

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

June 9, 2015

7:00 PM

Mayor David Genshaw called the Regular Meeting to order with the following present: Councilwoman Grace S. Peterson, Councilwoman Leanne Phillips-Lowe, Councilman Dan H Henderson, Councilman Orlando Holland and Councilman H. William Mulvaney III. Dolores J. Slatcher, City Manager, and Charles Anderson, Assistant City Manager, were also present.

Councilman Mulvaney offered the opening prayer and led those present in the Pledge of Allegiance.

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 May 26, 2015. Councilman Mulvaney made a motion to approve the minutes of the Regular Council Meeting of May 26, 2015. Councilman Holland seconded the motion, and the motion so passed with all present voting in favor.

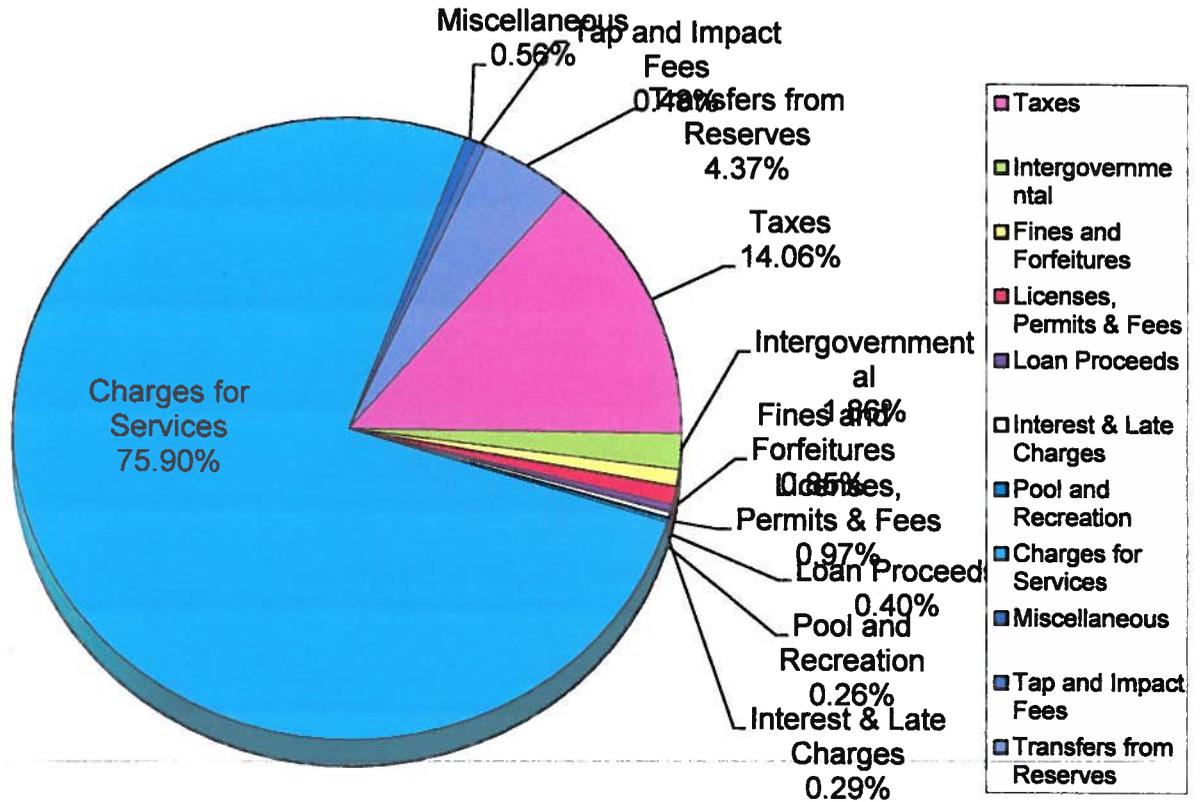
Mayor Genshaw presented New Business # 1, Mr. Alan Grant, Pennoni Associates to present solar array project information for Waste Water Treatment Plant energy offset to be placed at the Utility Building on Herring Run Road. Mr. Grant came forward to present the information for the solar array project. Mr. Grant showed the proposed location and the site layout for the project which is next to the Utility Building on Herring Run Road. He then reviewed the project facts: the site is 2 +/- acres with a proposed output of 430 kW DC and 350 kW AC. The project will allow the Seaford WWTP to generate a portion of its electricity using a renewable resource. Approximately 54% of current electrical consumption. The estimated construction cost is \$1,600,000 with financing through a SRF loan proceed. There will be a 2% interest rate with a 20 year term. There is also a \$500,000 principal forgiveness. The design and engineering was funded by a matching planning grant of \$50,000. Mr. Grant explained the first year financials. There will be 560,000 kWh produced. This will allow \$57,000 in Utility payments to be avoided with 10.2 cent per kWh. There will be \$62,000 in revenue from DEMEC contract for SRECs meaning \$110 Solar Renewable Energy Credit (SREC = 1 MWh) produced. This would allow \$119,000 revenue in the first year. Mr. Grant stated that a 1.6 million loan with a \$500,000 forgiveness would mean \$1.1 million at 2% for 20 years would make a \$67,000 loan payment. He also explained that there would be about \$12,000 in grass cutting, insurance, etc. Mr. Grant stated that the first year expenses and debt would be \$79,000 and the first year revenue would be \$40,000. Mr. Grant explained that with this project there is also rewards and risks. The utility costs are unlikely to go down and there is a DEMEC contract for 20 years. The City of Seaford would be able to control expenses. The solar irradiance data is well understood but always a risk. The best in class warranties for panels and inverters were included in the bid packet. The initial production guarantee from contractor is also included. City Manager Slatcher added that all of the financials in the presentation are estimates at this time until the bids are received and the closing on the loan is completed. Once the bids are received then Pennoni Associates will evaluate them.

