AGENDA
REGULAR MEETING OF THE MAYOR AND COUNCIL
February 24, 2026
SEAFORD CITY HALL – 414 HIGH STREET

The meeting will be streamed via live feed.

To view a live meeting visit one of the links below:

- On our website: www.seaforddde.com/meetinglivefeed
- On Facebook: www.Facebook.com/cityofseaford
- On YouTube: http://www.youtube.com/c/CityofSeafordDe19973

To view this meeting agenda and supporting documentation visit our website: www.seaforddde.com/government/mayor_council/council_agendas_minutes

Comments and questions may be emailed to: Councilinfo@seaforddde.com

7:00 P.M. Mayor MacCoy calls the Regular Meeting to order.

Invocation.

Pledge of Allegiance to the Flag of the United States of America.

Executive Session:

1. Personnel
2. Negotiations

Changes to the agenda for this meeting.

Approval of the minutes of the regular meeting on February 10, 2026.

ALL ITEMS ON THIS AGENDA MAY OR MAY NOT BE VOTED ON.

PUBLIC COMMENT:

1.

CORRESPONDENCE:

1.

NEW BUSINESS:

1. Present for approval a list of proposed improvements to Soroptimist Park that would be implemented by the Soroptimist International of Seaford Organization.

2. Present the FY2025 audit and draft financial statements.

3. Present for a first reading revision to Chapter 8 by adding Article 11 to the Municipal Code that outlines Electronic Speed Monitoring System requirements.

4. Present for approval a proposed project that would install four tree boxes on High Street to improve storm water runoff quality.

5. Present for approval a revision to the attendance policy that clarifies recording of time for hourly employees.

OLD BUSINESS:

1.

REMINDER OF MEETINGS & SETTING NEW MEETINGS:

CITY OF SEAFORD

Municipal Election – Saturday, April 18, 2026

The City of Seaford Municipal Election will be held on Saturday, April 18, 2026, in the City Council Chambers, City Hall, 414 High Street, between the hours of 7:00 a.m. E.S.T. and 3:00 p.m. E.S.T.

One (1) Mayoral Seat (2-year Term)

Two (2) Council Member Seats (3-year Term)

Vice-Mayor Dan Henderson has filed for reelection.

Councilman Mike Bradley has filed for reelection.

Mayor Matt MacCoy has filed for reelection.

All candidates must have filed by 4:00 p.m., E.S.T., Friday, February 27, 2026. Registration can be completed at City Hall, 414 High Street, Seaford, DE. Registration hours are Monday through Friday, 7 a.m. until 4:00 p.m. or by appointment if you cannot register during these normal business hours. Any candidate who withdraws his/her name must do so in writing. Any candidate who withdraws his/her name after 4:00 p.m., E.S.T., February 27, 2026, will still appear on the official ballot for election. You must meet the following to qualify to hold the office of Mayor and/or Council Member:

- Be a bona fide citizen of the United States and of the State of Delaware and a resident of the City of Seaford for at least one (1) year next preceding the annual election; provided, however, that no full-time employee of the City of Seaford shall serve as City Councilmember during such time as he/she is a full-time employee of the City of Seaford; and
- At least eighteen (18) years of age; and
- A non-delinquent taxpayer of all capitation and property taxes of the City of Seaford for at least one (1) year next preceding the annual election. 65 Del. Laws, c. 249
- Shall not have been convicted of a felony. 76 Del. Laws, c. 153

To be eligible to vote, anyone eighteen (18) years of age or older who is a bona fide City of Seaford resident and US Citizen **must have been registered at the State of Delaware Department of Elections by 4:00 p.m., E.S.T. on Friday March 27, 2026.**

Nonresident property owners must be owner of record for a period of six (6) months immediately preceding the date of the Annual Municipal Election (October 18, 2025) and shall have one vote **provided he or she is registered in the "Books of Registered Voters" maintained at the City Hall by 4:00 p.m. E.S.T. on Friday, March 27, 2026. Registration hours are Monday through Friday, 7 a.m. until 4 p.m., or by appointment if you cannot register during these normal business hours.**

All voters will need to show proof of residency which may be a State of Delaware driver's license, a State of Delaware identification card, a federal or state tax return with address, a City of Seaford utility bill or real estate property tax bill, or other acceptable proof of residency or ownership.

LIAISON REPORTS:

1. Code, Parks and Recreation – Councilwoman Stephanie Grassett
2. Police & Fire – Councilman Dan Henderson
3. Administration – Councilman Orlando Holland
4. Electric – Councilman Mike Bradley
5. Public Works & WWTF – Councilman Alan Quillen

Mayor MacCoy solicits a motion to hold an Executive Session for the purpose of discussing personnel.

EXECUTIVE SESSION:

1. Personnel

2. Negotiations

Mayor MacCoy solicits a motion to adjourn the Executive Session.

Mayor MacCoy reopens the regular Council meeting.

City Council to act on items discussed in Executive Session.

Mayor MacCoy solicits a motion to adjourn the regular Council meeting.

NOTE: Agenda shall be subject to change to include or delete additional items (including executive session) which arise at the time of the meeting. (29 Del. C. S1004 (e) (3))

Date Posted: 02/16/2026
Posted by: BAS

NBB1
2/24/26

Green Living Landscaping Solutions, LLC DBA BJ and Son Property Management, LLC

4232 Main Street | Trappe, Maryland 21673
4104631671 | bjandsonbiz@yahoo.com | www.bjandson.com

RECIPIENT:

Delores Slatcher
994 Middleford Road
Seaford, Delaware 19973

Quote #580	
Sent on	Jan 07, 2026
Total	$16,820.00

Overview

Soroptimist Park:

Power washing gazebo (2)
painting
walkway revitalization

Product/Service	Description	Qty.	Unit Price	Total
Power Washing	1. Wash the roofs of 2 Gazebos -Wash the floors of both gazebos -Wash ceiling and gables of the larger gazebo to prepare for paint *A reasonable attempt will be made to remove artillery fungus, and ivy runners if present, but no guarantee is made for complete removal. Rust stains, chemical and other non organic misc. surface stains are not included in basic wash unless discussed and listed in this proposal.	1	$1,350.00	$1,350.00
Material	Water carrying fee for multiple loads of water delivered to premises. *Please note this fee will be removed if the water at the park can be turned on during the service. *Also the gate in the front of the park will need to be opened to move equipment to the gazebos	1	$600.00	$600.00

Green Living Landscaping Solutions, LLC DBA BJ and Son Property Management, LLC

4232 Main Street | Trappe, Maryland 21673
4104631671 | bjandsonbiz@yahoo.com | www.bjandson.com

Product/Service	Description	Qty.	Unit Price	Total
Painting	1. Paint the ceiling and gables of the large gazebo off of the parking lot -The paint will be Sherwin Williams Emerald line exterior paint in white satin sheen - Paint the roof in exterior metal paint in green using pro industrial pro-cryl primer and sher-cryl hpa top coat	1	$5,300.00	$5,300.00
Driveway Installation & Repair	1.Prep the walkway areas and install 70 tons of stone dust to the walkways in the park, this will give the walkways an added 2 inches of stone dust after compaction. -The walkways will be tamped down with a vibratory tamp after the stone dust is installed We anticipate3 days on this job	1	$9,570.00	$9,570.00

A deposit of $5,550.60 will be required to begin.

Total **$16,820.00**

This quotation remains valid for the next 30 days. Please note that prices are subject to change after this period.
Kindly be advised that deposits are nonrefundable.

NB#2
2|24|26

CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

For the Year Ended June 30, 2025

CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

JUNE 30, 2025

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CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

CONTENTS (continued)

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

GOVERNMENT AUDITING STANDARDS REPORT

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Mayor and Council
City of Seaford, Delaware

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seaford, Delaware (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a year beyond the date the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

10200 Grand Central Avenue • Suite 250 • Owings Mills • Maryland 21117 • P 410-584-0060 • F 410-584-0061

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in the City's net OPEB liability and related ratios, schedule of changes in the City's net pension liability and related ratios – single employer plan, schedule of City contributions – single employer plan, schedule of investment returns – single employer plan, schedule of the City's proportionate share of net pension liability – cost sharing plan, and schedule of the City's contributions to cost sharing pension plan, as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenue and expenditures/expenses, schedules of debt service, and financial highlights (collectively, the supplementary information), as referenced in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements, budgetary statements, and other supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have previously audited the City's 2024 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated August 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2026 on our consideration of the City's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal controls over financial reporting and compliance.

SB & Company, LLC

Owings Mills, Maryland
February 18, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

CITY OF SEAFORD, DELAWARE

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Seaford's (the City) annual report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the City's financial statements, which begin on page 11.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information,* and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the City reporting the City's operations in more detail than the government-wide financial statements.

  - *Governmental funds* statements tell how general government services like public safety, public works, parks and recreation, and administration were financed in the *short term* as well as what remains for future spending.
  - *Proprietary funds* statements offer *short* and *long-term* financial information about the activities which the government operates, *like businesses,* such as the water and sewer system and the electric department.
  - *Fiduciary fund* statements offer information about the pension funds.

The focus of government-wide financial statements is on the overall financial position and activities of the City. These financial statements are constructed around the concept of a primary government, the City.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that shows a budget comparison to actual for the general fund. In addition to these required elements, we have included certain schedules that provide more detail about the City's finances.

Government-Wide Financial Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the property tax base and the condition of the City's roads, water, and sewage plants, electrical plant, and distribution lines.

The government-wide financial statements are divided into two categories:

- *Governmental activities* – Most of the City's basic services are included here, such as the police, fire, public works, and parks departments, and general administration. Transfers from the business-type activities, property taxes, and state and federal grants finance most of these activities.
- *Business-type activities* – The City charges fees to customers to cover the costs of services it provides. The City's water and sewer system, electric department, and golf course are included here. The City also relies on the electrical services to provide major funding of the governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds* – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has three kinds of funds:

- *Governmental funds* – Most of the City's basic services are included in governmental funds which focus on (1) how *cash and other financial assets* can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide financial statements, provide both long and short-term financial information. In fact, the City's *enterprise funds* are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

- *Fiduciary funds* – Pension assets for which the City is responsible for handling are in these funds and placed under its control.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

<u>Net Position</u>

The City's combined net position increased by approximately $3,029,000, or 6.3% from fiscal year 2024 to 2025.

The net position of the City's governmental activities decreased by approximately $154,000 or 1.0%, for fiscal year 2024 to 2025. Most of the net position is restricted as to the purposes for which they can be used, or are invested in capital assets (buildings, roads, equipment, and so on).

The net position of the City's business-type activities increased approximately $3,183,000 or 9.7% for the fiscal year. Subject to the annual transfer of funds to help finance the general fund activities, the City generally uses the unrestricted net position to finance the continuing operations of the water, sewer, electric, and golf operations.

Management Discussion and Analysis
As of June 30, 2025

The table below compares key financial information in a condensed format between the current year and the prior year.

Table 1
City of Seaford's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**Change**
Current and other assets	$ 7,242	$ 7,151	$ 17,002	$ 16,254	$ 24,244	$ 23,405	4%
Capital assets	17,558	17,896	30,673	29,256	48,231	47,152	2%
Total assets	24,800	25,047	47,675	45,510	72,475	70,557	3%
Deferred outflows	1,645	1,695	221	306	1,866	2,001	-7%
Long-term debt	903	764	3,978	4,013	4,881	4,777	2%
Other liabilities	9,280	10,181	7,213	8,687	16,492	18,867	-13%
Total liabilities	10,183	10,945	11,191	12,700	21,373	23,644	-10%
Deferred inflows	1,526	906	712	308	2,238	1,214	84%
Net position							
Net investment in capital assets	16,655	17,132	26,695	25,242	43,350	42,374	2%
Restricted	1,573	1,656	9,953	9,032	11,526	10,688	8%
Unrestricted	(3,492)	(3,897)	(657)	(1,466)	(4,149)	(5,363)	-23%
Total net position	$ 14,736	$ 14,891	$ 35,991	$ 32,808	$ 50,728	$ 47,700	6%

Changes in Net Position

The City’s total revenues were approximately $36,573,000. Approximately 75% of the City’s revenues come from fees charged for services. Another 2% comes from capital grants and 8% from property taxes. The remaining revenues were from state grants and miscellaneous fees and taxes.

The total cost of all programs and services was approximately $33,544,000. The City’s expenses cover a range of services with about 64% related to the business activities.

Table 2 and the narrative that follows consider the operations of governmental and business-type activities separately for the years ended June 30, 2025 and 2024.

Management Discussion and Analysis
As of June 30, 2025

Table 2
Changes in City of Seaford's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2025	2024	2025	2024	2025	2024	
Revenues							
Program revenues							
Charges for services	$ 1,344	$ 1,216	$ 26,180	$ 23,814	$ 27,524	$ 25,030	10%
Operating grants	938	1,606	1,740	1,158	2,678	2,764	-3%
Capital grants	178	140	698	465	876	605	45%
General revenues							
Property taxes	2,838	2,772	-	-	2,838	2,772	2%
Other taxes	904	597	-	-	904	597	51%
Grants	7	10	-	-	7	10	100%
Other	385	470	1,361	1,449	1,746	1,919	-9%
Total revenues	6,594	6,811	29,979	26,886	36,573	33,697	9%
Expenses							
Administration	1,341	564	-	-	1,341	564	138%
Code enforcement	503	375	-	-	503	375	34%
Community pool	82	64	-	-	82	64	28%
Executive	111	119	-	-	111	119	-7%
Fire department	460	416	-	-	460	416	11%
Dispatch	412	375	-	-	412	375	10%
Highways and streets	1,094	1,348	-	-	1,094	1,348	-19%
Parks department	988	898	-	-	988	898	10%
Police department	6,238	5,818	-	-	6,238	5,818	7%
Recreation	268	262	-	-	268	262	2%
Economic development	567	601	-	-	567	601	-6%
Interest on long-term debt	35	131	-	-	35	131	-73%
Electric	-	-	15,812	14,716	15,812	14,716	7%
Sewer	-	-	3,392	2,945	3,392	2,945	15%
Water	-	-	1,891	1,871	1,891	1,871	1%
Golf	-	-	351	333	351	333	5%
Total expenses	12,099	10,971	21,446	19,865	33,545	30,836	9%
Changes before transfers	(5,505)	(4,160)	8,533	7,021	3,028	2,861	6%
Transfers	5,350	3,920	(5,350)	(3,920)	-	-	0%
Changes in net position	$ (155)	$ (240)	$ 3,183	$ 3,101	$ 3,028	$ 2,861	6%

Governmental Activities

Revenues for the City's governmental activities were approximately $6,594,000.

The property tax rate for 2025 and 2024 was 34¢/$100 of assessed value each year.

The cost of all governmental activities this year was approximately $12,098,000. Of this cost, the largest programs for the City are police department with a cost of approximately $6,147,000 and administration with a cost of approximately $1,341,000.

Business-Type Activities

Revenues of the City's business-type activities increased about 12% to approximately $29,979,000 and expenses increased 8% to approximately $21,446,000.

General Fund Activities

For the year ended June 30, 2025, after transfers and loan proceeds, the City had an increase of approximately $250,000 in its general fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the City's budget throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the City had invested approximately $48,231,000 net of accumulated depreciation), in a broad range of capital assets, including police equipment, buildings, park facilities, roads, vehicles, electric distribution equipment and lines, and water and sewer lines. This amount represents a net increase (including additions and deductions) of approximately $1,079,000 or about 2.29%, from last year, driven largely by acquisition of assets.

Table 3
City of Seaford's Capital Assets
Net of Accumulated Depreciation
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 2,368	$ 2,368	$ 958	$ 958	$ 3,326	$ 3,326
Land improvements	2,161	2,332	-	-	2,161	2,332
Buildings and improvements	5,608	5,943	9,535	8,375	15,143	14,318
Equipment	1,700	1,558	513	(10)	2,213	1,548
Infrastructure	5,087	5,228	16,134	15,146	21,221	20,374
Construction in progress	634	467	3,533	4,787	4,167	5,254
Total	$ 17,558	$ 17,896	$ 30,673	$ 29,256	$ 48,231	$ 47,152

Long-term Debt

As of June 30, 2025, the City had $4,880,000 in bonds and notes outstanding, an increase of 2% from last year. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

Table 4
City of Seaford's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
General obligation bonds	$ -	$ -	$ 3,291	$ 3,506	$ 3,291	$ 3,506
Notes payable	648	455	687	507	1,335	962
Financed purchases	255	309	-	-	255	309
Total	$ 903	$ 764	$ 3,978	$ 4,013	$ 4,881	$ 4,777

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City of Seaford Director of Finance Office, 414 High Street, Seaford, Delaware 19973.

