

**City of New Castle Delaware  
City Council Special Meeting and  
Budget Workshop at Town Hall  
201 Delaware Street, New Castle  
Thursday, May 25, 2017  
7:30 p.m.**

**Agenda**

**Roll Call:**

Councilperson Valarie W. Leary  
Councilperson Michael J. Quaranta  
Council President Linda Ratchford  
Councilperson Michael M. Platt  
Councilperson John A. Di Mondì (Absent)

**Also present:**

William Barthel, City Administrator  
Janet Carlin, City Treasurer  
Kathy Walls, City Finance Coordinator

**New Business**

It was mentioned that: the purpose of the budget workshop is to set the overall process in motion; the City Administrator and staff will present the budget they've developed in collaboration with the staff, and provide an overview of the things they think the City needs to address; then, it will be up to the Council to decide on what they agree and disagree with; although one Councilperson John Di Mondì was gone for an extended period, now is a good time to get the Council, including newly-elected Councilpersons, up to speed; the absent member can review the proposed budget when he returns; there will be an overview of how they got where they are, and what they have been monitoring, working capital and cash reserves; there have been efficiency improvements.

Mr. William Barthel presented the employee count and employee costs. He reported that the cost of employees is significant in the City, and pointed to the number of employees in the Police Department; beginning in 2012, there were 19 employees, including 17 police officers, and two people who were essentially secretaries. In FY 2017, there were 18 employees, one of the secretaries having been moved into another role, leaving 17 officers and one secretary. For 2018, there is a proposal to increase the budgeted head count to 19 employees total. In the public service department, there were 18 employees in 2012; two employees were previously paid for via the Trustees, but that this practice has since stopped; in 2015, through attrition, a few employees were lost but not replaced. Instead of replacing 2 lost employees, they contracted with a company called Antonio's for lawn service. The City originally paid the contractors \$35,000.00 per year, whereas, if the administration were to have two employees mowing the lawns, they would have spent \$85,000.00 per year. For the public service department, there is a proposed

headcount of 13 for 2018; the City had been contemplating opening up an additional spot, giving a total of 14, but this didn't materialize.

Councilperson Michael J. Quaranta asked whether the headcounts in all of the columns on the spreadsheet, through 2016, were actual numbers or proposed numbers. Mr. Barthel replied that: the budget numbers and head counts are proposals, not actuals. Mr. Barthel stated that in the administration department, they started out at 8, but lost personnel through attrition – e.g. a middle manager who performed HR duties. He reported that the people left who were not replaced, and the total was now down to 6 people, which continues to be the proposed administration headcount for 2018. The total head count has gone down from 45 to 38, and 38 remains the proposal for FY 2018. The associated budget goes up to \$3,100,758 an increase of \$148,383 from the previous amount, due to health care costs and contract agreements (union employees, etc.)

According to Mr. William Barthel 38 is the right staffing level, responding to Council President Ratchford; if it is possible to staff the PD at 19, that would be a reasonable staffing level; cannot go much lower than that; Mr. Barthel, spoke about looking at the history, where they come from, and encouraging collaborative efforts with officers. There may be a desire to hire an additional officer; if hiring an additional officer is practically (as opposed to financially) feasible, then this would be reasonable. Council President Linda Ratchford stated that there had been three offices where citizens could come and drop in, and there had been some inefficiency. Mr. Barthel explained that the Trolley Barn would be closed. Now, there are only 2 offices for walk-ins, including the Police station and the office on Delaware St. Bill said that the current set-up with the offices is more efficient than the previous one.

Councilperson Michael J. Quaranta asked how the actuals came to the budget proposals. If they are not the actuals, then what was settled in 2016 back then, and are they actual numbers at the police station? Mr. Barthel said that staff resignations and worker's comp absences had to be considered, but that the numbers were fairly close.

