

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

November 10, 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, and Councilman Orlando Holland. Charles Anderson, Assistant City Manager and June Merritt, Director of Finance/HR were also present.

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

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

Mayor Genshaw called for a motion to approve the minutes of the Regular Council Meeting of October 27, 2015. Councilwoman Peterson made a motion to approve the minutes of the Regular Council Meeting of October 27, 2015. Councilman Holland seconded the motion, and the motion so passed with all present voting in favor.

**CORRESPONDENCE**

There was none.

**NEW BUSINESS**

Mayor Genshaw presented New Business # 1, Property Tax Adjustment and refund request from David Cohen, M.D.; regarding his property located at 225 Bethany Drive, Seaford, DE 19973. Assistant City Manager stated that Dr. Cohen was present this evening along with June Merritt, Director of Finance/HR. Mr. Anderson stated that a property tax appeal was made by Dr. Cohen earlier this year in reference to his property at 225 Bethany Drive. After reviewing the information, the City Tax Assessor, Mr. David Hickey discovered that the square footage of the home was inaccurate. Mr. Dave Hickey sent out someone from his company to remeasure Dr. Cohen's residence. After it was remeasured, the information was found to be inaccurate in the City records. Therefore, Mr. Dave Hickey from PTA/DELVAL has recommend to adjust Dr. Cohen's tax assessment to \$273,800. Dr. Cohen is requesting a refund for the 2014 and 2015 taxes paid. Mr. Anderson stated that it would be \$64.33 for FY2015 and \$181.04 for FY2016 with the total amount being \$245.37 for the refunded amounts. Mayor Genshaw asked for any questions; there were none. Councilwoman Phillips-Lowe made a motion to amend the property tax assessment of the property located at 225 Bethany Drive, Seaford, DE in accordance with the recommendation provided by the City Tax Assessor Mr. David Hickey of PTA/DeVal, Inc. The refunded amount, based on the amended assessment, will be \$64.33 for FY2015 and \$181.04 for FY2016 for a total of \$245.37. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

Mayor Genshaw closed the Regular Meeting at 7:05 p.m. and opened the Public Hearing. Mr. Brad Whaley, Director Sussex County Community Development and Housing was present to provide information related to the 2016 Community Development Block Grant application process for qualified applicants to obtain residential owner occupied improvements. Mr. Whaley came forward stating that he has been with the Sussex County Community Development and Housing department for over 25 years. The program originated with a HUD program to help low to moderate income residents with their homes. The applications are due by February 24, 2016 and they are currently in the process of getting input from local municipalities. The program can help homeowners with rehabs, housing demolitions, water and sewer hook ups as well as large and small improvements. Mr. Whaley stated that there are eligibility income limits for the program which is for a single person household is under \$35,500 per year and then it goes up \$5,000 for each additional member in the household. He stated that the program has helped 120-140 houses throughout the County to date in 2015. He added that the City of Seaford has received over \$354,000 in funds through the program in the past 6 years and has assisted 29 households. This year the City of Seaford has received \$70,000 in funding and they hope to have 4-5 house rehabilitations. Mr. Whaley stated that there are currently 28 people on the waiting list in Seaford. Assistant City Manager Anderson added that in order to qualify for the program the applicant does have to have all back bills paid. Mr. Whaley stated that the resident does have to be in good standing with the City and County and also the house has to be insured or insurable.

With no further questions Mayor Genshaw closed the Public Hearing at 7:08 p.m. and reopened the Regular Meeting. Councilman Holland made a motion to approve Sussex County making the application for the 2016 Community Development Block Grant for the City of Seaford for qualified applicants to obtain residential owner occupied improvements and authorize the Mayor and City Manager to execute the necessary documents for the application. Councilwoman Phillips-Lowe seconded the motion; motion so passed with all present voting in favor.

### **PUBLIC COMMENTS**

Mr. Dan Cannon a resident of 411 Nylon Blvd came forward to speak. He stated Seaford is a member of DEMEC, 9 Delaware cities running unregulated electric monopolies each of which is able to set their own rates, rate schedules and charges for electricity sold/resold to residents and businesses.

For some years I have been concerned about the City of Seaford's electricity rates and charges being at/near the highest in the state/region – still the case today.

To say the least my proposals for rate reductions have received a frosty reception. Why? Clearly, our City is extremely heavily dependent on the profits from resale of electricity. Over 46% of our General Fund budget (\$2.73 million out of \$5.88 million\*) currently comes from the electricity resale "cookie jar".

There is nothing inherently wrong/bad about our City reselling the electricity at a profit including diversifying its revenues. However, our City is way past having just its hand in the "cookie jar". We are into the "cookie jar" up to our armpit compared to other DEMEC cities. As examples, the

percentages of the General Funds from electricity profits is ~28% in Milford \* ~20% in Middletown\*, ~11% in New Castle\*.

Seaford is overdrawing the electric resale "cookie jar" at a rate of \$1-2 million per year compared to other DEMEC electric monopolies.

And now our City is in a real "pickle"/dilemma: City revenues from resale of electricity are failing in the current climate of increasing energy conservation. Our City has instituted and increased customer/fixed charges which unfairly penalize users who conserve/use less electricity to fund its "Cadillac" spending habits. However, declining electricity resale revenues coupled with ever increasing City spending is a "slippery slope" toward fiscal instability in Seaford. For fiscal responsibility and to attract new residents and businesses, our City needs to reduce its extreme dependence on electricity resale profits and cut the extremely high effective electricity rates\*\*.

However, this should not be done at the cost of raising property taxes/other sources of income. Instead there should be cuts in unnecessary spending to offset reduced electricity resale revenues.

