

**Aberdeen City Council Meeting
May 21, 2007**

OPENING:

Roll Call: The Aberdeen City Council Meeting roll was called with the following results:

Present: Mayor Simmons, Council President Hiob, Councilwoman Elliott, Councilmen Kupferman and Yensan

Absent: None

Also Present: Mr. Miller, Ms. Grover, Mr. Jack, and Chief Rudy

Mayor Simmons called the meeting to order at 6:00 p.m. in the Council Chambers.

The prayer was led by Pastor Michael Karmann of First Baptist Church of Aberdeen and the Pledge of Allegiance was led by Chief Rudy.

APPROVAL OF MINUTES:

The Minutes of the May 14, 2007 City Council Meeting were approved as submitted.

PRESENTATION:

1. FY 08 Budgets; Concerns and Questions

Mr. Miller and Mr. Jack distributed a handout on FY 08 Budget Adjustment Requests and Questions. They addressed questions from the Public Hearing held at the Council Meeting on May 14, 2007. Listed below are the questions and answers:

- Q: Should a parking fee be added as revenue for the Stadium Fund?
A: That matter will have to be addressed by the RSMB then by the Council, so the potential revenue is not firm enough to include in this FY's budget.
- Q: With the \$.02 reduction of the tax rate, what services are being cut?
A: The proposed budget is very lean and items such as a new street sweeper are not being funded. There are other items not being considered; however a priority list may be created as suggested.
- Q: What does the \$60,000 budgeted for Government Strategic Planning represent? A: Consultant services for the Transportation Element portion of the Comprehensive Plan that must be updated in FY 08.

- Q: What was the cost of the employee incentives in the Executive Department? A: \$14,000 budgeted for FY 08, included a breakfast, Christmas bonuses, City sweatshirts, a Police Department Recognition Dinner, etc.
- Where will the City obtain its loan for the water capital improvements? A: Either from the Farmers Home Administration, the Maryland Department of the Environment, or the Infrastructure Loan Program administered by the Department of Housing and Community Development. Or, there could be a financing package arranged using the most advantageous features of each of these programs.
- Q: What will the \$478,000 in Water Fund Contingencies be used for? A: Provision for cost overruns (20% of estimated cost of projects). The \$478,000 is only used if needed.
- Q: What will the \$600,000 labeled APG/COA in Water Capital be used for? A: The City's portion of the vertical well testing needed in conjunction with the proposed surface water plant.
- Q: How will public funds be used in FY 08 for meals and travel for City officials and employees? A: Both elected and appointed officials are active in the Maryland Municipal League and attend both the annual convention in Ocean City and the legislative conference. The City Manager attends two training conferences each year offered by the International City and County Management Association. Other members of the staff attend professional conferences and meetings. There is no precise budget figure for these expenses but are paid for under the operating expenses of the various departments.
- Q: Are there any special taxing districts? A: No.
- Q: What budgeted expenses go to non-profits? A: Under General Government in the General Fund, the City contributes to the Boys and Girls Club (\$31,000), Appearance and Preservation Committee (\$10,000), EDC (\$10,000), Heritage Committee (\$6,000), Aberdeen Room (\$2,000), Army Alliance (\$5,000), Tree Committee (\$1,000), and other Community Events as needed. The Mayor's salary is used for some of these expenses.
- Q: What personnel changes are slated for FY 08? A: The positions of IT Coordinator, Associate Engineer, and Environmental Worker are included as additions in FY 08.
- Q: What are the proposed raises for FY 08? A: For budget purposes, 8% for sworn police personnel, and 6% for all other employees. No increase for elected officials.
- Q: What payments are to be made to non-employees in FY 08? The City Attorney and City Auditor are paid via contract. The City also contracts for IT support.
- Q: What rainy day funds does the City have? A: The City does not have a rainy day fund at this time. It is in the process of emerging from financial difficulties with the new rates implemented in the current fiscal year – property tax and water & sewer rates.

