

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

April 10, 2012

7:00 PM

Vice-Mayor Shannon called the Real Estate Tax Appeals to Council to order at 7:00 p.m.

Mr. Nicholas Bernstein came forward who owns the property located at 300 Elm Drive; however, he does not reside there. He stated that the house was built in 1972 and an addition was done in 1993. The basement was finished at one point in time; however, it has now been gutted. He stated that it is a 3 bedroom and 1 bathroom house and he feels like the assessment is higher than what it should be during these times.

Mr. Robert Durham came forward who owns land North of Seaford on Route 13 and 13A. He stated that it is approximately 8 acres of land and is zoned commercial. He feels that the appraisal is higher than what the market value is now. He added that he recently had an appraisal done by Huston Appraisal and he would like to submit the information from the appraisal to the board for their review.

Mr. William Bumpass came forward who owns the property located at 317 Chandler Street; however, he does not reside there. He stated that he feels that the police department does not provide his property the protection and services that it should. He stated that his property is in the decaying part of the City and should not be appraised as high as it is. He added that he recently did some remodeling and has spent approximately four years trying to bring the property up to par to comply with the City codes. Mr. Hickey asked him approximately how much he spent to do the renovations. Mr. Bumpass said about \$20,000 - \$35,000.

Mrs. Carol Beth Lambert came forward who owns the property located at 414 N. Porter Street. She stated that she did not understand why the City wanted to raise taxes during these hard economic times. She feels that her house is appraised for more than what it should be at this time. She added that her taxes were increased due to her and her husband having their patio screened in and turned into a four season's room; however, she still feels that they are too high. She added that an appraisal was done on her property on March 16, 2012 and gave a copy to the board for their review.

Vice-Mayor J. Rhea Shannon called the Regular Meeting to order at 7:16 p.m. with the following present: Councilwoman Grace S. Peterson, Councilwoman Pat A. Jones, Councilwoman Leanne Phillips-Lowe and Councilman William G. Bennett. Dolores J. Slatcher, City Manager, and Charles Anderson, Assistant City Manager, Berley Mears, Director of Public Works, Rick Garner, Director of Power and Sharon Drugash, RE/PR Manager were also present.

Councilwoman Peterson offered the opening prayer. Vice-Mayor Shannon led those present in the Pledge of Allegiance.

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

Vice-Mayor Shannon called for a motion to approve the Minutes of the Regular Meeting of March 27, 2012. Councilman Bennett made the motion to approve the minutes of March 27, 2012. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 2, Request from the Western Sussex Farmers' Market for a \$500 donation. Ms. Linda Allen, President of the Western Sussex Farmers' Market came forward. She stated that the market is in their third season and will be open on Saturdays from June 16<sup>th</sup> to September 1<sup>st</sup> with the hours being from 8:30 a.m. to 12 p.m. It will be held at the Boys and Girls Club again this year at 310 Virginia Avenue. Ms. Allen stated that they currently have 18 vendors that have participated both years and are working to add more. She stated that they are requesting a grant in the amount of \$500 to assist in the conduction of the Market. Councilwoman Jones asked what the cost to run the market was. Ms. Allen stated that they spend about \$1,200 in advertising for the market through newspapers and flyers. She added that they like to have prizes for the children, information and recipes at the market as well. So roughly it cost about \$1,500 or more to run the market. Councilwoman Jones asked what other ways did they have revenue come in other than donations? Ms. Allen stated that they do have a \$20 membership fee and it does cost each vendor \$10 each market day to set up at the market. She also added that they have liability insurance that they do pay. City Manager Slatcher stated that the market has received \$500 for the past two years and it was intended for seed money for them to get the market started. She added that it seems that they have grown and are now able to go out on their own. It is being recommended by staff to donate \$300 to the market this year and reduce the amount \$100 each year for the next two fiscal years. Councilwoman Phillips-Lowe made a motion to approve funds for the Western Sussex Farmers' Market in the amount of \$300 and to be reduced by \$100 each fiscal year until the donation subsides. The donations for the next two fiscal years would be FY2013 - \$200 and FY 2014 - \$100. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 3, Present the real estate appraisal from Carmean Appraisal Group for the vacant commercial lot and vacant residential lot Es Front Street & Ws North Street owned by the City of Seaford. City Manager Slatcher stated that Carmean Appraisal Group did an appraisal for each of the lots. After staff reviewed the appraisals, they are recommending a sale price of \$68,250 for the commercial lot on Es Front Street and a sale price of \$15,500 for the vacant lot on Ws North Street. Councilman Bennett made a motion to approve accepting the appraisal for the vacant commercial lot at Es Front Street and vacant residential lot at Ws North Street. The motion includes setting the sale price for the vacant commercial lot at Es Front Street at \$68,250; and the sale price for the vacant residential lot at Ws North Street at \$15,500. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 4, Bids – Street Paving. City Manager Slatcher stated that two bids were received for the Streets Paving bid. Delmarva Paving was the low bidder