BASIC FINANCIAL STATEMENTS

CITY OF SEAFORD, DELAWARE

Statement of Net Position
As of June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets			
Cash and cash equivalents	$ 5,450,563	$ 12,319,893	$ 17,770,456
Accounts receivable, net	149,589	3,216,172	3,365,761
Inventories	14,328	1,425,415	1,439,743
Prepaid expense	54,675	40,109	94,784
Restricted cash	1,573,226	-	1,573,226
Total current assets	7,242,381	17,001,589	24,243,970
Noncurrent Assets			
Net capital assets, net	17,557,854	30,672,770	48,230,624
Total Assets	24,800,235	47,674,359	72,474,594
Deferred Outflow of Resources:			
Deferred financing outflow - retirement	1,645,062	220,901	1,865,963
Total deferred outflow of resources	1,645,062	220,901	1,865,963
Liabilities:			
Current liabilities			
Accounts payable	256,544	2,020,747	2,277,291
Accrued expenses and accrued interest	318,864	137,850	456,714
Current portion of long-term debt	228,372	511,070	739,442
Deposits	16,104	1,393,850	1,409,954
Unearned grant revenue	2,931,543	100,424	3,031,967
Accrued compensated absences	416,055	132,277	548,332
Total current liabilities	4,167,482	4,296,218	8,463,700
Noncurrent liabilities			
Net OPEB liability	2,801,020	1,202,251	4,003,271
Net pension liability	2,540,070	2,226,246	4,766,316
Bonds and notes payable	674,488	3,466,766	4,141,254
Total non-current liabilities	6,015,578	6,895,263	12,910,841
Total Liabilities	10,183,060	11,191,481	21,374,541
Deferred Inflow of Resources:			
Deferred financing inflow - OPEB	998,620	428,628	1,427,248
Deferred financing inflow - retirement	527,743	283,786	811,528
Total deferred inflow of resources	1,526,363	712,414	2,238,777
Net Position:			
Net investment in capital assets	16,654,994	26,694,934	43,349,928
Restricted	1,573,226	9,953,781	11,527,007
Unrestricted	(3,492,346)	(657,350)	(4,149,696)
Total Net Position	$ 14,735,874	$ 35,991,365	$ 50,727,239

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
GOVERNMENTAL ACTIVITIES							
Administration	$ 1,341,358	$ 528,399	$ -	$ -	$ (812,959)	$ -	$ (812,959)
Code enforcement	502,887	473,827	-	-	(29,060)	-	(29,060)
Community pool	81,594	-	-	-	(81,594)	-	(81,594)
Executive	110,824	-	-	-	(110,824)	-	(110,824)
Fire department	460,118	-	-	-	(460,118)	-	(460,118)
Dispatch	411,535	-	-	-	(411,535)	-	(411,535)
Highways and streets	1,094,127	-	215,666	137,831	(740,630)	-	(740,630)
Parks department	987,929	-	-	-	(987,929)	-	(987,929)
Police department	6,238,269	263,225	722,429	40,000	(5,212,615)	-	(5,212,615)
Recreation	268,475	65,836	-	-	(202,639)	-	(202,639)
Economic development	567,453	12,895	-	-	(554,558)	-	(554,558)
Interest on long-term debt	34,556	-	-	-	(34,556)	-	(34,556)
Total governmental activities	12,099,125	1,344,182	938,095	177,831	(9,639,017)	-	(9,639,017)
BUSINESS-TYPE ACTIVITIES							
Electric	15,811,987	19,494,248	-	-	-	3,682,261	3,682,261
Sewer	3,391,842	4,707,703	1,739,668	640,200	-	3,695,729	3,695,729
Water	1,891,620	1,978,499	-	57,600	-	144,479	144,479
Golf	351,192	-	-	-	-	(351,192)	(351,192)
Total business-type activities	21,446,641	26,180,450	1,739,668	697,800	-	7,171,277	7,171,277
Total	$ 33,545,766	$ 27,524,632	$ 2,677,763	$ 875,631	(9,639,017)	7,171,277	(2,467,740)
GENERAL REVENUES							
Taxes							
Property taxes					2,838,044	-	2,838,044
Transfer taxes					904,430	-	904,430
Grants and contributions not restricted to specific programs					6,518	-	6,518
Unrestricted investment earnings					205,110	370,229	575,339
Miscellaneous					47,284	996,646	1,043,930
Gain/(loss) on sale of fixed asset					132,483	(5,439)	127,044
Transfers - net					5,350,000	(5,350,000)	-
Total general revenues, special items and transfers					9,483,869	(3,988,564)	5,495,305
Changes in net position					(155,148)	3,182,713	3,027,565
NET POSITION, BEGINNING OF YEAR					14,891,022	32,808,652	47,699,674
NET POSITION, END OF YEAR					$ 14,735,874	$ 35,991,365	$ 50,727,239

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Balance Sheet – Governmental Funds
As of June 30, 2025

		General Fund
Assets:		
Cash and cash equivalents	$	5,450,563
Accounts receivable (net of allowance for uncollectibles)		149,589
Inventories		14,328
Prepaid expenses		54,675
Restricted cash		1,573,226
Total Assets	$	7,242,381
Liabilities:		
Accounts payable	$	256,544
Accrued expenses		734,919
Unearned revenue		2,931,543
Deposits		16,104
Total Liabilities		3,939,110
Deferred Inflows of Resources:		
Unavailable revenue		133,072
Fund Balances:		
Nonspendable		69,003
Restricted		1,573,226
Assigned		968,221
Unassigned		559,749
Total fund balances		3,170,199
Total Liabilities, Deferred Inflows and Fund Balances	$	7,242,381

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2025

Total fund balances, governmental funds	$	3,170,199
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		17,557,854
Certain revenues that do not provide current financial resources are reported as unavailable income in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.		133,072
Certain deferred inflows and outflows related to net pension expenses as reported in the governmental activities statement, but not in the financial statement.		118,699
Some liabilities including notes payable, financed purchases, net pension liabilities (assets), and OPEB obligations are not due and payable in the current period and therefore are not reported in the fund financial statements, but are included in the governmental activities in the Statement of Net Position.		(6,243,950)
Net position of governmental activities in the Statement of Net Position	$	14,735,874

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Statement of Revenue, Expenditures, and Change in Fund Balance – Governmental Funds
For the Year Ended June 30, 2025

	General Fund
Revenues	
Taxes	$ 2,819,736
Transfer taxes	904,430
Intergovernmental revenues	1,115,926
Fines and forfeitures	72,351
Licenses, permits and fees	773,185
Interest and late charges	233,412
Community pool and recreation	61,651
Charges for services	396,492
Miscellaneous	66,003
Total revenues	6,443,186
Expenditures	
Administration	1,264,100
Code enforcement	486,204
Community pool	77,455
Executive	107,401
Fire department	317,000
Dispatch	412,521
Highways and streets	766,671
Parks department	787,483
Police department	5,814,858
Recreation	254,721
Economic development	524,810
Debt service	237,427
Capital outlay	967,328
Total Expenditures	12,017,979
Deficiency of revenues over expenditures	(5,574,793)
Other Financing Sources (Uses)	
Proceeds from sale of fixed asset	132,483
Operating transfers out	(300,000)
Operating transfers in	5,650,000
Proceeds from financed purchases	342,069
Total Other Financing Sources (Uses)	5,824,552
Net change in fund balance	249,759
Fund Balance, Beginning of Year	2,920,440
Fund Balance, End of Year	$ 3,170,199

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balance – Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances, governmental funds	$	249,759
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of $1,311,295 and disposal of $66,762 exceeded capital outlay of $1,039,815 in the current period.		(338,242)
In the Statement of Activities, the net OPEB liability and the net pension liabilities is measured by the amount accrued during the year. In the governmental funds, however, expenditures for the OPEB and pensions are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year).		54,225
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned: Change in deferred revenue affecting income.		18,308
Governmental funds report repayment of debt principal as an expenditure and loan proceeds as other financing sources. In contrast, the Statement of Activities treats such repayments and loan proceeds as a changes in long-term liabilities.		(139,198)
Change in net position of governmental activities	$	(155,148)

The accompanying notes are an integral part of this financial statement.

Statement of Net Position – Proprietary Funds
As of June 30, 2025

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Assets:					
Current Assets					
Cash and cash equivalents	$ 3,126,721	$ 6,220,491	$ 1,759,161	$ 1,213,520	$ 12,319,893
Accounts receivable (net of allowance for uncollectibles)	2,265,337	620,854	329,981	-	3,216,172
Inventory	1,240,384	32,923	85,199	66,909	1,425,415
Prepaid expenses	14,783	18,327	5,932	1,067	40,109
Total current assets	6,647,225	6,892,595	2,180,273	1,281,496	17,001,589
Noncurrent assets					
Capital Assets					
Land, buildings, and improvements	5,517,300	20,307,544	1,474,254	873,757	28,172,855
Machinery and equipment	1,068,436	1,526,299	1,033,227	555,122	4,183,084
Transmission mains and extensions	10,397,594	15,238,734	11,600,949	-	37,237,277
Transportation	1,400,740	343,316	414,953	-	2,159,009
Construction in progress	155,183	3,078,838	298,600	-	3,532,621
Less accumulated depreciation	(12,871,435)	(23,467,966)	(8,019,438)	(253,237)	(44,612,076)
Total noncurrent assets	5,667,818	17,026,765	6,802,545	1,175,642	30,672,770
Total assets	12,315,043	23,919,360	8,982,818	2,457,138	47,674,359
Deferred Outflows of Resources:					
Deferred financing outflow - retirement	123,705	53,016	44,180	-	220,901
	123,705	53,016	44,180		220,901
Liabilities:					
Current Liabilities					
Accounts payable	1,089,512	844,433	46,317	40,485	2,020,747
Accrued interest	698	8,920	2,647	-	12,265
Accrued expense - other	95,321	17,824	12,440	-	125,585
Unearned revenue	-	100,424	-	-	100,424
Current portion of long-term debt	111,441	308,255	91,374	-	511,070
Deposits	1,380,414	12,748	688	-	1,393,850
Accrued compensated absences	57,519	38,771	35,987	-	132,277
Total current liabilities	2,734,905	1,331,375	189,453	40,485	4,296,218
Noncurrent liabilities					
Net OPEB liability	682,829	288,964	230,458	-	1,202,251
Net pension liability	1,246,698	534,299	445,249	-	2,226,246
Bonds, notes payable, and financed purchases	500,539	2,491,175	475,052	-	3,466,766
Total non-current liabilities	2,430,066	3,314,438	1,150,759	-	6,895,263
Total Liabilities	5,164,971	4,645,813	1,340,212	40,485	11,191,481
Deferred Inflow of Resources:					
Deferred financing inflow - OPEB	243,443	103,022	82,163	-	428,628
Deferred financing inflow - retirement	158,920	68,109	56,757	-	283,786
Total deferred inflow of resources	402,363	171,131	138,920	-	712,414
Net Position:					
Net investment in capital assets	5,055,838	14,227,335	6,236,119	1,175,642	26,694,934
Restricted	2,613,242	4,790,646	1,350,194	1,199,699	9,953,781
Unrestricted	(797,666)	137,451	(38,447)	41,312	(657,350)
Total Net Position	$ 6,871,414	$ 19,155,432	$ 7,547,866	$ 2,416,653	$ 35,991,365

The accompanying notes are an integral part of this financial statement.

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year Ended June 30, 2025

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Operating Revenues					
Charges for services	$ 19,494,248	$ 4,636,003	$ 1,932,624	$ -	$ 26,062,875
Grant revenue	-	1,739,668	-	-	1,739,668
Tap fees	-	71,700	45,875	-	117,575
Miscellaneous	179,521	93,236	345,459	378,430	996,646
Total operating revenues	19,673,769	6,540,607	2,323,958	378,430	28,916,764
Operating Expenses					
Purchased power	12,707,803	-	-	-	12,707,803
Payroll and other costs	1,389,334	733,379	486,666	-	2,609,379
Utilities	45,168	215,810	100,597	-	361,575
Repairs and maintenance	131,639	167,977	265,855	37,040	602,511
Insurance	415,193	353,034	195,273	11,694	975,194
Contracts	-	-	-	151,704	151,704
Other supplies and expenses	618,338	901,687	428,873	95,697	2,044,595
Depreciation and amortization	469,591	958,431	394,514	55,057	1,877,593
Total operating expenses	15,777,066	3,330,318	1,871,778	351,192	21,330,354
Operating income (loss)	3,896,703	3,210,289	452,180	27,238	7,586,410
Nonoperating Revenues (Expenses)					
Interest revenue	120,868	180,854	41,086	27,421	370,229
Interest expense	(34,921)	(61,524)	(19,842)	-	(116,287)
Gain (Loss) on disposal of fixed asset	15,180	(16,219)	(4,400)	-	(5,439)
Transfers in (out)	(4,250,000)	(1,500,000)	100,000	300,000	(5,350,000)
Capital contribution	-	640,200	57,600	-	697,800
Net nonoperating revenues (expenses)	(4,148,873)	(756,689)	174,444	327,421	(4,403,697)
Changes in net position	(252,170)	2,453,600	626,624	354,659	3,182,713
Net Position, Beginnng of Year	7,123,584	16,701,832	6,921,242	2,061,994	32,808,652
Net Position, End of Year	$ 6,871,414	$ 19,155,432	$ 7,547,866	$ 2,416,653	$ 35,991,365

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2025

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Cash Flows from Operating Activities					
Receipts from customers	$ 19,466,733	$ 6,429,532	$ 1,855,596	$ -	$ 27,751,861
Other receipts	179,521	93,236	345,459	378,430	996,646
Payments to suppliers	(13,801,099)	(2,505,374)	(883,194)	(277,538)	(17,467,205)
Payments to employees	(1,691,461)	(873,972)	(609,680)	-	(3,175,113)
Net cash from operating activities	4,153,694	3,143,422	708,181	100,892	8,106,189
Cash Flows from Noncapital Financing Activities					
Operating transfers in (out)	(4,250,000)	(1,500,000)	100,000	300,000	(5,350,000)
Net cash from noncapital financing activities	(4,250,000)	(1,500,000)	100,000	300,000	(5,350,000)
Cash Flows from Capital and Related Financing Activities					
Payments for capital acquisitions	(889,435)	(2,032,514)	(311,075)	(95,514)	(3,328,538)
Contributions	-	640,200	57,600	-	697,800
Proceeds from sale of assets	15,180	-	-	-	15,180
Proceeds from new loan	302,910	158,703	84,349	-	545,962
Principal paid on long-term debt	(86,396)	(342,109)	(152,744)	-	(581,249)
Interest paid on long-term debt	(33,600)	(61,522)	(8,041)	-	(103,163)
Net cash provided from capital and related financing activities	(691,341)	(1,637,242)	(329,911)	(95,514)	(2,754,008)
Cash Flows from Investing Activities					
Interest income	120,868	180,854	41,086	27,421	370,229
Net increase in cash	(666,779)	187,034	519,356	332,799	372,410
Cash and Cash Equivalents, Beginning of Year	3,793,500	6,033,457	1,239,805	880,721	11,947,483
Cash and Cash Equivalents, End of Year	$ 3,126,721	$ 6,220,491	$ 1,759,161	$ 1,213,520	$ 12,319,893
Reconciliation of Operating Income (loss) to Net Cash Flows from Operating Activities					
Operating income (loss)	$ 3,896,703	$ 3,210,289	$ 452,180	$ 27,238	$ 7,586,410
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	469,591	958,431	394,514	55,057	1,877,593
Deferred financing outflows - retirement and OPEB	48,455	20,767	17,306	-	86,528
Deferred financing inflows - retirement and OPEB	230,723	96,282	77,496	-	404,501
(Increase) decrease in assets					
Accounts receivable	(27,515)	(17,839)	(122,903)	-	(168,257)
Prepaid expenses	(222,803)	8,399	9,225	553	(204,626)
Inventory	(9)	(2,182)	(301)	(195)	(2,687)
(Increase) decrease in liabilities					
Accounts payable	(84,744)	757,399	4,462	18,239	695,356
Accrued interest	22	(1,467)	(380)	-	(1,825)
Accrued expenses- other	43,546	2,939	2,681	-	49,166
Unearned revenue	-	(1,739,668)	-	-	(1,739,668)
Net OPEB liability	(60,749)	(35,985)	(35,707)	-	(132,441)
Deposits	145,398	1,830	(404)	-	146,824
Accrued compensated absences	(13,900)	380	6,806	-	(6,714)
Net pension liability	(271,024)	(116,153)	(96,794)	-	(483,971)
Net cash provided (used) by operating activities	$ 4,153,694	$ 3,143,422	$ 708,181	$ 100,892	$ 8,106,189

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Statement of Net Position - Fiduciary Fund
As of June 30, 2025

ASSETS	
Cash and cash equivalents	$ 796,866
Mutual funds:	
Fixed income	
Taxable	499,725
Closed-end	4,924,154
Total fixed income	5,423,879
Equities	
Domestic equity	241,337
Closed-end equity	6,915,383
International closed-end	3,761,901
Total equity	10,918,621
Total mutual fund	16,342,500
Interest receivable	2,421
TOTAL ASSETS	17,141,787
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 17,141,787

The accompanying notes are an integral part of this financial statement.

CITY OF SEAFORD, DELAWARE

Statement of Changes in Net Position - Fiduciary Fund
For the Year Ended June 30, 2025

ADDITIONS		
Contributions:		
Employer	$	744,619
Plan members - required contribution		307,953
Other		431,514
Total contributions		1,484,086
Investment income:		
Net increase in fair value of investments		1,402,955
Interest and dividends		420,860
Total investment income		1,823,815
Total additions		3,307,901
DEDUCTIONS		
Benefits		1,352,173
Administrative		83,456
Total deductions		1,435,629
Changes in net position		1,872,272
Net Position, Beginning of Year		15,269,515
Net Position, End of Year	$	17,141,787

The accompanying notes are an integral part of this financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Seaford, Delaware (the City) conform to generally accepted accounting principles applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting standards.

<u>Deferred Inflows of Resources</u>

The City's governmental funds and activities report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period. The City has three types of items that qualify for reporting in this category; deferred property taxes which are not recognized in the governmental funds until available (collected not later than 60 days after the end of the City's fiscal year), deferred grant revenue which is not recognized until a future event occurs, and deferred inflows related to pension plans.

<u>Deferred Outflows of Resources</u>

The City reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary statements of net position or the governmental funds balance sheet. The City reports deferred outflows related to pension plans.

<u>Pension Plans</u>

The deferred inflows and outflows related to the Delaware County and Municipal Police/Firefighters' Pension Plan (DCMPFPP) have been determined on the same basis as they are reported by DCMPFPP.

<u>Reporting Entity</u>

The basic criteria for including component units in the City's financial statements is the exercise of oversight responsibility over such units by the City's elected officials. In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. Based on criteria set forth by the GASB, the City has no component units.

<u>Basis of Presentation</u>

Government-wide statements: The statement of net position and the statement of activities display the non-fiduciary information about the City. These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Basis of Presentation</u> (continued)

The statement of net position shows net position divided into three major categories:

- Net investment in capital assets
- Restricted
- Unrestricted

Restricted assets represent those assets which have constraints placed on their expenditure either externally imposed or imposed by law or enabling legislation. When expenditures are incurred for purposes for which both restricted and unrestricted net positions are available, the City's policy is to use the unrestricted net position first.

