

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

August 25, 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, Charles Anderson, Assistant City Manager, Josh Littleton, Building Official, Gary Morris, Chief of Police, and Trisha Newcomer, ED/ IT Manager, 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. City Manager Slatcher stated that there were none.

Mayor Genshaw called for a motion to approve the minutes of the Regular Council Meeting of August 11, 2015. Councilman Mulvaney made a motion to approve the minutes of the Regular Council Meeting of August 11, 2015. Councilman Holland seconded the motion, and the motion so passed with all present voting in favor.

CORRESPONDENCE

Mayor Genshaw asked if there was any correspondence. City Manager Slatcher stated that there was one item. She then presented information from the Delaware Solid Waste Authority on the removal of the recycling center at the Nylon Capital Shopping Center, which will take place September 1st, 2015.

NEW BUSINESS

Mayor Genshaw presented New Business # 1, Seaford Community Concert Association President to present information on their upcoming concerts. Mayor Genshaw called David Grantz, President of the Association, to the podium. Mr. Grantz stated that he wanted to bring more awareness to this association by giving an overview on what the Community Concert Association does for Seaford. The association is non-profit and run by volunteers, and the concerts allow quality entertainment at affordable prices for all. The Community Concert Association was founded in 1949 to help bring music and performers to this area, and has had 66 seasons and over 250 performers since starting. The Seaford Community Concert Association offers a school outreach program and has subscriptions available for the 2015-2016 season, costing \$55.00 per adult, \$15.00 per student, and \$120.00 for a family.

Mayor Genshaw closed the regular Council Meeting at 7:15 p.m. and opened the Public Hearing.

PUBLIC HEARING

Mayor Genshaw called Josh Littleton, Building Official, forward to present Public Hearing #1, the sketch preliminary site plan review and approval, on behalf of Perlmutter Management Group, for the construction of a new Towne Center. The proposed development will encompass several parcels and span across several blocks in the C-3 Riverfront Enterprise Zone, including Tax Map and Parcel(s) 431-5.00-290, 291, 292, 292.01, 294.01, 296, 297, 298, 299, 300, 301, 303, 304, 305 & 311, located south of High Street & west of S. North Street.

- Several uses are proposed across 5 buildings including:
 - Approximately 32,000 square feet of retail space, 61,000 square feet of professional office space, 43 apartment units, a 100-room hotel & conference center;
 - On street and off street parking improvements;
 - Off street parking structure; Approximately 511 parking spaces are proposed across all phases of the project.
 - On and off site improvements will include:
 - Landscaping, paved parking, site lighting, dumpster enclosures, sidewalks, etc., as is required by the zoning ordinance.
 - Relocation of City water, sanitary sewer, storm water and electric infrastructure;
- Project approvals will be required from Sussex Conservation District; the State Fire Marshal's office; DelDOT; State office of drinking water; & DNREC for wastewater improvements.
- Planning and Zoning recommends approval to Council.

Mayor Genshaw asked if there were any questions or comments from Council members or the public.

Mr. Carl Bergmark came forward to comment on his concern of the barge that is in the Nanticoke River. He stated that the barge is very large and causes high currents and wake in the canoe launch area off of Water Street. Mr. Bergmark asked if this is something that Mr. Perlmutter could look into when construction begins.

Mr. Toby French came forward to ask if anyone has looked into how the traffic will be affected by the new development of commercial properties and residential housing.

Mr. Keith Fisher from Fisher Architecture, architects for the project, replied by stating that a third party independent study group will have to do the research and study on how the rate of the traffic will flow, as well as intersections, stop lights, existing roadways, and building exits and entrances.

Mr. Tom Disharoon came forward to comment on his concern for public safety from minor criminal activity that may take place with the new developments, and asked if anyone has looked into installing security cameras for the new construction.

Mr. Perlmutter, developer of the new Towne Center, stated that the residential housings will be a gated community to offer a secure living area for its residents. He is also looking into having police patrol the area and possible security cameras installed, for the public safety.

