

New Castle City Council Budget Workshop Minutes
May 28, 2015 – 10:00am
City of New Castle’s Town Hall

Members Present: Councilperson - Ted Megginson (arrived @ 10:15am)
Councilperson - Albert J. Vannucci, Jr.
Council President - Linda Ratchford
Councilperson - Teel Petty
Councilperson - John A. Di Mondì

Also present: City Administrator - Mr. William J. Barthel
City Treasurer - Janet E. Carlin
Finance Coordinator - Kathy Walls
Theresa Simmons - Stenographer

The meeting was called to order by President Ratchford at 10:00 a.m.

Mr. Barthel began the meeting by explaining the purpose for being gathered. Mr. Barthel passed out revised copies of the new budget and also distributed packets to back up his numbers. Mr. Barthel provided a synopsis of what his projections were for the end of this year and the start of next fiscal year’s budget numbers.

Mr. Barthel spoke about requests he received so far this year listed as follows:

New Castle Historical Society	\$ 10,000.00
Beautification Committee	\$ 1,200.00 (1,000.00)
Alliance for Partnership (Signs)	\$ 16,000.00
Library	\$ 5,000.00
Senior Center	\$ 5,000.00 (1,500.00)
Parking lot (Placeholder)	\$ 140,000.00

Mr. Barthel thinks the check should not go to the **Beautification Committee** person. He said in years past we gave Beautification a check and said just do what you need but he states that the best way to manage this is to have the funds come from the City and they should tell us what needs to be spent.

President Ratchford asked about the checking account of the Beautification committee and the name on the account. Mr. Vannucci said Gene Dempsey has the checkbook. Dempsey writes the checks. Then the discussion went on about the balance in their account with Janet Carlin, Mr. Albert Vannucci, Mr. Barthel and President Ratchford. Kathy gave the breakdown of their present balance

which is \$5,300.00 she explained that in March the financial report started with \$6,600.00 and \$1,200.00 was used and the rounded balance is now \$5,300.00. Janet Carlin agreed with the balance. President Ratchford said the Beautification Committee does great work around the City. The balanced discussed was in the Beautification account in March but as of now there is not balance in this account.

Mr. Barthel said there is also a request from the Planning Commission for \$6,100.00 which is lower than last year. President Ratchford asked if Buttonwood was going to put in a request and Councilperson Teel Petty responded yes.

Mr. Barthel said if anyone has any questions about the budget – look it over and let's discuss. President Ratchford said she wants to go line by line over the budget and talk about revenue and requested a few minutes for everyone to look over.

Mr. Di Mondì asked how did the Senior Center get \$5,000.00. Mr. Barthel said these are just requests. President Ratchford said the council members are the ones who make the final decision. Mr. Barthel said \$1,500.00 is listed although they requested \$5,000.00

Arasapha – Christmas wreaths \$250.00 was spent. They requested \$500.00 Mr. Megginson said we support them with hanging the wreaths and decorating during the Spirit of Christmas which is about \$3,000.00 worth of work.

President Ratchford wanted to go over **Revenue** and opened the session up for any questions concerning the budget line items. She started the meeting asking about **Building and HAC** applications. She wanted to know if anyone had a separate dollar amount on these items. How much comes in for HAC and how much for Building? Or is it all one number? Kathy said, it's all one number – not separate amounts. President Ratchford wanted to know what the numbers represent and Kathy Walls said, its represents business licenses, late payment penalty charges and charges for permits that are done late and Pres. Ratchford noticed nothing was on that line and Mr. Barthel said, we never collect for penalties and late payments and Pres. Ratchford said, we should look into making them pay and if someone could do that and get back to her.

President Ratchford asked about the **Code Cost Reimbursement** – Is that abatement expense? Kathy Walls said, yes and it's separated out when the invoice comes in and it's billed to the person charged. The cost is offset by billing. Pres. Ratchford said under 450007 real estate cash donations are that from the property on Clayton Street. Mr. Barthel said, the 1st offer was \$10,000 and we negotiated \$25,000 and they gave us \$25,000 and the property was sold for \$35,000 this was just a donation – a one- time deal.

