TOWN OF ELSMERE
COMBINED COUNCIL MEETING
& FINANCE COMMITTEE MEETING MINUTES
JUNE 6, 2015
TOWN HALL
8:00 a.m.

CALL TO ORDER: Mayor Steven Burg called the meeting to order at 8:05 a.m.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

MAYOR	STEVEN BURG	PRESENT
1ST DISTRICT	JOHN JAREMCHUK, JR.	PRESENT
2ND DISTRICT	TED PFIRRMANN	PRESENT
3RD DISTRICT	ROBERT KACPERSKI	PRESENT
4TH DISTRICT	EDWARD ZIELINSKI	PRESENT
5TH DISTRICT	JOANN I. PERSONTI	PRESENT
6TH DISTRICT	DEBORAH A. NORKAVAGE	PRESENT

Town Solicitor, Edward McNally – Present
Town Manager, John Giles – Present
Chief of Police, Laura Giles – Present

Finance Committee Member – Treasurer Paul Chalfant	ABSENT
Finance Committee Member – Ronal Russo	PRESENT
Finance Committee Member – Steveni Keeley	PRESENT

PUBLIC COMMENT: None

APPROVAL OF MINUTES: None

OLD BUSINESS: None

NEW BUSINESS:

Town Manager John Giles asked that the Mayor and Council re-order the agenda and move to Item Number 1 of items submitted by the Mayor and Council followed by item numbers 2 & 3 under New Business prior to the Budget which is item number 1 of New Business.

ITEMS SUBMITTED BY THE MAYOR AND COUNCIL:

The Mayor and 1st District Councilman Jaremchuk will discuss information that they learned while attending the Center for Community Progress's, Reclaiming Vacant Properties Conference.

Mayor Burg presented a lengthy recap of the conference and discussed that he and Councilman Jaremchuk met with a representative from a company called Community Champions, which is based out of Florida. This company would assist the Town in collecting on Code Enforcement violations as well as getting in contact with mortgage companies regarding foreclosed and vacant properties and potentially having those mortgage

companies turn the properties over to the Town as a part of a settlement with the State of Delaware.

Councilman Jaremchuk explained that as part of this settlement with the State the mortgage company is required to pay the State of Delaware a certain amount of money which is in the Billions, if the mortgage company turns a property over to a non-profit company such as the Town's Real Estate Holding Company the mortgage company would receive a credit towards that settlement for 2 times the value of that property.

Mayor Burg stated that Community Champions will help with the registration of foreclosure and vacant properties as well as the renovation of those properties. He stated that they would withhold $100.00 of each registration and share 50% of the profit from each property that is renovated and sold. This results in no cost to the Town but the Town would gain the financial partnership to not have to put the money up to buy and renovate the property because this company would use their money not the Town's.

Councilman Jaremchuk stated that should the Council decide to partner with this company he estimates the Town could see a $50,000.00 revenue in the first year and potentially more in the future.

At this time the Council and Finance Committee members asked questions of Mayor Burg and Councilman Jaremchuk regarding this company.

Councilwoman Norkavage asked where they came up with an amount of $50,000.00 to add to the budget as the income for this year.

Councilman Jaremchuk explained that he felt that it was reasonable to expect to flip 2 houses over the next year with this company and that if that occurred the Town would likely see a minimum of $25,000.00 from each house if not more.

Councilman Zielinski asked if he could have the contact information for the person from Community Champions that they met with in Detroit.

Councilman Jaremchuk stated that he did not have the business card with him but that the Councilman could feel free to contact the number on the brochure which was distributed and speak with anyone from the company about their services.

NEW BUSINESS:

Consideration of Resolution 15-03.

ACTION: A motion was made by Councilman Jaremchuk approve Resolution 15-03 adopting the New Castle County Tax Assessments as the Town's. The motion was seconded by Councilwoman Personti.

