

**MINUTES OF THE MEETING OF THE  
CITY OF SEAFORD MAYOR AND COUNCIL**

January 09, 2018

7:00 PM

Mayor David Genshaw called the Regular Meeting to order with the following present: Councilwoman Leanne Phillips-Lowe, Councilwoman Grace Peterson, Councilman Orlando Holland, Councilman H. William Mulvaney, III and Councilman Dan Henderson, Charles Anderson, Assistant City Manager, Michael J. Bailey, Building Official, Trisha Newcomer, ED/IT Manager, June Merritt, Director of HR/Finance & Berley Mears, Director of PW.

Councilwoman Peterson offered the opening prayer and Mayor Genshaw led those present in the Pledge of Allegiance.

Mayor Genshaw stated that an Executive Session will be held tonight after the regular meeting to discuss personnel.

Mayor Genshaw solicited any changes to the agenda, there were none.

Mayor Genshaw called for a motion to approve the minutes of the regular meeting of December 12th, 2017. Councilman Holland made a motion to approve the minutes from the December 12th, 2017 Council Meeting. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

Mayor Genshaw then recognized the Holiday Decorating Contest winners for the City of Seaford for 2017. First place was awarded to Michael Shahan from 223 Pennsylvania Avenue, second place was awarded to Dennis & Janice Foster from 321 Plantation Dr. and third place was awarded to Roy & Kathryn Lamberton at 624 N. Willey St. He thanked everyone for participating and added that it was great to see all of the lights and decorations up around the city.

**NEW BUSINESS**

Mayor Genshaw presented New Business #1, SB & Company, LLC to present the annual audit for the period ending June 30, 2017.

June Merritt, Director of HR/Finance came forward to introduce the representatives from SB & Company, LLC. Sisilia Mo, Audit Partner & Tobi Hollander, Audit Senior came forward to present their findings for the period ending June 30, 2017.

Ms. Sisilia Mo explained SB & Company, LLC was engaged to do the audit of the financial statements for June 30, 2017. In addition, SB & Company, LLC assisted in the preparation of the financial statements using information given by the City's Management. That information was then put in the format of a financial report including all necessary footnotes. Ms. Mo went on to explain that the goal of the audit is to provide an opinion as to whether or not the financial statement was properly stated. In this case, the auditors issued an unmodified opinion on the financial statements. This opinion is a statement that the auditors did not find anything that would need to be reported to

Management due to any misconduct or fraudulent items in the financial statements. Ms. Mo went on to state that no significant deficiencies or material weaknesses were found in the internal controls and there was no discovery nor were they made aware of any instances of fraud. In addition, the auditing team received full cooperation from Management and all information was ready to be reviewed. Ms. Hollander went on to explain that the auditors use a risk-based audit approach specific to SBC (SB & Company, LLC). The goal of FORCAM (Focus On Risk, Controls and Account Misstatement) is to detect errors in accounting principles, estimates, information processing and account balances. In addition, this approach looks for instances of fraud, business failure, business improvement opportunities and client expectations.

Ms. Hollander continued with the assessment of the control environment and the key factors including risk assessment, control activities, information and communication and monitoring. All areas were found to be operating effectively and there were no problems to report.

Next the auditors evaluated key processes including treasury, estimation, financial reporting, expenditures, payroll and revenue. Ms. Hollander explained that there were no exceptions found in this reporting and that all processes are operating effectively.

Councilman Henderson referenced the graph included in the audit packet and asked for clarification on why all processes in the evaluation did not receive a check.

Ms. Mo explained that a different approach for assessment is taken for each area and that an item not being checked does not mean that the area is not processed correctly it just means that area did not require that type of control test. Councilmen Henderson clarified that if the box is not checked it just means that the specific assessment was not done for that area however it was covered in a broader area of evaluation.

Ms. Hollander continued with the key account assertions and audit results. These covered areas including cash and investments, receivables, capital assets, debt, pension and OPEB liability, revenue and expenses. Based on the results, no adjustments needed to be made to the financial statements. Ms. Hollander went on to cover the financial statements including governmental and business-type activities and changes in net position from the previous year. Both governmental and business-type activities reported positively in 2017. In addition, a financial statement showing revenue expenditures was shown to display changes in the general funds balance.

