

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

March 24, 2015

7:00 PM

Mayor David Genshaw opened the Real Estate Property Tax Hearing at 7:00 p.m. He explained that if any appeals come in prior to 8:00 p.m., they will stop the Regular Meeting and the appeals will take precedence. City Manager Slatcher said that Mr. David Hickey, the City's licensed tax assessor, was present to take appeals. She explained that the City's assessed property values are based on a 2008 assessment, and that any appeals should be based on the fact that the assessments were done incorrectly at that time. She added that Mr. Hickey will take the information from the appeals, and will try to have his recommendations for those appeals done for the next Council Meeting on April 14, 2015.

Shannon Elliott, Secretary, called on the first property owner, Dr. David Cohen.

Dr. Cohen, property owner of 225 Bethany Drive, stated that he and his wife bought a home in the Governor's Grant subdivision on August 1, 2014 after he took a job with Nanticoke Memorial Hospital earlier that year. At that time, the house was appraised for \$255,000, which was just over the purchase price. He said that shortly after moving in, a tax assessor came to the house, but as his wife was new to the area and home alone at the time, she did not allow him entry into the residence. Shortly thereafter, Dr. Cohen and his wife received a property tax bill showing an assessed value of \$349,400, almost \$100,000 more than the bank appraisal which had been done a few months earlier. Dr. Cohen said that all of the houses in Governor's Grant look the same, all having been constructed by the same builder, with only a few different models to choose from. He said that his house has no significant upgrades from the base model. His home is located next to a large catch basin on one side and backs up to a view of the Industrial Park. He said he attempted to put up a fence to block the view, but was unable to because of an electric main running alongside the house. Dr. Cohen said that he conducted a survey of assessed values of other houses in the neighborhood and surrounding area, and his is the highest by about \$150,000. He feels that there must have been some sort of error in the assessment or a clerical error which resulted in the high assessment of his home.

Mr. Hickey asked if there was a living area above the garage. Dr. Cohen said that there is a bonus room. Mr. Hickey asked if it is a 2-story house. Dr. Cohen said that it is. Mr. Hickey said that he would take a look at the assessment, as well as others in the neighborhood, to make sure that the assessments are in line. Dr. Cohen said that he has a spreadsheet comparing the assessments that he would be willing to share. Mr. Hickey asked if the home has 2 ½ bathrooms. Dr. Cohen said that it does. Mr. Hickey asked if the home has a basement. Dr. Cohen said that it does. Mr. Hickey asked if the home has a fireplace. Dr. Cohen said that it has a gas fireplace. Mr. Hickey asked if the home is air-conditioned, and Dr. Cohen confirmed that it is. Mr. Hickey said that he would take another look at the assessment, but reminded Dr. Cohen that the assessments are based on sales that occurred in 2007, because that is when the reassessment took place.

Ms. Elliott called on the next property owner, Mr. Tom Ayd.

Mr. Ayd stated that he is the developer and property owner of Seaford Apartments and Greenside Manor, but that he is only appealing the assessment of Greenside Manor. He explained that the apartment complex underwent a renovation in 2012, but that no significant square footage was added, with the exception of adding a new community building and storage building. There are 40 apartments in the complex, each having one or two bedrooms, one bathroom and one kitchen. Mr. Ayd said that prior to the renovations, the apartment units were assessed at a value of \$39,942.50 each. He explained that the renovations included a complete gutting of the buildings, primarily because of regulatory and program reasons associated with financing. The renovations included replacing drywall with drywall and vinyl siding with vinyl siding. Electric and plumbing were upgraded, but no bathrooms were added and the utility of the structure remains the same. The assessed value per unit post-renovation increased to \$81,157.50. Mr. Ayd explained that prior to renovating Greenside Manor, the 37 units at Seaford Apartments underwent an almost identical renovation. He said that the assessed value at Seaford Apartments went from approximately \$48,000 per unit before renovation to about \$58,000 per unit after renovating. He never questioned this increase because he felt that it was reasonable, given the renovations to the existing units and the addition of a couple of buildings. Mr. Ayd said that Greenside Manor Apartments were appraised in 2010 at an as-renovated value of \$1,980,000, which is \$49,500 per unit. He said he understands that some adjustment would be necessary between 2008 and 2010 values. In 2009, Seaford Apartments were appraised at an as-renovated value of \$52,000 per unit. A similar apartment complex in Laurel, Delaware was appraised at an as-renovated value of \$40,968 per unit. Mr. Ayd concluded by saying he would like for Mr. Hickey to revisit the assessment of the Greenside Manor apartment complex.

Mr. Hickey asked if the apartments were changed at all. Mr. Ayd said that the utility of the apartments was not changed. Mr. Hickey asked how much rent was collected prior to the renovations. Mr. Ayd explained that this was a rent-restricted project, and that all tenants pay rent equivalent to 30% of their income. Mr. Hickey asked if the tenants are paying the same rent before and after the renovations. Mr. Ayd said that they are. He said that the program they use is called Low Income Housing Tax Credit program, and they trade long-term use restrictions for tax credit. Mr. Hickey asked Mr. Ayd if he could provide him with an operating budget for the last three years, showing income and expenses. Mr. Ayd said that he could, and asked if the method of assessment was based on income. Mr. Hickey explained that there are three ways of assessing property value; the cost approach, the income approach, and the market approach. He said that this property is income-producing, so that determines its market worth. He said that with three years of financial history for Greenside Manor, he could revisit the property's assessment. Mr. Ayd agreed to provide the necessary information.

Ms. Elliott called on the next property owner, Ashley Connolly.

