



PROCEEDINGS OF THE CITY COUNCIL MEETING

June 16, 2014

7:00 p.m.

The regular meeting of the Mayor and City Council was called to order on June 16, 2014 at 7:00 p.m. with Mayor Dougherty presiding and the following Councilmembers present: Councilmember's, Craig, Martin, Glenn, Correrri, Cullum and Gamatoria. The Pledge of Allegiance was led by Mayor Wayne H. Dougherty and the opening prayer was given by Mayor Wayne Dougherty.

A motion was made by Councilmember Correrri and seconded by Councilmember Cullum to approve the Council meeting minutes of June 2, 2014; motion carries 6-0

**RECOGNITIONS:**

Mayor Dougherty presented recognitions to Mr. Bill Walsh for the HHS Girls Track Team and HHS Girls Lacrosse Team as they were both named the Sportsmanship Winner

**PROCLAMATIONS:** None

**PRESENTATIONS:**

Ms. Sue Jacobs; Race Director for the Women's 5 K by the Bay presented donation checks to the following organizations: HDG Police Development, Decoy Museum, Opera House Foundation, Susquehanna Hose Company and Ambulance Corps.

**APPOINTMENTS:** None

**OATH OF OFFICE:** None

**COMMENTS FROM CITIZENS ON AGENDA ITEMS:**

Cindi Leffler; Anderson Ave: Would like the Mayor and Council to consider charging for 5K events in our City.

Charles Packard; President of the Susquehanna Hose Company: Mr. Packard appreciates the Councils support. Mr. Packard also thanked Ms. Sue Jacobs for her donation to the Hose Company.

Patrick Vincenti; West Lane: Mr. Vincenti thanked Ms. Jacobs for her donation to the Decoy Museum.

**RESOLUTIONS:** None

**ORDINANCES:**

**Budget Ordinance for FY 2015 (Councilmember Gamatoria)**

AN ORDINANCE FOR THE PURPOSE OF ESTABLISHING THE ANNUAL PROJECTION OF ANTICIPATED REVENUES AND PROPOSED EXPENSES FOR THE CITY OF HAVRE DE GRACE FOR FISCAL YEAR 2015 BY THE AUTHORITY OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND THE HAVRE DE GRACE CITY CHARTER SECTION 37.

A motion was made by Councilmember Gamatoria and seconded by Councilmember Cullum to introduce Ordinance 957 on second reading. Motion carries 6-0

After the header was read into the record, a motion was made by Councilmember Cullum and seconded by Councilmember Correrri to adopt Ordinance 957; under the question, a motion was made by Council President Martin and seconded by Councilmember Correrri to table Ordinance 957 for further examination motion passes 5-1 with Councilmember Cullum opposing the motion to table.

A motion was made by Council President Martin and seconded by Councilmember Correrri to recess and reconvene on 6/25/14 at 7:00 p.m. Motion carries 5-1 with Councilmember Cullum opposing the motion.

**The Council meeting of June 16, 2014 was reconvened by Mayor Dougherty on June 25, 2014 at 7:00 p.m.** with Mayor Dougherty presiding and the following Councilmembers present: Councilmember's Craig, Martin, Glenn, and Correrri, Cullum and Gamatoria.

A motion was made by Council President Martin and seconded Councilmember Gamatoria to untable Ordinance 957; motion carries 6-0.

A motion was made by Councilmember Gamatoria and seconded by Councilmember Correrri to amend Ordinance 957 as follows:

The following was read into the record by Councilmember Gamatoria.

The Council has met several additional times to make the following adjustments, totaling \$914,500 to the Preliminary Budget:

- Reduce Water & Sewer Metered rates to the 5% increase already in the Code, a reduction of \$450,000 in estimated revenues.
- Identify an alternative funding source for the \$200,000 temporary loan by the Emergency Reserve.
- Identify an alternative funding source for the \$114,500 temporary loan by the Marina Fund.
- Restore Funding for the Susquehanna Hose Company SCBA equipment by \$150,000.
- Increase funding to Community Projects of Havre de Grace, Inc. \$10,000 to assist with ongoing efforts with the Winter Wonderland.

