

City Council of the Mayor and Council of New Castle
Special Council Budget Workshop Meeting
Town Hall – 201 Delaware Street
Tuesday – June 18, 2012 – 6 p.m.

Present:

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

Also present: Treasurer Janet Carlin, City Administrator Cathryn Thomas, Finance Director Marian Delaney, Police Chief Kevin McDerby

Budget Review and Finalization

Motion, Discussion and Vote on Resolution to Set FY 13 Tax Rate and Adopt the 2012-13 City Budget.

When Council last left the shortfall was \$150,000. Some changes Chief McDerby brought forth brought it down to \$142,000.

Finance Director Delaney said she proofed the whole budget and found a formula inside a formula which reduced it by \$50,000. There were a couple of other minor changes, that brought it down further. The budget was able to be brought down to no tax increase by applying \$86,000 from unreserved fund balance.

President Barthel asked how much will be left in the fund at the end of the month/fiscal year and do the amounts correspond to the amounts in the past few years.

Finance Director Delaney said from 2008 to 2010 fiscal audits had ranges of fund balance over the three years from \$500,000 to \$1 million. She projects that at the end of June the City will have \$876,000, including the final payment from MSC. She is projecting in July having to cover two payrolls and accounts payable, which combined would total \$420,000.

President Barthel said that as of July 31, 2011, total cash on hand was \$1.2 million.

Finance Director Delaney said last year the City collected taxes of \$103,000 in July.

President Barthel asked if Treasurer Carlin was comfortable with the remaining reserves after moving the \$86,000, that the City would be in a similar financial condition compared with the past?

Treasurer Carlin said yes.

Councilperson Cochran asked if the amounts projected for accounts payable in July was too conservative.

Administrator Thomas said the department heads across the board do business as normal and do not push to spend any remaining funds before the end of the year. She said she thinks the City is in very nice shape ending the fiscal year, and in recent years the City has ended each year in better shape than the previous year.

Administrator Thomas provided a recap on the numbers: total revenues, \$4,955,769, with \$84,126.16 in the unexpended fund balance line, if needed. The expenditures are \$4,955,769.

Police Chief McDerby provided an update on the police cars. He initially requested for the new car the City's share would be \$7,600, based on the anticipated cost savings of buying a detective vehicle rather than a marked patrol vehicle. He was able to bring that \$7,600 down to \$3,300 in anticipation of a future grant to equip the vehicle. He said there is some confusion about the car the Department just received. That vehicle, a Malibu, is the one that replaced a vehicle lost in an accident. That new vehicle is not a Trustee-paid car. It was paid for by \$10,000 in insurance funds and funds from the City's contingency.

Police Chief McDerby explained the Trustees approved \$30,000 for a vehicle, but based on the need of the department and the age of the fleet, the focus of the department shifted to replacing the two unmarked cars. The anticipation was the Trustees would agree to that since they had approved \$30,000 for a vehicle. He said there was a misunderstanding or a miscommunication about whether the City used Trustees' funds for the vehicle used to replace the one destroyed in the accident. Police Chief McDerby said they have not purchased the Trustee's vehicle yet. He recommended including the \$3,300 in the budget. If the Trustees approve the use of the funds for the unmarked vehicles, the City will use that money to buy the second vehicle. But if the Trustees are opposed to that, the \$3,300 can be shifted elsewhere in the budget. The money over the \$18,000 for the unmarked vehicle would have to be returned.

President Barthel said basically the Trustees have said either buy the \$30,200 vehicle with these funds or the remainder will go back. His impression is the Trustees will not let the City split the funds.

Councilperson Cochran asked about the two AED devices planned to be bought. He asked if the staff is qualified to operate them.

Councilperson Megginson said yes. Two employees have received training.

Administrator Thomas said the unit is \$1,700 and there is enough in the safety line of the current year budget to cover one purchase, and there is money in next year's budget for the second unit.

Councilperson Megginson made a motion to approve Resolution No. 2012-20, adopting the 2012-2013 Operating Budget and Tax Rate for the City of New Castle. The tax rate is to be set at \$1.20 per \$100 of assessed value, reflecting no tax rate increase. Councilperson Cochran seconded the motion. The motion passed unanimously.

President Barthel and the members of Council thanked everyone for their work.

Councilperson Petty made a motion to adjourn the meeting into an Executive Session for collective bargaining. Councilperson Cochran seconded the motion. It passed unanimously.

The meeting was adjourned at 6:34 p.m.

Respectfully submitted,

Michael Dickinson
New Castle City Clerk