Mr. Doug Heilesen came forward on behalf of Trinity Logistics. He introduced Ashley Connolly, who is a business analyst for the company. Mr. Hickey asked under what name the property is listed. Mr. Heilesen said that it is listed under Banning and Associates, which is common ownership with Trinity Logistics. He added that they were not previously aware that the assessments were based on 2007 values, so the information they have is based on current market values. He said that the business has grown 172% since 2007. The business started in Seaford,

and as they continue to expand in the future, they would like to stay in Seaford. They are seeking some relief from taxes in order to be able to do so. Ms. Connolly then came forward to present some of her findings based on current market research. She said that Trinity Logistics sits on 4-5 acres of land valued at \$1,393,900. On that land sits a 43,000 square-foot building, which has been valued at \$3.6 million, for a total assessed value of just over \$5 million. Ms. Connolly explained that the 22 acres of land surrounding Trinity Logistics is currently for sale for just under \$2.5 million, which comes out to about \$110,000 per acre. She said that there is also a building for sale at 101 Park Avenue in Seaford. It has similar square footage to that of Trinity, but is listed for significantly less than the assessed value of Trinity. She said that based on this building and the land surrounding Trinity, her analysis is that the property at 50 Fallon Avenue should be assessed at around \$2 million, current market value. She said that they are requesting a review of the current assessment.

Mr. Hickey asked what the main area of the building is used for. Ms. Connolly said that it is used for office space. Mr. Hickey asked if there is any warehouse space in the building. Ms. Connolly said that there is none. Mr. Hickey asked if it is fully air-conditioned, and Ms. Connolly confirmed that it is. Mr. Hickey asked if the building is built on a slab or if there is a basement. Ms. Connolly said that there is no basement. Mr. Hickey said that he would take another look at the assessment based on the information given.

Ms. Elliott called on the next property owners, David and Cristine Layton.

Mrs. Layton said that they were present on behalf of their company DCSC Solutions, LLC, property owners of 402 N. Porter Street, the former Seaford District Library building. They are appealing the property's assessed value of \$875,000. Mrs. Layton explained that in 2008, the property was valuable and actively used as the library. The building became vacant in 2009 when the library moved to its new location. The building sat vacant for 5 years, during which time two potential sales fell through. The selling price was reduced to \$289,000, but the Laytons actually purchased the property for just \$150,000. The use of the building is complicated, as it is zoned R-1, low-density residential, making it difficult to operate a business there. The two prior attempts to purchase the property, one of which was for more than \$400,000, fell through because of the required variances. Mrs. Layton said that while they love the building, it is a complex situation trying to operate their business, because of the zoning and required variances. If their business were to fail, they would be in the same situation as the library, and would probably end up living in the building.

Mr. Hickey asked if the building is used as commercial office space. Mrs. Layton said that it is, for their business, beachballs.com. Mr. Hickey asked if the business is currently operating under a variance, and Mrs. Layton said that it is. Mrs. Layton said that the property was appraised for \$220,000 when they purchased it in the summer of 2014. Mr. Hickey inquired about the building permit that was issued for \$10,000 worth of work. Mrs. Layton explained that there were no structural changes to the building; they replaced flooring, did a lot of painting, and made some repairs, but no upgrades, to the heating and air systems. Mr. Hickey said that he would take another look at the property's assessment.

There being no one else present for property tax appeals, Mayor Genshaw closed the Real Estate Property Tax Hearing at 7:26 p.m. and opened the Regular Meeting of Mayor and Council. He explained that if any property owners came in before 8:00 p.m., they would close the Regular Meeting to receive appeals.

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

Mayor Genshaw stated that there would be an Executive Session held after the Regular Meeting.

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

Mayor Genshaw called for a motion to approve the minutes of the Regular Council Meeting of March 10, 2015. Councilman Mulvaney made a motion to approve the minutes of the Regular Council Meeting of March 10, 2015. Councilwoman Peterson seconded the motion, and the motion so passed with all present voting in favor.

Mayor Genshaw closed the Regular Meeting of Mayor and Council at 7:27 p.m. and opened the Public Hearing. Joshua Littleton, Building Official, came forward to present Public Hearing # 1. Seaford Meadowbridge Associates, property owners of Meadowbridge Apartments, located on the north side of Tull Drive and identified as Tax Map & Parcel # 5-31-10.00-217.01, are seeking a final site plan review for proposed site and building improvements to the existing apartment complex. He stated that Steve Gorski was present on behalf of the property owner. Mr. Littleton stated that the property is zoned R-3, high-density residential, and the lot size is approximately 7.76 acres. The site currently has 108 dwelling units, a laundry area, management office and 2 outbuildings. The proposal is to reduce the number of dwelling units to 104. The site currently has 192 parking spaces, which is equal to 1.78 spaces per unit. The proposal is to reduce the number of parking spaces to 185, but maintain the ratio of 1.78 spaces per unit. Mr. Littleton explained that complete interior and exterior apartment renovations are proposed, with some minor additions to each building. A community center/management office will be created from the existing office building and two existing maintenance/storage buildings will be replaced with a new maintenance building. All apartment buildings will be fully sprinklered. The storm water management facility will be upgraded to include a bio-retention area with infiltration system draining through existing swale, which will be re-graded. Two existing outfall locations will remain the same. Dumpster enclosures will be relocated to the ends of Aqua Lane and Laura Lane. In the parking lot, landscaped peninsulas will be added and lighting will be upgraded throughout. New landscaping will be provided throughout the site, and a new playground will be installed. Mr. Littleton said that sidewalk will be installed along Tull Drive as part of the project. A sidewalk along Atlanta Road will be installed by the property owner at a future date to be determined by the City. This will be memorialized in an agreement between the City and the property owner to be executed prior to the start of the project. The reason the sidewalk is not being installed along Atlanta Road at this time is because there is currently no development in that area. A trigger for installing the sidewalk would be redevelopment of the Nylon Capital Shopping Center, or development of the two vacant lots, one on the other side of Atlanta Road, and one adjoining the apartment complex on the same side of Atlanta Road. Mr. Littleton added that the project has received approvals from DHSS Office

of Drinking Water for upgrades to the water system; Office of the State Fire Marshal for major site approval; and Sussex Conservation District for storm water management plan. Additionally, the City's Engineer, GMB Inc., has reviewed the storm water management design and issued a letter of no objection.

