

**CITY OF NEWARK
DELAWARE**

COUNCIL MEETING MINUTES

September 8, 2020

Those present at 6:30 p.m.:

Presiding: Mayor Jerry Clifton
Deputy Mayor, James Horning, District 1
District 2, Sharon Hughes
District 3, Jay Bancroft
District 4, Chris Hamilton
District 5, Jason Lawhorn
District 6, Travis McDermott

Staff Members: City Manager Tom Coleman
Deputy City Secretary Tara Schiano
City Solicitor Paul Bilodeau
Chief Human Resources Manager Devan Hardin
Chief Communications Officer Jayme Gravell
Chief Purchasing and Personnel Officer Jeff Martindale
Chief of Police Paul Tiernan
Deputy Police Chief Mark Farrall
Deputy Police Chief Kevin Feeney
Training Sergeant Chris Jones
Finance Director David Del Grande
Finance Deputy Director Jill Hollander
IT Applications Manager Daina Montgomery
IT Infrastructure Manager James Reazor
Payments and Utility Billing Manager Larissa Jones
Accountant Jim Smith
Planning and Development Director Mary Ellen Gray

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1. Mr. Clifton called the meeting to order at 6:30 p.m.

MOTION BY MR. LAWHORN, SECONDED BY MR. MCDERMOTT: TO AMEND THE AGENDA TO INCLUDE EXECUTIVE SESSION A: EXECUTIVE SESSION PURSUANT TO 29 DEL. C. §10004 (B) (4) FOR THE PURPOSE STRATEGY SESSIONS, INCLUDING THOSE INVOLVING LEGAL ADVICE OR OPINION FROM AN ATTORNEY-AT-LAW, WITH RESPECT TO PENDING LITIGATION, BUT ONLY WHEN AN OPEN MEETING WOULD HAVE AN ADVERSE EFFECT ON THE LITIGATION POSITION OF THE PUBLIC BODY; AND RETURN TO PUBLIC SESSION A: POTENTIAL VOTE TO PROVIDE DIRECTION ON A POTENTIAL SETTLEMENT.

MOTION PASSED. VOTE 6 TO 0.

Aye – Bancroft, Clifton, Horning, Hughes, Lawhorn, McDermott.

Nay – 0.

Absent – Hamilton.

2. **EXECUTIVE SESSION**

A. Executive Session pursuant to 29 Del. C. §10004 (b) (4) for the purpose strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to pending litigation, but only when an open meeting would have an adverse effect on the litigation position of the public body.

Council entered Executive Session at 6:31 p.m.

3. **RETURN TO PUBLIC SESSION**

A. Potential vote to provide direction on a potential settlement.

2:17

Council exited Executive Session at 7:00 p.m.

MOTION BY MR. HORNING, SECONDED BY MR. LAWHORN: FOR THE CITY OF NEWARK TO RESOLVE THE LAWSUIT AGAINST IT BROUGHT BY KAPPA ALPHA FRATERNITY BY OFFERING A SETTLEMENT TERM TO WAIVE THE SPECIAL USE PERMIT FEE, CURRENTLY AT \$650 PER APPLICATION, FOR ANY SPECIAL USE FRATERNITY OR SORORITY APPLICATION FOR THE PROPERTY AT 19 AMSTEL AVENUE, NEWARK, DELAWARE, 19711.

MOTION FAILED. VOTE 0 TO 7.

Aye – 0.

Nay – Clifton, Horning, Hughes, Bancroft, Hamilton, Lawhorn, McDermott.

Absent – 0.

4. SILENT MEDITATION & PLEDGE OF ALLEGIANCE

Mr. Clifton asked for a moment of silence and the Pledge of Allegiance.

Mr. Clifton explained the procedures for the GoToMeeting Platform. He stated that at the beginning of each item, he would call on the related staff member to present and, once the presentation was complete, he would call on each Councilmember in order of district number to offer their comments. If a Councilmember had additional comments to add later, they should signal Ms. Schiano through the GoToMeeting chat function. Members of the public wishing to comment should also signal Ms. Schiano through the chat function with their name, district or address, and the agenda item on which they would like to comment. He noted that for participants logged in by phone, names would only appear as Caller One, Caller Two, et cetera, so it was imperative that the participants inform Council of their identities. He stated that all lines would be muted until individuals were called to speak. All speakers were required to identify themselves prior to speaking and, in compliance with the executive order on teleconference meetings by Governor Carney, votes would be taken by roll call. He continued that it may be necessary to adjust the guidelines if any issues arose during the meeting. He reminded that all lines should be muted until called upon to speak.

5. 1. **FINANCIAL STATEMENT:** None

6. 2. **RECOMMENDATIONS ON CONTRACTS & BIDS OVER \$75,000:** None

7. 3. **SPECIAL DEPARTMENTAL REPORTS:**

A. FY2021 Administration Department Budget Presentation – City Manager (30 minutes)

5:40

Mr. Coleman presented the overview for the initial budget request for the Administration Department and noted staff made significant cuts to the operating budget due to pandemic related revenue losses. The proposed Department budget decreased by over \$150,000, or 12.5%, from the Approved 2020 Budget, and was the lowest level of spending in the Department since 2015. He explained much of the savings was due to the elimination of the Human Capital Manager position but included additional cuts throughout. He stated that staff anticipated a lean budget for 2021 and informed that Ms. Hardin, Ms. Gravell, and Mr. Martindale were available for questions specific to their focus areas.

Mr. Coleman explained the Department was made up several core functions: general oversight and supervision of all operating departments and functions in the City, Human Resources, Labor Relations, Purchasing, Contracting, Communications, Facilities, Maintenance, and Mailroom Operations. He admitted COVID dominated the year, so most efforts were focused on responding to the pandemic and keeping staff safe while continuing to provide critical services for residents and thought the biggest accomplishment was staff's sudden shift to remote working. He indicated IT would address remote working in the IT portion of the Finance presentation. In order to work from home, staff:

- Developed new policies and guidelines
- Worked with department directors to develop staff preservation shift schedules
- Negotiated MOUs with three of the four labor unions
- Worked with the City Secretary and City Solicitor to develop draft emergency ordinances
- Analyzed and implemented several pandemic related Federal legislative actions (CARES Act and FFCRA)
- Facilities Team aggressively cleaned and sanitized City facilities non-stop since March and retrofitted open cubicles and workspaces with plexiglass for social distancing

- Coordinated COVID testing events for staff
- Worked with department directors and Finance to implement a partial hiring and discretionary spending freeze
- Worked with Finance to develop and update fiscal impact projections throughout the year
- Successfully developed and hosted the Welcome Back Main Street event on short notice which morphed into a Main Street Alfresco series continuing to the end of summer

Mr. Coleman shared that staff fielding non-stop calls from restaurants over the last week that requested the City continue the Alfresco events through the fall until it was too cold and asked for Council guidance. He cautioned if the City wanted to hold more events, staff needed to advertise immediately and suggested the next event could be Wednesday, September 16th.