Mr. Chris Vane came forward to comment on the new project. Mr. Vane stated that he is intrigued by the project, but does have some concerns, including increase in traffic, criminal elements that may take place, and the ability for first responders to get in and out of the area in a timely manner in case of an emergency. He also stated that the character of the new project doesn't necessarily resemble the old and current character of Seaford, but more so of new developments he has seen towards the beach. He also had some concerns on how the smell from the Waste Water Treatment facility and feed mill would affect potential new residents and visitors in the area. Mr. Vane asked Council to think about their decision and look into Mr. Perlmutter's track record for previous projects.

Mayor Genshaw asked if there were any further questions or comments. There were none.

Mayor Genshaw called forward Assistant City Manager Charles Anderson to present Public Hearing #2, information on the issuance of up to \$1,658,300 in general obligation bonds through the State Revolving fund for the renewable energy generating system (solar array for WWTF).

- Site area = 2 Acres +/-
- Proposed output = 430 kW DC, 350 kW AC
- The project will allow the Seaford WWTF to generate a portion of its electricity using a renewable resource. Approximately 54% of current electrical consumption.
- Estimated Construction cost = \$1,658,300.
- Financing with SRF loan Proceeds.
- 2% Interest Rate for a 20 year Term
- \$500,000 Principal Forgiveness.
- Design and Engineering funded by a Matching Planning Grant of \$50,000
- 560,000 kWh produced
- \$57,000 in Utility Payments avoided
- 10.2 cents per kWh
- \$62,000 in revenue from DEMEC Contract for SRECs
- \$110/Solar Renewable Energy Credit (SREC = 1 MWh) produced
- \$119,000 First Year Revenue
- \$67,000 loan payment
- \$1.6m loan – 500k forgiveness = \$1.1m at 2% for 20 years
- \$12,000 in expenses for grass cutting, insurance, etc.
- \$79,000 First Year expenses & debt
- \$40,000 Net First Year Revenue
- Utility costs unlikely to go down
- DEMEC contract for 20 years
- City of Seaford can control expenses
- Solar irradiance data is well understood but always a risk
- Best in class warranties for panels and inverters
- Initial production guarantee from contractor

Mayor Genshaw asked if there were any questions or comments from the public or members of Council.

Mr. Toby French asked if future technology will enhance the performance of the panels.

Mr. Anderson replied that technology is always changing and any new technology should be beneficial

Mr. Dan Cannon came forward to comment on the project. He stated: I really would like to vote "Yes" on the proposed \$1.6583 million guarantee bond issue. A vote of approval would allow for the completion of the solar array project. This project would save our city some Waste Water Treatment power costs, as well as help meet some of our City's DEMEC obligation for "green" energy production. Both would be of indirect benefit to Seaford customers/ taxpayers. But we customers and taxpayers also deserve to enjoy a direct benefit from our "Yes" vote as part of this deal. More specifically, we need to share some of the savings from the solar array project by lowering our water/sewer charges, rather than having all the savings gobbled up by ever increasing City spending! Along with a City Council commitment for a reduction in water/sewer rates, I would also want to see the following fiscally responsible measures enacted for my unqualified "Yes" vote, 1. Get some "skin" in the game-make a "down payment" on the project; 2. Well before the upcoming vote, provide us detailed plans for the debt restructuring which will result from the \$ ½ million "rebate"/ principal forgiveness. City government needs to demonstrate increased fiscal responsibility and minimize additional debt to taxpayers by committing to make a reasonable down payment, just like the rest of us normally do. A good start would be to divert \$68,000 from a non-critical, parking problem in front of the Nanticoke Senior Center to a down payment on the solar array project. In addition, City government needs to provide appropriate and transparent debt restructuring plans (after the \$1/2 million "rebate") to taxpayers and customers before the upcoming vote. These plans should include possible reduction in water/sewer rates in FY17 and beyond with any savings from the debt restructuring. Please help secure my unqualified "Yes" vote by meeting these fiscally responsible conditions and most importantly by letting customers and taxpayers share part of the savings from the solar array project by committing to lower water and sewer rates.