Mayor Genshaw solicited any questions from Council. Councilman Mulvaney asked if the management company, Delaware Valley Development Corporation, owns any other complexes in the area. Mr. Littleton said that they do not own anything else within the City, and is not aware of any in Sussex County. The company is based out of Hockessin. Councilwoman Phillips-Lowe asked when the renovations will begin. Mr. Gorski responded that the project is scheduled to start in early summer, and will take about a year to complete. Councilwoman Phillips-Lowe asked where the residents will be placed during the renovations. Mr. Gorski said that residents will be temporarily relocated to vacant apartments within the Meadowbridge complex or other local apartment complexes. Councilwoman Peterson asked for clarification on the Atlanta Road sidewalk. Mr. Littleton explained that the sidewalk will require DelDOT approval as Atlanta Road is a state-maintained road. Because the properties on three sides of the Meadowbridge complex are not currently in use, there is not a need for the sidewalk to be installed at this time. Councilwoman Peterson asked if there will be money put in escrow for the future sidewalk installation. Mr. Littleton said no; the developer will pay for the project when the need arises, and will have an agreement with the City.

Mayor Genshaw solicited any further questions from Council. There were none. He then solicited any questions from the public. There were none. Mayor Genshaw closed the Public Hearing at 7:36 p.m. and reopened the Regular Meeting.

Josh Littleton, Building Official, presented Findings of Facts for Public Hearing # 1:

- The property is located on Tull Drive & identified as Tax Map and Parcel 531-10.00-217.01
- Zoning is R-3; High Density Residential
- Lot size is 7.76 ac. ±
- The project complies with the area and bulk requirements for the district
- The site currently has 108 dwelling units, a laundry area, management office and 2 outbuildings
- The proposal is to reduce the number of dwelling units to 104
- The site currently has 192 parking spaces = 1.78 spaces/per unit. The proposal is to reduce the number of parking spaces to 185, but maintain the ratio of 1.78 spaces/per unit
- Complete interior & exterior apartment renovations are proposed with some minor additions to each building
- A community center/management office will be created from the existing office building
- Two existing maintenance/storage buildings will be replaced with a new maintenance building
- All apartment buildings will be fully sprinklered
- The storm water management facility will be upgraded to include a bio-retention area with infiltration system draining through existing swale which will be re-graded. Two existing outfall locations will remain the same
- Dumpster enclosures will be relocated to the end of Aqua Lane & Laura Lane

- Parking lot landscape peninsulas will be added & lighting will be upgraded throughout
- New landscaping will be provided throughout the site
- New playground to be installed
- Sidewalk will be installed along Tull Drive as part of the project
- Sidewalk along Atlanta Road will be installed by the property owner at a future date to be determined by the City. This will be memorialized in an agreement between the City and the Property Owner to be executed prior to the start of the project.
- The project received Approvals from:
 - DHSS Office of Drinking water – Upgrades to water system
 - Office of the State Fire Marshal – Major Site Approval
 - Sussex Conservation District – Storm Water Management Plan
 - City's Engineer, GMB Inc., has reviewed the Storm water management design and issued a letter of no objection
 - Planning and Zoning made a favorable recommendation to Council

Mayor Genshaw called for a motion. Councilwoman Phillips-Lowe made the motion to approve the final site plan review for the proposed site and building improvements to the existing apartment complex by Seaford Meadowbridge Associates, Tax Map and Parcel # 5-31-10.00-217.01. Councilman Mulvaney seconded the motion.

Mayor Genshaw then called for a Roll Call Vote:

- Councilman Holland voted yes, based on Findings of Facts;
- Councilman Mulvaney voted yes, based on Findings of Facts;
- Councilwoman Peterson voted yes, based on Findings of Facts;
- Councilwoman Phillips-Lowe voted yes, based on Findings of Facts;
- Councilman Henderson voted yes, based on Findings of Facts.

Mayor Genshaw confirmed that the motion passed with all present voting in favor.

Mayor Genshaw presented Correspondence # 1, letter from Delmarva Power. City Manager Slatcher explained that the City received a letter from Delmarva Power dated March 5, 2015, regarding the rebuilding of its 69kV transmission line Circuit 6752 from the North Seaford Substation to the DuPont Substation. The City of Seaford, as owner of adjoining property, Tax ID # 331-05.00-4.07, is being advised of this project, which is scheduled to begin in the next several weeks and should be completed by mid-June 2015. Delmarva Power will have construction equipment, materials and personnel working in the area; the work should not cause any disturbances, but there is a person to contact at Delmarva Power if damages should occur.

Mayor Genshaw presented Correspondence # 2, letter from EPA. City Manager Slatcher said that Bryant Tiff, WWTF Operations Coordinator, received a letter from EPA regarding the 2014 Annual Report Review for the Industrial Pretreatment Program. The WWTF was assigned a Category 2 for influent results, based on one copper result exceeding the influent goal. A Category 2 was also assigned for the data/local limits evaluation as a result of the influent exceedance for copper. The overall program rating for 2014 was 96.1%, which is Category 1. Mayor Genshaw congratulated the WWTF staff on this achievement.