- Restored residents' fire service local service tax credit through legislative action.

Mr. Coleman explained he participated in the Local Service Function Task Force with Mr. Del Grande and Deputy Chief Farrell, and noted that while COVID delayed the full Local Service Function Revamp, staff was able to complete the fire service portion in addition to completing 90% of the work associated with rewriting and modernizing the entire local service function tax credit process. He revealed staff planned to restart the meetings on September 22nd to finish the remaining tasks. He informed it was the first time that portion of the State Tax Code was updated in almost 50 years.

- Initiated a major building efficiency upgrade project to upgrade HVAC for City Hall and the Police, replace failing flat roofs on multiple buildings, install 1.5 MW of solar, replace 800 streetlights with LED fixtures, and various other upgrades (labor would be paid for with energy savings and no net impact on the City's budget)
- Completed renegotiation of three of four labor contracts, each with four- or five-year durations
- Began negotiations with FOP whose existing contract will be up on December 31st, 2020

Mr. Coleman commended the Communications Team for work on the 2020 Census and explained that pandemic-related changes at UD nullified the Census Team's plan. Staff was working to improve resident counts because many off-campus students returned to the City. He noted that staff had a census parade planned for Thursday and would drive through student areas to encourage students to complete the census at an official event to be held that evening. Staff hoped that Council would join the Lieutenant Governor and the census team to help raise awareness of the count. The parade attendees would meet at City Hall at 5:30 p.m. and the parade would leave at 5:50 p.m.

Mr. Coleman highlighted some of the Department's 2021 goals and explained some were from 2020 but were deferred due to COVID:

- Monitor and respond to ongoing pandemic, operationally and fiscally
- Complete building efficiency upgrades associated with ESCO Project
- Improve diversity hiring outcome City-wide but especially in the Police Department

Mr. Coleman stated he would focus his discussion on the Executive Summary page for each division and would answer questions on specific line items at the end of the presentation. Staff projected full-time wages to decrease by \$70,000 due to the elimination of the Human Capital Manager position, part-time wages to decrease by \$13,000 due to the elimination of the Intern Program, and revealed they were slightly offset by an increase in part-time mailroom employee costs. He continued that other wages increased by \$774 and were a blend of minor increases and service awards offset by decreases to overtime, sick pay, and mobile device reimbursements. He noted benefits decreased by \$85,000 and was driven by elimination of the Human Capital Manager Position. Overall, professional services combined for a decrease of \$170,000 from 2020. Staff anticipated a \$6,000 increase on materials and supplies, driven by an increase in mailroom expenses, and noted a \$1,500 decrease to contractual services and a minor increase to depreciation expenses, driven by Finance Department allocations. Staff proposed a \$40,000 decrease in other expenditures driven by savings in recruitment and retention due to the partial hiring freeze, attrition efforts, and cuts to training and education plans within the Department. He informed that interdepartmental charges rose slightly because of allocation changes from Finance and staff proposed the reduction of one full-time system and was approved by Council.

Mr. Coleman next presented the Facilities Maintenance Summary Page and explained that the year over year changes in Facilities were small and typically driven by contractual increases associated with labor contracts. Staff planned to spend more time and money in sanitizing because of COVID and

increased the part-time custodial staff lines and materials. He explained the increase in other expenditures was caused by the capital lease payments associated with the building efficiency ESCO project scheduled for completion in 2021. He repeated the ESCO costs would be more than offset through savings in other departments and line items in the Facilities budget and most savings would present in the Electric Department's budget through decreased electric costs from streetlights and electric from solar. Staff needed to properly account for the cost of the project by allocating the cost across the appropriate departments via a departmental charges line for each department. He stressed that staff did not propose any changes to the solitary full-time employee count in Facilities.

Mr. Coleman reported the 2020 CIP was straightforward, but one sheet was out of date and would be corrected before the next version was presented. He said the first project proposed for 2021 was N2003 and included \$10,000 for minor repairs to the atrium, connecting the Police Station to City Hall, which leaked during rain and created slipping hazards. The second and last project proposed for 2021 was the building efficiency ESCO project, approved by Council and currently underway. He admitted the cost of the project was different than the placeholder amount included in the last budget and was due to the increase in scope when staff added roof repairs and extensive solar installations. He informed Council that the sheet would be updated by the next presentation. He reported the total cost of the project was just over \$8 million and was scheduled to be completed before the end of 2021. Staff reprioritized and delayed the rest of the projects in the five-year program and did not feel the delays would have a significant negative impact on City operations. He reminded Council that staff was looking for direction on additional Alfresco nights on Main Street and reminded on the upcoming census parade on Thursday evening.

The Mayor opened the table to discussion from Council.

Mr. Hamilton referred to page 15 and asked why the City Manager's approved salary for 2020 was \$159,355 but the 2021 requested was \$157,826. Mr. Del Grande replied that there was an additional fiscal working day in fiscal year 2021 than in 2020 and accounted for a 0.4% difference on every employee's budgeted salary when compared to fiscal year 2020. Mr. Hamilton clarified that Mr. Coleman was not getting a raise and Mr. Coleman revealed that there were no raises proposed for management. Mr. Hamilton appreciated the leadership and acknowledged 2020 was a tough year and commended staff for their incredible work. He believed some perceptions were that employees working from home were not as productive but thought staff and Mr. Coleman were exemplary. He appreciated management's sacrifice and hoped for a fast rebound and noted that the City worked with the County to save taxpayer funds. He believed staff's willingness to be available while on vacation demonstrated excellent teamwork and dedication to the City.