The impact of the Council's recommended adjustments is a net \$304,500 reduction to General Fund revenues and an increase of \$150,000 on General Fund 1 budgeted expenses. The line item breakdown of the impact on revenues is as follows:

- Emergency Fund Transfers [01-0001-49-00] – Reduce \$200,000
- Slip User Fee Fund Transfers [01-0001-49-00] – Increase \$10,000
- Advances From Marina Fund [01-0001-49-98] – Reduce \$114,500

- As noted later, the impact on the decision to eliminate the recommended additional increase to metered water rates will result in a \$115,400 reduction to advances to the Water & Sewer Fund 9 [01-0001-49-98]
- In order to accomplish the funding for the SCBA equipment, \$75,000 has to be restored to the fiscal 2014 spending, thus reducing the anticipated beginning fund balance [01-0001-49-98] by \$75,000. In addition, the funding for the SCBA equipment [01-1131-6501] for fiscal 2015 will need to be increased by \$75,000, for a total of \$150,000.
- The Administration has identified a total of \$273,900 in personnel cost reductions that will result from planned hiring freezes and reduced overtime. The breakdown for these anticipated reductions is as follows:
  - Finance Overtime [01-1051-5004] - \$500
  - Economic Development Salaries [01-1071-5001] - \$14,900
  - Planning and Code Enforcement Overtime [01-1089-5004] - \$500
  - Police Administration Overtime [01-1111-5004] - \$3,200
  - Police Patrol Salaries [01-1112-5001] - \$48,200
  - Police Patrol Overtime [01-1112-5004] - \$25,900
  - DPW Administration Salaries [01-1211-5001] - \$17,000
  - DPW Administration Overtime [01-1211-5004] - \$200
  - DPW Streets Salaries [01-1251-5001] - \$117,000
  - DPW Streets Overtime [01-1251-5004] - \$9,800
  - Marina Overtime [08-1839-5004] - \$1,100
  - Wastewater Plant Salaries [09-1245-5001] - \$35,600
- The above adjustments also will result in a reduction to FICA taxes on payroll totaling \$23,200 broken down as follows:
  - Economic Development [01-1071-5022] - \$1,200
  - Police Administration [01-1111-5022] - \$200
  - Police Patrol [01-1112-5022] - \$5,700
  - DPW Administration [01-1211-5022] - \$1,300
  - DPW Streets [01-1251-5022] - \$9,700
  - Marina [08-1839-5022] - \$100
  - Water Plant [09-1231-5022] - \$1,100
  - Water Distribution [09-1232-5022] - \$900
  - Wastewater Plant [09-1245-5022] - \$3,000
- The Administration has successfully negotiated its Health Care Contract and, as a result, has been able to reduce hospitalization costs by \$92,800. The departmental breakdown of this savings is as follows:
  - Finance [01-1051-5028] - \$2,400

- Economic Development [01-1071-5028] - \$26,200
- Planning and Code Enforcement [01-1089-5028] - \$3,600
- Tourism [01-1090-5028] - \$500
- Administration [01-1091-5028] - \$1,700
- Retirees [01-1091-5030] - \$1,200
- Information Technology [01-1094-5028] - \$900
- Police Administration [01-1111-5028] - \$3,400
- Police Patrol [01-1112-5028] - \$11,400
- DPW Administration [01-1211-5028] - \$27,900
- DPW Streets [01-1251-5028] - \$8,400
- DPW Vehicle Shop [01-1292-5028] - \$600
- Marina [08-1839-5028] - \$700
- Water Plant [09-1231-5028] - \$1,200
- Water Distribution [09-1232-5028] – \$1,300
- Wastewater Plant [09-1245-5028] - \$1,400
- The Administration also recently received its Workmen’s’ Compensation renewal and can reduce costs in this area by \$43,100 as follows:
  - Planning and Code Enforcement [01-1089-5031] - \$2,600
  - Administration [01-1091-5031] - \$100
  - Police Administration [01-1111-5031] - \$100
  - Police Patrol [01-1112-5031] - \$14,900
  - DPW Administration [01-1211-5031] - \$2,100
  - DPW Streets [01-1251-5031] - \$7,800
  - DPW Vehicle Shop [01-1292-5031] - \$1,200
  - Marina [08-1839-5031] - \$1,100
  - Water Plant [09-1231-5031] - \$4,900
  - Water Distribution [09-1232-5031] – \$3,300
  - Wastewater Plant [09-1245-5031] - \$5,000
- The Council recommended that DPW Streets Materials and Supplies [01-1051-6137] be reduced \$7,100 in its budget work session.
- The Councils request for funding for the Community Projects of Havre de Grace, Inc. [01-2332-6253] will cause an increase of \$10,000.
- The above salary reductions, together with the items noted below for the Enterprise Funds will result in a reduction to Distributed Expenses [01-0001-49-43] of \$30,300. This amount can be broken down into Water & Sewer Fund (\$30,000) and Marina (\$300)

The net impact on the Water & Sewer Fund 9 from both Council's adjustments and the Administration's recommendations will be to reduce the amount of the General Fund 1 temporary advances [09-0001-49-01] by \$115,400 as follows.

