AGENDA
REGULAR MEETING OF THE MAYOR AND COUNCIL
August 12, 2025
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.seafordde.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.seafordde.com/government/mayor_council/council_agendas_minutes

Comments and questions may be emailed to: Councilinfo@seafordde.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.
Changes to the agenda for this meeting.
Approval of the minutes of the regular meeting on July 22, 2025

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

Trisha Newcomer, Director of Economic Development and Community Relations, to present a twenty-year participation award for the Workplace Health and Safety Incentive Program by the Delaware Insurance Department.

PUBLIC COMMENT:
1.

CORRESPONDENCE:
1.

NEW BUSINESS:

1. Present the FY2024 audit and draft financial statements for approval.

2. Chief of Police Marshall Craft to present for approval a proposed revision to the Police Chief's Advisory Board (PCAB) by-laws that would add two members from the Town of Blades to the PCAB.

3. Present for approval a draft Charter change that would revise **Section 18 Duties of Police** – The proposed change would modernize the existing Charter language. The proposed language would more clearly identify the duties and responsibility of the Chief of Police and other sworn officers.

4. Trisha Newcomer, Director of Economic Development and Community Relations, to present a recommendation of the Economic Development Committee on the request from BCDE Investment Group for assistance with electrical distribution improvements to service their development located at 520, 522, 524, 526 & 528 Porter Street, TMP #331-7.00-79.00.47.00; 331-7.00-79.00.47.02; 331-7.00-79.00.47.03; 331-7.00-79.00.47.04; 331-7.00-79.00.47.05

5. Present for a first reading changes to Section 11.6.4(A)(33) and Section 11.6.28(B) of the Municipal Code that would expand the definition of Significant Industrial User (SIU) to include language allowing certain SIU's to be classified as Non-Significant industrial users.

6. Present for approval concept plans to place benches along the walking trail around Hoopers Landing golf course.

7. Request a budget overrun for roof replacement at Hoopers Landing Lounge and Pro Shop building, funding to be provided by Golf Reserve funds.

<u>OLD BUSINESS:</u>

1. Present for a second reading changes to Section 10.1.2 (B) of the Municipal Code that would require all garbage and refuse to be placed in secure bags and inside of approved containers.

<u>REMINDER OF MEETINGS & SETTING NEW MEETINGS:</u>

1. Movie Night in the Park, Friday, August 22nd, in the grass lot behind City Hall at 8:00 p.m. featuring the movie: "Lilo & Stitch 2".

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 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: 08/04/2025
Posted by: BAS

Draft

CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

For the Year Ended June 30, 2024

CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

JUNE 30, 2024

CONTENTS

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CITY OF SEAFORD, DELAWARE

Financial Statements with
Report of Independent Public Accountants

CONTENTS (continued)

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Knowledge,
Quality,
SBC Client Service.

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, 2024, 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, 2024, 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.

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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 GAS 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 GAS, 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, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August __, 2025 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.

Owings Mills, Maryland
August ___, 2025

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MANAGEMENT’S DISCUSSION AND ANALYSIS

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CITY OF SEAFORD, DELAWARE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2024. Please read it in conjunction with the City's financial statements, which begin on page 12.

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.

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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.

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position increased by approximately $2,860,000, or 6.4% from fiscal year 2023 to 2024.

The net position of the City's governmental activities decreased by approximately $240,000 or .7%, for fiscal year 2024. 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 $3,100,000 for the 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, 2024

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
	2024	2023	2024	2023	2024	2023	Change
Current and other assets	$ 7,151	$ 7,041	$ 16,254	$ 15,568	$ 23,405	$ 22,609	4%
Capital assets	17,896	17,378	29,256	28,166	47,152	45,544	4%
Net pension asset	-	203	-	-	-	203	
Total assets	25,047	24,622	45,510	43,734	70,557	68,356	3%
Deferred outflows	1,695	1,474	306	426	2,001	1,900	5%
Long-term debt	764	750	4,013	4,375	4,777	5,125	-7%
Other liabilities	10,181	9,293	8,687	9,816	18,867	19,108	-1%
Total liabilities	10,945	10,043	12,700	14,191	23,644	24,233	100%
Deferred inflows	906	922	308	262	1,214	1,184	3%
Net position							
Net investment in capital assets	17,132	16,629	25,242	23,792	42,374	40,421	5%
Restricted	1,656	2,337	9,032	8,157	10,688	10,494	2%
Unrestricted	(3,897)	(3,835)	(1,466)	(2,241)	(5,363)	(6,076)	-12%
Total net position	$ 14,891	$ 15,131	$ 32,808	$ 29,708	$ 47,700	$ 44,840	6%

Changes in Net Position

The City’s total revenues were approximately $33,697,000. Approximately 74% 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 $30,836,000. 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, 2024 and 2023.

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Management Discussion and Analysis
As of June 30, 2024

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

	Governmental Activities		Business-type Activities		Total		Percent
	2024	2023	2024	2023	2024	2023	Change
Revenues							
Program services							
Charges for services	$ 1,216	$ 1,058	$ 23,814	$ 21,451	$ 25,030	$ 22,509	11%
Operating grants	1,606	3,096	1,158	-	2,764	3,096	-11%
Capital grants	140	197	465	149	605	346	75%
General revenues							
Property taxes	2,772	2,731	-	-	2,772	2,731	2%
Other taxes	597	1,509	-	-	597	1,509	-60%
Grants	10	5	-	-	10	5	100%
Other	470	146	1,449	2,049	1,919	2,195	-13%
Total revenues	6,811	8,742	26,886	23,649	33,697	32,391	4%
Expenses							
Administration	564	997	-	-	564	997	-43%
Code enforcement	375	346	-	-	375	346	8%
Community pool	64	90	-	-	64	90	-29%
Executive	119	112	-	-	119	112	6%
Fire department	416	395	-	-	416	395	5%
Dispatch	375	391	-	-	375	391	-4%
Highways and streets	1,348	818	-	-	1,348	818	65%
Parks department	898	755	-	-	898	755	19%
Police department	5,818	4,764	-	-	5,818	4,764	22%
Recreation	262	236	-	-	262	236	11%
Economic development	601	5,591	-	-	601	5,591	-89%
Interest on long-term debt	131	105	-	-	131	105	25%
Electric	-	-	14,716	13,211	14,716	13,211	11%
Sewer	-	-	2,945	2,941	2,945	2,941	0%
Water	-	-	1,871	1,561	1,871	1,561	20%
Golf	-	-	333	332	333	332	0%
Total expenses	10,971	14,600	19,865	18,045	30,836	32,645	-6%
Changes before transfers	(4,160)	(992)	7,021	6,514	2,861	(254)	-1226%
Transfers	3,920	4,100	(3,920)	(4,100)	-	-	0%
Changes in net position	$ (240)	$ 3,108	$ 3,101	$ 2,414	$ 2,861	$ (254)	-1226%

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Governmental Activities

Revenues for the City's governmental activities were approximately $6,811,000.

The property tax rate for 2024 and 2023 was 34¢/$100 of assessed value each year.

The cost of all governmental activities this year was approximately $10,972,000. Of this cost, the largest programs for the City are police department with a cost of approximately $5,818,000 and highway and street with a cost of approximately $1,348,000.

Business-Type Activities

Revenues of the City's business-type activities increased about 14% to approximately $26,886,000 and expenses increased 10% to approximately $19,865,000.

General Fund Activities

For the year ended June 30, 2024, after transfers and loan proceeds, the City had a decrease of approximately $630,000 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, 2024, the City had invested approximately $47,152,000 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 $1,608,000 or about 3.53%, 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	
	2024	2023	2024	2023	2024	2023
Land	$ 2,368	$ 2,368	$ 958	$ 958	$ 3,326	$ 3,326
Land improvements	2,332	2,509	-	-	2,332	2,509
Buildings and improvements	5,943	6,072	8,375	8,785	14,318	14,857
Equipment	1,558	1,214	(10)	(341)	1,548	873
Infrastructure	5,228	4,664	15,146	15,379	20,374	20,043
Construction in progress	467	551	4,787	3,385	5,254	3,936
Total	$ 17,896	$ 17,378	$ 29,256	$ 28,166	$ 47,152	$ 45,544

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Long-term Debt

As of June 30, 2024, the City had $4,778,000 in bonds and notes outstanding, a decrease of 7% 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ -	$ -	$ 3,506	$ 3,658	$ 3,506	$ 3,658
Notes payable	455	533	507	717	962	1,250
Financed purchases	309	217	-	-	309	217
Total	$ 764	$ 750	$ 4,013	$ 4,375	$ 4,777	$ 5,125

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.

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BASIC FINANCIAL STATEMENTS

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CITY OF SEAFORD, DELAWARE

Statement of Net Position
As of June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets			
Cash and cash equivalents	$ 5,151,307	$ 11,947,483	$ 17,098,790
Accounts receivable, net	258,186	3,047,915	3,306,101
Inventories	17,449	1,220,789	1,238,238
Prepaid expense	56,497	37,422	93,919
Restricted cash	1,656,434	-	1,656,434
Total current assets	7,139,873	16,253,609	23,393,482
Noncurrent Assets			
Notes receivables	11,002	-	11,002
Net capital assets, net	17,896,096	29,255,568	47,151,664
Total noncurrent assets	17,907,098	29,255,568	47,162,666
Total Assets	25,046,971	45,509,177	70,556,148
Deferred Outflow of Resources:			
Deferred financing outflow - retirement	1,694,577	307,429	2,002,006
Total deferred outflow of resources	1,694,577	307,429	2,002,006
Liabilities:			
Current liabilities			
Accounts payable	270,284	1,325,391	1,595,675
Accrued interest	-	14,090	14,090
Accrued expense-other	297,677	76,419	374,096
Current portion of long-term debt	166,041	538,569	704,610
Deposits	13,287	1,247,026	1,260,313
Unearned grant revenue	3,204,748	1,840,092	5,044,840
Accrued compensated absences	329,675	138,991	468,666
Total current liabilities	4,281,712	5,180,578	9,462,290
Noncurrent liabilities			
Net OPEB liability	3,098,995	1,334,692	4,433,687
Net pension liability	2,966,250	2,710,217	5,676,467
Bonds and notes payable	597,621	3,474,554	4,072,175
Total non-current liabilities	6,662,866	7,519,463	14,182,329
Total Liabilities	10,944,578	12,700,041	23,644,619
Deferred Inflow of Resources:			
Deferred financing inflow - OPEB	636,730	274,230	910,960
Deferred financing inflow - retirement	269,218	33,683	302,901
Total deferred inflow of resources	905,948	307,913	1,213,861
Net Position:			
Net investment in capital assets	17,132,434	25,242,445	42,374,879
Restricted	1,656,434	9,032,379	10,688,813
Unrestricted	(3,897,846)	(1,466,172)	(5,364,018)
Total Net Position	$ 14,891,022	$ 32,808,652	$ 47,699,674

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

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CITY OF SEAFORD, DELAWARE

Statement of Activities
For the Year Ended June 30, 2024

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		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	$ 564,140	$ 517,327	$ -	$ -	$ (46,813)	$ -	$ (46,813)
Code enforcement	376,265	349,553	-	-	(26,712)	-	(26,712)
Community pool	64,081	-	-	-	(64,081)	-	(64,081)
Executive	119,042	-	-	-	(119,042)	-	(119,042)
Fire department	415,752	-	-	-	(415,752)	-	(415,752)
Dispatch	375,060	-	-	-	(375,060)	-	(375,060)
Highways and streets	1,347,517	-	216,539	104,984	(1,025,994)	-	(1,025,994)
Parks department	898,482	-	-	-	(898,482)	-	(898,482)
Police department	5,817,994	261,360	1,389,721	35,000	(4,131,913)	-	(4,131,913)
Recreation	261,661	67,519	-	-	(194,142)	-	(194,142)
Economic development	601,154	20,724	-	-	(580,430)	-	(580,430)
Interest on long-term debt	131,335	-	-	-	(131,335)	-	(131,335)
Total governmental activities	10,972,483	1,216,483	1,606,260	139,984	(8,009,756)	-	(8,009,756)
BUSINESS-TYPE ACTIVITIES							
Electric	14,716,230	17,836,385	-	-	-	3,120,155	3,120,155
Sewer	2,945,143	4,277,122	1,157,794	387,884	-	2,877,657	2,877,657
Water	1,870,893	1,700,710	-	77,202	-	(92,981)	(92,981)
Golf	333,197	-	-	-	-	(333,197)	(333,197)
Total business-type activities	19,865,463	23,814,217	1,157,794	465,086	-	5,571,634	5,571,634
Total	$ 30,837,946	$ 25,030,700	$ 2,764,054	$ 605,070	(8,009,756)	5,571,634	(2,438,122)
GENERAL REVENUES							
Taxes							
Property taxes					2,772,359	-	2,772,359
Transfer taxes					597,187	-	597,187
Grants and contributions not restricted to specific programs					9,600	-	9,600
Unrestricted investment earnings					214,085	393,226	607,311
Miscellaneous					245,315	959,821	1,205,136
Gain/(loss) on sale of fixed asset					11,163	96,200	107,363
Transfers - net					3,920,000	(3,920,000)	-
Total general revenues, special items and transfers					7,769,709	(2,470,753)	5,298,956
Changes in net position					(240,047)	3,100,881	2,860,834
NET POSITION, BEGINNING OF YEAR					15,131,069	29,707,771	44,838,840
NET POSITION, END OF YEAR					$ 14,891,022	$ 32,808,652	$ 47,699,674

