

AGENDA **REVISED**
REGULAR MEETING OF THE MAYOR AND COUNCIL
May 9, 2023
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/meetings_and_agendas

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

- 7:00 P.M.** - Mayor Genshaw 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 minutes of the regular meeting on April 25 2023.

Mayor Genshaw to introduce Nicole Mumford who was recently hired as Communication Support Technician at the Seaford Police Department.

Judge Candace Whitelock will administer the Oath of Offices for Dan Henderson and Mike Bradley for the positions of Councilman.

Mayor Genshaw to hold the election for Vice-Mayor.

Mayor Genshaw to appoint Council liaisons.

Mayor Genshaw to appoint various committees.

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

PUBLIC COMMENT:

CORRESPONDENCE:

NEW BUSINESS:

1. Mr. Kris Smith with Integra, the City's third-party administrator, to present for approval a recommendation for the 2023 Health Insurance renewal.

AGENDA

REGULAR MEETING OF THE MAYOR AND COUNCIL

May 9, 2023

2. Bids - Electric Vehicles.
3. Bids - Golf Carts.
4. Bids - Transformers.
5. **Bids - Woolford Street Improvements Project.**

OLD BUSINESS:

1. Present Water & Sewer Rate Analysis additional information requested by the City Council at the April 25, 2023, meeting.
2. Present for a second reading amendments to Section 8.2.15 of the Seaford Municipal Code that would regulate the parking of trucks in Commercial Districts.

REMINDER OF MEETINGS & SETTING NEW MEETINGS:

1. City wide Clean-up week, May 8-12.
2. Mayor and Council Budget Meeting #2, May 16, 2023, 6:00pm, City Council Chambers, 414 High Street.

LIAISON REPORTS:

1. Administration - Councilman Mike Bradley
2. Police & Fire - Councilman Dan Henderson
3. Code, Parks and Recreation - Councilman Orlando Holland
4. Electric - Councilman Matt MacCoy
5. Public Works & WWTF - Councilman James King

Mayor Genshaw 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: 05/02/2023

Posted by: ASH

NB#1
5-9-23

TO: Charles D. Anderson, City Manager
FROM: June Merritt, Dir. Of Finance & HR
DATE: May 4, 2023
RE: Recommendation – Health & Life Insurance Renewal

INTEGRA submitted a request for proposals from several carriers for the annual review of the City's employee health & life insurance program. A meeting was held with Kris Smith for the purpose of reviewing this information. This information was distributed to the Police Bargaining representative and other staff members. Swiss Re (formerly North American), the incumbent, and Sirius America were the top carriers.

The life/AD&D insurance is provided by Sun Life. The prior rate was guaranteed for two years and scheduled to end on the renewal effective date, 09/01/2023. We provided updated employee census data and received a quote for renewal rates at \$0.511/\$0.03 per \$1,000 of salary. This represents an 11% increase over current rates.

Initially, the quotes received by Integra reflected an approximate increase of 30% - 35% due to our claims experience this year. The plan experienced several large claims. Integra diligently worked on the renewal and based on the most recent claims history, they were able to obtain updated quotes with lower rates. In addition, the plan is receiving approximately \$235,000 due to exceeding the Maximum Projected Claims. We asked Integra to apply \$135,000 towards the plan and the remaining \$100,000 will go to the Health Insurance Reserve for future claims. Integra also provided a list of benefit plan change options, changes in copays and deductibles, that could potentially save the plan another \$34,845. I am recommending that we implement the Benefit Plan Change Options in the attached document and accept the health insurance quote from Swiss Re Option 7a as stated in INTEGRA's presentation. The specific deductible will remain at \$75K. Under this option the health plan projected costs are expected to increase by 12.07% from the prior year.

Also, I am recommending the employee contribution toward the premium remain at the same percentage as the prior year. This results in the employee paying the following amounts per week.

	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>	<u>2023 Weekly</u>	<u>2022 Weekly</u>	<u>Increase</u>
Single	\$ 14.05	\$ 0.61	\$ 0.29	\$ 14.95	\$ 13.24	\$ 1.71
EE/Child	\$ 77.55	\$ 2.45	\$ 1.24	\$ 81.24	\$ 71.97	\$ 9.27
EE/Spouse	\$119.49	\$ 4.64	\$ 2.34	\$126.47	\$112.03	\$ 14.44
EE/Family	\$119.49	\$ 4.64	\$ 2.34	\$126.47	\$112.03	\$ 14.44

City of Seaford Benefit Plan Change Options for 2023

5/1/2023

	Annualized Estimated Savings
<u>In Network Possible Changes</u>	
Urgent Care Facility \$50 Co-Pay	\$600
Hospital Stay \$150 Co-Pay	\$1,000
Emergency Room to \$200 Co-Pay	\$1,735
Ambulance Hospital \$100 Co-Pay	\$500
In Patient Surgery \$100 Co-Pay	\$1,000
Out Patient Surgery Dr. Office \$50 Co-Pay	\$2,700
Out Patient Surgery \$100 Co-Pay	\$567
Physician Hospital Visits \$25 Co-Pay	\$500
Doctor Office Visits \$25 Co-Pay	\$5,400
Therapy/Physical Therapy \$25 Co-Pay	\$500
Diagnostic Lab \$35 Co-Pay	\$4,440
Diagnostic X Ray \$35 Co-Pay	\$2,000
MRI/CAT/PET Scans \$35 Co-Pay	\$1,160
Chiropractic \$25 Co-Pay	\$2,333
Other Charges \$25 Co-Pay	\$1,000
Mental Nervous Hospital \$150 Co-Pay	\$250
Mental Nervous Office Visit \$25 Co-Pay	\$300
	<u>\$25,985</u>
<u>Out of Network Possible Changes</u>	
Increase Deductible to \$500	\$500
Increase Out of Network Out of Pocket \$3000 Single and \$6,000 Family	\$3,500
	<u>\$4,000</u>
Prescriptions	
Generic to \$15 Co-Pay	<u>\$4,860</u>
Total Annualized Estimated Savings	<u>\$34,845</u>

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Plan Information		Current	
		Projected	Actual
1	Plan Description	Ind. HPN/FH, MTP, ERO	Ind. HPN/FH, MTP, ERO
2	Stop Loss Carrier	Swiss Re	Swiss Re
3	Specific Contract	12/24	12/24
4	Benefits Included	Med/Rx	Med/Rx
5	Contract Deductible	\$75K	\$75K
6	Maximum	Unlimited	Unlimited
7	Run-in Limitations	None	None
8	Aggregating Specific	None	None
9	Laser Risk	None	None
10	Aggregate Contract	12/12	12/12
11	Benefits Included	Med/Rx/Dent/Vis	Med/Rx/Dent/Vis
Fixed Costs (Annual)			
12	Life Product	\$72,295	\$72,295
13	Contract Premiums	\$249,166	\$249,166
14	Administrative Fees	\$45,882	\$45,882
15	PPO, EA, Web, Telemed & Tipster Fees	\$27,089	\$27,089
16	Run-In Administration	N/A	N/A
17	Run-Out Administration	N/A	N/A
18	Total Annual Fixed Costs	\$394,432	\$394,432
19	Fixed Cost Increase		
Projected Plan Costs (Annual)			
20	Fixed Costs (from above)	\$394,432	\$394,432
21	Projected Claims	\$717,324	\$1,243,601
22	Projected Laser Risk	\$0	\$0
23	Projected Aggregating Specific Claims	\$0	\$0
24	Projected Run-In Claims	\$0	\$0
25	Projected Run-Out Claims	\$41,266	\$41,101
26	Total Annual Projected Costs	\$1,153,022	\$1,679,134
27	% Increase in Projected Costs	Incl. Life/AD&D	Incl. Life/AD&D
28	Projected Cost Increase	45.63%	45.63%
29	Projected Cost Increase PEPM	\$526,112	\$561
Maximum Plan Costs (Annual)			
30	Fixed Costs (from above)	\$394,432	\$394,432
31	Maximum Projected Claims	\$918,775	\$1,243,601
32	Maximum Laser Risk	\$0	\$0
33	Maximum Aggregating Specific Claims	\$0	\$0
34	Maximum Projected Run-In Claims	\$0	\$0
35	Maximum Projected Run-Out Claims	\$51,582	\$41,101
36	Total Annual Maximum Costs	\$1,364,789	\$1,679,134
37	% Increase in Maximum Costs	Incl. Life/AD&D	Incl. Life/AD&D
38	Maximum Cost Increase	23.03%	23.03%
39	Maximum Cost Increase PEPM	\$314,345	\$335

Option 7a	Option 1c
HPN/FH, MTP, ERO, \$225K Laser, IAG Agg, FIRM 5/31/23	Ind. HPN/FH, MTP, \$175K Laser, IAG Agg, FIRM 5/15/23
Swiss Re	Sirius Amer
12/24	12/24
Med/Rx	Med/Rx
\$75K	\$75K
Unlimited	Unlimited
None	None
None	None
\$150,000	\$100,000
IAG - Paid	IAG - Paid
Med/Rx/Dent/Vis	Med/Rx/Dent/Vis

\$74,393	\$74,393
\$288,219	\$331,870
\$48,516	\$48,516
\$27,183	\$27,183
N/A	N/A
N/A	N/A
\$438,311	\$481,962

\$43,879	\$87,530
----------	----------

\$438,311	\$481,962
\$741,384	\$726,223
\$112,528	\$75,000
\$0	\$0
\$0	\$0
\$0	\$0
\$1,292,223	\$1,283,184
Incl. Life/AD&D	Incl. Life/AD&D

12.07%	11.29%
\$139,202	\$130,163
\$149	\$139

\$438,311	\$481,962
\$1,089,408	\$1,089,408
\$150,000	\$100,000
\$0	\$0
\$0	\$0
\$0	\$0
\$1,677,718	\$1,671,369
Incl. Life/AD&D	Incl. Life/AD&D

22.93%	22.46%
\$312,929	\$306,580
\$334	\$327

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Plan Information		Current	
		Projected	Actual
1	Plan Description	Ind. HPN/FH, MTP, ERO	Ind. HPN/FH, MTP, ERO
2	Stop Loss Carrier	Swiss Re	Swiss Re
3	Specific Contract	12/24	12/24
4	Benefits Included	Med/Rx	Med/Rx
5	Contract Deductible	\$75K	\$75K
6	Maximum	Unlimited	Unlimited
7	Run-in Limitations	None	None
8	Aggregating Specific	None	None
9	Laser Risk	None	None
10	Aggregate Contract	12/12	12/12

Monthly Rates		Effective 9/1/23	
Life/AD&D (NOT included in the Billing/Projected Rates listed below)			
11	Per Employee per Month	\$49.47	\$49.47

Med/Rx Billing/Projected Rates (Not Including Dental/Vision rates below)		Effective 9/1/23	
12	Single	\$714.30	\$1,093.84
13	Employee & Spouse	\$1,712.87	\$2,619.94
14	Employee & Children	\$1,316.77	\$2,009.06
15	Family	\$1,712.87	\$2,620.06
16	Retiree	\$0.00	\$0.00

Dental Projected Rates (Not Included in the above Billing/Projected Rates)		Effective 9/1/23	
17	Single	\$35.26	\$32.84
18	Employee & Spouse	\$84.25	\$78.48
19	Employee & Children	\$58.35	\$54.35
20	Family	\$84.25	\$78.48
21	Retiree	\$30.33	\$28.25

Vision Projected Rates (Not Included in the above Billing/Projected Rates)		Effective 9/1/23	
22	Single	\$15.66	\$13.00
23	Employee & Spouse	\$38.31	\$31.81
24	Employee & Children	\$26.34	\$21.87
25	Family	\$38.31	\$31.81
26	Retiree	\$10.65	\$8.84

Anticipated Maximum Monthly Rates		Effective 9/1/23	
27	Single	\$918.49	\$918.49
28	Family	\$2,054.18	\$2,054.18

29	Total Annual Projected Medical Costs		\$1,080,727	\$1,606,839
----	--------------------------------------	--	-------------	-------------

30	Employee Withholding		(\$190,506)	(\$190,506)
31	Retiree Contributions		\$0	\$0
32	Est. S125 Tax Savings		\$0	\$0
33	COBRA Payments		\$0	\$0
34	Net Projected Company Health Cost		\$890,221	\$1,416,333
35	Net Projected Health Cost PEPM		\$950	\$1,511

Option 7a	HPN/FH, MTP, ERO, \$225K Laser, IAG Agg. FIRM 5/31/23	Option 1c	Ind. HPN/FH, MTP, \$175K Laser, IAG Agg. FIRM 5/15/23
Swiss Re	12/24	Sirius Amer	12/24
Med/Rx	\$75K	Med/Rx	\$75K
Unlimited	None	Unlimited	None
None	None	None	None
\$150,000	IAG - Paid	\$100,000	IAG - Paid

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Plan Information		Current	
		Projected	Actual
1	Plan Description	Ind. HPN/FH, MTP, ERO	Ind. HPN/FH, MTP, ERO
2	Stop Loss Carrier	Swiss Re	Swiss Re
3	Specific Contract	12/24	12/24
4	Benefits Included	Med/Rx	Med/Rx
5	Contract Deductible	\$75K	\$75K
6	Maximum	Unlimited	Unlimited
7	Run-in Limitations	None	None
8	Aggregating Specific	None	None
9	Laser Risk	None	None
10	Aggregate Contract	12/12	12/12
11	Benefits Included	Med/Rx/Dent/Vis	Med/Rx/Dent/Vis
Premiums (per person per month)			
12	Life and AD&D Premiums	\$49.47	\$49.47
13	Specific/MTP Premium/Feet	\$155.59	\$155.59
14	Single/EE	\$404.74	\$404.74
15	Family/ESC	\$18.00	\$18.00
16	PPO Fee	\$10.90	\$10.90
17	EA/Web/Telemed/Tipster Fees	\$9.23	\$9.23
Administrative Fees (per person per month)			
18	Admin Fees Single	\$46.95	\$46.95
19	Admin Fees Family	\$46.95	\$46.95
20	Start Up Fee	\$0.00	\$0.00
21	ACA Compliance Fee	\$2.00	\$2.00
Aggregate Factors (per person per month)			
22	Med/Rx/Dent/Vis	Single	Insured Factors
23		Family	
Average Enrollment (Monthly)			
24	Medical/Rx	EE	46.44
25		ES	4.67
26		EC	9.22
27		ESC	17.78
28	Total		78.11
29	Dental/Vision	Single	47.67
30		Family	30.22
31		Retiree	9.78
32	Total		87.67

Option 7a	Option 1c
HPN/FH, MTP, ERO, \$225K Laser, IAG Agg, FIRM 5/31/23	Ind. HPN/FH, MTP, \$175K Laser, IAG Agg, FIRM 5/15/23
Swiss Re 12/24	Sirius Amer 12/24
Med/Rx \$75K	Med/Rx \$75K
Unlimited	Unlimited
None	None
None	None
\$150,000 IAG - Paid	\$100,000 IAG - Paid
Med/Rx/Dent/Vis	Med/Rx/Dent/Vis

\$50.88	\$50.88
\$185.23	\$214.12
\$486.80	\$559.30
\$18.10	\$18.10
\$10.90	\$10.90
\$0.00	\$0.00

\$49.76	\$49.76
\$49.76	\$49.76
\$0.00	\$0.00
\$2.00	\$2.00

IAG Factors	
\$679.89	\$679.89
\$1,869.69	\$1,869.69

46.44	46.44
4.67	4.67
9.22	9.22
17.78	17.78
78.11	78.11

47.67	47.67
30.22	30.22
0.00	0.00
77.89	77.89

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Notes:

