

City of Harrington
MINUTES
City Council Workshop
May 29, 2014

A workshop with the Harrington City Council was held at Harrington City Hall, 106 Dorman Street, on May 29, 2014 and was attended by the following: Mayor Anthony R. Moyer; Vice Mayor Cheryl Lahman; Council Member Fonda Coleman; Council Member Amy Minner; Council Member Charles W. Porter; Council Member Kenneth Stubbs; Ruth Peterman, Police Resource Manager; Teresa Tieman, City Manager; Dean Gary, Accountant; and Kelly Blanchies, Clerk of Council.

Also present: Barbara Bullock.

Council Member Duane E. Bivans was absent.

Mayor Moyer called the meeting to order at 6:31 p.m.

The Pledge of Allegiance was given.

Public Comments

Barbara Bullock stated that the City previously opposed House Bill 230 and should consider opposing House Bill 333, because it would limit taxing powers. The City Manager stated that the City Solicitor is aware of it, and it is being address. It would limit a municipality's ability to tax unless it is specifically in the charter. Current fees would be grandfathered, but new fees would need approval from the State Legislature.

Ordinance 14-05 – Amending Chapter 108, Vacant Buildings, to update requirements

The City Manager stated that this was at the last Council meeting for a first read and was tabled. The issue at the meeting was that the term of three months was too short. Other municipalities use anywhere from one month to twelve months.

Council Member Porter stated that the definition of vacant was previously changed. If the property owner is still paying for water and sewer, then it is not considered vacant. Vice Mayor Lahman stated that the definition should specify that a vacant property is disconnected from utilities.

The City Manager stated that the proposed changes in the ordinance were the fees and how it was enforced.

Mayor Moyer stated that if the water is turned off to a property, then it can be condemned. The City Manager stated that a property can be unoccupied and not condemned. People cannot live in a condemned building. The sign posted when a building is condemned when the water is turned off for nonpayment of utilities can specify that as the reason it is being condemned.

Council Member Minner asked why there is a fee for registering a vacant building. The City Manager stated that there is administrative work associated maintaining and monitoring the vacant building list. The annual inspection is an additional fee.

Mayor Moyer stated that the definition of vacant properties should also include the property being kept up to the property maintenance code.

Discussion occurred regarding whether the vacant building registration should be a one-time fee or annual fee and if it should include the inspection for the first year.

Mayor Moyer stated that the City may want to include the requirement for a fire marshal inspection for commercial buildings. The City Manager stated that the City is inspecting to be sure the building is sound, not fire sprinkler systems.

Discussion of consent agenda

The City Manager stated that a consent agenda is for items that are considered routine and non-controversial to be acted on with a single roll call vote from City Council. There is no separate discussion of items unless a Council Member requests that item be removed from the consent agenda. Questions can always be asked prior to the meeting or during Council Comments.

Vice Mayor Lahman stated that the reports are there for informational purposes. Mayor Moyer stated that most of the reports do not have any questions asked about them.

FY 2014 Revised Budget and FY 2015 Budget

The City Manager stated that there are the general fund and proprietary fund (water and sewer). The general fund contains departments that provide traditional municipal services and are financed through various taxes, fees, grants, and other similar revenue sources. The proprietary water and sewer fund charges fees sufficient to cover the cost of providing water and sewer services.

The City Manager stated that this budget provides sufficient revenues to pay for expenses, reserves for water and sewer, and to continue existing services to citizens. For the fiscal year 2015 budget, general fund expenses are estimated to

be two million one hundred thousand dollars (\$2,100,000) and proprietary water and sewer fund expenses two million dollars (\$2,000,000).

The City Manager stated there are no salary increases projected for FY 2015; salaries were increased in January 2014 with the implementation of the salary scales; we propose to review this again in January 2015. Workers compensation has been budgeted with a seven percent increase; this may go down if the DFIT program is self-insured by July 1, 2014. State unemployment tax is budgeted for the first time; previously it was an audit adjustment. Pension rates from the State have decreased. Health insurance rates are budgeted ten percent higher; we can no longer offer the current plans, so they will change. The Joint Finance Committee for the State of Delaware has approved to allow towns and fire companies into their health plan effective January 1, 2015. Vehicle Ops will now be gas only.

The City Manager stated that the general fund includes a proposed thirty-five cent (\$.35) tax increase: twenty-three cents (\$.23) offsets the transfers from water and sewer, seven cents (\$.07) offsets the use of carry forward reserves to balance the budget, five cents (\$.05) is needed to balance the general fund. The proposed revenue is equal to three hundred sixty-one thousand nine hundred forty-five dollars (\$361,945). No increases in the tax rate have occurred in the last twelve years. Four hundred ninety-three thousand five hundred thirty-two dollars (\$493,532) is allocated from water and sewer for services provided by the general fund. Planning and Inspections has transfers from the capital reserve to pay for additional Comprehensive Plan and Zoning Code 440 rewrite costs.

The City Manager stated that general fund expenses include four thousand dollars (\$4,000) for dues, licenses, and meetings, Edmunds work order software for five thousand five hundred dollars (\$5,500), cabling for Council chambers for two thousand dollars (\$2,000), audit fees for two fiscal year audits, and forty thousand dollars (\$40,000) for the Zoning Code rewrite. There is a change in accounting for the plan review and inspections.

The City Manager stated that water has a rate decrease. Water includes allocated money to the general fund for services rendered, reserves, and contingencies; there is an estimated fund balance.

The City Manager stated that sewer has a proposed rate increase due to increased operating costs and debt service. Sewer includes allocated money to the general fund for services rendered, fees to Kent County for treatment, reserves, and contingencies.

Vice Mayor Lahman asked if the Zoning Code rewrite was under the CIP and is now being moved to the budget. The City Manager stated that it is a better way to account for it.

Council Member Coleman left the meeting at 7:19 p.m.

Vice Mayor Lahman asked what other approved projects are in the CIP fund. The City Manager stated that the fire alarm system for City Hall, the sewer impact fee study, the bathroom renovation (not completed), Public Works building maintenance, Comprehensive Plan, and Zoning Code rewrite. The new server is also an approved project. Council Member Minner asked about the roof at Parks and Recreation. The City Manager stated that it is waiting for grant funding.

Vice Mayor Lahman asked what the bottom line of both funds together is. The City Manager replied four million sixty-three thousand five hundred ninety-eight dollars (\$4,063,598), an eleven percent increase over FY 2014.

The City Manager stated that the cost of treating sewer has raised the budget. The City needs to look at fixing inflow and infiltration (I & I) even if a bond referendum does not pass. It can be built into the rate to be pay-as-you-go. Vice Mayor Lahman stated that the City should consider using money that it has previously saved as a rainy day fund. Mayor Moyer stated that fixing the I & I will bring costs down as well. The City Manager stated that her concern about taking money from reserves is that it is not being replenished.

Discussion occurred regarding specific line items in the budget.

Public Comments

There were no public comments.

There being no further business, the City Council Workshop adjourned at 8:31 p.m.

Respectfully Submitted,

Kelly Blanchies
Clerk of Council