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

CITY OF SEAFORD, DELAWARE

Balance Sheet – Governmental Funds
As of June 30, 2024

		General Fund
Assets:		
Cash and cash equivalents	$	5,151,307
Accounts receivable (net of allowance for uncollectibles)		258,186
Inventories		17,449
Prepaid expenses		56,497
Notes receivable		11,002
Restricted cash		1,656,434
Total Assets		7,150,875
Liabilities:		
Accounts payable		270,284
Accrued expenses		627,352
Unearned revenue		3,204,748
Deposits		13,287
Total Liabilities		4,115,671
Deferred Inflows of Resources:		
Unavailable revenue		114,764
Fund Balances:		
Nonspendable		84,948
Restricted		1,656,434
Assigned		863,787
Unassigned		315,271
Total fund balances		2,920,440
Total Liabilities, Deferred Inflows and Fund Balances	$	7,150,875

Draft

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, 2024

Total fund balances, governmental funds	$	2,920,440
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.		17,896,096
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.		114,764
Certain deferred inflows and outflows related to net pension expenses as reported in the governmental activities statement, but not in the financial statement.		788,629
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.		(6,828,907)
Net position of governmental activities in the Statement of Net Position	$	14,891,022

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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, 2024

Draft

	General Fund
Revenues	
Taxes	$ 2,786,086
Transfer taxes	597,187
Intergovernmental revenues	1,746,244
Fines and forfeitures	63,351
Licenses, permits and fees	667,778
Interest and late charges	239,830
Community pool and recreation	58,322
Charges for services	382,199
Miscellaneous	274,003
Total revenues	6,815,000
Expenditures	
Administration	1,177,508
Code enforcement	358,606
Community pool	59,612
Executive	114,112
Fire department	281,440
Dispatch	356,720
Highways and streets	1,032,038
Parks department	696,083
Police department	5,237,514
Recreation	246,083
Economic development	551,874
Debt service	209,150
Capital outlay	1,283,539
Total Expenditures	11,604,279
Deficiency of revenues over expenditures	(4,789,279)
Other Financing Sources (Uses)	
Proceeds from sale of fixed asset	11,163
Operating transfers out	4,050,000
Operating transfers in	(130,000)
Proceeds from financed purchases	227,818
Total Other Financing Sources (Uses)	4,158,981
Net change in fund balance	(630,298)
Fund Balance, Beginning of Year	3,550,738
Fund Balance, End of Year	$ 2,920,440

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, 2024

Net change in fund balances, governmental funds	$	(630,298)
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 capital outlay of $1,726,802 exceeded depreciation expense of $1,209,100 in the current period.		517,702
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).		(99,680)
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.		(13,727)
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.		(14,044)
Change in net position of governmental activities	$	(240,047)

Draft

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

CITY OF SEAFORD, DELAWARE

Statement of Net Position – Proprietary Funds
As of June 30, 2024

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Assets:					
Current Assets					
Cash and cash equivalents	$ 3,793,500	$ 6,033,457	$ 1,239,805	$ 880,721	$ 11,947,483
Accounts receivable (net of allowance for uncollectibles)	2,237,822	603,015	207,078	-	3,047,915
Inventory	1,017,581	41,322	94,424	67,462	1,220,789
Prepaid expenses	14,774	16,145	5,631	872	37,422
Total current assets	7,063,677	6,693,939	1,546,938	949,055	16,253,609
Noncurrent assets					
Capital Assets					
Land, buildings, and improvements	5,483,070	18,763,379	1,474,254	873,757	26,594,460
Machinery and equipment	964,727	1,163,467	935,824	459,608	3,523,626
Transmission mains and extensions	10,075,717	13,901,195	11,607,696	-	35,584,608
Transportation	1,060,397	257,170	339,410	-	1,656,977
Construction in progress	89,851	4,449,925	247,227	-	4,787,003
Less accumulated depreciation	(12,424,467)	(22,566,233)	(7,702,226)	(198,180)	(42,891,106)
Total noncurrent assets	5,249,295	15,968,903	6,902,185	1,135,185	29,255,568
Total assets	12,312,972	22,662,842	8,449,123	2,084,240	45,509,177
Deferred Outflows of Resources:					
Deferred financing outflow - retirement	172,160	73,783	61,486	-	307,429
	172,160	73,783	61,486		307,429
Liabilities:					
Current Liabilities					
Accounts payable	1,174,256	87,034	41,855	22,246	1,325,391
Accrued interest	676	10,387	3,027	-	14,090
Accrued expense - other	51,775	14,885	9,759	-	76,419
Unearned revenue	-	1,840,092	-	-	1,840,092
Current portion of long-term debt	52,756	342,109	143,704	-	538,569
Deposits	1,235,016	10,918	1,092	-	1,247,026
Accrued compensated absences	71,419	38,391	29,181	-	138,991
Total current liabilities	2,585,898	2,343,816	228,618	22,246	5,180,578
Noncurrent liabilities					
Net OPEB liability	743,578	324,949	266,165	-	1,334,692
Net pension liability	1,517,722	650,452	542,043	-	2,710,217
Bonds, notes payable, and financed purchases	342,710	2,640,727	491,117	-	3,474,554
Total non-current liabilities	2,604,010	3,616,128	1,299,325	-	7,519,463
Total Liabilities	5,189,908	5,959,944	1,527,943	22,246	12,700,041
Deferred Inflow of Resources:					
Deferred financing inflow - OPEB	152,778	66,765	54,687	-	274,230
Deferred financing inflow - retirement	18,862	8,084	6,737	-	33,683
Total deferred inflow of resources	171,640	74,849	61,424	-	307,913
Net Position:					
Net investment in capital assets	4,853,829	12,986,067	6,267,364	1,135,185	25,242,445
Restricted	3,256,572	3,937,230	966,801	871,776	9,032,379
Unrestricted	(986,817)	(221,465)	(312,923)	55,033	(1,466,172)
Total Net Position	$ 7,123,584	$ 16,701,832	$ 6,921,242	$ 2,061,994	$ 32,808,652

Draft

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year Ended June 30, 2024

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Assets:					
Current Assets					
Cash and cash equivalents	$ 3,793,500	$ 6,033,457	$ 1,239,805	$ 880,721	$ 11,947,483
Accounts receivable (net of allowance for uncollectibles)	2,237,822	603,015	207,078	-	3,047,915
Inventory	1,017,581	41,322	94,424	67,462	1,220,789
Prepaid expenses	14,774	16,145	5,631	872	37,422
Total current assets	7,063,677	6,693,939	1,546,938	949,055	16,253,609
Noncurrent assets					
Capital Assets					
Land, buildings, and improvements	5,483,070	18,763,379	1,474,254	873,757	26,594,460
Machinery and equipment	964,727	1,163,467	935,824	459,608	3,523,626
Transmission mains and extensions	10,075,717	13,901,195	11,607,696	-	35,584,608
Transportation	1,060,397	257,170	339,410	-	1,656,977
Construction in progress	89,851	4,449,925	247,227	-	4,787,003
Less accumulated depreciation	(12,424,467)	(22,566,233)	(7,702,226)	(198,180)	(42,891,106)
Total noncurrent assets	5,249,295	15,968,903	6,902,185	1,135,185	29,255,568
Total assets	12,312,972	22,662,842	8,449,123	2,084,240	45,509,177
Deferred Outflows of Resources:					
Deferred financing outflow - retirement	172,160	73,783	61,486	-	307,429
	172,160	73,783	61,486		307,429
Liabilities:					
Current Liabilities					
Accounts payable	1,174,256	87,034	41,855	22,246	1,325,391
Accrued interest	676	10,387	3,027	-	14,090
Accrued expense - other	51,775	14,885	9,759	-	76,419
Unearned revenue	-	1,840,092	-	-	1,840,092
Current portion of long-term debt	52,756	342,109	143,704	-	538,569
Deposits	1,235,016	10,918	1,092	-	1,247,026
Accrued compensated absences	71,419	38,391	29,181	-	138,991
Total current liabilities	2,585,898	2,343,816	228,618	22,246	5,180,578
Noncurrent liabilities					
Net OPEB liability	743,578	324,949	266,165	-	1,334,692
Net pension liability	1,517,722	650,452	542,043	-	2,710,217
Bonds, notes payable, and financed purchases	342,710	2,640,727	491,117	-	3,474,554
Total non-current liabilities	2,604,010	3,616,128	1,299,325	-	7,519,463
Total Liabilities	5,189,908	5,959,944	1,527,943	22,246	12,700,041
Deferred Inflow of Resources:					
Deferred financing inflow - OPEB	152,778	66,765	54,687	-	274,230
Deferred financing inflow - retirement	18,862	8,084	6,737	-	33,683
Total deferred inflow of resources	171,640	74,849	61,424	-	307,913
Net Position:					
Net investment in capital assets	4,853,829	12,986,067	6,267,364	1,135,185	25,242,445
Restricted	3,256,572	3,937,230	966,801	871,776	9,032,379
Unrestricted	(986,817)	(221,465)	(312,923)	55,033	(1,466,172)
Total Net Position	$ 7,123,584	$ 16,701,832	$ 6,921,242	$ 2,061,994	$ 32,808,652

Draft

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, 2024

	Electric Fund	Sewer Fund	Water Fund	Golf Fund	Total
Cash Flows from Operating Activities					
Receipts from customers	$ 17,239,312	$ 5,211,861	$ 1,675,521	$ -	$ 24,126,694
Other receipts	218,337	95,830	110,547	535,107	959,821
Payments to suppliers	(12,724,933)	(2,589,551)	(1,021,131)	(224,436)	(16,560,051)
Payments to employees	(1,381,668)	(753,216)	(509,420)	-	(2,644,304)
Net cash from operating activities	3,351,048	1,964,924	255,517	310,671	5,882,160
Cash Flows from Noncapital Financing Activities					
Operating transfers in (out)	(2,500,000)	(1,400,000)	(150,000)	130,000	(3,920,000)
Net cash from noncapital financing activities	(2,500,000)	(1,400,000)	(150,000)	130,000	(3,920,000)
Cash Flows from Capital and Related Financing Activities					
Payments for capital acquisitions	(458,134)	(1,798,423)	(97,959)	(387,989)	(2,742,505)
Contributions	-	387,884	77,202	-	465,086
Proceeds from sale of assets	-	42,500	-	53,700	96,200
Proceeds from new loan	-	-	-	-	-
Principal paid on long-term debt	(88,226)	(133,155)	(140,062)	-	(361,443)
Interest paid on long-term debt	(36,586)	(71,038)	(21,739)	-	(129,363)
Net cash provided from capital and related financing activities	(582,946)	(1,572,232)	(182,558)	(334,289)	(2,672,025)
Cash Flows from Investing Activities					
Interest income	133,728	198,978	38,585	21,935	393,226
Net increase in cash	401,830	(808,330)	(38,456)	128,317	(316,639)
Cash and Cash Equivalents, Beginning of Year	3,391,670	6,841,787	1,278,261	752,404	12,264,122
Cash and Cash Equivalents, End of Year	$ 3,793,500	$ 6,033,457	$ 1,239,805	$ 880,721	$ 11,947,483
Reconciliation of Operating Income (loss) to Net Cash Flows from Operating Activities					
Operating income (loss)	$ 3,375,076	$ 2,656,641	$ (37,897)	$ 201,910	$ 6,195,730
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	405,469	777,293	353,837	32,839	1,569,438
Loss on disposal of fixed asset	-	-	-	83,900	83,900
Deferred financing outflows - retirement and OPEB	66,647	28,563	23,802	-	119,012
Deferred financing inflows - retirement and OPEB	25,475	11,198	9,604	-	46,277
(Increase) decrease in assets					
Accounts receivable	(597,073)	(223,055)	(25,189)	-	(845,317)
Prepaid expenses	(155,091)	(7,010)	14,724	(3,589)	(150,966)
Inventory	(2,390)	(2,499)	(1,094)	(106)	(6,089)
(Increase) decrease in liabilities					
Accounts payable	251,259	(82,474)	(57,296)	(4,283)	107,206
Accrued interest	(91)	(1,426)	(399)	-	(1,916)
Accrued expenses- other	10,004	2,762	1,454	-	14,220
Unearned revenue	-	(1,157,795)	-	-	(1,157,795)
Net OPEB liability	18,642	9,255	9,149	-	37,046
Deposits	56,251	(1,347)	(528)	-	54,376
Accrued compensated absences	10,505	3,519	5,934	-	19,958
Net pension liability	(113,635)	(48,701)	(40,584)	-	(202,920)
Net cash provided (used) by operating activities	$ 3,351,048	$ 1,964,924	$ 255,517	$ 310,671	$ 5,882,160

Draft

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, 2024

ASSETS		
Cash and cash equivalents	$	632,784
Mutual funds:		
Fixed income		
Taxable		437,179
Closed-end		4,429,922
Total fixed income		4,867,101
Equities		
Domestic equity		72,779
Closed-end equity		6,772,951
International closed-end		2,921,451
Total equity		9,767,181
Total mutual fund		14,634,282
Interest receivable		2,449
TOTAL ASSETS		15,269,515
NET POSITION RESTRICTED FOR PENSION BENEFITS	$	15,269,515

Draft

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, 2024

ADDITIONS		
Contributions:		
Employer	$	697,724
Plan members - required contribution		291,902
Other		528,592
Total contributions		1,518,218
Investment income:		
Net increase in fair value of investments		1,344,212
Interest and dividends		372,255
Total investment income		1,716,467
Total additions		3,234,685
DEDUCTIONS		
Benefits		1,454,676
Administrative		78,125
Total deductions		1,532,801
Changes in net position		1,701,884
Net Position, Beginning of Year		13,567,631
Net Position, End of Year	$	15,269,515

Draft

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.

