

**City of Harrington**  
**MINUTES**  
**Citizens Meeting**  
**July 21, 2014**

A meeting with the Harrington City Council was held at Harrington City Hall, 106 Dorman Street, on July 21, 2014 and was attended by the following: Mayor Anthony R. Moyer; Vice Mayor Cheryl J. Lahman; Council Member Duane E. Bivans; Council Member Fonda Coleman; Council Member Amy L. Minner; Council Member Charles W. Porter; Council Member Kenneth W. Stubbs; Norman Barlow, Chief of Police; Teresa Tieman, City Manager; and Kelly Blanchies, Clerk of Council.

Also present: Barb Bullock; Charles Carr; Kathy Blanchette; Tom Shugars; Donna Shugars; M. Jean Miller; J.R. Kimmey; Carlton Goodhand; Christine Hayward; Jacqueline H. Krech; Charles Baugher Jr.; John Condron; Bert Condron; Gaile McLaughlin; Jennifer Haynes; Pat Maher; Stacey Walls; David Short; Catherine Crub; Aaron Quarles; Loretta Quarles; Maria Skupyko; Ed Skupyko; Daryl Minner; Betty Taylor; Cynthia Carley; Joyce Dyer; Marie Cunningham; Robert L. Stubbs; Tony Campbell; April Campbell; Daniel P. McLaughlin; Jason Conway; Doug Gould; Walt Perdue; Lisa Stagg; Joseph Emory; Carol May; Phyllis Masten; Chris Scott; Eve Moyer; Robert Nemeth; William Manship; FrankTolson; Jack Stewart; Rebecca Robinson; Sandi Holloway; Joyce Olson; Bobby Outten; Margaret Block; Erik Limatta; Barbara Limatta; Maddy Laurra; Derik Bailey; Fred Bailey; Ken Stagg; Craig Miller; Nathan Minner; Isabella Vazquez; Joseph W. Collison Sr.; Brian P. Slattery; and Eric Marquis.

Mayor Moyer called the meeting to order at 6:29 p.m.

Mayor Moyer asked everyone to be respectful and allow people to speak. Mayor Moyer stated that the taxes were raised by thirty-five cents (\$.35). In order for the General Fund to be funded with tax revenue and not supported by transfers from the Water and Sewer Fund, taxes were increased by twenty-three cents (\$.23). Seven cents (\$.07) eliminates balancing the General Fund by using reserves. Five cents (\$.05) was needed to balance the General Fund increases in operations, healthcare, and insurance. The last tax increase was in 2002.

Mayor Moyer stated that water and sewer rates were last changed in 2010 as part of a five year phase-in. There have been significant changes in operations and capital since then: implementation of the Kent County Sewer contract and related fees, increased debt service, establishing reserve and contingency funds, change in accounting practices to better allocate General Fund support to water and sewer, re-evaluation of transfer to General Fund, water meter installation, and the desire to bill based on usage. Debt service and Kent County sewer fees

cannot be negotiated in the short term and have increased the cost of operating the sewer system. Without sewer rate increases, reserved money would continue to be depleted and there would be greater rate increases later, risk of financial instability, no improvements to infrastructure, no growth, and unfairness in rates.

Eric Marquis stated that the tax rate increase that was first brought up at a water and sewer rate meeting was fifteen cents (\$.15). It was stated at previous meetings that there was money in the budget to hire a part-time Code Enforcement Officer and to give a Public Works employee a raise. Mayor Moyer stated that the part-time Code Enforcement Officer was not hired, and the Public Works employee received a promotion; no employees received a raise this year.

Mr. Marquis stated that the water meters are not calibrated on site. The City Manager stated that water meters are mechanical devices, and they can only slow down, which benefits the customer. The State law exempts municipalities from on-site calibration. If there is a question about the accuracy of the meter, it can be pulled and tested, and if there is a problem, the customer will not be charged. It would cost money to have the meters calibrated. The meters are certified accurate at the manufacturer.

An audience member stated that his usage for a household of two is higher than his neighbor with a family of four. Mayor Moyer suggested contacting City Hall. The audience member asked if the Mayor and Council considered senior citizens and people on fixed incomes. Mayor Moyer stated that seniors were given a lot of consideration and most seniors do not use near the allowance on the flat bill and will benefit from usage based bills.

Barbara Limatta asked if the tax increase was because water meters were installed. Mayor Moyer stated that there is no longer money being transferred from water and sewer to run the City. The City Manager stated that previously no salaries were budgeted to water and only one was budgeted to sewer. A water utility cannot run with no employees. The City has tried to better allocate the costs of each utility. Even after all the expenses for the water and sewer utilities were met, there was still additional money being transferred to the General Fund. Since there are customers outside of the City limits, subsidizing taxes with utilities was viewed as unfair.

Mayor Moyer stated that reserves are supposed to be used for repairs and improvements to the infrastructure. Inflow and infiltration (I & I) has been a problem that has been discussed for thirty years without repairs being done. The City Manager stated that in 2009, when the City treated its own sewer, there was a breach in the lagoons and sewer was dumped into Brown's Branch. The City was heavily fined. Engineers found the most cost effective way to prevent that problem again was to connect to the Kent County treatment facility. The City had to take loans for about four million dollars (\$4,000,000) to complete that project. The I & I problem is when the old pipes in the ground and the old manholes take

on rainwater. This adds clean water into the wastewater that gets treated. Now that the City has to pay the County for sewer treatment, it cost the City approximately one hundred eight-six thousand dollars (\$186,000) to treat rainwater last year. Fixing the infrastructure will save on Kent County treatment costs and on maintenance costs, because there will be less volume in the lines.