Mr. Grant then asked for any questions. Councilman Henderson asked is the structure of the bid more dependant on price than what the output would be. Councilman Henderson asked if weight would be put on the expense of the project or the amount of production. Mr. Grant stated that it is a combination of the two. The first year of production is looked at versus the cost of the project. He added that different products are looked at and reviewed to see what the best method of production will be implemented to save the most money. Councilman Henderson asked how many SREC's DNREC will purchase. Mr. Grant stated that there is no maximum amount written in the contract as to how many they will purchase. Councilman Mulvaney asked if there was a provision for replacement of the panels written into the contract. Mr. Grant stated that all panels have a 20-25 warranty and there is also a parts and materials warranty written in the bid. During the twenty years if the panels are not producing 80% of the power and there is data available to justify that then the panels will be replaced by the contractor. With no other questions, Mayor Genshaw thanked Mr. Grant for his time and presentation.

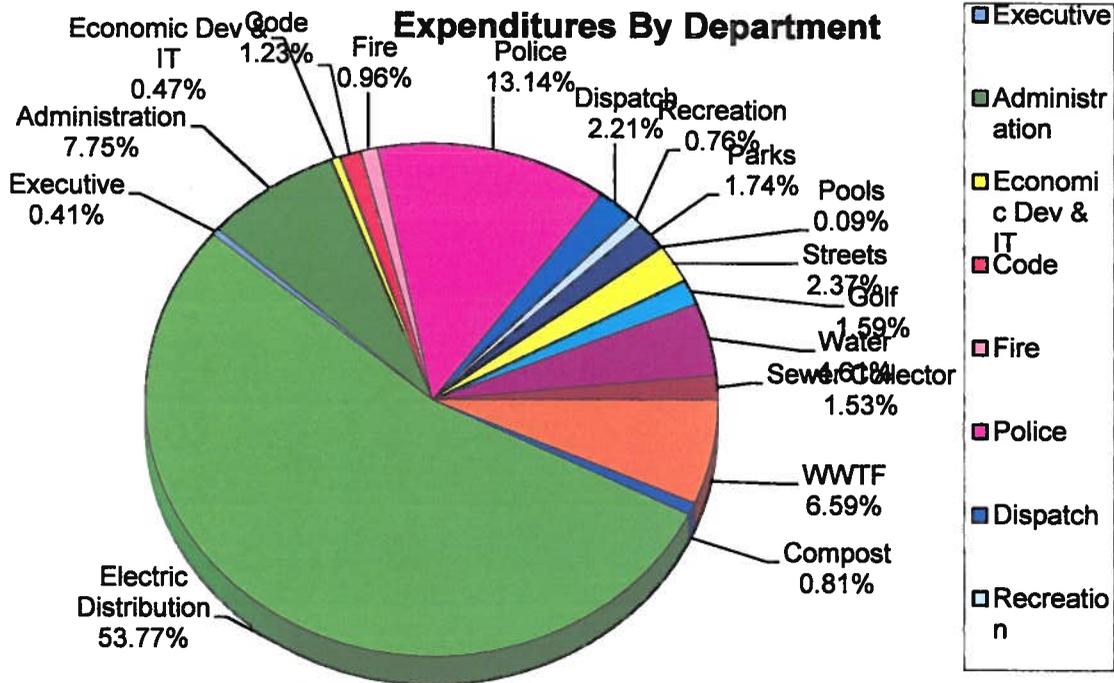
Mayor Genshaw presented New Business # 2, present information on repairs to the eastbound lanes of Stein Highway Bridge. City Manager Slatcher stated that DelDOT will be replacing the expansion joints on the east bound Stein Highway Bridge. They plan to start July 7th once school is out and after the fourth of July holiday. The east bound bridge will be closed for approximately three weeks. There will be signs placed for the project and once they are placed the project will start 10 days later pending weather.

