LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE

The Legislative, Finance, and Administration Committee meeting was held on November 24, 2014, at 6:01 p.m. with Chairman Slavin presiding. Members present were Mr. Anderson, Mr. Hare, and Mr. Sudler. Mr. Shevock was absent. Members of Council present were Council President Bonar (arrived at 6:02 p.m.), Mr. Dixon (arrived at 6:15 p.m.) and Mr. Hutchison. Mayor Christiansen was also present.

AGENDA ADDITIONS/DELETIONS

Mr. Hare moved for approval of the agenda, seconded by Mr. Anderson and unanimously carried.

Dover Human Relations Commission - Request for Authorization and Funding to Attend Rev. Dr. Martin Luther King, Jr. Prayer Breakfast and to Place an Advertisement in the Souvenir Booklet

Annually, the Zeta Rho Lambda Chapter of the Alpha Phi Alpha Fraternity sponsors a Rev. Dr. Martin Luther King, Jr. Prayer Breakfast. During the October 28, 2014 Dover Human Relations Commission (DHRC) meeting, members discussed the possibility of attending the Prayer Breakfast on January 19, 2015 and placing an advertisement in the souvenir booklet.

Mr. Slavin advised members that Mr. Cecil Wilson, Chairman of the DHRC, had submitted an amendment to his original request earlier in the day, asking that the Committee consider only the request for funding to place an advertisement in the souvenir booklet. Mr. Slavin stated that the cost for a full page advertisement would be $125.

Mayor Christiansen informed members that funds were available in the Mayor's automobile account, since he only utilizes the City vehicle for out-of-town trips, which are rare. He noted that Mrs. Donna Mitchell, Controller/Treasurer, had confirmed his ability to transfer funds within the accounts in the Mayor's budget. Mayor Christiansen offered to take responsibility for placing a full page advertisement in the souvenir booklet on behalf of the Mayor, Council, and DHRC.

Mr. Hutchison stated that he strongly embraced and supported this request, and expressed his pride in the DHRC and their commitment to this event.

Mr. Hare moved to recommend acceptance of the Mayor's offer to place a full page advertisement in the 2015 Rev. Dr. Martin Luther King, Jr. Prayer Breakfast souvenir booklet on behalf of the Mayor, Council, and Dover Human Relations Commission. The motion was seconded by Mr. Anderson and unanimously carried.

Mr. Anderson expressed his gratitude to the Mayor for his offer to place the advertisement.

Mr. Slavin encouraged all members of Council to attend the prayer breakfast.

Report of the Ad Hoc Financial and Operational Advisory Committee

Council President Bonar read the following statement into the record:

Some months ago, I asked for Council's permission to establish a president's advisory counsel on city finances and organization.

This group that was appointed met several times, suffered the resignation of one eminently qualified member, but has, nonetheless, come up with significant information that I wanted to share with you this evening.

The City of Dover, although we are lucky to have reserves to cover it, continues down a path that within a few years will lead us to significant financial distress, unless we as Council take drastic, if not almost draconian, actions to reverse some of the financial perils that we have facing us in the future.

As of now, it is estimated that our budget will continue to be stressed because we have allowed ourselves to go for years without a meaningful tax increase or a significant reduction in our spending. We have tried every way possible by reductions in force and consolidation of positions and we've done a fairly decent job holding our own, but we have avoided taking on the 'sacred cows' that in some people's view permeate city government spending.

We have an unfunded pension liability of more than $120 million. We have water lines, sewer lines, and roads that need to be repaired and maintained. We have to decide whether or not we can continue to provide some of the services to our residents that we now do, or perhaps privatize them or make them enterprise funds and run them like a business is run. That would require a significant change in attitude and direction from a service-oriented city to one that runs its varied departments like a business, covering expenses while making a profit to enhance our ability to improve our facilities.

In our view, we have redundant fire and police dispatching operations that may, in my view, need to be revamped. The Kent County 911Center is equipped and willing to absorb our emergency dispatch centers with no reduction in effectiveness.

We have a trash collection system that is absolutely second to none and we provide this service at a reasonable cost and do things for our residents that most other cities do not do. If you want a sofa removed, put it out and we pick it up for free. If you have an old refrigerator, put it out and we get rid of it for you. In many cities, that service alone would cost you $50 or $100, and the question is, do we continue to provide that service or begin to charge for it.

Our overtime is running out of control and we must reign it in. Our Police Department alone racks up a half million dollars or more a year in overtime. Some of it, in the view of the Committee, could be eliminated by going back to eight hour shifts. Working our current schedules with 12 hour shifts is simply costing us too much money.