- * The 2023-24 High Performance Network (HPN) access fee is \$10.60 per employee, per month (pepm). First Health's monthly access fee is \$5.50 pepm. The PPO rate shown on page 3 of this quote analysis also includes \$2 pepm for utilization review and/or precertification via Valenz. This amount will be included in the UR/PPO column on the new plan year invoice.
 - * The 2023-24 cost of access to INTEGRATPA.com is \$3.40 per employee, per month, a fee from the vendor that provides this service. This amount will be included in the AD/AgAd column of the new plan year invoice along with the claims administration fees.
 - * The 2023-24 quotes include a wellness service called Virgin Pulse, which closes the engagement gap with personalized, mobile first programs that employees love and use daily. All aspects of life, all on one easy-to-use mobile platform with a hub of consumer-focused strategies and innovative tools designed to improve participation in employee incentive programs. Three friends or family members may join for free!
 - * Since your organization's plan is nongrandfathered, INTEGRA would arrange for any external appeals as needed through an independent vendor(s). The service costs \$.50 pepm. This amount will be included in the AD/AgAd column of the new plan year invoice along with the claims administration fees.
 - * The 2023-24 quotes include an ACA fee of \$2.00 pepm for the varying compliance duties INTEGRA performs associated with the federal legislation throughout the year. This amount will be billed in full on the first month's invoice of the new plan year.
 - * The 2023-24 quotes include a telemedicine service fee of \$5.50 pepm, a service provided by Swift MD whose U.S. trained physicians are available 24/7 to treat your covered members for minor illnesses via a telephone consultation. This amount will be included with the UR/PPO amounts on the new plan year invoice.
- Option:**
- * The 2023-24 quotes can include an enhanced telemedicine service also provided by Swift MD that is for Behavioral Health Counseling. There is an additional fee of \$1.25 pepm, for master's level counselors that are available 24/7 to treat your covered members. This will include an initial assessment and three visits at no cost to the member via phone or video conference. This amount will be included with the UR/PPO amounts on the new plan year invoice if added.
 - * The 2023-24 quotes include a generic drug finder service provided by Medtipster which finds the pharmacy with the least costly generic drug as needed. The cost is a fee of \$1.50 pepm that is included herein. This amount will be included in the UR/PPO column on the new plan year invoice.
 - * IAG billing fees of 5.27% are included with the stop loss premiums for both plan years. This fee is used to pay such expenses as gross receipts taxes, manage payments to the plan vendors (stop loss carrier, PPO's, precert companies, etc.), compilation of the 5500 filing information and issuance of provider 1099's. These amounts will be included in the EE MED and FAM MED columns of the new plan year invoice.
 - * Per the agreement in place, INTEGRA will continue receiving any prescription rebates for this plan in exchange for the low administrative fee.

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Notes:

- * The employee withholdings are based upon the aggregate amount supplied by your organization which were then extrapolated. The retiree contributions supplied are not applicable to this plan but to the fully insured plan. Please review your records to ensure accuracy.
- * COBRA payments for the upcoming contract period are expected to remain the same as this plan year for purposes of this analysis.
- * Every effort is made to provide accurate information to your organization. However, INTEGRA cannot be held responsible for clerical or typographical errors.
- * Projected billing rates are based on the average census used herein. Four-tier rates are for comparison purposes and maximum rates from the carrier are based on a 2- tier, single and family basis. Projected billing and maximum rates are subject to change based on increases or decreases in enrollment.
- * Retirees that are not on Medicare are covered on the stop loss contracts. Medicare retirees are not covered on the stop loss contracts.
- * The City's Medicare retirees are covered by a fully insured program through The Hartford Employer Group Insurance Trust (HEGIT) which renewed January 1, 2023 with a monthly rate of \$319.49 per retiree.
- * The fully insured group Life/AD&D policy is through Sun Life Assurance Company and is scheduled to renew effective 9/1/23 after a two year rate guarantee ends. The current of \$.46/\$.03 per \$1,000 will change to \$.51/\$.03 per \$1,000 effective 9/1/23.
- * Quotes include discounts to the rates/factors for maintaining the Managed Transplant Program (MTP), a fully insured product that allows your organization to carve out the transplant benefit from the self-funded health plan and provides first dollar coverage. MTP rates of \$4.91 single/\$11.24 family are included in the specific rates listed for 2023-24 plan year.
- * If a change in risk occurs such as plan amendments, TPA changes, PPO network or utilization management changes, enrollment fluctuates by more than 10%, or a new division or company is acquired the carrier reserves the right to reevaluate the risk at any time during the course of the contract. If the average of the final 2 months of aggregate claims for the prior plan year exceeds the average of the first 10 months by more than 10%, Proposed Aggregate Factors may be revised retroactively to the first month of the new policy period. All carriers require 75% employee participation. All insured aggregate contracts have a one million dollar maximum benefit and do not cover prescription administration fees. These Rx admin. fees are included in the projected costs herein but the amount can vary based upon the number of scripts your members fill.
- * The current 12/24 specific contract covers eligible medical and prescription claims incurred from 6/1/2022 through 5/31/2023 and paid from 6/1/2022 through 5/31/2024.
- * The current 12/12 aggregate contract covers eligible medical, Rx, dental and vision claims incurred from 6/1/2022 through 5/31/2023 and paid from 6/1/2022 through 5/31/2023. There may be an aggregate claim of approximately \$147K based on claims through 4/30/23.

The City Of Seaford
Quote Analysis for 2023-2024 Contract Year



Notes:

- * The proposed 12/24 specific contracts will cover eligible medical and prescription claims incurred from 6/1/2023 through 5/31/2024 and paid from 6/1/2023 through 5/31/2025.
- * The proposed 12/12 aggregate contracts will cover eligible medical, Rx, dental and vision claims incurred from 6/1/2023 through 5/31/2024 and paid from 6/1/2023 through 5/31/2024.
- * The proposed 2023 IAG Paid Aggregate maximum numbers are projections and not guarantees. Insurance coverage is not provided for an IAG projected aggregate maximum. IAG maximum aggregate projections are calculated upon your past claims experience.

Swiss RE:

- * This is a firm renewal offer which must be accepted prior to 5/31/23.

* One covered person will have a \$225K laser (higher specific deductible amount) for the 2023-24 plan year. Eligible paid claims must exceed the laser amount before the carrier will reimburse for this individual's claims under the specific contract. Only the selected group specific amount will apply towards the aggregate contract.

* Specific Advance Funding is included.

* This proposal includes an Experience Refund (ERO) which will allow for a refund of 25% of Net Profit provided this stop lo coverage continues for a subsequent Policy Period and is in force at the time of refund. There will be no possible refund for this year due to poor claims experience. Possible refunds for 2023-24 plan year (\$40.2K) are noted in the headers. An ERO \$20.3K could still be paid from the 2021-22 policy period that ends 5/31/23 as there were no specific claims reimbursed from that contract as of 3/22/23.

Sirius America:

- * This is a firm renewal offer which must be accepted prior to 5/15/23.

* One covered person will have a \$175K laser (higher specific deductible amount) for the 2023-24 plan year. Eligible paid claims must exceed the laser amount before the carrier will reimburse for this individual's claims under the specific contract. Only the selected group specific amount will apply towards the aggregate contract.

* Specific Advance Funding is included

MEMORANDUM

NB#Z
5.9.23

TO: Charles Anderson, City Manager

FR: Ashley Heinicke, City Clerk

RE: ***2023 AWD Electric Powered Utility Vehicles (EUV)***
City of Seaford Administration and Parks Departments

DT: April 26, 2023

The City received three (3) bids in response to our bid advertisement for the above referenced project on April 26, 2023. Please see the tabulation of the bids received below:

Bidder	Vehicle Model	TOTAL BID
First State Chevrolet	2023 Chevy Bolt EUV LT	\$60,970.00
Hertrich Fleet Services	2023 Chevy Bolt EUV LT	\$61,390.00
Tesla, Inc.	Model 3	\$97,260.00

After review of the bid submissions, it is my recommendation the bid be awarded to the apparent low bidder, First State Chevrolet for the purchase of two (2) 2023 Chevy Bolt LT EUVs for the City's Parks and Administration Departments. Funds awarded from the Energize Delaware Grant for Local EV Fleets will be utilized to cover the total cost of both vehicles.

Thank you,
Ashley Heinicke
City Clerk

N.B. #3
5/9/23

MEMORANDUM

To: Charles Anderson, City Manager

From: Mike Connor – Hooper's Landing Golf Pro

RE: Bids – 2024 Golf Cart Fleet

DT: 05/04/2023

The City of Seaford received 3 bids for the Golf Cart Fleet solicitation. The bids were as follows:

Bidder	Base Bid (Gas-Powered)	Trade In Value	Total Less Trade In
Golf Cart Specialties	\$364,140.00	\$137,600.00	\$226,540.00
Golf Cars Inc.	\$360,000.00	Trade in Value TBD	\$360,000.00
Golf Cart Services, Inc	\$367,890.00	\$85,200.00	\$282,690.00

Bidder	Alternate Bid (Electric-Powered)	Trade In Value	Total Less Trade In
Golf Cart Specialties	\$498,000.00	\$137,600.00	\$360,400.00
Golf Cars Inc.	\$498,000.00	Trade In Value TBD	\$498,000.00
Golf Cart Services, Inc	\$496,890.00	\$85,200.00	\$411,690.00

It is my recommendation to award the bid to **Golf Cart Specialties** in the amount of **\$364,140.00**, less the trade in value of **\$137,600.00** for the existing fleet of 60 carts, for a total cost of **\$226,540.00**. Funding to come from Golf Reserves.

Thank you

Hooper's Landing Golf Pro
Mike Connor

MEMORANDUM

MB# 4
5-9-23

TO: Charles Anderson, City Manager

FR: Bill Bennett, Director of Electric

RE: Bids – Transformers

DT: 05/03/2023

The City of Seaford received 3 bids for the Transformers solicitation. The bids were as follows:

Bidder	Total Bid	Estimated Delivery Date
United Utility Services (UUS)	\$125,694.00	Q1 of 2024
Graybar Electric		
Proposal A (Square D)	\$240,148.70	99-101 Wks After Order Acceptance
Proposal B (Hitachi Energy)	\$263,566.67	99-101 Wks After Order Acceptance

I would like to recommend awarding the bid to the low bidder **United Utility Services (UUS)**, in the amount of **\$125,694.00**.

The recommended bid is \$10,306.00 less than the budgeted \$136,000.00 for this project.

Thank you.

Director of Electric
Bill Bennett

NB#5
5-9-23

■■■■
ARCHITECTS
ENGINEERS

400 HIGH STREET
SEAFORD, DE 19973
PH: 302.628.1421
PH: 800.789.4462
seaford@gmbnet.com

SALISBURY
BALTIMORE
SEAFORD
LEWES
OCEAN VIEW

www.gmbnet.com
■■■■

JAMES H. WILLEY, JR., P.E.
CHARLES M. O'DONNELL, III, P.E.
A. REGGIE MARINER, JR., P.E.
JAMES C. HOAGESON, P.E.
STEPHEN L. MARSH, P.E.
DAVID A. VANDERBEEK, P.E.
ROLAND E. HOLLAND, P.E.
JASON M. LYTLE, P.E.
CHRIS B. DERBYSHIRE, P.E.
MORGAN H. HELFRICH, AIA
KATHERINE J. MCALLISTER, P.E.
W. MARK GARDOCKY, P.E.
ANDREW J. LYONS, JR., P.E.

PETER A. BOZICK, JR., P.E.
JUDY A. SCHWARTZ, P.E.
W. BRICE FOXWELL, P.E.

JOHN E. BURNSWORTH, P.E.
VINCENT A. LUCIANI, P.E.
AUTUMN J. WILLIS
CHRISTOPHER J. PFEIFER, P.E.
BENJAMIN K. HEARN, P.E.

May 5, 2023

City of Seaford
414 High Street
Seaford, DE 19973

Attn: Charles Anderson
City Manager

Re: Woolford Street Improvements Project
Seaford, Delaware
GMB File No. 210206

Dear Mr. Anderson:

Bids for the referenced project were opened at the City of Seaford Council Chambers at 11:00 a.m. on Thursday, May 4, 2023. A copy of the Bid Opening Summary, Detailed Bid Tabulation, and copies of the two (2) bids received are enclosed for your files.

The lowest total base bid (Schedule A + B) was received from A-Del Construction Co., Inc. in the amount of \$385,000. GMB has reviewed the low bid proposal and found it to contain all required documentation.

Accordingly, contingent upon the availability of funds, GMB recommends an award to A-Del Construction Co., Inc. in the amount of \$385,000 which includes the Total Base Bid (Schedules A + B), for a contract duration of 90 calendar days.

If you have any questions, please do not hesitate to contact me at 302.628.1421. Thank you.

Sincerely,



Benjamin Hearn, P.E.
Project Manager

Enclosures

cc: City of Seaford
Attn: Berley Mears
GMB
Attn: Chris Derbyshire, P.E.



GEORGE, MILES & BUHR, LLC

Tabulation of Bids

PROJECT
NAME: Woolford Street Improvements
City of Seaford, Delaware
GMB JOB NO.: 210206
BID OPENING: May 4, 2023 at 11:00 a.m.

