

**City Council of the City of New Castle
Special Meeting
Town Hall, 201 Delaware Street, New Castle
Tuesday, May 5, 2015 at 7:00 p.m.**

Call to order: 7 p.m.

Roll Call:

Councilperson Megginson - present
Councilperson Vannucci - present
Council President Ratchford - present
Councilperson Petty - present
Councilperson DiMondi - present

Also present:

William Barthel, City Administrator
Donald Reese, Mayor
Janet Carlin, City Treasurer
Daniel Losco, City Solicitor

Old Business

Discussion concerning possible annexation and or easement of a portion of Army Creek Dike currently owned by PrintPak.

Council President Linda Ratchford introduced the topic of either annexing or obtaining an easement for the Army Creek Dike in order for the City to provide maintenance. She asked the City Administrator to provide background.

City Administrator Barthel stated that the repair of the dikes after Hurricane Sandy was done with the intention of maintaining the dikes in compliance with the requirements for participation in the Federal Insurance Program. In order to be eligible, the City would need to take responsibility for maintaining the dikes to the standards of the Army Corps of Engineers. PrintPak owns a portion of the Army Creek Dike and is willing to give the City a maintenance easement but prefers to donate the property to the City.

City Solicitor Losco reported that PrintPak owns two parcels. One is actively used for the business and the other is the dike. They do not use the dike property and would like to donate it to the City. The company also offered the parcel to the State, but the State has vacillated on whether or not to accept it.

President Ratchford asked for clarification of the ability to execute an easement now and then later consider the annexation. Mr. Losco advised that he and PrintPak's attorney have prepared the Easement and Maintenance Agreement. PrintPak is asking for Council's vote to approve the execution of the agreement by the City Administrator. Later, if Council decides to annex the easement, it can be incorporated into the transfer agreement.

The City Administrator advised that the Conversation District is planning to build a berm for water and flood control but that is a separate issue from maintaining the dike.

Councilperson Megginson stated his agreement with the easement to allow the City to maintain the dike but does not know of any reason to annex the property.

Councilperson DiMondi asked about a plot plan to see the specific parcel and asked if the property is contiguous. He expressed concerns about the desire of some people for the City to take ownership of an abandoned property.

Solicitor Losco has a tax map but doesn't believe it is very exact. According to the tax map, it appears that the property is not contiguous.

Councilperson DiMondi supports the easement for the purpose of maintenance but needs more information before considering the annexation.

President Ratchford asked for a **Motion to Authorize** the City Administrator to Sign an Easement Agreement for Maintenance of the portion of Army Creek Dike currently owned by PrintPak.

Councilperson Vannucci motioned and Councilperson Megginson seconded. The Motion passed unanimously.

New Business

Motion, discussion and vote on Resolution 2015-17, to potentially provide amnesty from penalty for homeowners who pay delinquent tax obligations by June 22, 2015 on an improved residential property.

President Ratchford announced that Council would discuss the resolution but would table the vote until next week's regular meeting. The Resolution was posted on the web site today. Since this is the first time the City will offer such a program, the President wants to allow time for input from citizens.

The City Administrator explained that the City is owed approximately \$382,000 from overdue taxes. New Castle County has offered full amnesty of penalties for payments made by a certain date. Mr. Barthel's recommendation is to waive 50% of the penalty for payments made by June 22nd. Of the total owed, approximately \$189,000 is tax obligations while penalties make up the balance of almost \$200,000.

Everyone that is delinquent and does not respond will receive a letter on July 1st advising that they have 30 days to pay or establish a payment program. The next step is a letter from the City Solicitor.

Councilperson DiMondi inquired about the age of the overdue taxes and the size of the individual delinquencies. Mr. Barthel reported that they range from one year to several years old and from small amounts to more than \$10,000.

Solicitor Losco was asked to comment on when the City can take legal action to pursue the back taxes. He stated that if taxes are unpaid two years in a row, there is intention not to pay.

Councilperson DiMondi inquired about the cost to pursue the payments in court. Mr. Losco estimated it would take about 150 hours for each case. Councilperson DiMondi asked if a lien wouldn't be more effective and Mr. Losco stated that the City automatically has a lien.

Mr. Losco stated that if approached when the amount due is modest, most people will generally work with the City. If the amount is large, they usually can't pay.

The City Administrator has been surprised by people that owed other fees in large amounts and paid what was due. He believes that the advantage is that most of the properties are occupied homes rather than rental or investment properties.

Councilperson DiMondi asked if the City had a vehicle to permit a payment plan. He believes monthly payments in reasonable amounts will be accepted by most. Mr. Losco said his usual offer is for payment of 50% immediately and the balance is due in 12 monthly payments.

Mayor Reese added that the Board of Water & Light has a payment plan but if one payment is missed, you must pay the balance in full. Councilperson DiMondi commented that the IRS program works the same way.

President Ratchford stated that the Resolution would be added to the agenda of the Regular Council Meeting next week for a vote.

The motion to adjourn was made by Councilperson Megginson, seconded by Councilperson Petty and passed unanimously. Council adjourned at 7:21 p.m.

Council met in Executive Session to discuss collective bargaining regarding the AFSCME Contract and potential litigation.

Respectfully submitted,

Janet Wurtzel
Clerk of the City of New Castle