

The regular meeting of Mayor and Council was held on the above date with Councilmen Jim Reynolds, Jason Faulkner, Robert McGhee, Drew Chas, Rob Stout and Howard Young present, with Mayor Kenneth Branner presiding. Town Manager Morris Deputy and Solicitor Gary Junge were also present.

1. Call to Order**2. Pledge of Allegiance**

3. Minutes Approval: Moved by Mr. Reynolds and seconded by Mr. McGhee to approve the Minutes for June 5, 2017 as prepared. Motion Carried Unanimously.

4. Treasurer's Report: Moved by Mr. Faulkner and seconded by Mr. Stout to approve the Treasurer's Report as prepared. Motion Carried Unanimously.

5. Bills payable: Moved by Mr. Reynolds and seconded by Mr. Chas to approve the Bills Payable and pay as funds become available. Motion Carried Unanimously.

6. Police Report: Chief Daniel Yeager

The MPD responded to 986 calls for service for the month of June.

- 4 Burglaries: Wilmore Drive, Liborio Drive, Auto Park Drive, E. Lockwood Street
- 1 Robbery: Family Dollar Store
- 1 Marijuana arrest
- 1 Heroin arrest
- 183 traffic arrests; 104 criminal arrests; 49 warnings; 379 reports and 48 field service reports and crime prevention checks.

Moved by Mr. Young and seconded by Mr. Stout to accept the Police Report as presented by Chief Yeager. Motion Carried Unanimously.

7. Middletown Main Street update

Danayea Jacobs, Executive Director:

- Music on Main will be held Friday, July 7th from 6 to 9 p.m. in the Church on Main parking lot.
- Movies under the Stars will feature Beauty and the Beast, Friday, July 14th. Food, face painting and other events will be on hand.

8. Public Hearings**8-A. Motion to approve the FY '18 Town of Middletown Capital Budget****8-B. Motion to approve the FY'18 Town of Middletown Operational Budget****RECAP FY'17 OPERATING BUDGET**

FY'17 is expected to finish with an operating surplus; revenue was primarily driven by a continued increase in both commercial and residential development. Expenses were managed by department supervisors, thanks to various operational efficiencies and strategic planning, which will continue into FY'18, where expenses were carefully planned.

RECAP FY'17 CAPITAL BUDGET

Employees and partners continued to work on critical infrastructure projects during FY'17.

Water/Wastewater Department

- The RIBs study (Rapid Infiltration Basin) with the University of Delaware was completed and has been permitted. It is being implemented now in the wastewater discharge permit. Infrastructure improvements continue in the department.
- Sixteen vehicles were leased under the 2017 leasing program, which proved to be very successful.

Electric Department

- The project is continuing toward building a second 138kV feed line from Delmarva's system through Townsend, to the substation on Industrial Drive. Construction should start in the fall of 2017.
- The new line truck purchased should be delivered within a week.

Streets and Parks Department

- The program for street repair went very well. Several streets are targeted this year, including Wood Street, to address drainage issues and repaving.

Other Capital Projects in FY'17 included HVAC upgrades to Town Hall, IT security upgrades, and the purchase/upgrade of several radios.

FY'17 and FY'18 PROPOSED BUDGET

FY'18 Operating Budget

The proposed FY'18 Operating Expenditures Budget is about 0.5% higher than the FY'17 Operating Budget. Income for FY'17 and FY'18 from property taxes and transfer taxes, is expected to increase over last year's budget, as new homes and commercial units are built. The new homes are being built more efficiently, which helps to control costs for providing utility services.

The Town's full time employee count remains at 134 employees, and employment will continue to be handled through transfers from other departments and attrition, when applicable. In addition, the Town was able to offset a significant portion of employee healthcare cost increase by joining the Delaware Valley Health Trust, a risk sharing pool that is owned and operated by over 125 public entities in Delaware and Pennsylvania.

FY'18 Capital Budget

The Capital Budget includes expenditures just over \$2MM.

Capital expenditures include:

- Purchasing a new sewer vac truck, to be financed using a lease line;
- IT upgrades will total \$180,000+/-, which include a new voice phone system in all Town buildings;
- IT infrastructure at the Middletown Police Department: approximately \$50,000;
- Software and hardware for a body camera program: approximately \$100,000;
- A 50/50 partnership with MOT Little League to purchase lights for a field at Silver Lake Park: approximately \$110,000.
- Over \$900,000 for upgrading and repairing several Town streets, using existing Municipal Street Aid Funding and current Street Maintenance Fee revenue. These upgrades will include improvements for crosswalks, lane striping and stormwater management.

The total Capital Budget is \$2,087,396.