Mayor Genshaw asked if there were any further questions or comments. There were none.

Mayor Genshaw closed the Public Hearing and reopened the Regular Council Meeting at 8:02 p.m.

Mayor Genshaw called for a motion to approve the sketch/preliminary site plan review on behalf of Perlmutter Management Group, for the construction of a new Towne Center. Councilwoman Phillips-Lowe made a motion to approve the sketch/preliminary site plan review for the proposed development for Tax Map and Parcel(s) 431-5.00-2.90, 291, 292, 292.01, 294.01, 296, 297, 298, 299, 300, 301, 303, 301, 305 and 311, that will span across several blocks in the Riverfront Enterprise Zone and contain several uses units, along with site improvements, on street and off street parking and an off street parking structure. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw then called for a Roll Call Vote:

Councilman Henderson voted yes, based on finding of facts;

Councilwoman Phillips-Lowe voted yes, based on finding of facts;
Councilwoman Peterson voted yes, based on finding of facts;
Councilman Mulvaney voted yes, based on finding of facts;
Councilman Holland voted yes, based on finding of facts.

Mayor Genshaw presented New Business # 2, First Saturday in Downtown Seaford event. Mayor Genshaw called Lynn Brocato, Executive Director of the Greater Seaford Chamber of Commerce, and Natalie Wilson, Superintendent of Parks and Recreation, forward to present information on the event. The event would take place at City Hall's back lot, behind the building, on the first Saturday in October from 12 p.m. – 5 p.m. and would include different local vendors, including breweries, wineries, crafters, and food. It would be a ticketed event and would require wristbands for adults of age to drink.

Mayor Genshaw asked who the responsible parties of the event would be.

Ms. Brocato stated that herself and Natalie Wilson would be responsible, but have proven in past events that they have been able to handle events that involve alcohol, such as Live for Chocolate. They will also have an event insurance policy for that day and a Gathering License to be able to have the alcohol available.

Mayor Genshaw asked if there were any further questions.

Councilwoman Phillips-Lowe asked if the event was just a tasting.

Mrs. Brocato stated that there will be local breweries and wineries that will have tastings available.

Mayor Genshaw called for a motion to approve the allowance of alcohol on City property on the first Saturday in October. Councilman Holland made a motion to approve the allowance of alcohol on City property for the First Saturday in Downtown Seaford event. Councilman Mulvaney seconded the motion. The motion so passed with Councilman Holland, Councilman Mulvaney, Councilwoman Peterson and Councilwoman Phillips-Lowe voting in favor. Councilman Henderson opposed the motion.

Mayor Genshaw presented New Business #3, transfer of a 2007 Ford F-350 vehicle from the Georgetown Police Department. Mayor Genshaw called Chief Gary Morris forward to present the information on the vehicle and the benefits of allowing the Seaford Police Department the transfer of the vehicle for the STAR team via Homeland Security. Chief Morris stated that the STAR team is the tactical team of the Police department and the new vehicle would be used daily for emergencies.

City Manager Slatcher stated that the Homeland Security required we only have the liability insurance, and besides repairs and gas of the vehicle, it would not cost the City anything to obtain this vehicle.

Mayor Genshaw asked if there were any questions or comments.

Councilwoman Peterson asked if and when the vehicle would have to be re-tagged.

Chief Morris stated that he was unsure of the exact date, but it has a government tag and would have an exemption, so the City would only be responsible for running the vehicle through inspection when that time came.

With no further questions or comments, Mayor Genshaw called for a motion to approve the transfer of the vehicle. Councilwoman Phillips-Lowe made a motion to approve the transfer of a 2007 Ford F-350 from the Georgetown Police Department to the Seaford Police Department for use by the STAR team via Homeland Security. Councilman Mulvaney seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business #4; Information was presented during Public Hearing #2.