- The reduction in metered rates will cause the following adjustment to the Water & Sewer Revenues:
  - Water Revenue [09-1209-44-41] – Reduce \$178,600
  - Sewer Revenue [09-1409-44-41] – Reduce \$271,400
- As a result of the reduction in rates, the cost of water at the Water and Wastewater Treatment Plants will be reduced by \$25,500 as follows:
  - Water Plant [09-1231-6193] – Reduce \$9,500
  - Wastewater Plant [09-1245-6193] – Reduce \$16,000
- The Council recommended increasing Capital Cost Recovery Fees by 15 connections, or \$318,000, to partially offset the above reduction to metered rates:
  - Water CCRF [09-1209-42-48] – Increase \$120,000
  - Sewer CCRF [09-1409-42-48] – Increase \$198,000
- The Council recommended reducing costs by \$134,200 by reducing four (4) operation areas to partially offset the reduction to recommended metered rates:
  - Supplies & Materials – Reduce \$61,400
    - Water Plant [09-1231-6137] – Reduce \$1,000
    - Water Distribution [09-1232-6137] – Reduce \$43,400
    - Wastewater Plant [09-1245-6137] – Reduce \$17,000
  - Utilities – Reduce \$37,800
    - Water Plant [09-1231-6280] – Reduce \$600
    - Wastewater Plant [09-1245-6280] – Reduce \$37,200
  - Overtime – Reduce \$30,000
    - Water Plant [09-1231-5004] – Reduce \$14,800
    - Water Distribution [09-1232-5004] – Reduce \$11,600
    - Wastewater Plant [09-1245-5004] – Reduce \$3,600
  - Wastewater Plant Sludge Removal [09-1245-6141] – Reduce \$5,000
- As noted previously, the above actions will cause distributed expenses to reduce by \$30,000 as follows:
  - Water Plant Distributed Expenses [09-1231-6166] – Reduce \$15,000
  - Wastewater Plant Distributed Expenses [09-1234-6166] – Reduce \$15,000

Finally, the net impact on the Marina Fund 8 from both Council's adjustments and the Administration's recommendations will be to reduce the amount of the expected ending Fund Balance [08-1809-49-02] by \$3,300 as follows.

- The Council recommended eliminating the amount advanced the General Fund [08-1809-49-02], increasing the line item by \$114,500
- As noted previously the salary actions noted previously will cause distributed expenses [08-1839-6166] to reduce by \$300.
- The remaining Fund Balance [08-1809-49-02], totaling \$117,800, will be held as a Capital Reserve as recommended by the Marina Commission.

**PRELIMINARY BUDGET AMENDMENT**

**SOURCE OF FUNDS**

<b>Account Number</b>	<b>Account Title</b>	<b>Amount</b>
	<b>General Fund 1</b>	
01-0001-49-43	Distributed Expenses	(\$30,300.00)
01-0001-49-00	Fund Transfers (Emergency)	(\$200,000.00)
01-0001-49-00	Fund Transfers (Slip User)	\$10,000.00
01-0001-49-98	Short Term Marina Fund Advances	(\$114,500.00)
01-0001-49-98	Short Term Water & Sewer Fund Advances	\$115,400.00
01-0001-49-98	Unrestricted Fund Balance	(\$75,000.00)
	Total	<b>(\$294,400.00)</b>
	<b>Marina Fund 8</b>	
08-1809-49-02	General Fund 1 Advance	\$114,500.00
08-1809-49-02	Marina Capital Fund Reserve	(\$117,800.00)
	Total	<b>(\$3,300.00)</b>
	<b>Water and Sewer Fund 9</b>	
09-0001-49-01	General Fund 1 Advance	(\$115,400.00)
09-1209-42-48	Water Capital Cost Recovery Charge	\$120,000.00
09-1209-44-41	Water Metered Revenue	(\$178,600.00)
09-1409-42-48	Sewer Capital Cost Recovery Charge	\$198,000.00
09-1409-44-41	Sewer Metered Revenue	(\$271,400.00)
	Total	<b>(\$247,400.00)</b>
	<b>Total Sources</b>	<b>(\$545,100.00)</b>