- Q: Do the Enterprise Funds support themselves? A: Yes.
- Q: What is the current fund balance by fund? A: Per the FY 06 Audit: General Fund (\$1,499,272); Water Fund (\$830,250); Sewer Fund (\$11,052,356); Stadium Fund (\$9,072,249).
- Q: Explain in detail the financial relationship with APG, including APG Contract Fees and APG Management Fees. A: APG Water and Sewer Systems were formed in November 1999 by the U.S. Government, Department of the Army. The City of Aberdeen was contracted to operate the systems. The Army pays for the cost of services and capital projects of the systems based on budgeted expenses. Any excesses or deficiencies are rolled over to subsequent years. The budget for the 2007 fiscal year is \$4,000,000. The City charges APG to reimburse City resources used in our operation of the APG water and sewer services. These resources are typically the prorated salaries and benefits of City employees who spend some of their time on functions that benefit APG, plus 10% overhead rate. Such employees would include, but not limited to the Human Resources Manager, City Manager, Director of Finance, Director of Public Works, and the Water and Sewer Superintendent. This reimbursable item is called APG Contract fees or APG Management fees. In the expenditure budgets, there is no separate line for this item in the General Fund; it is reflected in salaries and benefits. However, there is a separate line item in the Water Fund, just for the prorated salaries of the supervisory personnel in the Department of Public Works.
- Q: Clarify fund balances. A: Fund balances are not cash, they are the differences between assets and liabilities, i.e., a building would be considered an asset.

Councilwoman Elliott said there were questions from Ms. Kreamer last week which had not been addressed. Mr. Miller said there are things still being compiled.

PUBLIC HEARINGS:

None

PUBLIC COMMENTS:

1. Ms. Sherry Miller, P.O. Box 257

Ms. Miller asked that the City consider including a parking fee in the cost of a ticket to Ripken baseball games. She suggested a 10% ticket increase.

2. Ms. Karen Heavey, 634 W. Bel Air Avenue

Ms. Heavey appreciates the answers provided for the questions raised. She asked about the \$600,000 for the study. What is the City's share and who else participates? She does not want to see this issue turn into something that will drain the City funds.

3. Mr. George Barrett, Beards Hill Road

Mr. Barrett said it would be foolish to reduce taxes this year after the increase last year. He said sidewalks on Beards Hill Road are deteriorating and dangerous. What plans does the City have for this area? Many people, including children, must walk in traffic; sidewalks are definitely needed. Mr. Barrett asked what the City priorities are.

Mayor Simmons indicated that a \$.02 reduction would be acceptable for this lean budget. A developer will pay to replace the subject sidewalks.

4. Barbara Osborne-Kreamer, 701 Beards Hill Road

Ms. Kreamer asked the amount of last year's travel and entertainment budget and the projected figure for this coming year. This information will be provided by Mr. Miller. She asked the amounts donated to charities and was told the amounts were on the handout. There will be three new City employees this year. The information on previous raises for City employees will be provided. Ms. Kreamer asked the amounts paid to the auditors; this amount was approximately \$32,000.

Mayor Simmons encouraged Ms. Kreamer to contact Mr. Miller for answers to these questions. She was told some of the questions were pertinent to information contained in a law suit.

Ms. Kreamer said this is the time for questions and accountability. The City has resisted making the information available to the public. Citizen requests for public information have been addressed. Ms. Kreamer noted that the Council has been careful in following procedures in the Charter.

LEGISLATIVE SESSION:

1. Ordinance No. 730-07, FY 08 Budgets (for Adoption)

Mr. Miller informed the Council that the proposed Budget for FY 08 could be adopted tonight. He reminded them that a Hearing was held last week on the Constant Yield Tax Rate. The Budget Ordinance reflects a tax rate that is higher than the Constant Yield Tax Rate. Also, there are two amendments

which should be considered, and if passed, the Council could proceed with adoption of the Budget. The two amendments to be considered are:

Amendment #1 – General Fund

Due to successful efforts by the Maryland Municipal League, the legislature has increased the funding formula for State Aid for Police by \$150 per sworn officer. Therefore, this budget amendment increases the revenue line item: “State Aid for Police Protection” by \$6,750 bringing the total for that line item to \$253,096. The sub-total for Police Grants within the General Fund increases to \$342,880. On the corresponding expenditure side, it is recommended that \$6,750 be added to the Operating Expense line item under the Police Department.

