

MINUTES OF THE
OPERATIONS COMMITTEE MEETING

2:00 P.M.

September 22, 2017

Councilman H. William Mulvaney brought the meeting to order with the following committee members present: Dolores Slatcher, City Manager; Charles Anderson, Asst. City Manager; Berley Mears, Director of Public Works; Matthew McCoy; Frank Raskauskas and Judy Schwartz P.E. George, Miles and Buhr.

Councilman Mulvaney presented New Business # 1, Draft ordinance to amend Chapter 15, Division 4; to add a masonry finish requirements to R-3 development. Assistant City Manager Charles Anderson came forward to present the information. He stated that the current code states that the exterior front and side walls must be finished with the following: (a) architectural masonry units (excluding concrete block and cinder block; (b) natural stone; (c) pre-cast concrete with approval by the City; (d) brick; (e) stucco; (f) glass materials; (g) steel; (h) aluminum or their equivalent. Rear exterior walls not facing a street or proposed street may be masonry block as defined below. The minimum standards shall require thirty (30%) percent of the building that faces a street or proposed street be approved masonry finish as defined above. Side building walls facing interior roads must also have thirty (30%) percent of approved masonry finish. It was brought to staff's attention by Mayor Genshaw that he would like to add commercial, industrial R-3 High Density Residential Districts to the code to require a masonry finish as well.

Assistant City Manager Anderson showed some pictures of the current housing developments in the City and explained the masonry finishes on each of them. It was asked if there were any current R-3 projects that were in the process that would be affected by this change. Assistant City Manager Anderson stated that there were a few; they would be notified of the changes. However, he feels that they are not too far in the process that it would affect them with their plans. It was added that it could affect architectural designs which would affect the cost of the project. Mr. McCoy asked if there was a rough estimate of how it would affect the cost of the projects. Assistant City Manager Anderson said that he could not provide that as it would be specific to each project. He added that all of this information would be communicated to the developers so that they plan accordingly.

It was stated that this would offer greater density and Assistant City Manager Anderson asked if there were any amenities that would like to be added to the list. The following were suggested: landscaping, irrigation, walking paths, brick, curbing and sidewalks, lighting, cameras and fencing.

City Manager Dolores Slatcher came forward to present New Business #2, Draft Ordinance to amend Chapter 15, adding article 9; Wireless Facilities. City Manager Slatcher stated that this is reference to House Bill #189. City Manager Slatcher stated that the need for wireless broadband

has been exploding to accommodate the new smartphone, digital tablets and laptops. The high speed broadband is critical to economic development, healthcare and education within the City.

City Manager Slatcher explained that due to the data explosion, it has led to facilities explosion. She then showed pictures of the different ways that showed how more broadband is being added. These included Megacells which are large towers with large coverage area in miles, Macrocells which are smaller towers with coverage of .3 to 2.5 miles, Microcells which are large antennae covering hundreds of meters and Picocells which are smaller antennae covering smaller area— includes indoor and outdoor.

City Manager Slatcher explained that the new infrastructure is not just traditional cell towers anymore. New wireless facilities are smaller, more targeted, and much more numerous than traditional cell towers. Wireless contractors typically want to install these facilities in public rights-of-way. The Delaware Public Service Commission has granted these contractors Certificates of Public Convenience and Necessity (CPCN's), giving them utility status.

The impact of these new wireless facilities were then discussed. New wireless facilities impose new physical burdens on the public rights-of-way, new financial burdens on municipalities, and often new “mini-cell towers” in residential neighborhoods. Because these facilities are installed in the rights-of-way, they are different from traditional cell towers and require different regulations. It was added that you will need to take a proactive approach and develop a legally sustainable regulatory structure that provides residents and businesses with wireless broadband service but also protects the City and preserves its character.

The City's legal rights regarding wireless facilities was then discussed. City Manager Slatcher stated that The Telecommunications Act of 1996 states that local governments cannot “prohibit or have the effect of prohibiting wireless facilities,” but also preserves local zoning authority over the “placement, construction, and modification of wireless facilities.” She added that Delaware State Legislature Enacted “Advanced Wireless Infrastructure Act” (2017). Imposes regulations on DelDOT for wireless facilities on state roads. New poles in the ROW cannot exceed 50 ft. or 10 ft. above highest existing pole.

City Manager Slatcher stated that an ordinance will be drafted by DEMEC and taken to the Electric Committee. She added that no action will be taken until the draft is received from DEMEC.

It was asked if there were any questions or comments. Mr. Rasaskaus asked about the old poles and if they would be updated or removed. City Manager Slatcher stated that there may be some poles that are abandoned during the process and would later have to be removed.

City Manager Slatcher presented New Business #3, Draft ordinance to amend Chapter 18 – Realty Transfer Tax; Article 1 – General Provisions; 18.1.7; Rate of tax; when payable; exception (D) of the Municipal Code of Seaford, Delaware relating to Zoning. City Manager Slatcher stated

that this was brought up during the budget process this past year. The City of Seaford currently gives a full exemption if the buyer is a First Time Home Buyer. The County brought up the point that the seller is not a first time buyer. Therefore, it was suggested that the buyer would get half of the exemption and the seller would need to pay their half. City Manager Slatcher did a calculation of what that would mean to the City and it came out that it would be around \$45,000 that the City would gain in revenues based on its history for twelve months.

Councilman Mulvaney asked for any questions or comments from the committee. With no questions, he asked for a motion. Assistant City Manager Anderson made a motion to approve the amendment of Chapter 18 – Realty Transfer Tax; Article 1 as presented. Committee member Frank Rasauskas seconded the motion; motion so passed with all present voting in favor.

