

The regular meeting of Mayor and Council was held on the above date with Council members Jim Reynolds, Jason Faulkner, Robert McGhee, Robin Burgess, Robert Pierce and Chuck Dixon present with Mayor Kenneth Branner presiding. Town Manager Morris Deputy and Town Solicitor Scott Chambers were also present.

MPD Officers Scott Saunders and Ron Davis were presented proclamations from Mayor and Council for their dedication and support of the Middletown Athletic League. The Officers started the league 5 years ago; membership is over 1,000 kids to date.

1. **MINUTES APPROVAL:** Moved by Mr. Pierce and seconded by Ms. Burgess to approve the Minutes for June 4, 2012 as presented. Motion Carried Unanimously.

2. **TREASURER'S REPORT:** Moved by Mr. Pierce and seconded by Mr. McGhee to approve the Treasurer's Report as presented. Motion Carried Unanimously.

3. **BILLS PAYABLE:** Moved by Mr. Reynolds and seconded by Ms. Burgess to approve the Bills Payable as presented and pay as funds become available. Motion Carried Unanimously.

4. **POLICE REPORT: Chief Hank Tobin**

- The MPD responded to 1,017 calls for service for the month of June.
- 262 incidents required documentation with an incident or accident report.
- 77 incidents required arrest action, totaling 144 arrests for the month.
- Calls for service: Zone 1 – 242; Zone 2 – 277; Zone 3 - 169; Zone 4 – 162.
- 23 accidents: 16 property damage, 5 property damage/hit & run; 2 personal injury.
- 4 drug arrests
- Burglaries: concession stand at Duke field; Simpson Place at The Legends; Warren Drive in Millbranch
- Call volume: Busiest days - Friday 170 and Saturday 178; peak times – between 10 a.m. and 3 p.m.
- Top calls for service: vehicle enforcement - 258 stops; property checks – 128; parking violations – 86; public relations – 59; alarms – 47.
- The MPD will be hosting a Youth Academy for boys between the ages of 12 and 15 during the weeks of July 23rd through August 3rd. The program will be led by Officers Ronald Davis and Joe Womer, teaching life skills including respect, discipline, honesty, fitness and nutrition, responsibility and substance abuse. Applications are available at Town Hall and the Police Station.

Moved by Mr. McGhee and seconded by Mr. Dixon to approve the Police Report as presented by Chief Tobin. Motion Carried Unanimously.

5. **PUBLIC HEARINGS:**

5-A. **Motion to Approve Fiscal Year 2013 Budget for the Town of Middletown**

Mayor Branner presented the proposed budget:

FY '12 RECAP: OPERATING BUDGET

- FY'12 closed with higher than expected revenues and lower than budgeted expenses. The additional surplus was due to new development revenue related to the Johnson Controls expansion, and the construction of Amazon.com and Christiana Care. Expenses were controlled in FY'12 due to various operational efficiencies, and carefully planned FY'13 expenses.

Mayor Branner commended Council and the employees for efforts put forth in 2012 to control costs. Many cost-saving ideas were put in place as a result of their suggestions.

FY'12 RECAP: CAPITAL BUDGET

Sewer Department

- The Lakeside Interceptor project was completed.
- The 301 Force Main was upgraded.
- The Rt. 1 Sewer Projects are mostly completed – the force main and gravity line are installed. One pump station is operational and the second pump station will be running next month. That project will allow the Town to divert about 100,000 gallons of flow from New Castle County’s Water Farm #1 which will save about \$250,000 per year in treatment costs. The freed-up capacity will be sold to New Castle County for \$43 per gallon.

Water Department

- Wells 6, 8 and 9 were rehabilitated this year to increase well capacity.
- Upgrades to the water plant were completed to contribute to the efficiency and water quality in our drinking water system.

General Administration

- Conversion of the accounting and billing software systems was completed.
- Universal Recycling was launched. An estimated 1,800 tons of household waste has been diverted to recycling centers in the past 13 months.
- The Greenlawn bio-retention project was completed to improve storm water quality.