Mayor Genshaw called for a motion to approve the Board of Election, being former Mayor Guy Longo, Rick Peterson, and John Leverage for the Special Election for the Issuance by the City of Seaford, Delaware of up to \$1,658,300 maximum aggregate principal amount of a General Obligation Bond to finance the installation and operations of a renewable energy generating system. Councilman Mulvaney made a motion to approve the Board of Election members. Councilwoman Peterson seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw then called for a Roll Call Vote:

- Councilman Henderson voted yes;
- Councilwoman Phillips-Lowe voted yes;
- Councilwoman Peterson voted yes;
- Councilman Mulvaney voted yes;
- Councilman Holland voted yes.

Mayor Genshaw called for a motion to approve the Resolution proposing the issuance by the City of Seaford, Delaware of up to \$1,658,300 maximum aggregate principal amount of a general obligation bond to finance the installation and operation of a renewable energy generating system by the City of Seaford, and ordering a Special election in connection therewith on Monday, September 28, 2015, whereby the polls shall be open at 2 p.m. and close at 6 p.m. to be held in the City of Seaford Council Chambers at Seaford City Hall. Councilman Mulvaney made a motion to approve the proposing issuance by the City. Councilman Henderson seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw then called for a Roll Call Vote:

- Councilman Henderson voted yes;
- Councilwoman Phillips-Lowe voted yes;
- Councilwoman Peterson voted yes;
- Councilman Mulvaney voted yes;

Councilman Holland voted yes.

Mayor Genshaw presented New Business #5, Information on the Executive Summary for the Draft remedial Investigation Report for the Seaford Power Plant, and Brightfields Inc. proposal for Environmental Services related to the Seaford Power Plant. City Manager Dolores Slatcher stated that in July 2015, the Delaware Department of Natural Resources and Environmental Control (DNREC) conducted a Remedial Investigation (RI) of the Power Plant property. The RI report described environmental impacts from historic power plant operations, including petroleum hydrocarbons and semi-volatile organic compounds. DNREC recommended that the City enter the Voluntary Cleanup Program (VCP) to develop a plan to perform remedial action to clean up the property. Mrs. Slatcher stated that Brightfields Inc. proposal for the Environmental Services related to the Seaford Power Plant would cost an estimated \$20,400, and would be paid from the Sewer Impact Fees Reserve fund. She also stated that the City will work with the Perlmutter Management Group to enter the Brownfield program, and on the basis this does not occur, then to enter the City of Seaford in the Voluntary Cleanup program.

Mayor Genshaw called for a motion to approve the Brightfields Inc. proposal for Environmental Services related to the Seaford Power Plant. Councilman Henderson made a motion to approve the proposal in an estimated amount of \$20,400.00 to be paid from the Sewer Impact Fees Reserve for Environmental Services, and to work with Perlmutter Management Group to enter the Brownfield program, and on the basis this does not occur then to enter the City in the Voluntary Cleanup program. Councilman Holland seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business # 6, proposal from George, Miles and Buhr for the Stein Highway Sidewalk project, Permits and Bidding phase. To complete the installation of ADA-compliant sidewalk from Market Street east to the Family Dollar Store. City Manager Slatcher stated that George, Miles and Buhr gave an estimated amount of \$3,100.00 for the Stein Highway Sidewalk for obtaining necessary permits, including preparation of the Standard Plan Application with Exhibits and submittals to Sussex Conservation District (SCD) for review and approval. They will also prepare the DeIDOT Traffic Control Plan and Pedestrian Detour Plan for submittal to DeIDOT (by City) for review and approval; respond to agency review comments, as well as assisting the City during the bidding phase.

Mayor Genshaw called for a motion to approve the proposal from George, Miles and Buhr. Councilwoman Peterson made a motion to approve the proposal from George, Miles and Buhr in the estimated amount of \$3,100.00 for the Stein Highway Sidewalk for obtaining necessary permits, and to move the project through the bidding phase; the City will pay for 1/3 of the cost from MSA or Chesapeake Utility Reserves, and the remainder will be paid from CTF funds. Councilman Henderson seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business # 7, Proposal from George, Miles & Buhr for the Hooper's Landing Parking Lane. City Manager Slatcher stated that the installation of the parking lane and sidewalk would be in front of the Nanticoke Senior Center at Hooper's Landing on Locust

