

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

December 10, 2013

7:00 PM

Acting-Mayor David Genshaw called the Regular Meeting to order with the following present: Councilwoman Leanne Phillips-Lowe, Councilwoman Pat A. Jones, Councilwoman Grace S. Peterson and Councilman J. Rhea Shannon. Dolores J. Slatcher, City Manager, and Charles Anderson, Assistant City Manager, were also present.

Acting-Mayor Genshaw offered the opening prayer and led those present in the Pledge of Allegiance.

Acting-Mayor Genshaw solicited changes to the agenda. City Manager Slatcher stated that there were none.

City Manager Slatcher presented New Business # 2, reminder that there will be no Council Meeting on Tuesday, December 24, 2013.

City Manager Slatcher presented New Business # 3, bids for Route 13 Electric Utility relocation. She stated that there were no bids received for the Route 13 electric utility relocation, and that the project will be going out for a second bidding effective December 11, 2013. She said the City Charter gives the City Manager the right to award the bid under certain circumstances. She said that they are asking Council for permission to execute the Charter and have the City Manager award the bid in order to expedite the process. The bidders on the list were contacted and asked why they didn't submit bids for the project, and they said it was due to a lack of time, with the Thanksgiving holiday. They said that they would submit bids if the project went out for a second bidding. Councilwoman Jones asked if City Manager Slatcher would award to the lowest bidder. She said that that would be the first one reviewed, but that all the bids would be reviewed by the City Engineer, and if the lowest bidder did not meet the necessary qualifications, they would move to the next lowest bidder. She said that the protocol would be the same for awarding the bid; the only difference would be that she would be awarding the bid instead of taking it to Council for a vote. She said that she had discussed it with City Solicitor Fuqua, and that it is in accordance with Section 14, Subsection 8 of the City Charter.

Acting-Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilwoman Phillips-Lowe made the motion to agree to have the City Manager award the bid to the qualified low bidder for the Route 13 Utility relocation related to the intersection improvement work being done for DeIDOT in accordance with Section 14 subsection 8 in the City of Seaford Charter per the advice of the City Solicitor. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

Acting-Mayor Genshaw closed the Regular Meeting of Mayor and Council at 7:05 p.m. and opened the Public Hearing.

City Manager Slatcher asked Brad Whaley, Director of Sussex County Community Development and Housing, to come forward. Mr. Whaley thanked Mayor and Council for allowing him to hold a Public Hearing. He explained that his office applies for and administers funds for the Community Development Block Grant program, which are funds that come from the Department of Housing and Urban Development. The Delaware State Housing Authority applies on behalf of Kent and Sussex Counties, because they are too small to apply for themselves. Sussex County then applies on behalf of various communities throughout the county. He said that the program's funds are primarily used for housing rehabilitation, sewer and water hookups, demolition and small infrastructure projects. The grant must benefit low to moderate income residents in Sussex County. The current income limitation for a one-person household is \$32,350, and it goes up about \$5,000 per household member. In the past the funds have primarily been used for housing rehabilitation projects such as roofing, plumbing, and heating system upgrades. The funds cannot be used for rental properties. A pro-rated, non-interest bearing lien is placed on the property once the work is completed.

Mr. Whaley said that over the past 5 years, the City of Seaford has received over \$300,000 in CDBG funding. For the current fiscal year, the City received \$70,000; of which around \$20,000 has been spent on housing repairs and \$50,000 remains to be allocated. The County must submit the application by February 28, 2014. He said that in the past, the City has chosen to use the funds for housing repair and rehabilitation. City Manager Slatcher said that staff would like to see the funds continue to be used in this way, because the need is still there, and they would like to help keep owner-occupied houses from going into disrepair.

Councilwoman Peterson asked how many Seaford applicants are on the list. Mr. Whaley said that there are 36 currently. He said that they have not been income-qualified yet. Councilwoman Jones asked if the money has to be paid back. Mr. Whaley said that it is a forgiven loan. If the repairs on a house were \$10,000, there would be a 5 year lien placed on the property if the homeowner was over 62 and a 10 year lien placed if they were under 62. The certain percentage would come off of the lien each year, and if the homeowner remains in the house throughout the duration of the lien, then the lien expires. If the homeowner sells the property before the lien expires, the lien could be transferred to the new owner if they qualified, or the pro-rated amount would have to be paid back. That money would then go back into the same community. He said that demolitions are permanent liens which must be paid back. Councilwoman Jones asked how people can apply. Mr. Whaley said that homeowners can contact his office and fill out a basic application, and then they would be placed on the waiting list for their community. City Manager Slatcher added that the City of Seaford requires that all applicants comply with the financial good standing ordinance, and all taxes and utility bills must be current. Mr. Whaley said that Sussex County has a similar policy, where taxes must be either paid in full or have an established payment arrangement.