in the amount of \$98,944.88. The other bid was from Jerry's paving in the amount of \$107,516.84. Staff has reviewed the bid and is recommending going with the low bidder, Delmarva Paving. She added that this year the streets that will be done include Nylon Blvd from Poplar Street to Locust Street (both sides), Oak Street from Nylon Blvd to Atlanta Road and the back piece in Westview located by Shorty's landscaping garage. Councilwoman Peterson made a motion to award the street paving bid using State prevailing wages in the amount of \$98,944.84 for those streets listed in the bid document and the associated unit price bid that may be used for streets not annotated in the bid document. Councilman Bennett seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business # 5, Present for approval new electric rates to be effective as of the May billing. City Manager Slatcher explained that the rates have been reset due to the reduction in wholesale purchase power costs to adjust by class. The average rate reduction is 6.8% and the average residential rate reduction will be 1.5%. City Manager Slatcher explained that the wholesale rates are going down so this reduction can be passed on to the customers. She added that it is expected to continue until next year. Councilman Bennett made a motion to approve the new Electric Utility Rates to be as stated on the Schedule of Fees and Rates effective April 1, 2012 to include April consumption which will reflect in the May billing. Councilwoman Phillips-Lowe seconded the motion; motion so passed with all present voting in favor.

#### **REMINDER OF MEETINGS & SETTING NEW MEETINGS**

- Recognition of National Public Safety Telecommunicator's Week April 8<sup>th</sup> – 14<sup>th</sup> at Seaford Police Department on April 11<sup>th</sup> at 8:30 a.m.
- Senator Thomas Carper to visit City Officials on April 11<sup>th</sup> from 12:30 p.m. until 2 p.m.
- SCAT Steering Committee Meeting on April 13<sup>th</sup> at 9 a.m. in Georgetown
- Delaware Department of Elections will be using the lobby on April 24<sup>th</sup> for the Presidential primaries.

#### **ANNUAL MUNICIPAL ELECTION INFORMATION**

- Election date is Saturday, April 21, 2012 from 10:00 a.m. until 6:00 p.m.
- Candidate filing deadline and Voter Registration deadline was March 23, 2012 by 5:00 p.m. No more voter or candidate registrations.
- The Mayor and two Council Members' positions are up for election. These positions are currently held by Mayor Edward H. Butler, Jr., Councilwoman Grace S. Peterson and Councilman William G. Bennett.
- Candidate filings are:
  - Mayor – Councilman William G. Bennett and Councilwoman Pat A. Jones
  - Council – Councilwoman Grace S. Peterson, David Genshaw, and Douglass Lambert

## COMMITTEE REPORTS

Councilwoman Jones reported that the Easter Egg Hunt that was held at the Ross Mansion on Saturday, March 31<sup>st</sup> was a success. The soccer program out to the Jay's Nest had their opening day ceremonies on April 1<sup>st</sup>. She added that the boot camp is helping the parks department with some cleanup work around the City.

Councilwoman Peterson reported that the Code Department is dealing with grass issues and getting letters out to property owners. The Public Works Department is painting curbs and is routine. The contractor is currently working at Stein Highway for the Washington Street Storm Water project. She added that Clean-Up Week will be held May 14<sup>th</sup> – 18<sup>th</sup> this year.

Councilwoman Phillips-Lowe reported that business is as usual and preparations are being made for the FY13 budget.

Councilman Shannon reported the police department is currently doing firearms training.

Councilman Bennett reported that the Electric department has been working in Stoneybrook, as well as doing routine maintenance. He said that they have also been working on their budget. He added that they will be doing tree trimming in Westview starting in a couple of weeks. He reported that the new ambulance should be in soon and the fire side is busy with brush fires due to the dry weather.

City Manager Slatcher reported that Larry McMullen, Supt. of the Electric Department retired Monday and a dispatcher terminated their employee Monday.

City Manager Slatcher showed a proposed sign for Soroptimist Park for the walking trails there that a current Eagle Scout, Lane Cain is working on for this project.

A recess was taken at 7:45 p.m. until 8:00 p.m. when the public hearing was scheduled.

