

**TOWN OF ELSMERE
SPECIAL COMBINED COUNCIL & FINANCE COMMITTEE
MEETING MINUTES
JUNE 1, 2017
TOWN HALL
5:00 p.m.**

CALL TO ORDER: Mayor Eric Thompson called the meeting to order at 5:00 p.m.

PLEDGE OF ALLEGIANCE:

MOMENT OF SILENCE:

ROLL CALL:

MAYOR	ERIC SCOTT THOMPSON	PRESENT
1 ST DISTRICT	MARIANNE SKIPSKI	PRESENT
2 ND DISTRICT	TED PFIRRMANN	PRESENT
3 RD DISTRICT	ROBERT KACPERSKI	PRESENT
4 TH DISTRICT	EDWARD ZIELINSKI	PRESENT
5 TH DISTRICT	JOANN I. PERSONTI	PRESENT
6 TH DISTRICT	BRIAN HURST	PRESENT

Town Solicitor, Edward McNally – Absent

Town Manager, John Giles – Present

Chief of Police, Laura Giles – Present

FINANCE COMMITTEE:

Paul Chalfant – Absent

Ronald Russo – Present

Stevenie Keeley - Absent

PUBLIC COMMENT:

John Jaremchuk, 300 Southern Road, stated that he would like to ask council to consider increasing the tax rate in the amount of COLA (Cost of Living Index out of Philadelphia). The Town has adopted a resolution a number of years ago that requires the Council to consider COLA each year while discussing the tax rate. If taxes were increased this year, they would increase by 2.23% it would result in each unit paying an additional \$0.81 per month in taxes, which is \$9.74 for the entire year. The Town's expenses increase each year, and so should its revenue. Residents have attended meetings in the past and have asked for small manageable increases over years verses one large increase.

Mayor Thompson asked if we have information on whether the average income per household has increased as well.

Mr. Jaremchuk stated that he does not have that figure, nor does he know where to find it.

APPROVAL OF MINUTES: None

OLD BUSINESS: None

NEW BUSINESS:

Presentation, Discussion and Public Hearing concerning the FY 2017-2018 Proposed Operating, Revenue and Capital Budgets

Town Manager John Giles stated that the budget was submitted to the Mayor and Council on May 15, 2017 as required by charter. At the time of submission, the budget was balanced as required by charter. However, the Chief has a few changes to make during the meeting which will affect that number. He would like to first discuss the epilogue language of the budget. He stated that the current epilogue language includes the following provision, which he would like to remove:

1(a) The funds allocated to this department and its sub-categories shall be placed into "Towns Long Term Planning Account" and a Bi-Annual report is to be provided to the Mayor and Council detailing the interest gained during the reporting period and how it was applied across all of the subcategories.

Town Manager John Giles further explained that the Finance Department provides a monthly report with the account information, and the funds are allocated separately within our finance software, however, opening a separate account at the bank has not occurred during the lifetime of the Long Term Planning Department and does not affect the way the budget or audit is completed. Removing this wording would bring us into compliance with our current practices and is more a formality.

There were no objections by Council.

At this time there was a lengthy discussion where the Mayor, Council and members of the Finance Committee asked questions regarding the proposed budget and had their questions answered by Town Manager John Giles and Chief Laura Giles.

Chief Laura Giles made the following budget amendments.

1. Insurance Health – reduced to \$135,518.00
2. Capital Improvement, New Vehicle – reduced to \$36,690.00

These amendments resulted in a budget surplus of \$2,577.00. There was a brief discussion regarding which line the remaining funds should be allocated (Contingency Fund Allocation, Long Term Planning Debt Service or Long Term Planning Infrastructure Maintenance Allocation). It was ultimately decided the funds would be allocated to the Long Term Planning Department, Infrastructure Maintenance Allocation, increasing that proposed line item to \$53,330.00 and balancing the proposed budget.

At this time it was decided that Resolutions 17-03 and 17-04 must be discussed and voted on, prior to approving the budget as discussed.

Consideration of Resolution Number 17-04.

Town Manager John Giles gave a brief overview of the resolution and explained that if the Town does not adopt New Castle County's tax assessment records, we would have to pay to have a tax assessment completed town wide; which we simply cannot afford to do.

ACTION: A motion was made by Councilwoman Personti to approve Resolution 17-04. The motion was seconded by Councilman Hurst.

VOTE: 6-1 Motion carried

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

Consideration of Resolution Number 17-03.