Deferred Inflows of Resources

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.

Deferred Outflows of Resources

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.

Pension Plans

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.

Reporting Entity

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.

Basis of Presentation

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.

Draft

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (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.

Draft

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.

Draft

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 $640,811 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, 2024, the allowance account in the General Fund was $324,505 and the Electric Fund was $74,548.

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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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Pronouncements

The GASB has issued Statement No. 101, Compensated Absences, 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, 2024, the carrying amount of the City's cash deposits was $18,755,225, and the bank balance was $18,984,933. Of the bank balance, $750,000 was covered by federal depository insurance, $17,767,678, was collateralized by a tri-party collateral agreement with the Bank of New York Mellon, and M&T Bank with $67,678 in securities but not in the City's name and a $17,700,00 letter of credit. The total uncollateralized bank balance was $467,255.

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, 2024, and consisted of the following:

Money market funds	$ 632,784
Mutual Funds	
Fixed Income	
Taxable	437,179
Closed-end	4,429,922
Equity	
Domestic equity	72,779
Close-end equity	6,772,951
International closed-end	2,921,451
Total Market Value	$ 15,267,066

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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, 2024:

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	**6/30/2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$ 632,784	$ 632,784	$ -	$ -
Mutual Funds				
Fixed Income				
Taxable	437,179	437,179	-	-
Closed-end	4,429,922	4,429,922	-	-
Equity				
Domestic equity	72,779	72,779	-	-
Close-end equity	6,772,951	6,772,951	-	-
International closed-end	2,921,451	2,921,451	-	-
Total Investments	$ 15,267,066	$ 15,267,066	$ -	$ -

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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, 2024 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	551,106	615,759	(700,968)	465,897
Total capital assets, not being depreciated	2,919,213	615,759	(700,968)	2,834,004
Capital assets, being depreciated				
Land improvements	5,214,205	-	-	5,214,205
Infrastructure	12,801,942	823,358	-	13,625,300
Buildings and improvements	11,166,970	258,332	(59,829)	11,365,473
Machinery and equipment	4,213,840	259,646	(407)	4,473,079
Transportation equipment	1,983,404	470,675	(83,784)	2,370,295
Total capital assets, being depreciated	35,380,361	1,812,011	(144,020)	37,048,352
Less accumulated depreciation for:				
Land improvements	2,705,621	176,316	-	2,881,937
Infrastructure	8,137,936	258,943	-	8,396,879
Buildings and improvements	5,094,518	387,430	(59,829)	5,422,119
Machinery and equipment	3,410,704	210,858	(407)	3,621,155
Transportation equipment	1,572,401	175,553	(83,784)	1,664,170
Total accumulated depreciation	20,921,180	1,209,100	(144,020)	21,986,260
Capital Assets, net	$ 17,378,394	$ 1,218,670	$ (700,968)	$ 17,896,096

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4. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Electric:				
Capital assets, not being depreciated				
Land	$ 342,659	$ -	$ -	$ 342,659
Construction in progress	202,273	219,613	(332,037)	89,849
Total capital assets, not being depreciated	544,932	219,613	(332,037)	432,508
Capital assets, being depreciated				
Buildings and improvements	5,116,711	23,700	-	5,140,411
Machinery and equipment	925,265	39,462	-	964,727
Distribution system	9,639,471	436,247	-	10,075,718
Transportation equipment	989,249	71,149	-	1,060,398
Total capital assets, being depreciated	16,670,696	570,558	-	17,241,254
Less accumulated depreciation for:				
Buildings and improvements	3,713,154	79,630	-	3,792,784
Machinery and equipment	547,299	43,335	-	590,634
Distribution system	6,857,345	227,008	-	7,084,353
Transportation equipment	901,201	55,496	-	956,697
Total accumulated depreciation	12,018,999	405,469	-	12,424,468
Electric activities, capital assets, net	$ 5,196,629	$ 384,702	$ (332,037)	$ 5,249,295

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer:				
Capital assets, not being depreciated				
Construction in progress	$ 2,974,874	$ 1,475,051	$ -	$ 4,449,925
Total capital assets, not being depreciated	2,974,874	1,475,051	-	4,449,925
Capital assets, being depreciated				
Buildings and improvements	18,763,380	-		18,763,380
Machinery and equipment	1,202,658	80,297	(119,490)	1,163,465
Transmissions	13,901,193	-	-	13,901,193
Transportation equipment	14,095	243,075	-	257,170
Total capital assets, being depreciated	33,881,326	323,372	(119,490)	34,085,208
Less accumulated depreciation for:				
Buildings and improvements	11,802,642	327,975	-	12,130,617
Machinery and equipment	1,768,288	38,060	(119,490)	1,686,858
Transmissions	8,231,593	407,511	-	8,639,104
Transportation equipment	105,905	3,747	-	109,652
Total accumulated depreciation	21,908,428	777,293	(119,490)	22,566,231
Sewer activities, capital assets, net	$ 14,947,772	$ 1,021,130	$ -	$ 15,968,903

Draft

4. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
Capital assets, not being depreciated				
Land	$ 8,750	$ -	$ -	$ 8,750
Construction in progress	208,923	38,304	-	247,227
Total capital assets, not being depreciated	217,673	38,304	-	255,977
Capital assets, being depreciated				
Buildings and improvements	1,465,504	-	-	1,465,504
Machinery and equipment	897,462	59,656	(21,294)	935,824
Transmissions	11,607,698	-	-	11,607,698
Transportation equipment	339,410	-	-	339,410
Total capital assets, being depreciated	14,310,074	59,656	(21,294)	14,348,436
Less accumulated depreciation for:				
Buildings and improvements	1,179,393	19,951	-	1,199,344
Machinery and equipment	1,174,251	43,913	(21,294)	1,196,870
Transmissions	4,706,898	289,973	-	4,996,871
Transportation equipment	309,142	-	-	309,142
Total accumulated depreciation	7,369,684	353,837	(21,294)	7,702,227
Water activities, capital assets, net	$ 7,158,063	$ (255,877)	$ -	$ 6,902,185

	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	261,531	5,864	-	267,395
Machinery and equipment	276,059	382,126	(198,576)	459,609
Total capital assets, being depreciated	537,590	387,990	(198,576)	727,004
Less accumulated depreciation for:				
Buildings and improvements	127,325	11,924	-	139,249
Machinery and equipment	152,693	20,915	(114,676)	58,932
Total accumulated depreciation	280,018	32,839	(114,676)	198,181
Golf activities, capital assets, net	$ 863,935	$ 355,151	$ (83,900)	$ 1,135,185
Business-type activities, capital assets, net	$ 28,166,399	$ 1,505,106	$ (415,937)	$ 29,255,568

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4. CAPITAL ASSETS (continued)

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

Administration	$	93,059
Code enforcement		10,415
Community pool		4,519
Executive		5,055
Fire department		134,571
Dispatch		3,228
Highways and streets		308,618
Parks department		194,266
Police department		395,387
Recreation		13,884
Information technology		32,695
Economic development		13,403
Total	$	1,209,100

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	$	2,500,000
Sewer to General		1,400,000
Water to General		150,000
General to Golf		130,000

6. LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Governmental Activities					
Notes payable	$ 532,920	$ -	$ (77,923)	$ 454,997	$ 79,703
Financed purchases	216,698	227,818	(135,851)	308,665	86,338
Total Governmental Activities	$ 749,618	$ 227,818	$ (213,774)	$ 763,662	$ 166,041

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6. LONG-TERM DEBT (continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due in One Year
Business-type Activities					
Sewer					
General obligation bonds	$ 3,022,347	$ 210,725	$ (292,225)	$ 2,940,847	$ 300,120
Notes payable	93,644	-	(51,655)	41,989	41,989
	3,115,991	210,725	(343,880)	2,982,836	342,109
Water					
General obligation bonds	634,875	-	(70,724)	564,151	73,034
Notes payable	140,008	-	(69,338)	70,670	70,670
	774,883	-	(140,062)	634,821	143,704
Electric					
Notes payable	483,692	-	(88,226)	395,466	52,756
Total Business-type Activities	$ 4,374,566	$ 210,725	$ (572,168)	$ 4,013,123	$ 538,569
Total Governmental and Business-type Activities	$ 5,124,184	$ 438,543	$ (785,942)	$ 4,776,785	$ 704,610

<u>Governmental Activities</u>

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.	$ 20,720
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.	434,277
	$ 454,997

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6. LONG-TERM DEBT (continued)

<u>Business-type Activities</u>
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.	$ 569,950	$ -	$ 569,950
$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.	-	564,151	564,151
$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.	1,274,751	-	1,274,751
$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.	820,933	-	820,933
$64,448 – Waste Water Treatment Facility loan. Requires repayment once the project is completed of principal and interest at 0%.	275,213	-	275,213
Total	$ 2,940,847	$ 564,151	$ 3,504,998

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6. LONG-TERM DEBT (continued)

Business-type Activities
Notes payable consist of the following:

	Electric	Sewer	Water	Total
Note payable, M&T Bank. Payable in monthly installments of principal and interest of $3,766.95. Interest rate is 3.689%. Matures in April, 2024.	$ -	$ -	$ -	$ -
Note payable, Fulton Bank. Payable in monthly installments of principal and interest of $3,869.03. Interest rate is 2.99%. Matures in May, 2025.	-	41,989	-	41,989
Note payable, Community Bank Delaware. Payable in monthly installments of principal and interest of $5,956.21. Interest rate is 1.95%. Matures in June, 2025.	-	-	70,670	70,670
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.	395,466	-	-	395,466
Total	$ 395,466	$ 41,989	$ 70,670	$ 508,125

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Debt Service Requirements

Debt service requirements on long-term debt as of June 30, 2024 were as follows:

	Governmental Activities	
	Notes	
Years Ending June 30	Principal	Interest
2025	$ 166,041	$ 32,179
2026	162,909	29,976
2027	133,458	24,430
2028	130,359	20,984
2029	95,197	9,611
2030 and thereafter	75,698	1,156
	$ 763,662	$ 118,336

6. LONG-TERM DEBT (continued)

Debt Service Requirements (continued)

	Business-Type Activities			
	General Obligation Bonds		Notes	
Years Ending June 30	Principal	Interest	Principal	Interest
2025	$ 373,154	$ 80,223	$ 165,415	$ 11,169
2026	383,674	69,703	54,144	8,381
2027	394,520	58,857	55,569	6,956
2028	470,191	47,674	57,016	5,508
2029	627,958	36,144	58,531	3,994
2029-2033	1,046,787	68,189	117,450	3,327
2034-2037	208,714	7,365	-	-
	$ 3,504,998	$ 368,155	$ 508,125	$ 39,335

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.