Mr. Whaley reported that last year, 159 houses throughout Sussex County were repaired through the grant. He said that the majority of the households were below 50% of area median income, and about 69% were single, female head of household. About 1/3 were below 30% of area median income. Dan Henderson asked about the selection process for contractors for the projects. Mr. Whaley said that a contractor can apply through the office of Community Development and

Housing, and the office then places the qualified applicants on the contractor list. He said there are currently about 18 contractors on the list. He said that the bids go out on the first Friday of every month, and the contractors are sent an e-mail that bids are available. Then they hold a bid meeting where specifications are available. The bids are due back in 10 days, and then they hold a bid opening. Mr. Henderson asked if the contractors are all Sussex County based. Mr. Whaley said that they have 2 contractors from Kent County, and the rest are from Sussex County. He said that if a contractor has too many jobs and cannot complete them in the time frame, which may be a reason to go to the next lowest bidder. Mr. Whaley added that all contractors must have lead-safe work practices certificate and have completed the 8 hour course.

Acting-Mayor Genshaw solicited any further questions. There being none, he closed the Public Hearing at 7:16 p.m. and reopened the Regular Meeting of Mayor and Council.

City Manager Slatcher presented New Business # 1. She asked Mike Kleger of Pigg, Krahl and Stern to come forward to present the results of the June 30, 2013 audit for the City. Mr. Kleger said that Ginger Heatwole, who is a long-time manager for the City's account, was unable to attend the meeting because she is away at training classes. He said that he would be happy to follow up with any questions Mayor and Council may have after going through the report. He explained that because of new auditing standards that were adopted in 2013, the format and some of the content of the audit report has changed from previous years. He reported that their opinion of the City of Seaford's financial statements is unmodified, or clean, which is the highest level of assurance they can provide. He added that there is a government auditing standards report on internal control over financial reporting. Again, this report has an unmodified opinion, and there were no significant deficiencies or material weaknesses found.

Mr. Kleger reported that there was an increase of about \$80,000, about 4%, in property tax revenue from 2012 to 2013. This was primarily due to the rate increase from \$0.29 to \$0.30. The total revenues increased about 15% from \$3,915,570 in 2012 to \$4,386,573 in 2013. The largest increase was in intergovernmental revenues, an increase of \$176,000 from 2012 to 2013, which was primarily due to Community Trust funds. Another increase from last year was the sale of a couple of acres of land in the industrial park for \$112,000. The total expenditures were up from \$7,932,157 in 2012 to \$8,001,699 in 2013, which is less than a 1% increase. Because of the 12% increase in revenues and holding the expenditures to less than 1% increase, the City was able to decrease its transfer from the electric fund from \$4,000,000 to \$3,365,000. He reported that there was a \$250,126 decrease in the general fund balance from the previous year, leaving a total balance of \$2,384,891 at the end of the year. The total proprietary revenues, which include electric, water, sewer and golf course revenues, were pretty much the same from 2012 to 2013. There was a decrease in net position for 2013; but when compared to 2012, when the decommissioning of the power plant occurred and there was a decrease of \$1.9 million, the end of year net position is comparable between the two years. Mr. Kleger said that overall, there was a healthy fund balance of \$2.8 million at the end of the year.

City Manager Slatcher presented New Business # 4, bids for generator at Utility Building. Three bids were received; the low bidder was Mid-Atlantic Electrical Services, Inc. with a bid amount of \$42,100. The budgeted amount was \$25,000. She explained that when they first started looking

at generators, they were looking at a light-duty generator, but that would not be enough to power the heat and air conditioning at the Utility Building, or the Ross lift station. Also, they decided to change from propane gas to natural gas, which will save money in the long run. These modifications caused the cost of the generator to increase. City Manager Slatcher added that it will be a complex project, and the gas metering will need to be redone. The additional \$17,100 will be a budget overrun.