Vice-Mayor Shannon called the meeting back to order at 8:00 p.m. He called the Public Hearing to order at 8:05 p.m.

City Manager Slatcher came forward to present Public Hearing #1, Borrowing \$1,903,812 maximum principal amount of a general obligation bond to finance the installation of residential water meters and other associated equipment throughout the City of Seaford. City Manager Slatcher stated the reasons to meter. These include: to be able to bill in accordance with usage, detection and correction of water leaks in the system, add residential meters to treat all water users equally, Federal and State requirements, encourage water conservation ("Green Project"), planning tool for adding needed infrastructure and the installation will help eliminate system cross-connections. City Manager Slatcher then discussed the cost analysis of the project. There are approximately 1,758 residential properties that will require water meter and pit installations of which 350 properties require meter only installations. The total cost of the project is estimated at

\$1,903,812. City Manager Slatcher reviewed the SRF loan particulars. The loan total would be \$1,903,812 with an interest rate of 1% with a principal forgiveness in the amount of \$666,334.20 (35%). The 1% origination fee that is usually due at loan closing will be waived which will save \$19,038.12. This is a 20 year loan with an annual payback of \$68,421.44 on the principal borrowed which is \$1,237,478 at an interest rate of 1%. City Manager Slatcher explained that the normal SRF loan payback would be \$127,162 annually for 20 years at 2.99% plus loan closing of 1% in the amount of \$19,038.12, however, the City is looking at a total savings of \$1,193,849 over 20 years with what is being offered. City Manager Slatcher stated that the current rates for water and sewer are \$57.05/EDU. The water rate is \$19.81/EDU of 9,000 gallons per month and sewer rate is 37.24/EDU of 9,000 gallons per month. City Manager Slatcher explained that based on 3,632 EDUs and debt service of \$68,421.44 the annual repayment cost in the water bill would be \$18.84 annually or \$1.57 monthly. (This is not a static number. It will change in accordance with the budget and number of EDUs for the next budget year). City Manager Slatcher explained that this number will change based on the number of EDUs being used in the system and the water budget. All water customers will benefit by having metered water. She added that the change from the standard EDU based on 9,000 gallons per month to a minimum bill for a set number of gallons will be calibrated to the water budget and cost per each additional 1,000 gallons used. The actual billing will be contingent on all meters being activated. She explained that nobody will be billed a meter amount until all meters are in and operational since all of the meters cannot be put in at one time.

Mr. Vane asked what if a leak occurred on your property near the curb stop, whose responsibility would it be to pay that bill. City Manager Slatcher explained that up to the curb stop it is the home owner's responsibility. If a leak occurs in between the curb stop and the main, the City will be responsible for the bill if they find that it is the City's.

City Manager Slatcher stated that water meter installation has been debated for the last fifteen years and at the time, the Council did not have the will to undertake the project due to the cost and no loan was available. At this time, the City of Seaford is the last large municipality that does not have water meters in the State of Delaware. She added that it is believed sometime in the near future it will be mandated by the state and federal government. When this opportunity came out as a green project, it was a good option to the City due to the savings.

City Manager Slatcher gave a brief summary of the treatment plant which was started with primary treatment back in the 1950s. In the late 1970s, primary treatment was added and 1990s tertiary treatment was added. The plant was upgraded from a small plant of a half million gallons to two million gallons per day. She stated that the last project that was done was the biological phosphorous and nitrogen removal to meet the requirements. She stated that this will not be good enough now and at some point the treatment plant will need to be upgraded to the next level in order to limit additional nitrogen and phosphorous from the Nanticoke River. City Manager Slatcher stated that a spray irrigation project is currently underway out to the golf course to help these needs. City Manager Slatcher stated that these costs will continue to rise; she added that thanks to staff a partnership was recently developed with Delaware Solid Waste Authority in treating their leeches which has reduced the chemical cost at the plant. This has saved a good amount of money in the chemical expense.

It was asked if it is being mandated at this point to get the water meters installed. City Manager Slatcher stated that it is not at this point, however, she believes that it will occur soon. The money is the federal money that will be borrowed which is through the state. She added that a lot of the communities were not in a situation where they could take advantage of the money. The City of Seaford has been trying to maximize this money to save money for the long term and keep people working.

It was asked if two meters will be required to be put in if a home owner has irrigation. City Manager Slatcher stated that it will not be mandated to do however, you would not want to pay sewer on water that is being used just to irrigate your lawn. She added that the project will bear the cost to put in the two separate meters. If you were to put in a new irrigation system in after the project, the homeowner would bear the cost to put the separate meter.