Vice Mayor Lahman stated that the City is trying to better account for money and have each fund pay for itself.

Ms. Limatta stated that her tax bill was incorrect when it was mailed out. The senior discount was not applied although the bill said it was. The City Manager stated that in order to save money, a change was made to the billing software so that a preprinted form did not have to be used. When a new server had to be installed, the billing modification did not install with the software. As soon as the problem was discovered, the software was fixed and letters were mailed to those affected.

An audience member stated that in Friendship Village, citizens do not receive the services that they pay for. Mayor Moyer stated that in Friendship Village, the roads are not up to standards, because the development is not finished. There are legal issues that prevent the City from doing any roadwork in Friendship Village. The City Manager stated that because of the age of the subdivision, there was no bond required when the subdivision was recorded, which is a requirement now, so there is not money to bring the roads up to standards for the City to accept the maintenance of them. The City has been advised by multiple attorneys that if the City does any work to the roads, then the City will have to accept responsibility for them and pay to have them paved. Mayor Moyer stated that it is a problem that the City has looked into and discussed.

An audience member stated that taxes are not fair to seniors. Mayor Moyer stated that the taxes are based on the assessed value of property, not on income.

The Police Chief stated that everyone in the City limits receives police protection, and the Police Department actively seeks grants, including ones to pay for new police cars and equipment.

An audience member asked if there are any tax discounts besides the senior tax discount. The City Manager stated there is a downtown development discount based on the amount spent to improve a downtown property.

An audience member asked how much is due in delinquent taxes. The City Manager stated that it is approximately ninety-two thousand dollars (\$92,000). Vice Mayor Lahman stated that the City Solicitor has been taking action to collect delinquent taxes through the monition process. The City Manager stated that it is difficult to collect property taxes on mobile homes.

Jack Stewart asked that if rates were not increased, how long it would take to use all of the reserved money. Mayor Moyer stated that some of the reserves are restricted and that it would take only a couple of years to use all the unrestricted money then there would have to be huge increases.

Mr. Stewart asked how fixing infrastructure will help the City grow. Mayor Moyer stated that Milford is growing faster than other towns, because they are fixing their infrastructure. The City Manager stated that businesses will not come to Harrington unless we have adequate utilities. They will locate in neighboring towns that can service them.

Kathy Blanchette stated that there was no notice of an upcoming tax increase. The City Manager stated that there were six meetings concerning the budget and rate increases, and there were no more than five people at each meeting. Agendas are posted at City Hall, the Library, and on the City's website; meeting dates are posted on the City's sign. Ms. Blanchette stated that it is difficult to get to meetings and asked if the Harrington Journal was notified of the tax increase. The City Manager stated that the Harrington Journal is sent all of the agendas. Ms. Blanchette stated that there were issues with the road repair by her house and stated that there is a lack of police presence in the area and problems with brown water. Mayor Moyer stated that the City is treating the brown water and improvements should be seen soon. Ms. Blanchette suggested lowering impact fees to attract more businesses to town.

An audience member asked about previous utility rate increases. Vice Mayor Lahman stated that a fund was started to be used only for water and sewer related costs; it has been used to pay for Kent County sewer treatment costs.

Marie Cunningham stated that infrastructure matters for development and survival. It is difficult to trust City officials. It was not clear that the tax rate increase stated at the water and sewer rate meetings could be more. Communication needs to be better to promote trust. Ms. Cunningham asked how the sewer bill is calculated since there is not a sewer meter on houses. The City Manager stated that it is based on the water meter usage. Ms. Cunningham asked about the tax increase increasing mortgage escrows.

Vice Mayor Lahman stated that the City Council has been good stewards of the City's money. Mayor Moyer stated that it is time to fix the infrastructure that for many years was talked about but no action has been taken on.

Chris Scott asked if taxes will decrease once the problems are fixed. Mayor Moyer stated that with the cost of living increasing, it probably will not. Ms. Scott suggested reducing costs for consultants.

M. Jean Miller asked why the early pay discount was removed. The City Manager stated that it was looked at and the tax rate would have to be increased further in order to cover the cost of an early pay discount. Ms. Miller asked why the senior discount has to be applied for every year. Mayor Moyer stated that is something the City Council will look at.

An audience member asked how long it would take to save the money to fix the infrastructure. The City Manager stated that taxes do not pay for water and sewer infrastructure; two hundred thousand dollars (\$200,000) a year is budgeted for capital improvements for sewer and one hundred thousand dollars (\$100,000) for water. The audience member asked if the utility rates will decrease once the infrastructure is fixed. Mayor Moyer stated that it is a possibility. The audience member stated that there are always items in the budget that can be cut.

An audience member stated that communication should be better.

An audience member stated that the Charter states that tax increases cannot exceed ten percent of total taxable assessment. Mayor Moyer stated that it has not exceeded that amount and that clause in the Charter is confusing.

Ms. Blanchette stated that having this meeting during the Delaware State Fair week was a bad idea because some people could not come.

Discussion occurred about irrigation meters.

There being no further business, the Citizens' Meeting adjourned at 8:53 p.m.

Respectfully Submitted,

Kelly Blanchies  
Clerk of Council