CITY OF NEWARK
DELAWARE

COUNCIL MEETING MINUTES

November 23, 2009

Those present at 7:30 pm:

Presiding:	Mayor Vance A. Funk, III District 1, Paul J. Pomeroy District 2, Jerry Clifton District 3, Doug Tuttle District 4, David J. Athey District 5, Ezra J. Temko District 6, A. Stuart Markham
Staff Members:	City Manager Kyle Sonnenberg City Secretary Patricia Fogg City Solicitor Roger Akin Assistant to the City Manager Carol Houck Finance Director Dennis McFarland Parks & Recreation Director Charlie Emerson Planning & Development Director Roy Lopata Planning & Development Planner Mike Fortner Public Works Director Rich Lapointe

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The meeting began with a moment of silent meditation and pledge to the flag.

1. MOTION BY MR. POMEROY, SECONDED BY MR. MARKHAM: THAT ITEM 9-A-1, RESOLUTION 09-__: RETIREMENT OF CAROL TIMMENEY BE HEARD AT THIS TIME.

2. 9-A-1. RESOLUTION NO. 09-__: RETIREMENT OF CAROL TIMMENEY

01:40

Mr. Clifton read the resolution in its entirety which recognized Customer Service Supervisor Carol Timmeney for 20 years of service to the City. Council unanimously endorsed the resolution as read.

(RESOLUTION 09-U)

3. 1. ITEMS NOT ON PUBLISHED AGENDA

06:36 A. Public

Amy Roe, Newark resident, announced that DNREC will hold a public meeting regarding environmental remediation at the Cleveland Heights project on 12/10/09 at 6 pm at the Municipal Building.

4. 3-B. UNIVERSITY

07:44 1. Administration

Mr. Armitage introduced Pat Ogden, new Chief of Police at the University. Chief Ogden said he looked forward to working with the City's elected officials and NPD toward the common goal of keeping students and citizens safe.

5. 3-B-2. STUDENT BODY REPRESENTATIVE

There were no comments forthcoming.

6. 3-C. COUNCIL MEMBERS

08:44

Mr. Markham – commented that the Chapel Street mural was completed and thanked the UD students who painted it and Bob Ashby for supplying the paint.

7. Mr. Temko – thanked the Parks & Recreation Department for their organization of the Community Clean Up.

8. Mr. Pomeroy – issued a reminder for Winterfest on 12/4 from 6-9 pm on the Academy lawn; reported that the language in property violation notices was being reviewed to insure appropriate communication with the City's residents.

9. Mr. Tuttle – referenced the Unicity bus system and the state's reluctance to replace vehicles as they age out. He felt additional financial involvement by the City would provide Newark with a bigger voice in the services provided by the bus.

10. Mr. Athey – reported that Robin Brown of the News Journal was reassigned to the Smyrna area; recognized the first anniversary of City Manager Kyle Sonnenberg.

11. 2. APPROVAL OF CONSENT AGENDA

12:59

A. Cancellation of December 28, 2009 Regular Council Meeting

B. Approval of Regular Council Meeting Minutes – November 9, 2009

C. Approval of Special Council Meeting Minutes – November 18, 2009

D. ***First Reading*** – **Bill 09-30 –** An Ordinance to Adopt Technical Corrections to the Amended Pension Plan for Certain Employees of the City of Newark, Delaware, to Comply with Internal Revenue Code Requirements for Qualified Plans
(2nd Reading/Public Hearing 12/14/09)

E. ***First Reading* – Bill 09-39 –** An Ordinance Amending Chapter 32, Zoning, Code of the City of Newark, Delaware, By Increasing Parking Waiver Fees for Residential Uses
Second Reading/Public Hearing 12/14/09

F. ***First Reading* – Bill 09-40 –** An Ordinance Amending the Zoning Map of the City of Newark, Delaware, By Rezoning from BN (Neighborhood Shopping) to BB (Central Business District) a .227 Acre Parcel at 109-111 Elkton Road
Second Reading/Public Hearing 12/14/09

G. Acceptance of Alderman's Report – November 16, 2009

Ms. Fogg read the Consent Agenda in its entirety. The First Readings were read by title only.

MOTION BY MR. CLIFTON SECONDED BY MR ATHEY: THAT THE CONSENT AGENDA BE APPROVED AS PRESENTED

MOTION PASSED UNANIMOUSLY: VOTE: 7 to 0.