Summary of Capital and Operating Budgets:

There are no recommended, planned or budgeted tax increases for FY'17. The tax rate will remain at \$0.30/\$100, which, compared with other municipalities, is the lowest in the State. Water and trash rates will remain the same as well.

Sewer rates are proposed to increase by \$.41/1,000 gallons per day. With more efficient fixtures being installed, less water is used and the cost to treat the wastewater is increasing -- using less water increases the cost to treat sewer water.

The average utility bill will increase approximately \$2.46 per month. Even with these rate increases in place, Middletown offers the lowest utility rates in the State. The average utility bill is about \$110 less per month than the average comparable municipalities that offer the same services, and about \$160 less per month than those who live in unincorporated areas of New Castle County.

The following Budget for FY'18 is proposed:

Operating Revenues	\$40,674,494	
Capital Developers' Revenue	<u>\$ 3,894,747</u>	
Total Revenue		\$44,569,241
Operating Expenditures	\$42,398,550	
Capital Developer's Expenditures	<u>\$ 2,022,981</u>	
Total Expenditures		\$44,421,531
Total Budget Surplus		\$ 147,710

Mayor Branner recommended Council adopt the Fiscal Year 2018 Capital Budget of \$2,087,396.

Moved by Mr. Reynolds and seconded by Mr. Chas to adopt the Fiscal Year Capital Budget of \$2,087,396 as presented. Motion Carried Unanimously.

Mayor Branner recommended Council adopt the Fiscal Year 2018 Operating Budget of \$42,398,550 for a total budget of \$44,421,531.

Moved by Mr. Stout and seconded by Mr. McGhee to adopt the Fiscal Year 2018 Operating Budget of \$42,398,550 for a total budget of \$44,421,531. Motion Carried Unanimously.

8-C. 124 Sleepy Hollow Drive – Conditional Use Permit request for a medical office building in an M-I zoned area. Building is changing owners and conditional use permits remain with building owners. Building will remain as Christiana Care Health Services as the major and largest tenant. CU-08-17. Tax Parcel No. 23-021.00-131.

Mary Ellen Volpa represented Christiana Care. The property was sold and the new owners are going to continue using the building for health care services.

Moved by Mr. Faulkner and seconded by Mr. Chas to approve Conditional Use CU-08-17 for 124 Sleepy Hollow Drive, Christiana Care Health Services in the M-I zoning district. Motion Carried Unanimously.

8-D. 113 Patriot Drive – Conditional Use Permit request for a 2,000 square-foot automotive window tinting facility (Greenhill 100 LLC) in an M-I zoned area. CU-09-17.

Rick Woodin represented Greenhill 100 LLC. The owner proposes to develop 113 Patriot Drive, Lot 21, Levels Business Park with an 11,000 square-foot warehouse/office building. Tint World proposes to lease a 2,000 square-foot unit offering window tinting and custom auto accessories such as wheels, performance brakes, graphics, etc. Window tinting is offered for residential and commercial facilities as well. Planning and Zoning recommended approval for the Conditional Use Permit.

Proposed hours are 8 a.m. to 5:30 p.m., Monday through Friday, and 9 a.m. to 5 p.m. on Saturday and Sunday. No evening hours are proposed.

Moved by Mr. Faulkner and seconded by Mr. Young to approve Conditional Use Permit CU-09-17 for 113 Patriot Drive. Motion Carried Unanimously.

8-E. 108 Patriot Drive – Conditional Use Permit request for a Martial Arts School (Central Movement LLC) in an M-I zoned area. CU-10-17.

Nathan Kirk, owner, requested conditional use to operate a martial arts school in the M-I zoning district. Planning and Zoning recommended approval.

Moved by Mr. Stout and seconded by Mr. McGhee to approve Conditional Use Permit CU-10-17 for 108 Patriot Drive. Motion Carried Unanimously.

8-F. Westown Business Park – Record Minor Subdivision Plan to add a 10-foot wide utility easement on the south side of Kohl Avenue, east side of Hedgelawn Way, and north side of Patriot Drive, along lot numbers 6 through 12, in an area zoned M-I and C-3. There are no other changes to the plan.

Rick Woodin represented WBP 60 LLC., owners of Westown Business Park. Kohl Avenue and Hedgelawn Way, the internal access roads, were recently constructed to serve Hedgelawn Plaza, the Harley Davidson site, and the proposed self-storage site. After meeting with the Town's electric supervisor, it was decided it would be beneficial to provide an additional utility easement along the right-of-way line of Kohl Avenue and Hedgelawn Way. The additional easement will allow the electric infrastructure to be installed behind the sidewalk, rather than underneath the sidewalk or street trees.

Patti McCuen asked why the item was advertised without a CU number and tax parcel number, and if it was properly advertised.

