

City of Harrington
MINUTES
City Council Workshop
May 9, 2012

A workshop with the Harrington City Council was held on May 9, 2012 and was attended by the following: Mayor Robert E. Price, Jr.; Council Member Duane E. Bivans; Council Member Jack Stewart; Council Member Kenneth Stubbs; Norman Barlow, Chief of Police; Teresa Tieman, City Manager; Faye Smith, Finance Director; and Kelly Blanchies, Clerk of Council.

Also in attendance: Ruth Peterman, Police Resource Manager.

Council Member Wayne Porter entered the meeting at 6:49 p.m.

Absent from the workshop were Vice Mayor Cheryl Lahman and Council Member Fonda Coleman.

Mayor Price called the meeting to order.

The Pledge of Allegiance was given.

Budget & Finance Committee

Sale of Police Shotguns

The Chief of Police stated that new shotguns were purchased through DEA funds for the road officers. Officers are interested in purchasing the old guns for personal use. The average trade in price for the guns is \$50. The money could go back into the DEA fund. A letter would be written on department letterhead stating that the ownership of the guns was transferred to the officers, and they will receive a receipt for payment.

Council Member Stewart asked if the guns would be reregistered. The Chief of Police replied that shotguns are not registered but the letter will list the model and serial number and will be proof of who owns which gun.

Mayor Price asked if all the guns would be sold. The Chief of Police stated that eleven new shotguns were purchased. Officer Jacobs will be keeping her shotgun because it is the correct length for her; all of the other guns will be sold.

Council Member Stewart asked if guns are usually turned in as trades when new ones are purchased. The Chief of Police stated that is what is normally done. Council Member Stewart asked if \$50 is what is generally

given for a trade. The Chief of Police stated that is what the average is for these guns because some are in bad condition. The Chief of Police stated that the City has also received a grant to buy all new handguns. The old handguns will go back to the company as trades.

Proposed FY 2013 Budget

Mayor Price stated that the budget can be addressed last since it will be more time consuming.

Review of Police Department Contract

The Chief of Police stated that the officers are going to agree to another one year extension with the same raises that the City gives. Mayor Price asked if all other lines are the same. The Chief of Police replied yes. Mayor Price asked if that is how it was budgeted. The City Manager replied yes.

The Chief of Police stated that he should have the contract by next Wednesday. Mayor Price stated that it is admirable that they are agreeing to an extension and not going through the time and expense to go through negotiations.

Review of Fire Department Agreement

The Finance Director stated that the rate has changed based on what the employees are currently being paid per hour. Mayor Price stated that when the Fire Department gives a raise, they are responsible for that portion. The City Manager stated that will be corrected and ready for the Council Meeting. Mayor Price stated that one year the City was not able to give a raise to employees, but the Fire Department was going to, so the City said that we would pay only half of what the current rate was.

The City Manager stated that last year the fuel reimbursement was raised to \$3,000 because now the Fire Department has to pay for water. She stated that the City has also given the Fire Department tips for reducing their water bill. There was some discussion because they thought when they sold the Police Station building to the City, they were to receive free water and sewer service forever. The City Manager stated that was not in the contract.

The City Manager stated that the City is paying for half of the ambulance service and more than half of the calls are out of town. We should be thankful that we have a great group of volunteers there. They have not contacted the City about wanting any changes to the agreement.

Council Member Stewart asked if Harrington Raceway and Casino pays anything to the Fire Department. Mayor Price stated that there is no deal, but they have donated a little. There have been donations through the Mid-del foundation. Previously the City asked the State to negotiate for a per diem or percentage from the Casino when their contract came up because the City receives no tax revenue from them, but the State was not open to that idea.

Proposed FY 2013 Budget

The City Manager stated that a working copy, which will be collected at the end of the meeting, and a summary sheet have been passed out. The columns are the 2012 budget, actual through April 2012, the proposed budget from April, the current proposed budget, and the difference between the last two columns. Some things were adjusted based on new information. Mayor Price stated that there are only two months left to project in the budget and that is good for such a large budget.

Council Member Bivans asked about income in the Farmers Market line. The City Manager stated that the income for 2012 was from last summer's market because vendors were charged for tables, and there is no expected income this year because it is a new location and there is no table charge.

Mayor Price asked what community impact is. The City Manager replied that it is a fee collected when a new house is built. Mayor Price stated that the City waits to see what is collected in one year and distributes it in the next fiscal year. The City Manager stated that there is a thousand dollars right now. Mayor Price stated that it has to be decided where to divide that money.

