

City Council of the Mayor and Council of New Castle
Charter Change Workshop -- Town Hall – 201 Delaware Street – New Castle
Tuesday – February 7, 2012 – 6:00 p.m.

Present:

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

Absent:

Councilperson Teel Petty

Also present: City Administrator Cathryn Thomas, City Solicitor Daniel Losco, Mayor Donald Reese

President Barthel opened the third Charter Change Workshop at 6:05 p.m. Two remaining issues are term limits and borrowing. A tier system is suggested. Tier 1 would remain short-term borrowing for operating expenses. Bring it down to \$500,000 which is based on tax-assessed value of \$250 million or 2% for operating expenses. Tier 2 would decrease to \$1.5 million for capital expenditures or 6/10ths percent of the tax-assessed value. He cited the dike situation and grants that become available and this would give Council flexibility to make decisions. Tier 3 would require that anything above \$5 million go to referendum. He proposes keeping this amount, which is 20% of the tax assessed value. A Tier 4 would be added to address major natural disasters that occur in the City. If the State declares a state of emergency in the City due to a natural disaster, then the Council should have the ability to react. He recommended \$2.5 million. President Barthel has reviewed several charters from neighboring communities and learned our approach is conservative.

Mr. Cochran suggested Tier 2 should be \$3 million and blend in Tier 4. Solicitor Losco favors this more simple approach. Council would still have authority of a super majority resolution which calls for four Council votes, \$2.5-\$3 million is a good amount, and allows appropriate flexibility to avoid crippling debt. Administrator Thomas said the traditional method used in charters is basing the percentage on the total assessed value. It is more stable than the budget which will fluctuate. Solicitor Losco added the source of revenue to repay the debt is the real estate tax base. Administrator Thomas said the City will not see an increase in assessed values because it is almost fully developed. If New Castle County decided to do a full value assessment we would experience an increase in assessed value, but that scenario is not anticipated.

In summary, \$1.5 million would increase to \$3 million and eliminate the major disaster, Tier 4. This would provide adequate flexibility on a short-term basis to address the emergency while working towards conducting a referendum.

The Charter Change Committee originally suggested 5% on Tier 2, \$12.5 million, and Tier 1, short-term, was the sum of annual revenues. Council is suggesting capping Tier 1 at \$500,000 (the greater of \$500,000 or the maximum that federal law permits), Tier 2 would be \$3 million with super majority of Council resolution and anything over \$3 million would go to referendum.

Although the committee has not discussed this three-tier concept, Solicitor Losco believes what has been proposed tonight is in the spirit of the committee's discussions. President Barthel reiterated this action would give this Council and future Councils the ability to act quickly if it becomes necessary.

Term limits for Council members were discussed. Several Council members favor four year staggered terms. An opportunity for further discussion on this topic will take place at the public meeting.

Solicitor Losco has been asked to review the current procedure of withdrawing a candidate's name from running for office and removing a candidate's name from the ballot. The last date to register to run for office is the last date to remove your name. There should be some time period between the two. (*Discussion followed.*)

Current charter language reads, "On the Monday evening following any such an election City Council shall meet at 7 p.m. for the purpose of canvassing said elections and all members of the Board of Elections shall appear before City Council at that time and present the certificate of election retained by them." This process does not occur. Suggested replacement verbiage would be, "The chair of the Board of Elections or their designee so they can appoint someone from their board to appear and represent them."

Current language concerning bonding for the City treasurer reads, "The City shall secure bonding..." Suggest replacing with, "the City may secure bonding." This will depend on whether the City feels it is important to secure bonding. The treasurer does not handle monies and two signatures are required on all checks.

A revised draft proposal of charter changes will be placed on the website. This is the final workshop and a public hearing will take place on Tuesday, 2/14/12, 6 p.m.

The floor was opened for comments.

The idea of a four year, staggered term cycle was well received. Former Mayor John Klingmeyer asked if the current mayor would be excluded from interaction on charter changes. President Barthel informed that Mayor Reese has been present at all workshops and has contributed to discussions. Mayor Klingmeyer expressed concern with the mayor being excluded and losing certain rights after a resolution has been adopted. Solicitor Losco clarified the resolution is a recommendation that state government adopt the charter of this city. The mayor will have the right to voice favoritism or opposition at the public hearing or go to Dover. Mr. Klingmeyer also questioned public notification of the workshops. It was noted that proper notice of all workshops was done. Residents have had ample opportunity to express their views. (*Further discussion on public response to charter changes and the process used by the Charter Change Committee followed.*)

Jo Moore, Charter Change Committee member, informed she has not been contacted by any residents during the process. It is known that she is a member of this committee.

A motion was made, seconded and approved to adjourn the workshop. Adjournment was at 6:40 p.m.

Respectfully submitted,

Debbie Turner

Debbie Turner
Evening Stenographer