

The regular meeting of Mayor and Council was held on the above date with Council members Jim Reynolds, Jason Faulkner, Bob Pierce, Robin Burgess and David Fisher present with Mayor Branner presiding. Town Manager Morris Deputy and Kathryn Garrison from Schmittinger & Rodriguez were also present.

1. Minutes Approval: Moved by Mr. Pierce and seconded by Ms. Burgess to approve the Minutes for June 3, 2013 as presented. Motion Carried Unanimously.

2. Treasurer's Report: Moved by Mr. McGhee and seconded by Mr. Pierce 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 981 calls for service for the month of June.

- 287 incidents were documented.
- 59 incidents required arrest action, totaling 124 criminal arrests.
- Calls for service: Zone 1 – 228; Zone 2 – 254; Zone 3 – 157; Zone 4 – 145.
- 28 accidents: 21 property damage; 7 property damage/hit & run.
- Several significant drug arrests.
- 1 burglary
- 2 construction site thefts at the Estates at St. Anne's.
- Assisted Dept. of Justice Child Predator Unit with arrest at Woodline Drive.
- Call Volume analysis: busiest days Monday 179 and Saturday 189 calls; peak times: between 3 p.m. and 4 p.m.
- Top calls for service: 199 traffic enforcement; 92 parking violations; 44 property checks; 41 alarms and 26 follow-up investigations.

Moved by Mr. Pierce and seconded by Ms. Burgess to approve the Police Report as presented by Chief Hank Tobin. Motion Carried Unanimously.

5. Public Hearings

5-A. Motion to Approve the Fiscal Year 2014 Budget

Mayor Branner presented the proposed budget:

FY '13 Operating Budget Recap:

- FY '13 closed with a higher than expected revenue and lower than budgeted expenses. FY '13 came in under budget. The additional surplus was driven by new development revenue related to Amazon.com, Christiana Care Emergency, an increase in the housing market and other investment projects. Expenses were controlled in FY'13 due to various operational efficiencies and FY '14 expenses were carefully planned.

FY '13 Capital Budget Recap:

Sewer Department

- The Longmeadow and Hampshire pump stations were completed and are in operation.
- The Rapid Infiltration Study with the University of Delaware and DNREC is scheduled to be completed in early 2014.
- The spray fields on the west side of town were remediated.

Water Department

- The hydrant rehab and main replacement on Pennington Street was undertaken. Shallcross and Lockwood Streets are scheduled.
- The water plant rehab was completed.

Electric Department

- Building the second 138 kV line from Delmarva's system thru Townsend is continuing.

FY '14: Summary of Operating and Capital Budgets:

Operating Budget: \$35,500,208 (increase of 5.2% vs. FY '13)

Capital Budget: \$ 939,699 (decrease of 78% vs. FY '13)

The combined budget recommended this year is \$36, 439,907, a decrease of 4.1% over FY '13.

FY '14 Operating Budget

The proposed FY '14 Operating Budget is higher by about \$1,798,006. The higher expenses are supported by increased revenues from a full year of Johnson Controls, Amazon and Christiana Care's water, sewer and electric consumption, a partial year of the theatre and additional commercial activity. Property taxes and transfer taxes are expected to increase slightly.

- Personnel expenses are expected to remain flat due to a reduction in the work force. The Town's full time employee count is 141, which is 10 less than last year and those positions will not be filled. In addition, early retirement incentives will be offered.
- Street paving maintenance was increased due to additional Street Aid received.
- No tax increases are planned for FY '14.
- Trash fees will increase 69 cents per month by contract and another 66 cents to allow the pick-up of brush, grass and other debris on the street.
- Water and wastewater rates will increase 28 cents per gallon.

FY '14 Capital Budget

The Capital Budget is \$939,699 compared to \$4,347,160. Capital projects scheduled include:

Sewer Department

- Aerators to be installed at the Wastewater Treatment Plant on Industrial Drive – \$125,000.
- Continuation of the RIBs Project – \$75,000.
- Sludge removal – Frog Hollow Treatment Plant - \$400,000.

Electric Department

- Replacement of electric Bucket Truck - \$165,000.*

Water Department

- Security and video for new well 6 in Lakeside - \$6,970.
- Backflow Preventer Ordinance - \$10,000.

General Administration

- Cricklewood pond outfall rehabilitation - \$50,000.
- Sharondale outfall remediation - \$120,000.
- Fibre line to Armory location - \$10,600.
- Town Wellness Program - \$30,875.

Maintenance Department

- New shingles to Public Works building - \$38,500.
- New Shingles on Salt Dome - \$11,400.
- Coating for asbestos roof at Armory - \$10,200.
- LED lighting at Public Works - \$8,900.
- Updating ARC Flash equipment - \$22,500.

