

The Charter Change meeting for November 10, 2011 was called to order at 1:00 p.m. at City Hall.

In attendance:

Dr. Genevieve Miller, chairperson

Ms. Josephine Moore

Mr. James Vincent

Mr. Daniel Losco, City Solicitor

Absent: John Houben

Also present was Mayor Donald Reese

Dr. Miller opened the meeting and declared a quorum.

City Solicitor stated that the last time the committee met there had been a consensus that after reading Middletown's Charter the Committee wanted to go to a more simplified Charter with more modernized language. Mr. Losco stated that he went through Middletown's Charter line by line to compare and contrast with our Charter, looking for things they we need to incorporate and leaving what we do not want to change.

Mr. Losco summarized the draft Charter:

Section 1: Description of City boundary. This section would go from describing the actual boundaries of the City to referring to stating the boundaries are as "previously fixed and established hereafter altered according to law."

Section 2: Establishes the City as a Municipal Corporation, and changes the City's name to "The City of New Castle" from "The Mayor and Council of New Castle."

Section 3: Annexation will defer to State law and will be consistent with Chapter 1, Title 22 of the Delaware Code.

Section 4: Describing Mayor, Council President, Council, City Treasurer, City Clerk. This will stay the same as current Charter. In prior meetings Committee had added a reference to a City Solicitor and a City engineer, and that Council may from time to time appoint people to new positions. The Committee also added that the City Solicitor and City Engineer must have at least 5 years' experience to be considered.

Mayor Reese questioned the statement that "no person shall be elected to hold the office of Mayor who is not a bona fide holder of a freehold interest in real estate within the limits of the City."

Mr. Losco stated that stipulation was already in the existing Charter; the sense of the Committee was that they did not want to change that. The arguments pro and con being why shouldn't a resident who is a renter be eligible if they have been renting in the City

for the stipulated length of time, on the other hand owning property does demonstrate a vested interest in the City. Solicitor is to check on legality.

Section 5: Timing of Elections, Committee discussed options for elections. Objectives being to increase length of terms; insuring a candidate would have an adequate amount of time in which to learn the duties of their office before having to run again. The Committee would also like to stagger terms, minimizing the possibility of having an entirely new slate of officers be elected at any one time. Additionally, the committee took into consideration the number of elections. Adding elections could prove to be a burden to volunteers in additional time and duties, and to the taxpayers in higher costs.

Three-year terms were discussed, having an election every three years. The benefits would be having candidates in office an extra year, and three elections in a ten year period instead of five would save election expense. The drawback would be the possibility of having an entirely new slate of officers elected, and no continuity.

Four-year staggered terms were discussed; having an election every two years, as we do now, but only the Mayor or President would run with two Council members. The next election would be the Mayor or President of Council and the other two Council seats. The 2013 Election would have the two high vote getters having four year terms, and the next two high vote getters getting the two year terms. Then thereafter officials with expiring terms would run for 4 year terms.

It was decided that the Committee would submit both suggestions, with the 4-year term scenario being their recommendation, but they could be happy either way.

Section 6: Election Procedures. Elections Procedures are taken from our current charter.

Mr. Losco asked why we are charging a person to run for office. He felt it was not a good idea to charge a candidate to run. If this caused someone not to be able to run, it might even be considered illegal, akin to a poll tax. It was the consensus of the committee to take that out.

Section 7: Taking Office wording added to allow Mayor's swearing in to include any Justice of the Peace in the County of New Castle or other sitting judge or justice of any court of the State of Delaware.

The Treasurer will have to give bond, which has been there and will remain.

Section 8: Continuity of Office If there is a delay in the election or determining the results, officers shall hold their respective offices until their successors have been elected. If election cannot be held at appointed time the authority of each officer shall continue until a new election can be legally held.

Section 9: Now includes language that immediately removes any elected official from office if convicted of a felony and further creates the possibility of a Council member

being removed from office if he/she misses more than one-third of regularly scheduled meetings in any 12 month period.

Section 10: Fraudulent Voting/Penalties remains the same as our Charter.

Section 11: Enumeration of Powers.

After discussion, the Committee elected not to include binding referendum language in the Charter.

Section 12 retains the traditional language permitting a Mayor's Court in the City though no one favored reactivating it now. The idea was merely to keep all options open.

If the Mayor cannot perform the duties of the office, the President of Council will serve in the Mayor's absence; the Mayor does not need to put this in writing. The Mayor will notify the President of Council, in writing that he/she is ready to assume the duties of the office.

Section 13: Reduces the number of readings for ordinance adoption from 3 to 2. The initial reading, at the Public Hearing, and the reading at the Council Meeting before adoption.

Section 15: Tax Remission, If a business is setting up in town, and wants remission of taxes, Council can remit taxes, for not more than 10 years, and wording was added to say Council could set conditions; such as provided business is in continuous operation for ten years.

Section 16: Exhibitions, this was taken from Middletown's Charter. If any circus or other type of traveling show comes to town, you can license them and tax them.

Section 17: Road Tax This was taken from Middletown's Charter, this would allow the City to have a toll road, as most of our roads are owned by the state we probably cannot use it, but it is something we might be able to use in the future.

Section 18: Budget. Mr. Losco said he did not see anywhere in our charter requiring that we must adopt a budget. Even though we do, it is a good idea to include this in the Charter.

Section 19: relating to taxation, is a combination of both Charters with new language added. This includes express language making Code violation fines and City costs relating to demolition of unsafe buildings a lien on the real estate and subjects such expenses to monition action enforcement. The current Charter is not clear on this point and seems only to related to monitions for unpaid taxes.

Section 20 & 21: Relate to the City's borrowing powers. Sec. 20 expressly authorizes short term borrowing to be repaid within 13 months to address current expense

shortfalls. No referendum is needed. This can be done by resolution and the full faith and credit of the City may, or may not, be pledged. This subject isn't directly addressed in the current Charter.

Section 21: Relates to borrowing for capital expenditures. It provides for borrowing upon the full faith and credit of the City up to 5% of the total assessed value of real estate in the City by resolution and without a referendum. Middletown's Charter allowed for 4%. Borrowing more than 5% would require a referendum. There is an aggregate cap of 20% of the total assessed value that can be borrowed, whether by referendum or not. Total assessed value right now is approx. \$250,000,000 so 5% of this sum is \$12.5MM and the 20% aggregate cap is \$50MM. By contrast, MSC is asking for authority to borrow up to its annual revenues (\$10MM per Chip P.)

Meeting was adjourned at 2:35 p.m.

Respectfully submitted,
Kim Burgmuller