Acting-Mayor Genshaw solicited any questions. Councilwoman Peterson asked if there is already natural gas running to the Utility Building. City Manager Slatcher said that there is, and they currently use it to heat the garage area. They thought it would be best to utilize it for the generator, so then the gas will be available on demand and they won't have to worry about the supply depleting. Councilwoman Phillips-Lowe asked if the City has worked with this company before. City Manager said that they have not, but that all of the references were good. Bill Bennett, Superintendent of Electric, added that when checking on the references for the company, he learned that this was a relatively small project compared to a lot of the work they have done. They have worked on some million-dollar projects, such as hospitals and veteran complexes, and all recommendations of their work were positive.

Acting-Mayor Genshaw then called for a motion. Councilwoman Peterson made the motion to award the bid for the purchase of the Utility Building generator to Mid-Atlantic Electrical Services in the amount of \$42,100, and to authorize a budget overrun of \$17,100 for this purchase. Councilman Shannon seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 5, discuss the non-budgeted purchase of residential and commercial meters for the Electric Department. City staff is pursuing the purchase of 120 residential meters with 1 ERT and 48 polyphase meters with 3 ERTs. The discussion arose because the handheld readers will no longer be supported for repairs, should they fail. There is a promotional offer which would allow the City to purchase the meters at 2013 pricing, and receive one new FC300 SR handheld with docking station, power cord, power supply and a cord to connect to the MCLite drive-by system. Meter prices will increase in 2014. Once the new handheld arrives, the City would return one FC200 handheld for a credit of \$3,600. All other handhelds will be budgeted in the FY15 budget. The total cost to the City for this purchase is \$24,740, which will be paid for out of the electric reserve funds.

Acting-Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilwoman Peterson made the motion to approve the purchase of 120 residential meters with one ERT and 48 polyphase meters with 3 ERTs early to avoid the price increases in 2014; and to obtain a FC300 SR handheld, a docking station, a power cord, a power supply and a cord to connect to the handheld for the MCLite drive-by system; and to make the purchase using the electric reserve funds. Councilwoman Phillips-Lowe seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 6, present for approval a water impact fee agreement with Gardner-Gibson. The City typically collects an impact fee for future water use. However, Gardner-Gibson has requested some leniency because it is a new service and they don't

know what their customer base will be. The City's Public Works and Administration Departments have agreed to this, with a 2-year window where they can review the water consumption, and can collect additional funds at the end of this period if need be.

Acting-Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilwoman Phillips-Lowe made the motion to approve the Water Impact Fee agreement with Gardner-Gibson as presented. Councilwoman Jones seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented Old Business # 1, Harriet Tubman Monument Committee, Steering Committee request to place monument and marker in Gateway Park. She said that the Committee had presented some questions about placing the monument in the park, but that staff needs more time to find answers to those questions. There is very little information in the Gateway Park file, just some minutes from a committee meeting, where it was determined that the fountain should be the focal point. Steve Schwartz was the chair of this committee, which started in 1994 and ran until 1997 or 1998. Tracy is currently looking through the Council minutes from that time to find more information about restrictions placed on Gateway Park. She said that staff looked at possible locations for the monument, and the best option would require taking a tree out, as there needs to be a 5-foot setback from the sidewalk, based on code restrictions, and intersection visibility has to be taken into consideration. They would like to bring all the findings and documentation back at the next Council Meeting for a decision, and therefore table the item until that time.

Acting-Mayor Genshaw asked Mr. Herb Quick to come forward to answer any questions that Council may have about the monument. Mr. Quick explained that the intentions of the committee were to determine if the project was feasible, and that they did not expect Council to make any decisions about the monument without having all of the information. If Council determined that the project can move forward, the committee would then reconvene to hammer out the details. Councilwoman Jones said that she thought there had been some previous controversy over putting flags in Gateway Park. City Manager Slatcher said that there had been a previous request for a flagpole, and Council voted against it, as the fountain was to be the focal point of the park. Additionally, once the Christmas tree was put up, it was decided that nothing could be placed permanently in the center of the park, as the tree would have nowhere to go. She said that DeIDOT had also requested to place flashing lights in the park to signal the bridge, and that request had been denied. ADA accessibility also needs to be taken into consideration when determining placement of the monument, to ensure that a person in a wheelchair would be able to access the monument. For this reason, staff had determined that the monument would have to be placed on the High Street side of the park, as the sidewalk does not run down the hill.