Mr. Hamilton asked if a determination was made for the end point of the census parade and Ms. Gravell said staff was waiting on confirmation from UD on if the City could use one of the lots and would share when she knew. Mr. Hamilton confirmed he would join the procession and stressed that the City needed to have a complete count because the results were tied to Federal aid and other areas of assistance for residents. He commended staff for investigating a potential Alfresco event on South Main Street to gauge interest and encouraged adding food trucks to demonstrate the City supported all businesses and not just Main Street. He supported hosting a spring event in another part of the City and expanding the Parks on Draft program on weekends that did not conflict with UD events. He was split on hosting another event on South Main and would withhold comment until after listening to other Council. He remarked that season was changing so events would eventually be evening events and the City had historical problems hosting at night. He wondered how temperature would play into scheduling.

Mr. Lawhorn fully supported more Alfresco events and suggested hosting every Wednesday as weather permitted. He indicated it was a success with residents and visitors and provided families with healthy outlets. He shared feedback from restaurants stating that Alfresco events were the most profitable and revealed that another restaurant closed on Main Street. He reiterated that Alfresco events benefitted the community and generated revenue from parking. He thought the Local Service Function was a huge success for the City and was pleased with how staff and members of the task force responded to the County's actions in order to create a fair plan. He believed the structure would expand to other areas.

Mr. Lawhorn did not see a Strategic Plan outline in goals and asked for clarification. Mr. Coleman explained staff removed the plan because it required funding and he wanted to have discussions before allocating funds. He noted Hometown Connections was doing a strategic plan for DEMEC and revealed the City was also half-way through completing a strategic planning process with DEMEC. He believed it was helpful to set a vision but admitted there was a cost and indicated the City did not have strategic planning expertise and required outside assistance. He likened the project to a smaller scale Sustainable Newark Plan but claimed it would take less effort. Mr. Lawhorn agreed it was a large undertaking and

shared that he participated in his company's plan and found it incredibly valuable. He investigated other towns with strategic plans and thought it fed into Council goals. He suggested Mr. Coleman complete the efforts with DEMEC to garner experience and have a more formal Council discussion when the process was near completion. Mr. Coleman agreed and corrected that the plan was listed in the presentation under 2021 goals. He admitted it was not ideal timing to start the project but also pointed it was a good opportunity to discuss critical priorities and where the City wanted to go. He would investigate and report to Council. Mr. Lawhorn understood there was an associated cost but believed the plan could be a tremendous value. He commended staff on the reductions in cost and asked for clarification on the increase of material costs in the mailroom. Mr. Martindale replied it could remain fixed and explained staff was transitioning and outsourcing more of the postage metering. Staff either left it neutral or increased it by a small amount to ensure the expected cost savings would hold firm for the next year and anticipated it would not result in an increase. Mr. Lawhorn thanked staff for the effort.

Mr. McDermott had no specific questions about the budget and thanked Mr. Lawhorn for saving \$10,000. He fully supported Alfresco dining and agreed the City could host an event every Wednesday, weather permitting. He had no objections in considering events for South Main Street and was open to anything that would appeal to visitors. He thanked staff for work on the budget.

Mr. Horning agreed with previous Council and added that the Local Service Function was a great outcome for Newark residents. He thought the City had a great team with the necessary expertise to address a complicated issue and was pleased with an amicable outcome and thought savings to residents was significant. He fully supported Alfresco events to support local businesses on a weekly basis and admitted the short-term costs to host the event were necessary to save local businesses. He understood Main Street vacancies were approaching levels from the late 1970's to early 1980's. He noted Pachamama was relocating to Wilmington and wanted to engage more closely with The Newark Partnership to create a business satisfaction or climate survey to ensure the City was business friendly. He believed residents valued local businesses and specialty shops and wanted diversity on Main Street. He acknowledged that the resting cornices and the train station windows in the CIP were pushed out and deferred to staff professionals to monitor any structural or safety hazards. He was faithful in Fleet Maintenance's skills and supported deferring vehicle maintenance when possible.

Dr. Bancroft agreed with previous Council comments and was impressed with the 12% reduction. He supported the Alfresco events and any other measures taken to bring patrons to local businesses. He intended to join the census parade.

Ms. Hughes referred to page 11 and asked for clarifications on the benefits savings of \$85,678 due to eliminating the position and Mr. Coleman explained it was all non-wage expenses associated with the position, including insurance and retirement. He added it was driven by the person in the role and whether they had family or individual coverage. Mr. Del Grande explained part of the savings was from a decrease in group hospitalization for the entire Administration Department, the reduction of the position, and other savings in the 401 plan, City pension plan, and Social Security taxes. Mr. Coleman explained the pension cost allocation was based on the number of people in a department and not on the number of people enrolled in the pension. He continued that when the personnel count reduced by one, the portion of the \$4.5 million pension annual expense decreased by 1/9th, in addition to the cost of the person's benefits, and the expense was essentially reallocated. Ms. Hughes wanted to clarify that the City was not spending \$85,000 on one employee and Mr. Coleman confirmed. He referred to Mr. Lawhorn's earlier question on the mailroom expenses and explained it was similar because other departments used to purchase their own envelopes, but staff now required everyone to use standard City of Newark envelopes. Ms. Hughes appreciated the efforts on the budget and presentation. She supported hosting Alfresco events into the fall, weather permitting, and thought it would appeal to residents.

Mr. Clifton agreed that Alfresco dining should continue and suggested it be at the discretion of the City Manager based on weather forecast. He believed the return on investment lessened but pointed that restaurants could still offer expanded dining and hoped it was an enhancement for patrons. He shared that he visited a restaurant with outdoor tables and said that the outdoor tables were full, and no one was inside. He supported hosting another Parks on Draft and wanted to invite Blue Crab or Skipjacks. Mr. Coleman interjected that staff spoke to both restaurants who expressed interest in joining next year but could not join now due to limited staffing. Mr. Coleman shared that staff spoke to other non-Main Street businesses and all indicated interest but had difficulty staffing the restaurant and event simultaneously. He believed Mr. Spadafino was working with Timothy's to create a Parks on Draft fall edition to replace the Harvest Festival with some modifications. Mr. Clifton was not surprised that Mr. Coleman was several steps ahead and thanked him for his foresight. He learned that the last couple of restaurants at the Pachamama location were owned by the same consortium and had moved to

Wilmington each time. He believed the location was used to determine if the restaurants would be successful and to sort out menu options.