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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. 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, 2024:

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

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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, 2024, net of pension plan investment expense was 12.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The changes in net pension liability as of June 30, 2024 are as follows:

Total pension liability		
Changes for the year:		
Service cost	$	295,263
Interest cost		1,244,924
Changes of benefit terms		-
Differences between expected and actual experience		385,952
Changes of assumptions		-
Benefit payments		(923,321)
Net changes		1,002,818
Total pension liability-beginning		17,951,031
Total pension liability-ending (a)		18,953,849
Plan fiduciary net pension		
Contributions-city		697,724
Contributions-member		179,325
Net investment income		1,476,029
Benefit payments, including refunds of employee contributions		(923,321)
Administrative expense		(21,099)
Net change in plan fiduciary net position		1,408,658
Plan fiduciary net position-beginning		12,124,758
Plan fiduciary net position-ending (b)		13,533,416
Plan's net pension liability- ending (a)-(b)	$	5,420,433

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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

For the year ended June 30, 2024, the City recognized pension expense of $597,725. As of June 30, 2024, 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	$ 487,668	$ -
Projected and actual investment return differences		67,365
Changes of assumptions	127,189	-
	$ 614,857	$ 67,365

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	$ 52,114.0
2026	480,415
2027	(44,385)
2028	(7,979)
2029	67,327
Total	$ 547,492

Changes in net pension liability for the year ended June 30, 2024, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Net Pension Liability	$ 5,826,273	$ 1,947,238	$ 2,353,078	$ 5,420,433

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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, 2024 were as follows:

Total pension liability	$ 18,953,849
Plan fiduciary net position	15,269,515
Less employee voluntary accounts	1,736,099
Adjusted plan fiduciary net position	13,533,416
Net pension liability	$ 5,420,433
Plan fiduciary net position adjusted as a percentage of the total pension liability	71.40%

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, 2024. 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 12.05%, 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, 2024 are summarized in the following table (note that the rates shown below include the inflation component):

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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	7.67%
International equity	9.86%
Fixed income	4.49%
Commodities	6.19%
Cash	3.00%

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	$ 7,943,720	$ 5,420,433	$ 3,312,241

Membership in the General Plan is comprised of the following for the plan year beginning July 1, 2023:

Active eligible	53
Terminated with vested rights	16
Retired	51
Total number of participants	120

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, 2022. 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.

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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 12.74% and 11.34% of earnings for fiscal years 2024 and 2023.

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7. RETIREMENT AND PENSION PLANS (continued)

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

Contributions (continued)

Member

7% of compensation

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

As of June 30, 2024, the City reported a liability of $256,033 for its proportionate share of the net pension liability. The net pension was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, and update procedures were used to roll forward the total pension liability to June 30, 2023. The City's proportion of the net pension liability was based on the percentage of actual employee contributions. As of June 30, 2023, the City's proportion was 1.7810%, which was a decrease of 0.0015 from its proportion measured as of June 30, 2023.

Changes in net pension liability for the year ended June 30, 2024, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Net Pension Liability	$ (203,434)	$ -	$ (459,467)	$ 256,033

For the year ended June 30, 2024, the City recognized pension expense of $305,049 .

As of June 30, 2024, 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	$ 71,996	$ 49,718
Differences between expected and actual experience	470,119	60,229
Changes of assumptions	50,528	125,588
Projected and actual plan investment earnings difference	503,743	-
Contributions subsequent to measurement date	290,762	-
	$ 1,387,148	$ 235,535

7. RETIREMENT AND PENSION PLANS (continued)

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

The City's contribution subsequent to the measurement date of $290,762, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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	$	(22,854)
2026		(64,667)
2027		(580,976)
2028		(97,338)
2029		(23,146)
Thereafter		(71,870)
Total	$	(860,851)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, and update procedures were used to roll forward the total pension liability to June 30, 2023. 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.

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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)

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.

Asset Class	Long-Term Expected Rate of Return	Asset Allocation
Domestic equity	5.7%	33.8%
International equity	5.7%	15.9%
Fixed income	2.0%	25.2%
Alternative investments	7.8%	19.3%
Cash and equivalents	0.0%	5.8%

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
$ 1,820,912	$ 256,033	$ (1,023,843)

7. RETIREMENT AND PENSION PLANS (continued)

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

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, 2024:

Active eligible	82
Retired	37
Total number of participants	119

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:

luation date	June 30, 2023
tuarial cost method	Entry age normal
tuarial assumptions:	
Discount rate	4.21%
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.

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. 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.

The changes in the City's net OPEB liability as of June 30, 2024, are as follows:

	Total OPEB Liability
Balance as of 6/30/2023	$ 4,316,647
Changes for the year:	
Service cost	129,769
Interest	182,899
Differences between expected and actual experience	(97,320)
Changes of assumptions	(62,226)
Benefit payments	(36,082)
Net changes	117,040
Balance as of 6/30/2024	$ 4,433,687

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	$ 5,309,174	$ 4,433,687	$ 3,750,273

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	$ 4,026,368	$ 4,433,687	$ 4,971,626

As of June 30, 2024, the City's OPEB expense was $193,742 .

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8. OTHER POST-EMPLOYMENT BENEFITS (continued)

As of June 30, 2024, 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	$ -	$ 146,641
Changes in assumptions or other inputs	-	764,319
	$ -	$ 910,960

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	
2025	(118,926)
2026	(118,926)
2027	(123,103)
2028	(133,166)
Thereafter	(416,839)
Total	$ (910,960)

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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, 2023, DEMEC’s total bonded debt was $30,095,000.

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.

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

In May 2019, DEMEC purchased additional capacity for a total of 17% from AMP Fremont 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.

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 $75,000 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 $110,678 as of June 30, 2024.

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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, 2024, the City is not aware of any repayment requests.

In January 2018, the Council approved an agreement with Adkins Management Company for the City operation of the golf course for the period July 1, 2018, to June 30, 2021.

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, 2024, the agreement is an operating lease in which both parties will share revenue and expenses on an agreed-upon basis.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SEAFORD, DELAWARE

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 2,808,821	$ 2,808,821	$ 2,786,086	$ (22,735)
Transfer taxes	710,000	710,000	597,187	(112,813)
Intergovernmental revenues	1,797,899	1,797,899	1,746,244	(51,655)
Fines and forfeitures	60,000	60,000	63,351	3,351
Licenses, permits and fees	578,410	578,410	667,778	89,368
Interest and late charges	50,760	50,760	239,830	189,070
Community pool and recreation	45,200	45,200	58,322	13,122
Charges for services	366,817	366,817	382,199	15,382
Miscellaneous	29,000	29,000	274,003	245,003
Total revenues	6,446,907	6,446,907	6,815,000	368,093
Expenditures				
Administration	1,145,333	1,145,333	1,177,508	(32,175)
Code enforcement	364,741	364,741	358,606	6,135
Community pool	57,421	57,421	59,612	(2,191)
Executive	118,319	118,319	114,112	4,207
Fire department	380,969	380,969	281,440	99,529
Dispatch	382,091	382,091	356,720	25,371
Highways and streets	658,613	658,613	1,032,038	(373,425)
Parks department	625,935	625,935	696,083	(70,148)
Police department	5,012,462	5,012,462	5,237,514	(225,052)
Recreation	255,032	255,032	246,083	8,949
Economic development	563,554	563,554	551,874	11,680
Debt Service	269,252	269,252	209,150	60,102
Capital Outlay	2,354,026	2,354,026	1,283,539	1,070,487
Total Expenditures	12,187,748	12,187,748	11,604,279	583,469
Deficiency of revenues under expenditures	(5,740,841)	(5,740,841)	(4,789,279)	(951,562)
Other Financing Sources (uses)				
Operating transfers	4,249,721	4,249,721	(130,000)	(4,379,721)
Operating transfers out	-	-	4,050,000	4,050,000
Proceeds from financed purchases	-	-	227,818	-
Proceeds from sale of asset	195,000	195,000	11,163	(183,837)
Total other financing sources (uses)	4,249,721	4,249,721	4,158,981	(329,721)
Net change in fund balance	$(1,491,120)	$(1,491,120)	$ (630,298)	$ 860,822

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CITY OF SEAFORD, DELAWARE

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

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service Cost	$ 129,769	$ 117,666	$ 218,399	$ 205,163	$ 161,943	$ 145,544
Interest	182,899	161,422	119,645	129,712	126,510	124,272
Differences between expected and actual experience	(97,320)	277,392	(48,874)	(187,801)	(218,399)	(40,737)
Changes of assumptions	(62,226)	(50,129)	(1,695,871)	485,702	265,704	154,825
Benefit payments	(36,082)	(37,187)	(31,259)	(36,894)	(37,047)	(35,158)
Net change in total OPEB liability	117,040	469,164	(1,437,960)	595,882	298,711	348,746
Total OPEB liability-beginning	4,316,647	3,847,483	5,285,443	4,689,561	4,390,850	4,042,104
Total OPEB liability-ending	$ 4,433,687	$ 4,316,647	$ 3,847,483	$ 5,285,443	$ 4,689,561	$ 4,390,850
Covered-employee payroll	$ 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	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.

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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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	$ 295,263	$ 285,687	$ 285,240	$ 267,841	$ 275,144	$ 266,902	$ 109,341	$ 147,185	$ 173,495	$ 200,070
Interest	1,244,924	1,162,065	1,114,648	1,070,334	1,016,385	983,697	981,669	940,901	910,611	867,976
Changes in benefit terms	-	284,783	-	-	-	-	-	-	-	-
Differences between expected and actual experience	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	(923,321)	(837,010)	(782,683)	(712,819)	(637,374)	(676,123)	(622,465)	(579,617)	(636,820)	(865,589)
Net change in total pension liability	1,002,818	1,217,281	704,107	650,592	815,718	439,365	(101,762)	641,659	430,424	202,457
Total pension liability-beginning	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	12,951,190
Total pension liability-ending (a)	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
Plan fiduciary net pension										
Contributions-city	697,724	556,499	561,295	507,072	502,420	504,922	497,557	505,651	573,638	656,520
Contributions-member	179,325	177,568	127,546	123,135	139,442	135,994	140,251	122,873	70,822	26,332
Net investment income	1,476,029	1,035,058	(1,587,279)	2,745,808	261,552	571,060	761,228	854,607	204,078	157,277
Other	-	-	-	-	-	-	-	-	-	276,742
Benefit payments, including refunds of employee contributions	(923,321)	(837,010)	(782,683)	(712,819)	(637,374)	(676,123)	(622,465)	(579,617)	(636,820)	(865,589)
Administrative expense	(21,099)	(21,404)	(25,004)	(20,378)	(25,300)	(113,440)	(105,690)	(96,905)	(106,541)	(117,450)
Net change in plan fiduciary net position	1,408,658	910,711	(1,706,125)	2,642,818	240,740	422,413	670,881	806,609	105,177	133,832
Plan fiduciary net position-beginning	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	7,897,702
Plan fiduciary net position-ending (b)	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's net pension liability- ending (a)-(b)	$ 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	$ 5,122,113
Plan fiduciary net position as a percentage of the total pension liability	71.40%	67.54%	67.01%	80.60%	66.83%	68.92%	68.07%	62.87%	59.90%	60.04%
Covered-employee payroll	$ 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	$ 2,727,062
Net pension liability as a percentage of covered-employee payroll	153.99%	189.42%	181.39%	111.61%	191.74%	161.23%	157.72%	184.66%	192.22%	187.83%

Notes to Schedule

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

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CITY OF SEAFORD, DELAWARE

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 537,940	$ 473,553	$ 470,799	$ 489,285	$ 462,675	$ 455,580	$ 484,922	$ 506,038	$ 614,147	$ 656,520
Contributions in relation to the actuarially determined contribution	697,724	556,499	561,295	507,072	502,420	504,922	497,557	505,651	625,036	656,520
Contribution deficiency (excess)	$ (159,784)	$ (82,946)	$ (90,496)	$ (17,787)	$ (39,745)	$ (49,342)	$ (12,635)	$ 387	$ (10,889)	$ -
Covered-employee payroll	$ 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	$ 2,727,062
Contributions as a percentage of covered- employee payroll	19.82%	18.09%	20.15%	19.06%	17.89%	17.66%	17.39%	17.84%	22.06%	24.07%

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 MP-2021 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 for calculating and retaining their current benefits. 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 pursuar of Internal Revenue Code Section 414(h)(2) and 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.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	12.05%	9.75%	-13.00%	26.56%	2.00%	4.70%	6.79%	10.66%	-0.33%	0.42%

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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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.7810%	1.9349%	1.8283%	1.8657%	1.8563%	1.9363%	1.8423%	2.0352%	2.4509%	2.3715%
City's proportionate share of the net pension liability (asset)	$ 256,033	$ (203,434)	$ (2,515,870)	$ 286,726	$ 533,178	$ 445,931	$ 185,726	$ 323,502	$ (129,171)	$ (256,525)
City's covered employee payroll	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	1,549,414
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	7.27%	-6.61%	-82.68%	10.29%	20.04%	15.88%	6.50%	11.31%	-8.04%	-16.56%
Plan fiduciary net position as a percentage of the total pension liability	-97.58%	101.95%	128.19%	96.67%	93.25%	94.10%	97.00%	94.70%	94.70%	151.20%

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

Draft

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 290,762	$ 259,606	$ 248,919	$ 218,099	$ 206,091	$ 194,255	$ 197,713	$ 208,434	$ 222,572	$ 229,526
Contribution in relation to the contractually required contribution	290,762	259,606	248,919	218,099	206,091	194,255	197,713	208,434	222,572	229,526
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered employee payroll	$ 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	$ 1,549,414
Contribution as a percentage of covered employee payroll	8.26%	8.44%	8.18%	7.83%	7.75%	6.92%	6.91%	7.29%	13.85%	14.81%

