

**City Council of the Mayor and Council of New Castle
Budget Workshop
Town Hall – 201 Delaware Street – New Castle**

Tuesday – June 23, 2009 – 6 p.m.

Present:

Council President William Barthel
Councilperson John Cochran
Councilperson John Gaworski
Councilperson Ted Megginson
Councilperson Teel Petty

Also Present:

City Treasurer Janet Carlin, City Administrator Cathryn Thomas, Finance Director Marian Delaney

Budget Workshop to discuss 2009-2010 City Budget

Council President Barthel said that this meeting reflects the nearing of the close of the budget process.

Bob Briggs, insurance agent for the City, said he presented Councilperson Cochran with their insurance proposal for 2009-10.

Council President Barthel then opened the floor to anyone in the audience wishing to address the City Council regarding the budget.

Rob Dill, on behalf of the New Castle Senior Center, said he was attending to answer any remaining questions that had arisen at a previous meeting. Information was sent to the City regarding the \$1,000 monthly grant the Senior Center officials would like to see continued.

Council President Barthel said the information provided was sufficient; other Councilpersons did not have questions.

Esther Lovlie spoke on behalf of the Historic New Castle Alliance. She wanted to make sure Council had received the organization's letter and would answer any questions Council had.

Chris Cashman, President of the New Castle City Library Board of Trustees, thanked the City and Council for the \$100,000 the library received this year in the capital campaign and said there are two years remaining in the pledge the City made to the Library. He also thanked the Council for its consideration of that and said he would answer any questions and provide an update on the project.

Don Reese, former City Councilperson who resides on West 7th Street, said he was on Council for the highest tax rate increase in City history. He said he did not hear one complaint from any citizen about the increase. He added the City during his tenure raised money through annexation, which has proven not the ideal way to increase your revenue. If you cut the Library funding, they will probably name the hole there after you, he said, what will happen is other people will pull their money too since there is no support in the community. A former City Councilperson, just a few years ago, said the Council should raise taxes a little bit every year to more than cover the cost of inflation. Mr. Reese said his argument was you only raise what you need and don't create a windfall. If City Council doesn't cut services, it

isn't cutting his quality of life. Quality of life is more important than a few more pennies each day. If it chooses to raise taxes, it is raising his taxes but also raising their own. He doesn't feel like they are picking on him if they need to raise taxes to balance the budget.

Administrator Thomas went over the current proposed budget, which includes the revenue projections outlined at the previous meeting. Those projections reflect the City will not meet projected revenue in the current budget year and the City Council decided to lower revenue projections for the new budget.

Administrator Thomas pointed out that for property tax transfer revenues, the City had budgeted to receive \$260,000 this year and so far is \$100,000 short. The City Council has set the proposed budget for transfer tax revenues at \$175,000. City Council did increase projected revenues in anticipation of an expected increase in licenses and fees. Another area where the City will see a shortfall is in investments and interest rates—the City had budgeted to receive \$60,000 this fiscal year and the actual amount will be \$20,000. So the City Council has lowered its projection for next year to \$20,000.

The City had projected to receive almost \$5.4 million in revenues this year; actual amount is expected to be \$4.6 million. The projection for next year is \$5 million.

The current projections for expenses is down \$630,000, but what is not included are any raises in a union contract being negotiated; insurance costs; raises for non-union employees, and general fund contingency. Also not factored in is any application of unexpended balance.

Council President Barthel said the City Council still needs to look at the insurance numbers and contractual matters.

Administrator Thomas said that since the City had just received the second insurance quote, she had not had an opportunity to review it and compare various aspects of the policies.

Councilperson Cochran said they should be able to do that prior to the next meeting.

Don Reese said he hoped the City Council could do a better job than prior City Councils on enforcement, including tickets, bulk trash and business licenses—and also look at building fees.

Council President Barthel said Councilperson Cochran has led an effort, since the election, to drive down costs and had other meetings with enforcement folks to drive up revenues.

Councilperson Megginson made a motion to go into executive session; Councilperson Cochran seconded the motion. The motion was approved unanimously.

The meeting adjourned at 6:29 pm.

Respectfully submitted,

Michael Dickinson
New Castle City Clerk