Mr. Clifton said the budget was a difficult process and referred to surveys which indicated residents loved the City's services, but admitted hard decisions were necessary. He revealed this was his 21st budget and credited the City with its historically conservative budgeting matrix. He stated that the budget did not have much excess and that all functions were necessary. He believed Mr. Coleman took the budget to the next level and wanted residents to understand it was taken seriously by Council and staff and underwent extreme scrutiny. He recalled the City hired Hyett Palma in 1998 to assess the Main Street area and was used by Maureen Feeney Roser as the go-to manual for the downtown area. He recommended staff locate a copy and investigate any applicable avenues. He revealed that he paid his electric bill by credit card but still received an envelope and asked staff to consider revising the process. He thanked the City Manager and staff for their efforts. He planned on attending the census parade with the Lieutenant Governor to encourage residents to complete the census.

There was no public comment and the Mayor returned the discussion to the table.

8. 3-B. FY2021 FINANCE DEPARTMENT BUDGET PRESENTATION – FINANCE DIRECTOR (30 MINUTES)

55:13

Mr. Del Grande informed Mr. Clifton that all utility customers could opt out of receiving a monthly printed bill. Mr. Clifton thanked him for the advice.

Mr. Del Grande introduced the Finance Management team: Larissa Jones, Payments and Utility Billing Manager, who oversaw the Payments and Utility Billing Group (PUB), and Jill Hollander, Deputy Finance Director who managed the Accounting team. He continued that the Information Technology group was divided into two parts: Applications, managed by Daina Montgomery, and Infrastructure, managed by James Reazor. He credited Ms. Jones, Ms. Hollander, Ms. Montgomery and Mr. Reazor for running the departments successfully on a day-to-day basis, for leading their teams, and for supporting all departments and programs critical to City services. He explained the Payments and Utility Billing group was responsible for providing assistance to utility customers in establishing and terminating service, answering billing and service inquiries, executing the billing process for the City's electric, water and sewer utilities, processing customer payments, managing delinquent utility accounts receivable, and providing customer education and information on City operations. He revealed the City had almost 12,700 electric accounts, 10,400 water accounts, 8,245 sewer accounts, and nearly 8,900 stormwater accounts which totaled almost 40,200 accounts on a staggered bill cycle. He noted the student population were included in the accounts and were on a reoccurring basis. He stated PUB processed 2,044 move-out orders and 2,474 move-in orders in 2020, which proved the City had a high-turnover ratio on utility accounts. The Accounting Division was responsible for financial accountability and reporting, asset and liability management, revenue recognition and billing, and the disbursement of funds. Financial reporting duties included:

- Recording information and reporting data in comprehensible formats for internal and external purposes
- Asset management provided the security, control and accounting of cash, receivables, operating inventory, buildings and property, equipment and pension funds
- Liability management included proper recording and reporting of all short- and long- term liabilities, such as accounts payable, encumbrances, debt and capital lease obligations

Mr. Del Grande defined the Division's primary activities as investment management, liability insurance, risk management, and accounting for all City funds. He stated that the Accounting office billed revenues such as property taxes and other miscellaneous charges and explained the disbursement of funds referred to the timely and accurate processing of accounts payable and payroll. He noted treasury management was another responsibility of the Department and included management of investment accounts for the pension fund, OPEB, daily operating accounts, and the City's long-term cash account.

Mr. Del Grande explained the IT Applications division ensured that the City's vital processes functioned properly and claimed that all accounting, HR, billing, permitting and smart meter applications required constant attention for varying reasons. He credited Ms. Montgomery's team for keeping the City's core services running efficiently and for directly supporting the departments utilizing said applications. He described Mr. Reazor's IT Infrastructure team as essential for providing desktop support, data security, and server maintenance. Additionally, the infrastructure team managed the City's video

streaming, supported telephone systems, and managed the City's camera project. The IT Division also worked with the directors to research new and innovative technologies to provide communications support, network security, training and education. Together, the Finance Department was comprised of four divisions with 21 full-time staff, one part-time position, and one contractual position with the function to provide support to internal and external customers.

Mr. Del Grande listed the Finance Department's accomplishments on page four of the presentation and revealed that the Customer Service Team averaged 450 calls weekly while working with Information Technology to significantly upgrade the City's utility account portal. He stated the Department also partnered with Professional Recovery Consultants (PRC) to take over collection of the City's closed, outstanding balances on electric accounts and reported that to date, staff collected just under \$29,000, despite a mandated pause on collections from March through July. The Department also worked with Council to increase the minimum deposit on new electric accounts to \$300 in order to reduce the amount of closed accounts with outstanding balances and anticipated results in one year.

Mr. Del Grande announced the Department was again awarded the "Certificate of Achievement for Excellence in Financial Reporting" by the Government Officers Association (GFOA) for the 2018 Comprehensive Annual Financial Report and received an unmodified audit opinion with no material weaknesses for the 2019 financial statements by CliftonLarsonAllen, the City's auditors. The Department joined the City Manager on the Local Service Task Force, to ensure all Newark taxpayers were not double charged for fire service grants provided to Aetna Hose Hook and Ladder by New Castle County and the City of Newark. As a result, Newark residents received a permanent tax savings on future County tax bills.

Mr. Del Grande continued that the IT group helped replaced the wireless access points throughout City Hall, thereby enhancing the reliability and speed of the connected devices utilizing the network. Staff also completed the camera installation at the James Hall Trail and teamed with the Police Department to roll out the Axon body cameras. The Applications group implemented online payments for Permits, upgraded most of the software, including Tyler, Munis, Harris mCare, and Harris Customer Connect. Staff was also in the process of converting from Authorize.net to Paymentus for Tyler applications, which would allow for more card swiping capabilities at the new payment kiosks in City Hall. The Applications team seamlessly updated nearly all software applications throughout every department and worked with Communications to create a landing page to simplify the online payment process.

Mr. Del Grande admitted COVID and subsequent SOEs created several new, unexpected projects. He noted that all City support staff effectively transitioned to a remote work environment and were 100% operational within one week of the shutdown, including the extension of City phone lines, so customers were not impacted by the sudden relocation of employees to remote locations. He stressed that staff continued to work with residents and utility customers to create payment arrangements to help those impacted by COVID to regain financial footing.