VOTE: 7-0 All-in-Favor Motion carried

Consideration of Resolution 15-03.

ACTION: A motion was made by Councilman Jaremchuk approve Resolution 15-04 which increases the property tax rate by the Cost of Living Adjustment (COLA) for the Philadelphia Region. The motion was seconded by Councilwoman Norkavage.

Councilman Jaremchuk explained that the Mayor and Council passed a resolution in 2013 to consider raising taxes by COLA each year and that this year it would result in the homeowner paying $2.17 more in taxes this year or roughly $0.18 per month.

Councilman Zielinski stated that it would be better to cut costs rather than to raise taxes.

Councilwoman Norkavage stated that we cannot control all expenses and that sometimes there is nowhere to cut costs because you still have to operate.

Councilman Jaremchuk called the question

VOTE: 5-2 Motion carried

1st District – Yes, 2nd District – Yes, 3rd District – No, 4th District – No,
5th District – Yes, 6th District – Yes, Mayor – Yes

Presentation, Discussion and Public Hearing concerning the FY 2015-2016 Proposed Operating, Revenue and Capital Budgets.

Town Manager John Giles reviewed the changes which had been made to the proposed budget from the time it was submitted on May 15, 2015 through June 5th. He further stated that he had to make several changes to the Auto and Business Insurance Line Items. These changes resulted in an approximately $17,000.00 surplus.

Town Manager John Giles requested that the Mayor and Council approve the spending of a $99,000.00 windfall from the sale of Parklynn Apartments. He stated that this is money that we cannot budget to come in each year because the complex's do not sell that often. He further stated that the funds would be used to fund the following projects.

- Computer Server Replacement $14,500.00
- Town Hall Sidewalk Replacement $17,200.00
- Emergency Radio Communications $24,566.00
- Repair the Boiler and Condensate Pump $11,300.00
- Repair Caulking on the Library Building $10,030.00
- Additional caulking and base joint repairs $1,805.00
- Install Security Measures at the entrance to Town Hall $14,665.00
- Apply towards the Renovations to new Council Chambers $4,934.00

ACTION: A motion was made by Mayor Burg to approve the expense of $99,000.00 as requested by the Town Manager. The motion was seconded by Councilman Jaremchuk.

VOTE: 7-0 All-in-Favor Motion carried

Town Manager John Giles stated that he is projecting that the Town should end the current fiscal year with an approximate $60,000.00 surplus.

Councilman Zielinski asked about the increase in the Administration Salary Line Item.

Town Manager John Giles explained that it includes a 3% increase for the two existing employees as well as the increase in the base salary for the vacant position of Administrative Assistant.

Councilman Zielinski asked about the increase in the Longevity Incentive for the Code Enforcement Department.

Town Manager John Giles explained that it is based on an increase in the years of service.

Councilwoman Personti asked about the budgeted increase for Code Violations.

Town Manager John Giles stated that the Code Enforcement Department has proposed an Ordinance that would increase the fines given to those people who violate the code and that based on that proposal it would generate the additional income in this line item should the Mayor and Council vote to approve that Ordinance at the June and July regular Council Meetings. He further explained the new line item in the Finance Department Revenue budget for Special Tax Lien and the projected income for that line item.

Councilman Jaremchuk asked if the Landscape Maintenance Contract is up for renewal this year.

Town Manager John Giles stated that the Mayor and Council voted to take the final extension in the contract at the May 14, 2015 Council meeting and therefore the contract will not expire until June 30, 2016 now.

Councilman Jaremchuk suggested that the Town approach Corpus Christi about partnering to potentially host a carnival.

At this time there were many back and forth discussions about whether the Town should approach the church.

ACTION: A motion was made by Councilman Jaremchuk to informally approach the Parrish Council at Corpus Christi about partnering to host a carnival. The motion was seconded by Mayor Burg.