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

Draft

SUPPLEMENTARY INFORMATION

Draft

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENDITURES - GENERAL FUND
For the Years Ended June 30, 2024 and 2023

	2024	2023
Revenues		
Taxes	$ 2,786,086	$ 2,740,342
Transfer taxes	597,187	1,509,262
Intergovernmental revenues	1,746,244	3,293,490
Fines and forfeitures	63,351	60,049
Licenses, permits and fees	667,778	519,690
Interest and late charges	239,830	86,375
Community pool and recreation	58,322	46,933
Charges for services	382,199	371,992
Miscellaneous	274,003	120,851
Total revenues	6,815,000	8,748,984
Expenditures		
Administration	1,177,508	1,175,715
Code enforcement	358,606	339,987
Community pool	59,612	87,206
Executive	114,112	108,319
Fire department	281,440	274,166
Dispatch	356,720	370,337
Highways and streets	1,032,038	621,812
Parks department	696,083	563,587
Police department	5,237,514	4,477,850
Recreation	246,083	228,809
Economic development	551,874	5,551,922
Debt Service	209,150	181,080
Capital outlay	1,283,539	1,182,360
Total Expenditures	11,604,279	15,163,150
Deficiency of revenues under expenditures	(4,789,279)	(6,414,166)
Other Financing Sources		
Operating transfers, net	3,920,000	4,100,000
Proceeds from financed purchases	227,818	125,948
Gain on disposal of fixed assets	11,163	3,530
Total other financing sources	4,158,981	4,229,478
Net change in fund balance	$ (630,298)	$ (2,184,688)

Draft

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - ELECTRIC FUND
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services	$ 17,836,385	$ 16,407,310
Miscellaneous	218,337	127,951
Total operating revenues	18,054,722	16,535,261
Operating Expenses		
Purchased power	11,601,400	10,584,855
Payroll and other costs	1,307,184	1,404,990
Utilities	43,288	39,992
Repairs and maintenance	192,128	126,260
Insurance	374,094	405,751
Other supplies and expenses	756,083	268,154
Depreciation and amortization	405,469	357,254
Total operating expenses	14,679,646	13,187,256
Operating income	3,375,076	3,348,005
Nonoperating Revenues (Expenses)		
Interest revenue	133,728	40,251
Interest expense	(36,584)	(23,332)
Loss on disposal of fixed asset	-	-
Transfers out	(2,500,000)	(2,500,000)
Net nonoperating revenues (expenses)	(2,402,856)	(2,483,081)
Change in net position	$ 972,220	$ 864,924

Draft

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - SEWER FUND
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services	$ 4,255,972	$ 3,534,172
Tap fees	21,150	12,000
Miscellaneous	95,830	1,391,147
Total operating revenues	4,372,952	4,937,319
Operating Expenses		
Payroll and other costs	720,051	690,311
Utilities	216,149	184,679
Repairs and maintenance	176,757	251,028
Insurance	325,951	303,939
Other supplies and expenses	657,904	644,660
Depreciation and amortization	777,293	786,477
Total operating expenses	2,874,105	2,861,094
Operating income	1,498,847	2,076,225
Nonoperating Revenues (Expenses)		
Interest revenue	198,978	74,779
Interest expense	(71,038)	(80,072)
Gain on disposal of fixed asset	(42,500)	-
Transfers out	(1,400,000)	(1,000,000)
Capital contribution	387,884	123,294
Net nonoperating revenues (expenses)	(926,676)	(881,999)
Change in net position	$ 572,171	$ 1,194,226

Draft

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - WATER FUND
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Charges for services	$ 1,686,535	$ 1,488,449
Tap fees	14,175	9,475
Miscellaneous	110,547	102,320
Total operating revenues	1,811,257	1,600,244
Operating Expenses		
Payroll and other costs	485,373	454,016
Utilities	92,168	84,228
Repairs and maintenance	393,472	186,231
Insurance	199,027	199,055
Other supplies and expenses	325,277	269,852
Depreciation and amortization	353,837	341,984
Total operating expenses	1,849,154	1,535,366
Operating income	(37,897)	64,878
Nonoperating Revenues (Expenses)		
Interest revenue	38,585	11,734
Interest expense	(21,739)	(25,340)
Transfers out	(150,000)	(1,000,000)
Capital contribution	77,202	25,500
Net nonoperating revenues (expenses)	(55,952)	(988,106)
Change in net position	$ (93,849)	$ (923,228)

Draft

CITY OF SEAFORD, DELAWARE

SCHEDULES OF REVENUES AND EXPENSES - GOLF FUND
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Miscellaneous	$ 535,107	$ 290,501
Total operating revenues	535,107	290,501
Operating Expenses		
Repairs and maintenance	38,971	50,213
Insurance	10,069	8,998
Contracts	151,704	151,704
Other supplies and expenses	99,614	86,921
Depreciation and amortization	32,839	34,006
Total operating expenses	333,197	331,842
Operating loss	201,910	(41,341)
Nonoperating Revenues (Expenses)		
Interest revenue	21,935	9,907
Gain on disposal of fixed asset	53,700	-
Transfers in	130,000	400,000
Net nonoperating revenues (expenses)	205,635	409,907
Change in net position	$ 407,545	$ 368,566

Draft

SCHEDULES OF DEBT SERVICE - ENTERPRISE FUNDS
As of June 30, 2024

	2025	2026	2027	2028	2029	Thereafter
GENERAL OBLIGATION BONDS						
Principal Payments Due						
$1,620,000 SRF Series Bonds	$ 105,211	$ 109,428	$ 113,814	$ 118,376	$ 123,121	$ -
$2,579,004 SRF Loan Series 2011	139,023	141,817	144,668	147,575	150,542	551,126
$2,729,408 SRF Series Bonds	73,034	75,419	77,882	80,427	83,054	174,335
$1,158,300 Solar Array	55,886	57,009	58,155	59,234	60,517	530,132
Waste Water Treatment Facility Loan	-	-	-	64,488	210,725	-
Total principal payments	373,154	383,673	394,519	470,100	627,959	1,255,593
Interest Payments Due						
$1,620,000 General Obligation Bonds	21,588	17,370	12,984	8,421	3,677	-
$2,579,004 SRF Loan Series 2011	24,803	22,009	19,158	16,250	13,284	22,264
$2,729,408 SRF Series Bonds	17,692	15,306	12,842	10,298	7,672	7,117
Solar Array	16,141	15,017	13,871	12,702	11,510	46,179
Waste Water Treatment Facility Loan	-	-	-	-	-	-
Total interest payments due	80,224	69,702	58,855	47,671	36,143	75,560
Total debt service requirements—general obligation bonds	453,388	453,375	453,374	517,771	664,102	1,331,153
NOTES PAYABLE						
Principal Payments Due						
Fulton Bank - Sewer Extension	41,989	-	-	-	-	-
Bank of Delmarva - Utility building Extension	52,756	54,144	55,569	57,016	58,531	117,450
Community Bank Delaware- Water Tower	70,670	-	-	-	-	-
Total principal payments	165,391	54,144	55,569	57,016	58,531	117,450
Interest Payments Due						
Fulton Bank - Sewer Extension	639	-	-	-	-	-
Bank of Delmarva - Utility building Extension	9,769	8,381	6,956	5,508	3,994	3,328
Community Bank Delaware- Water Tower	760	-	-	-	-	-
Total interest payments due	11,168	8,381	6,956	5,508	3,994	3,328
Total debt service requirements—notes payable	176,559	62,525	62,525	62,524	62,525	120,778
Total debt service requirements	$ 629,947	$ 515,900	$ 515,899	$ 580,295	$ 726,627	$ 1,451,931

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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2025.

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) to determine the 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 have not been 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
August 31, 2025

Draft

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2024 and 2023

Information selected from audited financial statements

	2024		2023
	Budget	**Actual**	**Total**
Revenues			
Taxes	$ 2,808,821	$ 2,786,086	$ 2,740,342
Transfer taxes	710,000	597,187	1,509,262
Intergovernmental revenues	1,797,899	1,746,244	3,293,490
Fines and forfeitures	60,000	63,351	60,049
Licenses, permits and fees	578,410	667,778	519,690
Interest and late charges	50,760	239,830	86,375
Community pool and recreation	45,200	58,322	46,933
Charges for services	366,817	382,199	371,992
Miscellaneous	29,000	274,003	120,851
Total Revenues	6,446,907	6,815,000	8,748,984
Expenditures			
Administration	1,145,333	1,177,508	1,175,715
Code enforcement	364,741	358,606	339,987
Community pool	57,421	59,612	87,206
Executive	118,319	114,112	108,319
Fire department	380,969	281,440	274,166
Dispatch	382,091	356,720	370,337
Highways and streets	658,613	1,032,038	621,812
Parks department	625,935	696,083	563,587
Police department	5,012,462	5,237,514	4,477,850
Recreation	255,032	246,083	228,809
Economic development	563,554	551,874	5,551,922
Debt service	269,252	209,150	181,080
Capital outlay	2,354,026	1,283,539	1,182,360
Total Expenditures	$ 12,187,748	11,604,279	15,163,150
Deficiency of revenues under expenditures	(5,740,841)	(4,789,279)	(6,414,166)
Other Financing Sources			
Operating transfers (net)		3,920,000	4,100,000
Proceeds from capital leases		227,818	125,948
Gain on disposal of fixed assets		11,163	3,530
Total other financing sources		4,158,981	4,229,478
Net change in fund balance		(630,298)	(2,184,688)
Fund Balance, Beginning of Year		3,550,738	5,735,426
Fund Balance, End of Year		$ 2,920,440	$ 3,550,738

Draft

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – ENTERPRISE FUND
For the Years Ended June 30, 2024 and 2023

Information selected from audited financial statements

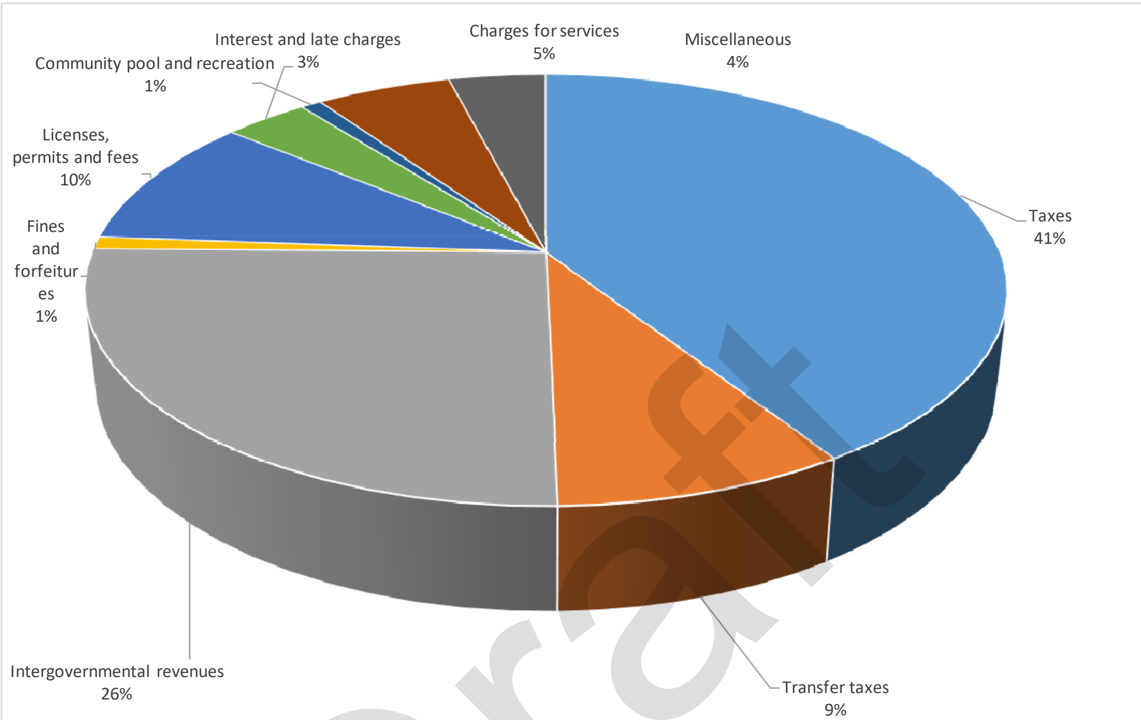
	2024	2023
Operating Revenues		
Charges for services	$ 23,778,892	$ 21,429,931
Tap fees	35,325	21,475
Grant revenue	1,157,794	-
Miscellaneous	959,821	1,911,919
Total operating revenues	25,931,832	23,363,325
Operating Expenses		
Purchased power	11,601,400	10,584,855
Payroll and other costs	2,512,608	2,549,317
Utilities	351,605	308,899
Repairs and maintenance	801,328	613,732
Insurance	909,141	917,743
Contracts	151,704	151,704
Other supplies and expenses	1,838,878	1,269,587
Depreciation and amortization	1,569,438	1,519,721
Total operating expenses	19,736,102	17,915,558
Operating income	6,195,730	5,447,767
Nonoperating Revenues (Expenses)		
Interest revenue	393,226	136,671
Interest expense	(129,361)	(128,744)
Loss on disposal of fixed asset	96,200	-
Transfers in (out)	(3,920,000)	(4,100,000)
Capital contribution	465,086	148,794
Net nonoperating revenues (expenses)	(3,094,849)	(3,943,279)
Change in net position	3,100,881	1,504,488
Net Position, Beginning of Year	29,707,771	28,203,283
Net Position, End of Year	$ 32,808,652	$ 29,707,771