Item No	Bid Item Description	Size	Units	Est. Qty.	Engineers Estimate		A-Del Construction Co., Inc.		George & Lynch, Inc.	
					Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
PART A: BASE BID										
A1	Mobilization	-	LS	1	\$ 30,515.00	\$ 30,515.00	\$ 47,946.00	\$ 47,946.00	\$ 56,000.00	\$ 56,000.00
A2	Removal and Disposal and Abandonment	-	LS	1	\$ 8,000.00	\$ 8,000.00	\$ 21,000.00	\$ 21,000.00	\$ 124,000.00	\$ 124,000.00
A3	Furnish & Install RCP Storm Drain	8"	LF	290	\$ 100.00	\$ 29,000.00	\$ 86.00	\$ 24,940.00	\$ 250.00	\$ 72,500.00
A4	Furnish & Install Catch Basin including Frame & Grate	-	VF	7	\$ 1,400.00	\$ 9,800.00	\$ 1,900.00	\$ 13,300.00	\$ 2,500.00	\$ 17,500.00
A5	Furnish & Install 5' Wide Concrete Sidewalk	-	SF	4110	\$ 20.00	\$ 82,200.00	\$ 15.50	\$ 63,705.00	\$ 22.00	\$ 90,420.00
A6	Profile Milling	15"	SY	2171	\$ 9.00	\$ 19,539.00	\$ 2.50	\$ 5,427.50	\$ 6.00	\$ 13,026.00
A7	Furnish & Install Bituminous Concrete, Type C - Surface Course	72" x 24"	SY	1855	\$ 17.50	\$ 32,462.50	\$ 12.00	\$ 22,260.00	\$ 15.00	\$ 27,825.00
A8	Furnish & Install Bituminous Concrete, Type B - Base Course		SY	250	\$ 20.00	\$ 5,000.00	\$ 35.00	\$ 8,750.00	\$ 63.00	\$ 15,750.00
A9	Furnish & Install GABC		CY	55	\$ 85.00	\$ 4,675.00	\$ 171.00	\$ 9,405.00	\$ 189.00	\$ 10,395.00
A10	Furnish & Install PCC Type 1-4 Curb and Gutter in areas shown	1.5"	LF	1181	\$ 55.00	\$ 64,955.00	\$ 63.50	\$ 74,983.50	\$ 64.50	\$ 76,174.50
A11	Furnish & Install PCC Type 1-6 Curb and Gutter in areas shown	3"	LF	320	\$ 55.00	\$ 17,600.00	\$ 72.50	\$ 23,200.00	\$ 64.75	\$ 20,720.00
A12	Furnish & Install Type 2 ADA Ramp Complete	8"	EA	3	\$ 5,600.00	\$ 16,800.00	\$ 4,300.00	\$ 12,900.00	\$ 5,950.00	\$ 17,850.00
A13	Furnish & Install White Thermoplastic Arrow	-	EA	3	\$ 600.00	\$ 1,800.00	\$ 300.00	\$ 900.00	\$ 262.50	\$ 787.50
A14	Furnish & Install 6' Wide White Thermoplastic Crosswalk	-	SF	146	\$ 10.00	\$ 1,460.00	\$ 10.50	\$ 1,533.00	\$ 9.45	\$ 1,379.70
A15	Furnish & Install 4" White Parking Space Lines	-	LF	220	\$ 2.00	\$ 440.00	\$ 11.00	\$ 2,420.00	\$ 10.50	\$ 2,310.00
A16	Furnish & Install Bollards	-	EA	4	\$ 1,000.00	\$ 4,000.00	\$ 875.00	\$ 3,500.00	\$ 945.00	\$ 3,780.00
A17	Furnish & Install R6-2L and/or R6-2R signs and new Breakaway Post.	-	EA	3	\$ 500.00	\$ 1,500.00	\$ 410.00	\$ 1,230.00	\$ 630.00	\$ 1,890.00
A18	Relocation of Stop Sign with new Breakaway Post	4"	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 640.00	\$ 640.00	\$ 420.00	\$ 420.00
A19	Relocation and Reinstallation of Fencing and Shrubs	-	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 2,150.00	\$ 2,150.00	\$ 7,300.00	\$ 7,300.00
SUBTOTAL PART A - A1 THRU A19					\$	\$ 335,646.50	\$	\$ 340,200.00	\$	\$ 560,027.70
PART B: CONTINGENT BID ITEMS										
B1	Excavation Below Subgrade	-	CY	250	\$ 53.00	\$ 13,250.00	\$ 34.00	\$ 8,500.00	\$ 80.00	\$ 20,000.00
B2	Furnish and Place Gravel Bedding	-	CY	50	\$ 90.00	\$ 4,500.00	\$ 130.00	\$ 6,500.00	\$ 152.50	\$ 7,625.00
B3	Furnish & Place Special Backfill	-	CY	250	\$ 53.00	\$ 13,250.00	\$ 60.00	\$ 15,000.00	\$ 78.60	\$ 19,650.00
B4	Misc. Excavation & Backfill	-	CY	20	\$ 63.00	\$ 1,260.00	\$ 10.00	\$ 200.00	\$ 355.00	\$ 7,100.00
B5	Furnish and Place Miscellaneous 3,000 psi Concrete	-	CY	10	\$ 700.00	\$ 7,000.00	\$ 850.00	\$ 8,500.00	\$ 450.00	\$ 4,500.00
B6	Secure Modified Proctor Tests	-	EA	7	\$ 600.00	\$ 4,200.00	\$ 750.00	\$ 5,250.00	\$ 270.00	\$ 1,890.00
B7	Secure Field Density Tests	-	EA	2	\$ 350.00	\$ 700.00	\$ 425.00	\$ 850.00	\$ 270.00	\$ 540.00
SUBTOTAL PART B - B1 THRU B7					\$	\$ 44,160.00	\$	\$ 44,800.00	\$	\$ 61,305.00
TOTAL BASE BID W/CONTINGENT ITEMS - SUM OF PART A + B					\$	\$ 379,806.50	\$	\$ 385,000.00	\$	\$ 621,332.70



BID RESULTS

PROJECT NAME: Woolford Street Improvements
City of Seaford, Delaware
GMB JOB NO.: 210206
BIDS OPENED: May 4, 2023
TIME: 11:00 a.m.

	Contractor	Addenda			Bid Bond	Part A Base Bid	Part B Contingent Bid Items	Total Base Bid (Bid Parts A+B)
		1	2	3				
1	A-Del Construction Co., Inc.	Y	Y	Y	Yes	\$340,200.00	\$44,800.00	\$385,000.00
2	George & Lynch, Inc	Y	Y	Y	Yes	\$560,027.70	\$61,305.00	\$621,332.70
3								\$0.00
4								\$0.00
5								\$0.00
6								\$0.00
7								\$0.00
8								\$0.00

**WOOLFORD STREET IMPROVEMENTS
SEAFORD, DE**

PART A – BASE BID

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
A-1	Mobilization	-	LS	1	\$ 47,946. ⁰⁰	\$ 47,946. ⁰⁰
A-2	Removal and Disposal and Abandonment	-	LS	1	\$ 21,000. ⁰⁰	\$ 21,000. ⁰⁰
A-3	Furnish & Install RCP Storm Drain	15"	LF	290	\$ 86. ⁰⁰	\$ 24,940. ⁰⁰
A-4	Furnish & Install Catch Basin including Frame & Grate	72" x 24"	VF	7	\$ 1,900. ⁰⁰	\$ 13,300. ⁰⁰
A-5	Furnish & Install 5' Wide Concrete Sidewalk		SF	4110	\$ 15.50	\$ 63,705. ⁰⁰
A-6	Profile Milling		SY	2171	\$ 2.50	\$ 5,427.50
A-7	Furnish & Install Bituminous Concrete, Type C - Surface Course	1.5"	SY	1855	\$ 12.00	\$ 22,260. ⁰⁰
A-8	Furnish & Install Bituminous Concrete, Type B - Base Course	3"	SY	250	\$ 35. ⁰⁰	\$ 8,750. ⁰⁰
A-9	Furnish & Install GABC	8"	CY	55	\$ 171. ⁰⁰	\$ 9,405. ⁰⁰
A-10	Furnish & Install PCC Type 1-4 Curb and Gutter in areas shown	-	LF	1181	\$ 63.50	\$ 74,993.50
A-11	Furnish & Install PCC Type 1-6 Curb and Gutter in areas shown	-	LF	320	\$ 72.50	\$ 23,200. ⁰⁰
A-12	Furnish & Install Type 2 ADA Ramp Complete	-	EA	3	\$ 4,300. ⁰⁰	\$ 12,900. ⁰⁰
A-13	Furnish & Install White Thermoplastic Arrow	-	EA	3	\$ 300. ⁰⁰	\$ 900. ⁰⁰
A-14	Furnish & Install 6' Wide White Thermoplastic Crosswalk	-	SF	146	\$ 10.50	\$ 1,533. ⁰⁰
A-15	Furnish & Install 4" White Parking Space Lines	4"	LF	220	\$ 11.00	\$ 2,420. ⁰⁰

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
A-16	Furnish & Install Bollards	-	EA	4	\$ 875. ⁰⁰	\$ 3,500. ⁰⁰
A-17	Furnish & Install R6-2L and/or R6-2R signs and new Breakaway Post	-	EA	3	\$ 410. ⁰⁰	\$ 1,230. ⁰⁰
A-18	Relocation of Stop Sign with new Breakaway Post	-	LS	1	\$ 640. ⁰⁰	\$ 640. ⁰⁰
A-19	Relocation and Reinstallation of Fencing and Shrubs	-	LS	1	\$ 2,150. ⁰⁰	\$ 2,150. ⁰⁰
	TOTAL FOR PART A					\$ 340,200. ⁰⁰

PART B - CONTINGENT BID ITEMS

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
B-1	Excavation Below Subgrade	-	CY	250	\$ 34. ⁰⁰	\$ 8,500. ⁰⁰
B-2	Furnish and Place Gravel Bedding	-	CY	50	\$ 130. ⁰⁰	\$ 6,500. ⁰⁰
B-3	Furnish & Place Special Backfill	-	CY	250	\$ 60. ⁰⁰	\$ 15,000. ⁰⁰
B-4	Misc. Excavation & Backfill	-	CY	20	\$ 10. ⁰⁰	\$ 200. ⁰⁰
B-5	Furnish and Place Miscellaneous 3,000 psi Concrete	-	CY	10	\$ 850. ⁰⁰	\$ 8,500. ⁰⁰
B-6	Secure Modified Proctor Tests	-	EA	7	\$ 750. ⁰⁰	\$ 5,250. ⁰⁰
B-7	Secure Field Density Tests	-	EA	2	\$ 425. ⁰⁰	\$ 850. ⁰⁰
	TOTAL FOR PART B					\$ 44,800. ⁰⁰

TOTAL PROJECT BID (BASE BID)
(TOTAL FOR PART A + PART B)

\$ 385,000.⁰⁰

Soonest date upon which BIDDER can accept Notice to Proceed from Owner for commencement of 90-Calendar Day Contract Duration:

As Soon As Possible

The undersigned BIDDER proposes to use the following named SUBCONTRACTORS:

Straight Line Solutions LLC Georgetown, DE

Enclosed herewith is a Certified Check or Bid Bond in the amount of Ten Percent (10%) of the Base Bid.

The following Corporation (if applicable) is chartered in the State of Delaware.

License No. (if applicable) 1989021636.

Witness

CORPORATE SEAL

05/04/2023

Date

Signature

Title

A-Del Construction Co., Inc.

Firm Name

10 Adel Drive

Newark, Delaware 19702

Business Address

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _____

A-Del Construction Co., Inc.

as Principal and Endurance Assurance Corporation

City of Seaford as OWNER in the penal sum of Ten Percent of Bid Amount (10% of Bid Amount)
for the payment of which, well and truly to be made, we hereby jointly and severally bind
ourselves, successors and assigns.

Signed, this 4th day of May 2023.

The Condition of the above obligation is such that whereas the Principal has submitted to _____
City of Seaford a certain BID, attached hereto and hereby made a part hereof to
enter into a contract in writing, for the construction of WOOLFORD STREET
IMPROVEMENTS, and appurtenant work, which contract and the work to be done hereunder
and the specifications accompanying the same shall be deemed a part thereof to the same extent
as if fully set out herein.

NOW, THEREFORE,

- (a) If said BID shall be rejected, or
- (b) If said BID shall be accepted and the Principal shall execute and deliver a contract
in the Form of Agreement attached hereto (properly completed in accordance with
said BID) and shall furnish a BOND for his faithful performance of said contract,
and for the payment of all persons performing labor or furnishing materials in
connection therewith, and shall in all other respects perform the agreement
created by the acceptance of said BID.

then this obligation shall be void, otherwise the same shall remain in force and effect; it being
expressly understood and agreed that the liability of the Surety for any and all claims hereunder
shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety
and its BOND shall be in no way impaired or affected by any extension of the time within which
the OWNER may accept such BID; and said Surety does hereby waive notice of any such
extension. In WITNESS, WHEREOF, the Principal and the Surety have hereunto set their hands
and seals, and such of them as are corporations have caused their corporate seals to be hereto
affixed and these presents to be signed by their proper officers, the day and year first set forth
above.

A-Del Construction Co., Inc. (L.S.)
Principal

By: _____

Endurance Assurance Corporation
Surety

By: _____

Mai-Ling Rodriguez, Attorney-In-Fact



KNOW ALL BY THESE PRESENTS, that Endurance Assurance Corporation, a Delaware corporation, Endurance American Insurance Company, a Delaware corporation, Lexon Insurance Company, a Texas corporation, and/or Bond Safeguard Insurance Company, a South Dakota corporation, each, a "Company" and collectively, "Sompo International," do hereby constitute and appoint: Stephen J. Mainello, Hossay Mattin, Robert T. Cawley, Laura L. Brown, Mai-Ling Rodriguez, and Rush Seale as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of One Hundred Million Dollars (\$100,000,000.00).

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
By: *Richard Appel*
Richard Appel, SVP & Senior Counsel



Endurance American Insurance Company
By: *Richard Appel*
Richard Appel, SVP & Senior Counsel



Lexon Insurance Company
By: *Richard Appel*
Richard Appel, SVP & Senior Counsel



Bond Safeguard Insurance Company
By: *Richard Appel*
Richard Appel, SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*
Amy Taylor, Notary Public - My Commission Expires 3/9/27



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

*RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 4th day of May, 2023.

By: *Daniel S. Lurie*
Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870

STATE OF DELAWARE

Department of Finance Division of Revenue

ACTIVE BUSINESS LICENSE

1989021636

01/01/2022 - 12/31/2024

A-DEL CONSTRUCTION CO INC
10 ADEL DR
NEWARK DE 19702-1331

A-DEL CONSTRUCTION CO INC
10 ADEL DR
NEWARK, DE 19702-1331

RESIDENT CONTRACTOR

Is hereby licensed to practice, conduct, or engage in the occupation or business activity indicated above in accordance with the license application duly filed pursuant to Title 30, Delaware Code.

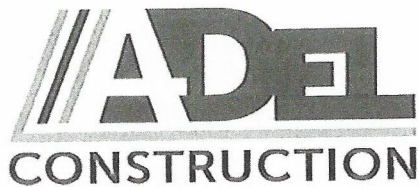
ISSUED: 12/26/2021
FEE PAID: \$225.00



2024

POST CONSPICUOUSLY - NOT TRANSFERABLE





Via – Hardcopy

Statement of Qualifications

5 Similar Streetscape Completed Projects:

- Central Blvd. Drainage, Town of Bethany = \$185,521, Completed 2022
- Main Street Newark Rehab and Ped. Improvements, DelDOT = \$9,645,683, Completed 2021
- Pave & Rehab, Cecil County, MD = \$758,374, Completed 2018
- Pave & Rehab, DelDOT = \$6,831,681, Completed 2018
- Pave & Rehab, DelDOT = \$897,927, Completed 2017

References:

- Mike Baiocco, Mott-Macdonald Co. Senior P.M. – 302-781-4371
- Brian Locke, DelDOT Pave & Rehab Program Manager – 302-318-2702
- Ken Newcomb, Cecil County Roads Division – 410-996-6270
- David Baylor, Delaware City, City Manager – dbaylor@ci.delaware-city.de.us

Thank you for the opportunity, if you have any questions, please feel free to contact me at rkemske@a-del.com or (302)453-8286. Ext 116

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Kemske II".

Robert C. Kemske II
V.P., Estimating
A-Del Construction Co., Inc.
rkemske@a-del.com
302-383-3095 (C)

Section 3 BID

WOOLFORD STREET IMPROVEMENTS
FOR
CITY OF SEAFORD, DE

Date 5/4/2023

TO: CITY OF SEAFORD
CITY HALL
P.O. BOX 1100
414 HIGH STREET
SEAFORD DE 19973

Proposal of George & Lynch, Inc. (hereinafter called
"BIDDER"), organized and existing under the laws of the State of Delaware
doing business as Corporation (Insert "a corporation", "a partnership", or
"an individual" as applicable.) to the CITY OF SEAFORD (hereinafter called "OWNER").

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all
WORK for WOOLFORD STREET IMPROVEMENTS, in strict accordance with the
CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, each BIDDER certifies, and in the case of a joint BID each party
thereto certifies as to his own organization, that this BID has been arrived at independently,
without consultation, communication, or agreement as to any matter relating to his BID with any
other BIDDER or with any competitor.

BIDDER hereby agrees to commence WORK under this contract on or before a date to be
specified in the NOTICE TO PROCEED and to fully complete the PROJECT within 90
consecutive calendar days thereafter unless alternate schedules are awarded adding to the total
contract duration. BIDDER further agrees to pay liquidated damages, the sum \$750.00 for each
consecutive calendar day thereafter that he is in default in completing the Contract.