Council Member Porter entered the meeting.

The Chief of Police stated that the COPS grant has paid for three years of an officer's salary and will be extended for one more quarter. The City Manager stated that the budget had included that officer's salary for the entire year, so it has been revised.

The City Manager stated that she would like to bring to Council attention that under Waste Water, \$100,000 has been transferred from the sewer reserve escrow and the budget increased for the Kent County sewer charges in case it is needed. We have to budget for a waste water technician until the lagoons and plant can be completely closed and turned over to the County.

The City Manager stated that there was a problem at Friendship Village about a week ago; both waste water pumps were out. One is operational now and the other should be put in next week.

Council Member Porter asked if closing the lagoons was included in the sewer loan. The City Manager replied no, but we may be able to cover that cost with what is left in the sewer loan fund.

Council Member Porter asked why not use the City Engineer instead of paying an employee until the sewer is transferred. The City Manager replied that it would cost a lot more to use an engineer. Council Member Porter asked how we will know that the closing is done properly. The City Manager stated that the closing will be overseen by the City Engineer, but she does not want to use them for the day to day operations. Council Member Stubbs asked if the City still needs a licensed operator there. The City Manager stated that she asked the City Engineer and was told yes. We asked the County if they could help and were told no. We are waiting on approval from DNREC of a plan to close the lagoons. DNREC and the City Engineer have been in contact.

Council Member Bivans asked what the costs were for Heritage Park. Mayor Price responded that they are for mowing the grass and maintenance. Council Member Porter stated that he thought that cost was going to be absorbed into Public Works.

The City Manager stated that this week was City Hall's first training with Edmunds for the financial software. The chart of accounts had to be changed to switch to Edmunds; it was over eight hundred line items and has been reduced to less than three hundred. Some lines appearing on the budget will be weeded out. The bottom line will remain the same but things may not be in the exact same line items.

Council Member Porter asked where the money for the audit is. The City Manager replied that it is under General Government. Mayor Price stated that the cost is budgeted at \$30,000, which is down from \$32,000. Council Member Porter stated that it should be way less this year. The City Manager stated that she is not sure yet; it should be going down. There is a meeting June 1 to talk about the field work. The consultant has straightened out the accounts and gathered the force main information for audit. The auditors will do their field work in June and should get some draft schedules in July. The plan is to finish the audit for fiscal year 2012 by December.

The City Manager stated that the City has been trying to implement the new Edmunds systems for a while; it will be good once it is going. The Finance Director stated that just about every week they are having

training. Council Member Porter asked if the City paid for the training. The City Manager stated that it was paid for a long time ago, but it was set up incorrectly, so Edmunds is doing all the training again for free. The Inspections portion will be installed this month too. The City Manager stated that we are trying to get systems and processes in place that make us a stronger organization, more streamlined with less issues and mistakes.

Council Member Porter asked the City Manager if there were any items that increased dramatically. The City Manager replied no; the Finance Director met with the Police and Public Works departments and revised their budgets. It is a conservative budget, and the employees have done a good job managing spending. Council Member Porter stated that things that cannot be controlled should stick out like gas and electric. The City Manager stated that a lot of the heating and electric has gone down, because the City took steps last year to upgrade systems and put in new windows.

Council Member Porter asked about the capital improvements budget. The City Manager stated it was brought last time and Council was ok with it; tonight is just the operations budget. The new projects were a phone system; replace City Hall upstairs flooring; replace the windows and doors at the Library; streets, alleys, and potholes; sidewalks and curbing; a fence around the well; and window replacement, roof repairs, and heating system at Parks and Recreation. There are two projects that require debt issuance: potable water improvements (water line replacement on Liberty, a well, and a water tower) and sewer pipe improvements to correct I & I. Bond bill money has been requested for the sewer improvements but will have to be taken care of even if not approved or the sewer bills from the County will continue to be very high.

Council Member Porter stated that the public needs to understand the capital improvement budget. The City Manager stated that she would like to publish a budget document that has explanations and not just numbers. Once the budget is approved, a binder will be given to each Council Member to reference and provided for the public to view. The City Manager stated that the City has joined the Government Finance Officers Association and set the goal to receive an award from that organization within a few years. It will show people that we are responsible and accountable.