Mayor Genshaw presented New Business # 1, and asked Mr. Frank Daniel Cannon, Jr. to come forward to discuss his questions regarding the Dover Lift Station. Mayor Genshaw asked Mr. Cannon to state his name and address for the record, ask his questions, and then have a seat so that Council may respond. Mr. Cannon of 411 Nylon Boulevard thanked Mayor and Council for the opportunity to address them, and thanked City Manager Slatcher for the opportunity to discuss some of his more technical sewer-related questions on the afternoon of March 10, 2015. He said that he still has some questions and/or concerns that have not been addressed. Mr. Cannon then read from the following talking points:

Communication Flaws in 3/24/15 City Council agenda NB #1 (My Sewer-Related Questions)

- A. Two (2) parts of New Business #1 (prepared/approved by CM Slatcher) convey false or misleading information about the nature of the business to be heard
- B. City Council never approved debt authorization for "the Dover Lift Station/Rte. 20 Sewer Extension". On 1/13/15 City Council (bid) approval was for the "Route 20 Sewer Extension." The existing language is misleading making understanding difficult.
- C. The phrase "without public approval" in NB #1 is not a part of my 3/1/2015 request for placement on the City Council's meeting agenda. My 3/1/15 request "is...based on the lack of appropriate public input and consideration of that input before your (City Council's) recent decisions." The phrase "without public approval" is a distortion of the meaning of the clearly stated underlying basis of the inquiry.

Communications Problems Around City Plans and Expenditures for Sewer Renovation(s)

- A. No information was available to the public about the "Rt. 20 Sewer Extension" project before the 1/13/15 City Council vote to approve the project.
- B. At some point in time, CM Slatcher changed the name of the sewer renovations project from "Dover Lift Station Replacement" to "Rt. 20 Sewer Extension" (**The Sewer Reno**). There was no communication to the general public/taxpayers about the name change, making it impossible for citizens to know about or understand the nature of the "Rt. 20 Sewer Extension" project, much less have the opportunity for input (about it) to their elected representatives.
- C. In a 3/10/15 afternoon meeting, CM Slatcher made it clear communicating with/to the general public/taxpayers about plans/planned expenditures (such as **The Sewer Reno**) in the past, present or future via low cost means was a waste of time

D. In the same 3/10/15 meeting, the actual authorization for City Management to initiate the **The Sewer Reno** was brought into serious question by communications from CM Slatcher and ACM Anderson

- 1) ACM Anderson first claimed **The Sewer Reno** was approved and funded in the FY 15 Budget. Later both CM Slatcher and ACM Anderson acknowledged **only funding for plans** for a future sewer project (sometime after FY 15) exist in FY 15 Budget
- 2) CM Slatcher clearly communicated **The Sewer Reno** was unbudgeted
- 3) CM Slatcher failed to answer the question, "Since this (**The Sewer Reno**) was unbudgeted, you needed to go to the City Council (for required approval), correct?"

(Note: A few days later, Mayor Genshaw "found the lift station project budgeted under Sewer Collector capital expense" and also said, "I apologize if...this was not clearly communicated as budgeted or un-budgeted.")

City Management Communications Problems Preventing/Diminishing Public Awareness of NB #6 (City Council authorization/approval of a \$1.658 million loan from DNREC) on the 3/10/15 City Council agenda

- A. Agenda language (prepared/approved by CM Slatcher) obfuscated the true nature of the business to be conducted without the inclusion of a 2/26/15 DNREC letter (which was not made a part of the 3/10/15 agenda posted on the City of Seaford website). More specifically, NB #6 made no mention of "a Loan...in the amount of **\$1,658,000**" needing City Council authorization/approval. The general public/taxpayers had no reasonable way to know/understand the nature of, much less provide input to their elected representatives about, NB #6
- B. In the 3/10/15 afternoon meeting under direct and pointed questioning about projects involving favorable terms (e.g. principal forgiveness), CM Slatcher and ACM Anderson failed to inform the questioners about the vote to be taken on the \$1.658 million DNREC loan (which included principal forgiveness) ~2-3 hours later during the regularly scheduled Mayor and City Council meeting

In Conclusion. Gaining knowledge about/understanding of both the \$430,000+ **Sewer Reno** project and the \$1.658+ Million DNREC loan before their approval by City Council was a virtual impossibility for citizens/taxpayers. There was little/no effort on the part of City Management to communicate information about either of these major expense issues with/to citizens and taxpayers. In some instances, communications (or lack of

communication) by City Management had the effect of concealing important information from citizens/taxpayers. Consequently, there was virtually no opportunity for citizens/taxpayers to provide input to their elected representatives prior to action on these expensive matters.

Absent major changes in communications to/with the public by City Management, City Council should move to drastically lower the current spending threshold requiring voter approval to \$250,000 which would mandate citizen/taxpayer input.

Alternatively, City Council should implement major, new communications policies for City Management to ensure timely, public knowledge of and opportunity for public input into future plans and expenditures.

Mayor Genshaw thanked Mr. Cannon for his questions and comments, and explained that Council would like the opportunity to respond to his questions regarding the lift station. Mr. Cannon distributed to Mayor and Council copies of his remarks and proposed remedies, which he would like them to take into consideration. Mayor Genshaw then asked Councilman Henderson to come respond to Mr. Cannon's questions, as the liaison for Public Works.