BIDDER acknowledges receipt of the following ADDENDUM

1, 2, 3

**WOOLFORD STREET IMPROVEMENTS
SEAFORD, DE**

PART A – BASE BID

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
A-1	Mobilization	-	LS	1	\$ 56,000.00	\$ 56,000.00
A-2	Removal and Disposal and Abandonment	-	LS	1	\$ 124,000.00	\$ 124,000.00
A-3	Furnish & Install RCP Storm Drain	15"	LF	290	\$ 250.00	\$ 72,500.00
A-4	Furnish & Install Catch Basin including Frame & Grate	72" x 24"	VF	7	\$ 2,500.00	\$ 17,500.00
A-5	Furnish & Install 5' Wide Concrete Sidewalk		SF	4110	\$ 22.00	\$ 90,420.00
A-6	Profile Milling		SY	2171	\$ 6.00	\$ 13,026.00
A-7	Furnish & Install Bituminous Concrete, Type C - Surface Course	1.5"	SY	1855	\$ 15.00	\$ 27,825.00
A-8	Furnish & Install Bituminous Concrete, Type B - Base Course	3"	SY	250	\$ 63.00	\$ 15,750.00
A-9	Furnish & Install GABC	8"	CY	55	\$ 189.00	\$ 10,395.00
A-10	Furnish & Install PCC Type 1-4 Curb and Gutter in areas shown	-	LF	1181	\$ 64.50	\$ 76,174.50
A-11	Furnish & Install PCC Type 1-6 Curb and Gutter in areas shown	-	LF	320	\$ 64.75	\$ 20,720.00
A-12	Furnish & Install Type 2 ADA Ramp Complete	-	EA	3	\$ 5,950.00	\$ 17,850.00
A-13	Furnish & Install White Thermoplastic Arrow	-	EA	3	\$ 262.50	\$ 787.50
A-14	Furnish & Install 6' Wide White Thermoplastic Crosswalk	-	SF	146	\$ 9.45	\$ 1,379.70
A-15	Furnish & Install 4" White Parking Space Lines	4"	LF	220	\$ 10.50	\$ 2,310.00

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
A-16	Furnish & Install Bollards	-	EA	4	\$ 945.00	\$ 3,780.00
A-17	Furnish & Install R6-2L and/or R6-2R signs and new Breakaway Post	-	EA	3	\$ 630.00	\$ 1,890.00
A-18	Relocation of Stop Sign with new Breakaway Post	-	LS	1	\$ 420.00	\$ 420.00
A-19	Relocation and Reinstallation of Fencing and Shrubs	-	LS	1	\$ 7,300.00	\$ 7,300.00
	TOTAL FOR PART A					\$ 560,027.70

PART B - CONTINGENT BID ITEMS

No.	Item	Size	Unit	Est. Qt.	Unit Price	Total Price
B-1	Excavation Below Subgrade	-	CY	250	\$ 80.00	\$ 20,000.00
B-2	Furnish and Place Gravel Bedding	-	CY	50	\$ 152.50	\$ 7,625.00
B-3	Furnish & Place Special Backfill	-	CY	250	\$ 78.60	\$ 19,650.00
B-4	Misc. Excavation & Backfill	-	CY	20	\$ 355.00	\$ 7,100.00
B-5	Furnish and Place Miscellaneous 3,000 psi Concrete	-	CY	10	\$ 450.00	\$ 4,500.00
B-6	Secure Modified Proctor Tests	-	EA	7	\$ 270.00	\$ 1,890.00
B-7	Secure Field Density Tests	-	EA	2	\$ 270.00	\$ 540.00
	TOTAL FOR PART B					\$ 61,305.00

TOTAL PROJECT BID (BASE BID)

(TOTAL FOR PART A + PART B)

\$ 621,332.70

Soonest date upon which BIDDER can accept Notice to Proceed from Owner for commencement of 90-Calendar Day Contract Duration:

June 26th 2023

The undersigned BIDDER proposes to use the following named SUBCONTRACTORS:

Mitten Construction

Straight Line Striping

Rightway Flagging & Sign Co.

Enclosed herewith is a Certified Check or Bid Bond in the amount of Ten Percent (10%) of the Base Bid.

The following Corporation (if applicable) is chartered in the State of Delaware.

License No. (if applicable) 1994105863.

Witness

[Signature]

CORPORATE SEAL

Date

5/4/2023

Signature

[Signature]

Title

Vice President

Firm Name

George Hynich, Inc

Business Address

150 Lafferty Lane

Dover, DE 19901

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, _____

George & Lynch, Inc.

as Principal and Endurance Assurance Corporation

City of Seaford as OWNER in the penal sum of Ten Percent (10%) of Total Amount of the Bid
for the payment of which, well and truly to be made, we hereby jointly and severally bind
ourselves, successors and assigns.

Signed, this 4th day of May 2023.

The Condition of the above obligation is such that whereas the Principal has submitted to _____
City of Seaford a certain BID, attached hereto and hereby made a part hereof to
enter into a contract in writing, for the construction of WOOLFORD STREET
IMPROVEMENTS, and appurtenant work, which contract and the work to be done hereunder
and the specifications accompanying the same shall be deemed a part thereof to the same extent
as if fully set out herein.

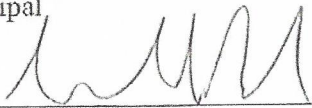
NOW, THEREFORE,

- (a) If said BID shall be rejected, or
- (b) If said BID shall be accepted and the Principal shall execute and deliver a contract
in the Form of Agreement attached hereto (properly completed in accordance with
said BID) and shall furnish a BOND for his faithful performance of said contract,
and for the payment of all persons performing labor or furnishing materials in
connection therewith, and shall in all other respects perform the agreement
created by the acceptance of said BID.

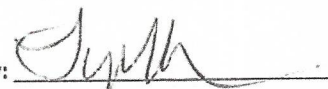
then this obligation shall be void, otherwise the same shall remain in force and effect; it being
expressly understood and agreed that the liability of the Surety for any and all claims hereunder
shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety
and its BOND shall be in no way impaired or affected by any extension of the time within which
the OWNER may accept such BID; and said Surety does hereby waive notice of any such
extension. In WITNESS, WHEREOF, the Principal and the Surety have hereunto set their hands
and seals, and such of them as are corporations have caused their corporate seals to be hereto
affixed and these presents to be signed by their proper officers, the day and year first set forth
above.

George & Lynch, Inc. (L.S.)
Principal

By: 

Endurance Assurance Corporation
Surety

By: 
Lynn M. Wheelock, Attorney-in-Fact



SOMPO INTERNATIONAL
INSURANCE

POWER OF ATTORNEY

22282

KNOW ALL BY THESE PRESENTS, that Endurance Assurance Corporation, a Delaware corporation, Endurance American Insurance Company, a Delaware corporation, Lexon Insurance Company, a Texas corporation, and/or Bond Safeguard Insurance Company, a South Dakota corporation, each, a "Company" and collectively, "Sompo International," do hereby constitute and appoint: **Fernanda L. DePaolantonio, Eric J. Follman Sr., Lynn M. Wheelock, Caitlin Christine Baker** as true and lawful Attorney(s)-in-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **One Hundred Million Dollars (\$100,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15th day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15th day of June, 2019.

Endurance Assurance Corporation
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Endurance American Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Lexon Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



Bond Safeguard Insurance Company
By: *Richard M Appel*
Richard Appel; SVP & Senior Counsel



ACKNOWLEDGEMENT

On this 15th day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*
Amy Taylor, Notary Public - My Commission Expires 3/9/27



CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 4th day of May, 2023.

By: *Daniel S. Lurie*
Daniel S. Lurie, Secretary

NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: LexonClaimAdministration@sompo-intl.com

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870



EXPERIENCE STATEMENT

MAJOR G&L PROJECTS (>\$1,000,000) COMPLETED IN THE PAST FIVE YEARS

Project Name	Description	Location	Start Date	Completion date	Value	Customer
City of Salisbury-MD-Main Street Construction Services Emergency Work Contract #101-18, PO #02180495-00	Various road projects as directed	Wicomico County, MD	3/28/2018	8/29/2018	\$1,000,000.00	City of Salisbury
City of Seaford (Engineer: George, Miles & Buhr LLC)-Western Sussex Business Complex-DDOT Entrance, Seaford, DE. Contract/License: GMB#R190147	Milling, paving and restriping entrance	Sussex County, DE	21-Jun	3/30/2022	\$1,033,066.32	City of Seaford
City of Dover DE-Dover Streets & Alley Program 2020. Dover, DE	Milling and paving various streets in the City of Dover	Kent County, DE	4/7/2020		\$1,037,893.90	City of Dover
Liborio Hidden Brook, LLC-Moorton Road-Dover, DE-Road Construction	DelDOT entrance work for a new development	Kent County, DE	3/12/2018	7/31/2018	\$1,100,900.00	Liborio
State of DE-Bridge #1-227 on Capital #13-PaperMill Rd-CMGC-PO #59548 T201407102, FAP #EBROS-N013(02)	Replacement of existing bridge including milling, paving and concrete structure placement	New Castle County, DE	5/15/2018	4/30/2019	\$1,118,921.00	DelDOT
City of Salisbury-Salisbury City Wide Street Resurfacing 2019-Salisbury, MD-Contract #ITB-A-19-103	Milling and paving various streets in the City of Salisbury	Wicomico County, MD	9/21/2018	5/31/2019	\$1,207,775.00	City of Salisbury
Town of Bethany Beach-(The Kercher Group Inc.)-Atlantic Ave Phase I Improvement Plan. Bethany Beach, DE	Complete overhaul of Atlantic Ave in Bethany Beach	Sussex County, DE	1/26/2018	5/31/2018	\$1,337,627.90	Bethany Beach
City of Salisbury Maryland-Hampshire Road-Sewage Lift Station-Contract #101-17. Salisbury, MD	Installation of a new pump station for the City of Salisbury	Wicomico County, MD	10/26/2017	11-31-2018	\$1,359,978.00	City of Salisbury

DNREC (Fish and Wildlife)-Little Creek Boat Ramp-Sub Job 001 (Highway Rates) Sub Job 002 (Heavy Rates)-Little Creek, DE-Contract #NAT18001	Install new boat ramp in Little Creek, DE	Kent County, DE	2/26/2018	10/15/2018	\$1,386,940.00	DNREC
City of Salisbury-Riverside Roundabout-Taking an existing fourway intersection into a Roundabout Intersection-Contract #19-123	Install new round-about for the City of Salisbury	Wicomico County, MD	6/17/2019	3/31/2020	\$1,486,495.30	City of Salisbury
State of DE-Contract #T201706201.01-Pavement & Rehab-Kent 1-Hartly, Viola, Magnolia 2017	Milling and paving for roads in Kent County	Kent County, DE	10/10/2017	5/31/2018	\$1,488,700.03	DeIDOT
Mountaire Farms of Delaware-Selbyville Parking Additions Phase 1 & 2. Selbyville, DE 19975	Rehabilitation of a parking area for Mountaire Poultry including milling, paving and underground pipe work	Sussex County, DE	3/1/2021	10/31/2021	\$1,818,390.00	Mountaire
Delaware Coast Line Railroad-DCLR Lewes Branch AT-Grade Crossing Demo-Lewes, DE	Complete repair of a railroad crossing including milling, paving and new concrete installation	Sussex County, DE	4/24/2018	8/15/2018	\$1,842,234.50	DeIDOT
Sussex County Engineering Dept-GA Apron, Phase 2. FAP# 3-10-0007-039-2021. Georgetown, DE	Rehabilitation of the runway apron at the Georgetown Airport	Sussex County, DE	4/1/2022	6/15/2021	\$1,851,609.20	Sussex County Engineering
City of Salisbury MD-Main St. Block 3 & Riverwalk Landscape Architecture-Sitework-Wicomico Cty Contract #125-18, PO #02180602-01 - (Sub Jobs)	Complete overhaul of main street in the City of Salisbury including milling, paving and underground utility work	Wicomico County, MD	7/3/2018	4/30/2019	\$1,950,000.00	City of Salisbury
Maryland Department of Transportation-Contract #W1685176, FAP #HSIP-G-130-1 (176) E Description: Geometric Improvements on US 50 at White Lowe Road in Wicomico County MD	Milling and paving on Rt 50 in Maryland	Wicomico County, MD	2/6/2019	9/30/2019	\$2,339,773.90	Maryland State Highway

City of Seaford (Engineer: George, Miles & Buhr LLC)-Western Sussex Business Campus. Seaford, DE. Contract No. 190147	Site work for the new Business Campus in Seaford	Sussex County, DE	6/21/21	4/6/2022	\$2,414,220.62	City of Seaford
Kent County Levy Court. FY2020-Equipment Contract	Various pump station and road work for Kent County	Kent County, DE	1/2/2020		\$2,583,040.00	Kent County Engineering
State of DE-Pave & Rehab Sussex 1 (SR1, Forgotten Mile) 2017, Sussex Cty Contract #T201706301.01, FAP #NH-S014 (17)	Complete overhaul of Rt 1 north of Dewey Beach including milling, paving, curb and gutter and striping	Sussex County, DE	12/2018	11/2019	\$2,651,035.16	DeIDOT
Subs: Beacon Asset Managers-The Reserves Subdivision-Oceanview, DE-Sitework	Site work for a housing subdivision in Oceanview, DE	Sussex County, DE	7/27/2018	6/30/2019	\$2,817,500.00	BAM
City of Salisbury MD-Main St Master Plan Phases 1 & 3 Construction-Contract #RFP-19-110, PO #02190382-00, Wicomico County MD-Sub Jobs 001 & 002	Complete overhaul of main street in the City of Salisbury including milling, paving and underground utility work	Wicomico County, MD	5/24/2019	08/31/2020	\$3,070,256.40	City of Salisbury
Burton's Pond LLC-Walden DDOT Entrance Improvements-Sub Job 001 for Waldon Traffic Signalization-Harbeson, DE	DelDOT entrance work for a new development	Sussex County, DE	4/2/2019	4/30/2020	\$3,173,000.00	DeIDOT
DelDOT-(NC-Sub 001) (Kent-Sub 002) Sussex (Sub-003)-Contract #T201780103.01 Hopper Rocks & Storage Facilities FY 18-20	Installing new salt hopper racks for DelDOT at their maintenance facilities	State of DE	1/18/2018	3/31/2020	\$3,235,510.00	DeIDOT
State of DE-Contract #T201706303.01, FAP #NH-S014-(16). Pave & Rehab Sussex III SR1, Delaware Seashore	Milling and paving work for DelDOT	Sussex County, DE	1/25/2018	5/25/2018	\$3,427,406.38	DeIDOT
State of Delaware-CTF Open End, South, FY21-FY22. Delaware. Contract # T202103301	Milling and paving work for DelDOT	Sussex County, DE	3/1/2021		\$3,463,373.20	DeIDOT
City of Salisbury MD-Fitzwater Street Lift Station-Contract #ITB 19-121	Installation of a new pump station for the City of Salisbury	Kent County, DE	8/14/2019	3/30/2021	\$3,537,122.00	City of Salisbury
Lewes Waterfront Preserve, LLC-Lewes Waterfront Preserve	Site work for a housing subdivision in Lewes,	Kent County, DE	9/20/2021		\$3,952,000.00	Lewes Waterfront

