

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

May 14, 2013

7:00 p.m.

Mayor William G. Bennett called the Regular Meeting to order with the following present: Councilman J. Rhea Shannon, Councilwoman Grace S. Peterson, Councilwoman Pat A. Jones, Councilwoman Leanne Phillips-Lowe and Councilman David Genshaw. Dolores J. Slatcher, City Manager, Charles Anderson, Assistant City Manager and June Merritt, Director of HR/Finance were also present.

Councilwoman Jones offered the opening prayer. Mayor Bennett led those present in the Pledge of Allegiance.

Mayor Bennett solicited changes to the agenda. City Manager Slatcher stated there was none.

Mayor Bennett called for a motion to approve the Minutes of the Regular Council meeting of April 23, 2013. Councilman Genshaw made the motion to approve the Minutes of the April 23, 2013 Regular Council meeting. Councilwoman Peterson seconded the motion. Motion so passed, with all present voting in favor.

Mayor Bennett then proclaimed the month of May as "Poppy Month".

Judge Mulvaney came forward and administered the oath of office for Councilwoman Leanne Phillips-Lowe.

Mayor Bennett then asked for any correspondence. City Manager Slatcher stated there was none.

City Manager Slatcher then presented New Business #1 – Kris Smith, Integra to present employee health insurance renewal information. Mr. Smith stated that a request was made for proposals from 6 reinsurance carriers that were rated A or better by the A.M. Best rating agency. It was then narrowed down to three carriers which were Unimerica, Standard Security Life of New York and U.S. Fire. After multiple meetings with the benefit committee and a thorough review of the current claims experience, the recommendation is to renew with Unimerica (a United Health Care company) and implement option 4d which is the benefit program in place currently. Mr. Smith explained that the City of Seaford's Benefit plan renewal costs are projected to be 4.14% above current year's actual costs. This is due to paid claim history for the past 2 years and inflation trend which according to the 2013 Segal Health Plan Cost Trend Survey is projected to be 8.3%. Mr. Smith also added that the Optum/Unimerica Rewards Program is being added this plan year. It offers a refund of premium if health costs are lower than Optum/Unimerica expects during the plan year. Based on the past 5 year claim history the average refund would be \$17,500 per year. The City would need to renew with Unimerca next year to be eligible for the refund. The decision was made last year to move the retiree benefit program to the Hartford Group Retiree Insurance Trust. The renewal for this retiree program was January 1, 2013. For the 2013

plan there was no increase to the current rates. The retiree dental and vision benefits are still administered by INTEGRA. The Life insurance is covered through AIG. The current benefit year began July 1, 2012. For the 2013 plan there is no increase to the current rates. Mr. Smith added some additional points. The HPN network option was added to the benefit plan effective February 1, 2013. The only benefit change being recommended by the health committee is the emergency room co-pay. It would change to \$150 per encounter from the current \$100 per encounter. This is to encourage the use of the Urgent care facilities when appropriate. To discuss the Spousal Coordination and the ACA so that spouses that are currently on the plan can have the opportunity to gain benefits through their employer. Mr. Smith stated that the health reform is still having an impact on benefits and costs. Changes up to the 2013 plan year include: patient-centered outcomes research institute (PCORI) fee is \$1 per covered person and is due July 31, 2013; Women's Health & Well Being Act; No Benefit Lifetime Minimums (2 Million annual is an option until 2014); Children under the age of 26 are eligible to be on their parents health plan; No pre-existing conditions for children under the age of 19; Waiver of the preventative care co-pay; Summary of Benefits & Coverage (SBC) distribution at open enrollment & Health Exchange Notice distribution in the fall of 2013. Mr. Smith also handed out an employee benefit educational renewal booklet that included information for the employees that shows the current benefit structure. Councilwoman Jones made a motion to approve the benefit committee and Integra's recommendation to purchase employee health insurance from Unimerica Option 4d as presented. Councilman Genshaw asked for an explanation about the spousal coordination. Mr. Smith explained that if a spouse has benefits available to them at their employer and it is affordable, then the recommendation would be for the spouse to have the benefit through their employer. City Manager Slatcher stated that the committee discussed this and they decided to give everyone a year notice that this is coming up next year. She added that it is a 4.14% increase which is about \$54,684 for the plan year. This is based on the claims that come in that are projected. There are 171 persons currently in the group now including employees and dependents. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #2, Present Benefit Committee recommendations for renewal and new employee deduction amounts. The recommendation is for single coverage to increase to \$11.24 (increase of \$3.27), employee/spouse/family coverage to increase to \$97.68 (increase of \$26.46) and employee/child(ren) coverage to increase to \$62.63 (increase of \$18.59). Councilwoman Phillips-Lowe made a motion to approve the changes to the employee deductions for employee health insurance as presented. Councilwoman Jones seconded the motion; motion so passed with all present voting in favor.