Councilperson Valarie Leary discussed how, while there was a budget for 17 plus 1 at the Police Department for FY 2017, they had not had 17 actual officers. Mr. William Barthel said that there were people coming out of the Police Academy that might start working in June and or July, which could take the number to 19 if an additional officer position was approved; would be necessary to go back to see when full employment for numbers was reached. Councilperson Mike Platt asked why the numbers are always below projections? It was mentioned that budgeted numbers are generally never quite reached; e.g. an early buyout was offered for some officers at one point; at one point the number of officers was been down to 14.

Council President Ratchford and Councilperson Leary asked if there were other questions. Councilperson Leary proposed to expand the officer numbers to 18, if the chances of filling it were realistic. A participant solicited comments: Mr. William Barthel said they should go through the budget further to assess the viability of this proposal. He said that he thought this type of discussion was something that could be talked about further on in the future. Another councilperson said that the Police Chief has interviewed 2 people for patrolman spots, people who have already gone through the academy, who would increase the number of officers to 18 if

hired. Currently, the head count for the Police is 16 and 1; public service is at 13; admin is 5, and they are trying to hire someone else.

Mr. Barthel stated that he wanted to share the highlights of what he is proposing, and passed out handouts. He shared a proposal to purchase a new street sweeper, the cost of which would be \$285,000, reflected in a \$44,772 amount in the City budget for the year – he had spoken to Mr. Dave Athey about this; street sweeper would help deliver compliance with the NPDES system, EPA directives, and the Clean Water Act. There are restrictions on management of water runoffs, on where water can be discharged, and DelDOT is responsible for helping to implement the relevant regulations. In June, an MS4 ordinance will be reviewed. The current street sweeper is 20 years old, and not adequate. Additionally, a request is being made for two new police cars, for a combined for 14 thousand dollars annually ( if funded over 3 years), plus a possible additional officer, \$425,000 in new street projects; the number is being negotiated.

Ms. Kathy Walls handed out the budgets. Barthel explained that they could go into detail, as in years past, and peruse each page, discussing highlights. The Trustee appropriations involved \$200,000 allocated for handicapped curbs, an amount that would need to be spent the money by the end of March. Councilperson Michael J. Quaranta asked about a “rental number” on the budgets: was this from rental properties that are licensed only? Answer: yes, \$50 per unit. The City is working on statistics for the number of rentals. Councilperson Michael J. Quaranta said that, if one included multi-family housing at River Walk, the total number would jump by about 150 – would the price still be \$50 per unit? Answer given: yes. Councilperson Michael J. Quaranta stated that 60 units at \$50 is \$3,000.00 – he asked whether the fee was paid once final approvals were given. Mr. Barthel said “yes”. Mr. Barthel gave an example of a duplex, where a license goes out for the year in the new year. Councilperson Michael J. Quaranta clarified that the license covers calendar years. It was asked why HAC application fees are substantially higher. It was stated that the answer had to do with higher fees for larger building projects. \$112,000 for building permits.

It was asked what code enforcement and cost reimbursement are; the answer clarified that it includes scenarios such as maintenance work on foreclosed homes Council President Ratchford asked whether the State Courts item comprises traffic tickets. The answer that she received from Mr. Barthel was “yes”.

Mr. William Barthel wanted to talk about the restricted fund-balance carry over. Ms. Kathy Walls asked about projects that had been budgeted for but did not get completed. William Barthel clarified that they had about \$300,000 in outstanding contractual obligations. Councilperson Michael J. Quaranta wanted to know what the projects were; Ms. Walls spoke about the Gateway money of \$500,000. Barthel: years ago, grant of \$60,000 was received for the Western Gateway; about 3.5 years ago, it was determined that the remainder of the grant (\$22,000) was not being utilized; what is left of the grant is \$22,000 according to Mr. Barthel. Ms. Kathy Walls spoke about restricted funds, saying that there were \$400,000 that will be earmarked for new road repairs; \$600,000 would be restricted for certain projects. Council President Ratchford had asked for a run-down of the money. Mr. William Barthel stated that that \$400,000 was earmarked through a resolution, but it is the Council's prerogative as to whether it will be allocated: it depends on feasibility/costs. It was mentioned that \$105,000 was provided by

