projects or updates have not been provided to Council. Most of the items are maintenance and operational to make the City more efficient and allow staff to make better decisions based on data and seeing the larger picture. The most exciting has been the GIS (Geographical Information System) work. Mr. Neimeister displayed a dashboard for stormwater catch basins throughout the City. The dashboard was created by the GIS team using input from the stormwater field crews who update the information in real time as the inspections happen. Decisions can then be made base on the location and severity of the repair necessary. The plan is to move to sewer next and then to water. The results shown were the results of some inspections and then the grade assigned to each catch basin inspected. All the data is input in the field through a system of iPads. This system assists Mr. Filasky and the field crews in looking at how the system is running and what it looks like at a quick view in a real time glance. Mr. Neimeister adjusted the dashboard in real time for the Council to see how quickly information could be uploaded to be viewed for any potential issues and repairs. Mr. Filasky stated that the team would be happy to give a demonstration to anyone if they wished. He added that this was presented to the University of Delaware and their GIS team. Mr. Coleman stated that it was important to keep in mind that in 2014 staff was using hand drawn paper maps. Mr. Clifton asked if the dashboards were viewable by the public and Mr. Filasky stated that it was not currently.

In 2020 staff plans to have a ribbon cutting at the Rodney Dormitory site. A completely rehabilitated ground water treatment plant at South Well Field would be completed. They also plan to have bicycle and pedestrian upgrades near Downes Elementary which is in partnership with DeIDOT. In another partnership with DeIDOT to handle some drainage complaints in the southern part of the City. Staff hopes to have up to a mile of new water mains completed by the end of 2019.

Staff has continued to examine the systems for improvements, expansions, maintenance and innovative ways to both complete and pay for each project. Grants, partnerships, bond and loan financing are all tools available and they intent to use each appropriately.

Most of the items for the Water Division are flat. The operating expenses are mostly in the 2% to 3% range based on step increases and advancements. The increase in overtime have been discussed over the years and how important it is to the crews. Mr. Filasky offered to have the overtime discussion during this presentation to cover the whole department because in general the field crews, under the direction

of Mr. Winterling, have one unit. While each division has its specialty, most of the employees are cross trained. So, in the case of an emergency they call out the division who is responsible for the infrastructure but then can pull from other areas. Examples of emergencies which could require the use of overtime included fallen trees across roads, water pipes bursting inside of a building and water pipes bursting outside of a building.

Depreciation increases were because of newer vehicles either purchased in 2018 or 2019. The department recently replaced their main Water Maintenance Truck which was roughly \$100,000. The FTE line (Full Time Employee) did not have any changes for 2019.

The Sewer Division increase appears to be larger than it truly is at \$1,700 which equates to about a 10% increase. This is mainly due to the overtime increase. The department was able to reduce the tools and field supplies. The purchases are usually small items purchased for the vehicles, shovels and picks. Some of the vehicles are aging which is shown in the decreased depreciation side. No other changes in FTE for 2020.

This will be the third full year for the Stormwater Division which has had a positive effect on the City. There was an overall decrease due to the part time street sweeper position. Under materials and supplies there was a decrease of 85%. The workman's compensation has caused an increase. Depreciation increased due to two new vehicles, one being a street sweeper, scheduled for 2020. No change in FTEs.

The Refuse Division discovered that they had more dumpsters than originally believed. The City owns many of the dumpsters and would be responsible for their replacement. This caused an increase in cart collection median line to cover the eventual replacement of all the dumpsters which will need to be budgeted over the next few years. The Contractual Services appears to have an increase of 3.5% however, money was added for the landfill. Staff was fairly confident about the current budget for the landfill and have per the contract they will pay \$1 more per ton for half of the year. The landfill contract is good until 2021. Staff reached out to DSWA (Delaware Solid Waste Authority) to make sure that the recent landfill decision did not affect their landfill, which they assured staff that it did not. They are contractually bound until 2021 and past that things look good. The landfill in the papers was a construction waste landfill. There have been questions as whether recycling will continue as it has. Staff does not have a concern based on the response from DSWA until at least to 2021. DSWA has made the commitment to spend more to create a market for their recyclables since China has stopped taking as many of the recyclables as they have in the past.

