



CITY OF NEW CASTLE

Office of the Mayor
Chris Frye Jr.

PRESS RELEASE

CITY COUNCIL TO HIRE CITY ADMINISTRATOR DURING SPECIAL MEETING

Contrary to the recent New Castle News article, internal hiring practices are embedded throughout the Home Rule Charter and newly adopted Administrative Code. During the transition to Home Rule Charter, the treasurer position was eliminated. The treasurer's duties and responsibilities were transferred to the Chief Financial Officer. The same process happened with the elimination of the elected Controller position. Last week, Council held a public hearing to amend the Administrative Code to allow Police and Fire to hire from within for a Chief.

"Internal hiring practices are common in corporate America. Hiring from within is often strategic budgetary decisions or to ensure organizational processes continue moving forward," stated Mayor Frye.

According to the Act 47 Exit plan, "the City's most immediate need is to replace its Act 47 revenues with alternative revenue sources. Home Rule would allow the City more flexibility to set its resident Earned Income Tax rates." The Act 47 exit plan doesn't mention hiring a City Administrator. The Home Rule study commission neglected to evaluate the feasibility of the transition to a Council-City Administrator form of government. "It's our job to fix these inconsistencies as they would negatively impact City residents," says Mayor Frye.

Throughout the transition into Home Rule Charter, a series of public meetings took place to develop the Administrative Code, which works in tandem with the Charter. However, the Administrative Code is a working document that City Council and residents can amend. The Charter cannot be changed unless it is by referendum on a ballot and gets a majority vote by the electorate.

On Friday, November 18th at 10 am City Council will have a special meeting to hire a City Administrator. The Home Rule Charter states, "if a City Administrator is not hired by January 2023, the CFO will assume the duties as City Administrator until Council appoints one." "As you can see, there are many inconsistencies with the Home Rule Charter process. The CFO could assume another new role without additional support," says Mayor Frye. Mayor Frye continues by stating, "At the request of the Act 47 coordinator, a resolution was passed to allow the Act 47 Coordinator to write a grant to fund the City Administrators and Code Directors position because they knew the City could not afford to hire these positions without a subsidy. They abandoned their promise and neglected the City, leaving Council and the Administration no choice but to reevaluate this issue."

As a result, Council and the Mayor discussed in the executive session the best way to protect the taxpayers and underpaid City staff and still abide by Home Rule Charter. The Act 47 coordinators plan would cost the taxpayer \$220,000 to hire a City Administrator, Code Enforcement Director and to keep the Mayor's salary at \$52,934 in 2023. This doesn't include an outside hire's inability to manage the community and economic development department, which is currently budgeted at \$20,000. "No one will do the job that needs to be done for \$20,000. We would need to increase that line item to \$50,000 or \$60,000 plus benefits

in the 2023 budget. I'm doing that job and overseeing Code Enforcement operations," says Mayor Frye. Hiring all three positions and keeping the Mayor's salary would cost taxpayers roughly \$355,000.

Act 47 and DCED created a mess that City officials must clean up. They were going to help the City get a grant to pay the partial salary of the City Administrator and Code Enforcement Director for three years. So, what happened? When the City's elected officials set the requirements of the City Administrator, a member of the Act 47 team, who is believed to have already had a candidate chosen, didn't like the changes, they told the City they weren't writing the grant and that we could write it ourselves. A DCED staffer told Mayor Frye there was no guarantee that we would be awarded.

The requirements set by Council are consistent with the Charter. In fact, they are more restrictive than the Charter. Council extended the requirement to include a "Master's degree preferred and seven years of business, non-profit or local government management." Act 47 and DCED blame the City for setting restrictions that do not meet the grant requirements. If that is accurate, why didn't the consultants who Act 47 and DCED hired to draft the Charter know that, and why didn't they include them in the Charter? The Act 47 team saw the draft of the Charter and could have changed it before it went to the voters. To make a contrary argument after the fact reveals a hidden agenda. Could it be that they want the City to remain in Act 47? They are the only ones benefiting if the City remains distressed. They have collected millions from the State overseeing the City for 15 years.

"This is absurd and irresponsible of the Act 47 Coordinator to make such a claim and play games with taxpayers' money. We were led to believe these people wanted the best for our City, but they abandoned us. The City can't afford to have a bloated administration budget. We have staff making below a livable wage. I can guarantee that when the time comes, this will be a finding by Act 47 to keep us in distressed status," states Mayor Frye.

Mayor Frye has proposed that he is willing to step down as Mayor and take a lower salary than the intended for the City Administrator. His current salary will be absorbed into a \$110,000 salary to make him the City's highest-paid employee. He will not collect benefits and will be an at-will employee, reporting directly to City Council. This scenario will only cost the taxpayers \$55,000, not an intended \$355,000. According to Mayor Frye, another inconsistency with the Charter is that the first City Administrator contract is only a one-year contract.

Due to the timing of this entire situation, Council will postpone the external hiring of a City Administrator until 2023. This will give them adequate time to post the position, interview, and make budgetary changes. "Council is setting standards for professional oversight, fiscal responsibility, and management. Suppose they would have made a hasty decision to expedite the process after being abandoned by our Act 47 coordinator. In that case, you can guarantee a significant tax increase would have followed," citing Mayor Frye.

Mayor Frye enthusiastically states, "we are here to protect the taxpayers; we are here to make decisions that help us become solvent. We are on a strict timeline to exit Act 47 in February 2024. There is no wiggle room. We can't make any bad decisions. I am offended by the New Castle News article saying we are "Good ole Boys. We are public servants who work tirelessly to make our City a better place to live and work. I am offended that anyone would say we are working against the public, especially because we have not raised taxes in four years. We cut the Business Privilege and Mercantile tax to support business growth. We've removed parking meters, paid millions of dollars of debt, and fixed numerous infrastructure problems. Our job is not done yet. Council and the Administration are working together. Our relationships have gotten stronger. That's what we should be celebrating."

For more information, contact Chris Frye, Mayor of New Castle, at (724)656-3510 or via email at mayor@newcastlepa.org.

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