Question 1 – Wasn't there a lot of work done at this site about 2-3 years ago? What work was done and how much did that work cost? Was it cost effective in light of this lift station needing replacement so soon afterward? Or money wasted?

Councilman Henderson responded that no work was done to the Dover Lift Station. The Retirement Living Lift Station was upgraded in 2010. The total cost of this modernization was \$1,497,547.63, which included improvements to safety, capacity and pump capabilities.

Question 2 – Do current plans call for installing a "local" split system (separating sewage from storm water) that in the future could be linked to a city-wide split system to prevent dumping raw sewage into the Nanticoke River during severe rain storms?

Councilman Henderson responded by explaining that the City of Seaford undertook a multi-decade, multi-million dollar program to separate all of the combined sewer/storm water systems in the 1980s and 1990s. The final separation project was completed in 1999. No projects have been designed and/or implemented in the past 30 years that include a combined component. The combination of storm water and sewer flows does not make financial, environmental or regulatory sense, and the practice is not permitted by State law and DNREC regulations.

Mayor Genshaw then stated that the time was 8:00 p.m. and the Real Estate Property Tax Hearing was closed. Councilman Henderson then continued with his response.

Question 3 – Why not sell Municipal Bonds to finance the project rather than borrow from an out-of-state bank and potentially pay interest to local investors rather than Fulton Bank?

Councilman Henderson explained that Municipal Bonding requires bond attorneys to prepare the bonding documentation. The preparation and sale of Municipal Bonds requires licensed traders to initiate the sale of the bonds and track maturity payments. It also requires underwriters insurance and an opinion letter from the City Solicitor. In conclusion, loans from banks are less costly for smaller financing needs.

Question 4 – In such a small town, shouldn't the tax payers have been able to vote on an expenditure of this magnitude, especially in light of the lack of opportunity for real public input? Isn't the current ~\$1 million threshold for a mandatory voter referendum far too high under these circumstances?

Councilman Henderson began by stating that the threshold is actually \$2 million, which he confirmed that Mr. Cannon knew based on his presentation. He said that there is an item on the agenda for Council to discuss changing the spending threshold. Councilman Henderson explained that the project was budgeted for \$459,900, but is actually being done for \$429,133; therefore the City is already ahead in that respect. He said that the City Charter clearly states that Council can elect to borrow funds. If they were to issue municipal bonds, the project would become more costly. The last time the City issued bonds was 1987. Councilman Henderson said that the current yield for AAA-rated 10-year bonds is 2.08%. The current yield for BBB-rated 10-year bonds is 3.07%. This is just the yield and does not take into account the additional costs associated with a municipal bond issue. The financing secured from Fulton Bank for the Route 20 Sewer Extension project was at a rate of 2.99%. Councilman Henderson went on to explain that the project affects 9 customers. He said that in his opinion, it would be unfair to take this project to a referendum, where City residents who are unaffected by this sewer extension could vote against it.

Question 5 – Is this problem a direct/indirect result of our City's decision to extend water/sewer east across Route 13/Sussex Highway to service private business interests?

Councilman Henderson stated that the Route 20 Sewer Extension is a closed loop project. The sewer services will be hydraulically tied in to the nearby Retirement Living Lift Station, but will not create any additional load. The project has no bearing whatsoever on businesses located on or across Route 13.

Councilman Henderson then showed some slides depicting the current conditions of the Dover Lift Station, which is long overdue for repairs. There were also slides showing how the water and sewage flows will be impacted by the project.

Councilman Henderson solicited any questions from Council. There were none. He then solicited any questions from the public. Mr. Dan Cannon thanked Councilman Henderson for his presentation. However, he felt that the presentation should have occurred 2 months and 11 days earlier, so the public could have an opportunity for input prior to Council's vote on the matter.

Mayor Genshaw thanked Councilman Henderson for his presentation. He explained that the Freedom of Information Act (FOIA) allows citizens to request information on how a town, or any government, spends money. The City has the responsibility to provide this information, and any

tax-paying citizen has the right to ask questions about how the City is spending money. He said that if a citizen does not agree with how Council is voting or behaving, they can act, by running for office or voting the Council members out of office.

Mayor Genshaw presented New Business # 2, Mr. Tom Connor of the Nanticoke Rotary Club, requesting to begin a "Flags for Heroes" Memorial Day project. Mr. Connor came forward and introduced himself as past president of the Nanticoke Rotary Club. He explained that he is serving as project chairperson of Flags for Heroes. The program has been successfully done by other local rotary clubs in Lewes and Georgetown. The purpose is to honor and remember active military and veterans by placing flags somewhere in the City for Memorial Day weekend. It would be a fundraiser for the Nanticoke Rotary Club, which is celebrating its 25th Anniversary in Seaford. Mr. Connor said that he has been in communication with Lt. Peter Bohn of the Seaford PD, who heads up the Memorial Day ceremony in Kiwanis Park, as well as Mr. Adkins, who is the Commander of the local VFW. They both have encouraged this project and have stated that it will have no negative impact on their Memorial Day programs. The Rotary Club will be responsible for placing the flags, which will go out sometime on Friday and remain through the weekend. There would be no cost to the City; the club is simply asking for permission to use an area in the City for this project.

