

City of Harrington
MINUTES
City Council Workshop
June 10, 2013

A workshop with the Harrington City Council was held at Harrington City Hall, 106 Dorman Street, on June 10, 2013 and was attended by the following: Mayor Anthony R. Moyer; Vice Mayor Cheryl Lahman; Council Member Duane E. Bivans; Council Member Fonda Coleman; Council Member Amy Minner; Council Member Charles W. Porter; Council Member Kenneth Stubbs; Norman Barlow, Chief of Police; Teresa Tieman, City Manager; and Kelly Blanchies, Clerk of Council.

Also present: Debbie Pfeil, City Planner.

Mayor Moyer called the meeting to order at 6:30 p.m.

The Pledge of Allegiance was given.

Discussion of Mayor's vision for Harrington and alternative financing

Mayor Moyer stated that he asked for the Workshop to bring forward some ideas, and it is an open dialogue. He stated that he has spoken to George Luff of Luff and Associates who is willing to make a presentation to Council on how a bond works, and whether it would be good or bad for the City. It is not clear what the City's bond rating is right now; it should be good because the City has been doing well with its audits.

Mayor Moyer stated that the City has a five thousand dollar (\$5,000) impact fee with another one thousand nine hundred dollar (\$1,900) impact fee that goes to Kent County. Most of the builders have two major complaints: the fees are non-collateral funding, which makes it difficult to get construction loans, and there is not consistency with the answers the City gives. An empty piece of land gives the City very little in taxes. Friendship Village is an area to concentrate on. An idea is a moratorium on part of the impact fees if the builders is to a certain point in development. Friendship Village and the Meadows are the two developments that are the furthest along. Parts of the infrastructure at Friendship Village have been there a long time and may cause problems when the City takes over the infrastructure there.

Mayor Moyer stated that the City needs to concentrate on the corridor and getting the sewer and water fixed to bring businesses in. There could be a tax rebate or other concession for businesses that hire Harrington citizens. That way the homes that are being built can be sold. There are a lot of empty homes in the City. The City should investigate ways to get people back into foreclosed homes

to collect taxes. The City Manager stated that taxes are collected on foreclosed homes; banks pay it. If they are more than two years in arrears then the house goes to Sheriff's sale. Mayor Moyer stated that is a big lag.

Vice Mayor Lahman asked if the moratorium would be tied to economic development and jobs. Mayor Moyer stated that it would be and only for developments that the City has a lot of time invested in. It would not be beneficial to the City to have an across the board moratorium; part of the reason that builders are not moving forward is the City and the economy. Vice Mayor Lahman stated that the City must be careful not to pick and choose. Mayor Moyer stated that a set of parameters would have to be established. The money needs to come in to make infrastructure repairs rather than borrowing money and raising rates. Very few people have gotten raises because of the economy, and the City does not need to add to their problems.

Mayor Moyer stated that the lagoons have to be closed in a certain time frame. There are builders and the construction on Route 1 that can provide free back fill. The Chief of Police is looking for a free bulldozer through the LESO program; the City already has a heavy equipment operator.

Mayor Moyer stated that any money saved is good and that he is open to ideas.

Council Member Porter stated that he would like to have a meeting to see a comparison between the bond and refinancing options. Mayor Moyer stated that the problem he has with the refinance with the USDA is that the City has to borrow the same amount of money as is being refinanced. Council Member Porter stated that the projects should not be put off any longer. The City Manager stated that if the City issues bonds then it is still debt.

Council Member Porter stated that he is against doing away with impact fees, because the City needs to catch up with its infrastructure. No business will come to Harrington and provide a hundred jobs. If business like that comes in then it can be considered. The City needs money to do stuff. Mayor Moyer stated that the City is not getting money, because no one is coming here. A builder could complete an infrastructure project rather than pay part of the impact fees, and the transfer and property taxes could bring money to the City. In June 2010, Milford relaxed some of their impact fees and home building went up by forty percent. Their tax base is growing. Harrington is losing its tax base because homes are vacant and falling apart.

Council Member Stubbs stated that the infrastructure has been looked at and need to be repaired. Now that the wastewater is treated by Kent County, the City has to pay for inflow and infiltration (I & I) in the sewer system. Mayor Moyer asked the most the City has spent in I & I in a month. The City Manager stated that it is not possible to tell how much is I & I. Mayor Moyer stated that the highest amount the City has paid over the average is eight thousand dollars

(\$8,000). Mayor Moyer asked how much income is in wastewater. The City Manager replied that the projected revenue is nine hundred twenty-five thousand dollars (\$925,000), and four hundred twenty thousand dollars (\$420,000) is what we expect to spend this year. Mayor Moyer stated that from a business standpoint, the City is still making a profit and can fix the problems a little bit at a time.