Trustees of New Castle Common – Their fiscal year ends in March. We have 2 appropriations. The Trustees paid one of our appropriations. \$200,000 was approved for fiscal year 2016. We are waiting for this documentation. They paid one of the ARRA grants already in their fiscal year prior so they will get back to us on that. Our request had three ARRA payments and we have two payments left. And there is also a curb appropriation item and the question was asked by Pres. Ratchford if that will be shown as a revenue item? Kathy says in our fiscal year budget we show one payment (\$100,000 and 50,000 for curbs.) In expenses so far we have gotten one payment in 2015. June will use up \$50,000. Kathy Walls says we have two left, one in 2015 and another in 2016. President Ratchford asked, so the description is the ARRA plus the curb and Kathy said yes. Kathy showed Council Pres. Ratchford on the budget line where it is listed (page 5 and 9)

Mr. Barthel said the MSC appropriation is normally \$500,000, but they added \$36,000 based on a proposal by Mr. Di Mondì. \$500,000 is ear marked for general fund as usual, but \$36,000 will be used for infrastructure. Mr. Di Mondì said, we can talk about that later.

Mr. Di Mondì asked about **Property Tax Transfers**. Do you use a projection back five years and take an average of that? Mr. Barthel said we took the numbers from the market conditions, but he also answered Mr. Di Mondì and said no we do not go back five years. He said we use an average but, also trends and conversations with realtors – market conditions based on forecast. Mr. Barthel said when he first started the figure was about \$360,000 and the next year it dropped to \$105,000.

Pres. Ratchford said the additional appropriation shows \$36,000 not \$37,500 and it should show \$37,500. The correction was made.

Other items were discussed on the budget line like: **Rivertown Ride Festival** – revenue will come to the City. \$8,500 revenue and \$4,000 expenses.

DFIT Reimbursement was mentioned.

President Ratchford asked what is the miscellaneous figure \$5,000 in general fund? Kathy Walls says, what gets posted there is anything that doesn't have a line item for example grants given to us, parade and assembly permits, trash pickup (big bins). Mr. Barthel said we are working on every item having a line on the budget. Our goal is to identify all items on the budget.

President Ratchford asked what is the **Restrictive Fund Balance Carryover**. Western Gateway funds that we still have are left. It's restricted because it helps pay Matt White who does the landscaping. The balance is \$30,000 how many more years left? 8 -10 more years.

Unreserved Fund Balance is? Mr. Barthel said, that's the carry over.

Pay Jobs Reimbursement? When our police officers are hired by a 3rd party we charge for the cost and wages for the officers plus 35% administrative fee.

Sponsored Park Donations? Mrs. Teel Petty asked what the item is. Kathy Walls said, its donations/checks given for Park Donations. Mr. Barthel said this went way back. Example would be William Penn statue, when it was finished somebody came in and gave a donation towards that. Kathy would like to get rid of that cash account – she says we have too many. This is in connection with unreserved fund balance.

Kathy Walls and Mr. Barthel explained there were some changes made to the budget from last night compared to the copy that everyone has now.

No more questions were asked concerning revenue – so President Ratchford moved to line budget items.

Public Safety: President Ratchford asked if there were any highlights. Mr. Di Mondri asked about salary projections- actual versus proposed. He asked are there police officers missing? Mr. Barthel explained that one of the officers will be going on reserve duty for 9 month. He said everything is factored in with their increases as well. Mr. Vannucci said we could be possibly losing another officer, as well, but we don't know yet.

Mr. Vannucci discussed the City vehicles and the purchasing of other vehicles. He stated how one car had to go because it would be unwise to pour more money into it. Mr. Vannucci said it would cost \$10,000 for two cars and he would like to get into leasing cars but, will get the information and get back with the group.

Mrs. Teel Petty asked about the K-9 (the police dog). Kathy explained that the supplies are being donated and other cost would be maintaining the shots and food and toys.

Bike Patrol: Budgeting for three officers next year. Two officers will ride around and one officer will be designated to the Battery Park. The three officers will rotate. The bike patrol officer will be at the park from 2pm – 10pm from Wed-Sunday and all weekends.

Public Service: E Code books. President Ratchford mentioned this item and Mr. Barthel said, Jeff Bergstrom had been putting this off and it's something that's needed.