Mayor Genshaw solicited any questions. Councilwoman Phillips-Lowe asked if the Georgetown Rotary Club did this project at Del Tech. Mr. Connor said that he thinks they did. Councilwoman Phillips-Lowe said that she was very impressed with the display. Councilman Mulvaney asked how much space the club would need. Mr. Connor said that he didn't anticipate they would need a lot of space for the first year; he is estimating that one-third of the space at Gateway Park would be sufficient, as an example. Councilman Mulvaney suggested Kiwanis Park as a possible location. Mr. Connor said that wherever the City designated would be fine, but that a public venue where people could see the flags and stop to pay respects would be ideal. He added that the club would like to promote the names of those who are being honored by running a list in the newspaper, as well as posting a list on-site. City Manager Slatcher asked what the dimensions of the flags would be, and if they would require some kind of holders. Mr. Connor said that he was thinking the flags would probably be about 12" by 18", with a 30" shaft, which would allow the flags to be placed in the ground, and still high enough to be visible. Councilman Henderson asked if there was a particular monetary objective in mind for the fundraiser. Mr. Connor said that the club did not have a set amount in mind, given that it is the first year, but that the more money they raise, the more they are able to help the community. Councilman Henderson asked if this will be considered a major fundraiser for the rotary club. Mr. Connor said that it is not, but that it could be in the future.

There being no further questions, Mayor Genshaw called for a motion. Councilman Mulvaney made the motion to support the Nanticoke Rotary Club in the "Flags for Heroes" program and authorize Management to work with them to establish the appropriate site for this project. Councilman Holland seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business # 3, bids for trash. City Manager Slatcher stated that four bids were received. Peninsula Oil Company Inc. was the low bidder, with a monthly bid amount of \$1,091 and an annual amount of \$12,892. Assistant City Manager Charles Anderson

reviewed the bids and made the recommendation that the bid be awarded to the low bidder, Peninsula Oil Company Inc., for the amounts stated. City Manager Slatcher added that not all locations have trash service every month of the year, especially the parks.

Mayor Genshaw solicited any questions or comments. There being none, he called for a motion. Councilwoman Peterson made the motion to award the trash collection and recycling bids to the low bidder, Peninsula Oil Co. Inc., as per the unit prices bid dated 3/18/15, with an estimated cost of \$12,892.00, recognizing some additional units may be needed or operational changes may change the number of units throughout the course of the year. Councilwoman Phillips-Lowe seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business # 4, and asked Natalie Wilson, Superintendent of Parks and Recreation, to come forward to present for approval the spring sports fees and associated cost calculations. Mrs. Wilson began with the calculations for Men's Slow Pitch Softball. The calculations were based on 8 teams. Umpire fees are \$34 per game, with an estimated 78 games being played, for a total of \$2,652; divided equally between 8 teams is \$331.50 per team. The field lights cost \$20 per hour, for 2.5 hours per game night, for a cost of \$50 per game night; there are 21 game nights, for a total of \$1,050, which is \$131.25 per team. The labor is estimated at 1.5 hours per game day, for a total of 31.5 labor hours, at a cost of \$15 per hour, for a total labor cost of \$472.50; divided between 8 teams for a cost of \$59 per team. There is also a USSSA Sanction fee of \$15 per team, bringing the total cost to \$536.75 per team. Mrs. Wilson's proposal is a charge of \$565 per team, a slight increase from the \$540 charged in fall 2014. She added that the City receives \$10 per non-resident player, which averages an additional \$80-100 per team.

For Spring Volleyball, the staffing cost is \$8.50 per hour; 15 nights at 4 hours per night, for a total of 60 working hours; bringing the total staffing cost to \$510. The facility usage is estimated at 20% of the annual gym use expense, which is \$894. This brings the total volleyball league expense to \$1,404. 8 teams are anticipated for this season, which would bring the cost to \$175.50 per team. Mrs. Wilson is proposing a charge of \$175 per team. She explained that the fees were \$135 per team in spring 2014, and they did not want to increase the fee too drastically, which might discourage some teams from returning to the league. Additionally, the City receives the same \$10 per non-resident player, which averages an additional \$50 or more per team.

Councilman Mulvaney asked if the non-resident fee was charged to those outside of the Seaford School District. Mrs. Wilson explained that the non-resident charge is actually for anyone living outside of City limits. City Manager Slatcher added that there are also some players who come from neighboring towns. Councilman Henderson commented that there seem to be a lot of non-residents participating in Seaford recreation activities. He said that was good, but that we also should try to encourage participation among City residents. Mrs. Wilson agreed, but said that she thinks the high participation among non-residents speaks for the great programs and facilities that Seaford has to offer.

Mayor Genshaw solicited any further questions. There being none, he called for a motion. Councilman Holland made the motion to approve the Spring Sports fees as presented for program

participation for the men's slow pitch and spring volleyball in 2015. Councilman Henderson seconded the motion. The motion so passed with all present voting in favor.

City Manager Slatcher explained that New Business # 5 was removed from the agenda, and would be addressed at a future meeting. She apologized for not mentioning this change earlier in the meeting.

Mayor Genshaw presented New Business # 6, proposal from Delmarva Digital for the website FOIA portal. City Manager Slatcher stated that the proposal to install the FOIA portal on the City's website, which would meet the State of Delaware's FOIA guidelines, would cost \$930. This fee includes website design and development, and adding custom features specific to the City's needs. If Council approves the proposal, it can be executed the next day and the work can begin. It is estimated that the FOIA portal should be functional within 14 business days.

Mayor Genshaw solicited any questions. There being none, he called for a motion. Councilman Henderson made the motion to approve the non-budgeted expense to create the FOIA portal on the City of Seaford website as proposed by Delmarva Digital. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor. City Manager Slatcher added that the information is currently available, just not online. The intention of adding this portal is so that citizens may request and receive this information on the City's website.

