

*"A Historic Past"*



*"A Bright Future"*

**CITY OF DELAWARE CITY**

407 Clinton Street - P.O. Box 4159  
Delaware City, Delaware 19706  
302-834-4573

**MINUTES  
CITY OF DELAWARE CITY  
SPECIAL MAYOR AND COUNCIL MEETING  
Called in Pursuant to Charter Section 3-12  
Delaware City Town Hall  
407 Clinton Street  
Delaware City DE 19706  
Council Chambers  
January 30, 2018**

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

The Honorable Mayor Green called to order the Special Meeting of the Mayor and Council at 6:30 pm.

**PLEDGE OF ALLEGIANCE**

Mayor Green led the Pledge of Allegiance to the Flag.

**ROLL CALL**

Present were The Honorable Mayor Green and Vice Mayor Malinowski, Council Members Greene, Titus, Fitzwater and Barrett. City Manager Houck was also in attendance.

**NEW BUSINESS**

Mayor Green reads each of the three (3) items under New Business and gives direction on what action is being sought on each one.

- Item 1 is to rescind the Resolution
- Item 2 is to table the Ordinance
- Item 3 if passed a Public Hearing will be held on the next Council Meeting and after that Council will have a vote on it.

Mayor Green opens the floor for discussion. Council Member Titus questions the two (2) choices that were brought up in last Council Meeting. Her concern is putting the burden on just a small cross section of the community. She researched the charter and does not see where it permits certain property owners to be call aside for a special assessment.

**1. Discussion and possible vote to rescind or amend Resolution No 18-0122-01 relating to a 15-day notification of public hearing for a Floodplain Mitigation Special Assessment**

Council Member Fitzwater made the motion to rescind Resolution 18-0122-01. Roll call vote was taken. Council Members were in full agreement. Resolution No. 18-0122-01 was rescinded.

**2. Discussion and possible vote to table Ordinance 17-1218-02 - An Ordinance Establishing a Flood Mitigation Special Assessment and Authorizing Levy of Special Assessment**

Mayor Green read the Ordinance. Vice Mayor Malinowski made the motion to table Ordinance 17-1218-02. Council Member Titus seconded. Roll call vote taken and Council Members were in full agreement. Ordinance 17-1218-02 was tabled.

**3. Discussion and possible vote on setting of the date for a public hearing on Ordinance 17-1218-03 - An Ordinance to Increase Property Tax Rate for 2019**

After Mayor Green read to Ordinance Vice Mayor Malinowski made the motion to set the date for the public hearing and Council Member Titus seconded it. Mayor Green opened the floor for discussion.

Vice Mayor Malinowski commented that in the past tax increases were passed with resolutions. This was the first time he had seen one as an ordinance. City Manager Houck replied she had not done an historical check on past procedures. City Solicitor Walton deemed it appropriate to handle it this way. There is time before the 26<sup>th</sup> to clarify why it's being done as an ordinance. City Manager said she surmises that since its specific to Washington Street that makes it different and after its paid off it will be reversed.

Council Member Fitzwater said he too interpreted it as being a temporary increase. Council Member Titus believes "temporary" should be included in the wording. Council Member Fitzwater explained that although the word temporary is not stated; the increase is for the term of the loan, which Council had voted to extend from 10 years to 20 years. He also believes it is not fair to put the burden of the loan on only the residents in the floodplain but to make it across the board.

Council Member Fitzwater expressed his concern to City Manager to make sure none of them are vested in any of the floodplain property. He feels he needs to back out so it does not appear that Council is railroading to make everyone pay for it.

Discussion continued about whether or not any Council Member needed to recuse their self from voting. Mayor Green does not believe that would be necessary since this affects everyone in town. Council Member Greene commented that most of



the citizens she had talked with agreed that it should not be placed just on those in the floodplain. Those she spoke with felt it benefited the entire town to have the flood mitigation completed.