Aye – Athey, Clifton, Funk, Markham, Pomeroy, Temko, Tuttle.
Nay – 0.

12. 3. PRESENTATION AND PUBLIC HEARING OF THE PROPOSED 2010 GENERAL OPERATING BUDGET

14:50

Mr. Sonnenberg presented the 2010 Operating Budget. He reported that Council reviewed and adopted a number of proposed financial policies early in the calendar year. The policies required proper cost allocation for services among different funds and established that fees for services would be cost based. The financial policies emphasized discreet funds, such as the General

fund, which provided for most governmental services as well as enterprise funds such as the utility funds.

Mr. Sonnenberg said the policies should be helpful in rebuilding the City's financial position and avoiding future difficulties. Many progressive communities had financial policies, and he believed it was a major step forward for Council to adopt these.

According to Mr. Sonnenberg, some of the challenges in the 2010 budget year were increased health care costs averaging at least 10% and post-retirement benefits which required the City to set money aside for benefits to be paid in retirement (specifically heath care). Utility rates were a challenge in terms of lower usage, and the pension plan required continuing increases to fund the deficit. Tax revenues in the proposed budget were 20% less than in 2008, a significant change due to the drop in transfer taxes. Utility usage declined with a wet, cool summer. The University's purchase of the Chrysler site removed the largest taxpayer from the tax rolls. In addition, the University discontinued use of the City's transfer station. Another challenge was cash balances, and the targeted level of $25 million continued to drop through the year.

Mr. Sonnenberg explained that residents surveyed rated the vast majority of services as very important by 50% or more of the respondents. The City's funding of the trolley was not highly rated, and the budget proposed to eliminate City funding of that service. The budget also eliminated the print edition of the Municipal Newsletter which would be replaced with an e-mail version. Council had previously raised recreation fees, with participants paying a greater proportion of the costs for providing that service.

Mr. Sonnenberg reported staff reductions totaling $650,000 as well as reductions in the City's health plan of $260,000. Materials, supplies and other expenses were also reduced.

One element of the financial policies was the need for revenue diversification, as much of the City's property was non-taxable. The budget proposed to establish a new stormwater utility fee to cover some costs of providing stormwater programs. This fee would be paid by all owners of property with impervious surface. Another proposal under consideration was a dumpster collection fee applicable to businesses operating apartments. The budget also proposed a sewer increase of 25% effective February 1 to cover costs associated with the sewer fund.

Last year's proposed budget forecast a 20 cent increase in property tax over a two-year period. However, Council approved a two and one-quarter cent increase last year. Despite the worsening conditions, the proposed tax rate increase this year was nine cents instead of the 17.34 cents that would have been consistent with last year's proposed budget.

In a cost comparison between the 2009 and 2010 budgets, Community Development Block Grants were included in the Operating Budget as were Law Enforcement Grants. The Capital Budget reflected increased and improved infrastructure maintenance. The Debt Service change was reflective of paying off a note, and the Unappropriated Surplus was the beginning of efforts to replenish cash.

Noteworthy in a comparison of revenues from 2009 to 2010 were increases reflected in utilities and property tax, and the decrease in the transfer tax. Almost two-thirds of the City's revenues were from utility contributions, followed by property tax at 13%. There were several changes with stormwater management included with the revenue source for the first time and Municipal Street Aid removed from the Operating Budget as the state failed to appropriate funds.

In the operating expenditures by fund the intent was to focus on the discreet funds to the City, and Mr. Sonnenberg noted that the General fund was dropping. The Utility funds had increasing expenditures reflective of overhead costs. The Parking fund also had overhead costs assigned as well as credit card fees which affected disproportionately. Other funds included the Street fund, the largest at about $2.2 million, the Community Development Block Grant fund and the Law Enforcement fund, both of which were grant-funded funds.

In a breakdown by fund of the different expenditures, about two-thirds of the City's expenditures were related to general fund services, such as Police, Parks, Planning, etc.

In a chart comparing tax rate increases with the inflation index, the tax rate was behind inflationary increases since 1993.

Mr. Sonnenberg concluded his presentation with a chart showing a comparison of tax rates in other northern New Castle County municipalities, and it included the proposed property tax increase in Newark.

The Chair opened the discussion to the public.

