

City Council of the Mayor and Council of New Castle
Regular Council Meeting at Town Hall
201 Delaware Street – New Castle
Tuesday – September 11, 2012 – 7 p.m.

Present:

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

Absent: Councilperson Teel Petty

Also present: Mayor Donald Reese, Treasurer Janet Carlin, City Administrator Cathryn Thomas, City Solicitor Daniel Losco, Building Official Jeff Bergstrom, Code Enforcement Officer John Lloyd

President Barthel asked those in attendance to observe a moment of silence for 9/11.

Approval of Minutes by Date

A motion was made by Councilperson Gaworski to approve the minutes of August 14 and August 20, 2012. Councilperson Megginson seconded the motion. The minutes were approved unanimously.

Approval of Treasurer's Report

Treasurer Carlin reported that, as of August 31, 2012: petty cash on hand was \$1,100; monthly deposits, \$2,354,506.54; total cash in checking and saving accounts in M&T Bank, \$1,492,031.59; total certificates of deposit, money market and Delaware Government Investment Pool, \$1,978,935.97; and total cash on hand, \$3,470,967.56.

A motion was made by Councilperson Cochran to approve the Treasurer's Report. Councilperson Gaworski seconded the motion. The report was approved unanimously

Report from the City Administrator

Administrator Thomas said she had nothing to add to her written report. She said Chief McDerby was attending a 9/11 service this evening, which is why he was not at the meeting.

Staff reports

President Barthel said the staff reports were accepted as presented.

Grant Review

Councilperson Cochran provided the review: Grant activity: Banks Bldg. Preservation, \$4,000; Buttonwood Drainage, \$18,030; Coastal Mgt. Flood/dike control, \$100,000; DNREC-Broad Dike Wetland Protection, \$800,000; ARRA Green Project, \$1,710,627; recycling grant, \$21,600; and tobacco grant, \$19,198.94.

Business from the Floor

No comments.

Business from the Mayor

Mayor Reese said he was contacted by residents of the Washington Square area regarding feral cats and other stray animals. He talked with Mr. Lloyd who thinks the City needs a nuisance ordinance. Mayor Reese was invited to go to the Supreme Governor of the Moose in September, and also to go on the Kalmar Nyckel, if anyone is interested going. He delivered 13 baskets to new residents in August and early September. He acknowledged Jeff Lang from the Jaycees and said they will be helping with

Separation Day next year. There will still be a committee. Once that is all set up the Jaycees are going to help with a fundraiser to help with the Banks Building.

Unfinished Business

1. Discussion on prioritizing the order of dikes to be repaired in the City.

President Barthel said over the past couple of years the City has been spending time with various people from the State regarding what needs to be done. Last year there was a grant for which the State provided about \$3 million. Kevin Donnelly, from the New Castle Conservation District, is at the meeting to talk about how much funding is available from that grant. He also can provide an update on the most recent meetings.

Mr. Donnelly, District Coordinator of the New Castle Conservation District, provided an update on the Delaware Bay Dikes Repair and Prevention Project. On August 22, 2012, O'Brien & Gere Engineers Inc., presented its reports on the City dikes. The overall intent of the project is to reconstruct the dikes to meet the criteria for inclusion in the U.S. Army Corps of Engineers rehabilitation and inspection program. He described the program as a partnered solution between the Corps and a local jurisdiction to provide solutions to flood damage. It is similar to hazard insurance that someone might have on their house. Under the program, after the dikes are reconstructed, the City could enroll a dike in the program and provide dike maintenance to an established level that is acceptable to the Corps. The benefit is that in the case of a properly-maintained dike, the Corps provides post-damage financial assistance. He described the height requirements the program requires. The required height would be 8.2 feet; O'Brien & Gere recommends 8.5 to 9 feet to account for settling.

Mr. Donnelly said all trees and woody vegetation would be removed from the dike embankments, including the river and bay side, the flood side, the marsh/inland side, and the toes of the embankments. It includes removing the stumps and the majority of the root balls.

The projects would include regrading and restoring the walking path near Gambacorta Marsh.