Sitework. Lewes, DE	DE						
Harbor Point Subdivision-Jack Lingo Asset Management-Park Rd-Lewes, DE-Sitework	Site work for a housing subdivision in Lewes, DE	Sussex County, DE	7/26/2018	6/30/2019	\$4,200,000.00	JLAM	
State of DE-Contract #T201803601-Drainage Improvements, Open End South FY 18-20	Various drainage pipe installation for DelDOT	Sussex County, DE	2/8/2018	2/1/2018	\$4,426,639.00	DeIDOT	
Sussex County-T&M-FY2019 General Labor & Equipment Contract SC Project #19-01	Various pump station and road work for Sussex County	Sussex County, DE	6/21/2018	7/1/2021	\$4,827,190.00	Sussex County Engineering	
MSHA-Contract #XY1805177, FAP #AC-STBG-NHPP-000B(234)-Ultra Thin Bonded Wearing Course at Various Locations in Dorchester, Somerset, Wicomico Counties	Milling and paving work for MSHA	Kent County, DE	4/12/2018	12/31/2019	\$4,949,257.90	Maryland State Highway	
Kent County-US 13 Force Main Rehabilitation-Rt.13 Garden Lane to Denneys Rd-Dover, DE	Rehabilitation of force main on Rt 13 in Dover, DE	Kent County, DE	6/24/2019	12/16/2019	\$5,155,944.00	Kent County Engineering	
Sussex County Engineering Dept.-Taxiway D Phase 2-Contract #18-03, FAP #3-10-007. Georgetown, DE	Overhaul of Taxiway for Georgetown Airport	Sussex County, DE	9/6/2018	11/30/2019	\$5,539,189.30	Sussex County Engineering	
Olde Town Lewes, LP - Olde Town at White's Pond Theodore C. Freeman Highway. Lewes, DE	Site work for a housing subdivision in Lewes, DE	Sussex County, DE	8/8/2022		\$5,835,000.00	JLAM	
Sussex County Eng. - Herring Creek Sanitary Sewer District East. Gravity Sewer & Force Main. Georgetown, DE	Replacement of sanitary sewer pipe in Georgetown, DE	Sussex County, DE	6/1/2022		\$6,095,549.00	Sussex County Engineering	
MSHA - Mill/Grind, Patch & Resurface Roadways at various locations in Dorchester County. Contract No. XY7095177	Milling and paving work for MSHA	Dorchester, MD	4/1/2022	12/31/2023	\$6,794,326.61	Maryland State Highway	

MSHA-Contract #WO1685177, FAP #AC-NHPP-G-331-1 (14), E. MD528 from 62nd St to 26th St Safety & Resurfacing. Ocean City, MD	Milling and paving work for MSHA	Worcester, MD	10/1/2017	5/25/2018	\$6,820,065.07	Maryland State Highway
MSHA-Mill/Grind, Patch & Resurface Roadways at various locations. Contract #XY7235177. Maryland	Milling and paving work for MSHA	Worcester, MD	3/15/2020	12/31/2021	\$8,142,528.00	Maryland State Highway

STATE OF DELAWARE

Department of Finance Division of Revenue

ACTIVE BUSINESS LICENSE

1994105863

01/01/2022 - 12/31/2024

GEORGE & LYNCH INC
150 LAFFERTY LN
DOVER DE 19901-7205

GEORGE & LYNCH INC
150 LAFFERTY LN
DOVER, DE 19901-7205



2024

RESIDENT CONTRACTOR

Is hereby licensed to practice, conduct, or engage in the occupation or business activity indicated above in accordance with the license application duly filed pursuant to Title 30, Delaware Code.

ISSUED: 01/02/2022
FEE PAID: \$225.00

POST CONSPICUOUSLY - NOT TRANSFERABLE



City of Seaford



Updated Presentation for Council

FYE 2023 Water & Sewer Revenue Adequacy & Retail Rates Review

March 01, 2023

SUM SMART UTILITY MANAGEMENT / LLC
Rates / Budgeting / Regulatory Consulting

NP# 2
4.25-23
OB# 1
5-9-23

TABLE OF CONTENTS

1 : Executive Summary

2 : Impacts Reducing EDU to 250 Gallons per Day

3 : Minimum Bills Analysis Required for Debt Forgiveness

4-8 : Combined Water/Sewer Rate Review

9-13 : Water Rate Review

14-18 : Sewer Rate Review

City of Seaford

Executive Summary

Background

Due to efficiency improvements in low-flow fixtures and collection systems over the years, the City would like to consider updating its Equivalent Dwelling Unit ("EDU") definition to a more modern value. Currently the City's Code defines 1 EDU equal to the consumption of 300 gallons of water/sewer per day. While new developments with ultra-low flow fixtures can achieve a range of 125-185 gallons per day, Seaford would like to take the first step and consider the impacts from reducing 1 EDU to 250 gallons per day.

Option 1 - Reduce 1 EDU to 250 Gallons per Day, Limit Most Commercial Increases to 6.0%, Increase Residential Flat Rates by 3.0%

Currently, the City of Seaford has installed water meters only on Commercial and Industrial ("C/I") customers; therefore, adjusting the EDU rate down to 250 gallons per day will affect only those approximate 1,200 metered C/I customers and will not affect any of the residential customers since they are all non-metered and charged a flat rate per month. Reducing 1 EDU to 250 gallons per day would increase the total water and sewer charges for this class by approximately \$215,000 (or 10.6% of their total revenue). The City believes an increase of more than 10.0% may be too much of an increase for one year; therefore, rates were designed to limit the impact to only 6.0% to as many commercial customers as possible. Residential customer increases will be limited to only 3.0% in this Option.

Option 2 - Hybrid Includes 6.0% Increase for Residential Customers (Approximately 1/3 of Return on Equity Target)

In addition to lowering the EDU gallons per day to 250 for the metered C/I customers, Option 2 also includes the same 6.0% increase to the fixed residential Water & Sewer rates as well. This 6.0% increase aims to spread out the rate increases necessary to achieve the industry standard Return on Equity (from Option 4) over a 3 year period.

Option 3 - Increase Rates by the Same 8.7% Cost of Living Adjustment for Social Security Benefits in 2023

Previously, Seaford's combined Water & Sewer rates were close to the 2.0% Median Household Income affordability measurement set by Delaware's Clean Water State Revolving Fund ("CWSRF") that would provide principal debt forgiveness for the upcoming sewer plant expansion. Recently, Delaware has since increased that CWSRF affordability metric to 3.0% of MHI; as a result, the City's rates would need to be increased by almost 75% in order to receive this principal debt forgiveness. Since Seaford will not consider such a rate increase to customers, alternatively Option 3 shows what the impact to customers would be if the City were to apply the same 8.7% Cost of Living Adjustment for Social Security scheduled for 2023 to its Water & Sewer rates.

Option 4 - Follow the Industry Standard Return on Equity

Currently, the Net Operating Income for the combined Water & Sewer funds is estimated to be just under \$100,000 for Fiscal Year 2023. This amount is equivalent to a Rate of Return of only 0.6% which is significantly below the industry standard of approximately 4-5.0% for municipal utilities. If Seaford were to adopt a policy utilizing a conservative 4.0% Return on System Equity, then retail rates would need to be increased by a total of \$705,000 which represents a 17.6% increase from current rates. Typically revenue deficiencies identified utilizing the Return on Equity methodology are designed to be implemented over a 3 to 5 year time period to spread out the impact to customers over several years and avoid significant rate shock.

City of Seaford

Impacts Reducing EDU to 250 Gallons per Day

Combined Water
& Sewer Rates

	(A)	(B)	(C)	(D)	(E)
	Metered	Current	Proposed	Proposed	Average
	Commercial/Industrial	Revenues	Revenues	Revenue	Rate Increase
	Customers ONLY	at 300 GPD	at 250 GPD	Impacts	Percentage
1	Water	\$745,741	\$790,485	\$44,744	6.0%
2	Sewer	\$1,270,282	\$1,346,498	\$76,217	6.0%
3	Total	\$2,016,022	\$2,136,984	\$120,961	6.0%
4					
5					
6	Individual Customer	Number of Com/Ind	Percentage of Com/Ind	Average Monthly	Average Monthly
7	Impact Range	Customers in Range	Customers in Range	Water Bill Impact	Sewer Bill Impact
8					
9	2.6% to 5.9% Rate Increase	68	5.6%		
10	6.0% to 6.1% Rate Increase	852	70.1%	\$1.65	\$3.23
11	6.2% to 10% Rate Increase	206	17.0%	\$5.67	\$8.46
12	10% to 15% Rate Increase	59	4.9%	\$4.47	\$8.83
13	15% to 20% Rate Increase	30	2.5%	\$5.71	\$11.13
14	Total	1,215	100.0%		
15					
16					
17	<i>Below would be the impacts to the Commercial and Industrial Metered Customers if the EDU were to be reduced to 225 Gallons Per Day</i>				
18	Metered	Current	Proposed	Proposed	Average
19	Commercial/Industrial	Revenues	Revenues	Revenue	Rate Increase
20	Customers ONLY	at 300 GPD	at 225 GPD	Impacts	Percentage
21	Water	\$745,741	\$882,606	\$136,865	18.4%
22	Sewer	\$1,270,282	\$1,493,030	\$222,748	17.5%
23	Total	\$2,016,022	\$2,375,636	\$359,613	17.8%

For Informational/Discussion Purposes Only

City of Seaford

Minimum Bills Analysis Required for Debt Forgiveness

	(A)	(B)	(C)	(D)
	City of Seaford	Monthly	Annually	% of Total MHI
1	2020 Median Household Income ("MHI")	\$4,403.33	\$52,840	100.00%
2				
3	Minimum Combined W&S Bills to Qualify for Debt Forgiveness	\$132.10	\$1,585	3.00%
4	Minimum Water Bills to Qualify for Debt Forgiveness	\$44.03	\$528	1.00%
5	Minimum Sewer Bills to Qualify for Debt Forgiveness	\$88.07	\$1,057	2.00%
6				
7	Current Combined W&S Bills	\$75.91	\$911	1.72%
8	Current Water Bills	\$25.74	\$309	0.58%
9	Current Sewer Bills	\$50.17	\$602	1.14%
10				
11	Increase in Combined W&S Bills to Qualify for Debt Forgiveness	\$56.19	\$674	1.28%
12	Increase in Water Bills to Qualify for Debt Forgiveness	\$18.29	\$220	0.42%
13	Increase in Sewer Bills to Qualify for Debt Forgiveness	\$37.90	\$455	0.86%
14	Percentage Increase in Bills to Qualify for Debt Forgiveness	74.02%	74.02%	

City of Seaford

Combined Water & Sewer Operating Expenses & Revenues

Combined Water & Sewer Totals

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Fiscal Year Ending 2021 Actual	Fiscal Year Ending 2022 Actual Unaudited	Fiscal Year Ending 2023 Budget	Total Change from FYE 2021 to FYE 2023		Avg. Annual Change FYE 2021 to FYE 2023
1 Combined Operating Revenues							
2 Retail Sales Revenue		\$3,395,236	\$3,886,792	\$3,994,217	\$598,982	17.6%	8.5%
3 Other Revenues		\$775,494	\$958,091	\$902,361	\$126,867	16.4%	7.9%
4 Operating Revenues Subtotal		\$4,170,730	\$4,844,883	\$4,896,578	\$725,849	17.4%	8.4%
5							
6 Combined Operating Expenses							
7 Payroll & Other Costs		(\$791,663)	(\$998,294)	(\$1,063,074)	(\$271,411)	34.3%	15.9%
8 Repairs and Maintenance		(\$283,228)	(\$379,016)	(\$250,201)	\$33,027	(11.7%)	(6.0%)
9 Insurance		(\$420,413)	(\$350,817)	(\$408,117)	\$12,296	(2.9%)	(1.5%)
10 Utilities		(\$213,857)	(\$235,189)	(\$235,000)	(\$21,143)	9.9%	4.8%
11 Other Supplies and Expenses		(\$444,256)	(\$732,280)	(\$824,578)	(\$380,322)	85.6%	36.2%
12 Depreciation		(\$1,179,395)	(\$1,223,619)	(\$1,238,619)	(\$59,224)	5.0%	2.5%
13 Operating Expenses Subtotal		(\$3,332,812)	(\$3,919,214)	(\$4,019,589)	(\$686,777)	20.6%	9.8%
14							
15 Combined Non Operating Expenses							
16 Interest Expense		(\$129,601)	(\$117,670)	(\$108,683)	\$20,918	(16.1%)	(8.4%)
17 Transfer Out		(\$800,000)	(\$800,000)	(\$800,000)	\$0	0.0%	0.0%
18 Capital Contribution		\$328,676	\$122,217	\$125,000	(\$203,676)	(62.0%)	(38.3%)
19 Non-Operating Expenses Subtotal		(\$600,925)	(\$795,453)	(\$783,683)	(\$182,758)	30.4%	14.2%
20							
21 Net Operating Income (Loss)		\$236,993	\$130,216	\$93,307	(\$143,686)	4.2%	

City of Seaford

Combined Water & Sewer Return on Equity

Combined Water
& Sewer Totals

	(A)	(B)
		Return on Equity Methodology (Most Common Industry Standard)
1	Total Assets	\$48,005,670
2	Accumulated Depr	(\$27,007,782)
3	Net Book Value	\$20,997,888
4	Outstanding Principle on Debt	\$4,283,238
5	System Equity	\$16,714,650
6	Interest on Debt	3.0%
7	Return on System Equity	4.0%
8	Interest on Debt	\$129,601
9	Return on System Equity	\$668,586
10	Target Net Operating Income	\$798,187
11		
12		
13	FY 2023 Forecast Revenues	\$4,896,578
14	FY 2023 Forecast Expenses	(\$4,803,272)
15	FY 2023 Forecast NOI	\$93,307
16	Target Net Operating Income	\$798,187
17	Revenue Deficiency	\$704,880
18	Revenue Increase Necessary	17.6%

