

Town of Newport
Regular Meeting of the Mayor and Commissioners
November 21, 2024

Pledge of Allegiance.

Mayor Stephanie Banks called the meeting to order at 7:00 pm and announced that the meeting was in compliance with the Delaware Open Meeting Act.

Attendance: Mayor Stephanie Banks, Vice Mayor Michele MacDonald, Commissioner Michael Capriglione, Commissioner Tim Chatburn, Commissioner Lisa Spencer, Town Manager Wendy King, and Police Chief Mark Wohner. Solicitor Max Walton was absent. Solicitor Michael Hoffman was sitting in for Solicitor Walton.

Minutes from the October 17, 2024, meeting were approved via motion from Commissioner Capriglione and seconded by Vice Mayor MacDonald.

Bids from Remington Vernick Engineers for E. Ayre Street project. There were 5 bids received for the project. The bid content was item for item – all organizations bid on the same amount of materials. Upon review of the bid information, Remington Vernick recommended the low bidder, DePaul and Company for a total of \$565,459 for the base bid and \$78,980 for the alternate bid which was for curbs and ADA where needed for a total of \$644,439. Remington had worked with the company before and was confident they would do good work. They have obtained their surety bond and were ready to begin. Mayor Banks commented that it was good that if anything happened, we would not be at the top of our budget. Commissioner Capriglione asked if the work would be completed by winter. They will not be but if the contract is awarded, they are ready to begin. He also asked if the town manager was comfortable with them. The engineers will be onsite every day – not all day every day – but Remington would be there for anything that may arise and will be conducting all of the inspections. There was some discussion about the timeline and keeping the contractor on track. Commissioner Chatburn made a motion to accept DePaul and Company as the winning bidder for the E. Ayre Street project. Commissioner Capriglione seconded. All Ayes.

FY2025 Budget Introduction – Upon presentation, the proposed budget is not balanced. There is a revenue vs. expenses deficit of \$78,800. On the property tax line item, levels of tax increase were indicated and if council raised taxes by 12%, the budget would be balanced. It would not, however, create a surplus, but just to balance the budget. The expense budget has been the same for years, but the cost of goods and services is at an all-time high. One of the main changes from 2024 to 2025 was transfer taxes because the real estate market in town has been flat – a sale of a commercial property in 2024 saved the budget. It had to be lowered to account for less transfer funds anticipated for 2025. Police pension reimbursement was increased because insurance premiums are large, so the percentage the police receive is higher. Court collections are what they are. What is budgeted is based on what is realistic in collections, but there are no consequences for an unpaid fine. Healthcare and liability insurance expenses are the largest increases from 2024 – 2025. The cost of medical insurance went up 26% and is poised to increase an additional 5-6% for FY2026. Employee share increased 5% in 2024. It could be increased to 30% but employees having family coverage would be working to pay their healthcare premium. There has been discussion in the past about eliminating trash service. We are in the middle of our agreement with Waste Management so the soonest that could happen would be September of 2025. \$92,000 would be brought back into the General Fund if it were eliminated. The police salary breakdown is for keeping the current staff as it is and dividing the extra person's salary

among the officers. That would be the only way to increase their salaries to even be considered competitive with like-sized agencies. \$509,000 was the proposed salary line for 2025. A 3% increase was proposed for the administrative/maintenance staff. The reassessments will not affect our 2025 tax year. Mayor Banks was concerned that if we eliminate trash, there would be five different trash agencies picking up trash throughout town. Commissioner Chatburn added that some people would not be getting their trash collected and that is a bigger problem. Commissioner Capriglione suggested introducing a trash fee. He said that other communities do that. He felt it was fair for everyone to have a fee. There was some discussion about it for next year. Vice Mayor MacDonald asked what other towns do. Mayor Banks said that Smyrna's trash removal was part of their taxes. It's not out of line. Vice Mayor MacDonald commented on the court fine collections, and should we be lowering the amount because we know we are not going to collect that. The amount budgeted is the amount we should be collecting if everyone paid. No one has an issue with the police salary proposal. It is a risk to not fill a position for a year and spread out the salary of the person to keep the people we have happy. In regard to maintenance, are two people necessary and at what point could we consider outsourcing. Code enforcement should be a separate function. The town manager and council were discussing a tax increase. Commissioner Capriglione was interested in trying to cut expenses because you cannot sell a tax increase without trying to do that and a "double digit" increase would scare people. Vice Mayor MacDonald referred back to the lack of court collections and that maybe a 7% increase would resolve that. Town Manager King said that inflation has been at 8.5%. It was discussed to increase the transfer tax line by \$10,000 and remove the contingency fund expense of \$5,000 so with a 7% tax increase, only \$40,000 would need to be found. There was discussion about electric, gas, and vehicle maintenance expenses and they would need to stay where they are. Commissioner Chatburn was okay with a tax increase and thought 12% was too high and that 7% may be too low so he was thinking 9%. Commissioner Capriglione commented that Walnut Street between Christian and Justis will need to be replaced, and he has had bus drivers comment on the condition. Town Manager King pointed out that these tax increases are not to fix roads but are necessary just to operate. No one wants to raise taxes, but we need to in order to run the town. What concerns Commissioner Capriglione are the business people getting their taxes increased and getting nothing out of it. If the town was raising taxes more regularly, people would not notice. Council settled on raising taxes 9% and gave the town manager guidance to cut contingency fund expense and increase transfer taxes. Commissioner Capriglione hoped that the town would get some assistance with the roads because they are not in good shape. How can we survive as a town by not having enough funding for fixing roads without borrowing money. It may be time to discuss outsourcing maintenance – contracting grass cutting, snow removal, etc. It is something that could be looked at and evaluated and bring data to the table next year.