The north end of Gambacorta and south end of Broad Marsh dikes will need extended tie-ins, which will complicate the project and increase the cost.

President Barthel said at the last meeting on the dikes there was discussion that the lack of tie-in would not necessarily mean it could not enter the Corps insurance program. He asked if it has been determined if that is the case. Mr. Donnelly said it has been confirmed the Corps will require the tie-ins.

Mr. Donnelly said in State fiscal year 2012 \$3 million was appropriated to the project. A total of \$275,835 has been expended on the design. Projected expenditures are \$508,000 and \$588,000 for the Red Lion and City dikes for a variety of planning and permitting.

The Red Lion reconstruction estimate received in June was \$1.65 million, which includes a 25 percent contingency. The projected remaining balance on the State funding is \$486,165. The State appropriated \$2.5 million in this year's bond bill for dikes and dams. It has not yet been clarified in terms of what goes to dikes and what goes to dams.

The estimated construction costs, which include a 35 percent contingency because they are preliminary estimates: Gambacorta Dike, \$1.61 million plus the cost of the north tie-in; Broad

Marsh Dike, \$1.45 million plus the plus the cost of the tie-in. The tie-in could be as long as 1,000 feet. For Buttonwood Dike the estimated cost is \$1.59 million.

The Conservation District staff recommends doing Buttonwood first, then Broad Marsh and then Gambacorta.

President Barthel said the Buttonwood Dike makes sense to start with because of the extra time required for planning and permitting for the other dikes, and the level of risk to public safety.

There are enough remaining funds, \$486,000 from the initial funding from the State left after Red Lion is completed, to do the permitting work, surveying and planning work for all three City dikes, which is projected to cost \$450,000. But that pays for no construction.

Administrator Thomas pointed out the reports by Bruce Jones on the dikes indicate that the Buttonwood Dike has the most property affected it were to suffer a catastrophic failure—175 properties or \$5.8 million. That includes the Buttonwood area housing and the industrial properties. The next highest level is the Broad Marsh Dike which would be 158 properties and \$5.3 million; and then Gambacorta Dike, with 83 properties and \$3.5 million in damages.

President Barthel said this reinforces the decision to go with Buttonwood first and then Broad Marsh.

President Barthel and Mr. Donnelly said they still do not know how much funding and when the funding would come from the State.

Administrator Thomas said having everything ready to go in terms of construction puts the City in the best position when funding becomes available.

Councilperson Cochran said it is a good idea to get the process started.

The consensus of the board was to go forward with the discussed order of dikes in the project.

New Business

1. Discussion of a request for transfer of a portion of City property to private property owner Simon Watts at 60 W. 3rd Street.

Mr. Watts said he has lived at the property for six or seven years. He would like to square off his property. He would like to extend the property by 10 feet where he could add one extra bedroom. It would be on the same footprint where the hedge currently has been for 30 years. In researching it he found out part of it does not belong to him. The property is the last residential property on Third Street. It is next to the vacant lot that is next to the tennis courts. He would pay any transactions costs. The plusses for the City are it would be a regular lot and the property would go up in value, and possibly pay more in property taxes. His concern is the back section is ready to collapse. His thought is to widen the house by seven to 12 feet, which would still be within the hedge. He said it is a hardship.

President Barthel questioned Mr. Watts on the plans to put in a carport and an addition down the road. Mr. Watts said the carport is not in the plans.

Councilperson Cochran asked when he purchased it nearly seven years ago if he knew this was how the property line was. Mr. Watts said yes; he had a survey done.

Mayor Reese said City regulations requires it to offer any excess property first to the Trustees, and then MSC before being sold.

President Barthel said that is the case but it is not yet excess property. He said the City is not at the juncture where it would want to sell the property in this situation. It is not going to be that significant on taxes to the City. It would be a negative impact on the citizens if the City was to sell it. He does not think it would give the overall citizens any advantage.

Councilperson Megginson said he agreed. He fears that selling Open Space would come back to haunt this or future City Councils. He opposes selling any Open Space.

Mr. Watts asked if the City would consider a lease.

Councilperson Cochran favors leaving it as it is.