Berley Mears, Director of Public Works came forward to present New Business #4, discuss FY19 budget requests and three year Capital Improvement Plan. Assistant City Manager Anderson showed the rates for the services of water, sewer and electric from FY13 to FY18. Rate for water and sewer have not been increased since FY15 and the rates for property taxes have not been increased since FY14.

Mr. Mears then discussed some capital improvements that he would like to do in the next three years. First, he discussed the Spruce Street Water tower. The tank was built in April 1947 and is currently 70 years old. He added that the expected “life” of a steel tank is 75 years. The tank was last painted on 8/1/1998. The interior and exterior paint is currently 19 years old and the last inspection was on 4/3/2014. The inspection found the exterior of the tank should not need painting for 4-5 years which would be sometime in 2018-2019 timeframe, noting some failures needing spot painting. The typical “Life” of spot cleaning and top-coating of exterior is 7-8 years and the typical “Life” of complete blast and top coat paint of exterior is 15-20 years. The inspection also found interior should be cleaned and painted in 3-4 years which would be sometime in 2017-2018 timeframe. The typical “Life” of complete blast and top coat paint of interior is 12-15 years. He received an estimate to blast and repaint interior and exterior for \$550,000 and an estimate of a new tank of \$2,000,000 not including dismantling of current tank.

Assistant City Manager Anderson then discussed that the water rates in the FY18 water budget. There is currently \$941,174 in revenues from water sales and 42,878 EDU’s per year billed. If there was a 1% increase in water rates = \$0.22/mo (\$21.95-\$33.17) that would make \$9,411.72 in increased revenues. He added that financing a \$550,000 repaint project for 10 years @ 2.5% interest would equal \$62,848.32 in debt service annually.

Mr. Mears then discussed the Route 13 Water and Sewer Extension project. Install approximately 5,600 feet of 16” water main, from its existing location north of Duck in Car Wash, under the branch to the Dolby farm where proposed lift station #16 would be installed. The project would include installing approximately 4,550 feet of 12” gravity sewer main to the south side of the branch to serve annexed but largely un-developed areas along Sussex Highway. This would provide plans for water and sewer service to all annexed properties along

the east side of Rt. 13. The engineering proposal for the water portion is \$36,600 and the engineering proposal for the sewer portion is \$46,200. We submitted both applications to the respective funding agencies for a 50% Matching Planning Grant for each. Resolutions to accompany the applications for these Matching Planning Grants were approved by Mayor and City Council at the 8/22/17 meeting. Mr. Mears added that the hope is to start design phase soon which will give us a cost estimate for the project and complete this within the 3 year CIP timeframe. He added that this will add maximum development potential for the commercial properties on the north end of the City. After design is complete the project will be considered "shovel ready" in the event special infrastructure funding becomes available. The Design documents will allow the City to discuss options of potential service with Developers and land owners.

Mr. Mears then discussed the Shipley Center Lift Station Built in 1987 for the Shipley State Service Center. He added that it is currently 30 years old and all of the piping and rails are failing. He added that the pumps are original and GMB is working on the project estimate and we should have it anytime.

The Utility Building expansion is another project that is in need of being completed. The Public Works and Electric Department currently share this building. There is limited space in the building that necessitate items having to be stored outside. Materials have gotten stolen and the weather has damaged some materials due to the limited storage space. The expansion would be on the back side of the building and the estimated cost is \$400,000.

The final item that Mr. Mears discussed was the Waste Water Treatment Plant. He stated that the rubber roof membranes are at about 18 years in age and added that seam seals are starting to dry and crack. Delmarva Roofing stated that membranes are nearing their lifespan, quotes are for an EPDM coating that can be applied over original membranes to prolong life without need for membrane replacement, but would need to be done prior to significant membrane failure. There will be \$5,600 Blower Building roof in FY19. He added that the plan is for the third year to set aside \$49,900 for screener replacement and fourth year to set aside \$25,000 for loader replacement; money has already been set aside previously for these projects.

There is also a need to expand the Waste Water Treatment Facility. The last upgrade was completed in 1998 and is currently a 2 MGD Biological Nutrient Removal (BNR) process. The plant received new NPDES permit with new stringent discharge limits that come into effect in 2025 based on Chesapeake Bay TMDL. A new permit includes a compliance schedule has milestones that we must meet to include the following: complete preliminary design by July 31, 2018 (cost has yet to be determined). Complete final design by January 31, 2021 (cost has yet to be determined). Complete construction of proposed expansion and upgrades to meet new 2025 limits by January 31, 2023 and initial estimates for construction is \$26,000,000. The project is to include expansion & upgrades to 3 MGD, enhanced nutrient removal process, leachate and septage handling, and sludge processing operation.

Assistant City Manager Anderson then discussed the FY18 sewer budget. \$2,109, 656 in revenues from user charges 47,620 EDU's per year billed. A 1% increase in water rates would equal \$0.44 a month which would give \$ 20,952 in increased revenues. He added that financing an \$18,000,000 (estimated Seaford share based on principal forgiveness and partner

participation) expansion project for 20 years at 2% interest would mean a \$1,096,400 in debt service annually.

With no further questions or comments, Councilman Mulvaney called for a motion to adjourn the Operations Committee meeting. Committee member Mr. McCoy made the motion to adjourn; Mr. Raskauskas seconded the motion; motion so passed with all voting in favor. The meeting was adjourned at 3:29 p.m.

Tracy Torbert, Secretary