

City of New Castle Delaware
City Council Special Meeting – Budget Workshop
201 Delaware Street – New Castle
Wednesday, June 6, 2018

Roll Call: 6: 48 pm

Councilperson Valarie W. Leary
Councilperson Michael J. Quaranta
Council President Linda Ratchford
Councilperson Michael M. Platt
Councilperson John A. Di Mondi

Also present:

William Barthel, City Administrator
Janet Carlin, City Treasurer
Ms. Walls, Finance Director

New Business:

1. Council Workshop Session to discuss 2018-19 City Budget. (Council President Ratchford – posted 05/29/18.)

Council President Ratchford stated the purpose of the meeting, being the second budget workshop, and requested that the staff review the revised proposed budget, with some highlights, and note any changes that have occurred, and also provide a status update.

Mr. Barthel stated that after the previous meeting, there was a year-end carryover of \$18,000. With updates from May and into June, this is expected to be reduced to basically a zero carryover. This is due to \$20,928 that resulted from additional review and revisions of the proposed budget, as follows (referring to the provided handout):

- Page 4; Medical Testing reduced from \$3,000 to \$2,000 (due to an expected reduction in mandatory testing, per Police Chief Rogers);
- Page 4; Building Repairs and Maintenance reduced to \$15,000 (\$5,000 reduction);
- Page 4; Vehicle Parts and Repairs reduced by \$5,000 (due to an expected reduction in repair expenses, per Police Chief Rogers, if the two new police vehicles are approved);
- Page 4; Physicals increased by \$900, due to projected expenses for bike police;
- Page 10; Building Repairs reduced by \$11,500, allowing for needed repairs, but putting off others that had previously been included;
 - Mr. Barthel clarified that the Building Repairs numbers are based on estimates by staff, and not on actual bids received.
 - The listed number includes work on the floors on the second floor of the Admin building, work on the building façade, and addressing of basement leakage that may result in the side walkway needing to be replaced. Related to work needed on

the façade, Council President Ratchford clarified that the building has a leak coming in the front from the outside, and although the amount proposed includes repairs, there is no actual proposal yet as to how it is to be repaired. This issue is separate from the basement leak, which began with dampness and is now getting worse.

- Page 10; Software Support and Leased Copier reduced by \$3,000 (from \$7,700). This item is related to web upgrade and technology;
- Page 10; Software Support and Leased Copier category, the proposed \$27,000 includes:
 - The yearly payroll software contract amount (with ADP), at \$11,100,
 - Annual bookkeeping system support,
 - Online payment system contract (FormSite),
 - Cost for an outside contractor to come in and improve the web payment system.

On a side note, it was mentioned that there are approximately 2,500 business licenses active in the city.

- Spread out by department, over various pages; city salary increases of approximately \$3,700 (to possibly be adjusted based on ongoing union negotiations);

An additional (estimated) \$20,000 savings are anticipated, related to potential personnel actions in the Police Department, for a total reduction of \$40,928.

Councilperson Quaranta clarified that expenses related to “grants,” i.e. city contributions to community requests, are not impacted by the above-noted reduction of \$40,928.

A placeholder of \$5,000 has been included in the proposed budget, for grant expenses, not including beautification. The \$1,000 under the category of beautification is for flowers, and volunteers provide the work.

Council President Ratchford stated that Council requests for funds need to be listed in the proposed budget.

The proposed purchases of a street sweeper/vacuum and a garbage truck are listed on page 7 of the document. To fund these, the projected amount is \$75,000 for seven years.

The street sweeper listed is for replacement of a 1997 vehicle, required by the city’s storm water permits. The current street sweeper operates sporadically, is unsafe (per Mr. Barthel) and cannot be used to maintain a street cleaning program in the city. It does not meet the requirements that street debris be picked up and disposed of in an environmentally sensitive way. The replacement vehicle under consideration meets those requirements, as well as has the ability to clean catch basins.

The garbage truck listed is for replacement of a 2000 truck, which is the truck in the worst condition of the three city garbage trucks. Current estimated life of garbage trucks is 10 to 12 years.

\$44,000 has been held in the city's restricted funds, for potential future purchase of a street vacuum. The \$75,000 street sweeper line would be offset by the \$44,000, if the purchase is approved.

Councilperson Quaranta stated that he would like to see an additional savings payment made toward a future purchase or lease of a street sweeper/vacuum. He also wondered whether it would be feasible to have the street vacuum be revenue-producing, by using it in other municipalities that have the need. He also stated that if the city were to purchase the street vacuum, a regular citywide program of street cleaning needs to be implemented.

Mr. Barthel noted that there had previously been such a program in place. The program was abandoned, due to the unreliability of the current street vacuum.

Mr. Barthel noted that when an inquiry was made as to the feasibility of using the new street vacuum in other municipalities, the concern of bringing in trash to New Castle from those other municipalities was brought up. This might be in violation of regulations from the EPA and other organizations.

\$24,000 is listed in the proposed budget for the garbage truck, and \$75,000 is listed for the street sweeper.