Mr. Filasky wanted to have another discussion to restart the bulk collection fee discussion because it takes a tremendous amount of time, effort, vehicles, fuel, and tipping fees. It is the General Fund and hits the tax base. Mr. Winterling and his team have come up with a couple of plans to be presented to Council to implement a fee. They are not sure exactly how to, but they do have ideas, if it is something Council would like for them to move forward with. No additional FTEs for Refuse Division.

The Street Division are looking for an increase in the seasonal budget. Many of the seasonal employees in the program currently come for several years. They are rewarded with a small increase in pay. The seasonal also includes interns. The division usually gets four to six great interns each year. There is an increase in salt and sand. Staff continues to work to reduce the amount of salt required to clear the roads to an acceptable level of service. Staff plans to attend a workshop late in October about the increase of salt and chlorine in the streams and rivers. Staff is trying to do as much as possible with liquid application which requires much less salt to get the work done and it make the salt go further. Staff also does not want to have a shortage of salt because of budget constraints. Staff has also reduced the amount of reliance on a contractor to haul snow from Main Street. The field crews can now handle all but the biggest of storms where they could be shut down for a day or so. Also, in some cases there may be reimbursements available from FEMA (Federal Emergency Management Agency).

In the Engineering Division most of the increases are in line with step increases or small increases or decreases. The largest increase was due to the worker's compensation budget for 2020.

Fleet Maintenance had a decrease in overtime as other divisions have handled most of the callouts. Mr. Filasky noted a 3% or a \$20,000 decrease in the gasoline, oil, and coolant line. The fuel and oil reductions are hard to determine. There may be an increase to \$0.15 to \$0.20 on a gallon. They will feel the effects of that for probably the rest of this year on the fuel budget. Staff does believe that once things stabilize, they are confident that they will have a good handle on how much they will need. Another thing to note is that the cost of fuel may decrease with the purchase of two electric vehicles.

Mr. Horning questioned how private collection companies handle bulk pickup. Mr. Filasky stated that some do not charge for one item such as a bed, washer or dryer per week or month. Others have additional charges for the same items. Mr. Filasky explained that in the City offers pickup for four items, no size limit. Data has been collected to see who uses it, how many people, the percentage of repeat users and other things.

Mr. Horning stated that he would like to see the reflection of the trash collection in fees going forward and how residents are assessed. Mr. Filasky asked if he wanted the cost of the full service or the cost of the bulk service. Mr. Horning felt that it was part of the bigger discussion as far as the full service for residents to see the true cost. Mr. Coleman added that the closest peer to the City is Middletown. Middletown has a trash collection fee that is separate and goes on the utility bill. They also have recently started a street maintenance fee. It is used to raise funding to cover the portion of revenue that Middletown puts forth as a match to Municipal Street Aid. That way it is explicit that if they bring in \$500,000 from the street maintenance fee, they put \$500,000 to supplement the Municipal Street Aid. By doing this, Middletown's tax rate has not moved in almost 15 to 20 years. Mr. Coleman stated that in the City of Newark the estimated cost is about \$300 per house to provide trash collection service which means that about 20% of the residents are not paying a \$300 a year tax bill. As been discussed recently there is not a whole lot of equitability between the value of a house and the value of the tax bill. Anything pulled out of a tax bill becomes more equitable, a fee received directly for a service that is provided versus an amount paid on whatever the County has chosen the assessment to be.

Mr. Markham stated on thing to remember about a fee is that once it is pulled out it is no longer tax deductible. He could see a limit set per year for bulk pickup. His biggest concern is seeing Cleveland Avenue littered with sofas again. He believed that there was a value to the way the City looks. He would also separate the buildings that are non-profit versus profit buildings there is a different ability to take care of the issue or pay. Mr. Filasky added that in most of the data pulled showed most of the collections were from single family residents. However, during college move in and move out days it is significantly different.