City Manager Houck said the meeting on the 19<sup>th</sup>, which was for the special assessment, and tax increase specifically should be cancelled. Some discussion took place as to which item that needed to be addressed under. City Manager Houck replied it could be done under item 3 when the date for that hearing is set for the 26<sup>th</sup>. It was agreed that it could be done and there was the benefit that the later date allowed more time to give notice to the residents.

### Discussion on the Tax Increase

Council Member Barrett asked if the increase is 10¢. City Manager replied approximately and the reason being is once the bids on Phase 2 come in we will know how much will be necessary to borrow but will not exceed the amount we have been approved. The \$790,000 will also cover the closing costs on the loan.

Mayor Green wanted to clarify the 10¢ factor. He explained that increasing the tax from \$1.09 to \$1.19 per \$100 over the period of 20 years and does not anticipate it to be more than 10¢. It could in fact be less. Council Member Fitzwater added that if it would be over 10¢ Council would have to hear it again for a revision. City Manager Houck said it would come back as a bid.

Mayor Green asked City Manager if they were jumping the gun before getting the bids. City Manager replied there are specific things that have to be in place to move forward based on the terms of the loan. The Legislature is currently working on changing the Charter to move us from a 10-year ability to borrow to a 20-year ability to borrow. It's all timed for when we are ready to borrow the money, which we won't do until, it's needed.

Mayor Green once again poses the question could it possibly turn out to be higher than 10¢? City Manager said it all had been conservatively estimated and is positive that it will cover everything. She injected that she had received the extension letter for period of performance from FEMA. By the end of the week she will be issuing some things to being Phase 1 for which the money is in place to begin. Contract documents will go out when its time for Phase 2.

Mayor Green once again posed the question to City Manager if some flexibility is needed and is it conservative enough? City Manager Houck assures to the best of her knowledge everything is done with the not to exceed amount and the project will be finished with the monies that have been approved and are sufficient to pay it off in 20 years.

Council Member Titus recalled the conversation with Duffield that the estimates were high and more than we need to not fall short. She said she is comfortable with the numbers as is Council Member Fitzwater. Mayor Green said he wanted everything explained thoroughly because each Council Member will be voting for their constituents. There was no further discussion.

### The Motion

Mayor Green asked for a motion and for it to be read:

Council Member Fitzwater makes the motion:

*To setting a date for Public Hearing on Ordinance 17-1218-03 which is an Ordinance to increase Property Tax Rate for FY2019 prior to the next Council Meeting at 6 p.m.*

Council Member Titus seconded. When Mayor Green asked for any discussion, City Manager Houck asked if the date could be added for the next Council Meeting on the 26<sup>th</sup>?

Council Member Fitzwater amends the motion to include the date as February 26. Council Member Titus asked if that negates the February 19<sup>th</sup> meeting. Mayor Green responded when item 2 was tabled it also tabled the date of the 19<sup>th</sup>.

Council Member Fitzwater makes the second amendment to the motion as follows:

*In light of our rescinding the Resolution 18-0122-01 relating to the 15-day notification and Public Hearing that will be cancelled on the 19<sup>th</sup> of February at 6 p.m. I would like to set a new date for a Public Hearing on Ordinance 17-1218-03, an Ordinance relating to Increase Property Tax Rate FY2019 and I would like that meeting to be held on February 26 at 6 p.m. prior to the scheduled Mayor & Council Meeting at 6:30 p.m.*

Council Member Titus seconded the revision on the motion. Mayor Green asked if there was any discussion on the revision. There was none and he asked for a roll call vote:

Council Member Barrett	Aye
Vice Mayor Malinowski	Aye
Council Member Titus	Aye
Council Member Fitzwater	Aye
Council Member Greene	Aye

The Ordinance 17-1218-03 was passed unanimously.

### **ADJOURNMENT**

Before asking for a motion to adjourn, Mayor Green told Council they did a good job working together and he thanked them for it.

Mayor Green asked for a motion to adjourn. Council Member Titus made the motion and Council Member Fitzwater seconded it. Meeting was adjourned at 6:56 p.m.

Respectfully submitted,  
*Bonnie Lynn Hanna*  
City Secretary