Ron Walker, Newark resident, expressed his concern as a retiree living on a fixed income. He noted Council's method for solving the City's shortages was by raising fees and taxes and questioned whether consideration had been given to seeking other sources of revenue for the City other than on the backs of the residents. He believed the University should pick up more of the load since they reduced the City's tax base as they purchased properties. Further, the growing student population increased the demand on City services. Mr. Walker suggested an employee head tax on employers of 100 or more in the City, a gross receipts tax on restaurants in the City, a gross receipts tax on rental property income and assessing the University a head tax on their students.

Amy Roe, Newark resident, noted that the City's deficit and ability to generate revenue was driven by utility revenues. She pointed out that the electricity profits per kilowatt hour in Newark increased 61% since 2006, yet the wholesale cost of power increased only 8%. She was concerned about the use of electricity to fund the City and about the use of the electric profit margin that depressed the cost of wholesale power. She believed this affected the City's ability to buy renewable energy which had gone down 80% since 2006 and was 95% less than the City's purchase in 2007. She felt the City needed to invest utility revenues in clean energy.

John Kowalko, State Representative, voiced constituent concerns about the stormwater utility fee. He hoped consideration would be given in the form of credits or exemptions to entities such as the Newark Senior Center and over-55 communities such as Southridge where they maintained their own retention ponds.

Evan Steinberger, Newark resident, said utility revenue was down because people were trying to save money. He worked in the private sector and did not get a pay increase this year. He questioned the City's pensions which he said were rare in the private sector.

Judy Hughes, Newark resident, lived in Southridge which owned and maintained its own retention pond. She was concerned with the proposed stormwater fee and asked if Southridge would be given an exemption.

Bill Stritzinger, Newark resident, said although he appreciated the services provided by the City, he was frustrated with the increase in fees and rates. He observed that employee salaries, including pensions, were a large expense which the taxpayers had to fund when many of them had no pension. Further, he commented that the City's purchase price for electricity was relatively low but the

cost charged to the owners of the utility was relatively high and felt it was disingenuous that the electric utility was paying for City expenses. Mr. Stritzinger recommended that the City provide monthly utility bills and eliminate estimated billings.

Joe Fallon, Newark resident, commented that his property tax increased $226 in the past six years, and there was a proposal to increase it by $147. Mr. Fallon was formerly employed by Chrysler and said if he could sell his house and get a fair price he would as it was not worth living in the City anymore.

Bruce Harvey, Newark resident, suggested everyone reflect on the fact that the economic conditions were the worst in over 50 years since the Great Depression. He said one issue being focused on was the loss of property tax from Chrysler while overlooking the fact that one of the biggest employers in the long-term history of the City just "dropped dead." His recommendation was no budget increase, no stormwater utility, and no new taxes.

There being no further comments, the discussion was returned to the table.

While Mr. Clifton understood the feelings of the residents, he said if the City did not get new income streams, cuts would have to be made. The $2.6 million deficit was real money the City did not have, and the trend would probably continue into next year at the same rate. He pointed out that the City had no tax increase for years and felt that contributed to some of the current economic problems. He felt there were some cost-cutting measures that could be taken such as considering a different retirement plan for new employees. Other possible suggestions he did not support were postponing capital improvements or eliminating Newark's Police Department and have New Castle County take over that responsibility. Some of the ideas for generating income were to sell the City's transfer station and water system which he did not think was in the best interest of the residents. He believed it was Council's responsibility to focus on the City's long-term stability when making budget decisions.

Mr. Pomeroy believed when comparing tax rates that Newark residents received a good number of services compared to other areas in New Castle County. He said the largest negative impact on the budget was the transfer tax, loss in funding from the state, the loss of tax revenue from the Chrysler site purchase by the University and the University discontinuing use of the transfer station. He noted the City was trying to do things over and above the norm at an incredibly difficult time including making a significant increase in capital improvement projects, specifically in sewers and roads; trying to increase operating fund balances in electric, sewer, water and proposed stormwater fee; trying to increase the cash position; and trying to secure pension funds. Comments he received from residents stated the City should stick to the essentials, maintain existing programs at current levels as best as possible, focus on safety, work on trying to diversify revenue streams and focus on core elements. Based on the economy, Mr. Pomeroy was not convinced this should be a building year for the City. In regard to the stormwater utility, he was not sure if businesses understood the impact and was not sure if the City understood the potential consequences on economic development efforts. He did not feel the program should be put forward without having answers to all issues before proceeding.