These are all items that are obviously open for debate and discussion. Do we continue to provide a parks and recreation service? In my view, that's a necessity for the youth of our City, but the fact of the matter is that it really isn't a necessity, it is a service that we as a City provide.

We have a city manager form of government, with a mayor's position that has only authority over the police department and a veto if needed. We need to put that department, as well as every other department, I believe, under the city manager if we are going to continue with a strong city manager form of government.

It's been said we need to put a million dollars a year away for our streets, water and sewer systems and we've not been putting money away for that. There is another two or three million dollars a year that we're avoiding, rather than being responsible and preparing for emergencies while keeping our systems up to date. In today's society there is no excuse for brown water to keep cropping up when it rains heavily, we flush the lines, or there's a big fire in town. While the water is still safe to drink, (there is no question about that because public health has said so) it is still brown and it does stain the laundry of some of our citizens, and there is absolutely no excuse for that.

Our planning and zoning process, in my view, is a hindrance on how we attract new businesses in town. Taking three to six months or more to get approvals and proceed with a project, in my view, is inexcusable. We've talked about it for a half a decade, that I'm aware of. If a developer comes in, they should be able to walk out the door with a clear cut list to follow, one that tells him/her (a) whether or not he can do a project and (b) sets out clear steps that he/she must follow to get it accomplished. I haven't seen concrete examples of that being done. It should be as simple as one, two, three; follow the roadmap and you can get your business or development up and running and here's how you do it. That, in my view, is being business friendly.

Now I will admit that being part of this body sometimes has challenges and there are changes that need to be made. Change can be difficult and painful or it can be painless if we work together as a team. Don't tell me repeatedly that change can't come. It's time, in our view, to take on some of these 'sacred cows' before they come back to kick us in the teeth. It's up to us, as members of Council, to be willing to do that and not just talk about it.

> In the view of some members of this Financial and Operational Advisory Committee, within three to five years, this City will be faced with a situation in which it has a paramount financial problem, and it is not beyond the realm of possibility that within a decade or less, we could be facing the same peril some other cities have suffered and had to declare bankruptcy. I, for one, do not want to see that happen in the City of Dover, and I certainly hope that none of us do. I am confident that none of you do.
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> This has been an interesting process with this Committee. We lost the former Controller General because of the way we have to do business, because we are transparent here in city government. I believe that is a positive thing on our behalf, but there are some ways that we have to do business that preclude us from getting things done that might be a little bit [easier] to accomplish otherwise.
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> I thank you very much for the opportunity. This Committee will be disbanded and we will continue to look at some of the suggestions that they bring forward to us. We would appreciate all members of Council's input into the financial future of our City.

Responding to Mr. Slavin, Council President Bonar confirmed that the statement was from him and not the Committee.

Mr. Slavin voiced his observation that he was appointed to this Committee more than six (6) months ago and was never notified of a meeting or conversation and did not believe any documents had been circulated that had any kind of recommendation from Committee members. Mr. Slavin stated his appreciation for the work of the Committee and requested the City Clerk to compile a list of the Committee's meeting dates and provide the Committee's meeting minutes for his review.

Mr. Anderson thanked Council President Bonar for establishing this Committee to take on some of these tough issues and to look at the City's government structure, noting his belief that these issues needed discussion. He expressed his hope that the Ad Hoc Committee would provide a report for members of the Legislative, Finance, and Administration Committee to dissect and act on. Mr. Anderson felt this report could be an important part of discussions if the City was to move forward so that the Committee's efforts would not "end up like a lot of others."

Responding, Council President Bonar stated his appreciation for Mr. Anderson's comments and his belief that the members of the Ad Hoc Committee would probably be able to provide a report.

Mr. Anderson advised Council President Bonar that there were people who would volunteer to help the Committee if needed.

Mr. Sudler expressed concern regarding Council President Bonar's comment pertaining to parks and recreation in regard to the City's youth. Mr. Sudler stated his belief that parks and recreation is a service which is a necessity for the City's youth. He felt it important to show the City's youth that the City is going to invest in them and indicated that failure to invest in the youth may result in a negative outcome in the future.

Mr. Hare noted that Council President Bonar did not mention the Electric Department and stated that the City's electric utility was created years ago to keep the tax base low; however, he felt that keeping the electric rates low and reducing the income of the electric utility had now become the priority. Mr. Hare expressed his opinion that members should address the electric utility and determine whether or not it was time for the City to get out of the electric business.