Mr. Di Mondri mentioned the medical expenses will increase to \$100,000. Mr. Barthel said we shouldn't get into that right now.

President Ratchford asked if the truck and the major items not included in the spreadsheet. Kathy said the truck is under Capital Services (top of page 6). The cost for the dump truck is \$26,000. Mr. Megginson says we need to replace that twenty year old dump truck. It's a safety hazard. It's the work horse of our snow removal and salting. This has been on our radar for four years. Mr. Megginson and Vannucci said this new truck is a must especially for the snow. The dump truck cost \$118,000 in the next fiscal year. The size of the truck is 21/2 -3 tons. The truck will require a new plow and salt machine.

Street Repairs & Curb: The cost is \$86,000 (Page 5). Mr. Barthel said we are expecting the \$50,000 from the Trustees and \$36,000 MSC but nothing determined yet.

But an agreement was made the other night to get a quote from Mr. Athey ADA cut out curb in the City so once I get that then I'll be able to say out of the \$86,000 here is what it's going to cost us to do downtown. Just from ADA. Mr Barthel spoke of other funding that may be available to the City, from the Governor, Transportation funds and Senators who might allocate funds to us and just other sources of funds that will allow us to look at other street projects. But we currently have a project in place for about \$460,000 (\$330,000 is for the drainage project) then we're going to get a bit from Mr. Athey for out here. A matching grant he spoke of the other night which will also study the drainage issue if council decides they want to go forward.

Mr. Barthel explained what **MS4** is. He said it's a program agreed to by the State and it was initiated from EPA. It's used to deal with it and look at storm runoff. \$32,500 allocated this year. But the conservation district came in and took care of it for us per Mr. Barthel. Jeff is projecting that we will have to do this from now on. The estimated cost is about \$15,000 a year. The projections for the city of New Castle are from 8-10 years. This will cost the City around 2 million dollars to address those issues. The \$15,000 is the go ahead to keep up with the program where it is right now. Pres. Ratchford said we received some drainage money from the State. Del Dot is going to install the drainage on Chestnut & Ferry Cut off but we also have a bunch of other drainage issues that Jeff Bergstrom has identified the cost \$65,000 that they will fund.

Juniper Street project will cost \$15,000 – 20,000

Park Playground on Washington Street: President Ratchford asked is money being allocated for that. It was stated that there is no good location for the park.

Mayor and Council: No one spoke on this issue.

Pres. Ratchford says there is a **visitor's center** which operates a lot of the week and she thinks we should send people there instead of entertaining them in the

Admin. office. She thinks we might need to spend some money on the front of the building.

The question was asked about a new roof for the Admin. building. Mr. Barthel said that Jeff Bergstrom doesn't think we need a new roof; however, funds have been allocated for it. The funds allocated are \$10,500 Mr. Di Mondì thinks the roof just needs to be coated.

Pres. Ratchford asked about the **Heritage Trail Brochures**. Do we print them? Is it updated? She noticed the cost for the calendars went down from \$6,000 to \$4,500. Mr Barthel thinks the news letters should be printed every other month. He said he doesn't know if we print those brochures or not. Pres. Ratchford said if we go every other month with the brochure then it won't be timely. Mr. Megginson and Vannucci both agree that most people don't even read the newsletter. They stated that the Weekly cover it and the Cobblestones do too. Mr. Megginson said people don't even read their calendars – all this information is in there and in the newsletter. Janet Carlin said think of the people who do not call even though 2 – 3 people do. She said somebody is reading the newsletter. Councilperson Teel Petty and Janet Carlin said to ask the people if they wanted to continue getting the newsletter. Mr. Megginson said let MSC put it out. The cost for doing the newsletter is \$1,500 a year and they agreed to take it out of the budget. Most wanted to keep the calendars.

President Ratchford looked down the budget and called these items out: Payroll and Paychex. She mentioned the placeholder position – Admin. office and also Building Maintenance.

Mr. Di Mondì asked a question about our (City) **staff engineer**. He wanted to know if the staff engineer recommended us getting work done would he be the one doing the work and getting a cut (percentage). Mr. Barthel said it's not a black or white thing. It's not a given. The work might be contracted out. Mr. Di Mondì doesn't like it if the person who helps get the grant also gets a cut of the money.