Draft

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2024 and 2023

City of Seaford, Delaware
Sources of Revenue - General Fund
For the Year Ended June 30, 2024



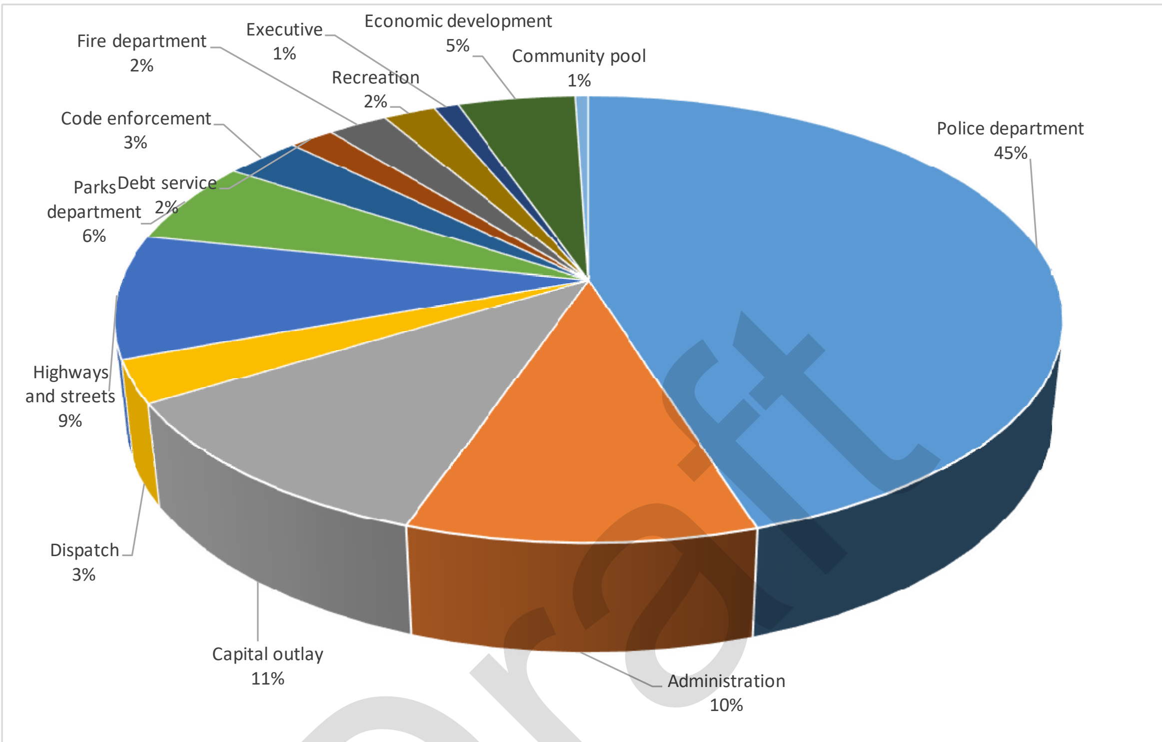
	2024		2023	
	$	%	$	%
Taxes	2,786,086	40.88%	2,740,342	31.32%
Transfer taxes	597,187	8.76%	1,509,262	17.25%
Intergovernmental revenues	1,746,244	25.62%	3,293,490	37.64%
Fines and forfeitures	63,351	0.93%	60,049	0.69%
Licenses, permits and fees	667,778	9.80%	519,690	5.94%
Interest and late charges	239,830	3.52%	86,375	0.99%
Community pool and recreation	58,322	0.86%	46,933	0.54%
Charges for services	382,199	5.61%	371,992	4.25%
Miscellaneous	274,003	4.02%	120,851	1.38%
	6,815,000	100.00%	8,748,984	100.00%

Draft

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – GENERAL FUND
For the Years Ended June 30, 2024 and 2023

City of Seaford, Delaware
Functional Expenses - General Fund
For the Year Ended June 30, 2024

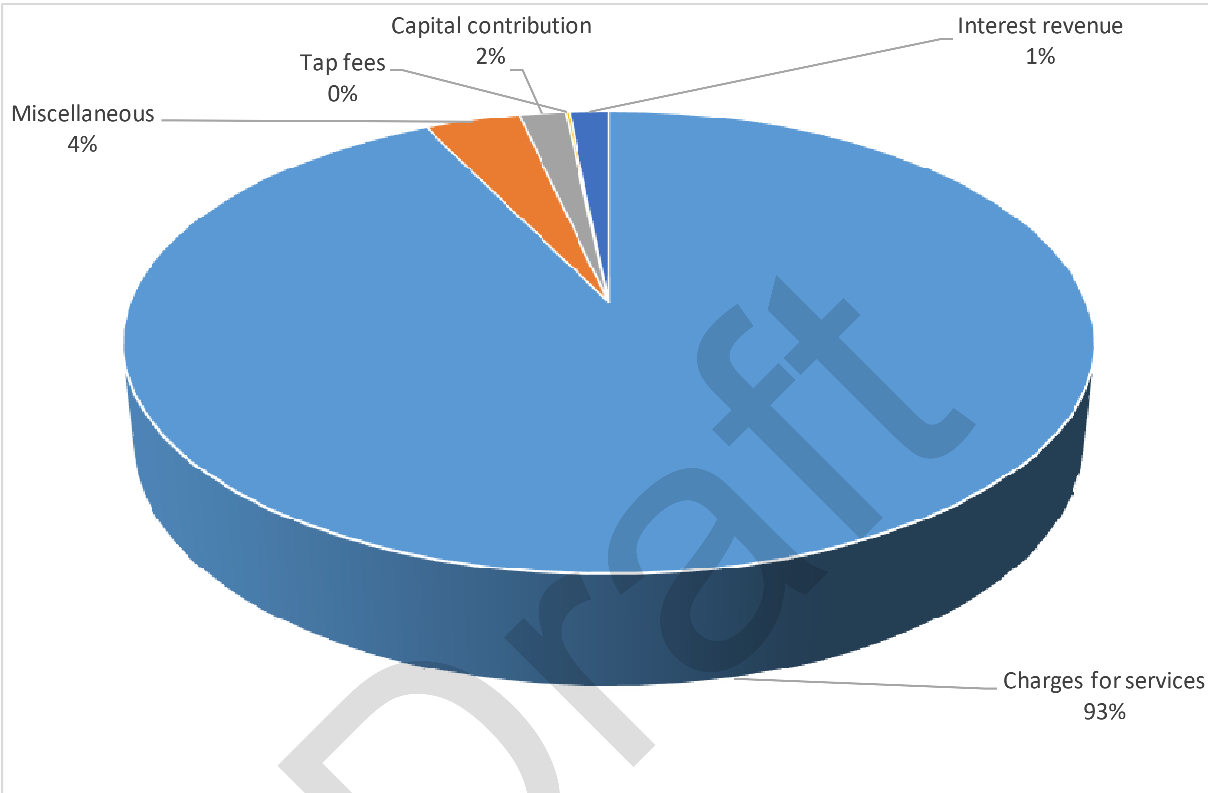


	2024		2023	
	$	%	$	%
Police department	5,237,514	45.13%	4,477,850	29.53%
Administration	1,177,508	10.15%	1,175,715	7.75%
Capital outlay	1,283,539	11.06%	1,182,360	7.80%
Dispatch	356,720	3.07%	370,337	2.44%
Highways and streets	1,032,038	8.89%	621,812	4.10%
Parks department	696,083	6.00%	563,587	3.72%
Code enforcement	358,606	3.09%	339,987	2.24%
Debt service	209,150	1.80%	181,080	1.19%
Fire department	281,440	2.43%	274,166	1.81%
Recreation	246,083	2.12%	228,809	1.51%
Executive	114,112	0.98%	108,319	0.71%
Economic development	551,874	4.76%	5,551,922	36.61%
Community pool	59,612	0.51%	87,206	0.58%
	11,604,279	100.00%	15,163,150	100.00%

Draft

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND
For the Years Ended June 30, 2024 and 2023

City of Seaford, Delaware
Sources of Revenue - Proprietary Fund
For the Year Ended June 30, 2024

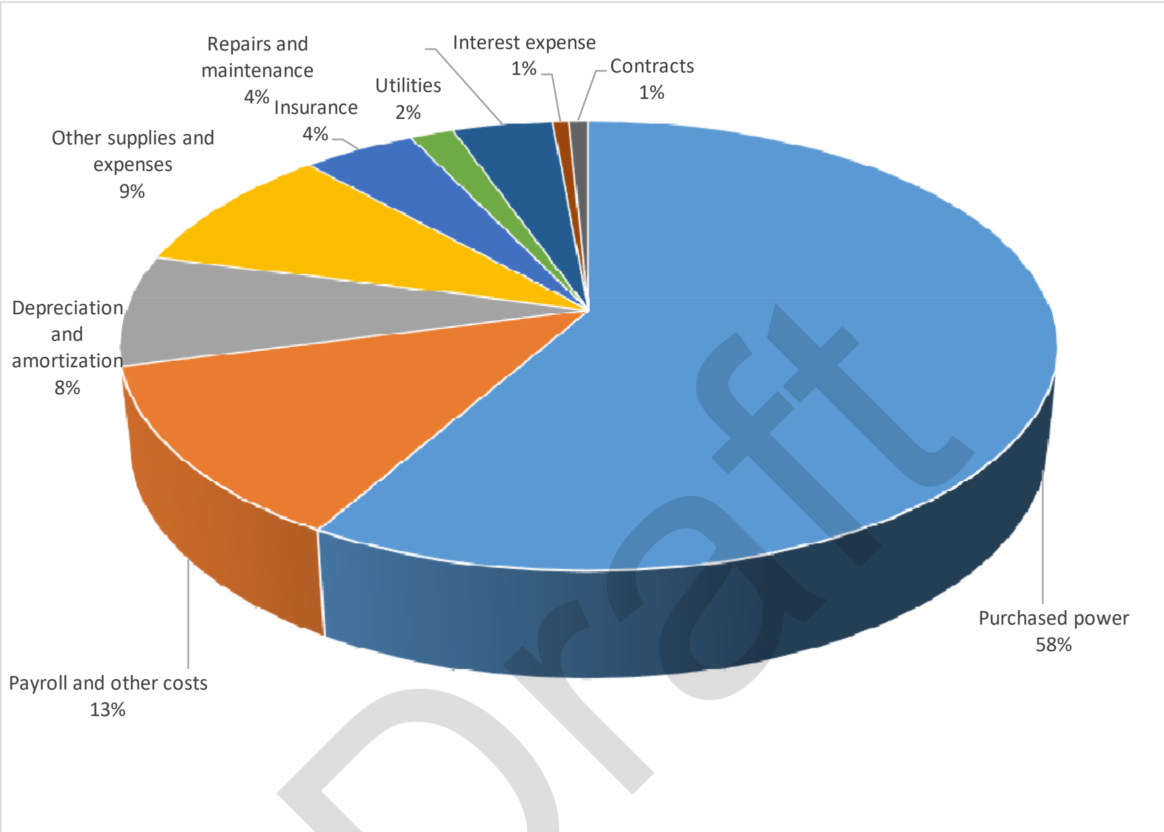


	2024		2023	
	$	%	$	%
Charges for services	23,778,892	92.77%	21,429,931	90.62%
Miscellaneous	959,821	3.74%	1,911,919	8.08%
Capital contribution	465,086	1.81%	148,794	0.63%
Tap fees	35,325	0.14%	21,475	0.09%
Interest revenue	393,226	1.53%	136,671	0.58%
	25,632,350	100.00%	23,648,790	100.00%

CITY OF SEAFORD, DELAWARE

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND
For the Years Ended June 30, 2024 and 2023

City of Seaford, Delaware
Functional Expenses - Proprietary Fund
For the Year Ended June 30, 2024



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	2024		2023	
	$	%	$	%
Purchased power	11,601,400	58.40%	10,584,855	58.66%
Payroll and other costs	2,512,608	12.65%	2,549,317	14.13%
Depreciation and amortization	1,569,438	7.90%	1,519,721	8.42%
Other supplies and expenses	1,838,878	9.26%	1,269,587	7.04%
Insurance	909,141	4.58%	917,743	5.09%
Utilities	351,605	1.77%	308,899	1.71%
Repairs and maintenance	801,328	4.03%	613,732	3.40%
Interest expense	129,361	0.65%	128,744	0.71%
Contracts	151,704	0.76%	151,704	0.84%
	19,865,463	100.00%	18,044,302	100.00%

N B#2
8/12/22

SEAFORD POLICE DEPARTMENT

300 Virginia Avenue
Seaford, Delaware 19973

TO:	**Mayor and Council**
FROM:	**Chief Marshall D. Craft, Jr.**
RE:	**Recommendation for Creation of a Regional PCAAB and Inclusion of the Town of Blades Police Department**
DATE:	**July 14, 2025**

Dear Mayor and Council,

On behalf of the Seaford Police Chiefs Accountability and Advisory Board (PCAAB), we respectfully submit this letter recommending the creation of a Regional PCAAB and the formal inclusion of the Town of Blades Police Department into this collaborative effort.