Mr. Markham said the City had some challenges ahead in order to live within its structure of revenue. He cited the loss of approximately $500,000 in municipal street aid and said it was important to make sure the infrastructure would not cost more later. The pension plan was another big challenge the City was facing. He believed the stormwater fee still needed to be defined. Mr. Markham reported that in 2004 and 2005 the City subsidized electric rates of approximately $6 million which could have been in the cash balance. Mr. Markham said the bottom line was that while he does not like raising taxes on his

friends and neighbors, the City had to be able to provide services to the residents.

Mr. Tuttle thought it was important to recognize that the proposed budget maintained the basic services Newark citizens identified as very important to them in a recent survey. In looking at the funding, there may be perceived inequities with the fact that revenue was derived from utility sales. However, he said if the City was unable to fund expenses without revenue from electric sales and other utilities to the University, all the funds would have to be drawn from the taxpayers. He reported that only 13% of the City's budget was derived from property tax revenues. The stormwater utility fund of $350,000 was needed to maintain the status quo in terms of management of stormwater runoff. Without that utility, a 4.5 cent increase on the tax rate would be required. Mr. Tuttle felt it was important to keep in mind with the way the City operated its utilities, "profit" came back to support City services. He was confident Mr. Sonnenberg would pursue options for alternative revenue sources but said Council needed to adopt a budget to carry the City through the coming year.

Mr. Temko said response to the budget from his constituents was they did not want taxes or fees to go up but knew there was no good option. He said last year the City tried to cover expenses minimally, ended up with a deficit and tabled all the hard questions. He felt it would not be fiscally responsible to do the same thing this year. Under the new City Manager he believed creative expense cutting, different types of revenue such as stormwater management and looking for ways to diversify the revenue stream were a good start. He believed it was very important for the City to invest in infrastructure. On the stormwater fee, Mr. Temko thought there were a number of misconceptions and said details would have to be worked out to have an ordinance ready for adoption in the spring. He explained the City's stormwater program cost over $1 million and said if the utility would cover it, it would have to be three times more than what was proposed this year. Mr. Temko recommended discussion of whether the utility assistance program funds should be included in the budget.

Mr. Athey said as a result of quarterly workshop meetings on the budget that started in March, financial policies were now in place, and he felt the City was looking towards the future. From the second budget workshop on infrastructure, he felt there was no choice other than to be upping the investment. The third meeting looked at alternative revenue sources, and a stormwater utility was one of them. He believed the stormwater utility was the right thing for the City to do but was not convinced the timing was right. Mr. Athey thought Newark was still a bargain when considering its lower tax rate combined with a fairly competitive market rate for utilities.

Mr. Funk said from his viewpoint the City had extremely good services compared to other areas. He felt citizen input was essential in going through the budget process to learn what services residents valued the most. Regarding the shortfall in transfer taxes, he said while there was a lot of construction going on, the projects were relatively small. The reservoir legal costs were $9.1 million over budget, and it would take a while to dig out from those expenses. He felt the next two years would be really tough but turnaround would begin with the development of the Chrysler site. Mr. Funk thought about where cuts could be made and referenced the former City Manager's proposal to make certain jobs in the Police Department civilian jobs which he believed had potential savings of approximately $200,000.

Mr. Temko said the timing of the stormwater utility fee appeared to be an item on which Council disagreed and suggested focusing on additional feedback.

Mr. Athey pointed out that another issue not discussed was police staffing, and it was noted that although taxes were raised 2 ¼ cents last year new officers were not hired due to a hiring freeze. Mr. Markham said part of the reason for the freeze was to make the City eligible for federal funds.

Mr. Clifton thought stormwater management had a lot of merit as it did a good job of extrapolating costs over a wide base of stakeholders in the City.

In regard to stormwater management, Mr. Pomeroy thought the current approach was bad public policy and could not support a stormwater management facility placeholder line item in the budget.

Mr. Athey reiterated a stormwater management program was the right thing to do but was not convinced it was the right time for implementation. He said a major amount of work was required to get agreement on what types of things should be funded, how they should be funded, what the priorities were and how the credit program should be set up.