VOTE: 4-3 Motion carried

1st District – Yes, 2nd District – Yes, 3rd District – No, 4th District – No,
5th District – No, 6th District – Yes, Mayor – Yes

Councilman Kacperski asked if $5,000.00 would be enough money for the Cleanup Day.

Town Manager John Giles stated that the Mayor and Council approve the Events budget as a whole and that he and the staff disperse the funds among the different events, however, he does feel that the Town Wide Cleanup Day is beginning to cost the Town additional money and that he would recommend that the events budget be increase by $3,000.00 if the Mayor and Council decide to increase that line.

ACTION: A motion was made by Councilman Kacperski to increase line item 6-01-05-47-2115-0000 Civic Affairs by $2,500.00.

The motion failed to receive a second. Motion Died.

Councilman Zielinski asked what the Town pays on average to rent each movie.

Town Manager John Giles stated that the Town pays between $250-$400 per movie depending on the movie and how new the movie is.

Councilman Zielinski asked the Town Manager to look into showing public domain movies that do not require licensing instead of renting a licenses movie to save the Town money.

Mayor Burg asked about the condition of the Street Sweeper.

Town Manager John Giles stated that the Street Sweeper still has a few years left in it.

Councilwoman Personti asked if there were protocols in place to maintain the larger more expensive pieces of equipment.

Town Manager John Giles stated that the protocols are there but compliance is an issue. He further stated that there is now a Supervisor in the Public Works Department and that he hopes that compliance will improve.

Councilman Zielinski asked about the increase to the Public Works Department's Computer Operations line item.

Town Manager John Giles stated that it is a general increase to that line and that the department is due for a new computer.

Councilman Zielinski asked when the Waste Management Contract was set to expire.

Town Manager John Giles stated that the current expiration date is June 30, 2017. He further stated that there are no extensions available on that contract and that it will go out to public bid in time for the 2017 expiration.

At this time the Mayor and Council completed reviewing the budget and there was $17,498.00 proposed surplus in the budget.

Town Manager John Giles stated that the Town's charter does require a balanced budget with no surplus and that he would recommend that the Mayor and Council increase the Contingency Fund Allocation in the Long Term Planning by $17,498.00 to balance the budget.

ACTION: A motion was made by Councilwoman Personti to increase the Contingency Fund Allocation by $17,498.00 bringing the total Allocation to $24,023.00. The motion was seconded by Councilman Jaremchuk.

VOTE: 5-2 Motion carried

1st District – Yes, 2nd District – Yes, 3rd District – No, 4th District – No,
5th District – Yes, 6th District – Yes, Mayor – Yes

ACTION: A motion was made by Councilman Jaremchuk to adopt the FY 2015-2016 Budget as amended by the Mayor and Council. The motion was seconded by Councilwoman Norkavage.

Councilman Zielinski stated that he would have rather seen the administration and Council cut spending over implementing a tax increase, or increasing other fines. He stated that the Council could have cut employees salary increases as well as cut the Civic Affairs budget for Movies in the Park to show public domain movies as well as getting volunteers to run the concessions to reduce overtime.

VOTE: 5-2 Motion carried

1st District – Yes, 2nd District – Yes, 3rd District – No, 4th District – No,
5th District – Yes, 6th District – Yes, Mayor – Yes

DEPARTMENTAL REPORTS: None

PUBLIC COMMENT: None

ADJOURNMENT:

ACTION: A motion was made by Councilman Kacperski to adjourn. The motion was seconded by Councilwoman Norkavage.

VOTE: 7-0 All-in-Favor Motion carried

These minutes summarize the agenda and other issues discussed at this Council Meeting. Votes are recorded accurately. The audio recordings of this meeting will be available at Town Hall for a period of two years from the date these minutes are approved. The audio recordings may be reviewed at Town Hall by appointment and in accordance with the Freedom of Information Act.

STEVEN E. BURG	**JOANN I. PERSONTI**
MAYOR	**SECRETARY**