Meter Department

- New meter reading hardware - \$19,754.

Street Department

- Yard waste grinder - \$65,000.*

The total Fiscal Year '14 Operating and Capital Budgets combined is \$36,439,907, which represents a decrease in budget of 4.1%. The reduction is due to a Capital Budget that is 78% lower than last year, but the Operating growth is 5.2% due to the utility volume increase.

Mayor Branner recommended Council adopt the FY '14 Operating Budget of \$35,500,208 and a Capital Budget of \$939, 699 for a total Budget of \$36,439,907, without any tax increase.

*(*Note: These purchases will be funded thru the PNC Equipment Lease Agreement.)*

Resident Bob Gouge asked what the \$3,000,000 expense from the Capital Developers account represented. Tyler Reynolds responded that it was debt service payment.

Moved by Mr. Pierce and seconded by Ms. Burgess to adopt the Fiscal Year 2014 Budget of \$36,439,907 without any tax increase. Motion Carried Unanimously.

5-B. 221 N. Broad Street – Conditional Use Permit Request CU-07-13 to allow an addition of two apartments in a building housing a real estate office, in an R-2 zoning district. Tax parcel 23-006.00-473.

Kathy Migliocco, representing the property owner, requested approval to allow two apartments in the building and to install the required parking with a “U-shaped” driveway around the garage in the back of the property.

Mayor Branner said the Conditional Use was approved by Planning and Zoning with the condition 6 parking spaces will be provided. The upstairs apartment has an outside fire escape. The Fire Marshal will review the plan.

Mr. Deputy said the area isn't large enough to allow the 10 spaces as shown on the plan. The owner will have to follow up with a survey plan to be sure the 6 parking spaces will fit. A permit will have to be obtained to install an additional driveway apron on Lake Street to make the "U-shaped" driveway.

Moved by Mr. Faulkner and seconded by Mr. McGhee to approve the Conditional Use Permit CU-07-13 to allow 2 apartments in the building with the condition 6 parking spaces are provided and the "U-shaped" driveway is installed around the garage. Motion Carried Unanimously.

5-C. Motion to Approve an Easement Agreement with Jesco, Inc.

Tabled

5-D. Introduce an Ordinance to amend Chapter A192 (Gas Distribution Franchise) in the Town of Middletown Code of Ordinances.

The Ordinance will be advertised and voted on at the August meeting.

5-E. Public Assembly Permit – NAACP Fish Fry on July 27th at 216 N. Broad Street.

Curtis Rogers, representing the NAACP, requested permission to hold a Fish Fry fundraiser on the Chamber of Commerce property at 216 N. Broad Street on July 27th. The Chamber has approved the use.

Moved by Ms. Burgess and seconded by Mr. Reynolds to grant approval for the Public Assembly Permit for a Fish Fry on July 27th at 216 N. Broad Street for the NAACP. Motion Carried Unanimously 5 - 0. Robert McGhee abstained from voting.

6. Old Business: None

7. New Business:

- Mr. Reynolds announced the Fourth of July Celebration will be held on July 4th, beginning at dusk. Music will be provided before the fireworks. A parade, sponsored by the Jaycees, will start at 10 a.m.
- Carlotta Lovell, Millbranch, thanked Mayor and Council and the MPD for their support of the Freedom Festival, which was a huge success.
- Senator Bethany Hall-Long congratulated Mayor and Council on Middletown receiving the Governor's Gold Level Award for the 2013 Recognition of Community Health Promotion Program.
- Mayor Branner commented that Bethany, Senator Bruce Ennis, and Representative Quinn Johnson have all been very supportive of all of Middletown's requests. Through their efforts, an additional \$1,000,000 was added to Municipal Street Aid in the Bond Bill that will be divided among the municipalities. The additional money will allow a number of streets to be paved this year.

- Chuck Dixon, Lakeside, asked when the Gas Franchise Ordinance would be available for review. Mayor Branner said Kristen Krenzer has copies and it will be posted to the web site.

Moved by Mr. Reynolds and seconded by Ms. Burgess to go into Executive Session at 7:59 p.m. to discuss the competency and ability of various employees, pursuant to 29 Del. Code §10004(b)(9). Motion Carried Unanimously.

8. Executive Session:

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

Moved by Robert Pierce and seconded by Robin Burgess to exit the Executive Session and return to the public session in Council Chambers. Motion Carried Unanimously.

Moved by Jim Reynolds and seconded by Robert McGhee to make salary adjustments for employees as discussed in Executive Session. Motion Carried Unanimously.

Motion to adjourn by Jason Faulkner and seconded by Robert Pierce . Motion Carried Unanimously.

9. Adjournment

The meeting was adjourned at 8:35 p.m.