Mayor Genshaw presented New Business # 3, present the FY16 Budget. City Manager Slatcher stated that the budget being presented tonight is in the amount of \$25,113,286 which is a 3.158 percent reduction over the FY15 budget which was \$25,932,454. She showed the sources of revenue with the biggest source of revenue being charges for services.

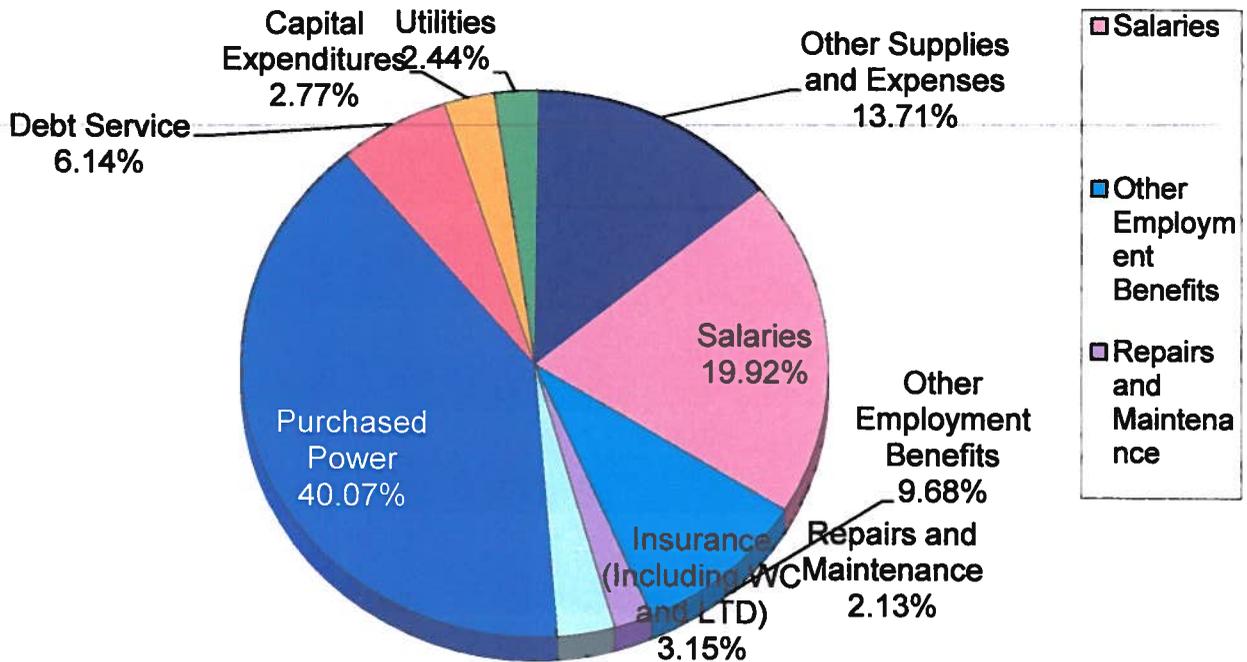
Source of Revenue



City Manager Slatcher then showed the expenditures with the biggest cost being for electric distribution.



City Manager Slatcher then showed the expenditures by category with purchased power being the largest one at 40.07%.



City Manager Slatcher explained that if this budget is adopted it will set the property rate at .31 per \$100 on the 2008 assessed values which is no change from FY15. The water rates will be set at \$21.95 per EDU, the second tier will be 2 million and less than 4 million at \$10.19 per EDU and the