Electric Department

- Various improvements to the Industrial Drive Substation and the Westtown electric infrastructure have been completed or are underway to support the commercial growth on the west side of town.

FY'13: SUMMARY OF OPERATING AND CAPITAL BUDGETS

Operating:	\$34,148,291	(increase of 2.5% vs. FY'12)
Capital:	\$ 4,347,160	(decrease of 46% vs. FY'12)
Total	\$38,495,451	(<u>decrease</u> of 7.0% vs. FY'12)

FY'13: OPERATING BUDGET

The proposed FY'13 Operating Expense Budget totals \$34,148,291, which is about \$873,000 or 2.6% higher than the FY'12 expense budget. The higher expenses are supported by increased revenues, both of which result from a full year of Johnson Controls’ water, sewer and electric consumption, plus a partial year of Amazon.com and Christiana Care. Property Taxes and Transfer Taxes are expected to remain the same. Personnel expenses, including the two largest components (wages and health insurance) are expected to remain flat, due to over 50% reductions in part-time and seasonal requirements, and a new health insurance contract. The Town’s full-time employee count will remain at 153. Street paving maintenance was restored in this year’s budget thanks to additional Municipal Street Aid received in FY'12 and scheduled for FY'13.

No tax or utility increases are planned for FY'13. The MOU between the Town and the Governor’s Office is already in effect, with the first 2.6% decrease in electric rates that occurred last February. Another small decrease is expected next February, toward meeting the three-year goal of a 10% total reduction in electric rates.

FY'13 CAPITAL BUDGET

The total Capital Budget is \$4,347,160, but \$3,887,520 is being funded with ODW loans or the existing sewer project financing, leaving net Capital Expenditures of \$459,640. The total Capital Budget is 46% less than last year’s budget. The following projects are scheduled for FY'13:

Sewer Department

- The Longmeadow and Hampshire pump stations will be completed to close the Rt. 1 projects early in FY'13 (\$1.4MM).
- The Frog Hollow WWTP will undergo a partial sludge removal process in FY'13 (\$250,000).
- The ongoing RIBS study will continue into FY'13 and FY'14 with assistance from the University of Delaware (\$55,440).
- Alternative algae treatments will be done at Frog Hollow (\$14,000).
- Spray fields on the Town's west side will be remediated per DNREC standards (\$33,000).

Electric Department

- The project to build a second 138kV feed from Delmarva's system through Townsend will begin this summer (\$495,000).
- The 12kV feed at Fairfield Commons will be upgraded to a 25kV line to divert load from the old substation (\$54,000).

Water Department

- The ongoing ODW projects will continue in FY'13 to include:
 - >Hydrant rehab and main replacements on Pennington, Shallcross, Lockwood and New Streets (\$1MM).
 - >The addition of a filter and new well house at well #6 (\$775,317).
- DEMA is partially funding a chlorine contact chamber at the Water Plant (\$60,000).

Police Department

- MPD is purchasing two Chevy Caprice Cruisers; \$70,000 will be funded with existing lease financing.

General Administration

- Storm Water Management improvements are scheduled in Sharondale (\$25,000).

To Recap:

The total FY'13 Budget, Operating and Capital Budgets combined, is \$38,495,451, which represents a decrease of 7.0% vs. FY'12. The reduction is driven by a Capital Budget that is 46% lower than last year, but the Operating Budget is growing by 2.6% due to utility volume increase.

Resident Bob Gouge commented it appears the debt service will deplete the Capital Developer's fund by 2014 and asked how the debt will be handled if that fund is depleted.

Mayor Branner said the Capital Developer's account is made up of funds received from developers' impact fees. Funds from the account are used to pay for infrastructure, such as sewer, upgrade and expansion of the wastewater plant, electric substation expansion, etc., necessary to accommodate Johnson Controls, Amazon.com, Christiana Care, Health South and other businesses. Because of the upgrades to the wastewater treatment plant, the Town is able to enter into an agreement to sell New Castle County 1.5MM gallons of wastewater capacity to handle new development in the county. No new large capital projects are planned in the near future; the money in the fund should continue to grow.