Cut overspending in the budget by \$1.5 million per year. Then the electricity rate should be cut to match Delmarva Power's rate\* while pulling our arm out of the "cookie jar" back to the elbow level.

Alternatively, Seaford along with the other DEMEC electric monopolies need regulation by the Public Service Commission to set electric rates, charges and structures for the protection of consumers. If Seaford and other DEMEC cities don't want regulation, would they prefer competition by allowing Seaford/other customers to purchase electricity from the DE Coop/other sources?

\*The News Journal, 8/23/2015, pp 1+

\*\*A combination of rates/kwh and Customer charges

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

- Veterans Day Ceremony; Kiwanis Park November 11<sup>th</sup>, 2015 at 11:00 a.m.
- Nanticoke Memorial Hospital Tribute Dinner November 12<sup>th</sup>, 2015 at 6:00 p.m.; Heritage Shores
- Nanticoke Memorial Hospital Mears Campus Open House & Dedication Ceremony; 2:00 p.m. November 13, 2015

### **COMMITTEE REPORTS**

Councilwoman Phillips- Lowe reported that the PD recently completed their fall firearms qualifications. There are two dates in the month of November that officers will complete their recertification for first aid. They are looking at dates to do a testing for the open police officer position. The next academy is scheduled to start in March of 2016. The Seaford High School Homecoming parade was held on October 30<sup>th</sup> with no incidents. They are preparing for the upcoming Christmas Parade. She also added that in the month of

October there were 747 911 calls received through the communications center at the department.

Councilman Holland reported that softball playoffs recently finished up. The Parks Department took on the project of installing irrigation at the new shop and did a great job. The Parks Department also helped set up for the 1<sup>st</sup> Saturday in Seaford event at the old Burton Brothers parking lot. The event went very well despite the rainy weather and everyone is looking forward to the next event on December 5<sup>th</sup> to be held at the same location. Youth flag football season is wrapping up and the championship games are being held tonight. Youth basketball registrations are wrapping up with tryout tentatively scheduled for the week of Thanksgiving. Natalie attended various events including Sussex County Health Coalition banquet and Seaford School District's Blue Jay pride day.

Assistant City Manager Anderson read Councilman Henderson report. Trisha Newcomer attended a Seaford Tomorrow meeting. This group's stated goal is "...dedicated to beautifying, revitalizing, and preserving our historic downtown business district". She also met with Ed Lewandowski of the Delaware Sea Grant and Lee Ann Walling, a sustainability and communications consultant, in reference to the composition of a Seaford Storybook. The storybook would be linked to the City's website, and it would highlight Seaford as an employment center, and the areas other offerings. This program is funded through the Sea Grant by the University of Delaware. In information technology. The City of Seaford' Facebook page was successfully launched, and it is gaining followers. Trisha is making progress with Verizon to resolve ongoing land line telephone issues in the Electric Department. A long awaited upgrade to the City's file management system is being implemented. Along with the upgrade by Tab Fusion, adjustments of the sequel database server software will improve search and management efficiencies.

In Public Works, the department performed a few repairs including the installation of a curb stop at the new Mr. Tire store in the Seaford Village Shopping Center and repair of a leaking water service on Cypress Street. In association with the Harrington Street water main replacement and repair project the department has installed approximately 260 lineal feet of the 6" water main pipe. This accounts for approximately 50% of the total lineal footage for the project. The department personnel performed some routine equipment maintenance. They performed other routine tasks such as leaf and limb pick-up, street sweeping, state sampling, meter reading, pink tagging (pre-disconnect courtesy notice), and disconnects. The leaf vacuums have been deployed for the fall season. Leaf collection has been done city-wide once with more rounds to come. The department advertised a bid request for a new backhoe. The bid request is available for view on the City website. With the addition of a new employee, and the transfer of an existing employee, the department continues to adapt.

In WWTF, the intermittent sand filter PLC problems have been experienced are in the process of repair. Total system performance is reported as good. The leachate treatment program is going well. Compost sales continue to be steady, and the screening of material

is ongoing. The facility has had no notable equipment problems during this period, and they report that other operations and maintenance are routine.

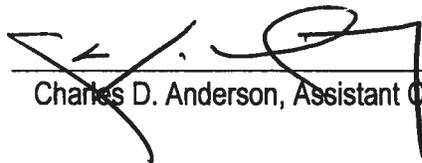
In the Code Department, Josh Littleton reports that permit and violations as well as most other activities were routine. The Code Department has issued a temporary certificate of occupancy for the Mears Campus project. The department continued work on the City's Standard Design Specifications. Josh also met with the contractor at The Residence at Riverplace to work out the temporary closure of the canoe launch. Construction activities and safety concerns have limited access to the launch. Construction activities and social media will be utilized to direct users of the launch to alternate facilities until the facility can be accessed safely. The department is currently performing plan reviews for several projects.

Councilwoman Peterson reported that the Electric Department worked in Mearfield. They also hung the Christmas lights and did disconnects for non-payment. Taylor Budke transferred over from Public Works to replace an employee who left.

Rick Garner, Electrical Engineer reported that he worked on the specifications and ordered equipment for the circuit addition at Ross Substation. He published the bid specifications for Ross Substation breaker. He began developing drawings for the 3<sup>rd</sup> circuit addition at Ross Substation. He also attended the electric committee meeting and other various meetings.

Mayor Genshaw thanked everyone for their help with the First Saturday event. He thought that it went very well. He also reminded everyone that if they see a Marine today to wish them Happy Birthday!

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. Councilwoman Phillips-Lowe seconded the motion, and the motion so passed with all present voting in favor. The Regular Council Meeting was closed at 7:22 p.m.

  
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Charles D. Anderson, Assistant City Manager

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