

*"A Historic Past"*



*"A Bright Future"*

**CITY OF DELAWARE CITY**

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**MINUTES  
CITY OF DELAWARE CITY  
MAYOR AND COUNCIL MEETING  
Monday, December 18, 2017  
Paul H. Morrill, Jr. Community Center**

**CALL TO ORDER – MAYOR AND COUNCIL MEETING**

Mayor Green called to order the Mayor & Council Meeting at 6:30 pm.

**PLEDGE OF ALLEGIANCE**

Mayor Green led the Pledge of Allegiance to the Flag.

**ROLL CALL**

Present were Mayor Green, Vice Mayor Malinowski and Council Members Barrett and Fitzwater. City Manager Houck, Finance Manager Rzucidlo, City Secretary Hanna, Police Chief Baylor, and City Solicitor Walton were also in attendance. In addition, the auditor Mr. Vince Barbone of Whisman & Giordano and Lauren DeLuca of Conway Gallagher were present. Absent from the meeting were Council Members Titus and Greene.

**ACTION UPON THE TREASURER'S REPORT**

Mayor Green requested City Manager Houck to bring Council up-to-date on the status of the Treasurer's Reports. City Manager stated back in June an audit with added scope began. We are currently closer to delivery of monthly financial and treasurer's reports, hopefully by the beginning of the year. Our auditor will deliver that information and will advise and answer your questions if he thinks a forensic audit is necessary at this time. Mayor Green asked for a motion to accept the status report from City Manager Houck. Council Member Barrett made the motion, which was seconded by Vice Mayor Malinowski. All were in favor. Motion carried.

### **ACTION UPON THE MINUTES OF THE PREVIOUS MEETING**

There were no questions or comments. Council Member Barrett made the motion to accept and Vice Mayor Malinowski seconded it. Motion carried to accept the minutes of November 20, 2017 as written.

### **POLICE REPORT**

Chief Baylor reported there had been no significant impact for this month over the year-to-date comparison. He urged residents to make arrangements with a neighbor to pickup any packages left at the door if they will not be home on delivery day. If a neighbor is not available, Chief Baylor offered the assistance of the Police Department. Residents can call and make arrangements to have the packages picked up by an Officer.

Chief Baylor reported that a person wanted by the NCCP for theft operated the car Sgt. Wysock stopped. The passenger in the car resides on Adams Street and the names will be posted on the website. This was a good stop; it cleared up many of the thefts in the area.

On behalf of the Police Department, Chief Baylor extended their wishes to all for a Happy Holiday. The Police Department will be available all through the holidays.

Mayor Green recognizes how fortunate Delaware City is to have this professional Police Department. The Officers have come from DSP and NCCP. Each officer comes with college degrees, experience and a long list of credentials and advanced training.

Before moving forward with the meeting, Mayor Green paused to recognize the presences of The Honorable Buchheit, former Mayor of Delaware City, Mr. Tim Konkus, president of Main Street and Ms. Lisa Lindsay from the Delaware City Refinery.

### **CITY SOLICITOR'S REPORT**

City Solicitor Walton reported the following:

- We assisted with the drafting of the ordinances on the agenda for this evening.
- Assisted in the drafting of the resolution on this evening's agenda.
- Participated in providing advice relating to the zoning code and issued a code interpretation for the C-1 district for a non-compliant property
- Provided a code interpretation for the clean hands ordinance.
- Also provided advice regarding the special exception procedure set forth in the code.
- Assisted with calculations relating to the pending ordinances and answered associated questions on the ordinances presented tonight for first reading.

City Solicitor Walton introduced Ms. Lauren DeLuca. She had worked on the presentations for tonight and was here on her own time because she is interested.

Before moving forward, Mayor Green reminds everyone how fortunate we are to have the experience and expertise of Chief Baylor leading the Delaware City Police. Chief Baylor is a retired Major from the Delaware State Police and holds a Master's Degree.



## **CITY MANAGER'S REPORT**

City Manager Houck reported the following:

- Parking Task Force: The engagement of the Task Force members was good. The second meeting will be held January 9, 2018. The members will bring back research or information related to the discussion we had in November.
- Washington Street Request for Period of Performance Extension: The December 6 vote of the Water Infrastructure Advisory Council (WIAC) was unanimous in favor of recommending to DNREC Secretary Garvin to fund our project through the States (2% interest) revolving loan program with a 20-year payback. The Secretary's Binding Commitment Approval letter has been received and sent to DEMA and FEMA. This was required by FEMA for their issuance of a Period of Performance Extension through December 2018 to complete the project. The options for funding this low interest loan is on the agenda for first reading tonight. The Public Hearing will be held after the New Year.
- DFIT: As a founding member of the DeLea Founders Insurance Trust (DFIT) for Workman's Compensation Insurance last week we were presented with our first premium refund check \$3,539.04, which has been deposited into our General Fund. We expect to receive a similar amount next year.
- Delaware City Fire Department has graciously donated a 15-foot screen and projector for the Community Center that will be used for presentations and events.
- 6<sup>th</sup> Annual Mayor's Ball: "Save the Date" information has been sent out announcing the ball will be held on February 24, 2018, beginning at 7 p.m. at the Delaware City Fire Department Hall. Staff at Town Hall will field questions and log names of interested participants in advance to full ticket sales after the New Year.

