

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 Town Solicitor Scott Chambers 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 4, 2018 as prepared. Motion Carried Unanimously.

4. Treasurer's Report: Moved by Mr. Chas and seconded by Mr. Faulkner 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 as presented and pay as funds become available. Motion Carried Unanimously.

6. Police Report: Chief Michael Iglio

The MPD responded to 1,178 calls for service for the month of June.

- 6/11/18: Dunkin' Donuts, Summit Bridge Road – attempted burglary; on-going investigation.
 - 6/11/18: Concord Pet, E. Main St. – burglary; on-going investigation.
 - 6/24/18: Rita's, Summit Bridge Road – burglary; on-going investigation.
 - 6/24/18: Dunkin' Donuts, Summit Bridge Road – attempted burglary; on-going investigation.
 - 6/26/18: N. Broad St. apartment – burglary; on-going investigation.
- All business burglaries are being investigated by the Criminal Investigation Unit in collaboration with other law enforcement agencies.
- 6/15/18: Vincent Circle; altercation – arrest made.
 - 6/30/18: E. Cole Blvd.; disorderly group – arrests made; active warrant for Tyree Hollingsworth.
 - The MPD issued 194 traffic tickets; 59 warnings; 88 arrests; 381 incident reports and 45 field service reports.

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

7. Middletown Main Street Update: Daneya Jacobs

The next Main Street event will be held Friday, August 3rd from 5 to 8 p.m., featuring a car show at the Church on Main parking lot, food, music, raffles and an award ceremony. The event will benefit the downtown district.

8. Public Hearings:**8-A. Middletown Main Street request to host December 1st Christmas Parade, moving event to evening, along with tree lighting and other festivities.**

Daneya Jacobs said the parade will be held the week after Small Business Saturday and combined with a Sips and Sweets event, sponsored by the downtown merchants. The festivities will start at dusk; the floats to be lighted. The tree lighting ceremony will be held at 7 p.m.

Moved by Mr. Stout and seconded by Mr. Faulkner to approve the request from Middletown Main Street. Motion Carried Unanimously.

8-B. Motion to approve the FY '19 Town of Middletown Capital Budget.**8-C. Motion to approve the FY '19 Town of Middletown Operational Budget.**

Mayor Branner presented a recap of the FY '18 Budget:

Our FY'18 is expected to finish with an operating surplus as we experienced a higher than expected revenues. This additional surplus was primarily driven by a continued increase in both commercial and residential development. Expenses were managed efficiently by our department supervisors, thanks to various operational efficiencies and strategic planning. We will continue these efficiencies as we enter into FY'19, where expenses were carefully planned, line item by line item.

For our FY'18 Capital Budget, our employees and partners continued to work on critical infrastructure projects. Examples include:

- Municipal Services Department
 - ◊ The Wood Street project was completed as well as other Town streets.
- Sewer Department
 - ◊ Bird Balls were installed at our Waste Water Treatment Plant.
 - ◊ RIBS, or Rapid Infiltration Basins, were designed for future use in 2019 and beyond.
- Water Department
 - ◊ Our main wells were rehabbed.
- Electric Department
 - ◊ The project is continuing toward building a second 138 kV feed line from Delmarva's system through Townsend to our substation on Industrial Drive, by end of 2018.
 - ◊ Our additional transformer should be delivered shortly for our substation, at a cost just over \$1MM.

FY'19 Operating Budget

The proposed FY'19 Operating Expenditures Budget is about 6% higher than the FY'18 Operating Budget. Income for 2018-2019 from property taxes and transfer taxes is expected to increase versus last year's budget, as we experience an increase in both residential and commercial growth, which only strengthens our tax and utility base even more. However, these newer homes are being built much more efficiently, thus helping to control our costs in providing utility services to these projects.

The Town's full-time employee count will increase to 137 employees and we will continue to handle our employment needs through transfers from other departments, and attrition, when applicable. In addition, the Town was able to actively manage a significant portion of employee healthcare cost increases by remaining with the Delaware Valley Health Trust, a risk sharing pool that is owned and operated by over 125 public entities in Pennsylvania and Delaware. This partnership allows the Town to continue to offer one of the most competitive benefit packages among state municipalities.

FY'19 Capital Budget

Our Capital Budget includes expenditures of just over \$3.1 million. A large part of this budget is the addition of a denitrification process to our Wastewater Treatment Plant, at a cost of \$2.2 million. This will be funded by a transfer from our Capital Developers' Account, rather than issuing debt or bank financing. This is exactly what our Capital Developers' Account was set up for. No tax payer dollars will be needed to fund this project.

The remainder of our capital spending includes the completion of some additional Rapid Infiltration Basins (RIBS) for our Wastewater Treatment Plant, as well as the purchase of a new forklift, boom mower, backhoe and a skid loader.

By using existing Municipal Street Aid funds, and current Street Maintenance Fee revenue, we will be investing over \$1 million in upgrading and repairing several Town streets. These upgrades will include improvements for crosswalks, lane striping and stormwater management.

Our total Capital Budget is \$3,117,641.