Mr. Pomeroy wanted to do more homework to see if there were areas where greater economies could be achieved in the budget and prepare for the potential that the stormwater management fee was not going to go through.

Mr. Clifton asked Mr. Sonnenberg if there was an option in the budget to replace the $350,000 stormwater management fee. Mr. Sonnenberg said to answer that question Council had to identify their values, and the budget as proposed reflected the financial policies Council adopted. He would not advise delaying capital repairs and maintenance as the City did that for years and had deteriorated infrastructure that should have had more investment in the past. He added that citizen feedback indicated almost all of the City's services were very highly valued.

(Secretary's note: Mr. Funk left the meeting at 9:35 pm.)

13. 4. ITEMS NOT FINISHED AT PREVIOUS MEETING

None

14. 5. FINANCIAL STATEMENT

2:07

Mr. McFarland reported the October 2009 Financial Report showed a continuation of trends carried over from the last six months. Financial results were $3.6 million below budget for the first ten months of 2009, and this was $145,000 better than the results through September. The refund on wholesale purchased power cost of $671,000 was included, so operations ate away about $500,000 of that benefit.

Electric margins were down about $2.5 million, and consumption for the year was down 4.6% with depressed consumption continued in October. Water margins trailed budget by $620,000. There will be some improvement as the new water rates that went into effect on October 1st start to take effect. Sewer margins trailed budget by $856,000 due to weather, the recession and the loss of the Chrysler site.

On the non-utility side, revenues trailed the budget by $1.2 million based on the transfer tax revenues which trailed the budget by $1.1 million. Property tax revenues were about $400,000 over budget, and all other non-utility revenues were down about $400,000.

Operating expenses were $1.6 million under budget primarily due to lower personnel costs. Expenditures were ahead of budget in the Water and Sewer Departments, and the overages were addressed at the 9/26/09 Council meeting.

The end of month cash balance was $12.6 million, a decrease of $200,000 from the prior month.

Mr. Markham asked if water consumption was down as well. Mr. McFarland confirmed that it was and said sewer consumption generally tracked the water.

MOTION BY MR. ATHEY, SECONDED BY MR TUTTLE: THAT THE OCTOBER 2009 FINANCIAL REPORT BE RECEIVED.

MOTION PASSED UNANIMOUSLY: VOTE: 6 to 0.

Aye – Athey, Clifton, Markham, Pomeroy, Temko, Tuttle.
Nay – 0.
Absent – Funk.

15. 6. RECOMMENDATIONS ON CONTRACTS & BIDS
None

16. 7. ORDINANCES FOR SECOND READING & PUBLIC HEARING
2:11

A. Bill 09-38 An Ordinance Amending Ch. 25, Sewers, By Revising the Sewer Charges for All Customers Effective February 1, 2010 and Providing Authorization to Staff to Automatically Adjust Sewer Service Unit Charges When New Castle County Imposes Relevant Adjustments

Ms. Fogg read Bill 09-38 by title only.

MOTION BY MR. TUTTLE, SECONDED BY MR TEMKO: THAT THIS BE THE SECOND READING AND FINAL PASSAGE OF BILL 09-38.

Mr. McFarland presented proposed changes to the sewer rate tariff including a rate change and a tariff provision to track changes in the cost of sewer services from the County. The rate proposal was to increase one of the three components of the sewer rate, the flow rate, by 31.4%. The other two components of the rate would remain unchanged and per the City's agreement with the County, had to track their BOD and SS rates. The City had the ability to adjust the flow rate only. The effect of this rate proposal would be a 25% net increase in the rate and about a 25% increase in the revenues. Mr. McFarland reported the last change in the sewer rate was precipitated by a County rate change in July, and the last change proposed to the City's components of the rates was in 2006 which was a rate decrease. The last increase in the City portion of the rate was in 2004. The rate increase will generate roughly $1 million annually and about $900,000 in calendar 2010 with the proposed effective date of February 1.

The second component of the proposal was the institution of a tracker which would flow through to Newark customers any change in the County rate. Historically this required going through the ordinance process.