Mr. Gouge asked if the anticipated revenue from the wastewater system would go into an operating fund. Mayor Branner said that revenue and development impact fees will be used to pay debt service.

Moved by Mr. Pierce and seconded by Ms. Burgess to adopt the Fiscal Year 2013 Operating Budget of \$34,148,291 and Capital Budget of \$4,347,160 without any tax increase or utility rate increase. Motion Carried Unanimously.

5-B. Adopt a Resolution to amend the Rules and Regulations, including the Electric Tariff for the Town of Middletown, regarding meter deposits and appendix modifications.

Lou Vitola reported the current meter deposit is not high enough to cover the final monthly utility bill of the average residential tenant. Outgoing renters left with a partial bill often go unpaid. The Town is proposing to increase the deposit from \$150 to \$300. The initial deposit will remain at \$150, but all new customers will be

charged another \$50 in each of the first three months of service to build the deposit to \$300. The increase will help offset collection fees and the loss incurred.

Mary Harris from Mary Pierson Realty requested the Town not increase the meter deposits because of the additional burden it will place on new tenants. Mayor Branner said the issue is people skip owing the Town money. The Town pays a percentage to a collection company to try to collect the money or it gets written off and the Town loses money. A payment plan can be worked out for 3 months or longer if necessary. The tenant has to pay \$150 to have the electric turned on and \$50 over three months to make up the additional \$150. If they can't do that, they have to work out a financial agreement with the Billing Office.

Moved by Mr. Faulkner and seconded by Mr. Pierce to adopt the Resolution to amend the Rules and Regulations, including the Electric Tariff for the Town of Middletown, regarding meter deposits and appendix modifications. Motion Carried Unanimously.

5-C. 126 Patriot Drive, Suites 3, 4 and 5 – Conditional Use Permit CU-05-12 - Request for a fitness center in an existing building in a Manufacturing-Industrial (M-I) District. Tax parcel 23-041.00-014.

Robert Mullin, property owner, requested approval to lease space to a 24-hour fitness center. Aerobics classes will be held during the week also.

Mayor Branner said Planning and Zoning recommended approval. The Conditional Use approval stays with the property for a year; any other use will have to apply for a new Conditional Use.

Moved by Mr. Faulkner and seconded by Ms. Burgess to approve Conditional Use Permit CU-05-12 to allow a fitness center at 126 Patriot Drive, Suites 3, 4, and 5. Motion Carried Unanimously.

5-D. Introduce an Ordinance to Annex State of Delaware property, DelDOT Maintenance Yard and Park and Ride, located at DE 1 and DE 299, regarding 2.1 acres inadvertently omitted from the May 2, 2010 annexation of said property.

Mayor Branner said DelDOT realized this parcel was omitted from their original annexation plan and requested to be placed on the agenda so the total parcel is annexed into the Town.

6. UNFINISHED BUSINESS:

7. NEW BUSINESS:

- Mr. Reynolds announced the Fourth of July Fireworks will be held on July 4th at Silver Lake Park. The Park opens at 6 p.m. Any non-profit organizations who want to sponsor a fund-raiser should contact the Town for an application. The rain date is July 5th.
- Ms. Burgess thanked the Town employees for all their efforts to restore the power and clean up after the storm.
- Mayor Branner also commended the electric, park and street department employees on their tremendous efforts.
- Mayor Branner announced the fireworks will go on, but, unfortunately, flags will not be distributed because it has become too cost-prohibitive.
- Tracy Skrobot announced Music on Main is scheduled for July 20th. New bands and other activities are planned. The next scheduled Music on Main is August 19th, the day before the Peach Festival. The crab feast is scheduled for September.
- Middletown Main Street has a web site if anyone is interested in getting on their mailing list.

Moved by Mr. Reynolds and seconded by Mr. Faulkner to adjourn. Motion Carried Unanimously.