

**City of Aberdeen Council Meeting
January 14, 2013**

Present: Mayor Bennett, Councilwoman Elliott, Councilwoman Landbeck,
Councilwoman Young and Councilman Garner

Absent: None

Also Present: Douglas Miller, City Manager
Phyllis Grover, Director of Planning and Community Development
Matthew Lapinsky, Director of Public Works
Henry Trabert, Chief of Police
Opiribo Jack, Director of Finance
Monica Correll, City Clerk
Doris Manner, Recording Secretary

Mayor Bennett called the meeting to order at 7:00 p.m. in the Council Chambers. The prayer was led by Pastor Melvin Taylor, Word of Faith Christian Ministries and the Pledge of Allegiance was led by Councilwoman Landbeck.

A motion was made by Councilman Garner and seconded by Councilwoman Elliott to approve the minutes of the December 10, 2012 Council Meeting as submitted.

The motion was approved with a vote of 5 - yes.

PRESENTATIONS: None

PUBLIC HEARINGS:

1. Ordinance No. 12-O-11, Code of the City of Aberdeen, Chapter 500, Utilities

Mr. Miller explained that the provisions of this ordinance were passed ten years ago but were not codified. A public hearing was required because it was a fee issue and the ordinance places penalties on improper or illegal activities.

There were no comments from the public.

PUBLIC COMMENT: None

LEGISLATIVE SESSION:

1. Ordinance No. 12-O-12, Water Capital Revolving Loan Program (For Adoption)

A motion was made by Councilman Garner and seconded by Councilwoman Young to approve Ordinance No. 12-O-12, Water Capital Revolving Loan Program.

A motion was made by Councilwoman Landbeck and seconded by Councilwoman Elliott to amend Ordinance No. 12-O-12, to strike Section 4, Non Water Capital Uses of the Program in compliance with the Charter.

The Mayor clarified that the Charter does not allow a ballot question to be made on this.

The motion was passed with a vote of 5 – yes.

The Mayor called for the vote on Ordinance No. 12-O-12, Water Capital Revolving Loan Program as amended.

The motion was passed with a vote of 5 – yes.

2. Ordinance No. 13-O-01, Ethics Ordinance Amended (For Introduction)

Mr. Miller explained that the ordinance reflected the changes requested by the State Ethics Commission. Council questions followed pertaining to the financial disclosure forms.

Mayor Bennett introduced Ordinance No. 13-O-01, Ethics Ordinance Amended.

3. Resolution No. 13-R-01, Financing Sewer Equipment (For Introduction and Adoption)

Mr. Miller asked for three changes to the resolution before introduction; change the title from, “Resolution for the Purpose of Incurring 2-Year Debt for Sewer Lining Equipment” to “Resolution for the Purpose of Incurring 3-Year Debt for Sewer Lining Equipment.” In the lines where the fiscal years are identified, add FY 16 following FY 14 and FY 15. The resolution would allow the purchase all needed “pipe bursting” equipment with some supplies in the amount not to exceed \$96,000 in order for the Department of Public Works to use I&I (inflow and infiltration) mitigation technology beginning in FY 13. The City would take out a short term loan to finance these expenditures.

A motion was made by Councilman Garner and seconded by Councilwoman Landbeck to approve Resolution No. 13-R-01, Financing Sewer Equipment.

The motion was approved with a vote of 5 - yes.

BUSINESS OF THE CITY:

1. Unfinished Business – None

2. New Business – None

3. Business from Director of Planning & Community Development – None

4. Business from the Chief of Police – None

5. Business from the Director of Finance

a. Loan Bids

Mr. Jack said he received three bids to partially finance the purchase of a Trenchless Pipe Replacement System in the amount of \$62,000 for three years. He recommended Harford Bank's loan proposal for 1.12% fixed interest rate. The Mayor added that this corresponds with Resolution No. 13-R-01.

A motion was made by Councilwoman Elliott and seconded by Councilwoman Young to approve Harford Bank loan with an interest rate of 1.12% for the purchase of a trenchless pipe replacement system.

The motion was approved with a vote of 5 - yes.

b. FY 2012 Audit Reports

Mr. Jack reported on the City's Audited Financial Statement for Fiscal Year 2012. The following is his report.

The financial statements for the fiscal year ended June 30, 2012 were audited by the independent accounting firm, McGladery, LLP. The City received an unqualified opinion on the financial statements.

Overall, the financial position of the City improved over the prior fiscal year. The General Fund had a budgetary surplus of \$2.4 million. Most of the surplus came from property and income tax revenues, APG Management fees, and savings from unfilled vacant positions and retirement plan contributions.

The Water Fund posted net income of \$2.5 million before transfers and capital grants. The Sewer and Stadium funds posted net losses of \$120 thousand and \$212 thousand, respectively.

The City's long-term liabilities increased by \$4.6 million to \$27.8 million mostly due to new loans for the wastewater treatment plant upgrade.

The City's net assets increased by \$11.6 million to \$58.9 million. Net assets are the difference between total assets and total liabilities. This increase was primarily due to increase in tax revenues, capital grants, and distribution from a class action suit settlement.

The fund balance for the City's governmental funds was \$9.5 million. Fund balance is the difference between current assets and current liabilities. About \$8.5 million of the \$9.5 million is unassigned and can be used to support the general government's operating needs.

In the governmental funds, property taxes increased by \$493 thousand.

Expenses increased by \$357 thousand from the prior year. The increase is mostly due to street and sidewalk repairs.

In the enterprise funds, capital grants and contributions increased by \$1.2 million from the prior year due to increased state funding for the upgrades to the waste water treatment plant. Expenses were relatively consistent with last year.

Finally, it is worth pointing out that the City's Net Assets have steadily increased since 2006. The trend in net assets may be a useful indicator of whether the financial position or condition of the City is improving or weakening. The trend since 2006 indicates improvement.

6. Business from the Director of Public Works

a. Recycling Sticker Contest

Mr. Lapinsky announced that there will be a single stream recycling sticker design contest for adults and youth to be announced during the Earth Day event. The stickers will be available to the public.

7. Business from the City Manager

Mr. Miller discussed the most recent work session schedule and the upcoming City newsletter.

BUSINESS OF THE COUNCIL:

1. Business from the City Council

The Council announced a change in the schedule of the Aberdeen Room Archives Museum, thanked those for helping achieve their priorities, and thanked the City employees. The Aberdeen Police Department and volunteers were thanked for their holiday community work. A flu clinic, parks and recreation, and other sports announcements were read. Major General Ferrell and staff were thanked for a holiday event.

2. Business from the Mayor

Mayor Bennett announced the next Council meeting dates. He thanked everyone for their sympathy and support on the recent passing his father.

ANNOUNCEMENTS:

Next Council Work Session: Monday, January 28, 2013 at 4:00 p.m.

Next Council Meeting: Monday, February 4, 2013 at 7:00 p.m.

ADJOURNMENT:

A motion was made by Councilman Garner and was seconded by Councilwoman Landbeck to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 7:50 p.m.