Mayor Genshaw presented New Business # 7, discussion of the floating debt limit of \$2 million in the Seaford Charter. He said that Mr. Cannon's question about the \$2 million spending threshold required some discussion amongst Council as to whether that amount was too high, too low, or a good amount. He said that he had asked City Manager Slatcher when and why this amount was established, and that ultimately it is the Council's decision as to what the floating debt limit should be. Councilman Henderson noted that Section 37 of the City Charter, which references the \$2 million floating debt limit, was on his slide presentation. Mayor Genshaw asked Trisha Newcomer, ED/IT Manager, to pull up the slide. Mayor Genshaw then asked City Manager Slatcher when the City Charter was changed. She explained that the discussion of changing the Charter occurred in December of 2006. There were several amendments made to the Charter at this time, including corrections, contracting, increasing bid requirements, special taxes and special development districts, and sale of assets. The 7th amendment dealt with increasing the floating debt. The initial discussion which began in December of 2006 was to increase the amount from \$750,000 to \$1.5 million; however Council ended up increasing the amount to \$2 million. The rationale behind this increase was because of the Industrial Park and various economic development projects. Council wanted the flexibility to be able to be responsive to potential developers, without having to delay the process 6-9 months by going through the referendum process. City Manager Slatcher said that the Charter was rewritten by City Solicitor Jim Fuqua with the amendments, and was approved by Council in January 2007. It was then processed by our District Senator and Representative. The Governor signed House Amendment No. 1, amending House Bill No. 98, on June 18, 2007.

Mayor Genshaw then solicited questions and comments from the Council. Councilwoman Peterson stated that she thought \$2 million was a good amount for Council to be able to operate on. She noted that developers do not want to wait for answers, and lowering the threshold could

prolong things. Councilwoman Phillips-Lowe agreed, and she thought that the reasons for increasing the limit in 2007 were just as valid now, if not more so. She said that lowering the threshold would tie the City's hands during a time when economic development is a top priority. Additionally, the cost of everything is going up, and lowering the threshold would be a step backwards. Councilman Henderson asked what the City's budget was in 2007 when this \$2 million threshold was adopted. City Manager Slatcher said that she did not know offhand, but could find the information. Councilman Henderson noted that the current budget is about \$28 million, and that the \$2 million threshold is about 7% of that. He thought that if anything, the amount may need to be raised. He added that if the need for major repairs were to arise, the City would be handcuffed in responding in a timely manner, and it could become a safety issue. Councilman Mulvaney agreed that quick response was important, as was proven by the failure of the Police Department's generator and the need to replace it. Councilman Holland stated that he thought the matter would require further discussion, but that \$2 million might not be enough. Mayor Genshaw said that his concern would be deterring potential developer inquiries in a time when the City is aggressively pursuing business development. Developers would be more likely to look elsewhere if they had to wait 6 months or more for a response because of the City having to go to a referendum. He said that while it is a lot of money, it is easy for a City to spend that just on general maintenance. Mayor and Council made the decision to table the matter for further discussion. Mayor Genshaw thanked everyone for their comments.

Mayor Genshaw presented New Business # 8, discussion of painting two courts on the west end of the tennis complex on School Lane. Natalie Wilson, Superintendent of Parks and Recreation, came forward to discuss the request from the Seaford Pickleball Club. The request is to paint two of the tennis courts with the lines required for pickleball play; currently the club draws the lines with sidewalk chalk. The lines would be painted in a different color, so the courts could continue to be used for tennis. Dudley Sluder, the USA Pickleball Association's ambassador for the Eastern Shore, will handle the painting of the courts, and can provide references where this has been successfully done on other courts.

Councilman Mulvaney asked what pickleball is. Sue Schreckengast, a pickleball club member who was present, responded that it is a combination of ping pong and tennis, but played with a whiffle ball. It is played on a court somewhat smaller than a tennis court. She explained that the Seaford Pickleball Club is active and continues to grow. They are currently playing at the Boys and Girls Club, but will resume outside play once the weather permits.

Mayor Genshaw solicited any further questions. There being none, he called for a motion. Councilwoman Phillips-Lowe made the motion to approve the painting of the two west tennis courts of the six tennis courts on the north side on School Lane on the Seaford School District property, at the High School, contingent on the City receiving written approval from the Seaford School District agreeing to having the pickle ball courts overlaid onto the two tennis courts as presented. Councilman Holland seconded the motion. The motion so passed with all present voting in favor.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

- Delaware League of Local Governments – Duncan Center, Dover, March 26th at 5:30 p.m.
- Easter Egg Hunt – Ross Mansion, March 28th at 10 a.m.
- SCAT – Bridgeville Fire Hall, April 1st at 6 p.m.
- Community Walk – City Hall, April 1st at 5 p.m.
- Autism Speaks Ceremony – Gateway Park, April 1st at 6:30 p.m.
- City offices closed Friday, April 3rd for the holiday

2015 MUNICIPAL ELECTION INFORMATION

- Municipal Election is Saturday, April 18, 2015. Polls open 10 a.m. until 6 p.m.
- Voter registration and candidate filing is open, and ends on March 27, 2015 at 5 p.m., the close of the normal business day. Candidates need to file their application with the City Manager. Voters need to be registered in the voter registration book at City Hall. You only need to register one time. Please make sure you are registered to vote. You may register anytime during normal business hours, Monday through Friday, 8 a.m. until 5 p.m.
- Two Council positions are up for election and presently held by Councilwoman Grace Peterson and Councilman Orlando Holland.
- As of this date, three candidates have filed:
 - Mr. Shane Beard, 600 Nylon Boulevard
 - Councilwoman Grace Peterson, 200 N. Arch Street
 - Councilman Orlando Holland, 809 Nylon Boulevard