The statement of activities presents a comparison between direct expenses and revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category - governmental, fiduciary, and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grants and investment earnings, result from non-exchange transactions.

The City reports the following major governmental fund: general fund. This is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following major enterprise funds: electric, sewer, water, and golf. These funds account for the operation and management of the electric, sewer, water, and golf course departments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- *Nonspendable fund balance*—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

- *Restricted fund balance*—amounts that can be spent only for specific purposes because of the City Charter, state or federal laws, or externally imposed conditions by grantors or creditors.

- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the City Council ordinance or resolution.

- *Assigned fund balance*—amounts that are designated by the Mayor and Council for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval by the City Council.

- *Unassigned fund balance*—all amounts not included in other spendable classifications.

In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balances and then to other, less restrictive classifications (committed and then assigned fund balances) before using unassigned fund balances.

Measurement Focus, Basis of Accounting

The government-wide, fiduciary fund, and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all the eligibility requirements have been satisfied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting (continued)

The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end. Property taxes, charges for services, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt, acquisitions under capital leases, and capital contributions are reported as other financing sources.

As a general rule, the effect of interfund activity has been eliminated from both the government-wide and fund financial statements, but interfund services provided and used are not eliminated in the process of consolidation.

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds. An annual appropriated budget is adopted for the General Fund and the Proprietary Funds. Budget amendments must be approved by the City Council.

Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid debt instruments to be cash equivalents.

Restricted Cash

Restricted cash in the General Fund and restricted net position in the Government-Wide Statement of Net Position consists of various accounts, the proceeds of which are from the State or other parties and the expenditures of which are limited to certain guidelines. Included in the restricted cash and restricted net position is $968,221 that the Council has designated as Fire Equipment Reserve.

Allowance for Doubtful Accounts

The City utilizes the allowance method for recognizing bad debt expense for receivables other than taxes, water, and sewer. The amount of the allowance is determined by a review of receivables and prior years' experience. As of June 30, 2025, the allowance account in the General Fund was $324,505 and the Electric Fund was $74,548.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Deferred Inflow of Resources/Revenue

Deferred revenue represents income received but not earned at year end. In addition, the City reports deferred revenue in the General Fund when a revenue does not meet both the "measurable" and the "available" criteria for recognition in the current period. For the governmental funds statements, property taxes not collected within sixty days following the end of the year are considered not available to pay liabilities that are owed at the balance sheet date and therefore are reported as deferred revenue.

Property Taxes

Property taxes are levied on July 1 and are payable by September 1. A 1% penalty plus 0.5% simple interest per month accrue on unpaid property taxes beginning September 1. All taxes attach as an enforceable lien on the property as of July 1. The City provides tax exemptions for qualifying senior citizens. The City bills and collects its own property taxes.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	20 - 50
Buildings and improvements	20 - 40
Machinery and equipment	5 - 10
Transportation equipment	5 - 15

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Pronouncements

The GASB has issued Statement No. 102, Certain Risk Disclosures, Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of certain Capital Assets, which will require adoption in the future, if applicable. Some of these statements and implementation guides will have a material effect on the City's financial statements once implemented. The City will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by their effective dates.

2. CASH - OTHER THAN PENSION PLAN

As of June 30, 2025, the carrying amount of the City's cash deposits was $19,343,683, and the bank balance was $19,607,171. Of the bank balance, $750,000 was covered by federal depository insurance, $18,510,000, was collateralized by a tri-party collateral agreement with the Bank of New York Mellon, and a $18,510,000 letter of credit. The total uncollateralized bank balance was $745,066.

3. INVESTMENTS - PENSION PLAN

All assets of the Pension Plan are invested in various open and closed-end mutual funds and further identified on the Statement of Fiduciary Net Position and reported at fair value based on current share price. Assets of the Pension Plan are not covered by FDIC insurance.

Investments are recorded at fair value based on current share price as of June 30, 2025, and consisted of the following:

Money market funds	$	796,866
Mutual Funds		
Fixed Income		
Taxable		499,725
Closed-end		4,924,154
Equity		
Domestic equity		241,337
Close-end equity		6,915,383
International closed-end		3,761,901
Total Market Value	$	17,139,366

3. INVESTMENTS - PENSION PLAN (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2025:

Mutual funds, both fixed income and equity, are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those investments.

Investments By Fair Value Level	**6/30/2025**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$ 796,866	$ 796,866	$ -	$ -
Mutual Funds				
Fixed Income				
Taxable	499,725	499,725	-	-
Closed-end	4,924,154	4,924,154	-	-
Equity				
Domestic equity	241,337	241,337	-	-
Close-end equity	6,915,383	6,915,383	-	-
International closed-end	3,761,901	3,761,901	-	-
Total Investments	$ 17,139,366	$ 17,139,366	$ -	$ -

The City discloses investment risks as follows:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either (a) the counterparty, or (b) the counterparty's trust department or agent but not in the government's name.

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,368,107	$ -	$ -	$ 2,368,107
Construction in progress	465,897	167,977		633,874
Total capital assets, not being depreciated	2,834,004	167,977	-	3,001,981
Capital assets, being depreciated				
Land improvements	5,214,205	-	-	5,214,205
Infrastructure	13,625,300	142,631	-	13,767,931
Buildings and improvements	11,365,473	77,787	(25,748)	11,417,512
Machinery and equipment	4,473,079	290,344	(228,354)	4,535,069
Transportation equipment	2,370,295	361,076	(190,669)	2,540,702
Total capital assets, being depreciated	37,048,352	871,838	(444,771)	37,475,419
Less accumulated depreciation for:				
Land improvements	2,881,937	171,527	-	3,053,464
Infrastructure	8,396,879	284,081	-	8,680,960
Buildings and improvements	5,422,119	387,611	-	5,809,730
Machinery and equipment	3,621,155	232,689	(233,008)	3,620,836
Transportation equipment	1,664,170	235,387	(145,001)	1,754,556
Total accumulated depreciation	21,986,260	1,311,295	(378,009)	22,919,546
Capital Assets, net	$ 17,896,096	$ (271,480)	$ (66,762)	$ 17,557,854

4. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Electric:				
Capital assets, not being depreciated				
Land	$ 342,659	$ -	$ -	$ 342,659
Construction in progress	89,849	124,726	(59,394)	155,181
Total capital assets, not being depreciated	432,508	124,726	(59,394)	497,840
Capital assets, being depreciated				
Buildings and improvements	5,140,411	36,090	(1,860)	5,174,641
Machinery and equipment	964,727	125,793	(22,083)	1,068,437
Distribution system	10,075,718	321,876	-	10,397,594
Transportation equipment	1,060,398	340,344	-	1,400,742
Total capital assets, being depreciated	17,241,254	824,103	(23,943)	18,041,414
Less accumulated depreciation for:				
Buildings and improvements	3,792,784	81,609	-	3,874,393
Machinery and equipment	590,634	53,936	(22,623)	621,947
Distribution system	7,084,353	240,847	-	7,325,200
Transportation equipment	956,697	93,199	-	1,049,896
Total accumulated depreciation	12,424,468	469,591	(22,623)	12,871,436
Electric activities, capital assets, net	$ 5,249,295	$ 479,238	$ (60,714)	$ 5,667,818

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer:				
Capital assets, not being depreciated				
Construction in progress	$ 4,449,925	$ 2,054,294	$ (3,425,381)	$ 3,078,838
Total capital assets, not being depreciated	4,449,925	2,054,294	(3,425,381)	3,078,838
Capital assets, being depreciated				
Buildings and improvements	18,763,380	1,571,480	(27,315)	20,307,545
Machinery and equipment	1,163,465	394,339	(31,507)	1,526,297
Transmissions	13,901,193	1,337,540	-	15,238,733
Transportation equipment	257,170	100,242	(14,095)	343,317
Total capital assets, being depreciated	34,085,208	3,403,601	(72,917)	37,415,892
Less accumulated depreciation for:				
Buildings and improvements	12,130,617	358,089	-	12,488,706
Machinery and equipment	1,686,858	77,040	(56,698)	1,707,200
Transmissions	8,639,104	472,820	-	9,111,924
Transportation equipment	109,652	50,484	-	160,136
Total accumulated depreciation	22,566,231	958,433	(56,698)	23,467,966
Sewer activities, capital assets, net	$ 15,968,903	$ 4,499,462	$ (3,441,600)	$ 17,026,765

4. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
Capital assets, not being depreciated				
Land	$ 8,750	$ -	$ -	$ 8,750
Construction in progress	247,227	196,895	(145,522)	298,600
Total capital assets, not being depreciated	255,977	196,895	(145,522)	307,350
Capital assets, being depreciated				
Buildings and improvements	1,465,504	-	-	1,465,504
Machinery and equipment	935,824	108,818	(11,415)	1,033,227
Transmissions	11,607,698	21,156	(27,903)	11,600,951
Transportation equipment	339,410	129,728	(54,185)	414,953
Total capital assets, being depreciated	14,348,436	259,702	(93,503)	14,514,635
Less accumulated depreciation for:				
Buildings and improvements	1,199,344	19,952	(54,185)	1,165,111
Machinery and equipment	1,196,870	65,791	(23,117)	1,239,544
Transmissions	4,996,871	288,762	-	5,285,633
Transportation equipment	309,142	20,009	-	329,151
Total accumulated depreciation	7,702,227	394,514	(77,302)	8,019,439
Water activities, capital assets, net	$ 6,902,185	$ 62,083	$ (161,723)	$ 6,802,545

	Beginning Balance	Increases	Decreases	Ending Balance
Golf:				
Capital assets, not being depreciated				
Land	$ 606,363	$ -	$ -	$ 606,363
Total capital assets, not being depreciated	606,363	-	-	606,363
Capital assets, being depreciated				
Buildings and improvements	267,395	-	-	267,395
Machinery and equipment	459,609	95,514	-	555,123
Total capital assets, being depreciated	727,004	95,514	-	822,518
Less accumulated depreciation for:				
Buildings and improvements	139,249	12,208	-	151,457
Machinery and equipment	58,932	42,849	-	101,781
Total accumulated depreciation	198,181	55,057	-	253,238
Golf activities, capital assets, net	$ 1,135,186	$ 40,457	$ -	$ 1,175,642
Business-type activities, capital assets, net	$ 29,255,568	$ 5,081,240	$ (3,664,037)	$ 30,672,770

4. CAPITAL ASSETS (continued)

Depreciation expense of governmental activities was charged to functions as follows:

Administration	$	92,470
Code enforcement		18,170
Community pool		4,848
Executive		5,195
Fire department		146,780
Dispatch		487
Highways and streets		331,434
Parks department		202,540
Police department		448,726
Recreation		16,148
Information technology		40,867
Economic development		3,630
Total	$	1,311,295

5. INTERFUND BALANCES AND ACTIVITY

In the current year, the following transfers were made and were treated as other financing sources or expenses within their respective funds. Operating transfers were included in the original budget.

Electric to General	$	4,150,000
Sewer to General		1,500,000
Electric to Water		100,000
General to Golf		300,000

6. LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Governmental Activities					
Notes payable	$ 454,997	$ 305,741	$ (112,553)	$ 648,185	$ 136,450
Financed purchases	308,665	36,328	(90,318)	254,675	91,922
Total Governmental Activities	$ 763,662	$ 342,069	$ (202,871)	$ 902,860	$ 228,372

6. LONG-TERM DEBT (continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Business-type Activities					
Sewer					
General obligation bonds	$ 2,940,847	$ 158,703	$ (300,120)	$ 2,799,430	$ 308,255
Notes payable	41,989	-	(41,989)	-	-
	2,982,836	158,703	(342,109)	2,799,430	308,255
Water					
General obligation bonds	564,151	-	(73,034)	491,117	75,419
Notes payable	70,670	84,349	(79,710)	75,309	15,955
	634,821	84,349	(152,744)	566,426	91,374
Electric					
Notes payable	395,466	302,910	(86,396)	611,980	111,441
Total Business-type Activities	$ 4,013,123	$ 545,962	$ (581,249)	$ 3,977,836	$ 511,070
Total Governmental and Business-type Activities	$ 4,776,785	$ 888,031	$ (784,120)	$ 4,879,734	$ 739,442

Governmental Activities

Notes payable consist of the following:

Note payable to Sussex County, DE secured by buildings. Effective April 5, 2011, payable in monthly installments of $987 at 0% interest. Matures in April, 2026.	$ 8,880
Note payable to Community Bank, DE secured by buildings. Effective June 24, 2020 payable in monthly installments of $6,577 at 2.69% interest. Matures in June, 2030.	366,332
Note payable to Community Bank, DE. Effective November 26, 2024 payable in monthly installments of $5,608 at 3.782% interest. Matures in June 30, 2030.	272,973
	$ 648,185

6. LONG-TERM DEBT (continued)

Business-type Activities
General obligation bonds consist of the following:

	Sewer	Water	Total
1,620,000 – Series 2008 SRF General Obligation notes issued to the Delaware Water Pollution Control Revolving Fund. Requires semi-annual payments of principal and interest at 3.969% over a term of 20 years, matures April 2029.	$ 464,739	$ -	$ 464,739
$2,729,408 – Series 2009 ARRA/SRF General Obligation notes issued to Water System Improvements Project with 52% forgiven by Delaware Dept. of Health and Social Services. Requires semi-annual payments of principal and interest at 3.24% over a term of 20 years – less 52%, matures May 2031.	-	491,117	491,117
$2,579,004 – SRF Loan Series, notes issued to Water System Improvements Project. Requires semi-annual payment of principal and interest at 2.00%, matures December 2032.	1,135,728	-	1,135,728
$1,158,300 – Solar Array Project loan. Requires semi-annual payments of principal and interest at 2.00% over a term of 19.5 years, matures May 2037.	765,047	-	765,047
$64,448 – Waste Water Treatment Facility loan. Requires repayment once the project is completed of principal and interest at 0%.	433,916	-	433,916
Total	$ 2,799,430	$ 491,117	$ 3,290,547

6. LONG-TERM DEBT (continued)

Business-type Activities
Notes payable consist of the following:

	Electric	Sewer	Water	Total
Note payable, The Bank of Delmarva. Payable in monthly installments of principal and interest of $5,956.21. Interest rate is 2.60%. Matures in May, 2031.	$ 342,576	$ -	$ -	$ 342,576
Note payable, Community Bank Delaware. Payable in monthly installments of principal and interest of $7,103. Interest rate is 3.782%. Matures in June 30, 2030.	269,404	-	75,309	344,713
Total	$ 611,980	$ -	$ 75,309	$ 687,289

Debt Service Requirements

Debt service requirements on long-term debt as of June 30, 2025 were as follows:

	Governmental Activities	
	Notes	
Years Ending June 30	Principal	Interest
2026	$ 228,372	$ 43,833
2027	201,139	36,031
2028	197,412	28,821
2029	172,512	14,042
2030	103,425	1,423
	$ 902,860	$ 124,150

6. LONG-TERM DEBT (continued)

Debt Service Requirements (continued)

	Business-Type Activities			
	General Obligation Bonds		Notes	
Years Ending June 30	Principal	Interest	Principal	Interest
2026	$ 383,674	$ 69,703	$ 127,395	$ 20,363
2027	394,520	58,857	131,629	16,079
2028	470,191	47,674	136,082	11,677
2029	627,959	36,144	140,697	7,062
2030	459,770	25,512	95,246	2,793
2031-2035	813,911	46,513	56,240	873
2036-2039	140,522	3,531	-	-
	$ 3,290,547	$ 287,934	$ 687,289	$ 58,847

Golf Course and Country Club

In June 2010, the City purchased the golf course, club house, tennis court, equipment and pool from the Seaford Golf and Country Club for an agreed-upon price of $1,400,000.

Also in June 2010, the City entered into an agreement to sell the improvements known as the Club House to the Nanticoke Senior Center, Inc. at an agreed-upon price of $624,000. The agreement included a 99-year lease of the land under the Club House with rent prepaid.

The remaining property of the golf course of $776,000 is included in the proprietary golf fund and the remaining debt has zero balance due.

7. RETIREMENT AND PENSION PLANS

City of Seaford Pension Plan and Trusts

Plan Description and Provisions

The City contributed to two separate defined benefit pension plans; the City of Seaford, Delaware Pension Plan, and Trust (General Plan) and the Delaware County Municipal Police/Firefighters' Pension Plan, which together covers substantially all full-time employees.

The General Plan

The General Plan was created by a formal resolution of the Mayor and Council of the City of Seaford and is a single employer plan.

7. RETIREMENT AND PENSION PLANS (continued)

The General Plan (continued)

The plan administrator for the General Plan is the City of Seaford Retirement Plan Committee comprised of various City employees. The General Plan does not issue separate financial statements.

Employee contributions for the general employees are both voluntary and effective July 1, 2014 and require a mandatory participant contribution of 1% increasing 1% a year to 5% ending on July 1, 2018. Effective July 1, 2023, mandatory contributions for employees is 5%. Contributions by the City are recommended by the employee benefit plan consultants and actuaries who do a review and actuarial valuation of the plan annually.

The General Plan provides normal retirement benefits only based on length of service and average monthly compensation. Normal retirement is the earlier of (1) the later of the participant reaching age 65 or the fifth anniversary of participation in the plan, or (2) the later of age 62 and the twenty-fifth anniversary of date of hire. The General Plan provides early retirement benefits for participants that have reached age 55 and completed at least 10 years of service. Participants are 100% vested after 10 years of service.

The Plan was amended effective January 1, 2021, to make changes solely with respect to new employees, who are hired on or after January 1, 2021, as follows:

a) The definition of Average Compensation was changed to 5 Qualifying Years which produce the highest total final average compensation period,
b) Years of Credited Service used for the purpose of calculating a Participant's Plan benefit is capped at 30 years, and
c) The mandatory employee contribution rate will be 7% following the Date of Entry.