Councilperson Gaworski said it could have an impact on others in the area, and prefers to leave it as it is.

The consensus of the board was to not sell the property and leave it as.

Mr. Watts asked if that would constitute a hardship for him to improve the property.

Solicitor Losco said Mr. Watts could apply to the Board of Adjustment.

2. Discussion of the current status and plans for the Banks Building.

President Barthel said the City has been looking for grants and did obtain one for \$2,000, which was enough to put a Band-Aid on the situation.

At the last meeting on the Banks Building, it was decided the City needs to get aggressive with it. Other communities around the country have reached out to the community, beyond grants, such as working with businesses or contractors using rent-backs where they do work.

One of the items looked at has been reaching out to the Jaycees, who have been very supportive of the City. They have agreed to work with the City to do an outreach to the community. This is a last-ditch effort because the City is running out of time on the building.

Jeff Lank of the New Castle Jaycees said the organization has offered to help the City, particularly the Banks Building where the organization has had a long-term use. He has served as president of the U.S. Jaycees and is able to tap into the experience of organizations across the country. He also sits on two boards that have done extensive capital campaigns. Also one of the skillsets of the Jaycees is project management. They have an excellent success ratio with the projects the organization undertakes. They have vowed to contribute all the effort they can.

President Barthel said the City needs to think outside the box.

Mayor Reese said one solution would be if the National Park would come in and fix the building up as a temporary location.

3. Discussion of how the City has been handling, and will handle in the future, vacant properties.

President Barthel said this has been an ongoing area of discussion involving many City officials. They have been trying to go after vacant buildings or buildings that are nuisances and are blights on the neighborhoods, and that cause decline in values and quality of life.

He listed several properties the City has taken action on, and properties awaiting action. The City has decided to really get aggressive with it. The City has identified 34 properties, many of which are boarded up and continue to be nuisance properties. A few of them are bank-owned and not maintained. The City is going to take groups of properties to go after foreclosures on. On two properties the City is going to try a project and be creative. There have been conversations with organizations, such as Habitat for Humanity, people who want to rebuild properties and work with the City and bring in owner-occupied properties. The City also is looking to reach out to investors.

President Barthel said the City does not want to become landowners, which is why it is not going after all 34 properties at one time.

Councilperson Megginson said there quite a few properties in need of care. They really hold down the neighborhoods.

Solicitor Losco said the City will still have to work through the excess property ordinance.

President Barthel said a number of properties are banked-owned and owe the City substantial amounts of money.

4. Discussion of changing to email notifications for Business License renewals.

Councilperson Megginson said currently the City does this by mail which is quite expensive. The City would like to set it up to make the notifications by email, which would save the City a lot of time and money.

Administrator Thomas credited Debby Pullen, who does the renewals, for suggesting the idea. It has a great potential for savings from just postage alone. The City has requested a fix to its software which would allow it to be done automatically. The City has been asking for emails on applications and inputting them. The reason it is being brought up tonight is because it is major departure from the old way of doing it. The City hopes to have an improved process.

5. Motion, Discussion and Vote on a Bank Resolution, to pay to DNREC the second quarterly installment of the principal and interest payment for the City's ARRA projects, in the amount of \$49,022.49.

Councilperson Cochran made a motion to approve the resolution. Councilperson Megginson seconded the motion.

Administrator Thomas explained this is the second quarterly installment the City is making. The City does expect a reimbursement from the Trustees.

The motion was passed unanimously.

6. Comments from the floor.

Jeff Lank from the Jaycees said the organization ran a project last Saturday called History Hunt. They handed out puzzle pieces and people had to go out and find historic places and artifacts in the City. They partnered with the New Castle Historical Society, the Delaware Historical Society for the George Read House, the Immanuel Church and Penn's Place for the headquarters. He wanted to thank the City and the citizens of New Castle who were very gracious. They received a lot of good responses.

Councilperson Megginson made motion to adjourn the meeting into an executive session for a legal matter. Councilperson Gaworski seconded the motion. It was passed unanimously.

The regular meeting adjourned at 8:12 p.m.

Respectfully submitted,

Michael Dickinson
New Castle City Clerk