Mr. Markham asked if customers with extra carts are being charged extra for pickup. Mr. Filasky stated that there is a rental fee of \$100 per year for the cart. Mr. Markham stated that someone would fill their carts to be four times as much as their neighbor but be charged the same. Mr. Filasky said that staff can look at the cost of the additional cart but as they have said before, the second cart does not cost as much as the first cart. The only real difference is the weight of the truck. Mr. Winterling did an average of how much weight comes out of each trash cart each year. They had the exact numbers but did not feel comfortable increasing it halfway through 2019. Mr. Filasky said that in general the \$100 is about right for the additional refuse. He did not believe that any single-family homes had four carts. The Refuse Coordinator has focused on the heavy use areas such as Choate Street and Cleveland Avenue. They have also checked on the compliance of how many carts, when and where to put the carts out.

Mr. Winterling wanted to clarify that the yard waste carts and recycle carts can be purchased for a one-time fee for the price of the cart. Trash rental is a yearly fee which was set by averaging weight. Some places around the City have accumulated additional carts and staff has been focusing on the people who do not pay that fee to bring those carts back for reuse. He added that the Code defines how many carts per multi-family residence. Mr. Winterling stated that staff does focus on enforcement and education with flyers. Mr. Markham asked if there was a way to educate the new population on recycling. Mr. Filasky stated that the recycling is free as long as it is clean. The Refuse team has created a series of educational videos posted on YouTube. They also have paper flyers for education and used grant funding to purchase educational magnets. Education is done during the first week of the return of the students.

Mr. Markham asked if sand has been used during the winter. Mr. Filasky stated that they have used sand in the past when staff was not able to obtain salt. Usually the sand is mixed with the salt as the sand just provides a little bit of traction to stop, but does not melt anything. Mr. Markham thought that DeIDOT use to put sand and salt straight down the middle of the roads. Mr. Filasky stated that sand actually more of an environmental deterrent than salt because the sand washes in, then erodes and finally drops out into creek bed. This eventually fills up the creek beds. Environmentally they are equal, but sand is out of favor. Mr. Coleman added that sand can be useful if it is extremely cold.

Mr. Markham questioned the "bad" debt in sewer and water. He wanted to know how it was possible when the debt will go with the land. Mr. Del Grande explained that as a practice any debt that is over five years old has been written off as an expense as well as keeping the lien on the property when it eventually sells. Mr. Markham asked if there was an entry in the budget to show a balance of the lien as a credit. Mr. Del Grande stated anything owed to the City is considered a lien so when a house does go through a sale, a lien certificate is requested by the City Secretary's Office from the settlement attorney

and then Finance relays any moneys due. Mr. Markham stated that there should be a line to show bad debt expense, a positive for a lien on a property. Mr. Del Grande was unsure if the system staff uses would be able to tie the two together.

Mr. Markham asked if there was workman's compensation under Contractual Services for the Stormwater Division. Mr. Del Grande explained that it was on line 8035 in the amount of \$16,150. Mr. Markham questioned if it was listed differently than the others. Mr. Del Grande stated that cost was listed in all the Contractual Line.

Mr. Hamilton believed that everyone had agreed to discuss the bulk fee collection. He knew of some places where the first item is free and then charge for additional items. He felt that people need to pay for the services if they are abusing it. Mr. Hamilton asked if the data collected pertaining to single family residents was cross referenced with rental units. Mr. Filasky said they were not necessarily considered but the residents using the service were further out than expected.

Mr. Hamilton stated that he was with Mr. Markham regarding some residences with a larger number of trash carts. He stated that in some instances he has seen houses with five trash cans. He has also observed some recycling carts with signs on them reading "trash". Mr. Filasky stated that staff does focus on repeat offenders. Mr. Winterling added that staff and the refuse crew are working with to report the issues. When that has happened on more than one occasion, the crew is told to stop picking them up.

Ms. Hughes was concerned about putting a fee on the bulk pickup. She understood the comparisons to how other municipalities handle bulk pickup. She did not see how putting a fee on bulk pickup supports the claims that the reason that residents pay higher taxes is because of all the great services. She felt that there was already an abundance of fees. Ms. Hughes hoped that there was another way to accommodate the budget and to keep the owner-occupied people happy. She would not support the bulk fee. Mr. Filasky added that staff was not only looking at a bulk collection fee, they are also looking to streamline the process to schedule the bulk items. Most of the day for one of the two Public Works administrative assistants' day is taken up by phone calls to schedule bulk pickups. It is about 50 pickups a day, three days a week. This equates to 150 phone calls a week. Staff is working with the IT Department to research an email system or an online system to schedule pickups.