The list of meetings City Manager Houck attended this month are in the report she handed to Council Members. City Manager Houck ended her report with wishing everyone a safe and Merry Christmas. As a reminder, Town Hall will be closed December 25 and December 26.

Mayor Green thanks City Manager Houck for her report and adds she came to Delaware City from Newark and is a Certified City Manager with a master's degree.

## **APPOINTMENTS, ANNOUNCEMENTS, COMMUNICATIONS**

Mayor Green asks City Manager to address Council on the appointment of Ms. Deborah Sellers as City Treasurer. Council Members received and reviewed the information submitted by Ms. Sellers. This new structure moving forward will help with audit findings, segregation of duties, and checks and balances. Mayor Green asked for a motion to accept Ms. Deborah Sellers as City Treasurer. Council Member Fitzwater made the motion and Vice Mayor Malinowski seconds it. All were in favor. Motion carried.

There were no other appointments, announcements or communications.

## **REPORTS OF COMMISSIONS, COMMITTEES AND ORGANIZATIONS**

Main Street - Mr. Tim Konkus reported that Main Street concluded the 21<sup>st</sup> year of service to Delaware City. Highlights of the year were:

- The Holiday Parade

- Festival of Lights with Santa arriving on the Fireboat and pictures with Santa by Studio 118
- Small Business Saturday brought one business owner her largest day in receipts.

Looking ahead to 2018's events including:

- Halloween Parade
- Rivertowns Festival
- Music in the Park in August
- Town Wide Yard Sale
- Helping in a small way with the Mayor's Ball in February
- 20 weeks of the Farmers' Market

Mr. Konkus adds that no funding comes to Main Street except by the contributions from the community (i.e. Crabby Dick's, Lewinskys, and the American Birding Association to name a few). Mr. Konkus concludes his report thanking the Delaware City Fire Company, Police Department, Lions Club and the merchants for their support and assistance.

Mayor Green thanks Mr. Konkus for his 21-year service in the military.

#### Library Committee reported:

- Library will be closed Friday, December 22<sup>nd</sup> thru Monday, December 25 for Christmas.
- Upcoming Event is Crafty Giving making no-sew blankets for cats and dogs in need and donated to Faithful Friends
- Calendar of Events is available on the Library's website for all upcoming events.

Delaware City Day - Mayor Green reported he attended the board meeting and still looking for an executive director.

PAL of Delaware City - Mayor Green reported Valerie Longhurst, Majority Leader of the House of Representatives is very involved with PAL of Delaware City. She and City Manager Houck are looking into various initiatives for the upcoming 2018-2019 year.

#### Delaware City Fire Company - Mr. Mike McMichael reported:

- A reminder to everyone to be sure to have smoke detectors in working order. If anyone needs help, call the Fire Department and a member will come and help.
- The annual banquet for the Fire Company's members is the first Saturday in January.
- Have a safe Christmas, remember to keep the tree watered

### **OLD BUSINESS**

There was no Old Business to discuss.

### **NEW BUSINESS**

1. Introduction & First Reading - Ordinance 17-1218-01 Relating to Amending Chap. 46 Sec. 46-28 of the City Code relating to Subdivision Amenities in HPR District



City Solicitor Walton stated this was the ordinance he requested to table at last month's meeting because of a technical defect. He explained the purpose of the ordinance. Mayor Green asked for a motion to accept the ordinance for introduction and first reading in abstract and title only. Vice Mayor Malinowski made the motion, which was seconded by Council Member Barrett. All members were in favor; motion carried. Public Hearing on the proposed ordinance will take place at the next Mayor and Council Meeting.

2. Introduction & First Reading - Ordinance 17-1218-02 Establishing Flood Mitigation Special Assessment & Authorizing Levy of Special Assessment

City Solicitor Walton requested this ordinance be considered for first reading in conjunction with ordinance 03. There will be loan obligations for this project and after consultation with City Manager there are two (2) options to consider. First, is a special assessment, which relates to the people who are impacted in the flood area. The second is for ordinance 03 a tax increase to cover the debt for the project. City Solicitor recommends approving the first reading and having debate and discussion at the Public Hearing next month.

Mayor Green asked for a motion to accept the ordinance for introduction and first reading in abstract and title only. Council Member Fitzwater made the motion, which was seconded by Council Member Barrett. Roll call vote was unanimous. Motion carried to accept. Public Hearing on the proposed ordinances will take place at next month's Mayor and Council Meeting

Council Member Fitzwater asked if the property listings in Exhibit B are newly added to the flood and will need to get flood insurance and will they be notified. City Solicitor responded all property owners on the list would be notified.

3. Introduction & First Reading - Ordinance 17-1218-03 Increasing Property Tax Rate for FY 2019

Mayor Green asked for a motion to accept the introduction and first reading in abstract and title only. Council Member Fitzwater made the motion. Council Member Barrett seconded it. The roll call vote was all in favor. Motion carried. A public hearing on the proposed tax increase will be held next Council Meeting.

