

Mayor and City Council of New Castle
Special Council Meeting
New Castle Town Hall—Delaware Street—New Castle
Monday - April 26, 2004 - 4:00 PM

Roll Call

Present: President Castagno Councilperson DiAngelo
 Councilperson Miller Councilperson Reese

Absent: Councilperson Padmalingam

Others Present: Treasurer Janet Carlin, Finance/Human Resources Manager Marian Delaney, Mayor Klingmeyer, City Administrator Bob Martin, Public Services Manager Jim Weldin

President Castagno convened the meeting at 5:10 PM and led those assembled in the pledge of allegiance.

New Business

Acceptance of Municipal Services Reserves: President Castagno called for a motion to accept Municipal Service Commission (MSC) reserves if necessary. Councilperson Reese moved to accept MSC reserves if necessary. Councilperson Miller seconded the motion. Councilperson DiAngelo asked about the dollar amount involved. A roll call vote was then taken. Councilperson Miller, Councilperson Reese, and President Castagno approved the motion. Councilperson DiAngelo voted against the motion. The motion carried with one dissension. Councilperson Padmalingam was absent for the vote.

Earl Carpenter asked if anyone from MSC was present. President Castagno answered that no MSC representative was present.

Construction Expenses Reimbursement: President Castagno explained that the reimbursement was for expenses incurred in the construction process. Councilperson Miller identified a \$35,000 expense for the Trolley Barn clean up. President Castagno amended the amount to approximately \$60,000 for the clean up. Councilperson DiAngelo asked if \$60,000 was the only expense involved. President Castagno revealed that the City spent \$365,000 in construction expenses. Councilperson Reese expressed concern that sidewalks, paving, and grading were not covered in the original budget. City Administrator Martin disclosed that the City had \$100,000 for public works. He suggested turning over some of the expense for outside work to the Trustees. Councilperson Miller moved to reimburse construction expenses. Councilperson Reese seconded

the motion. A roll call vote was then taken. Councilperson DiAngelo, Councilperson Miller, Councilperson Reese, and President Castagno all moved to accept the motion. The motion passed. Councilperson Padmalingam was absent for the vote.

Comments from the Floor

Mayor Klingmeyer asked if the \$300,000 in reserves is in addition to the \$400,000 allotted for the coming year. President Castagno answered that MSC has a reserve that the City can use in addition to the \$400,000 promised annually. Mayor Klingmeyer asked if the Council had approached MSC about the use of the reserves. President Castagno said that he had spoken to several people. The Mayor requested that information about the need for the reserves be given to the public.

President Castagno noted that the problem is a cash flow issue and that improving the collection of taxes, building permits, and transfers will help eliminate the need to use MSC reserves. The \$300,000 involved is an additional sum that does not take away from future MSC allotments. Mayor Klingmeyer said that the problem is a deficit issue. President Castagno replied that the provision is administrative to allow Council to use reserves only if necessary.

The Mayor asked if supporting documents exist or if the negotiations were word-of-mouth only. He said that because MSC functions as a separate body from the City, the City cannot just take money from them. President Castagno answered that the negotiations were word-of-mouth, but that information about the reserves exists on-line. He suggested that the Mayor contact MSC for verification.

The Mayor wants the Council to make their decisions in public meetings, rather than behind the scenes. He wants residents informed about problems in the City and given the opportunity to discuss them. He pointed out that in the last Executive Session he advised the Council to hold a hearing to elicit discussion from the public on the City's plan to seek MSC reserves. He emphasized that New Castle's charter requires public discussion.

John DiMondi noted that in the current Special Meeting the Council voted to accept MSC reserves without discussing the issues involved, neither among themselves nor those assembled. He noted that, although he had been to every Council meeting, he had not heard the issue mentioned. He wanted to know why MSC representatives from MSC were not present to explain how the current action will affect residents' utility rates and MSC's performance. He complained that residents must now accept whatever happens as a result. He asked Finance Chair Miller about the City's ability to pay for the bond issue.

Charlotte Houben of Washington Park also objected to lack of discussion on issues that affect residents. As an example, she cited the Council's decision to fund curbing without obtaining feedback from residents.

Ned Hutchinson pointed out that the City and MSC are separate entities, each with a charter of its own. He reminded that nothing in the MSC charter states that MSC will give the City money. He believes that MSC overcharges residents to compensate for the funds they give the City. He suggested raising taxes to compensate for the fact that the City spends more money than it collects. He observed that the ground wires of one-quarter of the City's telephone poles are broken and that West Third Street along the park is "an absolute disgrace, with water and trash all over the place." He believes that the only solution to solving the City's problems requires raising taxes. He warned that the City can't depend on transfer taxes because of their transitory nature.

Janet Zoczak doesn't want the City to pay for improvements related to the DeAscanis town homes. In addition, she is concerned that seven pine trees that were to be saved when the town homes were built are dead. Because the developer made a mistake, she believes that replacing them is the developer's responsibility. She also hopes the developer of the Deemer property will pay for necessary improvements.

President Castagno called for a motion to adjourn. Councilperson Miller moved to adjourn the meeting. Councilperson seconded the motion. Councilpersons DiAngelo, Miller, and Reese approved the motion. The motion passed unanimously.

Meeting was adjourned at 6:15 PM.

Respectfully Submitted,

Darcy Mozer

City Clerk