City of Seaford

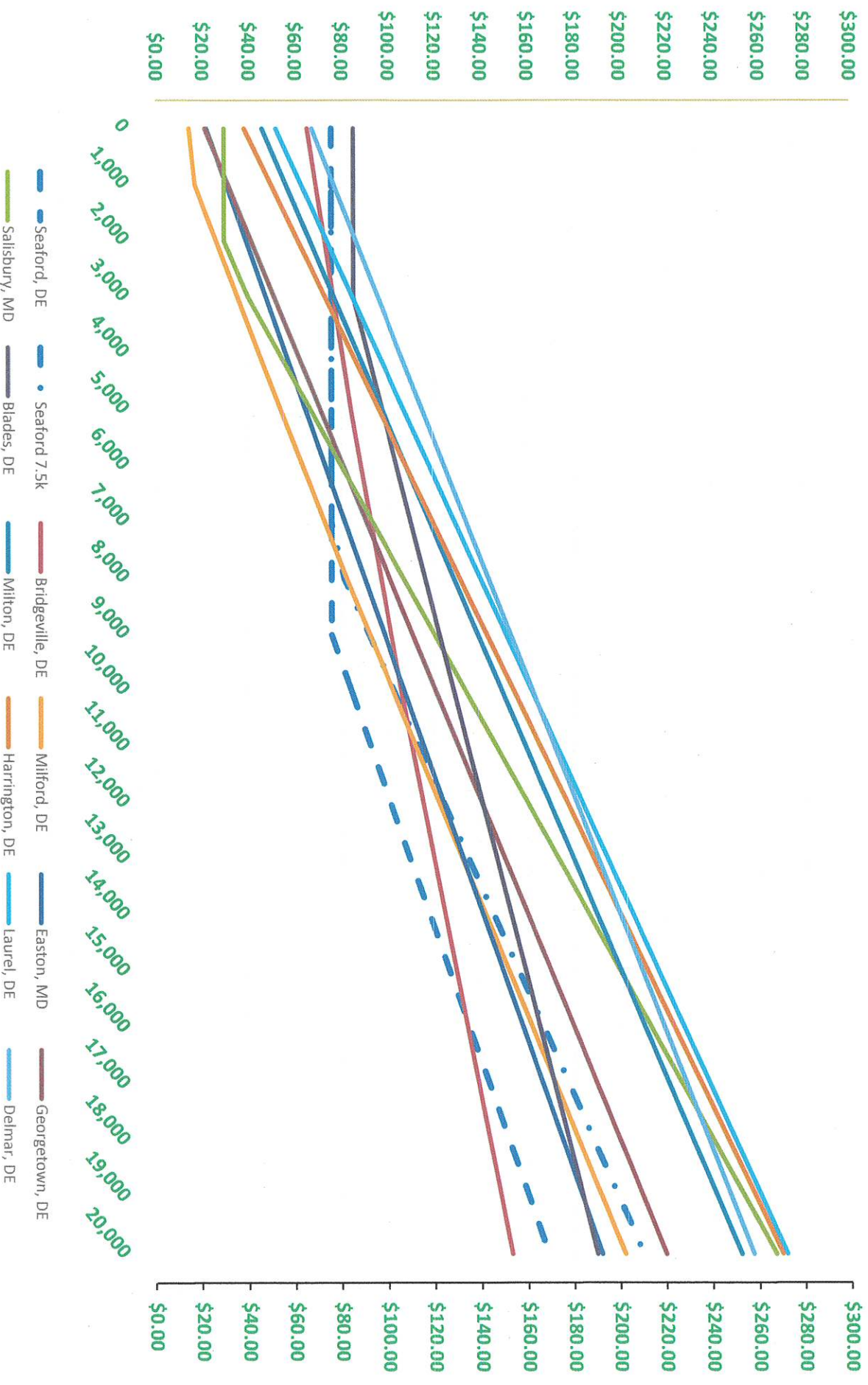
Combined Water & Sewer Rate Increase Options & Impacts

Combined Water & Sewer Rates

	(A)	(B)	(C)	(D)	(E)	(F)
		FY 2023	Option 1 Impacts	Option 2 Impacts	Option 3 Impacts	Option 4 Impacts
Customer Class		Budgeted	250 GPD & 3.0%	250 GPD & 6.0%	From the 8.7% 2023	For 4.0% Minimum
		Revenues	Res & 6% Com Incr.	Overall Rate Increase	Social Security COLA	Return on Equity
1 Flat Residential Non-Metered		\$1,924,847	\$57,745	\$115,491	\$167,462	\$338,854
2			3.0%	6.0%	8.7%	17.6%
3 Metered Commercial/Industrial		\$2,016,022	\$120,961	\$120,961	\$175,394	\$356,639
4			6.0%	6.0%	8.7%	17.7%
5 Flat Commercial Non-Metered		\$53,348	\$1,600	\$3,201	\$4,641	\$9,387
6			3.0%	6.0%	8.7%	17.6%
7 Total		\$3,994,217	\$180,307	\$239,653	\$347,497	\$704,880
8 Total Average Rate Impact			4.5%	6.0%	8.7%	17.6%
9						
10 Current Residential Min.		First EDU	\$75.91	\$75.91	\$75.91	\$75.91
11 Monthly Bill Increase			\$2.28	\$4.55	\$6.60	\$13.36
12 Proposed Residential Min.		First EDU	\$78.19	\$80.46	\$82.51	\$89.27
13						
14 Proposed Commercial Min.		First EDU	\$80.46	\$80.46	\$82.51	\$89.27
15 7,501 - 225,000 Gallons		Per EDU ≤ 30	\$63.94	\$63.94	\$65.57	\$70.94
16 Over - 225,000 Gallons		Per EDU > 30	\$69.94	\$69.94	\$71.72	\$77.44

Current "In-Town" Combined Water & Sewer Bills Comparisons

Based on a Range of Consumption in Increments of 1,000 Gallons per Month



City of Seaford

Combined Water & Sewer Rate Comparisons

Combined Water & Sewer Rate Comparisons

(A) Utility	(B) First 3,000 Gallons	(C) First 3,000 Gallons Diff. to Seaford	(D) First 9,000 Gallons	(E) First 9,000 Gallons Diff. to Seaford	(F) Next 1,000 Gallons	(G) Next 1,000 Gallons Diff. to Seaford
1 Seaford, DE	\$75.91		\$75.91		\$8.43	
2 Bridgeville, DE ¹	\$76.70	1.0%	\$101.50	33.7%	\$4.72	(44.0%)
3 Blades, DE ¹	\$85.42	12.5%	\$122.32	61.1%	\$6.15	(27.1%)
4 Easton, MD	\$47.73	(37.1%)	\$98.64	29.9%	\$8.49	0.6%
5 Delmar, DE	\$95.95	26.4%	\$152.95	101.5%	\$9.50	12.6%
6 Milford, DE	\$35.42	(53.3%)	\$92.27	21.6%	\$9.97	18.2%
7 Milton, DE	\$77.01	1.4%	\$138.87	82.9%	\$10.31	22.2%
8 Georgetown, DE	\$51.21	(32.5%)	\$110.73	45.9%	\$9.92	17.6%
9 Laurel, DE	\$85.00	12.0%	\$151.00	98.9%	\$11.00	30.4%
10 Harrington, DE	\$73.10	(3.7%)	\$142.64	87.9%	\$11.59	37.4%
11 Salisbury, MD	\$40.08	(47.2%)	\$120.24	58.4%	\$13.36	58.4%

Note: 1) Bridgeville and Blades are outliers with Sussex County Sewer that is fixed at \$50.42 per month meant for small residential customers only

City of Seaford

Water Operating Expenses & Revenues

Water Department

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Fiscal Year Ending 2021 Actual	Fiscal Year Ending 2022 Actual Unaudited	Fiscal Year Ending 2023 Budget	Total Change from FYE 2021 to FYE 2023	Avg. Annual Change FYE 2021 to FYE 2023		
1 Water Operating Revenues							
2 Retail Sales Revenue	\$1,192,117	\$1,373,044	\$1,413,082	\$220,965	18.5%	8.9%	
3 Other Revenues	\$137,317	\$101,626	\$105,916	(\$31,401)	(22.9%)	(12.2%)	
4 Operating Revenues Subtotal	\$1,329,434	\$1,474,670	\$1,518,998	\$189,564	14.3%	6.9%	
5							
6 Water Operating Expenses							
7 Payroll & Other Costs	(\$309,359)	(\$393,907)	(\$413,913)	(\$104,554)	33.8%	15.7%	
8 Repairs and Maintenance	(\$133,386)	(\$229,709)	(\$103,944)	\$29,442	(22.1%)	(11.7%)	
9 Insurance	(\$149,131)	(\$121,250)	(\$153,351)	(\$4,220)	2.8%	1.4%	
10 Utilities	(\$78,143)	(\$75,132)	(\$78,500)	(\$357)	0.5%	0.2%	
11 Other Supplies and Expenses	(\$131,962)	(\$201,499)	(\$270,809)	(\$138,847)	105.2%	43.3%	
12 Depreciation	(\$305,157)	(\$287,421)	(\$294,921)	\$10,236	(3.4%)	(1.7%)	
13 Operating Expenses Subtotal	(\$1,107,138)	(\$1,308,918)	(\$1,315,438)	(\$208,300)	18.8%	9.0%	
14							
15 Water Non Operating Expenses							
16 Interest Expense	(\$32,265)	(\$28,848)	(\$27,262)	\$5,003	(15.5%)	(8.1%)	
17 Transfer Out	(\$200,000)	(\$200,000)	(\$200,000)	\$0	0.0%	0.0%	
18 Capital Contribution	\$90,713	\$38,641	\$40,000	(\$50,713)	(55.9%)	(33.6%)	
19 Non-Operating Expenses Subtotal	(\$141,552)	(\$190,207)	(\$187,262)	(\$45,710)	32.3%	15.0%	
20							
21 Net Operating Income (Loss)	\$80,744	(\$24,455)	\$16,298	(\$64,446)	5.4%		

City of Seaford

Water Return on Equity

	(A)	(B)
		Return on Equity Methodology (Most Common Industry Standard)
1	Total Assets	\$14,053,619
2	Accumulated Depr	(\$6,702,382)
3	Net Book Value	\$7,351,237
4	Outstanding Principle on Debt	\$911,367
5	System Equity	\$6,439,870
6	Interest on Debt	3.5%
7	Return on System Equity	4.0%
8	Interest on Debt	\$32,265
9	Return on System Equity	\$257,595
10	Target Net Operating Income	\$289,860
11		
12		
13	FY 2023 Forecast Revenues	\$1,518,998
14	FY 2023 Forecast Expenses	(\$1,502,700)
15	FY 2023 Forecast NOI	\$16,298
16	Target Net Operating Income	\$289,860
17	Revenue Deficiency	\$273,562
18	Revenue Increase Necessary	19.4%

City of Seaford

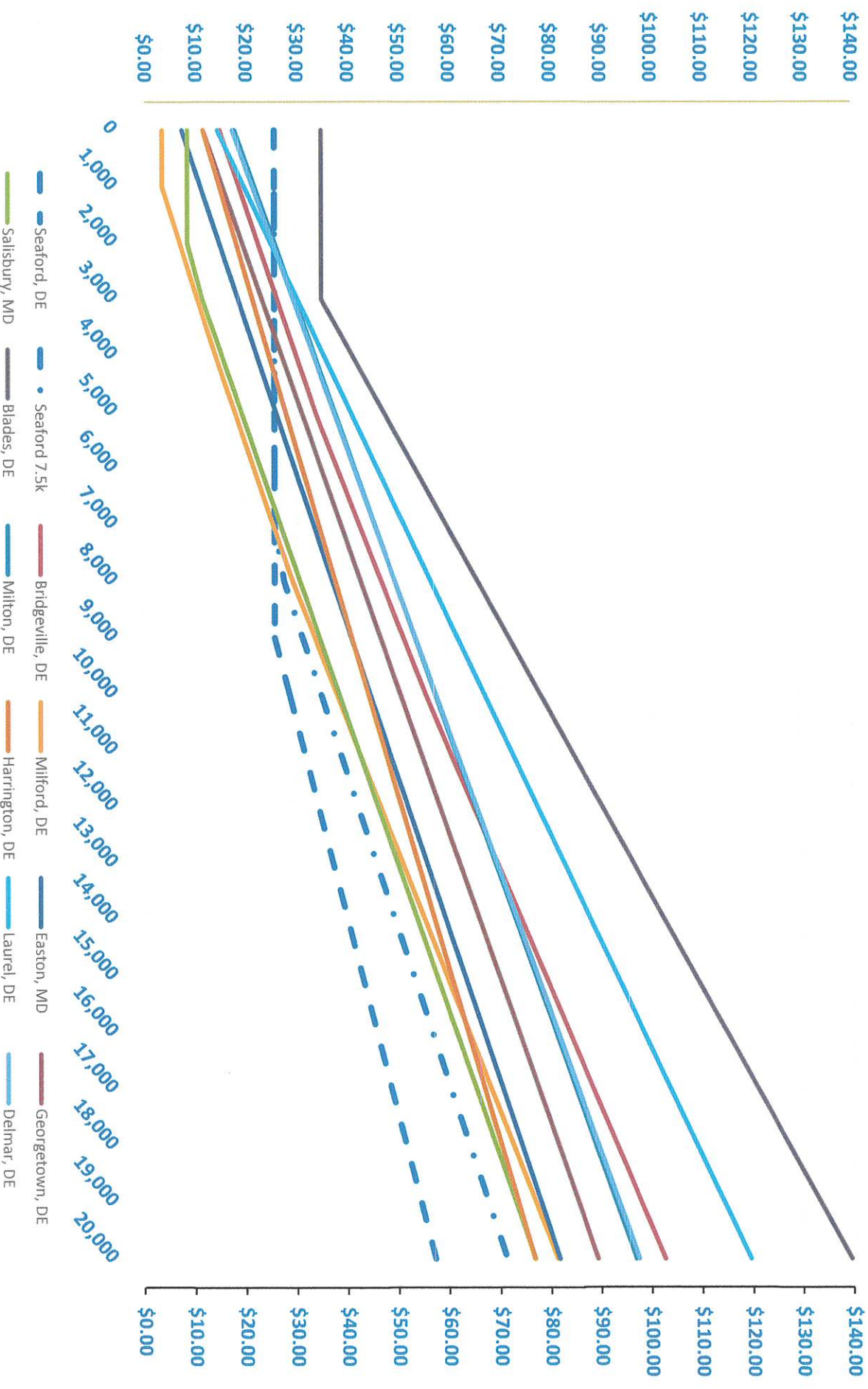
Water Rate Increase Options & Impacts

Water Department

	(A)	(B)	(C)	(D)	(E)	(F)
Customer Class	FY 2023 Budgeted Revenues	Option 1 Impacts 250 GPD & 3.0% Res & 6% Com Incr.	Option 2 Impacts 250 GPD & 6.0% Overall Rate Increase	Option 3 Impacts From the 8.7% 2023 Social Security COLA	Option 4 Impacts For 4.0% Minimum Return on Equity	
1 Flat Residential Non-Metered	\$649,521	\$19,486	\$38,971	\$56,508	\$125,743	
2		3.0%	6.0%	8.7%	19.4%	
3 Metered Commercial/Industrial	\$745,741	\$44,744	\$44,744	\$64,879	\$144,370	
4		6.0%	6.0%	8.7%	19.4%	
5 Flat Commercial Non-Metered	\$17,819	\$535	\$1,069	\$1,550	\$3,450	
6		3.0%	6.0%	8.7%	19.4%	
7 Total	\$1,413,082	\$64,765	\$84,784	\$122,937	\$273,563	
8 Total Average Rate Impact		4.6%	6.0%	8.7%	19.4%	
9						
10 Current Residential Min.	First EDU	\$25.74	\$25.74	\$25.74	\$25.74	
11 Monthly Bill Increase		\$0.77	\$1.54	\$2.24	\$4.98	
12 Proposed Residential Min.	First EDU	\$26.51	\$27.28	\$27.98	\$30.72	
13						
14 Proposed Commercial Min.	First EDU	\$27.28	\$27.28	\$27.98	\$30.72	
15 7,501 - 225,000 Gallons	Per EDU ≤ 30	\$21.75	\$21.75	\$22.31	\$24.49	
16 Over - 225,000 Gallons	Per EDU > 30	\$23.44	\$23.44	\$24.04	\$26.39	

Current Monthly "In-Town" Water Bill Comparisons

Based on a Range of Consumption in Increments of 1,000 Gallons per Month



City of Seaford

Water Rate Comparisons

Water Rate Comparisons

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Utility	First 3,000 Gallons	First 3,000 Gallons Diff. to Seaford	First 9,000 Gallons	First 9,000 Gallons Diff. to Seaford	Next 1,000 Gallons	Next 1,000 Gallons Diff. to Seaford
1 Seaford, DE	\$25.74		\$25.74		\$2.86	
2 Harrington, DE	\$21.42	(16.8%)	\$40.92	59.0%	\$3.25	13.6%
3 Easton, MD	\$18.56	(27.9%)	\$40.83	58.6%	\$3.71	29.8%
4 Milton, DE	\$29.68	15.3%	\$53.38	107.4%	\$3.95	38.1%
5 Salisbury, MD	\$11.52	(55.2%)	\$34.56	34.3%	\$3.84	34.3%
6 Bridgeville, DE	\$26.28	2.1%	\$51.08	98.4%	\$4.72	65.0%
7 Georgetown, DE	\$23.31	(9.5%)	\$46.59	81.0%	\$3.88	35.7%
8 Delmar, DE	\$29.45	14.4%	\$53.45	107.7%	\$4.00	39.9%
9 Milford, DE	\$10.56	(59.0%)	\$33.57	30.4%	\$4.33	51.4%
10 Laurel, DE	\$30.25	17.5%	\$61.75	139.9%	\$5.25	83.6%
11 Blades, DE	\$35.00	36.0%	\$71.90	179.3%	\$6.15	115.0%