third tier which is greater than 4 million is \$8.47 per EDU with no change from FY 15. The sewer rates will be \$44.30 per EDU and have no change from the FY15 rate of \$44.30 per EDU. The electric rates were reduced to be effective with the July 1st consumption and billed in August which was approved by the Council on April 14, 2015. The rates were reduced overall by on an average of 2.5% overall for our electric business. There is a transfer from the reserves in this budget which reserves are used every year. The amount of reserves transferred this year was 1,098,191. Of the reserves that were transferred, \$160,000 to purchase the Cummings land for the expansion of the substation, \$30,000 to pay off the Nanticoke Senior Center donation, \$24,502 for the dispatch center from the E911 reserve and also for additional principal payments for the Hooper's Landing property. The Utility parking lot paving was also included in this due to the condition of the pavement and was budgeted for \$36,000. City Manager Slatcher added what was used to balance this budget was a one-time transfer in the amount of \$777,644. In this budget, the general employees are expected to receive a 1.5 % base increase with a step increase of 1.5 % if they have less than twenty years if they have over twenty years then it will be a step increase of 1.0 %. The sworn officers will not receive a raise until their negotiations are completed. City Manager Slatcher explained that general employees will also contribute an additional 1% to their defined pension plan to bring it to 3% which will be capped out at 5%. Councilwoman Phillips-Lowe made a motion to approve the FY16 Budget as presented setting a real estate property tax rate at \$0.31/\$100 of 2008 Assessed Values, Water and Sewer rates to remain the same, Electric Rates to be adjusted in accordance with the approved rates set at the April 14, 2015 meeting. Councilman Mulvaney seconded the motion; motion so passed with all present voting in favor. Mayor Genshaw thanked everyone for their help with the budget. He also thanked everyone for their leadership on holding the rates along with the electric rates going down. He feels that this speaks volumes to the citizens and those people that are looking to come to Seaford.

PUBLIC COMMENTS

Ms. Helen Hughes of 443 Purnell Street came forward to comment on issues on Purnell Street. She stated that there is a tree next to her driveway which is now coming over her house and she is not able to park in her driveway. She stated that even if the City is not able to cut the tree down she would like them to cut some of the limbs off. She also stated that the vehicles have been speeding up and down Purnell Street. Ms. Hughes said about three weeks ago there was a guy down at the end of Collins Ave and he was trying to get away from the police which were after him. He cut through the church and the police cut through by the Church of God on Clarence Street and got him cornered. The police got the suspect and she said that she wanted to pass on that the police did a beautiful job.

Mayor Genshaw thanked her for coming and stated that the issue on the tree will be followed up on.

Ms. Elizabeth Jenkins of 711 Collins Ave came forward to comment on issues on Collins Ave and Purnell Street. She stated that she is here to inform them on a situation that is going on at the corner of Collins Ave and Purnell Street. There is a group of young men that come out about 8:30 a.m. every morning on the corner and then there are some ladies that join them later. They leave trash in the road and cause loud noise after dark including loud music. There are often cars

stopped in the roadway blocking traffic talking to the people on the corner. There are people sitting on the curb eating and drinking and leave their trash behind. Ms. Jenkins also stated that there were gunshots today in the area. There were some boys that ran through her yard at that time. The police were called and two officers responded. She also stated that there were many vehicles that were speeding in that area. Ms. Jenkins said the other day she was coming home and there was a boy that just about refused to get out of her way and that is dangerous.

Mayor Genshaw stated that the three minutes was up. He thanked Ms. Jenkins for her comments and concerns. He stated that the issues will be looked into.

Mayor Genshaw explained to Mr. Cannon before starting his time to speak to please do not use personal names. He can direct his comments about departments of the City, etc. but the use of names is not needed. He added that if names are used then he will ask him to step down and his time will be done at that time.

Mr. Frank D. Cannon Jr. of 411 Nylon Boulevard came forward to comment on the FY '16 Budget. Mr. Cannon stated:

First, I am so sorry that I missed your June 1st budget workshop meeting. I didn't get the 5/25 "posting" in the box outside in back of City Hall until June 2nd – my fault. But your 5/26 meeting agenda did not have a reminder of the upcoming budget meeting either. Maybe there just wasn't time to change the agenda to include the reminder. But maybe it was the presence of 35-40 people who might actually have heard about it or even decided to attend.

~~Nevertheless, my preferred FY16 Seaford Budget would include (not in priority order):~~

A real reduction in electricity rates not one like yours which is cancelled out dollar for dollar by increases in Customer/other charges;

Increases in Reserves/savings instead of balancing the budget with more than \$770,000 depletion of reserves; robbing Peter to pay Paul is not a good strategy;

Purchasing ten (10) SPD body cameras (naturally with video available to citizens/taxpayers) instead of spending \$3,000/person to send "elected officials to Nashville, TN;

Reduction in SPD staff levels by 9 officers to 18. This would be a level commensurate with the collective average per capita staffing levels in Milford, Dover and Smyrna PDs – saving us more than \$900,000 each year;

Funding for a civilian Police Review Board (cPRB) instead of spending \$10-15,000/year supporting the private use of City vehicles by six (6) employees;

Funding for on-site water rescue personnel and equipment during Riverfest 2016 to try and avoid another tragic drowning like in 2015; use savings by "retiring" 10-15% of non-service vehicles;

A 10% reduction in number of \$100,000 +/- year employees instead of maintaining the status quo like extending the contract of Chief Gary Morris.