Town Manager John Giles stated that this resolution has been prepared in two versions. One includes a tax increase by 2.23% which would result in each unit paying an additional \$0.81 per month in taxes, which is \$9.74 for the entire year and would generate \$27,000.00 in additional income to the Town. The second version has no tax increase at all.

ACTION: A motion was made by Councilman Hurst to approve Resolution 17-03 with a tax increase in the amount of COLA. The motion was seconded by Councilwoman Personti.

Councilwoman Personti stated that she too has been here when residents have asked that the Town increase their taxes in small manageable amounts verses large increases and that even as a household whose income has not increased, this is a manageable cost for the year.

Councilman Hurst stated that he voted no to an increase last year, however, over the past year he has become more educated and now sees the need to have these incremental increases verses a large increase.

Councilman Zielinski stated that he understands that \$9 doesn't sound like much now, but when you increase each year when do the increases stop.

Councilwoman Personti stated that she would like her motion to include that the increase be applied to the Long Term Planning Infrastructure Maintenance line item.

Councilman Pfirrmann stated that previous councils have "kicked the can down the road" for a number of large costs such as the heating system, crumbling infrastructure, etc., however, they now need to be addressed and these small incremental increases is how you address them.

Mayor Thompson stated that New Castle County did not increase their taxes this year, therefore, how will the Town justify increasing taxes while they did not? In addition, we have a contingency fund and other long term planning funds which have been funded; as

well as a balanced budget, why should we increase taxes when the budget does not require it.

VOTE: 4-3 Motion Defeated

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

Town Manager John Giles stated that the Charter requires 5 affirmative votes of Council to increase taxes; therefore, the motion has been defeated.

ACTION: A motion was made by Mayor Thompson to approve Resolution 17-03 with No Increase to the existing tax rate. The motion was seconded by Councilman Pfirrmann.

Councilman Zielinski stated that he believes that we should continue to cut the budget and ultimately decrease the tax rate.

Councilwoman Personti stated that in a perfect world, we would all love for that to happen. However, with the current condition of our infrastructure, we cannot responsibly cut the budget any further.

VOTE: 6-1 Motion Carried

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

Presentation, Discussion and Public Hearing concerning the FY 2017-2018 Proposed Operating, Revenue and Capital Budgets

ACTION: A motion was made by Councilman Hurst to approve the FY 2017-2018 Operating, Revenue and Capital Budgets as amended during this meeting. The motion was seconded by Councilwoman Personti.

VOTE: 6-1 Motion carried

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

DEPARTMENTAL REPORTS: None

ITEMS SUBMITTED BY THE MAYOR AND COUNCIL:

District 1 – None

District 2 – None

District 3 – None

District 4 – None

District 5 – None

District 6 – None

Mayor – None

Town Manager John Giles asked the council to discuss the 2016-2017 Phase II Street program. He stated that the estimates from the engineer have been received and he would like the Council to discuss how to move forward for the June 8, 2017 Council Meeting so that the bids can be received and awarded before June 30, 2017 for the State Funding.

Town Manager John Giles stated that there is \$42,000.00 remaining in the PW Sanitation Budget that could be transferred to the Street Program to allow for a total of \$142,000.00 worth of road repairs.

At this time there was a lengthy discussion by the Mayor and Council as they debated which streets would be proposed to move forward for approval on June 8th. At the conclusion of the discussion, the following streets were proposed for approval:

<u>District</u>	<u>Location</u>	<u>Estimated Costs</u>
1	Intersection of Taylor & Dumont Road	\$5,000.00
1	Dumont Road (#241) to Osborne Road (#333)	\$45,000.00
1	Taylor/Rosemont/Silverbrook Intersection	\$18,000.00
5	Spruce Ave - Road Patch to #33	\$43,000.00
6	Vilone Road – Richard Ave to #7	\$30,000.00
TOTAL		\$141,000.00

Town Manager John Giles stated that he would have Vandemark & Lynch prepare the project for approval and would also issue a supplemental agenda to include the line item transfer in the amount of \$42,000.00.

PUBLIC COMMENT: None

ADJOURNMENT:

ACTION: A motion was made by Councilman Hurst to adjourn. The motion was seconded by Mayor Thompson.

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 recording of this meeting will be available at Town Hall for a period of two years from the date these minutes are approved. The audio recording may be reviewed at Town Hall by appointment and in accordance with the Freedom of Information Act.

ERIC THOMPSON
MAYOR

BRIAN HURST
SECRETARY