Discussion was made concerning the **Bank**. Councilperson Teel Petty spoke about the building being worth saving while Mr. Vannucci said 2 engineers came in and looked at the building and said it's not worth saving. Mr. Di Mondì said to vote on

it and get a bid and put it in the paper and see what you can get for it and if that doesn't work then just tear it down because it's a safety hazard. Mr. Barthel said to lift the building and put a foundation on it that came to \$250,000. Pres. Ratchford said someone approached her about leasing the building so interest in the building is out there.

Insurance Professional Contractual Services: Mr. Barthel said those bids are due tomorrow and he is not sure on the numbers.

Mr. Di Mondì asked if Comcast was honoring the deal that was made to give us for free internet. Mr. Barthel said he knew nothing of that deal and no we are not getting free internet. Mr. Di Mondì said the agreement was made when we signed the contract in 2006. Mr. Barthel said that they are still paying our franchise tax but he will look into the free internet portion and review the signed contract.

Planning Commission: President said this is basically as submitted.

Historic Area Commission: President Ratchford has asked a consultant to come to the HAC meeting to speak in the area of historic guidelines review and she will set that up soon and once the presentation is made then we need to make up ordinances. She said phase 2 includes \$5,000 for graphics which basically helps people figure out what they need for their houses because right now it's very minimum graphics. Also there is a need to do an inventory of the buildings in the city but not a full detail inventory because that would cost too much (\$6,000) but this needed to decide if the buildings are key contributing or non-contributing.

Non-contributing are building built in 1970 and this requires much less requirements. Pres. Ratchford said she will make sure that everybody gets a copy of this when it's completed. She also mentioned that she thinks we should do a Certified Local Govt. application which will cost between \$400 - \$500.00 this makes us eligible for grants to help us get some of the work done. Mr. Di Mondì

asked if these proposed changes will come to us. Pres, Ratchford said, yes the changes will come to the council people to be considered and we will have to make decisions on these proposals.

Civil Defense Board of Health: Any questions or comments (No response)

Proposed Grants: (No one responded with any questions)

Flood Delaware Coastal Program: President Ratchford asked is that the shoreline (page12) Kathy said, that is going through Jeff Bergstrom. Mr. Barthel said Jeff has been working with MSC – been hanging on to this for a while. Kathy said it's basically a survey of the flood areas.

Climate Change Mitigation: Pres. Ratchford thinks we should consider. We can get a grant for that but we would need matching money which would be about \$10,000.

There were no other questions concerning the budget so Pres. Ratchford just reviewed the items that she mentioned previously that need more information.

Mr. Di Mondì wanted to talk about the budget overall. He said that a budget need to be done that does not have any grants or surplus to fabricate the numbers. He said the budget line items have to live on their own and how are you going to pay for the increase in the cost especially in the insurance which is \$100,000 and we have no revenue coming in. He thinks the people of the City should pay for the increase by raising taxes. He said we have more police in our department than any other municipality our size. He also said that we have to stop neglecting the infrastructure because it's going to get worse but if we raise taxes now and not wait until we have to increase by 20% then the people will be very upset.

Pres. Ratchford said we have been very responsible with our money and we have held off things in the past. Mr. Barthel said we proposed the budget from how we see it and that council has the right and the duty to discuss what we have proposed.

Mr. Di Mondì said so do you want to discuss MSC? He did make a proposal to

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MSC for \$600,000 less utilities not based on budget. Mrs. Teel Petty said no not today. The MSC discussion was tabled by Mr. Barthel as well. He told Mr. Di Mondy that a separate meeting needs to be set up to discuss that.

A meeting was planned for next Friday June 5th at 10am
The topics to discuss:

AFSCME Contract (executive session)
Tower Lease
MSC Contributors
Water Tower

Then another meeting needs to be set up for the budget after the AFSCME meeting.

The budget has to be completed by June 30th 2015

Motion was given by Pres. Ratchford to adjourn and motion was seconded. All in favor say aye. Meeting was adjourned.

Respectfully submitted by:

Theresa Simmons