Summary of Operating and Capital Budgets FY'19

Because of our higher than anticipated increase in revenues, there are no recommended, planned, or budgeted tax increases for FY'19. Our tax rate will remain at \$0.30/100 which is, when comparing other Municipalities, the lowest in the State. Additionally, there are no proposed utility rate increases at this time. However, the Town plans to do a utility rate study

which will be completed by the end of the calendar year. This study will assist Town officials in making sure our rates are not only competitive, but also sustainable as we continue to grow.

We are proposing to implement a water and wastewater customer charge. This charge will help create a reserve account for the maintenance and replacement of water meters in the future. This charge will be based on the size of the meter. The customer charge will only be \$1.61 a month for residential customers, and \$4.75 for most of our business customers. A full list of these rates will be available on our website. Our residential trash rates will increase to \$23.08 (a 36-cent increase per month) based on contract.

Additionally, we are proposing to increase the Street Maintenance Fee for our commercial customers from \$4.00 to \$8.00 per month, and industrial customers from \$5.00 to \$18.00 per month because these businesses have a greater impact on our streets. There will be no increase to the residential Street Maintenance Fee.

All of these increases will only impact the average resident by less than \$2.00 per month. Even with these rate increases in place, Middletown offers the lowest utility rates in the State. Our average utility bill is about \$110 less per month than the average comparable municipalities that offer the same services, and about \$145 less per month than those who live in unincorporated areas of New Castle County.

Proposed Budget for FY'19:

Operating Revenues:	\$43,241,650	
Capital Developers' Revenue:	<u>\$ 4,109,944</u>	
TOTAL REVENUE		\$47,351,594
Operating Expenditures:	\$44,175,660	
Capital Developers' Expenditures:	<u>\$ 3,117,641</u>	
TOTAL EXPENDITURES:		<u>\$47,293,301</u>
TOTAL BUDGET SURPLUS:		\$ 58,293

Mayor Branner recommended Council to adopt the proposed Budget as presented.

Moved by Mr. Chas and seconded by Mr. Reynolds to adopt the proposed Budget as presented. Motion Carried Unanimously.

8-D. Motion to Adopt Ordinance 18-06-01, regarding Illicit Discharge Detection and Elimination.

Morris Deputy: The Ordinance is required by the EPA. It defines allowable stormwater and provides the means for the Town to have the authority to investigate any illegal dump, and penalize and fine anyone who doesn't comply with the cleanup.

Moved by Mr. Stout and seconded by Mr. Young to Adopt Ordinance 18-06-01 regarding Illicit Discharge Detection and Elimination. Motion Carried Unanimously.

8-E. Introduce an Ordinance to institute a Lodging Tax for the Town of Middletown.

Mayor Branner introduced an Ordinance to institute a Lodging Tax in the Town of Middletown, as introduced in the legislature. The Ordinance will be acted on in a future meeting.

8-F. Adopt a Resolution to commit to the development of the Eastown Transportation Improvement District, in partnership with Delaware Department of Transportation, to support a 2018 BUILD grant application for the SR 299 widening project.

Morris Deputy: DelDOT is in the process of applying for a grant to help fund the widening of Rt. 299. They requested a formal Resolution from Council indicating the Town supports the East Middletown Transportation Plan. It will help them find more ways to fund the improvements on 299. The project is scheduled to start this fall.

Moved by Mr. Chas and seconded by Mr. McGhee to Adopt a Resolution to commit to the development of the Eastown Transportation Improvement District. Motion Carried Unanimously.

9. Unfinished Business:

- Mr. Reynolds reminded everyone the Fourth of July Fireworks will be held on Wednesday, July Fourth at Silver Lake Park. Gates open at 5 p.m.

10. New Business:

- Mr. Reynolds reported that dogs are digging holes at Levels Park and it's becoming a hazard and maintenance issue. If it continues, the park will be closed one day a week in order to fill the holes.
- Mr. Reynolds reminded everyone that grass and yard waste is not allowed to be placed in the street. Residents may contact Public Works at 378-2211 if additional yard waste containers are required.
- Mayor Branner reiterated that grass is not allowed to be put in the street because the rain carries it down the storm drains and into the stormwater management system. This is a regulation mandated from DNREC. Penalties will be enforced if the practice continues.
- Resident Sonya Comstock questioned why the large dump container has been on East Main Street for so long. Mayor Branner commented dumpsters are typically used when houses are undergoing maintenance projects or renovations; we will have the Inspection Department look in to it.

Moved by Mr. Reynolds and seconded by Mr. Faulkner to enter into Executive Session to discuss site acquisition, or sales or lease of real property pursuant to 29 Del. Code §10004(b)(2).

11. Executive Session:

Moved by Mr. Stout and seconded by Mr. Reynolds to return to the regular session in the Council Chambers.

A. Hearing for preliminary discussion on site acquisition, or sales or lease of real property, pursuant to 29 Del. Code §10004(b)(2).

No vote was taken.

Moved by Mr. Faulkner and seconded by Mr. Chas to adjourn.

The meeting adjourned at 9:24 p.m.