

Municipal Services Commission  
Special Meeting  
January 5, 2016, 4 p.m.  
216 Chestnut Street  
New Castle, Delaware

The meeting was called to order at 4 p.m. with Dr. Roy Sippel, Commissioner, presiding.

Present: Dr. Roy J. Sippel, Commissioner, President  
Daniel F. Knox, Commissioner  
Hickman Rowland, Commissioner  
Pamela A. Patone, Secretary

The purpose of this meeting is to review Secretary Patone's meeting with City Administrator Bill Barthel to discuss negotiations and charter changes.

Secretary Patone, MSC counsel Dan McCollom, City Administrator Bill Barthel and City Solicitor Dan Losco met on 12/21/15 to review items negotiated previously. Regarding the 6% appropriation that was negotiated, there was a concern that if revenue (user rates) dips too low that the percentage would yield less than \$500,000 and Council inquired whether there could be a floor of \$500,000. Secretary Patone's response was that if our revenues do dip too low there may be a reason that would prevent us from sticking with the \$500,000, such as if Zenith were no longer one of our customers. The agreement was that MSC and the City would document in the charter they would meet to discuss in good faith if the appropriation dropped below \$500,000.

Administrator Barthel did some calculations on numbers of what the 6% would yield and after realizing the City pays for electric and water, the amount they receive above the \$500,000 was less than he anticipated. His thinking was he would see a deficit. Secretary Patone properly showed him the calculations show approximately \$48,000 more, or \$548,000 after netting out. There was still concern. Therefore, the parties agreed the \$20,000 previously agreed to by not allowing antennas on the water tank goes away, they still get the 6% but the water would not be charged to the City. They would get electric at the DEMEC rate, water would be free, and the \$20,000 antenna cost would go away.

Secretary Patone has been working through the accounts set up in the City's names and has been providing Administrator Barthel with some schedules so he knows actual addresses and the City electric portion and how much they have used in the past. Water -- There was discussion on wholesale rate versus retail rate. The water has always been recorded as a City contribution at the retail rate. There has never been a history of tracking what it costs to produce water. It was recorded at retail (\$20,000). She suggested possibly doing 50% of the lowest rate in our tariff, which is the agriculture rate. This would bring the cost down to \$10,000. Administrator Barthel was looking at moving the rate up to 6.25%. Secretary Patone countered that the 6% is very reasonable and threw out the water as a suggestion to offset the rate increase. In 2015 the number provided for electric for 471 street lights that the City would have to pay (approx. \$84,000), was recorded as a contribution to the City because they paid for the electric for those lights. It was recorded as retail while City buildings are recorded as wholesale. The \$84,000 would drop to \$61,000 due to the wholesale rate for streetlights. The \$20,000 was for three (3) years while the water is free indefinitely. MSC is capturing its costs; the intention was not to make money.

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One of the concerns with the charter change was that MSC would be able to own property. In the past if we needed property we could ask for approval and it would be purchased by the City. The City wants the ability to approve this and we have accepted so long as approval is not withheld unreasonably. That wording is now included in the charter proposal regarding the purchase of land.

Additional Systems -- Verbiage was included regarding our additional systems. We currently have the right to have additional systems, but the City wants to be consulted if we would go into any other utility other than electric and water.

Property MSC currently occupies and is owned by the City – We all agreed that on a 30-year lease at a rent of \$1/year. We verbally agreed to lease wording to say that MSC has exclusive rights to the property and any income generated, and the responsibility to maintain and insure. The parcel our building sits (216 Chestnut Street) on belongs to the City along with the Wilmington Road substation and utility building the Trustees gifted to the City. Leases need to be created by the attorneys.

The wording “exclusive control” was added in several paragraphs and will remain.

Suits for collecting money may be brought in the name of the MSC. Former wording stated “suits for collecting money had to be brought in the name of the City.” This was a housekeeping item.

The change related to the Commissioners’ salaries was agreed upon.

Based on discussions with Administrator Barthel and Solicitor Losco, Secretary Patone has provided each of them with the revised changes. Changes were agreed upon. No comments have been received to date.

She and Mr. McCollom believe there was give and take by both groups and the outcome was reasonable while respecting some of the City’s concerns.

**A motion was made and seconded to approve negotiations and charter change revisions as reported. The motion was unanimously approved.**

Secretary Patone solicited comments for two issues. Recently a collection procedure letter published in the *New Castle Weekly* in the Letter to the Editor section. The writer is unknown to Secretary Patone. It is our practice to not share personal information about one person’s account with another person and this information was conveyed to the customer. Secretary Patone asked for guidance on whether to respond in the newspaper. She is open to speaking to anyone about how and why we do things and she is willing to publish things in future newsletters to help educate the public. Commissioners were not in favor of any formal response and are satisfied with current practice.

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Council President Ratchford reached out to Secretary Patone through the City Engineer about the City applying for a Resiliency Partnership grant. The City would like to have support and are sending a draft letter of support to the MSC, Trustees, Good Will Fire Co. and others to consider. The grant would be used for emergency planning related to climate and atmospheric issues (flooding, etc.). We could use these funds to revise our City emergency response plan. We have talked with Administrator Barthel previously about all departments being on the same page. Commissioners agreed to authorize Secretary Patone to support the City with a letter that does not ask for funding or resources.

**A motion was made and seconded to adjourn the meeting. The meeting was adjourned at 4:35 p.m.**



Deborah P. Turner, Stenographer

Approved: \_\_\_\_\_

*(Minutes transcribed from recording.)*