There were multiple reasons for the proposed rate change. The first was to fund increased investment in the sewer infrastructure to maintain service levels. Historically the City spent about $50,000 in capital in sewer infrastructure, and getting the infrastructure up to speed would cost upwards of $200,000 annually. Also included in the sewer rates for the first time would be costs attributable to general city overhead of about $30,000. There was also a need to increase the budgeted expense for maintenance costs in the operating side of the budget to provide the ability to respond to sewer line failures occurring in the short term of about $75,000. Also, achieving an acceptable operating margin consistent with the City's financial policies impacted the rate proposal by about $350,000. The final consideration in the rate change was to incorporate the impact of the Chrysler closure on sewer volumes which in 2010 would actually drop about 15%. Projecting what the test year cost would be in the sewer utility on an annual basis, the County sewer charges were projected to be about $3.7

million, the operating expenses about $500,000, City overheads of $30,000, a margin of $1.1 million, and capital expenditures for next year of $305,000. Thus, for the utility to collect all its costs, revenues of about $5.6 million were needed. With that revenue requirement compared against anticipated revenues under the current rates, the City would experience a loss of $1.3 million in the sewer utility. Under the proposed rates, the City would fall short of the 20% margin by about $250,000 and yield a 16% operating margin rather than the 20% margin anticipated by financial policies.

With respect to the impact on a quarterly residential sewer bill, it was about 25%, going from $50 per quarter to $63 per quarter which represented the average. The range could be anywhere from $8 up to $17 depending on the size of the home.

Mr. Temko thought it made sense to track the County rate changes and asked what kind of public notification would be given. Mr. McFarland said the County would notify the City that they were anticipating a sewer increase in late April or early May. As soon as notification was received from the County, a comment would be included on the bill that a rate change was anticipated, and would be included on the website and on Channel 22. This would provide seven to eight weeks notice of the increase.

Mr. Tuttle asked if the tracking system would eliminate this year's problem that when the County rate changed in July, it affected what they charged the City April through June. Mr. McFarland said there would still be a lag in trying to keep pace with the County and that issue would persist even with this mechanism. The way the contract read is the County billed the City on July 1 for consumption from the prior quarter. Mr. Tuttle asked if the projection of a 16% margin this year would get closer to 20% in the future based on a full 12 months. Mr. McFarland said it would not move it that much.

Mr. Pomeroy asked if the flow rate was how the City regulated its operating margin. Mr. McFarland explained that a portion of the flow rate went to the County and when a customer paid their bill, the flow rate constituted the vast majority of the bill. When the City paid the County, the vast majority of the bill paid to the County was the flow rate.

Mr. Markham asked if there would be a drop at any point in time in the County contract based on the drop in sewer because of Chrysler or would the City be charged more for going below a certain level. Mr. McFarland said there was no minimum in the County – everything was based on the flow rate.

Mr. Markham asked if the toxicity charges would be reflected in the City's rate. Mr. McFarland said the BOD and the SS were measures of toxicity, and the rate charged depended on the level of toxicity and the flow. The Wastewater Department had gotten the toxicity levels back to historical levels.

The Chair opened the discussion to the public.

Amy Roe, Newark resident, was not opposed to the rate increase. She was concerned about changing the sewer charge without it coming before Council as an ordinance, and she thought that should be removed from the proposed ordinance for several reasons. One was there was plenty of notice when the sewer rates were going to increase, and Council had adequate time for a first and second reading and notifying customers before changing the ordinance. The second reason was because in her opinion the way the automatic fee adjustment worked with the purchased power cost adjustment was fairly dysfunctional. She would not want to see that extended to other utilities. She also thought customers got a better understanding of the rates through the ordinance process.

Brian Reed, Newark resident, asked why the City had to make up what Chrysler was not using because if Chrysler was not putting water down the sewer, it would not have to be treated, so operating costs should go down. Mr. McFarland said a lot of the costs in the sewer utility were fixed costs that do not vary with consumption, and rates needed to be reset to recover the fixed costs based on a lower amount of consumption. Variable costs do drop out, but the fixed costs were the vast majority of the sewer costs.

There being no further comments, the discussion was returned to the table.

Given the impact this would have on the budget, Mr. Pomeroy thought it would be most responsible for Council to delay the vote until December 14 as part of the total budget.

MOTION BY MR. POMEROY: TO TABLE THE VOTE UNTIL THE DECEMBER 14, 2009 COUNCIL MEETING.