Amendment #2 – Sewer Fund Capital

The Director of Public Works requested \$75,000 for a compost screen at the compost facility at the WWTP. Another funding source has been found for that screen and it is requested that the \$75,000 be used to fund a compost loader which is also badly needed for that facility.

Councilwoman Elliott asked where the money for Amendment #1 was coming from. She was told it was a State grant. She asked the latest date to adopt the budget and was told it must be done by the second meeting in June.

Councilman Kupferman asked if the Constant Yield would be decided by a vote. He was told this was a good thing and part of the Budget Ordinance.

A motion was made by Council President Hiob and seconded by Councilman Yensan to approve Budget Amendment #1 for the General Fund and Budget Amendment #2 for the Sewer Fund Capital as described above.

The motion was passed with a vote of 5 – yes.

Councilman Kupferman asked if the Constant Yield Tax Rate should be voted on. He was told it would be a good thing to make it a part of the Budget Ordinance.

A motion was made by Councilman Kupferman and a conditional second by Councilwoman Elliott to approve the Constant Yield Tax Rate.

The motion was not passed with a vote of 2 – yes and 3 – no.

Ayes – Councilwoman Elliott and Councilman Kupferman

Nays – Mayor Simmons, Council President Hiob, and Councilman Yensan

A motion was made by Councilman Kupferman and seconded by Councilwoman Elliott for a Budget Amendment to accept the \$.02 offered by the Mayor reducing the rate to \$.71.5 and add \$.04.5 which would come from revenues from the Villas at Rock Glenn in the amount of \$261,000 and Eagles Rest in the amount of \$200,000. Plus, a reduction in employee raises to 4.5% for a total of \$.08 to bring the tax rate to \$.65.5.

Councilman Kupferman realized last year's increase to \$.18.5 accomplished sustainability. His amendment is being made because there will be more money coming to the City next year. Citizens deserve this consideration; the Budget should not be balanced on the backs of the Citizens.

Council President Hiob does not favor the proposed reduction in the raises to City employees or using developers' money to reduce taxes. This rate will not be sustainable. Where will the money come from next year? He does not want debt put on future generations. Council President Hiob said he does not see much construction in the City currently. Money should only be used after it is received, not before. Things were done wrong in the past; the old style of government is gone. The Council should try to balance the Budget and do the right things. He favors the Budget as presented with the two approved amendments.

Councilwoman Elliott asked for a definition of the right thing. She submitted suggestions on how to reduce costs in the amount of two million dollars. Some line items can reduce the Budget and not hurt any other item. The Council should try to lighten the load on the residents.

Councilman Kupferman said many of Councilwoman Elliott's suggestions take time to implement. The income from the Villas at Rock Glenn and Eagles Rest and construction now taking place in the City, will help the Budget become sustainable. Cutting the Budget by only \$.02 is not fair to the taxpayers. Cuts should be made wherever possible.

Council President Hiob said Councilwoman Elliott mentioned "tightening belts". The Council has done that and there is a limited amount that can be removed from the Budget. Aberdeen's Budget is higher than Bel Air and Havre de Grace because it provides more services to residents and has Ripken Stadium to fund.

Councilman Kupferman noted that services will not be cut under his Amendment.

The motion was not passed with a vote of 2 – yes and 3 – no.

Ayes – Councilwoman Elliott and Councilman Kupferman

Nays – Mayor Simmons, Council President Hiob, and Councilman Yensan

A motion was made by Council President Hiob to approve Ordinance No. 730-07 FY 08 Budgets as amended.

The motion was passed with a vote of 3 – yes and 2 – no.

Ayes – Mayor Simmons, Council President Hiob, and Councilman Yensan

Nays – Councilwoman Elliott and Councilman Kupferman

Councilman Yensan agreed that this is a lean Budget. The City cannot borrow to increase the General Fund; this has been done for 20 years and does not work. Previously, the City was 6 months from bankruptcy. The General Fund must be funded.

Council President Hiob assured everyone that the Council is being accountable because this is a good Budget.

Councilwoman Elliott said this is a champagne Budget on taxpayers' pocketbooks.

BUSINESS OF THE COUNCIL:

1. Unfinished Business – None
2. New Business – None
3. Business from the Director of Planning & Community Development

Ms. Grover reported that the next Planning Commission meeting would be June 13th. It should be a short meeting with only one item on the Agenda.