**USE OF FUNDS**

<b>Account Number</b>	<b>Account Title</b>	<b>Amount</b>
	<b>General Fund 1</b>	
01-1051-5004	Finance Overtime	(\$500.00)
01-1051-5028	Finance Hospitalization	(\$2,400.00)
01-1071-5001	Economic Development Salaries	(\$14,900.00)
01-1071-5022	Economic Development FICA	(\$1,200.00)
01-1071-5028	Economic Development Hospitalization	(\$26,200.00)
01-1089-5004	Planning Overtime	(\$500.00)
01-1089-5028	Planning Hospitalization	(\$3,600.00)
01-1089-5031	Planning Workmans' Comp	(\$2,600.00)
01-1090-5028	Tourism Hospitalization	(\$500.00)
01-1091-5028	Administration Hospitalization	(\$1,700.00)

01-1091-5030	Administration Retiree Hospitalization	(\$1,200.00)
01-1091-5031	Administration Workmans' Comp	(\$100.00)
01-1094-5028	Information Tech Hospitalization	(\$900.00)
01-1111-5004	Police Admin Overtime	(\$3,200.00)
01-1111-5022	Police Admin FICA	(\$200.00)
01-1111-5028	Police Admin Hospitalization	(\$3,400.00)
01-1111-5031	Police Admin Workmans' Comp	(\$100.00)
01-1112-5001	Police Patrol Salaries	(\$48,200.00)
01-1112-5004	Police Patrol Overtime	(\$25,900.00)
01-1112-5022	Police Patrol FICA	(\$5,700.00)
01-1112-5028	Police Patrol Hospitalization	(\$11,400.00)
01-1112-5031	Police Patrol Workmans' Comp	(\$14,900.00)
01-1131-6501	SHCo SCBA Replacement	\$75,000.00
01-1211-5001	DPW Admin Salaries	(\$17,000.00)
01-1211-5004	DPW Admin Overtime	(\$200.00)
01-1211-5022	DPW Admin FICA	(\$1,300.00)
01-1211-5028	DPW Admin Hospitalization	(\$27,900.00)
01-1211-5031	DPW Admin Workmans' Comp	(\$2,100.00)
01-1251-5001	DPW Streets Salaries	(\$117,000.00)
01-1251-5004	DPW Streets Overtime	(\$9,800.00)
01-1251-5022	DPW Streets FICA	(\$9,700.00)
01-1251-5028	DPW Streets Hospitalization	(\$8,400.00)
01-1251-5031	DPW Streets Workmans' Comp	(\$7,800.00)
01-1251-6137	DPW Streets Other Supplies and Materials	(\$7,100.00)
01-1292-5028	Vehicle Shop Hospitalization	(\$600.00)
01-1292-5031	Vehicle Shop Workmans' Comp	(\$1,200.00)
01-2332-6253	Community Projects of HdG	\$10,000.00
	Total	<b>(\$294,400.00)</b>
	<b>Marina Fund 8</b>	
08-1839-5004	Marina Overtime	(\$1,100.00)
08-1839-5022	Marina FICA	(\$100.00)
08-1839-5028	Marina Hospitalization	(\$700.00)
08-1839-5031	Marina Workmans' Comp	(\$1,100.00)
08-1839-6166	Marina Distributed Expenses	(\$300.00)
	Total	<b>(\$3,300.00)</b>
	<b>Water and Sewer Fund 9</b>	
09-1231-5004	Water Plant Overtime	(\$14,800.00)
09-1231-5022	Water Plant FICA	(\$1,100.00)
09-1231-5028	Water Plant Hospitalization	(\$1,200.00)
09-1231-5031	Water Plant Workmans' Comp	(\$4,900.00)
09-1231-6137	Water Plant Supplies & Materials	(\$1,000.00)
09-1231-6166	Water Plant Distributed Expenses	(\$15,000.00)
09-1231-6193	Water Plant Water & Sewer	(\$9,500.00)
09-1231-6280	Water Plant Utilities	(\$600.00)
09-1232-5004	Water Distribution Overtime	(\$11,600.00)
09-1232-5022	Water Distribution FICA	(\$900.00)
09-1232-5028	Water Distribution Hospitalization	(\$1,300.00)
09-1232-5031	Water Distribution Workmans' Comp	(\$3,300.00)
09-1232-6137	Water Distribution Supplies & Materials	(\$43,400.00)