Mr. Clifton noted the rate change in the proposed ordinance was scheduled for February 1, 2010 and asked if delaying the vote would change the implementation date. Mr. McFarland said it should still be possible to give 30 days notice via the website and Channel 22. However, it would not be possible for every customer to get a comment on their bill about the sewer rate adjustment. Mr. Clifton felt everybody should be noticed uniformly and asked what budgetary impact this would have for the one month. Mr. McFarland said the ballpark figure was $95,000-$100,000. Mr. Markham asked if bills could contain wording about a proposed increase, and Mr. McFarland said that could be done.

MOTION SECONDED BY MR. MARKHAM.

Question on the Motion to Table was called.

MOTION TO TABLE FAILED: VOTE: 3 to 3.

Aye – Markham, Pomeroy, Temko.
Nay – Athey, Clifton, Tuttle.
Absent – Funk.

Mr. Athey questioned the word “such” under Amendment 2 in the proposed ordinance (“the finance director shall have the authority to make ***such*** adjustments in ***such*** sewer service charges…”). Mr. Akin said the phrase “such adjustments” related directly to what was just discussed in the paragraph, that is adjustments the City was receiving from the County on a one to one equivalent, or dollar for dollar.

In response to Ms. Roe’s comments, Mr. Temko explained the difference between the electric PPCA mechanism and the sewer adjustment was that adjustments to the electric bill were used to meet revenue goals where the sewer charge tracked the County’s adjustment.

Question on the Motion was called.

MOTION PASSED: VOTE: 5 to 1.

Aye – Athey, Clifton, Markham, Temko, Tuttle.
Nay – Pomeroy.
Absent – Funk.

(ORDINANCE NO. 09-29)

17. 8. PLANNING COMMISSION/DEPARTMENT RECOMMENDATIONS
None

18. 9. ITEMS SUBMITTED FOR PUBLISHED AGENDA
A. Council Members:
1. Resolution 09-__: Retirement of Carol Timmeney

(See Item #2)

19. 9-B. OTHERS
2:39 1. Recommendation from Community Development/Revenue Sharing Committee – Proposed 36th Year (July 1, 2010 – June 30, 2011 Community Development Block Grant) and 2010 (January 1, 2010 – December 31, 2010 Revenue Sharing Program)

Mr. Fortner summarized the programs recommended by the Community Development/Revenue Sharing Committee for the Block Grant which included 12 programs totaling $280,000. This amount was considerably less than the budget for last year. The Revenue Sharing Program allocation of $60,050 covered 10 programs.

Mr. Clifton questioned whether the contingency budget plan was included in previous reports. Mr. Fortner explained it was done every year and established a recommended formula for using additional funds or adjusting for decreases in funds.

Mr. Pomeroy said while it was not his intent to second guess the wisdom of the committee, he questioned the deliberations that went into the decision to fund the Youth Beautification Corps Program at $7,000 when other programs such as Newark Day Nursery and Homeward Bound Operational Support provided essential services to the broader community. Mr. Fortner said the Committee wrestled with that decision but felt YBC provided jobs for disadvantaged young people and also helped improve City parks, thereby having a double benefit. He said it was an employment program which was part of CDBG's mission, and there had been inspiring stories of careers the youth have gone on to pursue. Mr. Fortner noted the $7,000 funding was cut bare bones, and any further reduction would eliminate the program.

Mr. Temko noted the program was reaching out towards youth 15-18 years of age which he felt was a demographic that was under-served in the City. Mr. Markham agreed. Mr. Tuttle said while Council members all might do it differently, he would hesitate to redo the work of a dedicated committee.

The Chair opened the discussion to the public. There being no comments forthcoming, the discussion was returned to the table.

MOTION BY MR. ATHEY, SECONDED BY MR. MARKHAM: THAT COUNCIL APPROVE THE RECOMMENDED 36TH YEAR (JULY 1, 2010 – JUNE 30, 2011) COMMUNITY DEVELOPMENT BLOCK GRANT AND 2010 (JANUARY 1, 2010 – DECEMBER 31, 2010) REVENUE SHARING PROGRAMS.

MOTION PASSED UNANIMOUSLY: VOTE: 6 to 0.

Aye – Athey, Clifton, Markham, Pomeroy, Temko, Tuttle.
Nay – 0.
Absent – Funk.

20. 10. SPECIAL DEPARTMENTAL REPORTS
A. Special Reports from Manager & Staff: None

21. Meeting adjourned at 10:18 p.m.

Patricia M. Fogg, CMC
City Secretary

/av