Investments

The investment policy is established by the Retirement Plan Committee. The policy of the Committee is to pursue an investment strategy that reduces risk through the prudent diversifications of assets. With the exception of cash, the Committee requires a diversification of investments in mutual funds only, which are reported at fair value which is quoted market price. The following is the asset allocation as of June 30, 2025:

Asset Class	Allocation
Fixed Income	10% - 55%
Equity	35% - 70%
Inflation Hedges	3% - 30%
Cash	0% - 10%

7. RETIREMENT AND PENSION PLANS (continued)

The General Plan (continued)

The approximate annual money-weighted rate of return on pension plan investments for the year ended June 30, 2025, net of pension plan investment expense was 11.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the General Plan

For the year ended June 30, 2025, the City recognized pension expense of $449,938. As of June 30, 2025, the City reported deferred outflows of resources or deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 372,607	$ -
Projected and actual investment return differences	-	567,571
Changes of assumptions	69,196	-
	$ 441,803	$ 567,571

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over six years and recognized in pension expense as follows:

Years Ending June 30	
2026	$ 327,510.0
2027	(197,290)
2028	(160,884)
2029	(88,576)
2030	(6,528)
Total	$ (125,768)

Changes in net pension liability for the year ended June 30, 2025, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Net Pension Liability	$ 5,420,433	$ 1,680,712	$ 2,648,652	$ 4,452,493

7. RETIREMENT AND PENSION PLANS (continued)

The General Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the General Plan (continued)

The components of the net pension liability of the City as of June 30, 2025 were as follows:

Total pension liability	$ 19,671,696
Plan fiduciary net position	17,141,787
Less employee voluntary accounts	1,922,584
Adjusted plan fiduciary net position	15,219,203
Net pension liability	$ 4,452,493
Plan fiduciary net position adjusted as a percentage of the total pension liability	77.37%

The amount shown above as the "total pension liability" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases, estimated to be payable in the future as a result of employee service to date. This measure is the actuarial accrued liability under the entry age normal actuarial cost method determined by an actuarial valuation as of June 30, 2025. Significant actuarial assumptions used in determining the pension benefit obligation include the Pub-2010 Amount Weighted General Mortality table, an assumed rate of return of 11.35%, and salary increases of 4% per year.

The long-term expected rate of return on General Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the General Plan’s target asset allocation as of June 30, 2025 are summarized in the following table (note that the rates shown below include the inflation component):

7. RETIREMENT AND PENSION PLANS (continued)

The General Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the General Plan (continued)

Asset Class	Long-Term Expected Rate of Return
Domestic equity	8.68%
International equity	9.59%
Fixed income	4.79%
Commodities	6.07%
Cash	3.07%

Discount rate – The discount rate used to measure the total pension liability was the long-term expected rate-of-return assumption of 7.00%. The projection of cash flows used to determine the discount rate assumes that the City will continue to follow the current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and no municipal bond rate was utilized.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the General Plan's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 7,050,532	$ 4,452,493	$ 2,277,124

Membership in the General Plan is comprised of the following for the plan year beginning July 1, 2024:

Active eligible	56
Terminated with vested rights	16
Retired	49
Total number of participants	121

7. RETIREMENT AND PENSION PLANS (continued)

Delaware County and Municipal Police/Firefighters' Pension Plan

Plan Description

The County and Municipal Police and Firefighters' Pension Plan (the Plan) is a cost sharing multiple-employer defined-benefit pension plan established in the Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System (DPERS).

The General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

The management of the Plan is the responsibility of the Board. The Board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members. The daily operation is the responsibility of the Office of Pensions.

Although Plan assets are commingled with assets of other Plans and Funds for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

The following are brief descriptions of the Plan in effect as of June 30, 2024. For a more complete description, please refer to the DPERS CAFR.

Separately issued financial statements for DPERS are available from the pension office at:

McArdle Building, Suite 1
860 Silver Lake Blvd
Dover, DE 19904

Plan Benefits

Eligibility

The Plan covers police officers and firefighters employed by a county or municipality of the state that have joined the Plan.

Service Benefits

2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. For this plan, final average monthly compensation is the monthly average of the highest three consecutive years of compensation.

7. RETIREMENT AND PENSION PLANS (continued)

Delaware County and Municipal Police/Firefighters' Pension Plan (continued)

Plan Benefits (continued)

Vesting

Five years of credited service.

Retirement

Age 62 with 5 years of service; age plus credited service (but not less than 10 years) equals 75; or 20 years of credited service.

Disability Benefits

Duty – Total Disability – 75% of final average compensation plus 10% for each dependent not to exceed 25% for all dependents.

Duty – Partial Disability – Calculated the same as service benefits, subjects to minimum 50% of final average compensation.

Non-Duty – Same as service benefits, total disability subject to a minimum 50% of final average monthly compensation plus 5% of each dependent not to exceed 20% for all dependents. Partial disability to a minimum of 30% of final average monthly compensation.

Survivor Benefits

If employee is receiving a pension, then eligible survivor receives 50% of pension; if employee is active, eligible survivor receives 75% of pension the employee would have received at age 62. If the member is killed in the line of duty, the eligible survivor receives 75% of the members' compensation.

Burial Benefits

$7,000 per member.

Contributions

Employer

Determined by Board of Pension Trustees, employer contributions were 14.98% and 12.74% of earnings for fiscal years 2025 and 2024.

Member

7% of compensation.

7. RETIREMENT AND PENSION PLANS (continued)

Delaware County and Municipal Police/Firefighters' Pension Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the Plan

As of June 30, 2025, the City reported a liability of $313,823 for its proportionate share of the net pension liability. The net pension was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and update procedures were used to roll forward the total pension liability to June 30, 2024. The City's proportion of the net pension liability was based on the percentage of actual employee contributions. As of June 30, 2024, the City's proportion was 1.9617%, which was an increase of 0.0018 from its proportion measured as of June 30, 2023.

Changes in net pension liability for the year ended June 30, 2025, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Net Pension Liability	$ 256,033	$ -	$ (57,790)	$ 313,823

For the year ended June 30, 2025, the City recognized pension expense of $348,473 .

As of June 30, 2025, the City reported deferred outflows of resources or deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change to proportion	$ 56,266	$ 87,822
Differences between expected and actual experience	716,348	46,929
Changes of assumptions	37,105	109,206
Projected and actual plan investment earnings difference	304,626	-
Contributions subsequent to measurement date	309,815	-
	$ 1,424,160	$ 243,957

The City's contribution subsequent to the measurement date of $309,815, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

7. RETIREMENT AND PENSION PLANS (continued)

Delaware County and Municipal Police/Firefighters' Pension Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the Plan (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over six years and recognized in pension expense as follows:

Years Ending June 30		
2025	$	(37,312)
2026		(571,923)
2027		(71,124)
2028		5,679
2029		(66,391)
Thereafter		(129,317)
Total	$	(870,388)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, and update procedures were used to roll forward the total pension liability to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years.

Investment rate of return	7.0%
Projected salary increases	2.5% + Merit
Cost of living adjustments	0.0%

Mortality rates were based on the Pub – 2010 tables with gender adjustments for employees, healthy annuitants and disabled retirees and an adjusted version on MP-2020 mortality improvement scale on a fully generational basis.

The long-term expected rate of return on pension plan investments was determined using a build-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's current and expected asset allocation are summarized in the following table.

7. RETIREMENT AND PENSION PLANS (continued)

Delaware County and Municipal Police/Firefighters' Pension Plan (continued)

Pension Liabilities, Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources Related to the Plan (continued)

Actuarial Assumptions (continued)

Asset Class	Long-Term Expected Rate of Return	Asset Allocation
Domestic equity	5.7%	33.6%
International equity	5.7%	13.9%
Fixed income	2.0%	25.3%
Alternative investments	7.8%	21.7%
Cash and equivalents	0.0%	5.5%

Discount rate: The discount rate for all plans used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the collective net pension liability (assets) of the Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability (assets) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
$ 1,512,883	$ 313,823	$ (787,740)

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued DPERS financial report.

8. OTHER POST-EMPLOYMENT BENEFITS

As directed and approved by the Mayor and Council, the City currently provides additional post-employment benefits for health and life insurance for retired employees at age 65 who have retired under the above-mentioned pension plans. The current benefit for those who elect is 50% of the cost of the supplemental health insurance premium and 100% of the cost of the life insurance premium. The benefit is funded on a pay-as-you-go plan. Currently, the City has not set up a separate trust for the OPEB Plan. The City has the following participation in the OPEB plan as of June 30, 2025:

Active eligible	87
Retired	37
Total number of participants	124

Summary of Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on a substantive plan as understood by the employer and the plan members and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point, and any known changes in the plan going forward. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant valuations methods and assumptions are as follows:

Valuation date	June 30, 2025
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.20%
Salary increases	4.00%
Healthcare cost trend	7.00% decreasing to 4.5%
Mortality	General Employees - PubG-2010 Headcount Weighted General mortality table with the Buck modified MP 2021 improvement scale Police - General Employees - PubS-2010 Headcount Weighted Safety mortality table with the Buck modified MP 2021 improvement scale

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20%. Since there is no trust currently in place, there are no assets to considered when determining the discount rate associated with the OPEB plan. As a result, a long term expected investment rate of return was not applied to all periods of project benefit payments to determine the total OPEB liability.

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

The changes in the City's net OPEB liability as of June 30, 2025, are as follows:

	Total OPEB Liability
Balance as of 6/30/2024	$ 4,433,687
Changes for the year:	
Service cost	132,182
Interest	191,359
Differences between expected and actual experience	(238,145)
Changes of assumptions	(474,346)
Benefit payments	(41,466)
Net changes	(430,416)
Balance as of 6/30/2025	$ 4,003,271

Sensitivity to change in the discount rate and medical cost trend rates

The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using rates that is 1 percentage point lower and higher than the current rate as follows:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$ 4,745,744	$ 4,003,271	$ 3,416,937

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	$ 3,660,012	$ 4,003,271	$ 4,446,701

As of June 30, 2025, the City's OPEB expense was $127,338 .

As of June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 320,889
Changes in assumptions or other inputs	-	1,106,359
	$ -	$ 1,427,248

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be amortized over approximately nine years and recognized in OPEB expense as follows:

Years Ending June 30		
2026	$	(196,203)
2027		(200,380)
2028		(210,443)
2029		(216,063)
Thereafter		(604,159)
Total	$	(1,427,248)

9. RELATED PARTY – THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC.

On August 10, 2010, the City entered into a new power sales contract with DEMEC for the development, engineering, design, and installation of a second generator at DEMEC's existing power generation station in Smyrna, Delaware (Beasley #2 which was fully operational on June 1, 2012), for the generation of up to 67mw of capacity. As in the previous power sales agreement, the City is entitled to purchase 8.5% of all power generated and agrees to pay its share of the annual operating cost of the project including debt financing on a monthly basis. In its issued financial statements for the year ended December 31, 2024, DEMEC's total bonded debt was $27,945,000.

In March 2012, the City approved a supplement to the full requirement service contract with DEMEC. DEMEC became a member of American Municipal Power, Inc. (AMP) and purchased the right to approximately 13.69% of the electric capacity available from the AMP Fremont Energy Center (AFEC). The supplement includes provisions relating to the AFEC Power Sales Contract with DEMEC which requires members (Seaford) in addition to receiving and paying for power from AFEC through DEMEC to also share in the operating costs of the project including debt financing.

In May 2019, DEMEC purchased additional capacity for a total of 17% from AMP Premont Energy Center (AFEC). The City's portion of DEMEC's AFEC share is based on a load allocation of 9% which equates to approximately 1.5% of DEMEC's AFEC share.

9. RELATED PARTY – THE DELAWARE MUNICIPAL ELECTRIC CORPORATION, INC. (continued)

All of the shared cost of the above three projects is included in the cost of Purchased Power.

Distribution of net income by DEMEC to its members is included as a reduction of the cost of purchased power.

On May 9, 2012, DEMEC, on behalf of its nine municipal members, entered into a memorandum of understanding with the Governor of Delaware in which members (Seaford), in order to create economic opportunity for all, agreed to:

1) Reduce retail electric rates by not less than an average of ten percent (10%) prior to the conclusion of the three year period commencing January 1, 2012. On June 12, 2012, Council lowered its electric rates 6.8% effective July 1, 2012 and 4.4% effective April 1, 2013.

2) Maintain for a five year period commencing with their 2012 fiscal year (Seaford – June 30, 2012) a limit on the transfer of revenues from its electric utility into its general fund equal to the actual dollar transfer in fiscal year 2012 (Seaford - $3,750,000) (subject to a determination of need prior to the start of the fiscal year 2015).

The City Manager serves on the Board of Directors of DEMEC.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this coverage in any of the past four fiscal years.

The City participates in a "minimum premium plan" for its employee healthcare insurance. Under this plan, the City, who uses a third-party administrator to process and pay claims, is responsible for paying all claims up to agreed-upon aggregate level with an insurance program responsible for the excess. The City has obtained a stop loss insurance policy of $80,000 per participant to limit its healthcare costs. The City has been provided by the third-party administrator an estimated accrual for claims incurred, but not reported in the amount of $338,208 as of June 30, 2025.

11. COMMITMENTS AND CONTINGENT LIABILITIES

The City is the recipient of various federal and state grants. The City may be under obligation to repay these grant funds if, upon final review by the respective granting agencies, the funds expended did not meet the established program objectives. As of June 30, 2025, the City is not aware of any repayment requests.

In January 2021, the Council approved an agreement with Adkins Management Company for the City operation of the golf course for the period July 1, 2021, to June 30, 2026. For the year ended June 30, 2025, the agreement is an operating lease in which both parties will share revenue and expenses on an agreed-upon basis.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEAFORD, DELAWARE

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 2,819,727	$ 2,819,727	$ 2,819,736	$ 9
Transfer taxes	610,000	610,000	904,430	294,430
Intergovernmental revenues	1,830,051	1,830,051	1,115,926	(714,125)
Fines and forfeitures	55,000	55,000	72,351	17,351
Licenses, permits and fees	601,765	601,765	773,185	171,420
Interest and late charges	137,275	137,275	233,412	96,137
Community pool and recreation	50,900	50,900	61,651	10,751
Charges for services	374,438	374,438	396,492	22,054
Miscellaneous	39,000	39,000	66,003	27,003
Total revenues	6,518,156	6,518,156	6,443,186	(74,970)
Expenditures				
Administration	1,239,213	1,239,213	1,264,100	(24,887)
Code enforcement	394,799	394,799	486,204	(91,405)
Community pool	59,694	59,694	77,455	(17,761)
Executive	117,289	117,289	107,401	9,888
Fire department	382,697	382,697	317,000	65,697
Dispatch	390,399	390,399	412,521	(22,122)
Highways and streets	684,770	684,770	766,671	(81,901)
Parks department	732,065	732,065	787,483	(55,418)
Police department	5,775,386	5,775,386	5,814,858	(39,472)
Recreation	254,118	254,118	254,721	(603)
Economic development	656,993	656,993	524,810	132,183
Debt Service	293,924	293,924	237,427	56,497
Capital Outlay	2,006,159	2,006,159	967,328	1,038,831
Total Expenditures	12,987,506	12,987,506	12,017,979	969,527
Deficiency of revenues under expenditures	(6,469,350)	(6,469,350)	(5,574,793)	(894,557)
Other Financing Sources (uses)				
Operating transfers in	6,119,350	6,119,350	5,650,000	(469,350)
Operating transfers out	-	-	(300,000)	(300,000)
Proceeds from financed purchases	350,000	350,000	342,069	-
Proceeds from sale of asset	-	-	132,483	132,483
Total other financing sources (uses)	6,469,350	6,469,350	5,824,552	(769,350)
Net change in fund balance	$ -	$ -	$ 249,759	$ 249,759

CITY OF SEAFORD, DELAWARE

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019
Total OPEB liability							
Service Cost	$ 132,182	$ 129,769	$ 117,666	$ 218,399	$ 205,163	$ 161,943	$ 145,544
Interest	191,359	182,899	161,422	119,645	129,712	126,510	124,272
Differences between expected and actual experience	(238,145)	(97,320)	277,392	(48,874)	(187,801)	(218,399)	(40,737)
Changes of assumptions	(474,346)	(62,226)	(50,129)	(1,695,871)	485,702	265,704	154,825
Benefit payments	(41,466)	(36,082)	(37,187)	(31,259)	(36,894)	(37,047)	(35,158)
Net change in total OPEB liability	(430,416)	117,040	469,164	(1,437,960)	595,882	298,711	348,746
Total OPEB liability-beginning	4,433,687	4,316,647	3,847,483	5,285,443	4,689,561	4,390,850	4,042,104
Total OPEB liability-ending	$ 4,003,271	$ 4,433,687	$4,316,647	$3,847,483	$5,285,443	$4,689,561	$4,390,850
Covered-employee payroll	$4,068,055	$3,806,587	$3,291,806	$3,148,939	$3,027,959	$2,832,101	$2,807,634
Net OPEB liability as a percentage of covered-employee payroll	98.41%	116.47%	131.13%	122.18%	174.55%	165.59%	156.39%

Notes to Schedule

Items in the above schedule do not include activity or balances in the voluntary employee account.