4. Business from the Chief of Police

Chief Rudy reported that the Rapid Response Team stopped a drive-by shooting last Saturday. No additional details are available because there is an ongoing investigation.

He has had one interview for the open position on the Police Force.

Mayor Simmons said he is against the My Space website in public libraries. Currently, there is gang activity taking place in the City on that website. Chief Rudy indicated that there are typical pictures of gangster rap albums,

clothing, statements, and posture. Some participants have previous arrest records. However, there is not much that can be done.

Mayor Simmons noted that truancy is a problem. Children don't go to school but go to the library to access My Space. Several Council members have blocked this website in their homes.

5. Business from the Director of Finance

Mr. Jack reported that the City is in the process on going online for the payment of City bills. Demonstrations will be held.

6. Business from the Director of Public Works – None

7. Business from the City Manager – None

8. Business from the Council

Councilman Kupferman suggested calling the head of the library for necessary blocks on websites. Mayor Simmons has taken this action but the Freedom of Information Act prevents this from being done. Also, placing blocks causes the system to shut down. He is requesting meetings with Ms. Haas and Ms. Kaplan.

Councilwoman Elliott asked who George Miller was. He is a Vietnam Pilot who was recognized on Armed Forces Day.

Councilman Yensan said Mr. Miller is a highly decorated veteran who saved his life.

Mayor Simmons mentioned that Mr. Miller has received the Distinguished Flying Cross. Officer Wade was in the new uniforms for the color guard at the ceremony. The City was proud to participate in this ceremony.

9. Business from the Mayor - None

PUBLIC COMMENT:

1. Mr. Bob Hartman, 226 Paradise Road

Mr. Hartman asked if there could be training on Saturday for residents who will use the internet to pay their City bills. Mr. Jack said the training would be for City employees only.

2. Rev. Larry Ringgold, 511 Edmund Street

Rev. Ringgold said his congregation will be celebrating their 25th year on Edmund Street with a banquet and is asking the Council for their support. The affair will be held at Richlin Ballroom on June 24th at 5:00 p.m.; tickets are available for \$35.

Mayor Simmons noted that the MML is being held at the same time; but the Council will present a proclamation.

3. Mr. William Young, 445 Doris Circle

Mr. Young asked if the funds from developers, mentioned by Councilman Kupferman, would go into the Water and Sewer Fund. He was told they were not. Mayor Simmons said the Matrix is comprised of over 1,000 inputs and tipping events. These funds provide money for many tipping events. The fee must have a reasonable Nexus between the impacts created and will apply money to both accounts.

4. Mr. George Barrett, Beards Hill Road

Mr. Barrett said the residents are lucky to have such good City services, i.e., trash pickup and bulk pickup. Councilman Yensan commented on the services being excellent, the trucks are very clean and the workers are well dressed and give good service to the City. Council President Hiob noted that Jim Litke should be thanked.

5. Ms. Barbara Osborne-Kreamer, Beards Hill Road

Ms. Kreamer asked Mr. Jack and Chief Rudy the amount of Police overtime. Mr. Miller said the gross amount to date is \$149,000. Councilman Yensan said more than half of that amount is paid by another entity.

6. Ms. Karen Heavy, 634 W. Bel Air Avenue

Ms. Heavey asked if APG is paying anything toward the \$600,000 Water Study. Mayor Simmons said there is no military money available. The City is looking for Grants, Government funding, and DBED funding. There is a good chance that the Office of Economic Development and DBED will be motivated by BRAC. In any event, the study is imperative. The entire document is available to the public.

Councilman Kupferman said the money he referred to from the developers was under the Matrix and can go into the General Fund.

Mayor Simmons noted that if the money is charged for the Water and Sewer Fund it must go there. If money is not routed where designated, the developers could sue the City or not pay the fee. The Matrix is a living document with a baseline. That baseline will be different on July 1st, due to the changes and increases in the Budget.

Councilman Kupferman said the money from the two projects mentioned previously could be put into the General Fund.

ANNOUNCEMENTS:

Violence Prevention Weekend, June 2nd, 12 – 3 p.m., at Aberdeen Festival Park, Registration is required but is free.

ADJOURNMENT:

The meeting was adjourned at 7:30 p.m.