Mr. Del Grande presented page 9 to review Accounting and Payments & Utility Billing's collective budget which totaled \$2,037,888, a \$14,573 reduction from 2020. He pointed that full-time salaries increased \$31,000 due to union negotiated step progressions and cost of living adjustments (COLA) and revealed there were no budgeted COLAs for management in 2021. He noted part-time wages decreased by \$32,000 due to the removal of the vacant Meter Reader position that remained unfilled in 2020. Benefits declined \$41,000 due primarily to a decrease in the allocation of the City's pension plan expenses. He reported materials and supplies reduced by \$16,750 but contractual services line increased by \$49,925 due to the Department's share of the City's insurance expenses. He explained depreciation was calculated based on the assets assigned to Finance, including one vehicle, and the Department's portion of hardware and software and announced the expense declined \$6,588 compared to 2020. Other expenses primarily consisted of training expenses incurred by staff, which decreased \$700 from 2020. Inter-department charges reflected the amount of the Finance budget allocated to the departments or activities that required services and decreased by \$7,199 to \$1,770,416. He reported the full-time head count for Accounting and PUB remained at 13 and announced the sole proposal for the 2021 Capital Project was a replacement vehicle tentatively scheduled for 2023.

Mr. Del Grande next presented the IT budget within the Finance department on page 21 of the proposal and reported that IT's overall budget decreased \$55,000 (3.1%) when compared to 2020, and totaled \$1,736,347. He continued that full-time wages increased \$33,000 to \$659,000 due to contractually

obligated merit increases and COLAs. During the year, staff eliminated a Desktop Support position and added a System and Security Administrator to meet the growing demands of cyber security on the City's infrastructure. The change was an internal promotion and did not increase head count. He noted other wages reduced by \$20,954 to \$25,912, or 45%. Staff removed the implementation of the standby pay program for afterhours IT support which accounted for \$18,200 of the reduction. Staff also reduced overtime by \$4,000 in 2021 and Mr. Del Grande explained that the IT Support Lead position worked until 7pm to provide daily coverage from 8am – 7pm. He also stated Materials and Supplies decreased \$4,000 to \$32,000 but indicated Contractual Services was IT's largest object line outside of salary. The 2021 budget requested \$551,000 for Contractual Services, a reduction of almost \$26,000, and was mainly due to a reduction of \$35,000 for leased equipment. He cautioned that the line was still under review and could possibly need adjustment by October. He explained depreciation was calculated based on the assets assigned to Finance and declined \$18,181, compared to 2020, and totaled \$82,466. He pointed that other expenses budgeted \$5,000 and was reduced by \$23,000 for 2021. He indicated inter-department charges reflected the amount of IT's budget allocated to the departments or activities that required service which decreased by \$55,000 to \$1,736,347. He revealed IT had six capital projects totaling \$382,700, including enhancements to the City's accounting and utility billing systems, fiber upgrades to assist the City's camera infrastructure, virtual host replacement (possibly deferring for one year), and funding for the City's disaster recovery and planning system.

Mr. Clifton thanked Mr. Del Grande and his team for the report.

Dr. Bancroft had no questions.

Mr. Horning thanked Mr. Del Grande and his team and credited them for working hard for the City. He appreciated the proactivity on the RSA and increasing the deposits for utilities as well as the actions with the GFOA to make reporting more understandable to the general public. He thought it was possible for Newark to be a leader in good government in financial areas given the exemplary team and the amount of Council support.

Ms. Hughes complimented Mr. Del Grande on the new website for utility payments and found it to be user-friendly. She asked how long the project took and Mr. Del Grande estimated six months to a year.

Mr. Hamilton credited the Department with successfully revamping the system to allow remote workspaces. He asked if staff anticipated any funds for COVID-related expenses in 2021. Mr. Del Grande replied the current language in the CARES Act indicated all funds must be fully expended by December 30th, so staff was proactively purchasing necessary items and applications for a mobile workforce. He revealed there was no anticipated CARES funding after December 30, 2020. Mr. Coleman interjected that as Facilities approached the end of the year and could gauge the funds left in CARES, staff intended to purchase an inventory of supplies to use in 2021. He noted in addition to CARES, there was a Federal Disaster Declaration so there was 75% funding available to the City through DEMA. Mr. Del Grande added that staff would leverage some DEMA funds first and then apply for CARES second to help stretch available assistance. Mr. Hamilton had no qualms taking the extra funds and welcomed creativity to save local money to better the City's services. He acknowledged the parking kiosks saved money and asked if the plan was to transition to more customer charges in 2021 to help balance the budget. Mr. Del Grande responded that 98% of the water and sewer bills were based on consumption but the City had fixed costs in the infrastructure that were not covered due to lack of consumption and industry best practices called for increases in customer charges to cover fixed cost expenses. Mr. Del Grande, Mr. Coleman, and Mr. Filasky were working on models for revenue recovery built within the fixed charges for water and sewer. He stated water and sewer paid 66 cents per month so increasing to one dollar would be a 40% increase. He indicated the customer charge would also encompass the on-coming deck for the State Revolving Loan Project and samples would be available at the October presentation. Mr. Hamilton noted the City was updating the fiber optic network and explained that the pandemic revealed the importance of having high speed internet available. He recalled discussions on whether it would be prudent for the City to have its own high-speed internet for residents and suggested teaming with UD to provide citizens internet service at a discount as another revenue stream. He asked if staff considered becoming an internet service provider for residents. Mr. Del Grande revealed staff brought the topic to Council in 2016 and suggested investigating certain areas of the City where economics proved more prudent. He agreed to return to Council with more information. Mr. Hamilton pointed to the success of other municipalities offering high-

speed internet to residents and wanted the City to be ahead of the curve and saw partnering with UD as a potential solution.

Mr. Lawhorn thanked Finance for their presentation and acknowledged it was a challenging year. He thanked Mr. Del Grande for having intimate knowledge of the County finances to aid the City with the Local Service Function. He asked for clarification on the increase of \$49,000 for contractual services and Mr. Del Grande replied it was for insurance related allocations. Mr. Lawhorn noted a decrease in the Finance's pension plan of \$32,594 and asked for clarification. Mr. Del Grande replied the City had \$4.155 million for the City's pension contribution to the pension fund in 2021 and was allocated based upon the eligible pensioners that were currently active for the City. He noted that an accounting employee retired last year and was replaced by an employee from the 401A plan and so the pension plan amount decreased.