Schedule of actuarial contributions is not available.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF SEAFORD, DELAWARE

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS – SINGLE EMPLOYER PLAN
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service Cost	$ 340,963	$ 295,263	$ 285,687	$ 285,240	$ 267,841	$ 275,144	$ 266,902	$ 109,341	$ 147,185	$ 173,495
Interest	1,319,032	1,244,924	1,162,065	1,114,648	1,070,334	1,016,385	983,697	981,669	940,901	910,611
Changes in benefit terms	-	-	284,783	-	-	-	-	-	-	-
Differences between expected and actual experience	(39,158)	385,952	321,756	50,655	34,351	(248,862)	(98,966)	(493,600)	259,854	(16,862)
Changes of assumptions	-	-	-	36,247	(9,115)	410,425	(36,145)	(76,707)	(126,664)	-
Benefit payments	(902,990)	(923,321)	(837,010)	(782,683)	(712,819)	(637,374)	(676,123)	(622,465)	(579,617)	(636,820)
Net change in total pension liability	717,847	1,002,818	1,217,281	704,107	650,592	815,718	439,365	(101,762)	641,659	430,424
Total pension liability-beginning	18,953,849	17,951,031	16,733,750	16,029,643	15,379,051	14,563,333	14,123,968	14,225,730	13,584,071	13,153,647
Total pension liability-ending (a)	19,671,696	18,953,849	17,951,031	16,733,750	16,029,643	15,379,051	14,563,333	14,123,968	14,225,730	13,584,071
Plan fiduciary net pension										
Contributions-city	744,618	697,724	556,499	561,295	507,072	502,420	504,922	497,557	505,651	573,638
Contributions-member	185,422	179,325	177,568	127,546	123,135	139,442	135,994	140,251	122,873	70,822
Net investment income	1,679,454	1,476,029	1,035,058	(1,587,279)	2,745,808	261,552	571,060	761,228	854,607	204,078
Other	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(902,990)	(923,321)	(837,010)	(782,683)	(712,819)	(637,374)	(676,123)	(622,465)	(579,617)	(636,820)
Administrative expense	(20,717)	(21,099)	(21,404)	(25,004)	(20,378)	(25,300)	(113,440)	(105,690)	(96,905)	(106,541)
Net change in plan fiduciary net position	1,685,787	1,408,658	910,711	(1,706,125)	2,642,818	240,740	422,413	670,881	806,609	105,177
Plan fiduciary net position-beginning	13,533,416	12,124,758	11,214,047	12,920,172	10,277,354	10,036,614	9,614,201	8,943,320	8,136,711	8,031,534
Plan fiduciary net position-ending (b)	15,219,203	13,533,416	12,124,758	11,214,047	12,920,172	10,277,354	10,036,614	9,614,201	8,943,320	8,136,711
Plan's net pension liability- ending (a)-(b)	$ 4,452,493	$ 5,420,433	$ 5,826,273	$ 5,519,703	$ 3,109,471	$ 5,101,697	$ 4,526,719	$ 4,509,767	$ 5,282,410	$ 5,447,360
Plan fiduciary net position as a percentage of the total pension liability	77.37%	71.40%	67.54%	67.01%	80.60%	66.83%	68.92%	68.07%	62.87%	59.90%
Covered-employee payroll	$ 3,624,581	$ 3,520,013	$ 3,075,804	$ 3,043,016	$ 2,785,928	$ 2,660,801	$ 2,807,634	$ 2,859,315	$ 2,860,613	$ 2,833,872
Net pension liability as a percentage of covered-employee payroll	122.84%	153.99%	189.42%	181.39%	111.61%	191.74%	161.23%	157.72%	184.66%	192.22%

Notes to Schedule

Items in the above schedule do not include activity or balances in the voluntary employee account.

CITY OF SEAFORD, DELAWARE

SCHEDULE OF CITY CONTRIBUTIONS – SINGLE EMPLOYER PLAN
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 579,308	$ 537,940	$ 473,553	$ 470,799	$ 489,285	$ 462,675	$ 455,580	$ 484,922	$ 506,038	$ 614,147
Contributions in relation to the actuarially determined contribution	744,618	697,724	556,499	561,295	507,072	502,420	504,922	497,557	505,651	625,036
Contribution deficiency (excess)	$ (165,310)	$ (159,784)	$ (82,946)	$ (90,496)	$ (17,787)	$ (39,745)	$ (49,342)	$ (12,635)	$ 387	$ (10,889)
Covered-employee payroll	$ 3,624,581	$ 3,520,013	$ 3,075,804	$ 2,785,928	$ 2,660,801	$ 2,807,634	$ 2,859,315	$ 2,860,613	$ 2,833,872	$ 2,727,062
Contributions as a percentage of covered- employee payroll	20.54%	19.82%	18.09%	20.15%	19.06%	17.89%	17.66%	17.39%	17.84%	22.06%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal - Level Percentage of Pay
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	N/A
Salary increases	4% per annum
Investment rate of return	7%, net of pension plan investment expense
Retirement age	An age-related assumption is used for participants not yet receiving payment. Participants are assumed to retire between age 55 and age 67.
Mortality	The Pub-2010 Mortality Table

Effective July 1, 2000, benefits for current retirees were increased 1% for each full year of retirement to a maximum of 5%. The plan was amended March 1, 2007 to provide a one-time cost of living adjustment (COLA) to certain retirees.

Effective December 1, 2008, the Plan was amended to accept into the Plan the retired and terminated police officers who were not eligible to go into Delaware County Municipal Police/Firefighters' Pension Plan and amended also to change the fori
The plan was also amended to eliminate the supplemental medical annuity, and to provide an additional benefit to participants with over 25 years of service at retirement.

In June 2013, the Plan was amended effective July 1, 2013 requiring a Mandatory Participant Contribution of 1% increasing 1% a year to 5% as of July 1, 2017 and thereafter. The Mandatory Participant Contribution will be pursuant to the provisi
therefore, although withheld from Employee Compensation, will be treated as a City contribution for federal income tax purposes.

The amendment also adjusted the voluntary contributions effective July 1, 2013 to at least 1% a year to 5% July 1, 2017 and added a new section to the Plan related to the refunds of Mandatory Participation Contribution refunds.

Effective July 1, 2023, the mandatory employee contribution rate was changed to 5% for new employees whowere hired on or after January 1, 2021. This did not affect the accrued liability.
Effective July 1, 2023, the current retirees and beneficiaries received a one-time increase in their monthly payment if they had been in receipt for at least one year. This increased the accrued liability by $285,000.

CITY OF SEAFORD, DELAWARE

SCHEDULE OF INVESTMENT RETURNS - SINGLE EMPLOYER PLAN
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	11.35%	12.05%	9.75%	-13.00%	26.56%	2.00%	4.70%	6.79%	10.66%	-0.33%

CITY OF SEAFORD, DELAWARE

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - COST SHARING PLAN - MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	1.9617%	1.7810%	1.9349%	1.8283%	1.8657%	1.8563%	1.9363%	1.8423%	2.0352%	2.4509%
City's proportionate share of the net pension liability (asset)	$ 313,823	$ 256,033	$ (203,434)	$ (2,515,870)	$ 286,726	$ 533,178	$ 445,931	$ 185,726	$ 323,502	$(129,171)
City's covered employee payroll	3,624,581	3,520,013	3,075,804	3,043,016	2,785,928	2,660,801	2,807,634	2,859,315	2,860,613	1,607,018
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	8.66%	7.27%	-6.61%	-82.68%	10.29%	20.04%	15.88%	6.50%	11.31%	-8.04%
Plan fiduciary net position as a percentage of the total pension liability	97.57%	97.58%	101.95%	128.19%	96.67%	93.25%	94.10%	97.00%	94.70%	94.70%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF SEAFORD, DELAWARE

SCHEDULE OF CITY'S CONTRIBUTIONS TO COST SHARING PENSION PLAN – MUNICIPAL POLICE/FIREFIGHTERS PENSION PLAN
For the Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 309,815	$ 290,762	$ 259,606	$ 248,919	$ 218,099	$ 206,091	$ 194,255	$ 197,713	$ 208,434	$ 222,572
Contribution in relation to the contractually required contribution	309,815	290,762	259,606	248,919	218,099	206,091	194,255	197,713	208,434	222,572
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered employee payroll	$ 3,624,581	$ 3,520,013	$ 3,075,804	$ 3,043,016	$ 2,785,928	$ 2,660,801	$ 2,807,634	$ 2,859,315	$ 2,860,613	$ 1,607,018
Contribution as a percentage of covered employee payroll	8.55%	8.26%	8.44%	8.18%	7.83%	7.75%	6.92%	6.91%	7.29%	13.85%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENDITURES - GENERAL FUND
For the Years Ended June 30, 2025 and 2024

	2025	2024
Revenues		
Taxes	$ 2,819,736	$ 2,786,086
Transfer taxes	904,430	597,187
Intergovernmental revenues	1,115,926	1,746,244
Fines and forfeitures	72,351	63,351
Licenses, permits and fees	773,185	667,778
Interest and late charges	233,412	239,830
Community pool and recreation	61,651	58,322
Charges for services	396,492	382,199
Miscellaneous	66,003	274,003
Total revenues	6,443,186	6,815,000
Expenditures		
Administration	1,264,100	1,177,508
Code enforcement	486,204	358,606
Community pool	77,455	59,612
Executive	107,401	114,112
Fire department	317,000	281,440
Dispatch	412,521	356,720
Highways and streets	766,671	1,032,038
Parks department	787,483	696,083
Police department	5,814,858	5,237,514
Recreation	254,721	246,083
Economic development	524,810	551,874
Debt Service	237,427	209,150
Capital outlay	967,328	1,283,539
Total Expenditures	12,017,979	11,604,279
Deficiency of revenues under expenditures	(5,574,793)	(4,789,279)
Other Financing Sources		
Operating transfers, net	5,350,000	3,920,000
Proceeds from financed purchases	342,069	227,818
Gain on disposal of fixed assets	132,483	11,163
Total other financing sources	5,824,552	4,158,981
Net change in fund balance	$ 249,759	$ (630,298)

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - ELECTRIC FUND
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 19,494,248	$ 17,836,385
Miscellaneous	179,521	218,337
Total operating revenues	19,673,769	18,054,722
Operating Expenses		
Purchased power	12,707,803	11,601,400
Payroll and other costs	1,389,334	1,307,184
Utilities	45,168	43,288
Repairs and maintenance	131,639	192,128
Insurance	415,193	374,094
Other supplies and expenses	618,338	756,083
Depreciation and amortization	469,591	405,469
Total operating expenses	15,777,066	14,679,646
Operating income	3,896,703	3,375,076
Nonoperating Revenues (Expenses)		
Interest revenue	120,868	133,728
Interest expense	(34,921)	(36,584)
Gain on disposal of fixed asset	15,180	-
Transfers out	(4,250,000)	(2,500,000)
Net nonoperating revenues (expenses)	(4,148,873)	(2,402,856)
Change in net position	$ (252,170)	$ 972,220

SCHEDULES OF REVENUES AND EXPENSES - SEWER FUND
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 4,636,003	$ 4,255,972
Grant Revenue	1,739,668	1,157,794
Tap fees	71,700	21,150
Miscellaneous	93,236	95,830
Total operating revenues	6,540,607	5,530,746
Operating Expenses		
Payroll and other costs	733,379	720,051
Utilities	215,810	216,149
Repairs and maintenance	167,977	176,757
Insurance	353,034	325,951
Other supplies and expenses	901,687	657,904
Depreciation and amortization	958,431	777,293
Total operating expenses	3,330,318	2,874,105
Operating income	3,210,289	2,656,641
Nonoperating Revenues (Expenses)		
Interest revenue	180,854	198,978
Interest expense	(61,524)	(71,038)
Loss on disposal of fixed asset	(16,219)	42,500
Transfers out	(1,500,000)	(1,400,000)
Capital contribution	640,200	387,884
Net nonoperating revenues (expenses)	(756,689)	(841,676)
Change in net position	$ 2,453,600	$ 1,814,965

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - WATER FUND
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Charges for services	$ 1,932,624	$ 1,686,535
Tap fees	45,875	14,175
Miscellaneous	345,459	110,547
Total operating revenues	2,323,958	1,811,257
Operating Expenses		
Payroll and other costs	486,666	485,373
Utilities	100,597	92,168
Repairs and maintenance	265,855	393,472
Insurance	195,273	199,027
Other supplies and expenses	428,873	325,277
Depreciation and amortization	394,514	353,837
Total operating expenses	1,871,778	1,849,154
Operating income	452,180	(37,897)
Nonoperating Revenues (Expenses)		
Interest revenue	41,086	38,585
Interest expense	(19,842)	(21,739)
Loss on disposal of fixed asset	(4,400)	-
Transfers in (out)	100,000	(150,000)
Capital contribution	57,600	77,202
Net nonoperating revenues (expenses)	174,444	(55,952)
Change in net position	$ 626,624	$ (93,849)

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - GOLF FUND
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Miscellaneous	$ 378,430	$ 535,107
Total operating revenues	378,430	535,107
Operating Expenses		
Repairs and maintenance	37,040	38,971
Insurance	11,694	10,069
Contracts	151,704	151,704
Other supplies and expenses	95,697	99,614
Depreciation and amortization	55,057	32,839
Total operating expenses	351,192	333,197
Operating loss	27,238	201,910
Nonoperating Revenues (Expenses)		
Interest revenue	27,421	21,935
Gain on disposal of fixed asset	-	53,700
Transfers in	300,000	130,000
Net nonoperating revenues (expenses)	327,421	205,635
Change in net position	$ 354,659	$ 407,545

SCHEDULES OF DEBT SERVICE - ENTERPRISE FUNDS
As of June 30, 2025

	2026	2027	2028	2029	2030	Thereafter	Total
GENERAL OBLIGATION BONDS							
Principal Payments Due							
$1,620,000 SRF Series Bonds	$ 109,428	$ 113,814	$ 118,376	$ 123,121	$ -	$ -	$ 464,739
$2,579,004 SRF Loan Series 2011	141,817	144,668	147,575	150,542	153,567	397,559	1,135,728
$2,729,408 SRF Series Bonds	75,420	77,882	80,427	83,054	85,766	88,568	491,117
$1,158,300 Solar Array	57,009	58,156	59,325	60,516	61,734	468,307	765,047
Waste Water Treatment Facility Loan	-	-	64,488	210,726	158,703	-	433,916
Total principal payments	383,674	394,520	470,191	627,959	459,770	954,434	3,290,547
Interest Payments Due							
$1,620,000 General Obligation Bonds	17,371	12,986	8,421	3,676	-	-	42,454
$2,579,004 SRF Loan Series 2011	22,009	19,158	16,250	13,284	10,259	12,006	92,966
$2,729,408 SRF Series Bonds	15,306	12,842	10,298	7,672	7,117	-	53,235
Solar Array	15,017	13,871	12,705	11,512	8,136	38,038	99,279
Waste Water Treatment Facility Loan	-	-	-	-	-	-	-
Total interest payments due	69,703	58,857	47,674	36,144	25,512	50,044	287,934
Total debt service requirements— general obligation bonds	453,377	453,377	517,865	664,103	485,282	1,004,478	3,578,481
NOTES PAYABLE							
Principal Payments Due							
Bank of Delmarva - Utility Building Extension	54,144	55,569	57,016	58,531	61,076	56,240	342,576
$693,000 Community Bank Delaware	73,251	76,060	79,066	82,166	34,170		344,713
Total principal payments	127,395	131,629	136,082	140,697	95,246	56,240	687,289
Interest Payments Due							
Bank of Delmarva - Utility building Extension	8,381	6,956	5,508	3,994	2,454	873	28,166
$693,000 Community Bank Delaware	11,982	9,123	6,169	3,068	339	-	30,681
Total interest payments due	20,363	16,079	11,677	7,062	2,793	873	58,847
Total debt service requirements— notes payable	147,758	62,525	147,759	147,759	98,039	57,113	746,136
Total debt service requirements	$ 601,135	$ 515,902	$ 665,624	$ 811,862	$ 583,321	$ 1,061,591	$ 4,324,617

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Quality,
SBC Client Service.

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and Council
City of Seaford, Delaware

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Seaford (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 18, 2026.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal controls over financial reporting (internal controls) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. Accordingly, we do not express an opinion on the effectiveness of the City's internal controls.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
February 18, 2026

SB + Company, LLC

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2025 and 2024

Information selected from audited financial statements

	2025		2024
	Budget	Actual	Total
Revenues			
Taxes	$ 2,819,727	$ 2,819,736	$ 2,786,086
Transfer taxes	610,000	904,430	597,187
Intergovernmental revenues	1,830,051	1,115,926	1,746,244
Fines and forfeitures	55,000	72,351	63,351
Licenses, permits and fees	601,765	773,185	667,778
Interest and late charges	137,275	233,412	239,830
Community pool and recreation	50,900	61,651	58,322
Charges for services	374,438	396,492	382,199
Miscellaneous	39,000	66,003	274,003
Total Revenues	6,518,156	6,443,186	6,815,000
Expenditures			
Administration	1,239,213	1,264,100	1,177,508
Code enforcement	394,799	486,204	358,606
Community pool	59,694	77,455	59,612
Executive	117,289	107,401	114,112
Fire department	382,697	317,000	281,440
Dispatch	390,399	412,521	356,720
Highways and streets	684,770	766,671	1,032,038
Parks department	732,065	787,483	696,083
Police department	5,775,386	5,814,858	5,237,514
Recreation	254,118	254,721	246,083
Economic development	656,993	524,810	551,874
Debt service	293,924	237,427	209,150
Capital outlay	2,006,159	967,328	1,283,539
Total Expenditures	12,987,506	12,017,979	11,604,279
Deficiency of revenues under expenditures	(6,469,350)	(5,574,793)	(4,789,279)
Other Financing Sources			
Operating transfers (net)	6,119,350	5,350,000	3,920,000
Proceeds from capital leases	350,000	342,069	227,818
Gain on disposal of fixed assets		132,483	11,163
Total other financing sources	6,469,350	5,824,552	4,158,981
Net change in fund balance	-	249,759	(630,298)
Fund Balance, Beginning of Year		2,920,440	3,550,738
Fund Balance, End of Year		$ 3,170,199	$ 2,920,440