the State of Delaware for street aid, sometimes as low as 65,000 and there was a lot more. Council President Ratchford. Councilperson Michael J. Quaranta mentioned that there is \$400,000 of budget set aside for Delaware Street (Barthel added that this is based on an act of a previous Council). Ms. Kathy Walls said that this happened in December, with the assumption that they would have a surplus. Barthel discussed how they wanted to preserve the overall and excess funds, and what their intent was; it will not be possible to decide how to spend the amount until much later down the road.

Council President Ratchford and Ms. Walls discussed the \$600,000 restricted amount in the budget. Per the 2017 actuals, they are currently in the black by \$870K, but by the end of June, the amount could go down by 88K; and minus the restricted amount, the total would be about \$200K. Mr. Barthel spoke about how, if one accounted for two payrolls and two pension payments, and took this out, you will see \$182K. Linda stated that the funds are there. Tax payments and expenses were explained in her forecast. 300K out + 212K in = -88K.

Councilperson Leary asked about the Pilot security cameras; Mr. Barthel discussed the cameras at the pier, saying that it cost \$300/month for monitoring services. Part of the money was obtained for the pier. The Police Dept. wants to consider monitoring other parts of the city, using these cameras, on a progressive basis. It will be assessed over time whether cameras are working well, and whether their range could be expanded more. There was money taken out of this budget for monitoring and security cameras; depending on how things play out, later they can come back and say they would like to add more cameras.

It was asked whether the increase in uniforms (vests, etc.) was reflective of potential for added headcount. Ms. Kathy Walls mentioned how, due to staff turnover, two new recruits and dated equipment, it had been necessary to buy new uniforms. Ms. Kathy Walls related how the PD previously dipped into the general fund to cover equipment costs, but is now trying to make regular projections about equipment needs. It was explained that the number includes the retirement of vests, grant money.

Possible reduction in overtime resulting from increase in officers was discussed. Ms. Walls spoke about how over-time was paid for public safety services for special events, but that the safety personnel had been contracted from outside companies. They use services such as Amazon to order personnel, and it is contractual. The revenues are \$50,000, as the City charges for overhead (worker's comp, etc.)

Council President Ratchford inquired about the amount of officers the seasonal bike patrol involves; Mr. Barthel said there were three officers; the intention is to have all three out on patrol at once.

Councilperson Leary asked a question about salaries; budgeting zero; Ms. Walls explained that one positions has been merged with secretary duties when the jobs are vacant. Mr. Barthel said that he wants to merge positions together and have people cross-train, combining a secretary's duties between different offices. Councilperson Quaranta and Ms. Kathy Walls spoke about the open position. Barthel said that the discrepancies in salaries are partly explicable through the fact

that someone got hurt on the job, and another person was brought on to do the job via a temp agency, which is the typical practice.

Councilperson Leary asked about computer- and software expenses; it was stated in response that expenses went to MS4, and a discussion about MS4 ensued.

Mr. Barthel explained that money from the Trustees covered a certain amount of the expenses in general street work. The possibility of a harsher winter next year, and consequent maintenance/repair expenses, was discussed.

Recreation parks equipment as discussed: Mr. Barthel explained that they received a truck from MSC under the pretense that they would bring it up to code, and that it has to have a five-year inspection; the intention of bringing back the bucket truck is twofold: aim is to be able to cut down trees on more a regular basis, and clear brush. Barthel continued discussing the Tree Commission; when Mr. Barthel came onto the Council, the Trustees used to cover the relevant costs; \$45K allocated; now, focus shifts to trees that are a liability, and how to keep the budget from getting out of hand. Leary and Linda discussed the budget further.