Mr. McDermott asked if page 32, Harris Automation Platform, was a five-year contract and if the City was already on year four. Mr. Del Grande replied that it would be an add-on to the current Harris Platform and pointed to the pricing options listed on page 33 which ranged from \$179,000 to \$100,000, including some implementation. He explained the project was earmarked to start at the end of 2021. Mr. McDermott asked if it was the current platform and Mr. Del Grande confirmed but said it provided upgrade options for the back office to create efficiencies on how staff performed day-to-day operations in the Utility group. He hoped that adding automation and efficiencies would free up staff for other tasks. Mr. McDermott asked if the platform was in use and would be an add-on to a platform for which the City already paid. Mr. Del Grande repeated it was an add-on and expanded that staff was attempting to streamline manual tasks and the company did not automatically incorporate the tasks into the software, so the City had to pay extra for the service. He noted it was between \$100,000 and \$150,000 depending on which option staff chose. Mr. McDermott supported any measures that increased efficiencies and asked if the upgrades were a need. Mr. Del Grande explained it was a project that had been in the works for five years and was postponed. Ms. Jones added that some of the processes ran longer and slowed the system so the automated platform would perform the duties on off-hours in order to not negatively impact customers. She continued that there were multiple benefits of having the automated platform because it allowed for staff to continue to optimize the system to assist customers. Mr. McDermott deferred to staff if it was a need and wanted to make sure it was a necessity. He asked if the \$75,000 on page 34 was the actual price instead of estimated cost and Mr. Del Grande confirmed the item had been part of the budget for years. He revealed he had discussions with Mr. Reazor on moving the item to 2022 to reduce the 2021 budget.

Mr. Clifton offered Mr. Horning a follow-up question and Mr. Horning stated Mr. Del Grande answered his question about efficiency gains with Harris Automation.

Mr. Clifton referred to claims in the news that the City was left with \$100,000 utility gap when students left the City and clarified that the deposit was raised this year by Council in order to avoid the scenario. He thanked the Finance team and thanked Ms. Jones for her diligence in working with residents and customers.

There was no public comment and the Mayor returned the discussion to the table.

9. 3-B. FY2021 POLICE DEPARTMENT BUDGET PRESENTATION – CHIEF OF POLICE (60 MINUTES)

1:34:48

Chief Tiernan greeted Council and listed the Department's key accomplishments:

- 100% Compliance with Annual CALEA Compliance Review and out of 18,000 Police agencies nationwide, the City was one of 733 agencies to be CALEA certified
- Completed training and deployment of Body Worn Cameras (BWC's) and upgrade to vehicle mounted
- Upgraded Mobile Video Recording (MVR) system

Chief Tiernan credited Captain Van Campen for securing grant funds and spearheading programs.

- Successfully implemented Pandemic Response Plan due to COVID-19 pandemic
- Worked closely with partners including Delaware Emergency Management Agency, Delaware Office of Emergency Medical Services, NCC Office of Emergency Management, City Staff, UD Police Department and others

Chief Tiernan noted that Police and civilian staff were unable to work from home and were often required to work in close physical proximity with the public. He explained the Chief's Citation was an award given to deserving members of the Department and he had presented every member below his rank with the Citation for their outstanding work during the pandemic response.

Chief Tiernan listed the various training programs the Department completed:

- Force on Force and De-escalation Simulations Scenario Training
- Fair and Impartial Policing Training
- Crisis Intervention Training
- Critical Incident Stress Management Training with Newark having the second most Police training hours in the State

Deputy Chief Farrall presented the Operating and Capital budgets and said he would focus on the Executive Summary on page 19. He noted the overall increase of 5.9% in wages and benefits and explained it was due to the annual contractual step increases and advancements, changes to the City's pension plan, and the addition of one Police Officer to serve as the second School Resource Officer (SRO). He admitted the budget only increased for personnel and staff and the Department was able to reduce many items for a leaner 2021 budget. He pointed to the 4.2% reduction in Materials and Supplies and explained it was due to several cuts in items such as firearm supplies and copying supplies. He explained the 9.9% decrease in contractual services was due to changes to the City's insurance coverage and continued that the \$1.26 million in 2021 would reduce by another \$27,000 that was not currently reflected in the presentation. He explained the \$27,000 was due to an alternate source of funding from the Violent Crimes Fund for undercover vehicle rentals and staff had received the approval to use the funds just that day. He noted Other Expenditures decreased by 17.39% decrease from 2020 due to a 25% reduction in the training budget because staff identified and removed any non-essential training that was not mandated by the Council on Police Training or necessary to maintain any specific individualized certifications on any officer. He stressed that the Department was considering the training budget reduction a temporary cut because of the City's financial situation and would seek to return to current training levels in the future. He continued that Police considered training as critically important to maintaining the level of service and professionalism provided for the City. He reported the total operating expenses reflected an overall increase of 3.51% and reiterated the increase was due to personnel and benefit increases.

DC Farrall continued to the Summary of Capital Items on page 29 and revealed there were no new proposed capital projects for 2021. He explained the first item was the Body Worn Camera Project which had on-going related expenses from the 2019 CIP for \$68,268 and would continue for the next several years. He stated the Taser Replacement Project cost for 2021 was estimated to be \$23,516 and reflected the cost of 14 new tasers. He educated new Council that the City annually replaced 14 tasers over a five-year cycle. He reported the Ballistic Vests amount of \$27,554 were due to a manufacturer requirement that vests were to be replaced every five years and the Department had 26 vests up for replacement in 2021. He continued the Equipment Replacement Program was for vehicles and noted seven were slated for replacement in 2021. He explained the Department met with David Vispi who reviewed the maintenance of each vehicle and determined that five replacements could be pushed in support of the budget but two were imperative. The two vehicles up for replacement were marked Police vehicles.

The Mayor opened the table to discussion from Council.

Mr. McDermott thanked the Department for the presentation and agreed that Police Training was vitally important for the Department's sustainability and supported increasing the funds to previous levels. He stressed that an under-trained Police Department cost more than funding appropriate levels of training. He asked for the contractor for the camera system and Deputy Chief replied Axon. Mr. McDermott asked if 14 X26P tasers were replaced every year and DC Farrall confirmed. Mr. McDermott understood other agencies were able to negotiate package deals between the camera and replacement and asked if all the tasers were out of warranty. DC Farrall confirmed the service life of the tasers was five years and introduced Chris Jones to explain the warranty details. Mr. McDermott rephrased his question and asked if the entire stock of tasers were outside the warranty. Sergeant Jones replied they were all currently within the warranty but 14 would cycle out of warranty beginning in January 2021. Mr. McDermott said that Axon offered package deals and asked if staff looked at bundling cameras, MVRs, and weapons systems. Sergeant Jones confirmed the Department repeatedly met with Axon and it was determined the timing was not appropriate. He noted recent discussions determined when the next cycle of body worn cameras contract expired, the Department would be in a better position to revisit the issue.