CITY OF SEAFORD, DELAWARE

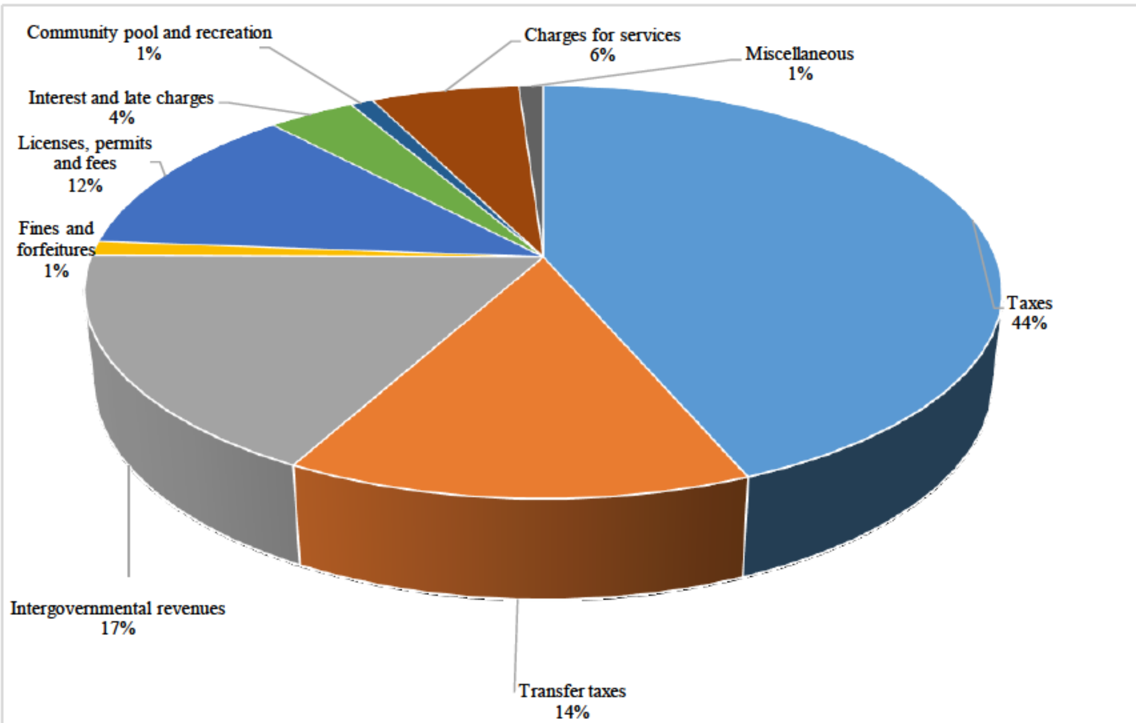
FINANCIAL HIGHLIGHTS – ENTERPRISE FUND
For the Years Ended June 30, 2025 and 2024

Information selected from audited financial statements

	2025	2024
Operating Revenues		
Charges for services	$ 26,062,875	$ 23,778,892
Grant Revenue	1,739,668	1,157,794
Tap fees	117,575	35,325
Miscellaneous	996,646	959,821
Total operating revenues	28,916,764	25,931,832
Operating Expenses		
Purchased power	12,707,803	11,601,400
Payroll and other costs	2,609,379	2,512,608
Utilities	361,575	351,605
Repairs and maintenance	602,511	801,328
Insurance	975,194	909,141
Contracts	151,704	151,704
Other supplies and expenses	2,044,595	1,838,878
Depreciation and amortization	1,877,593	1,569,438
Total operating expenses	21,330,354	19,736,102
Operating income	7,586,410	6,195,730
Nonoperating Revenues (Expenses)		
Interest revenue	370,229	393,226
Interest expense	(116,287)	(129,361)
Loss on disposal of fixed asset	(5,439)	96,200
Transfers in (out)	(5,350,000)	(3,920,000)
Capital contribution	697,800	465,086
Net nonoperating revenues (expenses)	(4,403,697)	(3,094,849)
Change in net position	3,182,713	3,100,881
Net Position, Beginning of Year	32,808,652	29,707,771
Net Position, End of Year	$ 35,991,365	$ 32,808,652

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2025 and 2024

City of Seaford, Delaware
Sources of Revenue - General Fund
For the Year Ended June 30, 2025

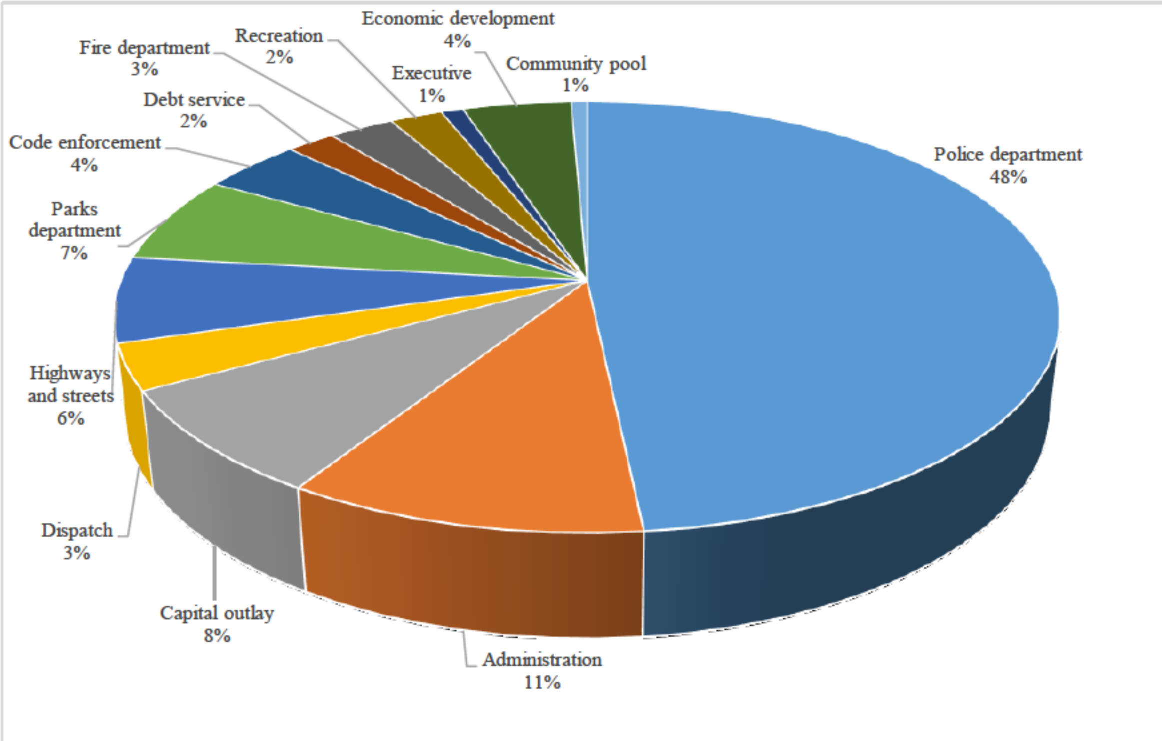


	2025		2024	
	$	%	$	%
Taxes	2,819,736	43.76%	2,786,086	40.88%
Transfer taxes	904,430	14.04%	597,187	8.76%
Intergovernmental revenues	1,115,926	17.32%	1,746,244	25.62%
Fines and forfeitures	72,351	1.12%	63,351	0.93%
Licenses, permits and fees	773,185	12.00%	667,778	9.80%
Interest and late charges	233,412	3.62%	239,830	3.52%
Community pool and recreation	61,651	0.96%	58,322	0.86%
Charges for services	396,492	6.15%	382,199	5.61%
Miscellaneous	66,003	1.02%	274,003	4.02%
	6,443,186	100.00%	6,815,000	100.00%

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2025 and 2024

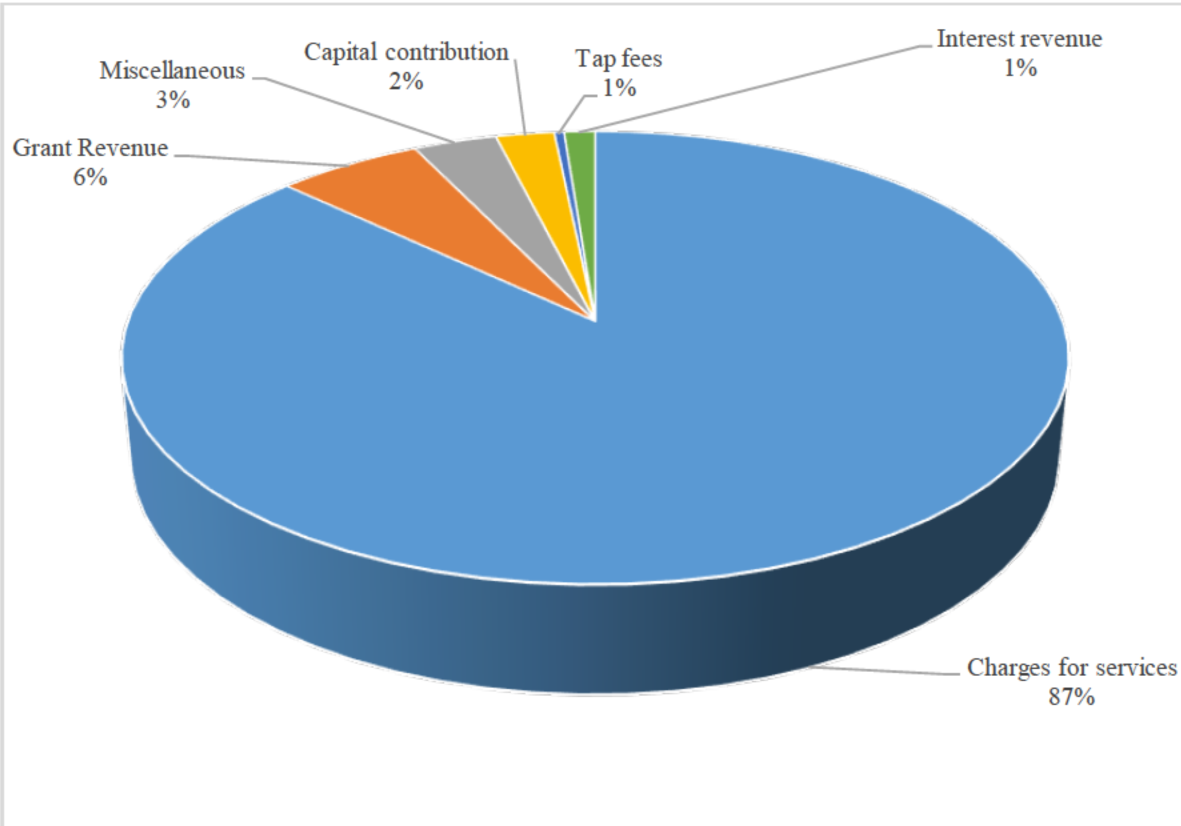
City of Seaford, Delaware
Functional Expenses - General Fund
For the Year Ended June 30, 2025



	2025		2024	
	$	%	$	%
Police department	5,814,858	48.38%	5,237,514	45.13%
Administration	1,264,100	10.52%	1,177,508	10.15%
Capital outlay	967,328	8.05%	1,283,539	11.06%
Dispatch	412,521	3.43%	356,720	3.07%
Highways and streets	766,671	6.38%	1,032,038	8.89%
Parks department	787,483	6.55%	696,083	6.00%
Code enforcement	486,204	4.05%	358,606	3.09%
Debt service	237,427	1.98%	209,150	1.80%
Fire department	317,000	2.64%	281,440	2.43%
Recreation	254,721	2.12%	246,083	2.12%
Executive	107,401	0.89%	114,112	0.98%
Economic development	524,810	4.37%	551,874	4.76%
Community pool	77,455	0.64%	59,612	0.51%
	12,017,979	100.00%	11,604,279	100.00%

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND
For the Years Ended June 30, 2025 and 2024

City of Seaford, Delaware
Sources of Revenue - Proprietary Fund
For the Year Ended June 30, 2025

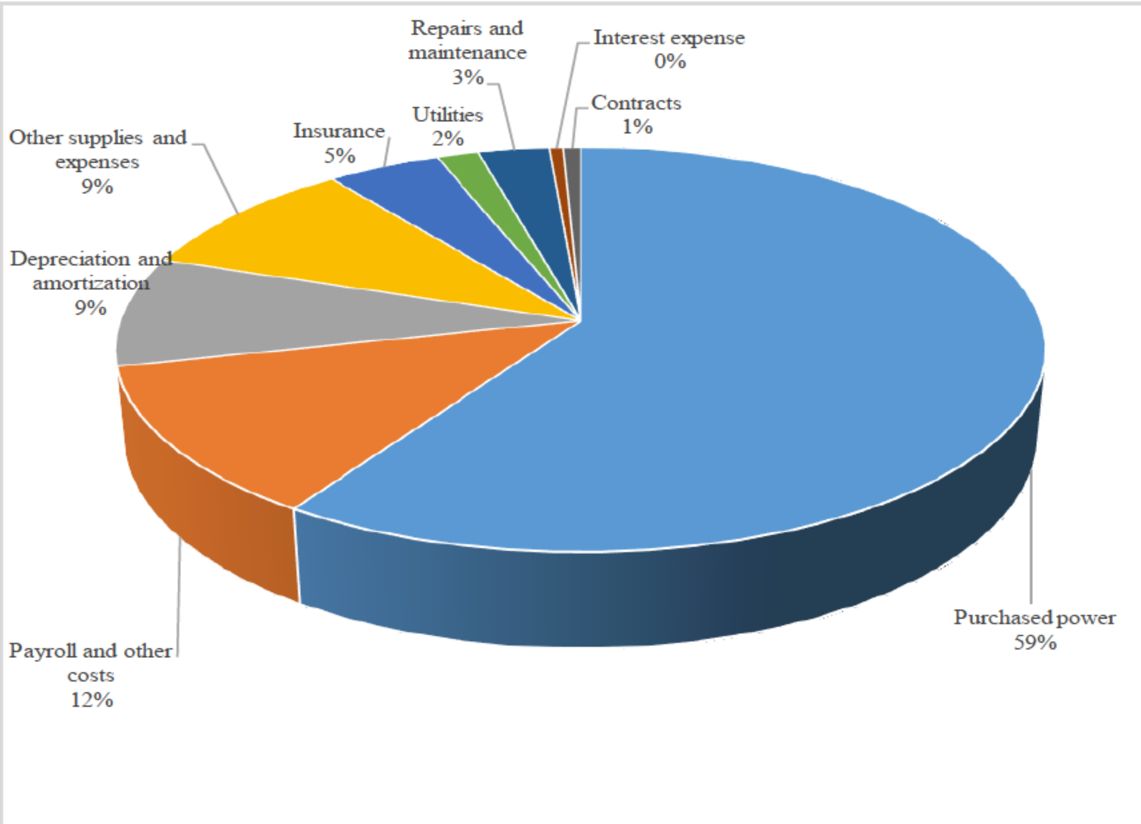


	2025		2024	
	$	%	$	%
Charges for services	26,062,875	86.92%	23,778,892	88.76%
Grant Revenue	1,739,668	5.80%	1,157,794	4.32%
Miscellaneous	996,646	3.32%	959,821	3.58%
Capital contribution	697,800	2.33%	465,086	1.74%
Tap fees	117,575	0.39%	35,325	0.13%
Interest revenue	370,229	1.23%	393,226	1.47%
	29,984,793	100.00%	26,790,144	100.00%

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND
For the Years Ended June 30, 2025 and 2024

City of Seaford, Delaware
Functional Expenses - Proprietary Fund
For the Year Ended June 30, 2025



	2025		2024	
	$	%	$	%
Purchased power	12,707,803	59.25%	11,601,400	58.40%
Payroll and other costs	2,609,379	12.17%	2,512,608	12.65%
Depreciation and amortization	1,877,593	8.75%	1,569,438	7.90%
Other supplies and expenses	2,044,595	9.53%	1,838,878	9.26%
Insurance	975,194	4.55%	909,141	4.58%
Utilities	361,575	1.69%	351,605	1.77%
Repairs and maintenance	602,511	2.81%	801,328	4.03%
Interest expense	116,287	0.54%	129,361	0.65%
Contracts	151,704	0.71%	151,704	0.76%
	21,446,641	100.00%	19,865,463	100.00%

NB #3
2/24/26

ORDINANCE #2026-01

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SEAFORD, an ordinance to amend Chapter 8, of the Municipal Code of Seaford, Delaware relating to "Electronic Speed Monitoring Systems", in the manner following, to wit:

Chapter 8, of the Municipal Code of Seaford, Delaware is hereby amended by adding Article 11 as shown on the following pages.

02/24/2026	Date of First Reading
??/??/2026	Date of Second Reading & Adoption
??/??/2026	Date of Advertisement
??/??/2026	Date the Ordinance is Effective

CITY OF SEAFORD

By: ______________________________ Witness: ______________________________

Mayor

Attest: ______________________________

City Manager

Article 11 - ELECTRONIC SPEED MONITORING SYSTEM

[Amended on 08/13/2024 by Ordinance #2024-04]

§ 8.11.1 Purpose and administration.

A. This section establishes an electronic speed monitoring system to assist the City of Seaford in the enforcement of speed limits set forth in § 4169 and § 4170 of Title 21 of the Code of the State of Delaware.

B. Per § 4170A of Title 21 of the Code of the State of Delaware, and 2 Del. Admin. C. §1207, the City Council, may provide by regulation or ordinance, for the establishment of a program imposing monetary liability on the owner of a motor vehicle for failure to comply with designated posted speeds in a residential district, as monitored by an electronic speed monitoring system in accordance with this section.

C. This section does not apply to any authorized emergency vehicles being operated in compliance with § 4106 of Title 21 of State Code.

§ 8.11.2 Definitions.

For purposes of this ~~subsection~~ Article only:

~~Commercial~~ Business **district** - The territory contiguous to and including a highway when 50 percent or more of the frontage thereon for a distance of 300 feet or more is occupied by buildings in use for commercial occupancy~~.~~

Electronic speed monitoring system - A device with 1 or more motor vehicle sensors that can produce a recorded image of a motor vehicle whose speed exceeds the posted speed limit.

Electronic speed monitoring system operator - An individual who has been trained and certified to operate an electronic speed monitoring system.

Owner - The registered owner of the vehicle on record with the State of Delaware, or any other state or Country provided, however, that in the event that the owner is a vehicle leasing company the "owner," for purposes of this section, shall mean the person shown on the records to be the lessee of the vehicle. Vehicle rental companies are excluded from the definition of "owner."