City of Seaford

Sewer Operating Expenses & Revenues

Sewer Department

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Fiscal Year Ending 2021 Actual	Fiscal Year Ending 2022 Actual Unaudited	Fiscal Year Ending 2023 Budget	Total Change from FYE 2021 to FYE 2023		Avg. Annual Change FYE 2021 to FYE 2023
1 Sewer Operating Revenues							
2 Retail Sales Revenue		\$2,203,119	\$2,513,748	\$2,581,136	\$378,017	17.2%	8.2%
3 Other Revenues		\$638,177	\$856,465	\$796,445	\$158,268	24.8%	11.7%
4 Operating Revenues Subtotal		\$2,841,296	\$3,370,213	\$3,377,581	\$536,285	18.9%	9.0%
5							
6 Sewer Operating Expenses							
7 Payroll & Other Costs		(\$482,304)	(\$604,387)	(\$649,161)	(\$166,857)	34.6%	16.0%
8 Repairs and Maintenance		(\$149,842)	(\$149,307)	(\$146,257)	\$3,585	(2.4%)	(1.2%)
9 Insurance		(\$271,282)	(\$229,567)	(\$254,766)	\$16,516	(6.1%)	(3.1%)
10 Utilities		(\$135,714)	(\$160,057)	(\$156,500)	(\$20,786)	15.3%	7.4%
11 Other Supplies and Expenses		(\$312,294)	(\$530,781)	(\$553,769)	(\$241,475)	77.3%	33.2%
12 Depreciation		(\$874,238)	(\$936,198)	(\$943,698)	(\$69,460)	7.9%	3.9%
13 Operating Expenses Subtotal		(\$2,225,674)	(\$2,610,296)	(\$2,704,151)	(\$478,477)	21.5%	10.2%
14							
15 Sewer Non Operating Expenses							
16 Interest Expense		(\$97,336)	(\$88,822)	(\$81,421)	\$15,915	(16.4%)	(8.5%)
17 Transfer Out		(\$600,000)	(\$600,000)	(\$600,000)	\$0	0.0%	0.0%
18 Capital Contribution		\$237,963	\$83,576	\$85,000	(\$152,963)	(64.3%)	(40.2%)
19 Non-Operating Expenses Subtotal		(\$459,373)	(\$605,246)	(\$596,421)	(\$137,048)	29.8%	13.9%
20							
21 Net Operating Income (Loss)		\$156,249	\$154,671	\$77,009	(\$79,240)	3.6%	

City of Seaford

Sewer Return on Equity

Sewer Department

	(A)	(B)
	Return on Equity Methodology (Most Common Industry Standard)	
1	Total Assets	\$33,952,051
2	Accumulated Depr	(\$20,305,400)
3	Net Book Value	\$13,646,651
4	Outstanding Principle on Debt	\$3,371,871
5	System Equity	\$10,274,780
6	Interest on Debt	2.9%
7	Return on System Equity	4.0%
8	Interest on Debt	\$97,336
9	Return on System Equity	\$410,991
10	Target Net Operating Income	\$508,327
11		
12		
13	FY 2023 Forecast Revenues	\$3,377,581
14	FY 2023 Forecast Expenses	(\$3,300,572)
15	FY 2023 Forecast NOI	\$77,009
16	Target Net Operating Income	\$508,327
17	Revenue Deficiency	\$431,318
18	Revenue Increase Necessary	16.7%

City of Seaford

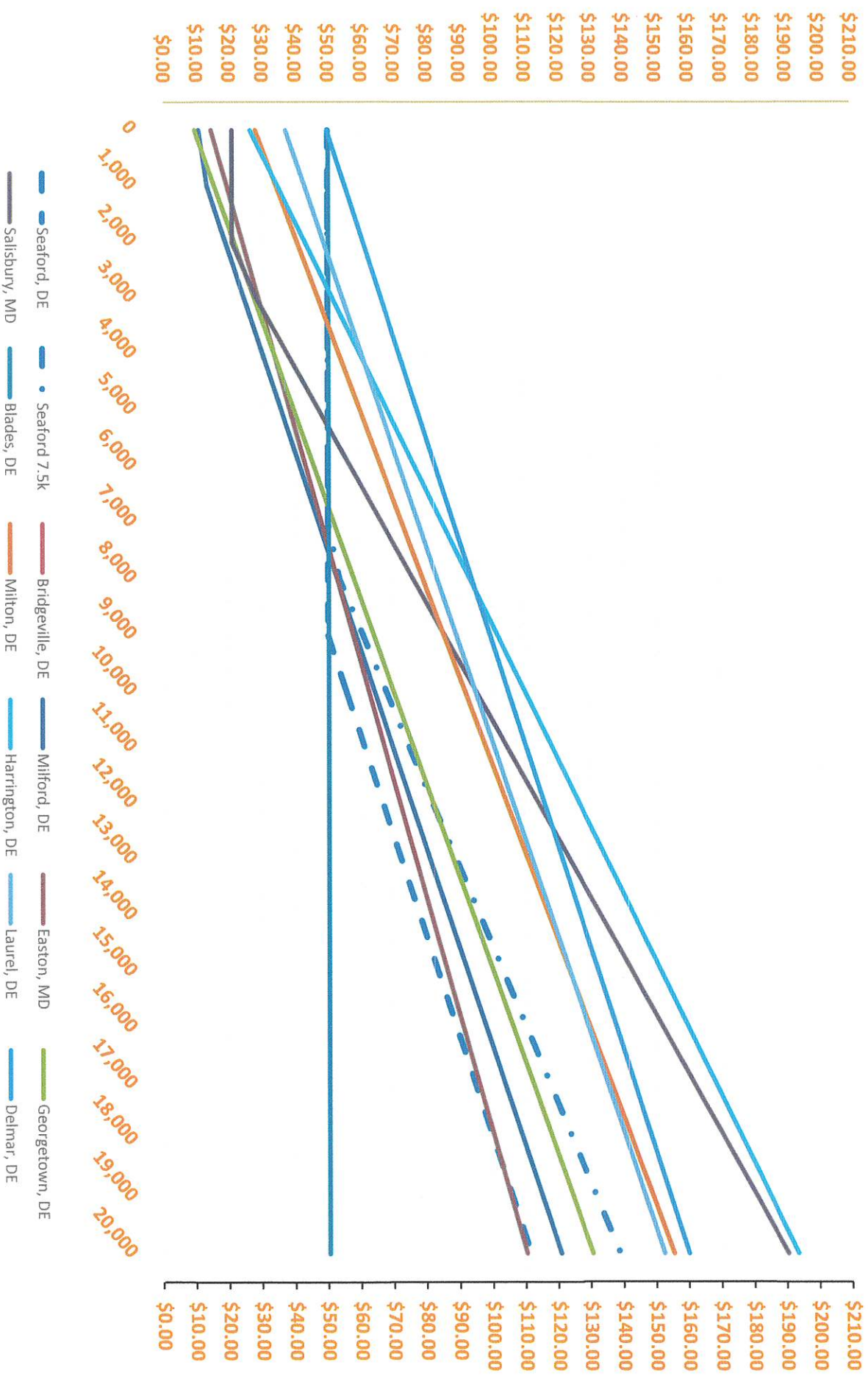
Sewer Rate Increase Options & Impacts

Sewer Department

	(A)	(B)	(C)	(D)	(E)	(F)
		FY 2023	Option 1 Impacts	Option 2 Impacts	Option 3 Impacts	Option 4 Impacts
Customer Class		Budgeted	250 GPD & 3.0%	250 GPD & 6.0%	From the 8.7% 2023	For 4.0% Minimum
		Revenues	Res & 6% Com Incr.	Overall Rate Increase	Social Security COLA	Return on Equity
1	Flat Residential Non-Metered	\$1,275,326	\$38,260	\$76,520	\$110,953	\$213,112
2			3.0%	6.0%	8.7%	16.7%
3	Metered Commercial/Industrial	\$1,270,282	\$76,217	\$76,217	\$110,514	\$212,269
4			6.0%	6.0%	8.7%	16.7%
5	Flat Commercial Non-Metered	\$35,529	\$1,066	\$2,132	\$3,091	\$5,937
6			3.0%	6.0%	8.7%	16.7%
7	Total	\$2,581,136	\$115,543	\$154,869	\$224,558	\$431,318
8	Total Average Rate Impact		4.5%	6.0%	8.7%	16.7%
9						
10	Current Residential Min.	First EDU	\$50.17	\$50.17	\$50.17	\$50.17
11	Monthly Bill Increase		\$1.51	\$3.01	\$4.36	\$8.38
12	Proposed Residential Min.	First EDU	\$51.68	\$53.18	\$54.53	\$58.55
13						
14	Proposed Commercial Min.	First EDU	\$53.18	\$53.18	\$54.53	\$58.55
15	7,501 - 225,000 Gallons	Per EDU ≤ 30	\$42.19	\$42.19	\$43.26	\$46.45
16	Over - 225,000 Gallons	Per EDU > 30	\$46.50	\$46.50	\$47.69	\$51.05

Current Monthly "In-Town" Sewer Bill Comparisons

Based on a Range of Consumption in Increments of 1,000 Gallons per Month



City of Seaford

Sewer Rate Comparisons

Sewer Rate Comparisons

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Utility	First 3,000 Gallons	First 3,000 Gallons Diff. to Seaford	First 9,000 Gallons	First 9,000 Gallons Diff. to Seaford	Next 1,000 Gallons	Next 1,000 Gallons Diff. to Seaford
1 Seaford, DE	\$50.17		\$50.17		\$5.57	
2 Bridgeville, DE ¹	\$50.42	0.5%	\$50.42	0.5%	\$0.00	(100.0%)
3 Blades, DE ¹	\$50.42	0.5%	\$50.42	0.5%	\$0.00	(100.0%)
4 Easton, MD	\$29.17	(41.9%)	\$57.81	15.2%	\$4.77	(14.4%)
5 Milford, DE	\$24.86	(50.4%)	\$58.70	17.0%	\$5.64	1.2%
6 Delmar, DE	\$66.50	32.5%	\$99.50	98.3%	\$5.50	(1.3%)
7 Laurel, DE	\$54.75	9.1%	\$89.25	77.9%	\$5.75	3.1%
8 Georgetown, DE	\$27.90	(44.4%)	\$64.14	27.9%	\$6.04	8.4%
9 Milton, DE	\$47.33	(5.7%)	\$85.49	70.4%	\$6.36	14.1%
10 Harrington, DE	\$51.69	3.0%	\$101.73	102.8%	\$8.34	49.6%
11 Salisbury, MD	\$28.56	(43.1%)	\$85.68	70.8%	\$9.52	70.8%

Note: 1) Bridgeville and Blades are outliers with Sussex County Sewer that is fixed at \$50.42 per month meant for small residential customers only

Charles Anderson

OB#1
5-9-23

From: Chris Simms <chris@smartutilitymgmt.com>
Sent: Wednesday, April 26, 2023 8:33 AM
To: Charles Anderson
Cc: June Merritt
Subject: Water & Sewer "Other Supplies and Expenses" Follow-Up
Attachments: SEAFD - Wtr & Swr Other Supplies & Expenses 2023 vs 2021.xlsx; 2023 Adopted Budget - FY 2023.pdf

Charles,

To follow-up from the Council meeting last night, attached is a worksheet I have prepared that calculates the "Other Supplies and Expenses" for the Water and Sewer funds based on unaudited figures I have received from June over the years.

Note that the Professional Services increased from \$105,289 in FYE 2021 up to \$404,090 budgeted for FYE 2023. While the cost for reviewing the City's retail rates did not start until FYE 2022, those services could only account for a small portion of this increase (approximately \$20,000). As a result, I believe the City's engagement in engineering services account for the majority of the \$300,000 increase in Professional Services since FYE 2021.

While there has been a \$71,481 (+34%) increase in Chemicals costs since FYE 2021, this could be the result of the increase in the WWTF Sewer Rental Charges from the Town of Blades. Those revenues to the City have increased by \$234,566 (+132.2%) since 2021 which more than offset the increase in Chemical costs.

Therefore, these two expenses account for almost all of the \$380,000 increase in Other Supplies and Expenses since FYE 2021. Since the increase in Chemicals is being covered by the increase in sewer fees to Blades, that just leaves the explanation/justification to Council (and the public) for the almost tripling of Professional Services since FYE 2021. While we can explain that some of this increase is due to the City's recent engagement in my services to review/modernize the City's Retail Rates, the bulk of the support is going to have to come from the City's increase in engineering projects/services.

As a result, one possible explanation to Council for this recent increase in Professional Services could be that FYE 2021 was artificially low as a direct consequence of the pandemic & supply chain issues requiring the City delay major capital improvement projects. It is also worth pointing out that the Professional Services costs are essentially linked/tied to the City's Payroll expenses. If the City were not engaging outside firms to perform those services, then the City would need to hire its own employees in order to complete those same tasks.

In the end, I do not believe there is a way to meaningfully cut the costs of those Professional Services without adding to the City's payroll expenses. That is if the City is even able to hire the additional help it would need with the required expertise in today's tight labor market and knowing that those employees would become permanent expenses where Professional Contractors can be engaged on an as-needed basis.

Let me know if think this is enough supporting information for your discussion(s) with Council or if I can provide some additional assistance/help on this issue.