Mayor Branner responded that easements do not require Conditional Use Permits. The plan was advertised on the Planning and Zoning agenda and subsequently recommended for approval. It was advertised for the required amount of time on Council's agenda. The easement involves Lot 6 through Lot 12 along Kohl Boulevard – the tax parcel numbers are not required.

Moved by Mr. Reynolds and seconded by Mr. Faulkner to grant approval for the Westown Business Park Record Minor Subdivision Plan to add a 10-foot wide utility easement as requested. Motion Carried Unanimously.

8-G. Church Branch, Lot 4 – Record Minor Subdivision Plan to divide Lot 4 Church Branch into four separate parcels. The property is located on the northerly side of Industrial Drive, contains 3.46 acres, and is zoned M-I. Tax Parcel No. 23-012.00-019.

Rick Woodin represented Miklus Properties, LLC. The property is located on Industrial Drive adjacent to the Town's electric substation and wastewater treatment facility.

- The lots will have access from the existing entrance off Industrial Drive.
- The Board of Adjustment granted a variance for lot size and parking setback for the internal parking area.
- Planning and Zoning recommended unanimous approval.
- P&Z had comments regarding the entrance location on Industrial Drive, but agreed that an additional entrance was not warranted.
- Cross-access easement agreements are in place for the shared entrance.

Moved by Mr. Faulkner and seconded by Mr. Chas to approve the Record Minor Subdivision Plan to divide Lot 4 Church Branch located on the northerly side of Industrial Drive into four separate parcels. Motion Carried Unanimously.

8-H. Westown Business Park, Lot 5 – Preliminary Major Land Development Plan for a three-story, climate-controlled, self-storage facility, and office space totaling about 108,000 square-feet of floor space, associated utilities and site improvements on 4.62+/- acres. Tax Parcel 23-065.00-009.

Rick Woodin represented The McKee Group, owners of the property.

- A three-story, climate-controlled, self-storage facility with a central elevator is proposed.
- The facility is located on Patriot Drive, opposite Johnson Controls.
- Mr. Woodin pointed out that at the Planning & Zoning meeting, Robby Hutchison expressed concern that the number of parking spaces proposed was only 17; actually, 35 spaces are shown on the plan. Mr. Hutchison also suggested the traffic circulation should be one-way, counter-clockwise around the building. The traffic pattern is not indicated on the plan, but that is what The McKee Group is proposing.
- The project will contribute to the Westown Transportation Infrastructure Plan.
- Planning and Zoning recommended approval of the project.

Moved by Mr. Reynolds and seconded by Mr. Stout to approve the Westown Business Park, Lot 5 Preliminary Major Land Development Plan for a three-story, climate-controlled, self-storage facility and office space totaling about 108,000 square-feet. Motion Carried Unanimously.

8-I. Lot Q2, Diamond State Boulevard and Tower Road – Preliminary Major Land Development Plan for a 16,200+/- square-foot building to house a medical clinic and professional offices, in a C-3 zoned area. Tax Parcel No. 23-008.00-108.

Ed Ide, i3a Engineering, represented MRMS Associates.

- The proposed plan shows an entrance off Tower Lane and Diamond State Boulevard in the MOT Park.
- A cross-access agreement is in place for stormwater and water supply.
- The complex was previously designed for stormwater management, sewer and water.
- The project proposes 78% impervious coverage.
- Comments from the Town's engineers will be addressed.
- The location for the entrance off Diamond State Boulevard is still under discussion.
- Planning and Zoning recommended approval of the plan last month.

Mr. Faulkner questioned where the entrance off Diamond State Boulevard would be located, if it's not where it is proposed on the plan.

Mr. Ide said the engineer's suggestion was to straddle the property line between Q-1 and Q-2. The owner of Q-1 prefers the entrance where it is on Q-2, because a daycare playground area is proposed in the corner -- they would rather not take space from that lot. A note will be added to the plan stating that no other entrance will be allowed off Diamond State Boulevard. Lot Q-1 will use the entrance on Lot Q-2; a cross-access agreement will be prepared.

Moved by Mr. McGhee and seconded by Mr. Young to approve Lot Q2, Diamond State Boulevard and Tower Road – Preliminary Major Land Development Plan for a 16,200 square-foot building for a medical clinic and professional offices, in a C-3 zone. Motion Carried Unanimously.

8-J. 12 W. Main Street – Historical Zone Review of project to construct a walk-in refrigerator box with screen wall covers at Sully's Irish Pub at the Witherspoon Inn. Tax Parcel No. 23-009.00-001.

Danny Burris and Joe DiFrancesco, PHB Contractors, represented Sully's Pub. The applicant is seeking approval to build an 8' x 12' addition, extending from the front of the building onto the porch area, to house

the walk-in cooler. The exterior will match the existing siding. Access to the cooler will be from the inside. Planning and Zoning recommended to approve the request 4 to 1.