It was mentioned that, per Federal standards, they had to take care of dykes and to trap small animals that were getting inside the space. A quote of \$70K to pay Antonio's was discussed; they will know more later. Antonio's covers all City property, but there has been a recent re-inventorying of property the City owns.

Storm drainage was discussed; Ms. Walls spoke about the KCI contract – Councilperson Quaranta asked about the proposed street sweeper, and whether a new dump truck should also be procured; Mr. Barthel said that they have 2 more years slated for their current dump truck. Councilperson Leary asked about what the definition of a catch basin. Barthel said that the estimate was \$5K for emergency repairs – Councilperson Quaranta spoke about other compliance options that would serve as an alternative to a street sweeper; Mr. Barthel spoke about how there is a big array of things that need to be done in regards to environmental compliance; he spoke to Mr. Athey to get an overview of things that need to be done, and he went back to talk to Mr. Bergstrom; the result of this was a recommendation that they get a street-sweeper. Councilperson Quaranta asked about possible cost-sharing with the street sweeper, putting together a weekly schedule for the its use. Barthel gave examples, said that DelDOT was under NPDES-compliance obligation, and spoke about partnering with DelDOT.

Councilperson Leary asked if a number on the actuals turned out to be low; answer that she was given was "yes"; Councilperson Mike Quaranta asked a question about which association dues were included in a \$4,000 figure. Ms. Kathy Walls explained that Separation Day involves a separate fund. Councilperson Mike Platt asked about calendar expenses. Mr. Barthel explained that he had tried not mailing out calendars, but that a number of people had requested them regardless. Ms. Walls spoke about the software for online payments. In response to Councilperson Leary, it was mentioned that it had been paid off.

There was a discussion of building repairs Mr. Barthel spoke about remediation at the Delaware St. offices: in the Admin building, underneath the floor of the conference room, there is a

crawlspace that needs remediation; cement needs to be poured; it is not a health hazard, at least as yet; the issue goes back to perhaps before the previous City Administrator; Kathy spoke about walls, putting access outside.

Mr. Barthel spoke about selling off City-owned property; there is a requirement to make an offer to trustees and then MSC, and then have property appraised; and Councilperson Leary said that this did not concern homes that have been abandoned. Councilperson Quaranta about Police liability insurance: was there an adjustment, or increased claims, in the insurance, and was the insurance for the police or other public officials; Mr. Barthel explained that worker's comp has leveled off; New Castle is part of an insurance bloc involving 22 cities.

Councilperson Quaranta asked if the lawyer the City uses is on a retainer? It was replied that the lawyer is not on a retainer, but is billed hourly. Councilperson Mr. Barthel explained that they use a separate labor lawyer in addition to the lawyer who handles other matters.

It was explained that the Trustees funds not been expended yet; the item could be allocated to public works/services; further discussion about Trustee contributions.

Councilperson Quaranta asked about long-term payables; Ms. Walls explained that these included accrued benefits, and spoke about a fund for owed benefits. There was discussion of retirement and cashing out. Discussion of how much needed to be contributed to the fund.

Council President Ratchford asked about grants; Kathy explained that some grants have not been awarded yet; some items will not change.

Councilperson Quaranta asked, if the City were to have a non-profit, would the money be allocated? Ms. Walls would said that there would have to be a separate book for this.

Mr. Barthel mentioned that there were requests from the historical society, and he handout stated that the documentation for their requests was on file.

Council President Council President Ratchford spoke about the need to look over contribution requests; Councilperson Quaranta confirmed that, if they added certain expenses, they would need to offset them in order to balance the budget. Council President Ratchford expressed that she wanted to discuss other budgetary matters things later on at another meeting.

**The Motion to adjourn was made by Councilperson Quaranta, seconded by Councilperson Leary and passed unanimously. Council adjourned at 9:44 pm.**

Respectfully submitted,

Brian G. Whitaker  
City Clerk of New Castle, Delaware