Thanks,
-Chris

Account Id	Description	2023 Budget vs. 2021 Unaudited	2023 Budget vs. 2021 Unaudited	Budgeted 2023	Budgeted 2022
043-310-43260-330	WWTF Profession: Fees	271.0%	\$115,409	\$158,000	\$92,600
042-200-43300-330	Water Profession: Fees	3,388.1%	\$114,131	\$117,500	\$27,930
043-300-43250-330	Sew Coll Professor Fees	116.7%	\$69,260	\$128,590	\$173,590
	Professional Services Subtotal	283.8%	\$298,801	\$404,090	\$294,120
043-310-43260-613	WWTF Chemicals	73.0%	\$61,948	\$146,843	\$106,085
042-200-43300-613	Water Chemicals	8.2%	\$8,345	\$110,630	\$96,537
043-320-43261-613	Compost Chemicals	5.2%	\$1,188	\$24,158	\$24,158
	Chemicals Subtotal	34.0%	\$71,481	\$281,631	\$226,780
043-310-43260-438	WWTF Contract Lab Services	(4.9%)	(\$844)	\$16,240	\$15,500
042-200-43300-441	Water Building Rent	0.0%	\$0	\$12,324	\$12,324
043-300-43250-441	Sew Coll Building Rent	0.0%	\$0	\$12,324	\$12,324
043-320-43261-614	Compost Bulking Agents	(58.7%)	(\$14,195)	\$10,000	\$10,000
043-310-43260-530	WWTF Communications	1.3%	\$123	\$9,500	\$9,000
043-310-43260-616	WWTF Lab Operating Supplies	12.9%	\$1,084	\$9,500	\$9,000
042-200-43300-616	Water Lab Operating Supplies	49.2%	\$2,275	\$6,900	\$6,900
043-310-43260-626	WWTF Gasoline	905.4%	\$5,133	\$5,700	\$700
043-320-43261-626	Compost Gasoline	(4.1%)	(\$241)	\$5,625	\$5,625
042-200-43300-530	Water Communications	2.4%	\$128	\$5,501	\$5,500
043-300-43250-444	Sew Coll Right Of	1.2%	\$59	\$5,049	\$5,049
042-200-43300-611	Water Operating		\$4,000	\$4,000	\$5,500
042-200-43300-560	Water Dues	16.9%	\$564	\$3,911	\$4,891
043-310-43260-580	WWTF Travel	148.9%	\$2,085	\$3,485	\$3,485
043-320-43261-617	Compost Laboratory Tests	64.9%	\$1,181	\$3,000	\$3,000
043-310-43260-423	WWTF Janitorial Services	2.9%	\$79	\$2,839	\$2,367
042-200-43300-430	Water Safety/Proi Gear	(1.9%)	(\$51)	\$2,645	\$2,645

043-310-43260-611	WWTF	Operating Supplies	12.2%	\$271	\$2,500	\$2,500
042-200-43300-618	Water	Small Tools	68.0%	\$1,012	\$2,500	\$2,000
043-310-43260-560	WWTF	Dues	(52.6%)	(\$2,748)	\$2,480	\$3,830
043-310-43260-425	WWTF	Laundry Services	(14.4%)	(\$413)	\$2,461	\$2,461
043-300-43250-611	Sew	Coll Operating Supplies	108.9%	\$1,043	\$2,000	\$1,000
042-200-43300-580	Water	Travel/Trai Supplies	509.9%	\$1,526	\$1,825	\$1,825
042-200-43300-425	Water	Laundry Services	(38.8%)	(\$1,155)	\$1,823	\$1,512
043-310-43260-610	WWTF	Office Supplies	(25.3%)	(\$340)	\$1,000	\$1,000
042-200-43300-426	Water	Clothing Allowance		\$750	\$750	\$750
043-310-43260-618	WWTF	Small Tools	176.2%	\$478	\$750	\$500
043-310-43260-426	WWTF	Clothing Allowance	188.5%	\$392	\$600	\$600
043-320-43261-530	Compost	Communications	100.1%	\$250	\$500	\$500
042-200-43300-610	Water	Office Supplies	(106.9%)	\$7,756	\$500	\$500
043-310-43260-443	WWTF	Equipment Rental		\$250	\$250	\$250
043-320-43261-611	Compost	Operating Supplies		\$250	\$250	\$250
043-310-43260-650	WWTF	Permits	0.0%	\$0	\$125	\$125
042-200-43300-540	Water	Advertising	(100.0%)	(\$109)	\$0	\$250
042-200-43300-670	Water	Bad Debt	(100.0%)	(\$68)		
043-310-43260-670	WWTF	Bad Debt	(100.0%)	(\$226)		
042-200-43300-570	Water	Training	(100.0%)	(\$270)		\$0
	Remaining Other Supplies & Expenses Subtotal		7.8%	\$10,031	\$138,857	\$133,663
	Other Supplies & Expenses Total		85.6%	\$380,313	\$824,578	\$654,563
043-344-20	WWTF Blades Swr Rentl Charge		132.2%	\$234,566	\$412,045	\$619,824
043-344-31	Septage Treatment		5.7%	\$13,020	\$240,000	\$150,000
043-344-32	Leachate Treatment		20.9%	\$21,615	\$125,000	\$125,000
043-344-50	Sewer Taps		(89.3%)	(\$66,550)	\$8,000	\$8,000
043-355-10	Impact Fees		(93.1%)	(\$268,363)	\$20,000	\$15,000
043-390-01	Misc. Income			\$138,900	\$138,900	

2022 Unaudited 2022 Audit		Budgeted 2021 2021 Unaudited 2021 Audit			
\$238,643		\$142,375		\$42,591	
\$41,065		\$4,000		\$3,369	
\$53,704		\$40,000		\$59,330	
\$333,412		\$186,375		\$105,289	
\$125,692		\$93,292		\$84,895	
\$118,678		\$96,537		\$102,285	
\$31,323		\$19,324		\$22,970	
\$275,692		\$209,153		\$210,150	
\$19,703		\$15,000		\$17,084	
\$12,324		\$12,324		\$12,324	
\$12,324		\$12,324		\$12,324	
\$0		\$0		\$24,195	
\$9,562		\$9,000		\$9,377	
\$8,942		\$9,000		\$8,416	
\$4,637		\$5,500		\$4,625	
\$2,490		\$700		\$567	
\$5,436		\$5,625		\$5,866	
\$9,037		\$5,864		\$5,373	
\$5,358		\$5,049		\$4,990	
\$3,531					
\$2,656		\$4,422		\$3,347	
\$525		\$1,910		\$1,400	
\$1,812		\$3,000		\$1,819	
\$2,381		\$2,761		\$2,760	
\$1,261		\$2,645		\$2,696	

\$1,924		\$2,500	\$2,229	
\$2,631		\$2,000	\$1,488	
\$3,925		\$5,534	\$5,228	
\$3,545		\$2,461	\$2,874	
\$2,105		\$1,000	\$957	
\$1,311		\$500	\$299	
\$1,784		\$1,512	\$2,978	
\$422		\$1,000	\$1,340	
\$666		\$750	\$0	
\$520		\$500	\$272	
\$0		\$600	\$208	
\$230		\$500	\$250	
\$661		\$5,500	(\$7,256)	
\$0		\$250	\$0	
\$0		\$250	\$0	
\$125		\$125	\$125	
\$390		\$250	\$109	
\$45		\$0	\$68	
\$90		\$0	\$226	
\$820		\$1,825	\$270	
\$123,175		\$122,181	\$128,826	
\$732,280	\$732,293	\$517,709	\$444,265	\$444,256
\$453,829		\$425,000	\$177,479	
\$266,565		\$125,000	\$226,980	
\$100,054		\$125,000	\$103,385	
\$13,050		\$8,000	\$74,550	
\$99,862		\$15,000	\$288,363	
\$80				

ORDINANCE #2023-

NB #4
4.25.23
08#2

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

5-9-23

Chapter 8, of the Municipal Code of Seaford, Delaware is hereby amended by amending §8.2.15, to read as shown on the following pages.

04/25/2023	Date of First Reading
??/??/2023	Date of Second Reading & Adoption
??/??/2023	Date of Advertisement
??/??/2023	Date the Ordinance is Effective

CITY OF SEAFORD

By: _____
Mayor

Witness: _____

Attest: _____
City Manager

§ 8.2.15 Parking of Commercial Vehicles.

- A. For the purpose of this Section, the word “truck” shall be deemed to include every motor vehicle (other than an automobile, a recreational vehicle, boat trailer, pick-up truck or motor home) designed or operated for the transportation of property, and is classified as a “Class 4” or lower, and/or registered gross vehicle weight (GVWR) does not exceed sixteen thousand (16,000) pounds.
- B. For the purpose of this Section, the word “semi-trailer” shall be deemed to include every vehicle designed and used in conjunction with a motor vehicle upon which some portion of its own weight and load is carried or pulled by a motor vehicle including, but not limited to pole and piling trailers.
- C. No owner, operator or driver of a truck classified as a “Class 5” or higher, and/or registered GVRW exceeds sixteen thousand (16,000) pounds shall park such truck or semi-trailer or both, as defined in this Section, within any part of the City designated as R-1 Low Density Residential District, R-2 Medium Density Residential District, R-3 High Density Residential District, or C-3 Riverfront Enterprise Zone as shown on the Zoning Map of the City. The prohibition shall apply to all lands so designated, including, but not limited to streets, alleys, driveways, front, side, and rear yards. The provisions of this section shall not apply to trucks or semi-trailers making deliveries.
- D. No owner, operator or driver of a truck shall park such truck or semi-trailer or both, as defined in this Section, within any City Street, and/or alley. This shall apply to all zoning districts within City limits as shown on the Zoning Map of the City. Truck and/or semi-trailer parking shall be permitted only on private properties designated as C-1 General Commercial, C-2 Highway Commercial, M-1 Light Industrial, and M-2 Heavy Industrial. The provisions of this section shall not apply to trucks or semi-trailers making deliveries.

§ 8.2.15 Parking of Commercial Trucks Vehicles in R-1, R-2, and R-3 Zoning Districts.

- A. For the purpose of this Section, the word “truck” shall be deemed to include every motor vehicle (other than an automobile, a recreational vehicle, boat trailer, pick-up truck or motor home) designed or operated for the transportation of property, and whose is classified as a “Class 4” or lower, and/or licensed registered gross vehicle weight (GVWR) does not exceed sixteen thousand (16,000) pounds.
- B. For the purpose of this Section, the word “semi-trailer” shall be deemed to include every vehicle designed and used in conjunction with a motor vehicle upon which some portion of its own weight and load is carried or pulled by a motor vehicle including, but not limited to pole and piling trailers.
- C. No owner, operator or driver of a truck classified as a “Class 5” or higher, and/or registered GVRW exceeds sixteen thousand (16,000) pounds shall park such truck or semi-trailer or both, as defined in this Section, within any part of the City designated as R-1 Low Density Residential District, R-2 Medium Density Residential District, or an R-3 High Density Residential District, or C-3 Riverfront Enterprise Zone as shown on the Zoning Map of the City. The prohibition shall apply to all lands so designated, including, but not limited to streets, alleys, driveways, front, sideside, and rear yards. The provisions of this section shall not apply to trucks or semi-trailers making deliveries.
- C.D. No owner, operator or driver of a truck shall park such truck or semi-trailer or both, as defined in this Section, within any City street, and/or alley. This shall apply to all zoning districts within City limits as shown on the Zoning Map of the City. Truck and/or semi-trailer parking shall be permitted only on private properties designated as C-1 General Commercial, C-2 Highway Commercial, M-1 Light Industrial, and M-2 Heavy Industrial. The provisions of this section shall not apply to trucks or semi-trailers making deliveries.

Other towns examples

City of Dover allows one commercial vehicle to be parked on a residential property.

Formatted: Font: Bold, Underline

Formatted: Font: Italic

Township of Marple, PA § 285-32.1

Exemptions.

Any resident who owns and/or operates a commercial vehicle as defined herein and who resides in a residential property which does not have a driveway may apply to the Township of Marple for exemption from the provisions of this article.

TRUCK CLASSIFICATIONS

CLASS 1 6,000 lbs or less



MINIVAN



CARGO VAN



SUV



PICKUP TRUCK

CLASS 2 6,001 to 10,000 lbs



MINIVAN



CARGO VAN



FULL-SIZE PICKUP



STEP VAN

CLASS 3 10,001 to 14,000 lbs



WALK-IN



BOX TRUCK



CITY DELIVERY



HEAVY-DUTY PICKUP

CLASS 4 14,001 to 16,000 lbs



LARGE WALK-IN



BOX TRUCK



CITY DELIVERY

CLASS 5 16,001 to 19,500 lbs



BUCKET TRUCK



LARGE WALK-IN



CITY DELIVERY

CLASS 6 19,501 to 26,000 lbs



BEVERAGE TRUCK



SINGLE-AXLE



BOX TRUCKS



RACK TRUCK

CLASS 7 26,001 to 33,000 lbs



REFUSE



SOME REEFER TRUCKS



CITY TRANSIT BUS



TRUCK TRACTOR

CLASS 8 33,001 to REALLY HUGE



CEMENT TRUCK



TRUCK TRACTOR



DUMP TRUCK



SLEEPER CAB

<u>US truck class</u>	<u>Duty classification</u>	<u>Weight limit</u> ⁽¹⁾⁽¹¹⁾	<u>Examples</u>
<u>Class 1</u>	<u>Light duty</u>	<u>0–6,000 pounds (0–2,722 kg)</u>	<u>Chevrolet Colorado/GMC Canyon, Ford Ranger, Honda Ridgeline FWD⁽¹⁾⁽²⁾, Jeep Gladiator, Nissan Frontier, Toyota Tacoma</u>
<u>Class 2a</u>	<u>Light duty</u>	<u>6,001–8,500 pounds (2,722–3,856 kg)</u>	<u>Chevrolet Silverado/GMC Sierra 1500, Ford F-150, Honda Ridgeline AWD⁽¹⁾⁽²⁾⁽¹³⁾⁽¹⁴⁾, Ram 1500, Nissan Titan, Toyota Tundra</u>
<u>Class 2b</u>	<u>Light duty</u>	<u>8,501–10,000 pounds (3,856–4,536 kg)</u>	<u>Chevrolet Silverado/GMC Sierra 2500, Ford F-250, Nissan Titan XD, Ram 2500⁽¹⁾⁽²⁾⁽¹³⁾⁽¹⁴⁾</u>
<u>Class 3</u>	<u>Medium duty</u>	<u>10,001–14,000 pounds (4,536–6,350 kg)</u>	<u>Chevrolet Silverado/GMC Sierra 3500, Ford F-350, Ford F-450 (pickup only), Ram 3500, Isuzu NPR⁽¹⁾⁽⁵⁾</u>
<u>Class 4</u>	<u>Medium duty</u>	<u>14,001–16,000 pounds (6,351–7,257 kg)</u>	<u>Chevrolet Silverado 4500HD/International CV, Ford F-450 (chassis cab only), Ram 4500⁽¹⁾⁽²⁾, Isuzu NPR-HD,⁽¹⁾⁽⁵⁾</u>
<u>Class 5</u>	<u>Medium duty</u>	<u>16,001–19,500 pounds (7,258–8,845 kg)</u>	<u>Chevrolet Silverado 5500HD/International CV, Ford F-550, Ram 5500, Isuzu NRR,⁽¹⁾⁽⁵⁾ Freightliner Business Class M2 106, Kenworth T170, Peterbilt 325</u>
<u>Class 6</u>	<u>Medium duty</u>	<u>19,501–26,000 pounds (8,846–11,793 kg)</u>	<u>Chevrolet Silverado 6500HD/International CV, Ford F-650, Freightliner Business Class M2 106, International MV⁽¹⁾⁽⁵⁾, Kenworth T270, Peterbilt 330, Mack MD</u>
<u>Class 7</u>	<u>Heavy duty</u>	<u>26,001–33,000 pounds</u>	<u>Autocar ACMD,⁽¹⁾⁽⁷⁾ Freightliner Business Class M2 106, Ford F-750⁽¹⁾⁽⁸⁾, Hino 338, International MV,</u>

Formatted Table

<u>US truck class</u>	<u>Duty classification</u>	<u>Weight limit ⁽¹⁾⁽¹⁾</u>	<u>Examples</u>
		(11,794–14,969 kg)	Kenworth K370, Kenworth T370 and T440/470, Mack MD, Peterbilt 220 and 337/348
<u>Class 8</u>	<u>Heavy duty</u>	33,001–80,000 pounds (14,969–36,287 kg) and above	Autocar ACX and DC; Volvo Truck VNL; Freightliner Cascadia, Business Class M2 112, 118SD, and EconicSD; Ford F-750; Hino XL8; International LT, HV, and RH; Kenworth T680, T880, and W990; Mack Anthem and Granite; Tesla Semi; Nikola TRE, Pinnacle, and TerraPro; Peterbilt 389, ⁽¹⁾⁽⁹⁾ 579, and 520; Western Star 4800, 4900 and 5700; Pierce; E-One; Spartan; Ferrara; KME custom fire apparatus.

Formatted Table