COMMITTEE REPORTS

Councilwoman Phillips-Lowe reported that the Fire Department was busy during the winter storms, and that the station was staffed 24 hours a day during those storms. The department's new tanker should be here at the end of May. The SVFD has responded to 46 fire calls and 214 EMS calls for the month to date; they thanked the dispatchers at the Seaford PD for handling those calls and tracking the totals. At the Police Department, the generator replacement project will begin any day. Dispatcher testing is scheduled for Saturday, March 28th, beginning at 8 a.m.; there are approximately 30 candidates who will be tested. Detective Chambers recently attended training in Baltimore, and was re-certified on lie detector testing. The department is working on annual performance evaluations. Councilwoman Philips-Lowe reported that the department will be hosting an FBI training event, and that several local departments will be in attendance. Lt. Van Fleet and Sgt. Flood will be attending an alert training, which is an instructor's course for active shooting incidents. She added that National Telecommunicators Week will be recognized during the week of April 12th, and that a recognition ceremony will be held for the 911 Center dispatchers.

Councilman Mulvaney reported that June Merritt, Director of Finance/HR, continues to work on the FY 16 budget preparation, and attended the annual planning session with Mayor and Council. She also assisted in gathering information for tax appeals. All other daily business is routine. Utility bills were due March 23rd, and disconnects are scheduled for April 7th. Assistant City Manager Charles Anderson attended various meetings and events, including the Blades historical marker unveiling, annual planning session with Mayor and Council, Seaford Community Swim Center startup meeting, and several bid openings. City Manager Slatcher prepared a thorough agenda for the annual planning session, including state law and City Charter references, enhancing the knowledge of City operations and Council responsibilities for the first-term Council members. Councilman Mulvaney added that he attended the dedication of the historical marker at Mt. Calvary AME Church in Concord on Sunday, March 15th, along with Mayor Genshaw and Councilwoman Peterson.

Councilman Holland reported that the Recreation Department's youth basketball all-star team attended a tournament in Laurel, and were undefeated. The department presented upcoming programs and opportunities at the Western Sussex Tourism Partners meeting. The Parks Department has been working on repairs to the Riverview park pavilion. The annual Easter Egg Hunt will be held Saturday, March 28th at 10 a.m. at the Ross Mansion. A community walk for Autism Awareness will be held April 1st, with step-off at 5:15 p.m. at City Hall. The Recreation Department is gearing up for spring sports leagues.

Councilman Henderson reported that Trisha Newcomer, ED/IT Manager, assisted with planning session preparations, worked on the City's quarterly newsletter, and made some website changes. She plans to install a KVM console and switch at the Police Department when it arrives. She sent out Riverfest sponsorship letters, worked with CGI Communications on the video tour book renewal, and is preparing for the Autism event on April 1st. Mrs. Newcomer also attended several Economic Development meetings. Councilman Henderson reported that the Public Works Department repaired a sinkhole on Phillips Street, and also repaired the department's JCB backhoe. The department collected state samples, and replaced one of three remaining water services on North Porter Street prior to paving. The new water main in Governor's Grant was charged for testing, and 5 employees were recently certified for flagging. Berley Mears, Director of Public Works, attended several meetings. Councilman Henderson reported that WWTF plant performance is good. The department repaired a broken chain on the grit collector, and has continued with FOG program inspections. Bryant Tiff, Operations Coordinator, did a presentation to students at the Jefferson School. Leachate treatment has increased and is going well, and compost sales have slowed. In the Code Department, 8 code-related letters were sent out, and 8 building permits were issued. The department completed a site plan review for Meadowbridge Apartments. Josh Littleton, Building Official, completed testing for Commercial Building Inspector. Mr. Littleton also attended various meetings, and met with a customer regarding a commercial tenant fitout.

Councilwoman Peterson reported that Rick Garner, Electrical Engineer, assisted with SCADA PC installations. He attended a pre-construction meeting for the Seaford PD

generator replacement, and a pre-bid meeting for the Parks Maintenance Storage Building. Mr. Garner also attended a DEMEC board meeting, and worked on the annual report for the Federal Energy Information Administration. In the Electric Department, all of the bucket and line trucks have been ANSI and Hi-Pot tested. The tree trimming contractor has completed work in Westview and Martin Farms. The department changed cross arms on Virginia Avenue. Bill Bennett, Superintendent of Electric, met with a DelDOT representative about the streetlights on the eastbound side of the Stein Highway bridge. The department will be working to fix those streetlights in the coming weeks, as well as continuing to work on changing the Virginia Avenue cross arms, and working on Phase 3 of Governor's Grant.

Mayor Genshaw thanked the members of the public who were in attendance at the meeting, as well as the various directors, supervisors and employees. He thanked the City staff for all their hard work in recent weeks, when there has been a lot going on.

With no further comments, Mayor Genshaw called for a motion to close the Regular Meeting of Mayor and Council and move to Executive Session. Councilwoman Phillips-Lowe made the motion to close the Regular Meeting of Mayor and Council. Councilwoman Peterson seconded the motion, and the motion so passed with all present voting in favor. Mayor Genshaw closed the Regular Meeting at 8:54 p.m. and opened the Executive Session.

Mayor Genshaw closed the Executive Session at 9:15 p.m. and reopened the Regular Meeting of Mayor and Council. Councilwoman Phillips-Lowe made a motion to close the Regular Meeting of Mayor and Council. Councilman Holland seconded the motion, and the motion so passed with all present voting in favor. Mayor Genshaw closed the Regular Meeting at 9:16 p.m.


Dolores J. Slatcher, City Manager

/ebc