Councilperson Di Mondi stated that in the past, the city did not finance purchases, but rather paid cash.

Councilperson Platt clarified that the proposed budget is balanced, and the equipment being discussed is included as leased equipment.

Mr. Barthel stated that next year's garbage truck payment will be the last, so there will be a decrease in that expense of \$24,000 in two years (barring unforeseen circumstances).

Councilperson Leary asked at what point there might be discussion as to revenue increases. Council President Ratchford responded that at the time of the budget vote, that topic could be discussed, as well as any potential fee changes, such as such as rental licenses, business licenses and building permits. That revenue is based on a calendar year, so fall might be the best time to discuss those.

Councilperson Quaranta requested that Mr. Barthel, Ms. Wall and the City Treasurer, come back to Council with what their recommendations would be if they were told they had to remove \$250,000 in expenses.

Councilperson Di Mondi stated his preference that the money received from the Trustees, for purposes of street and infrastructure repairs, be used instead for the purchase of the garbage truck, if the garbage truck is a necessity.

Related to the storm drainage MS4 expenses on page 7, line 7536, Mr. Barthel advised:

- \$10,000 is for the New Castle Conservation District to come in an evaluate and consult;
- \$14,600 to KCI, for consultation services;

- \$30,000 is for catch basins.

The total spent through May 2018, on the above three items, was \$29,686. Per Mr. Barthel, Jeff Bergstrom anticipates more catch basin issues to occur, so the projected budget amount for this expense, of \$30,000, is an increase by \$15,000 over last year.

Councilperson Leary asked when was the last time the city had purchased a vehicle outright (rather than lease). Mr. Barthel stated that it was 2011.

Councilperson Di Mondi requested an explanation of the \$33,000 listed in the document, for the pier. Mr. Barthel advised that those are funds that are left over from when the pier was built, and are for use on the pier only. This year, that amount started out as \$51,000 and is now \$33,000.

The state has provided the full requested amount of \$119,000, for the Third Street improvements. This is \$25,000 more than the city had anticipated receiving.

The state legislature has not yet decided/announced whether they will be providing the municipal street aid funds of \$106,000. If they approve an amount greater than the \$106,000, that increase could be used for other street projects.

Council President Ratchford noted that Council had wanted to reserve some funds for other things, without specifically allocating them at this time.

Last year, the city had funded an ad in the Greater Wilmington Convention and Visitors Bureau. That \$3,000 is not in this budget.

Councilperson Platt noted that discretionary funding would be the first item he would cut, if Council were to follow the recommendations that Mr. Barthel, Ms. Wall and the City Treasurer are likely to come back with, in response to Councilperson Quaranta's earlier request. Therefore, he suggests waiting until after those recommendations are received, before continuing the discussion.

Ms. Wall stated that she is uncomfortable recommending \$200,000 in cuts to the proposed budget, as the currently proposed budget is her recommendation.

Councilperson Quaranta provided an example of not hiring to fill an existing vacancy in the city.

Councilperson Di Mondi stated that if the budget includes future financial commitments, then it is not a balanced budget. He recommends reducing street and infrastructure repair by whatever amount is needed to purchase the street sweeper for cash.

Mr. Barthel requested that Council decide what they want to fund for all discretionary funding, before he, Ms. Wall and the City Treasurer go through the exercise that Councilperson Quaranta has requested.

Discretionary funding in fy 2018 totaled \$20,250, including beautification: \$18,750 in the Mayor's Council budget and \$1,500 in beautification, detailed as follows:

- \$2,500 to the New Castle Library; (they have requested \$5,000 in fy 2019)

- \$3,000 to the Senior Center; (they have requested \$5,000 in fy 2019)
- \$1,500 to Beautification; (\$1,000 placeholder for fy 2019)
- \$750 to Arasapha Garden Club (they have requested \$750 in fy 2019)
- \$7,500 to New Castle Community Partnership-branding project (they have requested \$3,000 in fy 2019)
- \$5,000 to the New Castle Historical Society (they have requested \$9,000 in fy 2019)

Council President Ratchford requested that staff put the information listed above into a spreadsheet and email it to Council.

The proposed budget includes \$5,000 for the non-profit items that totaled \$18,000 last year.

On page 18, \$500 had been included for National Night Out, but it was never used, and it has been carried over in the proposed budget.

Arasapha Garden Club has requested reimbursement of decoration expenses at \$750.

Beautification will be left at \$1,000 in the proposed budget.

Councilperson Quaranta requested that line-by-line review of the proposed budget be held off, until city staff returns with their recommendations that he requested earlier in the meeting.

Roughly one third of the proposed budget consists of police salaries and personnel expenses.

There is roughly another \$1 million in other city staff salaries and personnel expenses.

There is currently no open city position, per Mr. Barthel.

After a motion and second, the meeting was adjourned.

Meeting adjourned at 8:26 p.m.

Respectfully Submitted,

Brian G. Whitaker

City Clerk of New Castle, Delaware