The City Manager stated that next year the City Council may have a retreat like Dover does to set goals and priorities for the budget and upcoming year. The City Council represents the citizens and it is about what they think the priorities of the City should be. It gives the staff direction and focus. Council Member Stubbs stated that it would be good

to have a plan and be proactive rather than reactive. The City Manager stated that she had the department heads come up with the capital improvement plan requests as a way to start asking for things that need to be done. The City Manager stated that the Comprehensive Plan is also a capital improvement plan. It allows the City to go back to the State and ask for help implementing projects.

Council Member Porter stated that there is so much going in the City, like street improvement, that needs to be worked on. The City Manager stated that there is money in Municipal Street Aid that can be spent, but there is a Public Works staff of six, and there is a limited amount of work that can be accomplished. The street work can be contracted, which may be the most efficient way. Mayor Price asked if Municipal Street Aid is in a separate account. The City Manager stated that it is and is not included in the budget. The Finance Director stated that it appears in her monthly report.

Council Member Stubbs stated that Milford's streets have been improved in the last few years. They learned from their mistakes that infrastructure under the streets has to be done before paving the streets. The City Manager stated that is what is being done with Liberty Street; the water line must be replaced before the street is paved by the State. The rule is that the State does not want a cut to a newly paved road for five years, so what is under the road has to be in good repair. Council Member Stubbs stated that it looks like there is settling around the manholes on Liberty Street. The City Manager stated that she had the City Engineer look at them.

Council Member Bivans asked about the proposed budget for yard waste going to zero. The City Manager stated it is in the Public Works budget.

Mayor Price asked the City Manager what the next step is. The City Manager stated that the Council has not discussed raises. There should be enough carry forward balance from this year to pay for raises. Council Member Porter asked what the cost would be. The City Manager distributed a sheet showing the cost for a 1%, 2%, and 3% employee raise.

The City Manager stated that the budget also creates a department called Planning and Inspections. The Charter requires new departments to be approved by ordinance. There are no new expenses, just lines moved from City Hall and General Government, and costs of planning and some engineering and escrow accounts that are a wash. It is an accounting change to be more transparent and show the costs.

The Clerk of Council stated that previously the budget has been adopted by a motion. This was discussed with the City Solicitor and he advised that the budget should be adopted by a resolution or an ordinance. Council Member Porter asked if the resolution is cheaper. The Clerk of Council stated that it is faster and easier to adopt a resolution. An ordinance is required for the new department. The Clerk of Council recommended an ordinance to establish the Planning and Inspections Department and a resolution to adopt the budget.

The City Manager stated that the sheet showing the cost of raises includes the cost of salary and benefits. Mayor Price stated that he has no problem with 2%. For several years the City did not give raises but was able to give one last year. Council Member Porter stated that it was three years without salary increases, but the City covered more in increases to health insurance.

Council Member Porter asked for an estimate on what the carry forward will be. The City Manager stated that she does not like to say since the year is not over yet, but it should be much more than the proposed raises. The Finance Director stated that how she figured the carry forward was to take the actual spending through April and the actual spending from May and June of last year to estimate the total spending for the year. The City Manager stated that she hesitates because it has not been audited and there were big projects. She stated that based on the information available now, it should be in the \$500,000 range. Mayor Price stated that if there is that much carry forward then he recommends that a percentage go to debt reduction and a percentage to the contingency fund.

Council Member Porter asked how many employees the City has now. The City Manager replied thirty-one or thirty-two. Council Member Porter stated that it is a good time to give a 2% raise because some years the City might not be able to give any. Mayor Price stated that the core group of employees that are still with the City have saved us in a lot of ways. The City Manager stated that the City wants to retain the employees it has, because there is no learning curve and starting from scratch. The City has really great employees. The City Manager stated that it is rare that the police are not in the newspaper for something good they have done, and the police officers could go work for any number of other agencies and make more money. Council Member Porter stated that it is a better atmosphere in Harrington. Council Member Bivans stated that he does not like the uncertainty of not knowing if raises will be given in the future. He prefers raises that are consistent. Mayor Price stated that it is an annual question, and not just a given, based on the finances for the year. Council Member Stubbs stated that the years that employees did not get raises, the City absorbed the cost of health insurance, which was more than the proposed raises for this year. The City Manager stated that government

raises are year to year and sometimes keep up with businesses and sometimes do not. Harrington was not the only one that did not give raises. Council Member Bivans stated that the goal is increase an employee's achievements each year, so hopefully pay should match that. The City Manager stated that is a salary scale and something she and the Chief of Police will work on.

There being no further business, the Council Workshop adjourned.

Respectfully Submitted,

Kelly Blanchies
Clerk of Council