Councilwoman Jones asked who determined that a tree would have to be removed in order to accommodate the monument. City Manager Slatcher said that she, Charles Anderson, and Josh Littleton had made this determination, because of the 5-foot setback requirement from the sidewalk. Councilwoman Jones asked if it was feasible for the monument to be placed elsewhere without removing a tree. City Manager Slatcher said that they didn't think this was possible, because of visibility requirements for the intersection. Councilwoman Jones asked if the

monument could be placed between two trees. City Manager Slatcher said that it could, but that they were worried that trees dropping leaves and debris onto the monument would cause it to look bad after a while. Acting-Mayor Genshaw added that everyone is in agreement that this is a great historical monument that would be great for Seaford; they just need to figure out the best way to make it happen.

There being no further questions, Acting-Mayor Genshaw called for a motion to table the decision. Councilwoman Jones made the motion to table any action on the request to place a monument and marker in Gateway Park as requested by the Harriet Tubman Monument Committee. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented Old Business # 2, present for the second reading and adoption an ordinance to amend Chapter 5 of the Municipal Code of Seaford, Delaware relating to "Business."

Acting-Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilman Shannon made the motion to adopt an ordinance to amend Chapter 5 of the Municipal Code of Seaford, Delaware relating to "Business." Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented Old Business # 3, present for the second reading and adoption an ordinance to amend Chapter 8 of the Municipal Code of Seaford, Delaware relating to "Morals and Conduct."

Acting-Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilwoman Peterson made the motion to adopt an ordinance to amend Chapter 8 of the Municipal Code of Seaford, Delaware relating to "Morals and Conduct." Councilwoman Phillips-Lowe seconded the motion. The motion so passed with all present voting in favor.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

- Downtown Seaford Association Christmas Dinner – December 16th at 6:30 p.m. at Sue Wile's house

COMMITTEE REPORTS

Councilman Shannon reported that the Police Department will be continuing with additional patrols through the holiday season. Testing has been scheduled for January 4, 2014 for the 48 applicants for the police officer position. The Christmas Parade traffic controls were successful with the assistance of the Delaware State Police, as well as Georgetown, Milford and Bridgeville Police Departments. The department has also begun preparations for the annual awards ceremony, which will be held on January 23, 2014.

Councilwoman Jones reported that the Christmas Party will be held on Saturday, December 14th. Additionally, the staff breakfast will be on Wednesday, December 11th at 7:30 a.m., and the police breakfast will be on Thursday, December 12th at 8:30 a.m. She added that the City offices will be closed on December 24th and 25th and January 1st for the holidays.

Acting-Mayor Genshaw reported the Recreation Department is pushing the basketball programs, and that Scott is continuing to use the e-mail system to promote programs. The Parks Department is helping them get some racks built.

Councilwoman Phillips-Lowe reported that Caroling in the Park was held on December 2nd and was a success. Trisha will be attending the Southern Delaware Tourism luncheon, and has been working with several clients, as well as working on computer issues. She reported that the Code Department has sent out 16 violation letters and issued 7 building permits. Josh will be attending the State Wetlands Advisory Committee meeting, and also will be attending the construction coordination meeting and Seaford High School progress meeting. The Public Works Department has been busy with street cleaning, and they were also busy with cleanup before and after the Christmas Parade. Leaf pickup for loose leaves ends on December 31st. Sidewalk and curb construction for Teen Challenge will begin on January 6th. Also, the department determined that the fire hydrant in front of City Hall that was recently struck by a vehicle did not need to be replaced. The WWTF is running smoothly and most operations are routine.

Councilwoman Peterson reported that the Electric Engineer is working on coordination for the Riverplace Apartments, Route 13 intersection improvements, and Utility Building generator bids. He is also working on developing a database for the electrical engineering software. Weekly inspections continue at the power plant site. She reported that the Electric Department has completed meter readings, and the tree trimmers are working between Phillips and Willey Streets. They have hooked up the last building at Stoneybrook Apartments as well as a new transformer for the tri-vision sign at the Duck-In Car Wash. There was a power outage on Bradford Street caused by an animal, which affected 4 customers for about 2 ½ hours.

City Manager Slatcher reported that she received a call saying that the City has been awarded \$40,000 for continuity of business and \$55,000 for cameras.

With no further comments, Acting-Mayor Genshaw called for a motion to close the Regular Meeting of Mayor and Council. Councilwoman Jones so moved. Councilwoman Peterson seconded the motion and the motion so carried with all present voting in favor. Acting-Mayor Genshaw closed the meeting at 7:55 p.m.

Dolores J. Slatcher, City Manager

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