Council Member Porter asked how many meetings with businesses the City has hosted. The City Planner stated that there have been two with about twenty people when the Code was being rewritten to discuss the City being business friendly.

Mayor Moyer stated that the developers that he spoke with are willing to come in to speak with Council. The complaints are that the fees are too much, and the process is good, but there are too many roadblocks. The City Planner stated that the experience for each developer is different because of factors like the number of times they have to make submissions, the number of owners, and type of development. There is room for improvement. The positive side is that the development review is paid for by the developer and not by the taxpayers. Mayor Moyer stated that banking and building cannot be separated anymore.

The City Planner stated that the impact fees need to be justified. They have not been changed since 2006. A single house does not add much to the tax base for all the services that are provided. Mayor Moyer stated that does not include water and sewer income. The City Manager stated that there has to be a rational nexus between the impact fees and the projects that are to be done. Once the sewer study is done, then the City will know what the costs will be for the next ten years; the City already knows what water improvements are needed. Mayor Moyer stated that the City is asking developers to pay for the neglect of Council. The City Manager stated that impact fees are for projects related to growth.

Council Member Porter stated that the Council cut the budget down by not having the City Planner as the primary point of contact. Mayor Moyer asked if the City staff tells applicants to contact the City Planner. The City Manager replied yes. Mayor Moyer asked if there is a point where the applicant pays for the City Planner's time. The City Planner stated that yes, except if it is for exploratory findings. Harrington absorbs the cost of one predevelopment meeting. If a realtor calls, the City does not pay for fact finding if it takes under ten minutes. Mayor Moyer asked why some questions are not handled by the Code Enforcement Officer. The City Planner stated that it takes experience and knowledge of the Comprehensive Plan, zoning, and fees. General questions like a property's zoning are available online and so is the City's Code.

Mayor Moyer suggested getting the Code Enforcement Officer certified to handle building inspections rather than paying a contractor. The City Manager stated that the Code says anything above a ten by fifteen foot shed must be inspected

by the official Building Code Officer, who is Remington, Vernick, and Beach. The City Manager stated that is the Code of the Mayor and Council, and she does not override it.

The City Planner recommended inviting a local banker to the workshop with the builders and developers to get the financial angle.

Council Member Porter stated that the City put aside two hundred fourteen thousand dollars (\$214,000) from the sewer project and the remained from the reserves for the lagoon closure. Mayor Moyer stated that if the City already has the money to close the lagoons, then it is a moot point. Fill dirt can be still be used to save money though. The City Manager stated that once DNREC approves the plan then it will go out to bid. Kent County would like to keep a portion of one lagoon and use the treatment plant.

Council Member Porter asked the City Manager to look at the budget to see if it is possible to boost the planning line. The City Planner stated that planning calls are referred directly to her, and she receives calls for other issues, like advice for building permits.

Vice Mayor Lahman stated that she is in favor of moratoriums if they will pay the City back, like with jobs.

Mayor Moyer stated that he is concerned about the condition of the infrastructure at Friendship Village since it is mostly sitting empty. The City Planner stated that the City always has the right to inspect, but it will cost money. Vice Mayor Lahman stated that the people that are living in that neighborhood are livid about the condition of the development; the roads do not even get plowed when it snows and that is a liability issue. The City Manager stated that the City has been advised by the City Solicitor not to perform any work on the streets because the City does not want to accept responsibility for them.

Council Member Minner stated that the contractors are now looking to buy developments that already have infrastructure in place. The City Planner stated that there is a federal investigation related to Friendship Village, which makes investors not interested in it.

Council Member Minner asked if subdivisions are being bonded in case a similar situation happens like Friendship Village. The City Planner stated that the City has a subdivision agreement with bonding requirements. The City Manager stated that Friendship Village was approved a long time ago.

The City Planner stated that builders are making progress in other towns, while no progress was being made in Harrington. It is about where the people will go when the houses are built.

Mayor Moyer asked about the status of the Adamo/Wheeler property. The City Planner stated that it is at the architectural drawings stage. The owners have been forthcoming with the fact that they will not be building it out but are looking to sell the property.

Mayor Moyer stated that he has been asked about having a barbecue cook-off at Heritage Day. Vice Mayor Lahman stated that it can be referred to the Parks and Recreation Director. The City Planner suggested talking with the Mayor from Middletown, because they have a large barbecue.

There being no further business, the Council Workshop adjourned at 7:32 p.m.

Respectfully Submitted,

Kelly Blanchies
Clerk of Council