Ms. Hughes wanted to know where the majority of the requests for bulk pickup were coming from. Mr. Filasky stated that they are spread out throughout the City. She recalled that Mr. Filasky made the statement that it was mostly owner-occupied. Mr. Filasky stated that he would venture a guess that it was mostly owner occupied since for the most part the rentals either do not know about the service or do not take advantage of it. He added that he could pull the data for when there would be a bigger discussion. Ms. Hughes suggested a fee-based service after someone has used a certain number of bulk pickups. Mr. Coleman stated that staff has in the past run into a problem with having up to four items free beyond that it becomes how much time the crew spends and how much tonnage is taken. Someone will call to schedule a pickup of four items and then call the following week to schedule another four items. Ms. Hughes believed that to be a misuse of the service. Mr. Coleman stated that it does not happen often, but it has happened.

Mr. Clifton stated that he would support a balance for all concerns regarding bulk pickup. He appreciated the benchmarks with other communities but would like to know how communities that do not charge a fee handle bulk pickup.

Mr. Clifton asked if it was correct that the City was exempt from taxes when purchasing gas at cost. Mr. Coleman stated yes. Mr. Clifton believed that the City would have to watch in the long-term what the State is doing in their pilot program where they are picking different drivers, different cars and different tax bases. He felt moving to EVs (Electric Vehicles) was a wonderful move but the State must get money to fund the roads.

Mr. Clifton verified with Mr. Filasky that the City was paying \$72 to \$73 a ton for regular trash but that is not the price for recycling. Mr. Clifton asked if the percentages of recycling have increased. Mr. Filasky stated that they have not but there were multiple campaigns and national campaigns regarding recycling. He saw one with the actress Kristen Bell promoting the issue. One dirty load of recycling contaminates the load and then the City must pay a fee on the entire load. The crew is adamant about looking at the cans and taking out dirty loads. Mr. Clifton stated that the more they encourage it the more the cost savings will be on the back end.

Mr. Clifton asked if money is set aside in the vehicle sinking fund and if the sinking fund comes from the depreciation. Mr. Del Grande stated yes and explained that the depreciated expense moves the

money over as that is its funding process. Mr. Filasky added that as they age, they add several dollars of current resources in order to adjust for inflation of the cost of a vehicle.

Mr. Clifton asked if the road crews used a brine solution. Mr. Filasky explained that it is a temporary salt solution. There is a way to apply a wet salt more often but the brining at their stage right now is a pre-solution. It immediately prevents the ice from bonding to the pavement which is the ultimate goal. It could snow 2 to 3 inches on top of a brined road, but it will not bond to the pavement which makes it easier to push off.

Mr. Filasky stated that most of the Capital Projects were either subject to or influenced by the 2018 Capital Project Referendum. The newest project listed was the Newark Reservoir Upgrades. Funding would be requested for 2023 and 2024 as the reservoir would be 18 years old at that time. Staff does not have a full picture of what will need to be done. However, some areas have already been identified as needing work, namely the wetland bench that goes around the outside of the reservoir. Work was done with the Water Supply Coordinating Council to understand how to use every drop of water in the reservoir. To do so, it would require some reinforcement of some of the side slopes. There are ways to do it now, but staff would feel more comfortable with a permanent solution when or if it should happen.

A diver was sent down a few years prior and reported that the bottom layer was fairly intact and there was not as much animal waste as anticipated. However, there is some dredging that could be done. Reservoirs require periodic maintenance and the regular operations and maintenance budget is enough for mowing and paving. Staff would look to some sort of bond financing or loan financing at an estimated \$1.5 million in 2024. There is still some research that needs to be done to know an actual cost amount.

The Valve Inspection Exercise and Rehabilitation is an ongoing project that staff expects to have an RFP (Request for Proposal) out shortly and hope to have the project started early in 2020.