In regard to the Police Department, Mr. Hare stated that he was unsure whether the City would need fewer officers if eight (8) hour shifts were used rather than 12-hour shifts. It was his belief that the Police Department was currently operating with approximately 11 officers on a shift; therefore, going to eight (8) hour shifts would allow for three (3) shifts of 11 officers. Mr. Hare noted that Police Chief Paul Bernat had requested increasing the number of officers to provide more floating officers and to fill gaps as they occur with retirements. Mr. Hare suggested that if this request were embraced, $500,000 in overtime could be used to pay for additional officers and hopefully eliminate overtime. He informed members that he participated in a ride-along with the police from 6:30 p.m. to 6:30 a.m. on Friday, November 21, 2014 and saw quite a bit of what went on, noting that the officers that he accompanied exhibited extreme professionalism. Mr. Hare stated that they were called to Mapleton Square Apartments during his ride-along and had to go back to the same apartment 30 minutes later, stating that he was unsure what would have been done if something else had occurred in another part of Dover during this time. He indicated that he did not know whether eight (8) hour shifts or more officers would be the answer; however, he noted that the City of Salisbury, Maryland, had 120 police officers. Mr. Hare agreed that this should be looked at, as well as the electric utility, and the unions, which he did not believe were "sacred cows." He stated that the City's payroll had continued to rise over the past three (3) years because Council wanted to "be nice to everyone and not lay off anybody." Mr. Hare felt that if unions were granted their requests and then asked to provide a list of names of employees that would be laid off as a result, or if employees were laid off as a result of union activity, the unions might "perk up a little bit." He felt that everything should be looked at comprehensively, including those concerns mentioned by Mr. Bonar.

Mayor Christiansen echoed Mr. Anderson's request for a formal report from the Committee. He also thanked members of the Ad Hoc Committee and Council President Bonar for presenting the Committee's concerns "about kicking the can down the road." Mayor Christiansen expressed his opinion that the City should be creative and aggressive in looking at innovative revenues and doing what needed to be done, maybe a bit at a time, to maintain City services that citizens have become accustomed to. He felt that perhaps the City should start charging an amount for refrigerators or couches that are put out on the street. Mayor Christiansen stated his concern that if the City goes too far, it could result in illegal dumping on lots in the City and erode the City's neighborhoods. He noted that other cities that charge fees to remove refrigerators, couches, and other debris are confronting this issue. Mayor Christiansen stated his belief that the City should take a long, hard look at all of the items presented in the report of the Ad Hoc Committee and expressed gratitude that the Committee had the courage to bring this information forward.

Responding to Mayor Christiansen's comments, Mr. Sudler stated that, as a manager of Mishoe Cove, LLC, he was charged for putting out refrigerators and carpeting in excess of eight (8) feet by eight (8) feet. He expressed his opinion that, in doing business with apartment managers, it would show good faith if the City continued the system that was in place. He was unsure whether the City wanted to change the dimensions but stated his belief that the current system worked.

Mr. Hutchison expressed his opinion that, at this time, it was extremely important for the Mayor, Council, City Manager, and every department head and employee in the City to realize that they all had a responsibility in this and would have to look at the total picture, analyze it, and come back with a plan. Mr. Hutchison stated that it was clear to him that there was no way that the City of Dover could continue to move forward without addressing the unfunded liability issue. He noted that the City had the resources and ability to address its financial problems, but it would require everyone working together to come up with solutions, emphasizing that "you can't keep spending what you don't have."

Council President Bonar stated that the purpose of the Ad Hoc Committee was to open dialogue, which he thought had been accomplished, noting that members of Council seemed to have an awareness of things that were previously overlooked. He reminded members that a new budget cycle would be beginning very soon, noting that Mrs. Donna Mitchell, Controller/Treasurer, was already working with the various City departments to develop spending ideas for the next fiscal year. In addition, Mr. Bonar stated that significant revisions in the way the City does business must be incorporated in the next budget. He indicated that, in developing the next budget, the City must "take the bull by the horns" by getting spending under control, raising revenue, and consolidating where possible, while continuing to provide the current level of service. Mr. Bonar noted that the City's Police Department was second to none but that there was always room for improvement. He stated that improvements may be difficult and members may disagree; however, difficult decisions would have to be made to do what is best for the whole. Mr. Bonar stated that he would be willing to sacrifice his council seat if it would mean Council doing the right thing and putting the City on the right financial path for the future. He reiterated that the City would be in dire financial straits in the next few years unless Council takes action to turn things around.

The Committee took no action on this item.

Mr. Hare moved for adjournment, seconded by Mr. Sudler and unanimously carried.

Meeting adjourned at 6:27 p.m.

Timothy A. Slavin
Chairman

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