Street. George, Miles and Buhr would prepare a base drawing showing existing roadway, curbing, driveways, and other pertinent items, as well as topographic and field survey of existing grades. They will design a new parking lane and sidewalk including ramps at driveways, a sidewalk connection to front of building, and grade tie-ins along the back sidewalk. George, Miles and Buhr will prepare a plan, cross section and details to be issued for insertion in paving bid package issued by the City of Seaford, as well as assisting the City with acquisition of permits and approvals. The estimated fee for the project is \$7,150.00, with the City paying 1/3 from either MSA or Chesapeake Utility Reserves, and the remainder is paid through CTF funds.

Mayor Genshaw called for a motion to approve the proposal. Councilwoman Peterson made a motion to approve the proposal from George, Miles and Buhr, in the estimated amount of \$7150.00 for the Hooper's Landing Parking Lane, whereas the City pays 1/3 from MSA or Chesapeake Utility Reserves and the remainder is paid through CTF funds. Councilman Mulvaney seconded the motion. The motion so passed with all present voting in favor.

Mayor Genshaw presented New Business # 8, the advertisement for Chief of Police position. City Manager Slatcher stated that the Chief of Police position has been advertised and so far she has received two inquires and one application. The applications will be reviewed after September 21st, 2015.

PUBLIC COMMENTS

Mr. Dan Cannon of 411 Nylon Blvd. came forward. Mr. Cannon stated:

On 6/18/15 Seaford agreed to pay \$1000 in fines and \$896 overdue taxes to the IRS. Apparently our City failed to collect withholding taxes owed by six, top level employees who are allowed to use City vehicles for their private/ personal commute to and from work- a taxable fringe benefit- in 2014. This prompted an IRS audit, uncovered violations of law and resulted in the penalty. The IRS audit also prompted a revision in Seaford's 1986 "Vehicle commuting Policy", indicating the employees private use of City vehicle may not have been reported as taxable fringe benefits with no taxes paid by employees for many years. Parts of the new policy now make clear, "The City withholds federal, state, social security and Medicare taxes on the value of the commuting value of City provided vehicles" and "city owned vehicles are not allowed for personal use other than commuting from home to work and from work to home (one a day)". Other aspects of this matter are not clear. Will the six affected employees receive revised W-2's for 2014 and pay the federal (\$896), state and social security/ Medicare taxes they owe? What about the taxes on this benefit for all those years prior to the 2014 IRS audit? Who pays the \$1000 in fines? Is there another IRS problem brewing because a top City manager is using a City vehicle to go home for lunch (a fringe benefit likely not being reported to the IRS)? As a taxpayer, I am not willing to foot the bill for taxes some employees owe. Neither am I willing to pay the \$1000 fine resulting from poor management. And I really don't want to worry about another potential problem with the IRS because an employee isn't following the "rules" on the use of City vehicles. All in all, the policy of allowing six City employees the personal use of City vehicles is a lot more trouble than it is worth-not to mention expensive. It is time for our Mayor and City Council to abolish this practice, as well as get rid of some unnecessary, expensive vehicles and some nasty headaches at the same time.

REMINDER OF MEETINGS & SETTING NEW MEETINGS

- City of Seaford closed on Monday, September 7th for Labor Day.
- Movie night in the park, "Planes, Fire & Rescue", Saturday, September 12th at the Ross Mansion.

COMMITTEE REPORTS

Councilwoman Phillips-Lowe reported that there was no fire report. In the Police Department, they have offered a conditional job offer to Kyle Jones, and he will start the Police Academy in September. The Patrol Officers will be monitoring the start up of our schools, and planning has begun for the Community Night Out on September 24th.