09-1245-5001	Wastewater Plant Salaries	(\$35,600.00)
09-1245-5004	Wastewater Plant Overtime	(\$3,600.00)
09-1245-5022	Wastewater Plant FICA	(\$3,000.00)
09-1245-5028	Wastewater Plant Hospitalization	(\$1,400.00)
09-1245-5031	Wastewater Plant Workmans' Comp	(\$5,000.00)
09-1245-6137	Wastewater Plant Supplies & Materials	(\$17,000.00)
09-1245-6141	Wastewater Plant Sludge Removal	(\$5,000.00)
09-1245-6166	Wastewater Plant Distributed Expenses	(\$15,000.00)
09-1245-6193	Wastewater Plant Water & Sewer	(\$16,000.00)
09-1245-6280	Wastewater Plant Utilities	(\$37,200.00)
	Total	<b>(\$247,400.00)</b>
	<b>Total Uses</b>	<b>(\$545,100.00)</b>

Motion carries 5-1 with Councilmember Cullum opposing the amendments.

On roll call vote; **Ordinance 957 as amended passes** 5-1 with Councilmember Cullum opposing.

**UNFINISHED OLD BUSINESS:** None

**NEW BUSINESS:**

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE ,MARYLAND, PURSUANT TO SECTION 34 OF THE CITY CHARTER AND THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND TO AUTHORIZE THE MAYOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE SUSQUEHANNA HOSE COMPANY TO PROVIDE FUNDING FOR THE PURCHASE OF SCBA EQUIPMENT.

A motion was made by Councilmember Glenn and seconded by Councilmember Corrieri to introduce Resolution 2014-04; motion carries 6-0. After the header was read and assigned a number, a motion was made by Councilmember Corrieri and seconded by Councilmember Glenn to adopt 2014-04;

Under the question, a motion was made by Councilmember Cullum and seconded by Councilmember Corrieri to take \$25,000 from the \$75,000 from the slip user fee and the \$50,000 from the general fund. Motion fails with Councilmembers Martin, Craig, Gamatoria and Glenn opposing the motion and Councilmembers Cullum and Corrieri for the motion.

Under the question, a motion was made by Councilmember Craig and seconded by Councilmember Gamatoria to add the following verbiage to Resolution 2014-14; " 4. SHCO shall annually account for these funds in its annual audit provided to the City and shall produce documentation for any expenditure of these funds". Motion carries 6-0.

Resolution 2014-04 passes 6-0 on roll call vote.

**DIRECTOR'S REPORT:**

Mr. Jim Newby; Director of Administration  
No report

Mr. Neal Mills; Director of Planning:

Mr. Mills stated the demolition is under way at the Royal Farms location on Rt 40.

Mr. George DeHority; Director of Finance:

Mr. DeHority stated the department is on target with the real estate tax bills.

Mr. Tom Lofland; Director of Economic Development:

Mr. Lofland gave an update on the Chamber Awards.

Mr. Larry Parks; Director of Public Works

No report

Chief Teresa Walter:

Chief Walter reminded citizens about the upcoming Fourth of July Festivities.

**Business from Mayor Dougherty:**

Mayor Dougherty read his Mayoral Appointments; a motion was made by Council President Martin and seconded by Councilmember Correrri to approve the Mayoral Appointments for 2014-15; Motion carries 6-0.

**Business from Council:**

**Councilmember Cullum:**

Councilmember Cullum excused himself due to family obligations.

**Councilmember Craig:** No comment

**Councilmember Correrri:** No Comment

**Councilmember Gamatoria:**

Councilmember Gamatoria thanked Mr. DeHority for working with Council and the budget and finance committee during the budget process.

The Finance Committee will be submitting a report at the first of every month to the Council President Martin.

**Councilmember Glenn:**

Councilmember Glenn is asking the Harford County Board of Education for reconsideration to install CO Detectors in the Havre de Grace Schools.

**Council President Martin:**

Council President Martin thanked several people for working with Council during the budget process.

**Comments from Citizens:**

Mr. Charlie Hiner; Chair of Economic Development Advisory Board commended Council for their hard work during the budget process and read recommendations from EDAB.

A motion was made by Councilmember Correrri and seconded by Council President Martin to adjourn at 8:29 pm; motion carries 6-0