Mr. Lawhorn understood some of the funding for the second SRO was covered by grants and asked for background given that students were not in school. DC Feeney replied the Department was in

communication with the school to determine how to best utilize resources and noted the SROs were not currently in schools but could change. Sergeant Jones confirmed he had no further communications from the school district on school openings. DC Feeney explained the school districts were contractually obligated with MOUs in place for both positions and staff was utilizing the resource in other situations until the school decided otherwise. Mr. Lawhorn asked if the large pension plan increase was a natural progression of increase and Mr. Del Grande explained staff made a change last year, but he was still investigating the allocation process to ensure accuracy. He reminded Council that it was a strictly an allocation process and all the pension budgets still added up to \$4.15 million. Mr. Lawhorn asked how much the Department spent on recruiting and training new officers and DC Feeney pointed to the Operating Budget line item for recruitment and retention. He explained the Department was revising its application written testing procedure with PSI to remedy shortcomings in the processes and devise a better method. He revealed the Department would host a test in October to create a list to fill any potential vacancies and noted 18 officers were eligible for retirement in 2021. He stressed that recruitment was a major issue on the Department's radar and the Administration Unit constantly recruited on social media platforms, but he would investigate the cost to hire, train and outfit a new officer. Mr. Lawhorn thought it was important to understand the costs associated with new hires because it provided staff with a guide on how much to invest in employee retention and served as a justification for the expense. Chief Tiernan confirmed that staff could compile the expenses and explained some officers performed different duties and attended job fairs to recruit officers. He summarized the Department paid for the written and physical exams and then hired officers who attended the Academy and training for an estimated cost of two year's salary. He believed the Agency's small size made it difficult to compete with the State or County that could pay more, offer more benefits, and had opportunities for different assignments. He revealed the Department was working with various City staff which could cost money in the short term but could keep officers with the Agency in the long run. Mr. Lawhorn confirmed that he was looking for obvious as well as hidden costs so staff and Council could have clear discussions and present the public with justified reasoning. He thought the information would be beneficial to implement procedures to retain officers and Chief Tiernan agreed.

Mr. Hamilton stated retention costs and training were included in his previous employer's budget so the staff understood the cost of losing a person and could factor the number into pay raises or scheduling. He was surprised the Department did not have the number readily available and suggested the figure be tracked for all employees. DC Farrall interjected and clarified that the Department tracked how many officers either left or retired and explained it was built into the budget. He clarified that the cost of the Academy (including uniforms and supplies), regular uniforms and equipment, and special ammunition were all built into the Department's budget based on the estimated number of officers leaving each year. Chief Tiernan added that Mr. Lawhorn was referring to the hidden costs, such as the length of time served, and the amount of time spent recruiting. He agreed with DC Farrall that staff could roughly estimate the cost to recruit and train an officer but needed to investigate hidden costs more closely. Mr. Hamilton understood the City had different challenges than other municipalities and hoped to have the information available to aid in the retention efforts. He thanked the Police and acknowledged 2020 was a challenging year for departments across the Country. He was thankful the City did not have hotspot issues within the City and Police Force. He thought the protests were handled well and pointed to the discussions with staff and management and the Mayor's diversity initiatives. He believed many agencies were under scrutiny, but he was pleased that there was support for the Newark PD and actions in the City. He believed the Department had a quick response time and were not considered abusive and he thought the City and the Police were progressive. He thanked them for their budget and appreciated the deferment of some items. He agreed with previous Council comments that training was critical and reiterated his appreciation and pride for the Department and City.

Dr. Bancroft agreed with previous Council comments and expected to continue to look at cost-saving measures. He appreciated the efforts made so far.

Ms. Hughes thanked Chief Tiernan and DC Farrall.

Mr. Horning asked if the turnover in 2020 was different than previous years when factoring out retirement. Chief Tiernan believed it was average and emphasized the Department could not plan for officers moving on to other agencies. Mr. Horning asked for clarification on the increase of \$25,000 in Building and Equipment Rental and DC Farrall explained it was a reduction of \$27,000 in a line item with \$31,000 and would be backed out of the \$1.26 million in Contractual Services. He confirmed that the Finance Department would revise the number before submitting the final budget and repeated the earlier response that the Department discovered that day that they were able use the State's Violent Crime Fund to pay the \$27,000. Mr. Horning acknowledged the national discussion on Police funding and believed the Departmental narratives addressed community-oriented programs throughout the City. He asked if the City's violent crimes and opportunistic threats were from non-City residents and suspected the City's

proximity to I-95 was a factor. Chief Tiernan confirmed it was a mix and revealed most college students tended towards loud parties and not criminal activities. He stated the City's proximity to 95 created issues with prostitution at some hotels and agreed that most robberies were committed by out of towners, but drug issues were from the local and out-of-town communities. DC Farrall noted the City had a low rate of crime and violent crime so when there was a spree, the numbers jumped significantly. He shared that the City was well above the national average for clearance rates for crimes and Police were usually quick to apprehend offenders in the event of a crime spree. Mr. Horning asked if there was a response to how the budget had grown over the years and said he received a form email from various places around the world about the City's budget. He did not know if it was wise to defund an overwhelmingly supported Police force to redirect money into other community programs while crimes were committed by external individuals. He viewed the Police Athletic League (PAL) as an investment in the future and anticipated apprehension from residents if the force were immediately defunded. He continued that he was in touch with Lindsay Bonistall's family and understood the force thought about her on the anniversary of her death. He believed residents did not worry about violent crimes because they believed the Police would focus time and effort to bring criminals to justice and the City did not have violent crime sprees. Mr. Horning asked the Department to address the topic after public comment.