Mayor Genshaw then informed Mr. Cannon that a name was used therefore his time has ended. He thanked him for his comments.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

- Delaware League of Local Governments, Duncan Center, Dover, June 16th at 6 p.m.

COMMITTEE REPORTS

Councilwoman Phillips-Lowe reported in the Police Department, the department is still involved in filling vacancies within Dispatch and Patrol. The department has completed their annual Taser re-certifications. They have starting planning for Riverfest patrols.

Councilman Mulvaney reported that City Manager Dolores Slatcher continued work on the FY16 Budget and attended the budget workshop. She participated in a conference call regarding AMP smart meters functionality and potential impact on the electric grid. She also met with officials from DELDOT concerning the upcoming work on the east bound Stein Highway Bridge including an on-site coordination meeting. After two days vacation she attended the annual Delmarva Power, PHI & Exelon annual meeting accompanied by Assistant City Manager Charles Anderson, Supt. of Electric Bill Bennett and Councilpersons Mulvaney & Peterson. Assistant City Manager Charles Anderson continued participating in the FOP meetings and provided the required follow-up. He also attended the DEMEC planning session, the Board of Adjustment meeting and the Route 20 progress meeting followed by the publishing of those minutes. Finance Director June Merritt reported she attended the Edmunds & Associates CAB annual conference and NPELRA Labor Negotiation training. She also continued work on the FY'16 Budget, attended the Budget Workshop and assisted with FIOA requests. She reports the financial management, payroll & benefits, billing, purchasing and customer service business as routine. Utility disconnects were done yesterday, June 8th and bills for May consumption will be printed and mailed out around June 12th.

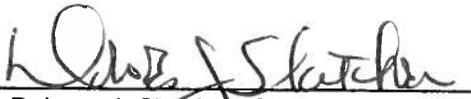
Councilman Holland reported that registration is ongoing for co-ed softball. There was power washing completed at the pool building and the recreation office. There was clean up done at Soroptimist Park in preparation for Relay for Life on Friday. Natalie Wilson, Supt. of Parks also attended a Riverfest committee meeting. They will be working on finalizing the schedule for summer movie night in the upcoming weeks along with finalizing field hockey sign ups.

Councilman Henderson reported that in Information Technology, Trisha Newcomer, ED/IT Manager, established a Go Cast link for videos on the Website. She also recorded and

published the Mayor's Go Cast video. She worked with Delmarva Digital in reference to website information including the addition of a Smart 911 link on the City website. For economic development, she attended a Riverfest Committee Meeting, a Chamber of Commerce Tourism Committee Meeting, the Body & Soul Ribbon Cutting Ceremony and attended a Seaford Tomorrow Meeting where a Board of Directors was established. In Public Works, Berley Mears, Director of Public Works reported all manholes, sewer main and laterals have been installed as part of the Route 20 Sewer Main Extension project, and is in use. A water service on South Hall Street was replaced. There was more weed spraying done and the State required samples were collected. All of the station maintenance was performed along with a water leak on Market Street. Berley also attended multiple meetings. At the Waste Water Treatment Facility, the plant performance is reported as excellent. The leachate treatment is going well with increased amounts recently due to higher than normal rainfall. The plant is able to receive all shipments and shipments are expected to trend downward with warmer drier weather. The compost sales are still steady. A screw in girt conveyor #1 was replaced. An effluent gate on oxic tank #1 was replaced. The primary and filter building roof prep work is complete and it is expected to have the final top coating completed this week. In the Code department, Josh attended a Riverfest committee meeting on 6/2 and a Board of Adjustment meeting on 6/3. There were numerous building permit inspections done. They also dealt with personnel shortages due to building official and code inspector being on vacation for a week. The department also worked on several plan reviews.

Councilwoman Peterson reported that Rick Garner, Electrical Engineer, the final inspection and training for the SPD generator has been completed. He has been working on coordination for the Parks Storage Building and Seaford Solar facility project. Mr. Garner also did research on LED street lighting for residential development and worked on the engineering database. Bill Bennett, Superintendent of Electric, reported that the Electric Department has been working on inventory and buried the conduit at the new building at Faclo complex and set the transformer. They did meter reading and had a power outage on Read Street that affected eight customers for about an hour due to a squirrel.

With no further comments, Mayor Genshaw called for a motion to close the Regular Meeting of Mayor and Council. Councilwoman Peterson made the 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 7:42 p.m.


Dolores J. Slatcher, City Manager