Mr. Joyner asked how Read Street will be affected since their water meters are located in their back yards. City Manager Slatcher stated that she would need to have the engineers look at this and get back with him. She added that the engineering work will be done for this when the bid documents are prepared. City Manager Slatcher explained that there is still a lot of work to do. If the referendum does not pass, the project will not move forward until the government came in and mandated that the City do the water meters. She stated that if the referendum is passed, the contract documents and bidding documents will need to be prepared to get out. During that time, all of the potential issues would be looked at with the engineers pre-installation so that the home owners and staff will know how to answer the questions.

Mr. Gruwell asked what kind of meter will be installed. Mr. Mears, Director of Public Works stated that it will be a Hershey meter and will be 5/8" in size. He added that it will be outside located in a pit and will be read by a remote drive by system. A discussion was held about the remote drive by read meters. City Manager Slatcher stated that these meters are used in other municipalities and they have not heard of any problems that they are currently having with them. The same meters are used to read the electric meters and are working properly at this time.

Mrs. Lambert asked how much would the installation of the meters tear up home owner's yards. City Manager Slatcher stated that it will be done closest to the sidewalk and curb area as possible. She added that anything that is torn up would be restored by the contractor.

Mr. Vane asked if the City currently knows what the water and sewer revenue is now. City Manager Slatcher stated that it happens every year, the water and sewer rate changes. She explained that the water budget is driven off of the water budget; it does not support any other operation in the City. The readings are taken from the past year and an average is taken of the EDUs and that number is divided into the water budget and that is how the water charge is determined. City Manager Slatcher explained that she would not be able to tell anyone what their water bill would be on July 1<sup>st</sup> at this time.

Mr. Gruwell asked if he were to go out of town for a period of time; would he not have a water bill. City Manager Slatcher stated that he would still have a minimal bill. This would pay for the water

tower, well to get water with to be used, etc. If more water is used than the minimal bill, then the home owner would pay for the additional usage.

Mrs. Joyner asked if the City could do incentives to put in the water saving things in people's homes rather than install water meters. City Manager Slatcher stated that it does not allow for the amount of gallons pumped and used and any line loses that may occur. She added that it is not a good planning tool to not be able to account for the amount of water that is being used. In the future, the water usage is going to need to be documented to put up another tower or another water production well.

Mr. Hinz asked how this would affect economic development. City Manager Slatcher stated that commercial and industrial customers are already paying for metered water.

Mr. Vane asked if City staff has talked to other towns that have metered water. City Manager Slatcher stated that they have and the trend seems to be that the usage spikes in the beginning then reduces and residents go back to what they normally would use.

Mr. Vane asked if the water meter would happen to fail, who would be responsible to replace the meter. City Manager Slatcher stated that the City owns the meter; therefore, they would be responsible to replace that meter which staff believes at this time should be the policy.

City Manager Slatcher showed a time line of the project if it would to go forward. A special election is to be held on May 14<sup>th</sup>. After that, a bond closing will occur, final design and construction documents, it will go out to bid, contracting will occur with the vendor, installation will start, a period of calibration will occur, implementation of billing. She stated that it is estimated to be completed in a two to three year period.

Vice-Mayor Shannon closed the Public Hearing at 9:14 p.m. and reopened the Regular Council Meeting.

Vice-Mayor Shannon presented New Business #1, Present a resolution proposing the issuance by the City of Seaford, Delaware of up to \$1,903,812 maximum principal amount general obligation bond to finance the installation of water meters and other associated equipment throughout the City of Seaford and ordering a special election in connection therewith. Councilman Bennett made a motion to approve the resolution proposing the issuance by the City of Seaford, Delaware of up to \$1,903,812 maximum principal amount general obligation bond to finance the installation of water meters and other associated equipment throughout the City of Seaford and ordering a special election in connection therewith to be held on Monday, May 14, 2012 from 2:00 p.m. to 6:00 p.m. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

Vice-Mayor Shannon called for a roll call vote:

Councilman Bennett voted in favor;  
Councilman Shannon voted in favor;

Councilwoman Jones voted in favor;  
Councilwoman Phillips-Lowe voted in favor;  
Councilwoman Peterson voted in favor.

Vice-Mayor Shannon stated that the motion so passed with all present voting in favor.

With no further comments, Vice-Mayor Shannon called for a motion to adjourn the Regular Meeting of Mayor and Council. Councilwoman Jones so moved. Councilwoman Phillips-Lowe seconded the motion and the motion so carried with all present voting in favor. Vice-Mayor Shannon adjourned the meeting at 9:20 p.m.

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Dolores Slatcher, City Manager

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