



# New Castle Crier

The official newsletter of New Castle City

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New Castle, Delaware

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## New Castle City Charter changes garner Senate approval

On June 14, the Delaware State Senate voted on changes to the New Castle City Charter. Senator Bethany Hall-Long led the discussion on the City Charter, as she is the Chair of the Senate Committee which held a hearing, reviewed the proposed changes and voted to release the Bill - HB 307 - to the full Senate for a vote. Senator Hall-Long provided some highlights relative to the Bill, including that:

- the City Charter had not had any substantive changes since 1920;

- the proposal included a change in terms for elected officials from two to four years, which also would result in a staggered term system; and will begin with the next election;
- the proposal revised borrowing power of the City Council, implementing a three-tier system for limited short-term borrowing (\$500,000 maximum), limited capital borrowing (\$3 million maximum), and all other borrowing will be done the same as the current system, which requires approval of City voters.

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## City Council adopts budget with no tax increase

At a special City Council meeting on June 18, Council members approved a Resolution adopting a balanced Budget for the 2012-13 fiscal year, totaling \$4,955,769. The Resolution included no tax increase, with the rate remaining

the same as the previous three budget years at \$1.20 per \$100 of assessed value.

The new, total City budget amount is noteworthy, continuing the downward trend of recent years and remaining below \$5 million for the second year in a row. Last year's budget marked the first time since

adoption of the 2007-08 budget that the City budget dipped below the \$5 million mark. The 2012-13 budget is a little more than \$25,000 less than the previous year's budget, a decrease of slightly more than .5%.

The most significant factor impacting the new budget is a sharp decline in revenues, which had also been a factor in budgets the past few years. The chief cause of lower revenues appears to be the continuing downturn of the economy, and factors related to that (i.e., the housing market, etc.).

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**The next regular City Council meeting is 7 p.m., Tues., July 10 at Town Hall**

**CITY OFFICES CLOSED**  
**No Yard Waste Pickup Independence Holiday Wednesday, July 4**

<b>Summer Show Time</b> Free Concerts in Battery Park, Wednesdays at 7 p.m. July 11 Sin City Band		July 18 Chesapeake Brass Band	Food Service Starts 6 p.m.	August 1 The Rumors Band
		July 25 First State Symphonic Band		August 8 Desmond Kahn & the Ace of Hearts Band

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The most picturesque and historic waterfront community on the East Coast!

## Charter changes *continued from front page*

After the introductory remarks, a number of Senators posed questions and commented on the Bill. Senator Karen Peterson asked the Senate Attorney to testify, seeking clarification on the issue of how Charter changes may be adopted.

The Attorney noted that one option in Delaware State law is for an election to occur of the qualified voters within a municipality where the Charter is proposed to be changed. He noted, however, that he was unaware of this option being employed by any municipality within the State, stating instead that as far as he knew, universally, Delaware local governments seek Charter changes utilizing the process of the governing body forwarding a Resolution to the Delaware General Assembly, requesting approval - the same process being pursued by New Castle. The attorney also noted that the borrowing limits were much more conservative than many, if not most, of the municipalities throughout the state.

When the discussion concluded, a roll call vote was conducted and HB 307 received unanimous

approval from the Senate (20-0 with one member absent and not voting). This concluded the fourth major step in the State approval process, with one last step remaining - the signature and approval of Governor Markell.

The State process began when the bill was introduced with four sponsors: Senators Dori Connor and Margaret Rose Henry and Representatives Mike Mulrooney and J.J. Johnson. The first Hearing on the Bill was before the House Administration Committee, which voted to release the Bill to the full House for a vote, which also received unanimous approval. Then the Bill proceeded to the Senate Community/County Affairs Committee and continued through the conclusion of the General Assembly process.

The State process was preceded by a lengthy and inclusive City process to develop the changes, including months of work performed by a Charter Change Committee comprised of volunteer citizens: Chair Dr. Genevieve L. Miller, John Houben, Josephine Moore, James Vincent and City Solicitor Daniel R. Losco.

## Budget *cont. from front page*

Revenue line items which decreased included real property transfer taxes, delinquent tax collection, State court (fines forwarded from the State to the City), interest earnings and special trash collection.

The Resolution was the final action to put the budget in place, after Council members, the City Treasurer and staff members met many times over two months putting the budget together.

The City must complete its budget in this time frame in order for tax bills to be issued near the beginning of the fiscal year on July 1 (bills are normally mailed by mid-July). These budget workshops and special meetings are advertised and open to the public.

In putting the budget together, the City faced many fiscal challenges, which most people will not find surprising. Just like other governments, businesses, families and individuals, the City is struggling

financially with rising costs for everyday operating supplies, labor and benefits. These factors, compounded with a significant decline in many revenues, made the task of creating a sound City budget for the coming fiscal year a substantial challenge.

Wages and benefits for the City's labor force comprise the majority of expenses. This is true for most local governments, whose main purpose is to provide services to customers, who of course are mainly residents and taxpayers.

Another common factor among most local governments is that the main source of revenue is the local property tax. Of the \$4.95 million City budget, \$2.9 million is expected to be collected through City property taxes. That revenue line item remained the same, which resulted in the tax rate staying the same as well.

At the final budget meetings a number of items were proposed to be cut or reduced.

Council members reached a consensus on most of the items, which resulted in an overall reduction in the initial budget request of more than \$150,000.

Anyone with comments or questions on budget-related items should contact the City Administrator at 322-9812 or [CathrynThomas@NewCastleCity.org](mailto:CathrynThomas@NewCastleCity.org).



As part of its annual convention, the International Thunderbird Club will have their cars in downtown New Castle on Thursday, July 12.

Convention participants plan to take in the sites and enjoy the many shops, restaurants and museums the area has to offer.

Local Thunderbird owners/enthusiasts are invited and encouraged to participate (details online at the Club Web site).