

**City of New Castle Delaware
Public Hearing at Town Hall
201 Delaware Street – New Castle
Monday, November 26, 2018– 6:30 p.m.**

Roll Call: 6:30 pm

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

Also present:

Jimmy Gambacorta, Mayor
Janet Carlin, City Treasurer
William Barthel, City Administrator
Daniel Losco, City Solicitor
Richard McCabe, Chief of Police

Council President Ratchford stated the purpose of this meeting, as a public hearing concerning **Resolution No. 2018-31**; a Resolution to approve the borrowing of \$226,000 for the purchase of a street sweeper. (Council President Ratchford – posted 11/19/2018.)

City Administrator William Barthel provided the following information:

- Council had approved the purchase of the street sweeper at the cost of \$261,000, with \$35,000 down. According to the City Charter, approval is now required for the actual funding.
- A couple of lenders were spoken to, and the City Administrator's office recommends going with PNC, who offered a 3.7% interest rate, for seven years.
- A "no prepayment penalty" has been negotiated for that loan.
- M&T had offered a seven-year loan at 4.819%, with a prepayment penalty.
- Mr. Barthel had received an email from Councilperson Di Mondì, requesting an addendum to the Resolution, that the balance of the note be paid in full as of October 1, 2019.

Councilperson Di Mondì then introduced an amendment to **Resolution 2018-31**, to limit the amount of time to repay the loan, to October 1, 2019. This would give Council an opportunity to adjust the forthcoming budget, to make the funds available, through the time frame that property tax payments start being received, which is usually by October.

City Treasurer Janet Carlin stated that current indebtedness is at \$46,830. With the proposed loan of \$226,000, the total would be \$272,830, which is less than 4% of the total \$6 million budget. Ms. Carlin stated that the interest rate on the proposed loan is very good.

Councilperson Di Mondì stated that the loan balance would be part of the street budget.

Council President Ratchford asked whether the street sweeper funds would be part of the street budget, or separate.

Mr. Barthel stated that the street sweeper funds portion of the overall budget could be allocated in any way Council decides, such as being for a project to clean the streets, or funds to address drainage issues.

Mr. Barthel added that additional money for the street sweeper had been requested from the Legislators, from community transportation funds, but the request was declined. \$175,000 had been granted from this source, toward the Delaware Street project. Therefore, Council could consider allocating more funds toward the street sweeper, because of receiving that \$175,000.

Council President Ratchford requested public comment at this time, and there was no public comment.

Council President Ratchford briefly reviewed previous discussions, resulting in the compromise decision to put \$35,000 down on the street sweeper loan. This public hearing is required by City Charter, to discuss the loan. A vote on the Resolution will take place at a future date.

Councilperson Platt asked for confirmation that there is no earlier prepayment penalty, which Mr. Barthel confirmed. Mr. Platt stated that therefore, there would be no reason to add the requirement to pay off the loan in October 2019. The Council that is sitting at that time could make that decision.

A member of the audience asked Councilperson Di Mondì to explain the amendment that he is requesting.

Mr. Di Mondì stated that the City has discretion in how budget dollars are allocated, other than hard overhead costs, and that a decision could be made at the upcoming budget hearing, to allocate the money to pay off the street sweeper, after property taxes are collected.

After a motion and second, the Public Hearing was adjourned.

Adjournment motion carried at 6:45 pm

Respectfully submitted,

Brian G. Whitaker

Clerk of the City of New Castle, Delaware