Recorded image - An image recorded by an electronic speed monitoring system and includes any of the following:

1. A photograph.
2. A microphotograph.

Commented [GL1]: Just looking for clarity to ensure that we are talking about the definitions being applicable just to this section of the municipal code. The word "subsection" confused me.

Commented [GL2]: Business district is defined in Title 21, section 101 and is also what is referred to in 4170A. I also know that Sussex County uses the word Commercial, but for this ordinance I think you need to follow the Title 21 language.

3. A digital image.

4. A video.

5. Any other medium used to store images or sounds.

Residential district - The territory contiguous to and including a highway not comprising a commercial district where 50 percent or more of the property on such highway for a distance of 300 feet or more is improved with residences or residences and buildings in use for commercial occupancy.

Work zone - Any area of roadway designated as a work zone by the Delaware Department of Transportation and in accordance with § 4105 (f)(2) of Title 21 of State Code.

§ 8.11.3 Conditions for installation and operation of electronic speed monitoring system.

A. The installation and use of an electronic speed monitoring system to record images of motor vehicles travelling in a residential district within the City of Seaford, may only occur if all of the following conditions are met:

   1. If in a residential district, a study, as contemplated by 21 Del. C. §4170A and 2 Del. Admin C. §1207, which is no more than 1 year old and approved by the Delaware Department of Transportation, documents that the eighty-fifth percentile speed on the road is 5 miles per hour or greater than the posted speed limit.

   2. For all locations within the City of Seaford where electronic speed monitoring is to take place, the City Council and the Delaware Department of Transportation must first approve the road and extent of the road eligible for electronic speed monitoring.

   3. The City of Seaford Police Department must notify the Delaware Department of Transportation of the intent to use the electronic speed monitoring system at least 30 days in advance of implementation.

   4. The City of Seaford Police Department must provide notice on their publicly accessible web sites of the intended use of the electronic speed monitoring system at least 14 days prior to its implementation. The notice must identify each location where the electronic speed monitoring system is approved for use. Any additional locations which are subsequently approved must provide a new notice requirement.

   5. At least 1 sign must be installed advising motorists that the electronic speed monitoring system is in use. All signage must meet the requirements of 2 Del. Admin. C. §1207.

B. Once a road is approved for an electronic speed monitoring system, the use of an electronic speed monitoring system will be at the discretion of the City of Seaford Police Department.

§ 8.11.4 System vendor, calibration and operator.

A. System vendor. – The Delaware Department of Transportation shall select the system vendor(s) to provide electronic speed monitoring systems authorized by §4170A of Title 21 of the Delaware Code. The City of Seaford is required to use one of the vendor(s) selected by the Delaware Department of Transportation and may elect which vendor it desires to use if the Delaware Department of Transportation has contracted with more than one (1) vendor.

B. System calibration. – Every electronic speed monitoring system in use on the roads in the City of Seaford must undergo an annual calibration check to be performed by an independent calibration laboratory.

1. The independent calibration laboratory must issue a signed certificate of calibration after the annual calibration check which:

   a. Must be kept on file by the City of Seaford Police Department; and

   b. May be entered into evidence in any court proceeding for a violation of this section.

C. System operator. – Every electronic speed monitoring system operator must complete training by the manufacturer of the electronic speed monitoring system in the procedures for setting up, testing, and operating the electronic speed monitoring system.

1. On completion of the training, the manufacturer must issue a signed certificate to the electronic speed monitoring system operator.

2. The certificate of training may be entered into evidence in any court proceeding for a violation of this section.

3. An electronic speed monitoring system operator must fill out and sign a daily set-up log for the electronic speed monitoring system which:

   a. States the date and time when the system was set up.

   b. States that the operator successfully performed, and the device passed, the manufacturer's specified self-test of the system before producing a recorded image.

c. Must be kept on file by the City of Seaford Police Department.

d. May be entered into evidence in any court proceeding for a violation of this section.

§ 8.11.5 Violation and proof of violation.

A. For a violation to occur, a motor vehicle must exceed the posted speed limit by 11 miles per hour or more in the residential district unless a lower speed limit is authorized either by statutory amendment or other legislative action. In the event that the legislature grants authority to issue violations at a speed lower than 11 miles per hour, the authority to issue violations shall be controlled by the enabling legislation. ~~.~~

Commented [GL3]: This is a lessons learned moment. Newark has gotten authority to issue violations at 6 over This catch all language allows you to avoid going back to the council for an amendment.

B. Proof of a violation of this section may be evidenced by information obtained from an electronic speed monitoring system approved under this section. A certificate, or facsimile thereof, based upon inspection of photographs, microphotographs, videotape or other recorded images produced by an electronic speed monitoring system shall constitute prima facie evidence of the facts contained therein, if the certificate, or facsimile thereof, is sworn to or affirmed by an operator or a technician employed by the City of Seaford designated by the City of Seaford for the purpose of carrying out this subsection. Any photographs, microphotographs, videotape or other recoded images evidencing a violation shall be made available for inspection in any proceeding to adjudicate liability for violation of this section.

§ 8.11.6 Notice of violation, procedure to contest violation, and orders subject to appeal.

A. Any resident or non-resident owner or operator of any motor vehicle driven on the public streets, roads, or highways within the City of Seaford will be deemed to have submitted to the jurisdiction of the courts in this State for purposes of this section. Notwithstanding any other provision of the Seaford or State Code, a summons for a violation of this section may be executed by mailing to any resident or nonresident, by first-class mail, a copy thereof to the address of the owner of the vehicle as shown in the records of the Division of Motor Vehicles of this or any other state or Country. Collection actions, including default judgment and execution, may proceed based upon jurisdiction obtained through the mailing, by first-class mail, of a summons and subsequent court notices pursuant to this subsection. Every initial mailing shall include the following:

1. Name and address of the owner of the vehicle.

2. Registration number of the motor vehicle involved in the violation.

3. Violation charges.

4. Location where the violation occurred.

5. Date and time of the violation.

6. Copies of 2 or more photographs, microphotographs, or other recoded images, taken as proof of the violation.

7. Amount of the civil penalty imposed and the date by which the civil penalty should be paid.

8. The length of time and location for contesting liability and notice that the failure to pay the civil penalty or to contest liability, in a timely manner, is an admission of liability and may result in a judgment being entered against the summonsed person and the denial of the registration or renewal of registration of any of the owner's vehicles.

9. The ability to rebut the presumption under this section that the summonsed person was the operator of the vehicle at the time of the violation and the manner of rebutting said presumption.

B. A person receiving the summons pursuant to this subsection may request a hearing to contest the violation by notifying, in writing, the entity designated on the summons within 20 days of the date of the summons. Upon receipt of a timely request for a hearing, a civil hearing shall be scheduled, and the defendant notified of the hearing date by first-class mail. A civil hearing shall be held by the Justice of the Peace Court, or another court with competent jurisdiction as designated by the Department of Safety and Homeland Security or the City Council. There shall be no right of transfer to the Court of Common Pleas.

C. Any person found, by the court, to be responsible for a speeding violation, under this subsection, shall have a right of appeal only in those cases in which the civil penalty exceeds $100, upon giving bond with surety satisfactory to the judge before whom such person was found responsible, such appeal to be taken and bond given within 15 days from the court's order. Such appeal shall operate as a stay or supersedeas of all proceedings in the court below in the same manner that a certiorari from the Superior Court operates. The taking of such appeal shall constitute a waiver by the appellant of the appellant's right to a writ of certiorari in the Superior Court.

§ 8.11.7 Civil penalties.

A. After the expiration of any warning period required by either 21 Del. C. §4170A or 2 Del. Admin. C. §1207, the owner or operator of a vehicle who has failed to comply with the posted speed limit, as evidenced by information obtained from an electronic speed monitoring system, shall be subject to a civil penalty consistent with those established under Section § 4169(c) of Title 21 of State Code.

B. Court costs, or similar administrative fees, not to exceed $35, may be imposed against an owner or operator of a motor vehicle who requests a hearing to contest a violation and is either found at fault or admits to fault at the hearing. No costs may be assessed against a prevailing party.

C. No additional assessments or court costs, other than those specified in this subsection, shall be assessed or collected against the owner or operator of a vehicle who has violated this section.

D. Persons electing to pay by voluntary assessment shall make payments to the City of Seaford. Procedures for payment under this subsection shall be as provided by court rule or policy directive of the Justice of the Peace, or by regulation or Ordinance of the City of Seaford and shall be in lieu of the procedures set forth in Section § 709 of Title 21 of State Code.

E. A violation for which a civil penalty is imposed under this section is not a criminal offense and is not to be made a part of the operating record of the person upon whom such liability is imposed.

F. A violation for which a civil penalty is imposed under this section shall not be used for insurance purposes in the provision of motor vehicle insurance.

§ 8.11.8 Presumption of ownership.

A. The owner of any vehicle found to be in violation of this section shall be held prima facie responsible for such violation in the same manner as under Section § 7003 of Title 21 of State Code unless the owner can furnish evidence that the vehicle was, at the time of the violation, in the care, custody or control of another person. Such presumption may be rebutted if the owner:

1. Provides an affidavit, by regular mail, to the entity indicated on the summons that the owner was not the operator of the vehicle at the time of the alleged violation and provides the name and address of the person or company who leased, rented, or otherwise had care, custody or control of the vehicle, or attaches a certified copy of a police report showing that the vehicle or license plate or plates thereof had been reported to the police as stolen prior to the alleged violation of this section; or

2. Provides proof in court or to the entity handling the administrative appeal process that the owner was not the operator of the vehicle at the time of the alleged violation and identifies the operator at the time of the violation. If the owner granted multiple persons permission to use the vehicle and is unable to identify the person who was operating the vehicle at the time of the violation, the owner will remain liable for the violation.

B. A summons may be issued to any person identified by affidavit or evidence in court as the actual operator of the vehicle alleged to have violated the speed limit. There shall be a presumption that the person so identified was the operator; this presumption may be rebutted as described under this subsection.

C. Notwithstanding any other provision in this section, if the motor vehicle which is documented by the electronic speed monitoring system in violation of subsection (e) of this section is commercially licensed, then the owner of that vehicle shall be sent notice of the date, time, and location of the violation with 2 photographs thereof. Within 10 days of the receipt of said notice, the owner of the vehicle shall provide the City of Seaford Police Department with the name and address of the driver of the vehicle at the date, time, and location of the violation and, within the same time period, shall provide the driver of the vehicle with the photographs of the violation. After receipt by the City of Seaford Police Department of the name and address of the driver of the vehicle at the time of the violation, the driver of the vehicle shall be prima facie responsible for such violation in the same manner as provided for under Section § 7003 of Title 21 of State Code and shall be subject to the provisions of this section. Failure of the owner of the vehicle found to be in violation of this section to provide the name and address of the driver, within the prescribed time period, shall cause the owner to be held responsible as set forth in this subsection.

§ 8.11.9 Failure to pay civil penalty.

A. If the owner or operator identified by the owner fails to pay the civil penalty by voluntary assessment, request a hearing within the required time or submit an affidavit stating that the owner or operator identified was not the driver, upon notification from the City of Seaford or the System vendor, the Division of Motor Vehicles shall refuse to renew the registration of the owner's vehicle operated at the time the summons was issued. If the owner or operator identified by the owner is found responsible at a hearing and fails to pay the fine as ordered by the court, or requests a hearing and fails to appear, the Division of Motor Vehicles shall suspend the license of the owner or operator.

B. Upon receiving a record of failure to comply, a court clerk may enter a civil traffic judgement against the owner or operator in the amount of the civil penalty, costs, and any applicable additional assessment, giving credit for any amount paid. Such judgement may, upon motion, be transferred by the court to the civil docket. Any judgement so transferred may be executed and enforced or transferred in the same manner as other judgements of the court and the Division of Public Safety, or its designee, and/or the City of Seaford shall have authority to seek such execution, enforcement or transfer.

§ 8.11.10 Funding sources and use of revenue.

A. The City of Seaford shall contract with ~~athe~~ Delaware Department of Transportation's approved system vendor for carrying out any tasks related to the use of an electronic speed monitoring system by using any eligible funding source.

B. Revenue generated through the use of electronic speed monitoring systems may be used to pay costs of the system vendor, staff required to implement the requirements of this Ordinance, and any consultant fees for administration of the electronic speed monitoring system.

C. Any revenue collected above what is required for the operation of the electronic speed monitoring system, as set forth in this subsection, shall be paid once a year to the Delaware Office of Highway Safety on or before an agreed upon date.

Commented [GL4]: You will need to confirm with OHS' DAG Lisa Morris that this is acceptable to OHS.

§ 8.11.11 Annual report.

A. The City of Seaford will cooperate with the Delaware Department of Transportation and shall collect and provide all data necessary for the Delaware Department of Transportation to prepare its annual report. The City of Seaford will track and maintain at a minimum the below data, and will provide such to the Delaware Department of Transportation by February 28 of each year:

1. Where and when the system was used.
2. Citation data.
3. Crash data.
4. Readily available speed data.
5. Financial data including detailed expenditures and revenues.

B. The City of Seaford Police Department shall cooperate with the Delaware Department of Transportation regarding the collection of data necessary to prepare the State's annual report. Should the City of Seaford fail to provide required data as specified by the Delaware Department of Transportation in sufficient time to meet its reporting date requirements, the City of Seaford will no longer be eligible for use of the electronic speed monitoring system and this program may be terminated.

§ 8.11.12 Program Sunset.

Unless extended by the State of Delaware and the City of Seaford, Chapter 8 Article 11 of the Code of the City of Seaford shall sunset on June 30, 2028.

§ 8.11.13 through § 8.11.99 RESERVED

H:\Projects\2025\250202 High Street Green Infrastructure Phase 2\Drawings\Exhibits\C-1 Concept Ph 2 Aerial Exhibit.dwg, 2/6/26, John W. King

NB#4
2/24/26

SCALE : 1" = 20'
DESIGN BY : BRJ
DRAWN BY : KNL,JWK
CHECKED BY : BRJ
GMB FILE : 250202
DATE : JAN. 2026

SHEET NO. C-1

PHASE 2
PROPOSED
CONDITIONS

HIGH STREET
SEAFORD, DE

GMB
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PLOT CODE

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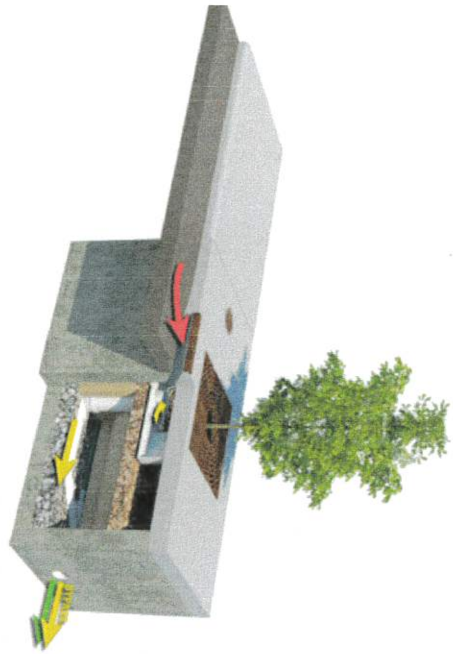

SCALE : NO SCALE
DESIGN BY : BRJ
DRAWN BY : KNL
CHECKED BY : BRJ
GMB FILE : 250202
DATE : JAN. 2026

SHEET NO.
C-2

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PHASE 2
PROPOSED
CONDITIONS

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SEAFORD, DE

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NO.	REVISIONS	DATE

PRINTS ISSUED FOR:
DRAWINGS STAGE

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2/24/26
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The City of Seaford

Employee Attendance & Timekeeping Policy

Adopted by Mayor and Council: 09/11/2018
Effective: 10/01/2018
Amended: 02/24/2026

PURPOSE:

It is vital to the City of Seaford for all employees to have reliable attendance. Absenteeism and tardiness negatively impact our ability to effectively provide City services. The purpose of this policy is to establish the requirements for reporting absences, to provide guidelines for the handling of tardiness, early departures, and unscheduled absences, and to outline employees' need to adhere to established work schedules to maintain efficient, effective operations throughout the City. In addition, timekeeping records constitute the basis for payment of wages and City authorized paid leave practices (vacation, sick, or compensatory leaves). Accurate and timely recording and reporting of time worked is essential for the efficient processing of payroll to comply with applicable federal and state wage and hour laws.

POLICY:

Employees must arrive and be prepared to commence work at their scheduled start time in accordance with the Employee Handbook Sec. 2-128. Employees are responsible for notifying their department director and/or supervisor of absences, late arrivals, or early departures each day of the absence, tardiness, or early departure, in accordance with call-in procedures. Unscheduled absences, tardiness, and unscheduled early departures (whether excused or unexcused), failure to provide appropriate notification, or abuse of sick leave or other paid time off may result in corrective action up to and including termination of employment. Absences, tardiness, and early departures due to the correct use of approved FMLA leave, short-term disability leave, military leave, jury duty, workers' compensation, use of vacation or comp time, sick leave, other approved leave, or reasonable accommodation as required by law will not be counted as occurrences. All employees must record time and attendance via their department's timeclock and timecard system.

ATTENDANCE IMPLEMENTATION:

1. Department supervisors should communicate to employees the importance of timely and regular attendance and compliance with call-in procedures. The call-in procedure should define when and whom an employee should call if he/she is going to be absent or tardy. It should also address a time frame when an employee who will be delayed is required to notify supervision.

2. Department directors and/or supervisors are responsible for reviewing and approving leave time. It is the responsibility of the department director to ensure the time submission is accurate.

3. Employees must notify their supervisor of any unscheduled absence, tardiness, or unscheduled early departure as far in advance as possible. An employee who will be unable to report to work as scheduled, who will be tardy, or who plans to leave early must contact his/her supervisor or the department's designated call-in number as far in advance as possible. Notification and acknowledgment by a supervisor of tardiness, unscheduled early departure, or unscheduled absence will not excuse it (i.e. Employee calls to notify the supervisor that they will be 5 minutes late due to road construction, the tardiness will still count as one occurrence).