Since its establishment in 2021, the PCAAB has served as a valuable forum for advancing public safety and fostering trust between law enforcement and the community.

During our regularly scheduled meeting on June 18, 2025, the PCAAB reviewed and discussed the proposal to expand our current board to include representation from the Town of Blades. After thoughtful deliberation, the Board passed a favorable motion, with a second, supporting this transition to a regional model. This recommendation reflects our shared commitment to fostering meaningful police-community relationships, advancing public safety, and aligning with the spirit and intent of HB 206 (Title 11, Chapter 84) and POST Commission guidance.

As outlined in the updated Regional PCAAB Rules, this partnership will:

- Allow the Town of Blades to recommend two (2) members for appointment to the PCAAB.
- Maintain all appointments through the Mayor of Seaford in accordance with the City Charter.
- Strengthen transparency, accountability, and collaboration between both police departments and their respective communities.
- Ensure compliance with applicable legal, procedural, and administrative requirements, including FOIA and POST standards.

We recognize there may be legal and governance considerations requiring review by the City Solicitor and input from the City Manager and City Council to confirm whether amendments to existing bylaws or charters are necessary. Additionally, as part of this expansion, we recommend the inclusion of a waiver of liability for participating municipalities, to be prepared by the City of Seaford or the Town of Blades at the discretion of the Mayor and Council.

The PCAAB believes this regional approach aligns with our founding R.E.S.P.E.C.T. principles—Relationships, Ethical Practices, Safe Communities, Partnerships, Equality, Crime Reduction, and Transparency—and will serve as a model of community partnership for other municipalities.

We respectfully request the City's approval to move forward with this initiative and stand ready to collaborate with all stakeholders to ensure a smooth transition and continued success of this important advisory body. Thank you for your leadership and support in advancing a stronger, more connected approach to public safety.

Sincerely,

Vice Mayor James Henderson
President, Police Chiefs' Accountability & Advisory Board

Chief Marshall D. Craft, Jr.
Seaford Police Department

Cc:
Mayor Matthew MacCoy, City of Seaford
Mayor Nancy McAdams, Town of Blades
Chief Martin Willey, Blades Police Department
City Manager Charles Anderson
PCAAB Members

SEAFORD POLICE DEPARTMENT

300 Virginia Avenue
Seaford, Delaware 19973

TO:	**Memo**
FROM:	**Chief Marshall D. Craft, Jr.**
RE:	**Regional Police Chiefs Accountability and Advisory Board (PCAAB) Rules - updated 070825**
DATE:	**July 11, 2025**

POLICY STATEMENT

The Seaford Police Department (SPD) establishes and maintains a Police Chief's Accountability and Advisory Board (PCAAB) in compliance with HB 206 (Title 11, Chapter 84) and guidance from the Police Officer Standards and Training Commission (P.O.S.T.). This board serves as a vital forum for fostering meaningful police-community interaction and addressing public safety concerns.

The PCAAB is grounded in SPD's core values and guided by the R.E.S.P.E.C.T. principles:

- **R** – Relationships
- **E** – Ethical Practices
- **S** – Safe Communities
- **P** – Partnerships
- **E** – Equality
- **C** – Crime Reduction
- **T** – Transparency

PURPOSE

Formally established on March 9, 2021, by the Mayor and City Council at the recommendation of the Chief of Police, the PCAAB was created to:

- Strengthen transparency.
- Encourage information sharing.
- Advance community education.
- Promote meaningful engagement between police and the public.

The PCAAB functions solely as an advisory body and does not review specific police actions or internal personnel matters. Its role is to provide guidance on policies, training, and strategic initiatives affecting SPD and, as of July 2025, the Town of Blades Police Department. Additionally, a waiver of liability will be required for any municipality joining the Regional board.

In June 2025, the PCAAB voted to approve the inclusion of the Town of Blades Police Department, formally transitioning into a Regional Police Accountability and Advisory Board. As part of this regional partnership:

- The Town of Blades may recommend two (2) members for appointment to the PCAAB.

- All appointments to Seaford Boards, including the PCAAB, are made by the Mayor of Seaford in accordance with the City of Seaford Charter.
- City leadership of both communities (Mayor, City Council, City Manager, and City Solicitor) will review this regional arrangement and determine if bylaw amendments or clarifications are needed to authorize cross-jurisdictional appointments.

REGIONAL PCAAB OPERATIONS

Unless otherwise approved by the PCAAB board:

- All meetings will be held at City of Seaford, City Hall, 400 High Street, Seaford, DE 19973.
- Meetings are scheduled for the third Thursday of each quarter, originally beginning May 20, 2021, at 7:00 p.m. at City Hall. Adjustments may be made as necessary.
- The Seaford Police Chief will collaborate with the Blades Police Chief to ensure both communities maintain FOIA compliance with all requirements as well as POST requirements, to include, but not limited to:
    - Develop meeting agendas.
    - Confirm required community training for respective members.
    - Verify background checks are completed using City of Seaford requirements and forms.
    - Ensure compliance with the Freedom of Information Act (FOIA), Title 29, Chapter 100.

Unless otherwise agreed, the Seaford Police Chief's Executive Assistant will support PCAAB administrative functions, including:

- Managing correspondence.
- Preparing and distributing agendas.
- Attending meetings and recording proceedings.
- Drafting and publishing minutes.
- Maintaining all PCAAB records.
- Assisting with submissions to POST as required.

Any request from additional municipalities to join the regional PCAAB shall be presented to the existing Board for a vote and to establish updated rules and procedures

BOARD COMPOSITION

The PCAAB is composed of a diverse cross-section of residents from Seaford and participating municipalities. Members represent varied perspectives from business, education, non-profits, faith communities, public relations, criminal justice, and other community sectors.

The Board consists of seven (7) to nine (9) members who serve staggered terms to ensure continuity.

BOARD MEMBER ROLES

Board responsibilities include, but are not limited to:

- Acting as a sounding board for the Seaford and Blades Chiefs of Police regarding community needs and concerns.
- Advising both Chiefs on public safety issues and community priorities.

- Assisting in educating the public about the roles and functions of both police departments.
- Participating in quarterly meetings (third Thursday of each quarter, unless otherwise scheduled).
- Engaging in discussions on emerging law enforcement trends impacting Seaford, Blades, and surrounding areas.
- Providing advisory input on departmental policies, training, and other relevant topics.
- Avoiding discussion or input on specific personnel or disciplinary matters.

MEMBER SELECTION CRITERIA

- Members are appointed by the Mayor of Seaford, with input from the Chief of Police, per City Charter.
- Town of Blades may recommend two (2) candidates for appointment.
- Membership terms: renewable one-, two-, or three-year terms for adults; maximum two years for student members.
- The initial Chairperson of the PCAAB was the Police Liaison (Councilman Henderson). Subsequent Chairpersons may be elected by the Board or led by the Chief of Police, as determined by the Board.
- Members must:
  - Pass a background check using City of Seaford forms.
  - Complete 20 hours of community training within their first year of appointment (e.g., ride-alongs, citizen police academy).

Diversity is a priority. The Board seeks representation to reflect a wide cross-section of the community including, but not limited to:

- Race, gender, age, and education.
- Community stakeholders impacted by the juvenile or adult justice system (directly or as family members/caregivers).
- Community-based organizations and advocacy groups (faith-based, behavioral health, LGBTQ+, NAACP, ACLU, etc.).
- Business owners, educators, healthcare representatives, and criminal justice stakeholders.

STAFF SUPPORT

The Seaford Police Department provides administrative and logistical support. The Executive Assistant to the Chief will serve as the recording Secretary for the PCAAB and will:

- Record and publish meeting minutes.
- Disseminate all board-related documents.
- Maintain records and assist with FOIA compliance.

MEMBER TERMS & ACCOUNTABILITY

Board members may be excused:

- At the discretion of the Mayor with input from the Chief of Police, Mayor of Blades and/or PCAAB Chair.
- For cause, by majority vote of the board.
- Automatically if they fail to attend two consecutive meetings without prior excuse.

Terms are limited to one (1) to three (3) years, with potential two-year extensions approved individually by the Mayor.

Quote:
"Excellence is the gradual result of always striving to do better." – Pat Riley, President, Miami Heat

NB#3
8/12/25

City of Seaford DELAWARE

Memorandum

To: Mayor & Council

From: Charles Anderson, City Manager

Date: August 4, 2025

RE: ***City of Seaford Potential Charter Change – Chief of Police and Duties of Police***

Attached is a potential Charter Change to **Section 18 Duties of Police –** The proposed change would modernize the existing Charter language. The proposed language would more clearly identify the duties and responsibility of the Chief of Police and other sworn officers.

If you require additional information, feel free to contact the Chief or myself.

Thank You

appointed as hereinafter provided, to make an audit of the books and papers of the official so removed from office. Upon the neglect or failure to deliver all the books and papers to the City Manager within the time specified by this Charter, or to pay over all the monies to the City Manager within the time specified, the Alderman or Assistant Alderman, so removed, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined no less than Twenty-five Dollars ($25.00) nor more than One Hundred Dollars ($100.00) for each day that he fails to deliver the books and papers to the City Manager or to pay over all monies to the City Manager.

Chief of Police and Duties Of Police.

Section 18.

~~The said police officers shall be conservators of the peace within the limits of said City and shall monthly, or as often as the Mayor shall deem desirable, submit a consolidated report setting forth at a minimum the number of arrests made during said preceding month. The police officers shall see that ordinances are enforced, and they together with such assistants or other policemen as may be appointed, shall have power to arrest any person or persons for the violations of said federal, state, and city laws or ordinances wherein an arrest for violation is provided; and in addition thereto, shall have all of the same powers and functions as established under Delaware Code Titles 11 and 21.~~

~~Each member of the Police force shall be vested, within the city limits and within one mile outside of said limits, with all the powers and authority as established under Delaware Code Titles 11 & 21 and in the case of hot pursuit of an offender, their power and authority shall extend to any part of the State of Delaware.~~

~~It shall be the duty of the police to suppress riotous, disorderly or turbulent assemblages of persons in the streets of the City, or the noisy conduct of any person in the same, and upon view of the above, or upon view of the violations of any ordinance of the City relating to the peace and good order thereof, the Police shall have the right and power to arrest without warrant and to take the offender before the Alderman or Justice of the Peace for hearing.~~

~~If any Police Officer shall neglect or ref use to perform any of the duties required of him by this Act, he shall be deemed guilty of a misdemeanor, and the Mayor of said City may present him to the Grand Jury of Sussex County, and upon conviction he shall be fined in a sum not less than Twenty-five nor more than five Hundred Dollars, and may be imprisoned in the discretion of the Court for any term not exceeding one year, and upon such conviction he shall ipso facto forfeit his office. 66 Del. Laws, c. 66~~

The City of Seaford Police Department shall be under the supervision and command of a Chief of Police, who shall be appointed by the Mayor with the advice and consent of the City Council. The Chief of Police shall report directly to the City Manager and be subject to applicable laws, including Delaware employment laws and the terms of any employment agreement.

The Chief of Police shall be the head of the Police Department and shall be responsible for the organization, administration, and operation of the Department. The Chief shall have authority to establish directives, rules, regulations, and policies necessary for the effective operation of the Department and to appoint, assign, promote, suspend, or dismiss members of the Police Department, in accordance with applicable laws and City personnel policies.

Police officers of the City, under the direction of the Chief of Police, shall be conservators of the peace within the City limits. They shall have the authority and duty to enforce all applicable federal, state, and local laws and ordinances, maintain public order, protect life and property, and bring offenders before the appropriate judicial authority.

Duties Of Board Of Health.

Section 19.

The Mayor, with the approval of Council shall appoint in the month of March of each and every year not less than three nor more than seven persons, of whom at least one shall be a physician duly authorized to practice medicine, who shall constitute a Board of Health for said City, and who shall serve for one year, and whose duty shall be to have cognizance of the interests of health and life among the people of said City and to report to the City Council in writing whatever in their judgment is injurious to the health, or that shall contribute to useful sanitary information. The said Board shall have all the powers vested by the laws of the State, now or hereafter enacted, in Boards of Health generally, and also such additional

NB #4
8/12/25

City of Seaford DELAWARE

Memorandum

To: Mayor & Council

From: Trisha Newcomer, Director of Economic Development & Community Relations tn

Date: August 5, 2025

RE: Request from BCDE Investment Group LLC for a waiver of the equipment and labor costs on work required to be completed by the City of Seaford Electric Department.

