

**City Council of the Mayor and Council of New Castle  
Special Council Budget Workshop  
at Town Hall – 201 Delaware Street – New Castle  
Tuesday – June 21, 2011 – 6 p.m.**

**Present:**

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

Also present: Mayor Don Reese, Treasurer Janet Carlin, City Administrator Cathryn Thomas, Police Chief Kevin McDerby

**Review Budget Requests:**

**Police re-present revised budget**

Police Chief McDerby addressed questions related to the decline in revenues. He said more than five years ago the department was asked by the Office of Highway Safety to participate in a checkpoint strike force for the State of Delaware. The Federal government paid for the officers to work overtime. There were 113 DUI arrests made one year by the Department and 119 arrests the next. The numbers reflect the productivity during normal business hours but also the grants subsidized by the Federal government.

He is asking to increase the department's fiscal 2012 budget by \$6,200, which is a decrease of \$10,500 when he made the presentation a year ago.

He reduced the professional development line from \$4,000 to \$2,500; books and publications line was reduced from \$3,500 to \$2,500; printing from \$1,500 to \$1,000; administrative expense from \$2,400 to \$2,000; and the investigate funds from \$1,500 to \$1,000.

President Barthel asked about the professional development line and what is included.

Chief McDerby said the reductions are not eliminating mandatory training. It involves refreshers, such as advanced driver training and supervisor training.

He reduced the range supplies requests for \$7,000 to \$2,000, and withdrew the request for replacement of shotguns and that \$5,000 budget line item. He reduced the amount for motor fuel from \$45,000 to \$40,000, and the line for vehicle parts/repair from \$30,000 to \$29,000.

The total cut is \$11,000 from the original request.

The proposed vehicle is an administrative vehicle to replace a vehicle with 101,000 miles on it.

Councilperson Cochran said he agreed with the idea of replacing cars on a schedule. But with the current economy, the City has to look at reducing it.

Chief McDerby said the patrol vehicle the Trustees are replacing has 80,000+ miles on it.

President Barthel said the previous request presented was \$36,400 higher than last year, with the car, and now is \$21,400, with the car, above last year.

A discussion was held about recent tax rate increases. A rule of thumb for the City is \$20,000 in spending is a penny on the tax rate.

Councilperson Cochran said the Police Department had the biggest budget increase over a 10-year period--an 87 percent increase. Public Works had a 4 percent increase over 10 years.

### **Building Maintenance**

Administrator Thomas went through this section line by line. This budget area request is \$123,550, down from \$134,960 a year ago.

City is looking at putting attic fans in at the Police Department to help with both cooling and heating.

Public Services Building repairs include \$3,000 for replacing a gas water heater with an electric water heater and \$2,500 to seal under the eaves.

Councilperson Petty said there is a question about the roof at Public Services Building leaking. She also said the City needs to do something regarding the Banks Building.

Administrator Thomas said the City needs to get more information on what is needed there. The City does have savings and the capital improvement reserve. She also reminded Council that they had planned to look at adding funds to that reserve during budget time.

Councilperson Cochran said one idea would be to rent or lease the Banks Building to a business with the agreement that they would fix it up under City conditions.

A brief discussion took place about the possibility of grants and other options for the Banks Building.

### **Insurance**

Administrator Thomas said the insurance quote information is not in yet, but she did get some clarification on it. She said the City has not had a good process for gathering all the information it needs to get to the insurance company to get the quotes back. She does not anticipate the premiums to go up a great deal. One item that could cause some concern is the City did provide the dyke reports to the carriers.

Another issue is workers' comp. The City's poor claims experience has driven up the multiplication factor used to determine what it pays. The initial report is the rates probably would not go up, because that negative factor could be offset by overall decreases in workers' compensation rates.

### **Professional Services**

Administrator Thomas suggested bumping the City Accountant line to \$13,000 in fiscal 2012. The City plans to bid the audit service in the upcoming year. City Medical line request was reduced to \$10,000. City Solicitor was over the budgeted amount this year. She recommended putting next year up by \$4,000 to \$42,000.

She recommended budgeting \$5,000 for contract legal negotiations, the same as in fiscal 2011 since another union negotiation is coming up.

**Trustees Appropriations**

The City received \$206,850 in appropriations for fiscal 2012 from the Trustees, including \$5,000 for the Tree Commission, \$30,200 for a Police vehicle, \$140,000 for the stormwater projects, \$750 for recreation and \$30,700 for a trash truck.

Council discussed rough estimates of where spending and revenues are at this point of the budget process. Budget requests and contractual increases are up \$110,000 and revenues are down \$110,000. But the City does not have the \$100,000 for spending for the Library capital campaign.

Mayor Reese commended the work of Administrator Thomas and Council to do the FOP negotiations for \$5,000. The Council used to project it would cost \$35,000 to \$40,000. It represents a big savings.

He also asked why the Trustees cut the funding for the Tree Commission.

President Barthel said the Trustees felt the Tree Commission should report to Council because it is a City function.

Mayor Reese also said the City should consider recreation for kids year-round. He added that the City provides a lot good services. When the City Council did a big tax increase several years ago, no one ever expressed any criticism to him.

Councilperson Megginson made a motion to adjourn the meeting for an executive session related to personnel actions related to specific individuals. Councilperson Cochran seconded the motion. The motion passed unanimously.

The meeting adjourned at 7:31 p.m.

Respectfully submitted,

Michael Dickinson  
New Castle City Clerk