Moved by Mr. Faulkner and seconded by Mr. Young to approve the project to construct a walk-in refrigerator box with screen wall covers at Sully's Irish Pub at the Witherspoon Inn located at 12 W. Main Street.

8-K. Motion to ratify an Agreement with M.O.T. Little League for improvements at Silver Lake Park.

Morris Deputy: The agreement is for Little League to pay half of the cost for the lights. The estimate is \$110,715, but they will pay whatever the actual cost is. They will pay \$25,000 down, the first payment when the Agreement is signed, and the balance paid by the end of the fiscal year.

Moved by Mr. Faulkner and seconded by Mr. Chas to ratify an Agreement with M.O.T. Little League for improvements at Silver Lake Park. Motion Carried Unanimously.

8-L. Motion to ratify a Construction Agreement for improvements to Wood Street.

Morris Deputy: Bids were received for the Wood Street Improvements Project from A-Del Construction, Mumford and Miller, and Nichols Excavating. The recommendation is to award the contract to the low bidder A-Del Construction, for \$505,607. The project will be funded from Municipal Street Aid for Fiscal Year 2018.

Moved by Mr. Reynolds and seconded by Mr. McGhee to ratify a Construction Agreement for improvements to Wood Street as recommended by the Town Manager, Morris Deputy. Motion Carried Unanimously.

8-M. Introduce Ordinance 17-07-01 to amend Chapter 100, Section 100-2, of the Code of the Town of Middletown, relating to Construction Noise.

Mayor Branner introduced the Ordinance to be acted on at the next regularly scheduled meeting in August.

9. Unfinished Business:

- Patti McCuen mentioned a discrepancy concerning an inaccurate location of Strawberry Lane in the Cirrus application – Strawberry Lane is located in front of the properties.
- Patti McCuen asked about the Town taking out a bond thru DEMEC. Mayor Branner said once the Town has the easements, they will work with DEMEC to obtain the loan. The Town is one of nine municipalities that make up DEMEC; all the municipalities have agreed to the bond for the second electric service into Town.

Ms. McCuen asked the status of the \$15MM bond thru PNC, and what assets are being used. Morris Deputy said DEMEC has private credit to start the project that will be turned into the bond. The assets are DEMEC's and Delmarva Power's; the Town is borrowing from DEMEC.

Mayor Branner commented, that per her request last month, he presented her suggestion to remove the existing poles and install the line on the other side of the road, to the Board. Their response was that it wasn't feasible and suggested that since an easement already exists on the east side of Levels Road, it should be put there.

Ms. McCuen asked what the current amount of power is on the east side of Levels Road. She said DEMEC said the Town is getting one line of power coming from the Townsend substation, and she heard that in 2018 another 138kV line is coming.

Mayor Branner said she should ask Delmarva Power; the Town does not get power from the line on her father's property. The Town is installing a 138kV on the west side of Levels Road to provide the redundancy for the 138kV coming in from the north. This line will be started in 2017, and, hopefully, energized in 2018 – no third line is coming.

- Ms. McCuen questioned why her father was not contacted about spray irrigation for his farm and the nutrient management program.

Mayor Branner answered that they were asked early on if they wanted to be part of the program and their response was that they did not want to take wastewater on their property -- if Mr. Rutkoske wants to take spray, he is welcome to be part of the program.

- Ms. McCuen stated that from 2001 to the present, no one has mentioned to them that the power lines were coming.
Mayor Branner pointed out that the 2001 project was Delmarva Power's – not the Town's. The Town sent out notices on the new line and are meeting with the property owners to obtain easements.
- Edna Cale reported that Our Daily Bread on N. Broad Street has not received new trashcans. Mayor Branner told her that the Town will contact Trash Tech to have trashcans delivered.

10. New Business:

- Councilman Stout congratulated Middletown High School Lady Cavs soccer team on their State Championship.
- Mayor Branner commented that the air conditioner for the council chambers was not working and it is expected to be replaced in about three weeks.
- Fireworks will be held tomorrow night, July 4th at Silver Lake Park. Fireworks will start at dark.

Moved by Mr. Reynolds and seconded by Mr. Faulkner to go into Executive Session to discuss competency and ability of employees, pursuant to 29 Del. Code §10004(b)(9). Motion Carried Unanimously.

11. Executive Session

Moved by Mr. McGhee and seconded by Mr. Chas to exit the Executive Session and return to the regular meeting in the Council Chambers. Motion Carried Unanimously.

A. Discuss competency and ability of employees, pursuant to 29 Del. Code §10004(b)(9).

Moved by Mr. McGhee and seconded by Mr. Reynolds to approve the recommendations for staffing promotions. Motion Carried Unanimously.

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

The meeting adjourned at 9:25 p.m.