4. FY17 Audit - Vince Barbone, Whisman & Giordano

Mr. Barbone's full written report on the audit comparing June 2017 with June 2016 was submitted to Council. His report as follows are highlights from the report. He said many issues were found in the comparison of the 2 years. A substantial number of adjustments were made and as a result we were able to provide modified opinions at all levels of the reporting on the financial statements. That's good news.

The bad news is the Town sustained a deficit in the General Fund of \$269,000 as compared to the loss of deficit in the previous year of \$74,000. Causes of this deficit are:

- Budget over expenditures as reflected on the budget actual
- Funding of water fund of \$52,000 as of end of June 30, 2017
- A deficit of approximately \$76,000 by not pursuing grants

The Town did end the year with an accumulative surplus of \$313,375. The previous year was \$581,967. The reserves enabled the Town to sustain the hit.

Significant weaknesses found for the deficit were due to the finance department not doing reconciliations regularly. Had they, it could have mitigated some of the sustained losses and inappropriate grant administration. There was no evidence of theft



or fraud therefore any need for a forensic audit. Only evidence found was poor accounting methods.

Mayor Green asked if Mr. Barbone and City Manager Houck would engage in conversation prior to Council asking questions. City Manager Houck asked if he would clarify what the terms "accumulative surplus" and "reserve" mean.

Mr. Barbone replied the accumulative surplus is not externally restricted but is spoken for ordinances and establishes reserves for specific purposes, which are available with Council approval. The town sustained a large deficit but it did not cause a negative net position. Mr. Barbone concluded that because of the steps taken by Council with new personnel and the new measures that address the issues he's very comfortable moving forward. Mr. Barbone also adds that the Town is fiscally sound for the last 10 years. When he began as auditor 15 years ago there was no surplus. He sees a silver lining because Mayor & Council have taken action to remedy the issues.

Speaking from his experience in the Fortune 500 business world, Mayor Green takes these suggestions very seriously and sees the importance of following Mr. Barbone's advice to stay solvent and fiduciary responsible.

#### 5. Certification of the 3<sup>rd</sup> Quarter Supplemental Tax Assessment

City Manager Houck presented this to Mayor & Council for approval. There were no comments or questions. Council Member Fitzwater made the motion to accept the assessment. Vice Mayor Malinowski seconded. The roll call reflected all were in favor and motion passed.

#### 6. Resolution 17-1218-01 Requesting the General Assembly to Amend the Delaware City Charter

City Solicitor Walton commented that under the Delaware City Charter there is a 10-year borrowing limit to pay back a loan. The Washington Street Flood Mitigation Project has been approved on a 20-year pay back. This resolution is asking General Assembly to allow Delaware City to take advantage of this extended pay back period. Council Member Fitzwater made the motion. Vice Mayor Malinowski seconded it. The roll call vote reflected all were in favor and the motion was passed.

### **MEMBERS OF COUNCIL COMMENTS**

Council Member Barrett - no comments

Vice Mayor Malinowski - no comments

Council Member Fitzwater:

Believes there are good things being done with the Fire and Police Departments as with Town Hall being transparent with the public. He urges the importance of getting involved in the upcoming election. He recognizes there have been issues on Council that have made it difficult but hopes moving forward in 2018 will allow for more growth and benefit the town. Council Member Fitzwater also urges everyone to support local businesses because this helps grow our community and allows property values to increase, etc.

Mayor Green:

First, thanks Lynn Dilliplane for her time and talents at the Tree Lighting Event for taking the pictures with Santa.

Mayor Green reported he would be working on the Mayor's Ball after the first of the year. He has visited and telephoned many who are sick and shut-in.

He updated the recovery of Becky Webb, former Lieutenant at Fort DuPont and Fort Delaware, from her stroke. She is doing well and still under treatment for some residual issues.

Mayor Green reflected on the positive changes he has seen since 1999 because of business owners willing to come into town (i.e. Crabby Dick's) how much it benefits the growth of the town. He thanked The Honorable John Buchheit and Dale Slotter for investing in Delaware City and the other businesses. He also commended the work and dedication of the Police Department and City Manager as also positive influences.

### **CITIZENS COMMENTS**

The Honorable John Buchheit, 210 Clinton Street: thanks Mayor Green for his positive comments. He appreciates the support of the community and is glad to see so many positive things happening. He reports the commercial district is strong and still growing. There are changes coming to Crabby Dick's; the Pavilion and French doors are almost complete and engineers are looking into making 13 rooms to hotel rooms again. The Honorable Buchheit applauded City Manager Houck on the excellent job she is doing.

Mayor Green added his appreciation for Ms. Lisa Lindsey for attending the meetings and appreciates the support from the Refinery. He also thanked City Solicitor Walton for the donation to the Babe Ruth Field from his father.

### **ADJOURNMENT**

Vice Mayor Malinowski made the motion to adjourn Mayor & Council Meeting. Council Member Barrett seconded the motion. Meeting was adjourned at 7:24 p.m.

Respectfully submitted,

*Bonnie Lynn Hanna*

City Secretary