Councilman Mulvaney reported that June Merritt, Director of Finance/HR, is continuing the preparation for the annual audit scheduled to begin next week, the week of August 31st. FOP negotiations are continuing, and she attended the Christmas Party Committee meeting, and began preparations for the employee Defensive Driving classes and Flu vaccinations. All other business in customer service, financial management, billing and purchasing, and payroll/benefits have been routine. Utility bills were due August 24th, and disconnects are scheduled for Wednesday, September 9th. City Manager Dolores Slatcher and Assistant City Manager Charles Anderson jointly participated and worked on several projects and attended meetings. They attended the Mayor's Challenge Symposium at Del Tech with Councilman Mulvaney representing Mayor Genshaw, met with the Parks Committee discussing potential new programming for Riverview Park, met with property owners on Thompson Street to discuss development options on the vacant land, and met with the City Engineers concerning the Stein Highway sidewalk project and the Locust Street parking project. City Manager Slatcher also met with Milford's Acting City Manager to review operational items, such as the Comcast Agreement and employment comparisons, attended the Safety Committee meeting and pulled together Seaford Towne Center information. Assistant City Manager Anderson also made routine inspections at the new Parks Building project.

Councilman Holland reported that the Recreation Department has held tryouts and started practices for flag football; games will start September 12th. The department will also be holding a co-ed softball tournament. They held a meeting for Adult Flag Football as well as a Parks and Recreation Committee meeting. The department attended West Seaford's back to school family picnic to advertise upcoming programs, and started advertising for the upcoming Youth Self Defense class which starts September 14th. The Parks Department prepped the sports complex for the 34th Annual Burn tournament.

Councilman Henderson reported that Trisha Newcomer, ED/IT Manager, updated a listing for the B-Roll footage in the Communities of Distinction segment. Mrs. Newcomer attended and assisted with the filming of the Communities of Distinction segment, as well as attending the Quarterly Safety Committee Meeting and a Greater Chamber of Commerce Tourism Committee meeting. In Information Technology, Trisha attended a

webinar for DELL Secure Works. She also created and set up a new user in the Network System & Email for a new employee in the office. In the Public Works Department, Director Berley Mears reported that he attended several meetings. The department replaced an updated hydrant on Willey Street and also installed a frost proof hydrant at the new Parks building. They also installed the required double check valves at the pumping station, and department personnel performed equipment maintenance and routine tasks, such as street sweeping, leaf and limb pick up, etc. Plant personnel from the Waste Water Treatment Facility reported to have intermittent sand filter PLC problems; however total system performance is still reported as excellent. The Leachate treatment program is going well, the compost sales have been steady at 5-10 loads per day, and other operations and maintenance have been routine. Josh Littleton, Building Official, reports that the Code department completed the draft dedication agreement and deed for Governor's Grant Phase 2 for streets, and completed a draft dedication agreement for Governor's Grant Phase 3, for the water and sanitary sewer utilities. A preliminary fee calculation for Seaford Towne Center was compiled, and Mr. Littleton worked on a draft blanket easement for C & M properties in the Ross Business Park. On August 17, 2015 Josh attended a Construction Coordination meeting, and also met with the City engineer regarding updates to the City's Comprehensive Plan maps.

Councilwoman Peterson reported that Rick Garner, Electrical Engineer, completed ordering the LED street lights, worked on updates for the Standard Design Specifications and reviewed two residential solar applications. Mr. Garner also attended various meetings and engineering coordination for the Park Department Maintenance Building. In the Electric Department, Bill Bennett, Superintendent of Electric, and personnel from the department worked on the Governor's Grant Phase 3, finished the monthly substation checks, and also had all service trucks dielectric tested.

With no further comments, Mayor Genshaw called for a motion to close the Regular Meeting of Mayor and Council and move into an executive session to discuss negotiations. Councilwoman Phillips-Lowe made the motion to close the Regular Meeting of Mayor and Council and move into an executive session. Councilwoman Peterson seconded the motion, and the motion so passed with all present voting in favor. Mayor Genshaw closed the Regular Meeting and moved into an executive session at 8:52 p.m.

Following the executive session Mayor Genshaw reopened the regular council meeting and called for a motion to adjourn. Councilman Mulvaney made the motion to adjourn. Councilwoman Phillips-Lowe seconded the motion with all present voting in favor.

Mayor Genshaw adjourned the meeting at 9:25 p.m.



Dolores J. Slatcher, City Manager

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