Ms. Hollander went on to cover required communications. Auditor's Responsibilities under Generally Accepted Auditing Standards (GAAS) -the financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. Significant Accounting Policies - management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by management are described in the notes to the financial statements. Auditor's Judgments About the Quality of Accounting Principles - we discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their

application, and the clarity and completeness of the financial statements, which include related disclosures. Ms. Hollander added that after full review there were no communications needed in regards to audit adjustments, fraud and illegal acts or material weaknesses. In addition, there were no serious difficulties or disagreements in regard to performing the audit or communicating with management. Ms. Hollander verified that SB & Company received written representation from the City as part of the completion of audits and that to their knowledge there were no other consultations with other accountants. SB & Company verified through a process to ensure they are independent of the city. Ms. Hollander explained the responsibility related to fraud and how the responsibilities differ from the auditor and management. She also explained the procedures that are performed in the cases of a fraud related incident. Finally, Ms. Hollander reviewed contact information for Ms. Mo and herself.

Mayor Genshaw called for any questions or comments from Council.

Councilman Henderson asked for the definition of the word "significant" when used in the auditing reporting. Ms. Mo asked if he was asking in regards to a number sampling or in regards to an internal control. Councilman Henderson clarified that it was stated that there were no significant deficiencies and wanted to know how the word "significant" should be interpreted. Ms. Mo replied that in the case of an audit, significant deficiencies mean that there are multiple deficiencies and Management would not be able to provide a financial statement without external help or in the case of day to day operations that there is a material weakness that prevents Management from providing a financial statement that is reasonably stated. Ms. Hollander went on to thank the Director of Finance June Merritt and City Manager Slatcher for their help and cooperation.

Mayor Genshaw presented New Business #2; Present for approval a non-budgeted expense to subdivided Lot C in the Ross Business Park to meet the needs of a potential buyer and have George, Miles & Buhr prepare the necessary survey work for the new subdivision.

Economic Development Manager Trisha Newcomer came forward to present the information for the request for subdivision of Lot C. Mrs. Newcomer reminded council that the city has engaged with Sperry VanNess Commercial Real Estate in regards to marketing the Ross Business Park. Part of the parcels that are available include a seven-acre piece located on Venture Drive next to the FedEx distribution center. Currently that parcel is still part of the road way, city owned property. In order for the property to be successfully marketed the boundaries need to be properly delineated and correct base maps made available for when there is interest in purchase of the land. The city has reached out to GMB and a quote has been provided to do a compilation of the base map of the existing parcel with boundaries and right of ways included. The lot will continue to be listed as Lot C and a subdivision plan will be created at a cost of \$2,000.00, which is a non-budgeted expense. Mrs. Newcomer noted that the field survey verification of topography, wetlands delineation and the corner monuments will be the responsibility of the purchaser.

Mayor Genshaw called for any questions or comments from Council.

Councilman Henderson asked if there was a proposed idea of how much of the seven acres would be carved out.

Mrs. Newcomer replied that nothing will be carved out just delineated for an accurate subdivision map for any interested parties.

Assistant City Manager Anderson noted that the subdivisions for the larger parcels have been done one at a time and if you reference the current tax maps you'll see a more undefined map with all of the public property and the remaining property. The city will need to further define that road right of way which ends near the storm water pond. In addition, there is water and sewer mains that run through the area currently so the city will need to identify the easements and right of ways and in essence create that lot to show exactly what the city has to market for sale. It is to be noted that this is currently the only small lot the city has that is available with services at this time.

Councilwoman Peterson asked where exactly the sewer service is located in regards to the lot.

Mrs. Newcomer replied it is located on the south side of Venture Drive and Assistant City Manager Anderson added that it runs down the roadway and to the Virginia Commons lift station.

Mrs. Newcomer went on to say that some of the questions raised about the lot spurred the conversation in regards to creating an accurate base map. Knowing that the cities wetlands delineation maps are slightly dated we cannot say how much of the property is usable.

Councilman Henderson verified that at this time the city does not know exactly how much usable land we have. Mrs. Newcomer confirmed that we do not.

Mayor Genshaw added that it is all part of a process previously discussed that the city has all of these items available when someone is interested in purchasing. These items need to be done and ready so the process is quick for a potential buyer.

Councilwoman Peterson asked how the water and sewer will be connected to the main lines. Assistant City Manager Anderson explained that the lines are already there and a lateral line will be added to connect to the lot.

Mrs. Newcomer stated that this process is not being completed for one specific client at this point but the city would like to be ready since there is so much interest in this specific parcel.

With no other questions or comments, Mayor Genshaw called for a motion. Councilman Holland made a motion to approve the non-budgeted expenses to subdivide Lot C in the Ross Business Park and have George, Miles & Buhr provide the scope of work as outlined in the proposal dated December 14<sup>th</sup>, 2017 in the amount of \$2,000.00 to be added to the FY2018 budget. Councilman Mulvaney seconded the motion; motion so passed with all present voting in favor.

Mayor Genshaw presented New Business #3; First reading of the ordinance to amend Chapter 15, Division 4; Design Standards-Commercial and Industrial Districts of the municipal code of Seaford, Delaware relating to zoning, in the manner following, to wit:

- Chapter 15 of the municipal code of Seaford, Delaware is hereby amended by adding a new language to Division 4-Design Standards-Commercial and Industrial Districts to include R-3 high density residential districts.