Mayor Bennett presented New Business #3, Present for approval an agreement with Norfolk Southern Railway for the electrical crossing of rail tracks at Gardner-Gibson for service. It will provide service to Gardner-Gibson and the adjoining property, Growmark. It is a 240 volt circuit and they will be extinguishing the old pole line and relocating it due to the expansion of Gardner-Gibson. There is a thousand dollar insurance fee that needs to be paid to the railroad company and obtain a certificate of liability insurance naming them which has

already been completed. Councilman Genshaw made a motion to approve the agreement with Norfolk Southern Railway for the electrical crossing of the rail tracks at Gardner-Gibson as presented. Councilman Shannon seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #4, Present for approval a rewritten Fiber License Agreement and associated annexes for fiber service to facilities owned by Nanticoke Health Services. It is for a four year term and may be renewed for an additional 4 year term and a rate will be agreed upon at that time. The fees are paid annually on January 1<sup>st</sup> of every year. The fee escalator is 1% for 2013, 1% for 2014, 2% for 2015 and 2% for 2016. This covers annex 1, 2 and 3. Annex 1 is the women's health center out on Herring Run/Jet Ave, annex 2 is the women's health center at Fallon Ave and annex 3 is the family practice on Middleford Road. Councilman Shannon made a motion to approve the new Fiber License Agreement with Nanticoke Health Services for fiber services to their facilities superseding all other agreements as presented.

City Manager Slatcher presented New Business #5, Present new economic development fees for flexible warehousing in the M-1 District. It was brought up that there appears to be inequities in the price setting for the lower end warehousing. The economic development committee met and looked at the fee structure and is recommending adjusting the fees. The change would include anything below a 3" tap which previously was \$1500 to be adjusted to 1" water tap to be \$375 and a 2" tap to be \$750. City Manager Slatcher added that the traffic has recently picked up at the Seaford warehouse center over the last few years and within the last 2 months there have been a total of 7,500 sf units leased to different tenants with different unit size requirements. They have recently leased space to an auto parts distributor, a rigging company and a company that produces small machinery for chicken processing in their facilities. They are currently negotiating with a home supplier to either buy or lease 3,750 to 5,000sf. The goal would be to fill existing spaces for a stabilized period of time and then move on to design a new building for the adjacent 3.84 acres. Phillips-Lowe made a motion to approve the economic development fees for flexible warehousing in the M-1 District as recommended by the Economic Development Committee to be effective May 1, 2013. Councilwoman Jones seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #6, Present for approval a new schedule of fees and rates to include the new economic development fees for flexible warehousing. There is another change to include the energy supply charge, the adjusted water impact fees, water capacity charge and sewer impact fee. Councilman Shannon made a motion to approve the Schedule of Fees and Rates as amended on May 14, 2013 to be effective retroactively to May 1, 2013. Councilwoman Phillips-Lowe seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #7, Present Belle Ayre Investments, LLC request to continue their site approval for the subdivision of Belle Ayre from 1-14-05 - 1-14-15. Mr. Mark Prata was present from Belle Ayre Investments, LLC. They are asking an

extension of the approval retroactive from 1-14-05 through 1-14-15. They stated that this will bring them up to date on their two year sunset schedule. The code department has reviewed it and it is being recommended to go forward. Councilwoman Peterson made a motion to approve the subdivision approval for Belle Ayre Investments, LLC from January 14, 2005 through January 14, 2015 as requested. Councilman Genshaw seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #8, Present the developer's agreement with the Bank of Delmarva and Circle J for the extension of sanitary sewer. City Manager Slatcher explained that the extension is going from Herring Run Lift Station crossing 13 to the east side. The City is extending the sewer main out of Herring Run Lift Station to the manhole west of Route 13 and the developer and the City are sharing the actual sanitary sewer crossing of Route 13 to the manhole on the east side of Route 13. The developer is bearing the cost of the extension of the sanitary sewer to the new project in addition to the water being extended from the existing site to the new site. The City is sharing in the cost of the up-sizing of the pipe since we would like to have the 16 inch pipe for future development further north on the east side. Councilman Genshaw made a motion to approve the developer's agreement with the Bank of Delmarva and Circle J for the extension of sanitary sewer as presented. Councilwoman Phillips-Lowe seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #9, Present the appraisal for the Ayers Lands and a recommendation for a sale price. The appraisals have been received and a sale price is being recommended to put it on the market. For Parcel #1, which is a vacant commercial lot referenced as tax map and parcel # 4-31-5.00-208.00 consisting of 41,008 sq. ft. of land. The appraised value by Carmean Appraisals is \$125,000. The City has had to do clean up, replace sections of the sidewalk, remove trees and stumps, and fees for appraisal. Therefore it is recommended to set the sale price of this parcel in the amount of \$149,149 to include the appraised value plus the expenses incurred by the City. Parcel #2 which is a vacant commercial lot referenced as tax map and parcel # 4-31-5.00-206.00 consisting of 8,225 sq. ft. of land. The appraised value by Carmean Appraisals is \$23,000. The City has had to do clean up, remove trees, and fees for the appraisal. Therefore it is recommended to set the sale price of this parcel in the amount of \$25,680 to include the appraised value plus the expenses incurred by the City. If these prices are approved the City would start to market the parcels and place signs on the lands for sale. Councilwoman Phillips-Lowe made a motion to approve the sale price of land for the vacant commercial lot referenced as tax map and parcel 4-31-5.00-208.00 consisting of 41,008 sq ft of land in the amount of \$149,149 to include the appraised value plus the expenses incurred by the City. Councilman Genshaw seconded the motion; motion so passed with all present voting in favor. Councilwoman Peterson made a motion to approve the sale price of land for the vacant commercial lot referenced as tax map and parcel 4-31-5.00-206.00 consisting of 8,225 sq ft of land in the amount of \$25,680.00 to include the appraised value plus the expenses incurred by the City. Councilwoman Jones seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #10, Present for approval the Del DOT Utilities Letter Agreement 86U-07-053 for the Location US13 Seaford Intersection Improvements. City Manager Slatcher added that a cover letter will be going back to Del DOT outlining the details of the responsibility. This is all electrical work; there isn't any water or sewer that needs to be relocated. Councilman Shannon made a motion to approve and authorize the City Manager to sign the Del DOT Utilities Letter Agreement 86U-07-053 for the US 13 Seaford Intersection Improvements as presented. Councilwoman Phillips-Lowe seconded the motion; motion so passed with all present voting in favor.