Vice Mayor MacDonald asked about the bridge lighting. Town Manager King explained what happened from the conversations former Mayor Spencer had with DelDOT about the lighting and how we could not afford the infrastructure but were willing to pay the monthly fee and fast forward to 2018 and an agreement that said the town would be responsible for lighting on the James Street Bridge. The lighting was initially left out of the original plans because they were concerned about the sewer main and the timing of the paving underneath 141. Vice Mayor MacDonald asked if this agreement could be renegotiated, and it cannot be. There was discussion about using ARPA funding for the light poles and/or reaching out to our senators/representatives.

Town Manager's Report – Harvey Hanna and Associates wired us \$100,000 for the pre-payment of permit fees for the redevelopment. If they do not build in 2025, they will wire us another \$100,000 by September 30, 2025. Public meeting at the firehouse about the Newport River Trail. There was no new information to bring back. Attended a meeting at the New Castle County building as it is time for the county to renew their All-Hazards Mitigation plan. The plan evaluates and prioritizes issues such as

weather emergencies, environmental hazards, etc. All municipalities adopt the county's plan and have their own parts to play within the plan. Our ordinance will need to be updated next summer I am anticipating. Bid tabulation sheet. Thanksgiving closures. Commissioner Capriglione wanted clarification on the permit fee that Harvey Hanna paid. It is a pre-payment for their anticipated permit fees when they pull their permit for Phase I of their redevelopment. They have until 2027 until the site plan expires.

Police Chief's Report – October, 2024, statistics for the department. Loitering/Panhandling law can no longer be enforced because of the state getting sued by the ACLU. The AG's office has drafted legislation and is looking for a sponsor, but it will be competing with the "Homeless Bill of Rights". For us, it will be important if/when redevelopment occurs, to have laws on the books as patrons may want to enjoy an outdoor eatery without being panhandled. For private property, you can use "trespassing." Right now, the town does not have a big issue with homelessness but in the future, you may see more of that with redevelopment where people will be out spending money. DelDOT is still stating the sinkhole on Walnut Street is not theirs and he cited Title 17 and is awaiting a reply. Chief Wohner would like to do a survey along Justis Street and look into speed cameras. The department is down staff and getting pulled in multiple directions. You would enter into a contract with the company for five years. Newark's proposed contract would be \$8,000 a month for five years and it would still be \$8,000 a month regardless of if people paid the citation or not. You must give 60 days of warnings. The camera can be moved but you would give 60 days of warnings at that new location. If you go back to the original location, no warnings would be given at that point. The company mails warnings and citations. Once warnings have been given. The town would not receive the fines but would get the court costs. Newark is also deciding whether to keep those citations in their court or JP. Commissioner Capriglione asked about getting our own equipment. We would have to go by DelDOT regulations and use a specific vendor.

Alderman's Report – Court collections – \$21,485 for October, 2024.

Maintenance Reports – Submitted with no questions.

Town Solicitor's Report – No report

Commissioners – Nothing

.

Mayor's Report – No report

Public Comment – Alicia Battaglino, owner of 4 Copper Drive, wanted to know how the council would feel about creating a task force to have a group of people review ways to generate revenue and cost savings. She also was not sure about the roads and if the town wanted DelDOT to have the roads. It was explained that DelDOT maintains the numbered roads (Route 4 – Justis/Market and Market/Marshall) and the town maintains town streets. She asked if DelDOT would renegotiate and take responsibility for the roads, such as the sinkhole issue on Walnut Street. Chief Wohner explained how that sinkhole came to be and the fact that DelDOT does not believe it's theirs simply because it is located on a town-maintained street. Municipal Street Aid was explained and how we receive funding from the state to assist with road issues and how our stipend is roughly \$27,000 and we use that for cold patch and streetlighting. DelDOT would never consider taking back a town road. As far as the task force is concerned, the town appreciates recommendations and suggestions and that can be done by participating in meetings, or phone call/email to the town manager.

Commissioner Capriglione made a motion to adjourn the meeting. Mayor Banks seconded. All Ayes.

Meeting adjourned at 8:17 pm.