Building Official, Mike Bailey came forward and explained that this information was presented at the last council meeting in order to change the ordinance to Chapter 15, Division 4; Design Standards that currently only applies to commercial and industrial districts. What the City is proposing to do is change that to include commercial, industrial and R-3 districts. This will require new R-3 applications to follow those design standards.

Assistant City Manager added that when Mr. Bailey presented this to the Planning and Zoning Commission he discussed projects that may be in the pipeline currently.

Mr. Bailey confirmed and stated that there is currently a project going through the process which has a preliminary approval and waiting on a final approval. This project will not be required to follow this change as they are in the middle of the process currently. Anyone beyond that would be required should council adopted the process.

Assistant City Manager Anderson added that the city would notify developers as they come in that this is a new requirement the city has adopted should council accept it.

Mayor Genshaw asked for any questions or comments from Council; there were none.

Mayor Genshaw presented New Business #4, Present for approval a non-budgeted expense for repairs to Dulany Water Pump Station. Director of Public Works, Berley Mears came forward to present the information.

Mr. Mears explained that there was a breakdown of the well shaft at the Dulany Water Pump Station. This was caused from a buildup of iron which created a deposit at the top of the pump causing it to jam. This is a reoccurring problem that was last fixed 6 years ago with the rebuild of the pump. The request is to replace the unit with a submersible pump that shows good success and longevity where iron build up is concerned. The well liner will be plastic which is more expensive but newer and of a better quality.

Mayor Genshaw asked for any questions or comments from Council.

Councilwoman Phillips-Lowe asked with the understanding that it is a non-budgeted expense, where the money would be coming from. Assistant City Manager Anderson stated that it would be coming from a reserve account.

Councilman Mulvaney asked what the potential horsepower would be on the submersible pump. Mr. Mears explained it would be the same as the current unit, 750 gallons per minute. Councilman Henderson asked why they chose that specific size pump as a different size may be more cost effective. Mr. Mears explained that the size chosen was based on the original pump specifications and priced based on that.

With no further questions or comments, Mayor Genshaw called for a motion. Councilwoman Phillips-Lowe made a motion to approve the non-budgeted expense for the installation of the submersible pump at Dulany Well by American Water Wells in the amount of \$21,850.00 and to authorize payment from the reserve account as an emergency repair. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

OLD BUSINESS: None.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

**THE LEAF MACHINE PICK-UP ENDED DECEMBER 31, 2017. In rain events help us to help you by clearing a catch basin or calling Public Works to have the catch basin cleaned at 302-629-8307 or after hours 302-629-4550.**

**CITY OF SEAFORD**

**Municipal Election – April 21, 2018**

The City of Seaford Municipal Election will be held on Saturday, April 21, 2018 in the City Council Chambers, City Hall, 414 High Street, between the hours of 7:00 a.m. E.S.T. and 3:00 p.m. E.S.T.

One (1) Mayor will be elected for a (2) year term and  
Two (2) Council Members will be elected for a (3) year term.

**All candidates must have filed by 5:00 p.m., E.S.T., February 23, 2018.**  
**Registration can be completed at City Hall, 414 High Street. Registration hours are Monday through Friday, 8 a.m. until 5:00 p.m. or by appointment if you cannot register during these normal business hours.** Any candidate who withdraws his/her name must do so in writing. Any candidate who withdraws his/her name after 5:00 p.m., E.S.T., February 23, 2018 will still appear on the official ballot for election.  
Anyone eighteen (18) years of age or older who is a bona fide resident to be eligible to vote **must have been registered at the Seaford City Hall by 5:00 p.m., E.S.T., March 23, 2018.** A nonresident property owner to be eligible to vote must be owner of record for a period of six (6) months immediately preceding the date of the Annual Municipal Election (October 21, 2017) and shall have one vote **provided he or she is registered on the “Books of Registered Voters” maintained at the City Hall. Registration hours are Monday through Friday, 8 a.m. until 5 p.m. or by appointment if you cannot register during these normal business hours.**

**The City of Seaford has independent registration procedures for the Annual Municipal Election. To vote, you must meet the eligibility requirements and be registered on the “Books of Registered Voters” maintained at City Hall.**

A person shall be required to register only one time. You are urged to check your registration if you did not vote in the last municipal election. If you have moved out of the City after your original registration, you will need to check your registry to assure you are an eligible voter.

All voters will need to show proof of residency which may be a State of Delaware driver’s license, a State of Delaware identification card, a federal or state tax return with address, a City of Seaford utility bill or real estate property tax bill, or other acceptable proof of residency or ownership.