On Tuesday, August 5, 2025, the Economic Development Committee met to review a request from BCDE Investment Group LLC for a waiver of the equipment and labor costs on work required to be completed by the City of Seaford Electric Department.

The project will consist of (5) five single-family residential homes located on Porter Street: 520 Porter St (531-13.06-47.02); 522 Porter St (531-13.06-47.03); 524 Porter St (531-13.06-47.04); 526 Porter St (531-13.06-47.05); 528 Porter St (531-13.06-47.00). The developers are planning to allocate more than $800,000 towards this project, aiming to introduce much-needed affordable housing. They anticipate these homes to be available for rent by September 1, 2025.

After significant discussion of their request, the Economic Development Committee recommended City Council to approve the request of BCDE Investment Group for assistance with electrical distribution improvements to service their development located at 520, 522, 524, 526 & 528 Porter Street, TMP #331-7.00-79.00.47.00; 331-7.00-79.00.47.02; 331-7.00-79.00.47.03; 331-7.00-79.00.47.04; 331-7.00-79.00.47.05, by waiving the equipment fees in the amount of $2,540 and the ½ the labor fees in the amount of $2,400, for a total incentive of $4,940, with the incentive expiring 12 months from the date of City Council approval.

NB#5
8/12/22

RED-LINE

ORDINANCE #2025-07

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SEAFORD, an ordinance to amend Chapter 11, of the Municipal Code of Seaford, Delaware relating to "Sewers", in the manner following, to wit:

Chapter 11, of the Municipal Code of Seaford, Delaware is hereby amended by amending §11.6.4 (A)(33), and §11.6.28(B) as shown on the following pages.

--/--/2025	Date of First Reading
??/??/2025	Date of Second Reading & Adoption
??/??/2025	Date of Advertisement
??/??/2025	Date the Ordinance is Effective

CITY OF SEAFORD

By: ____________________________ Witness:____________________________

Mayor

Attest: ____________________________

City Manager

§11.6.4 **Supplemental definitions.**

A. For the purpose of this Article, unless a provision explicitly states otherwise, the following terms and phrases, as used in this ordinance, shall have the meanings hereinafter designated.

33. **Significant Industrial User**: Except as provided in paragraphs (c) and (d) of this section, shall mean:

(c) The Director may determine that an Industrial User subject to categorical Pretreatment Standards under 40CFR 403.6 and 40 CFR chapter I, subchapter N is a Non-Significant Categorical Industrial User (NSCIU) rather than a Significant Industrial User on a finding that the Industrial User never discharges more than 100 gallons per day (gpd) of total categorical wastewater (excluding sanitary, non-contact cooling and boiler blowdown wastewater, unless specifically included in the Pretreatment Standard) and the following conditions are met;

(I) The Industrial User, prior to the Director's finding, has consistently complied with all applicable categorical Pretreatment Standards and Requirements;

(II) The Industrial User annually submits the certification statement required in §11.6.28(B) of this Ordinance together with any additional information necessary to support the certification statement; and

(III) The Industrial User never discharges any untreated concentrated wastewater.

(d) Upon a finding that a User meeting the criteria under "Industrial User" as defined in paragraph (b) above of this part has no reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Requirement, the City may at any time, on its own initiative or in response to a petition received from a User, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such User should not be considered a Significant Industrial User.

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§11.6.28 **Reporting requirements; Certification of Permit Applications and User Reports.**

A. The following certification statement is required to be signed and submitted by Users submitting permit applications in accordance with §11.6.12(F) of this ordinance; Users submitting baseline monitoring reports under §11.6.14(C)(5) of this ordinance; Users submitting reports on compliance with the Categorical Pretreatment Standard deadlines under §11.6.16 of this ordinance, and Users submitting periodic compliance reports required by §11.6.17(A) through (C) of this ordinance. The following certification statement must be signed by an Authorized Representative as defined in §11.6.4(A)(3) of this ordinance.

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure

that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations"

B. **Annual certification by Non-Significant Categorical Industrial Users**. A facility determined to be a Non-Significant Categorical Industrial User pursuant to § 11.6(4)(A)(33)(c) must annually submit the following certification statement, signed in accordance with the signatory requirements in paragraph § 11.6(4)(A)(3). This certification must accompany any alternative report required by the City:

"Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR, I certify that, to the best of my knowledge and belief that during the period from [month, days, year] to [month, days, year]:

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1. *The facility described as [facility name] met the definition of a non-significant categorical Industrial User as described in § 11.6(4)(A)(33);*

2. *The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and ~~(c)~~*

~~2.~~3. *~~t~~The facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period. This compliance certification is based upon the following information:"*

CLEAN COPY

ORDINANCE #2025-07

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CITY OF SEAFORD

By: ______________________ Witness: ______________________
Mayor

Attest: ______________________
City Manager

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(I) The Industrial User, prior to the Director's finding, has consistently complied with all applicable categorical Pretreatment Standards and Requirements;

(II) The Industrial User annually submits the certification statement required in §11.6.28(B) of this Ordinance together with any additional information necessary to support the certification statement; and

(III) The Industrial User never discharges any untreated concentrated wastewater.

(d) Upon a finding that a User meeting the criteria under "Industrial User" as defined in paragraph (b) above of this part has no reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Requirement, the City may at any time, on its own initiative or in response to a petition received from a User, and in accordance with procedures in 40 CFR 403.8(f)(6), determine that such User should not be considered a Significant Industrial User.

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B. **Annual certification by Non-Significant Categorical Industrial Users.** A facility determined to be a Non-Significant Categorical Industrial User pursuant to § 11.6(4)(A)(33)(c) must annually submit the following certification statement, signed in accordance with the signatory requirements in paragraph § 11.6(4)(A)(3). This certification must accompany any alternative report required by the City:

"Based on my inquiry of the person or persons directly responsible for managing compliance with the categorical Pretreatment Standards under 40 CFR, I certify that, to the best of my knowledge and belief that during the period from [month, days, year] to [month, days, year]:

1. *The facility described as [facility name] met the definition of a non-significant categorical Industrial User as described in § 11.6(4)(A)(33);*
2. *The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and*
3. *The facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period. This compliance certification is based upon the following information:"*

NB#8
8/12/25

Outlook

Roofing Quotes

From Golfpro <Golfpro@seafordde.com>
Date Tue 7/29/2025 11:34 AM
To Charles Anderson <CAnderson@seafordde.com>; June Merritt <JMerritt@seafordde.com>
Cc Butch Holtzclaw <butch@rookerygolf.com>

1 attachment (43 KB)
Roofing bids 2025.pdf;

Charles,
Attached are the roof Quotes. I would like to go with Callaway Roofing; he is local and have done work with the Senior Center. I highlighted the one we think is the best value shingle.
Like I said in the other email we do have a small leak in the roof over the lounge and feel that we need to do the Proshop building first. I know the budget is set for this repair at $26,000, but Adkins Management is willing to get both done this year if the city could find an additional $8400 to cover both roof replacements? Please let me know your thoughts on getting both done. It will save the city money to do both now as this shingle is new and could jump in price next year due to its popularity.

Thank You,

Michael Connor

Hooper's Landing Golf Course
1019 w. Locust St
Seaford, DE 19973
302 629-2890
www.Hooperslanding.com

Morse Roofing

Tamko Heritage Shingle				
Proshop	$16,900	Manufacturer	Limited Lifetime
Cart Barn	$24,700	Workmanship	5 years
	$41,600		

CertainTeed Landmark- 30 years			
Proshop	$18,150	Manufacturer	Limited Lifetime
Cart Barn	$26,500	Workmanship	10 years
	$44,650		

Hershey

Tamko Heritage			
Proshop	$15,423	Manufacturer	Limited Lifetime
Cart Barn	$19,751	Workmanship	10 years
	$35,174		

Timberline HDZ (GAF) -50 Years			
Proshop	$17,275	Manufacturer	Limited Lifetime
Cart Barn	$21,681	Workmanship	25years
	$38,956		

Callaway Roofing

Tamko Titan - 50 year			
Proshop	$14,500	Manufacturer	Limited Lifetime
Cart Barn	$19,900	Workmanship	5 years
	$34,400		

CertainTeed Landmark- 30 years			
Proshop	$16,000	Manufacturer	Limited Lifetime
Cart Barn	$23,850	Workmanship	10 years
	$39,850		

ORDINANCE #2025-05

CLEAN COPY

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SEAFORD, an ordinance to amend Chapter 10, of the Municipal Code of Seaford, Delaware relating to “Refuse”, in the manner following, to wit:

Chapter 10, of the Municipal Code of Seaford, Delaware is hereby amended by amending §10.1.2 (B), to read as shown on the following pages.

07/22/2025	Date of First Reading
??/??/2025	Date of Second Reading & Adoption
??/??/2025	Date of Advertisement
??/??/2025	Date the Ordinance is Effective

CITY OF SEAFORD

By: ______________________________ Witness: ______________________________

Mayor

Attest: ______________________________

City Manager

CHAPTER 10 – REFUSE

ARTICLE 1 – GENERAL PROVISIONS

§10.1.2 Containers, location.

B. All garbage and refuse shall be placed in plastic bags and secured at the top to restrict spillage. The plastic bags shall be placed inside of the approved containers. (Exception: Items for recycling shall not be placed in bags per the regulations set forth by the State of Delaware (7 DE Admin Code 1305))

NB#3
7/22/25
OB#1
8/12/25
RED-LINE

ORDINANCE #2025-05

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SEAFORD, an ordinance to amend Chapter 10, of the Municipal Code of Seaford, Delaware relating to "Refuse", in the manner following, to wit:

Chapter 10, of the Municipal Code of Seaford, Delaware is hereby amended by amending §10.1.2 (B), to read as shown on the following pages.

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??/??/2025	Date of Second Reading & Adoption
??/??/2025	Date of Advertisement
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CITY OF SEAFORD

By: ______________________________ Witness: ______________________________
Mayor

Attest: ______________________________
City Manager

CHAPTER 10 – REFUSE

ARTICLE 1 – GENERAL PROVISIONS

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CHAPTER 10 – REFUSE

ARTICLE 1 – GENERAL PROVISIONS

[Amended on 09/25/2012 by Ordinance #2012-05]

EXISTING CODE

§10.1.1 Definitions.

As used in this Chapter:

Garbage - Wastes resulting from the handling, preparation, cooking, consumption, storage and/or sale of food and/or produce.

Handbill – Any printed or written matter, advertisement, coupon, any sample or device, dodger, circular, leaflet, newspaper, pamphlet, paper booklet, phone book or any other printed or otherwise reproduced original or copies of any matter of literature.

Litter - Garbage, refuse and rubbish, as defined in §10.1.1, and all other waste material, which, if thrown or deposited, tends to create a danger to public health, safety and welfare.

Refuse shall mean:

- Combustible trash, including but not limited to, paper, cartons, boxes, barrels, wood, excelsior, tree branches, yard trimmings, wood furniture, bedding, construction materials; and,
- Noncombustible trash, including but not limited to, metals, cans, metal furniture, dirt, stone, glass, crockery, plastic pipe, and other mineral waste;
- Street rubbish, including, but not limited to, street sweepings, dirt, leaves, catch-basin dirt and contents of litter receptacles; and,
- Wastes resulting from industrial processes and manufacturing operations.

Rubbish - The waste materials commonly referred to as rubbish, refuse and garbage, including, but not limited to; garbage from normal household living conditions, including waste, food stuffs of vegetable or animal origin, paper products, fabrics, plastic and metal containers, bottles, rags, cartons, boxes, wood, excelsior, rubber, leather, tree branches, sticks, leaves, yard trimmings, uprooted tree stumps, cans, metals, mineral matter, crockery, stones, glass, straw, rocks, dirt, dust, sidewalk sweeping, turf, sand, debris, ashes, wastepaper, wrappings, cigarettes, cardboard, cans, bedding, sawdust piles, rubbish from building construction or reconstruction, street refuse, combustible and non-combustible waste materials, residue from the burning of wood, coal, or coke, abandoned or inoperable machinery, junk, wheels, tires, automobile bodies, framework, chassis, abandoned automobiles, including any abandoned, unlicensed or inoperable motor vehicles; or any combination of the same.

Owner – Any person, firm, conservator, receiver or officer who holds or controls the whole, or any part of the freehold title (control of the freehold title is not intended to mean a tenant under any type of written or oral tenancy), to any real property, including but not limited to, vacant land, buildings, dwelling units, commercial real property, etc., and who is the one in whom legal or equitable title rests; when applied to a building or land, owner means any part owner, joint owner, owner of a community or partnership