Mr. Filasky believed that Mr. Coleman circulated an email addressing the Source Water Protection. This is something that is coming to fruition there is a fund, the Brandywine Christina Water Fund, that the staff has worked on a pilot project with and plan to continue as it helps with to defray some of the chemical and treatment costs. These were discussed in either last year's budget or in the referendum funding.

Mr. Filasky noted that on the water main replacement that if Main Street continues as planned, staff will begin with the gas main installation on Park Place which would be a good precursor to this plan. He believed they would be able to get the East Park water main upgraded in 2020 as well as the expansion on Dallam Road in the Oaklands.

No new projects in the Sewer Division but staff does have new areas for study and repair. Council will be provided with current maps in the next version.

There were no new projects for Stormwater Division. Staff will begin to move to different areas as noted in the maps for the storm sewer lining and replacement. They will do some of the smaller diameters in the Hunt and the Woods as they have large outfall pipes that go out into large embankments where staff would like to not have to replace the pipe but to line it.

There were no new projects for the Refuse Division.

The only new projects in the Street Division are the street program and the ADA accessibility and they are just selecting locations for each one. Staff has sent out solicitations to Representatives and Senators for CTF (Community Transportation Funding). Staff is waiting for a reply before putting together a final list of streets that need paving. If there are any street recommendations from Council, those could be worked into the street evaluation program while staff comes up with the list.

There were no new projects for Engineering Division or the Fleet Maintenance Division.

Mr. Hamilton appreciated the early notice for estimated \$1.5 million marked for 2024 for the reservoir and wanted to know if the repairs were a surprise or was it on staff's radar. Mr. Filasky stated that it was not a surprise and that staff knew to use the entirety of the reservoir would require some action to be taken. It has been a matter of whether staff taking action when it need to be used in the case of an emergency or be proactive. Mr. Hamilton asked why there was not a reserve account set up to start saving towards repairs for the reservoir. Mr. Filasky added the reservoir is still being paid for as an annual debt service and interest expense. Mr. Del Grande stated that every \$90,000 to \$100,000 added to the Water Fund is a 1% rate increase. Mr. Hamilton asked if the City was saving money since they are not

paying someone. Mr. Coleman explained that it was considered “avoided cost”. In the last two years, the City has essentially paid off the reservoir in avoided cost. It is not actually paid off. If the reservoir cost \$13 million the City has avoided more than \$13 million worth of water purchases.

Mr. Markham asked when the final payment for the reservoir. Mr. Del Grande believed it was 2023 but Mr. Coleman felt that it was 2021. Mr. Del Grande stated that he would have to research the question. Mr. Markham calculated that there would be roughly two years of nonpayment for the bond that could be applied to the reservoir. Mr. Del Grande stated that there was a State Revolving Loan with a payment in full due in 2022. Mr. Del Grande explained that there are interest only payments until the projects are completed under the State Revolving Loan Projects.

Mr. Markham questioned the replacement of the 2015 Vehicle 410 in 2012 and felt that a shorter time to be replaced than other vehicles. Mr. Filasky responded that Mr. Markham was correct, and that the vehicle does not work well for its intended use. It is a tractor trailer that was to theoretically fit into more places, but it does not pack as much refuse. The biggest issue is that it does not go into the landfill well, so it is taken to Pine Tree Corners in Townsend, DE. The Pine Tree Corners does not give as much of a rebate, so it costs the City more to collect with Vehicle 410. Mr. Coleman added that when the vehicle was purchased everything was taken to Pine Tree Corners which was on the old contract with DSWA. The pricing structure was changed. It used to be the same price at Cherry Island. Mr. Filasky stated that Vehicle 410 also does not pack recycling as well so the truck fills up before it can be full. Mr. Markham would like to have missteps added into the presentations so that he could have information to use so that when Council is asked to make decisions again, then he can recall when things do not work out.

6. 3. **ITEMS SUBMITTED FOR PUBLISHED AGENDA:**
 - A. **Council Members:** None
7. 3-B. **OTHERS:** None
8. **Meeting adjourned at 9:52 p.m.**

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

/dmp