4. Department directors and/or supervisors are responsible for reviewing and verifying attendance records and recording occurrences, if applicable, to ensure the accuracy of the records and consistent application of department attendance rules and the City policy.

5. An unscheduled absence will be recorded as one (1) occurrence. Each tardy or unscheduled early departure will be recorded as one (1) occurrence. No occurrences will be recorded for scheduled vacations, or use of sick leave as provided under the City sick leave and short term medical leave policy. However, pattern absences, failure to provide timely notification, or failure to comply with the sick leave policy may result in absences being counted as unscheduled absences.

6. Occurrences will be tracked by each department based on the calendar year.

7. Supervisors should follow the corrective action progression described below to address unscheduled absences, tardiness, and unscheduled early departures. When an employee has accumulated five occurrences the corrective action will start and occurrences thereafter will advance the corrective action process, up to and including termination of employment. However, depending on the situation, corrective action may be accelerated, repeated, or taken out of sequence, and the City reserves the right to effect immediate termination should it be warranted.

- Verbal warning upon five (5) occurrences and receive a rating of "Needs Improvement" under the attendance rating element on the next employee evaluation.
- Written warning upon ten (10) occurrences and receive a rating of "Unsatisfactory" under the attendance rating element on the next employee evaluation.
- Any occurrence beyond the (10) occurrences in a calendar year may be subject to discipline in the form of suspension without pay or termination of employment.

8. Employees will be subject to immediate corrective action for no call/no show. Three (3) or more consecutive workdays of no call/no show will be considered job abandonment and result in termination of employment in accordance with the Employee Handbook Sec. 2-130.

9. Department directors and supervisors should be observant and identify pattern absences. Employees will be subject to immediate corrective action for pattern unscheduled absences.

10. An employee who is late ten minutes or less is considered tardy but will be paid for the time. Tardiness of more than ten (10) minutes will be unpaid. Meal periods, breaks, and emergency use of vacation and/or accumulated time may not be used to cover for unexcused absences or tardiness in order to circumvent this policy. Unexcused absences or tardiness due to extraordinary circumstances that may disrupt work/life balance may not be counted as an occurrence if the leave is approved by the employee's department director and/or supervisor. An employee may not extend the normal workday or work beyond his/her scheduled shift to make up for being tardy without the prior approval of the employee's department director and/or supervisor.

11. An unscheduled absence typically is unpaid unless an employee's supervisor approves the use of accrued vacation, sick leave, or accumulated time in accordance with the City policy. Acceptable means of verifying the reason for the unscheduled absence may be required. An employee will not be compensated for unscheduled absences that extend beyond his/her accrued leave balances.

12. Requests for scheduled absences, including jury duty, emergency time off without pay, vacation or birthday holiday, bereavement, military leave, or short term medical leave must be requested as far in advance as possible consistent with the Employee Handbook Sec. 2-95. It is the employee's responsibility to request leave or excused time off and to submit appropriate documentation. Employees who will be unable to report to work as scheduled or using intermittent FMLA leave or other leave are required to contact their supervisor or the department each day unless otherwise instructed by their supervisor. Denied leave or other requested time off, failure to return to work after an approved leave, or failure to comply with these guidelines or other applicable City policy may result in the treatment of time away from work as an unscheduled absence, tardiness, or unscheduled early departure under this policy.

13. Due to the nature of the services that employees provide we are rarely able to close our operations. With that in mind, employees are expected to report for work on severe weather days and to plan ahead to anticipate any difficulties that might be encountered. If an employee will be late or unable to report to work, the employee must notify his or her supervisor as soon as possible. City management will decide whether employees will receive occurrences for tardiness or unscheduled absences on severe weather days.

TIMEKEEPING AND TIME ENTRY POLICY:

1. Employee Responsibility for Time Entry

All non-exempt employees are required to accurately record their own work time using the Company's designated timekeeping system, if available. It is the responsibility of each non-exempt employee to clock in and out at the beginning and end of each scheduled workday to be compensated for the time worked, meal periods, and/or leaves accurately and completely for each pay period. Non-exempt employees leaving for personal reasons during the day must clock out when leaving and clock back in upon returning.

Misrepresentations violate this policy as well as the City's Employee Handbook Division 10 Section 2-122 Standard of Conduct policy. An employee, manager, supervisor, director or designee who knowingly misrepresents or falsifies documentation about the time worked will be subject to disciplinary action up to and including termination of employment.

2. ACCURACY OF TIME RECORDS

Employees are responsible for ensuring that all recorded time accurately reflects all hours actually workedAll time worked must be recorded. Working "off the clock" is strictly prohibited. All overtime must be approved by the supervisor or director.. Employees may not accumulate overtime or compensatory time by arriving early or leaving late unless specifically authorized by their supervisor. Working through the lunch break is discouraged. However, if it is required of a non-exempt employee, then the employee will be compensated. (Working unauthorized overtime may result in discipline, but the time will be paid in accordance with applicable law.)

Any timekeeping error must be reported immediately to the employee's supervisor or Human Resources. Corrections should be made by the supervisor or director by signing off on the timecard and noting the reason for the change.

Time records will be maintained in compliance with applicable federal and Delaware wage and hour laws. Nothing in this policy is intended to prohibit employees from reporting pay concerns, interfere with employees' rights to engage in protected concerted activity, or retaliate against any employee for raising wage or hour concerns.

Employees who believe their pay is inaccurate are encouraged to promptly report concerns to Human Resources.

3. POLICY VIOLATIONS & DISCIPLINARY ACTION

The City of Seaford expects all employees to demonstrate the highest degree of integrity, responsibility, and professional conduct at all times. Engaging in any of the activities listed below will be considered a violation of the Employee Handbook Division 10, Section 2-122 Standard of Conduct and can subject employees to disciplinary action up to and including termination.

- **Unauthorized tampering with the timekeeping hardware or software is considered a serious offense, subject to disciplinary action up to and including termination.**
- **Punching in/out for another employee (a.k.a "buddy punching").**
- **Interfering with another employee's use of time clocks.**
- **Failure to use the timekeeping system properly.**
- **Falsification of time recorded.**
- **Excessive missed punches without a valid (specific) reason.**

KEY DEFINITIONS:

Word/Phrase	Definition
No call/no show	An unscheduled absence without proper notification to the employee's supervisor or department.
Pattern Absences	Unscheduled absences the day before or after a scheduled holiday, vacation, or personal day; on a desirable day off, a specific day of the week, or a weekend; a specific or unique work day; or as sick leave or other paid time off is accrued.
Scheduled Absence	A scheduled absence occurs when an employee requests and is approved to take time off in accordance with City policies. Some examples of scheduled absences include approved vacation, personal holidays, jury duty, military leave, bereavement leave, FMLA leave, and Short-Term Disability leave.
Tardy	Failure to report to an employee's assigned work area and be prepared to start work at his or her scheduled start time, including returning from breaks and meal periods.
Unscheduled Absence	Failure to report to work on a scheduled workday or working less than half of a scheduled workday due to tardiness or leaving early without a written and approved time off request.

	Absences on consecutive workdays for the same reason will count as one unscheduled absence under this policy. Some examples of unscheduled absences include absences due to car trouble or home emergency.
Unscheduled Early Departure	Failure to work a complete workday due to an early departure without a written and approved time off request. Please refer to Unscheduled Absence above when an early departure results in working less than half of a scheduled workday.

ROLES AND RESPONSIBILITIES:

Governed Party	Roles and Responsibilities
Employee	The Employee is responsible for following the City's time off request procedures.
Supervisor	The Supervisor is responsible for administering the City's time off request procedures, ensuring they are followed, verifying the use of time off is appropriate, monitoring for pattern absences, and approving absences.
Human Resources	The Human Resources department is responsible for ensuring the procedures and policy are adhered to consistently across all departments.

NB#5
2/24/26
REDONE

The City of Seaford

Employee Attendance & Timekeeping Policy

Adopted by Mayor and Council: 09/11/2018
Effective: 10/01/2018
Amended: 02/24/2026

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1. Department supervisors should communicate to employees the importance of timely and regular attendance and compliance with call-in procedures. The call-in procedure should define when and whom an employee should call if he/she is going to be absent or tardy. It should also address a time frame when an employee who will be delayed is required to notify supervision.

2. Department directors and/or supervisors are responsible for reviewing and approving leave time. It is the responsibility of the department director to ensure the time submission is accurate.

3. Employees must notify their supervisor of any unscheduled absence, tardiness, or unscheduled early departure as far in advance as possible. An employee who will be unable to report to work as scheduled, who will be tardy, or who plans to leave early must contact his/her supervisor or the department's designated call-in number as far in advance as possible. Notification and acknowledgment by a supervisor of tardiness, unscheduled early departure, or unscheduled absence will not excuse it (i.e. Employee calls to notify the supervisor that they will be 5 minutes late due to road construction, the tardiness will still count as one occurrence).

4. Department directors and/or supervisors are responsible for reviewing and verifying attendance records and recording occurrences, if applicable, to ensure the accuracy of the records and consistent application of department attendance rules and the City policy.

5. An unscheduled absence will be recorded as one (1) occurrence. Each tardy or unscheduled early departure will be recorded as one (1) occurrence. No occurrences will be recorded for scheduled vacations, or use of sick leave as provided under the City sick leave and short term medical leave policy. However, pattern absences, failure to provide timely notification, or failure to comply with the sick leave policy may result in absences being counted as unscheduled absences.

6. Occurrences will be tracked by each department based on the calendar year.

7. Supervisors should follow the corrective action progression described below to address unscheduled absences, tardiness, and unscheduled early departures. When an employee has accumulated five occurrences the corrective action will start and occurrences thereafter will advance the corrective action process, up to and including termination of employment. However, depending on the situation, corrective action may be accelerated, repeated, or taken out of sequence, and the City reserves the right to effect immediate termination should it be warranted.

- Verbal warning upon five (5) occurrences and receive a rating of "Needs Improvement" under the attendance rating element on the next employee evaluation.
- Written warning upon ten (10) occurrences and receive a rating of "Unsatisfactory" under the attendance rating element on the next employee evaluation.
- Any occurrence beyond the (10) occurrences in a calendar year may be subject to discipline in the form of suspension without pay or termination of employment.

8. Employees will be subject to immediate corrective action for no call/no show. Three (3) or more consecutive workdays of no call/no show will be considered job abandonment and result in termination of employment in accordance with the Employee Handbook Sec. 2-130.

9. Department directors and supervisors should be observant and identify pattern absences. Employees will be subject to immediate corrective action for pattern unscheduled absences.

10. An employee who is late ten minutes or less is considered tardy but will be paid for the time. Tardiness of more than ten (10) minutes will be unpaid. Meal periods, breaks, and emergency use of vacation and/or accumulated time may not be used to cover for unexcused absences or tardiness in order to circumvent this policy. Unexcused absences or tardiness due to extraordinary circumstances that may disrupt work/life balance may not be counted as an occurrence if the leave is approved by the employee's department director and/or supervisor. An employee may not extend the normal workday or work beyond his/her scheduled shift to make up for being tardy without the prior approval of the employee's department director and/or supervisor.

11. An unscheduled absence typically is unpaid unless an employee's supervisor approves the use of accrued vacation, sick leave, or accumulated time in accordance with the City policy. Acceptable means of verifying the reason for the unscheduled absence may be required. An employee will not be compensated for unscheduled absences that extend beyond his/her accrued leave balances.

12. Requests for scheduled absences, including jury duty, emergency time off without pay, vacation or birthday holiday, bereavement, military leave, or short term medical leave must be requested as far in advance as possible consistent with the Employee Handbook Sec. 2-95. It is the employee's responsibility to request leave or excused time off and to submit appropriate documentation. Employees who will be unable to report to work as scheduled or using intermittent FMLA leave or other leave are required to contact their supervisor or the department each day unless otherwise instructed by their supervisor. Denied leave or other requested time off, failure to return to work after an approved leave, or failure to comply with these guidelines or other applicable City policy may result in the treatment of time away from work as an unscheduled absence, tardiness, or unscheduled early departure under this policy.

13. Due to the nature of the services that employees provide we are rarely able to close our operations. With that in mind, employees are expected to report for work on severe weather days and to plan ahead to anticipate any difficulties that might be encountered. If an employee will be late or unable to report to work, the employee must notify his or her supervisor as soon as possible. City management will decide whether employees will receive occurrences for tardiness or unscheduled absences on severe weather days.

TIMEKEEPING AND TIME ENTRY POLICY:

1. Employee Responsibility for Time Entry

All non-exempt employees are required to accurately record their own work time using the Company's designated timekeeping system, if available. It is the responsibility of each non-exempt employee to clock in and out at the beginning and end of each scheduled workday to be compensated for the time worked, meal periods, and/or leaves accurately and completely for each pay period. Non-exempt employees leaving for personal reasons during the day must clock out when leaving and clock back in upon returning.

Misrepresentations violate this policy as well as the City's Employee Handbook Division 10 Section 2-122 Standard of Conduct policy. An employee, manager, supervisor, director or designee who knowingly misrepresents or falsifies documentation about the time worked will be subject to disciplinary action up to and including termination of employment.

~~Employees must personally record (punch in/out) their:~~

~~Start time at the beginning of each workday~~

~~End time at the conclusion of each workday~~

~~Meal periods (if applicable)~~

~~Any other required unpaid breaks or approved leave (i.e. doctors' appointments)~~

~~Overtime or callouts.~~

~~Employees may not:~~

~~Punch in or out for another employee;~~

~~Allow another employee to punch in or out on their behalf; or~~

~~Share login credentials, badges, PIN numbers, or biometric access.~~

~~This practice ("buddy punching") is strictly prohibited.~~

2. ACCURACY OF TIME RECORDS

Employees are responsible for ensuring that all recorded time accurately reflects all hours actually worked~~.~~

All time worked must be recorded.

Working "off the clock" is strictly prohibited.

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All ~~O~~overtime must be ~~pre-~~approved by the supervisor or director. ~~prior to working.recorded whether or not it was pre-approved.~~ Employees may not accumulate overtime or compensatory time by arriving early or leaving late unless specifically ~~pre-~~authorized by their supervisor. Working through the lunch break is discouraged. However, if it is required of a non-exempt employee, then the employee will be compensated. (Working unauthorized overtime may result in discipline, but the time will be paid in accordance with applicable law.)

Any timekeeping error must be reported immediately to the employee's supervisor or Human Resources. Corrections should be made by the supervisor or director by signing off on the timecard and noting the reason for the change.

~~notifying the employee of the correction and documenting the reason for the change.Notifying the employee of the correction; and~~

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~~Documenting the reason for the change.~~

Time records will be maintained in compliance with applicable federal and Delaware wage and hour laws. Nothing in this policy is intended to prohibit employees from reporting pay concerns, interfere with employees' rights to engage in protected concerted activity, or retaliate against any employee for raising wage or hour concerns.

Employees who believe their pay is inaccurate are encouraged to promptly report concerns to Human Resources.

3. ~~FALSIFICATION AND~~ POLICY VIOLATIONS & DISCIPLINARY ACTION

The City of Seaford expects all employees to demonstrate the highest degree of integrity, responsibility, and professional conduct at all times. Engaging in any of the activities listed below will be considered a violation of the Employee Handbook Division 10, Section 2-122 Standard of Conduct and can subject employees to disciplinary action up to and including termination.

- **Unauthorized tampering with the timekeeping hardware or software is considered a serious offense, subject to disciplinary action up to and including termination.**
- **Punching in/out for another employee (a.k.a "buddy punching").**
- **Interfering with another employee's use of time clocks.**
- **Failure to use the timekeeping system properly.**
- **Falsification of time recorded.**
- **Excessive missed punches without a valid (specific) reason.**

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~~Falsification, tampering with, or misrepresentation of time records — including recording time for another employee — constitutes serious misconduct.~~

~~Violations of this policy may result in disciplinary action, up to and including termination of employment.~~

~~5. COMPLIANCE WITH LAW AND PROTECTED RIGHTS~~

~~The City complies with all applicable federal and Delaware wage and hour laws.~~

~~Nothing in this policy is intended to:~~

- ~~Prohibit employees from reporting pay concerns;~~
- ~~Interfere with employees' rights to engage in protected concerted activity; or~~
- ~~Retaliate against any employee for raising wage or hour concerns.~~

~~Employees who believe their pay is inaccurate are encouraged to promptly report concerns to Human Resources.~~

KEY DEFINITIONS:

Word/Phrase	Definition
No call/no show	An unscheduled absence without proper notification to the employee's supervisor or department.
Pattern Absences	Unscheduled absences the day before or after a scheduled holiday, vacation, or personal day; on a desirable day off, a specific day of the week, or a weekend; a specific or unique work day; or as sick leave or other paid time off is accrued.
Scheduled Absence	A scheduled absence occurs when an employee requests and is approved to take time off in accordance with City policies. Some examples of scheduled absences include approved vacation, personal holidays, jury duty, military leave, bereavement leave, FMLA leave, and Short-Term Disability leave.

Tardy	Failure to report to an employee's assigned work area and be prepared to start work at his or her scheduled start time, including returning from breaks and meal periods.
Unscheduled Absence	Failure to report to work on a scheduled workday or working less than half of a scheduled workday due to tardiness or leaving early without a written and approved time off request. Absences on consecutive workdays for the same reason will count as one unscheduled absence under this policy. Some examples of unscheduled absences include absences due to car trouble or home emergency.
Unscheduled Early Departure	Failure to work a complete workday due to an early departure without a written and approved time off request. Please refer to Unscheduled Absence above when an early departure results in working less than half of a scheduled workday.

ROLES AND RESPONSIBILITIES:

Governed Party	Roles and Responsibilities
Employee	The Employee is responsible for following the City's time off request procedures.
Supervisor	The Supervisor is responsible for administering the City's time off request procedures, ensuring they are followed, verifying the use of time off is appropriate, monitoring for pattern absences, and approving absences.
Human Resources	The Human Resources department is responsible for ensuring the procedures and policy are adhered to consistently across all departments.