Mr. Clifton estimated there were 18,000 Police departments in America and believed that people used rogue officers or rogue agencies as an argument to defund the Police. He repeated that Newark had been CALEA certified since early 1997 and stressed it was a gold standard that few departments in the nation held. He pointed to the various partnering agencies with which the Department worked in assisting the mentally ill and to the upcoming PAL program as reasons for pride and celebration for the City. He believed the agency was one that could be admired and noted Internal Affairs complaints were examined unbiasedly and included the Attorney General's office if necessary. He stressed that the City had no fear in exposing itself to the top law enforcement agency in the State and revealed that he and Chief Tiernan met with the NAACP and would meet again in the fall. He admitted it took training and staff to have a low crime rate and called the Department's closure rate "phenomenal". He repeated that the Police Department received the highest accolades on the resident surveys and believed the Newark Police Department should serve as a model for other agencies.

The Mayor opened the floor to public comment.

Ms. Schiano read a comment from Dael Norwood, District 1, into the record.

"Policing is under increasing scrutiny in the United States, and for good reason.

Policing in America is unequal. Even before millions of Americans – including many Newarkers – participated in this spring's protests against the unjust violence done to George Floyd, Breonna Taylor, Jacob Blake and so many others, the racial and wealth disparities in who interacts with the police, under what circumstances, and with what outcomes were undeniable.

Policing in America is opaque. In Delaware, as in many other states, law enforcement officers have special privileges no other citizens have; their actions are shielded from public oversight and transparent civilian review. And in Delaware, as in many other states, that secrecy has greatly diminished the public's trust in law enforcement.

Policing in America is militarized. In Newark, like many other cities and towns across the country, police use equipment originally intended for the Department of Defense. The military-grade firearms and bomb disposal robots available to the law enforcement agencies with jurisdiction in Newark have brought the technology of war into the heart of our community.

Finally, policing in America is expensive. Again, Newark's experience is typical. In the last decade the City's expenditures on policing have exploded by 66%, while its population has remained close to static. Law enforcement costs dominate the City's budget and its personnel chart – even as evidence mounts that some of these expenditures, like School Resources Officers, are a net harm to the public. These unchecked expenditures are particularly concerning in a moment when the economic effects of the pandemic have put City revenues at risk and increased the needs of our fellow citizens for food, shelter, and healthcare.

Of course, the City of Newark cannot address all of the problems of policing in America. But as it has done to face the problem of climate change, the City can do its share, as a corporate body, to improve the situation. As the City prepares next year's budget, I urge the Council to look closely at solutions to public problems that do not involve more policing; and further, I urge you to resist increasing the policing budget, again, during this moment of economic crisis.

We face many problems today – issues that in the past local governments have addressed too late, after they have led to disorder. But housing insecurity, mental health crises, unemployment, and hunger are all problems that other cities in America address more efficiently and effectively with tools other than policing. Newark is a great city, with great people; it deserves better solutions than those we know have failed. Thank you for your consideration.”

The Mayor asked for Chief Tiernan’s response. Chief Tiernan replied that policing differed between Federal, State, County, Municipal, University, and Transit and that the average Department differed greatly from those in Philadelphia and New York. He reiterated there were nearly 18,000 Police departments in the country and stated the Major City Police Chief Association required its members have a force of 1,000 officers or more. He said there were only 69 Police Departments large enough in the U.S. to be considered Major City Police Departments. He stated 90% of the departments in the U.S. had under 50 sworn officers and 50% of those had less than 25. He stressed that the average Police department was made of local community residents and Newark got lumped into national issues. He noted some smaller cities has issues but that Newark, with its 72 sworn officers, was a small enough City that everyone knew the Mayor and their Council members and were able to freely communicate with the City Manager and Police Chief. He admitted that the City had no bomb disposal equipment, so Police deferred to the State for such calls. He explained the budget increase yearly because the salary and pension costs increased and stressed that crime significantly dropped. He reported there were 78 robberies in 2006, most with a gun, while there were 18 last year. He said the only significant increase in the budget to help with the decrease in crime was in cameras and license plate recognition cameras, most of which was utilized grants. He reiterated the budget increased because of personnel costs, not for military equipment, and stressed that crime decreased due to intelligence-based policing, training, and technology. He agreed that there should be funding for mental health issues and explained that Delaware had access to 24-hour health services through the Department of Health and Human Services Crisis Intervention Team (CIT). He continued that Police responded to mental health calls and could call CIT who could choose to respond to the situation in person or over the telephone and could refer the person to the proper Social Service agency. He noted the CIT could commit an individual if they were determined to be a danger to themselves or society. He stressed that few places had mental health resources like Delaware and noted that some family members called CIT directly and CIT would request Police to cooperate with the situation. He revealed that the City had a group called The HUB which included members from the Division of Family Services, the Division of Aging, Mobile Crisis, Juvenile Crisis, Newark Housing Authority, UD Police, Probation and Parole, Victim Services, and many other agencies to help address mental health, community, or neighbor issues. If a complicated situation arose, the group sent representatives to meet with Police to consider a multi-disciplinary team approach to complex issues to determine a solution. He believed the City had the State’s best Victim Services Coordinator on staff, Melissa Pennachi, who helped victims or witnesses with referrals. He agreed there was a need for a change and review in policing and admitted there were different services throughout the country but cautioned against being hasty. He wanted to consider the practices of successful Departments and attempt to raise other Departments’ standards and then consider how to improve. He thought the City was far ahead of the national curve because the cooperation within the State of Delaware. He revealed he came from another state and was amazed at what services Newark’s Police Department could offer residents. He credited the officers with extensive training and multi-tasking and acknowledged the State and Federal grants and assistance with helping to keep costs down. He reiterated the decade long decrease in crime rates and tremendous community support. He reported that he was in a meeting with the Mayor and the Board of Education when the issue of SROs was discussed and recalled that the support staff received was amazing. He noted members of the public would greet former SROs in the street and said the Fraternal Order of Police volunteered with various community programs on their personal time to help with the community.

Mr. Clifton thanked Chief Tiernan for his insight.

There were no other public comments and the Mayor returned the discussion to the table.

Mr. Clifton thanked Mr. Coleman and participating staff for the refined budget and working together for the good of the community. He hoped that residents better understood the City’s processes.

10. 4. ITEMS SUBMITTED FOR PUBLISHED AGENDA:
A. Council Members: None

11. 4-B. OTHERS: None

12. Meeting adjourned at 9:28 p.m.

Tara A. Schiano
Deputy City Secretary

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