**CANDIDATES FILED AS OF 1/2/18:**

Mayor David Genshaw has filed for re-election as Mayor

Matthew McCoy has filed for Council

Patricia Jones has filed for Council

Councilman Orlando Holland has filed for re-election to Council

Shane Beard has filed for Council

**COMMITTEE REPORTS**

Councilwoman Phillips-Lowe reported that she received the fire department reports for December and all of 2017 with the yearly report showing 3,499 EMS runs. The department did do some training prior to the holidays and received a visit from Chesapeake Utilities on December 6th with their demonstration trailer to educate the members on natural gas and propane. On December 20<sup>th</sup> they completed forcible entry training in house. Also noted that the fire department assisted several other neighboring fire departments in addition to their own work load.

911 Calls:	817
Cell Calls:	560
Admin Calls:	2,561
VOIP Calls:	94

Calls for service December 2017:

Police:	1,176
Fire:	78
EMS:	304

The police department handle the snow storm with no major incidents or events although they were busy with complaints. Chief Flood noted a breakdown of the complaints as follows from Thursday to Friday night: 17 police calls for service, 5 fire incidents and 19 EMS calls. It should also be noted that anytime there is an EMS call a fire truck also accompanies. Two-man foot patrols continued during the holiday season in the shopping centers and on high street and fortunately there were no incident or significant events. It was also noted that they did receive good reception from our citizens. Squad officers recovered 66.6 grams of marijuana, 2.2 grams of crack cocaine along with 10 bags of heroine.

Councilwoman Peterson reported on Code and Parks and Recreation. Building Official Mike Bailey reports he attended the January Board of Adjustment meeting and the Planning and Zoning meeting for January was postponed to January 11th due to inclement weather. Code Officer Shannon Passwaters is processing plumbing and trash hauler license renewals and Building Inspector Walter Fa't is closing out old permits and has started doing regular inspections. Routine jobs for inspections are being performed throughout the city and in 2017, 299 permits were issued. In addition, Delaware National Guard on Rt 13A has completed their project.

Superintendent of Parks and Recreation, Katie Hickey reports the Parks trailers and trucks passed the DMV inspection and the trucks have new tags. January 4th and 5th the Parks workers worked on snow removal. All routine weekly jobs were completed. The basketball games started today, January 9th, and Wrestling will continue until January 30th. Ms. Hickey is working on the FY19 budget for Parks and Rec.

Councilman Henderson reported that Director of Electric Bill Bennett continued his regular meetings with AUJ (contractor) on site at the Pine Street Sub-Station and the distribution portion of the project. In addition, Mr. Bennett attended a planning meeting with DAI along with City Manager Slatcher and Assistant City Manager Anderson and reviewed plans for a commercial project prior to a Planning and Zoning Commission meeting. Employee evaluations were performed as well as FY19 budget planning. Phase 3 of the LED street light replacement initiative was started. Taps were relocated from Poplar Street & Shipley Street to Poplar Street & Porter Street for the distribution work and overhead wire for circuit 270 to the slack span segment was pulled in. Finally, all wire borrowed from Dover and Smyrna for the distribution work was returned.

#### Outages:

- An outage on Riverside Drive affected 1 customer and it was caused by a bad transformer.
- An outage on circuit 290 on 12/19/17 that affected about 500 customers for 2.5 hours, from 3:00 to 5:30 AM was caused by tree limbs falling at Locust and Nylon Blvd.
- An outage during the snow event, affected 3 houses on Pine Street for about 30 minutes.

Councilman Henderson additionally thanked all departments and personnel that assisted with snow removal during the last snow event.

Councilman Mulvaney did not submit a formal report due to the snowstorm and the extensive work the public works personnel accomplished with plowing and water connection issues which will take considerable more man hours to accomplish repairs.

Councilman Holland reported on Administration. Various meetings were attended including: Board of Adjustments, committee review of school signage request on Pine Street, meeting with Downes Associates to calibrate substation project status and a meeting with appraisers to get a proposal to appraise 2.3 acers of land next to Ross Substation. All other work was routine.

With no further comments, Mayor Genshaw called for a motion to adjourn the meeting to move into an Executive Session. Councilwoman Phillips-Lowe made a motion to adjourn the meeting and move into Executive Session. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor. The Mayor and Council moved into Executive Session at 7:38 p.m.

Mayor Genshaw reopened the regular meeting at 8:55 p.m. Mayor Genshaw called for a motion to close the regular meeting. Councilman Mulvaney made a motion to close the regular meeting. Councilman Orlando Holland seconded the motion with all present voting in favor. Mayor Genshaw closed the regular meeting at 8:57 p.m.

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Charles Anderson, Assistant City Manager

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