City Manager Slatcher presented New Business #11, Present information on the Hooper Fitness Trail Improvements. City Manager Slatcher stated that funding has been received from Senator Venables and Representative Short for this project. The shared cost of this is \$63,762 and the City's portion would be \$30,452.52. There will be a sign that says that it is the Hooper's Fitness Trail and in addition there would be mile markers for the 5K run. There will also be a bridge across the corner of the driving range connecting Harrington Street and Sussex Ave. The City's portion of the funding is coming from the Parks Reserves. Councilwoman Phillips-Lowe made a motion to accept the information regarding the Hooper's Landing Fitness Trail Improvements using the CTF funds in the amount of \$63,762 and using City funds in the amount of \$30,452.52 coming from the Parks Reserves funds. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

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

- Relay for Life May 17<sup>th</sup> starting at 6:00 p.m. at Soroptimist Park
- May 18<sup>th</sup> La Red will be hosting a Fitness/Wellness Day at the Park at Soroptimist Park
- Delaware League of Local Governments Meeting – May 23<sup>rd</sup> at 6:00 p.m. at Dover Sheraton
- Memorial Day Parade and services starting at 11:00 a.m. at Kiwanis Park

#### **COMMITTEE REPORTS:**

Councilwoman Phillips-Lowe reported that there have been 12 building permits issued and a number of code related letters have been sent. Approval has been received for the revision of the Code for Chapter 4 from the Delaware State Housing Authority. WWTF is doing well and they had an annual inspection on May 6<sup>th</sup> from DNREC that went well. Clean-Up Week is currently underway and is running ahead of schedule. ED/IT department is working on the Route 13 development project with Del DOT, Mrs. Newcomer recently attended an economic development committee meeting and is working on the Mayor's Right Choice award.

Councilwoman Peterson reported that work continues with tree trimming and removal. Work is continuing on the extension of the electric lines in the Industrial Park for the Boyd Warehouses. They are still waiting on the Railroad Crossing agreement to start work at

Garnder-Gibson. Street lights are being installed for the Davis Drive extension project. Mayor Bennett, Dolores Slatcher, Sharon Drugash and Rick Garner all attended the Delmarva Power Wholesale meeting in Ocean City on May 2<sup>nd</sup>. There were some outages reported including April 27<sup>th</sup> on McKean Street, April 30<sup>th</sup> at Save-a-Lot, May 11<sup>th</sup> at Read and Rodney Streets and Seaford Village Shopping Center.

Councilman Shannon reported that the Chief has been away at a conference.

Councilwoman Jones reported that the Director of Finance has been working on the FY2014 budget and working with the customer service representatives. She has been assisting with the electric rate fee schedule. She has been working on spreadsheets and project work. The bills were mailed out on May 10<sup>th</sup>. Water meter reading will be done May 22-24<sup>th</sup> and electric meter reading will be May 30-31<sup>st</sup>. Disconnect notices will be sent out on May 24<sup>th</sup> and disconnects will be done on June 6<sup>th</sup>.

Councilman Genshaw reported that co-ed softball is underway and there are currently 7 teams. He spent some time today with Scott looking at a program called Sports Conductor that is an online site where you can do registrations, post scores, records of teams, post cancellations, etc. May 25<sup>th</sup> is the opening day for the Seaford Community Swim Center.

There being no other business, Mayor Bennett called for a motion to adjourn. Councilman Genshaw made a motion to adjourn. Councilwoman Peterson seconded the motion. Motion so passed with all present voting in favor.

Mayor Bennett adjourned the Regular meeting at 7:58 p.m.

By: \_\_\_\_\_  
Dolores J. Slatcher, City Manager

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