

City Council of the City of New Castle
Budget Workshop Meeting
Town Hall - 201 Delaware Street – New Castle
Tuesday – June 25, 2013 – 6:00 p.m.

Called to order: 6:00 pm

Roll call:

Councilperson Megginson
Councilperson Cochran
Council President Barthel
Councilperson Petty
Councilperson Vanucci

Also present:

City Treasurer Janet Carlin
Manager of HR & Finance Marian Delaney
Police Chief Kevin McDerby
City Solicitor Daniel Losco
Mayor Donald Reese

Council Review of Requests for the 2013/14 City Budget

President Barthel reported the Ms. Delaney has made the changes discussed at the previous meeting and that as a result of those changes the deficit currently stands at \$80,534. He asked if the council members had reviewed the budget and had any recommendations

Councilperson Megginson spoke with John Lloyd to research the tree commission costs from the previous year. Last year, 24 trees were removed at an average cost of \$524. Professional services are fees for the arborist and legal fees.

President Barthel made the following recommendations to balance the budget:

- Show the \$44,000 from the transfer tax windfall as income in July
- Reduce the Dept 0101/Public Safety, Line 6000 salaries by \$27,332 due to the salary savings from the retirement of the police chief and vacancy of the position during the search for a replacement
- Remove the Dept 0101/Public Safety, Line item 7220 Vehicle Parts/Repair \$30,000 for the purchase of a police vehicle and revisit this purchase at the 6-month budget review and consider leasing vehicles
- Reduce the Dept 0204/Parks & Property, Line 7432 Beautification Committee by \$1,000 to \$1,500
- Reduce the Dept 0204/Parks & Property, Line 7061 Tree Commission from \$32,300 to their historic budget level of \$25,000
- Reduce the Dept 0301/City Council, Line 7044 Library \$5,000 to \$2,500
- Reduce the Dept 0301/City Council, Line 7040 Contributions to the Senior Center from \$7,000 to \$3,750; Arasapha from \$1,500 to \$1,000; and the Alliance from \$10,000 to \$2,500

- Fund Dept 1103/Historic Area Commission for six months for now by cutting the request in half and look for savings possibly through a reduction in the stipend
- Reduce Dept 1110/ Long term payables from \$42,000 to \$30,000
- Increase Dept 0901 Building Maintenance, Line item 8082 Capital Reserves by adding \$10,000 for storms
- Increase Dept 0301 City Council, Line item 7035 Departmental Contingency by \$6,788
- The Banks Building has been repaired and maintained through small grants and needs more funds to address the building issues. He recommends adding \$40,000 to the contingency fund earmarked specifically for the Banks Building. President Barthel asked Councilperson Vanucci to take three months to look for matching grants and explore options to determine what can be done with the building. If no matching funds or acceptable options can be identified and the funds are not used, the funds will go back into contingency and may be used to fund the police car or other items needed at that time.

Councilperson Megginson asked about the bottom line after these changes. President Barthel responded that the changes he has recommended result in a surplus of \$40,000 which would be in the contingency fund with no tax increase.

Councilperson Petty asked why the funds for the beautification committee, alliance and other organizations can't be used to fund the police car. She believes these are not immediate needs and could be revisited in 6 months. President Barthel agreed that everything can be reviewed in December.

President Barthel emphasized that the city must address Banks Building. Councilperson Petty agreed and supports that project.

Councilperson Petty asked for an updated list of commission and committee members.

Councilperson Cochran asked for same and said it should be received in a week.

Councilperson Cochran commented that the changes recommended are appropriate and that the budget will be revisited in 6 months.

Councilperson Petty commented that having city money earmarked for the Banks Building will help with obtaining grants.

President Barthel asked if there are any other comments. Ms. Delaney will enter the recommended changes and review the overall budget. The council will reconvene tomorrow to finalize the budget and set the tax rate.

Discussion and Approval of Resolution No. 2013-16 Authorizing a Change in Funding

Councilperson Cochran motioned for approval of Resolution No. 2013-16 and was seconded by Councilperson Petty.

President Barthel read the resolution.

Mr. Losco reviewed the causes of the change in the funding source for the Washington Park Flood Mitigation Project. The City did work under the issued permit to fill wetlands. A related and adjoining project by the Seeds of Greatness Church will not be completed. The Army Corps of Engineers has ordered that the City must be issued another permit to cover the work completed or the land must be restored to its original pre-project state. Changing the funding source gives the City additional time to repay the DNREC load while the permitting issue is resolved. The change in funding is a bookkeeping entry for DNREC. The new loan will be at the same interest rate and terms. No new documents need to be completed or filed. The change simply extends the payment terms.

Resolution 2013-16 passed unanimously.

The meeting was adjourned at 6:26 pm.

City Council reconvened in Executive Session to discuss an individual's qualification to hold the City Administrator position.

Respectfully submitted,

Janet Wurtzel
New Castle City Clerk

Motion to adjourn: 7:27 pm