

"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
PUBLIC HEARING & MAYOR AND COUNCIL MEETING
MONDAY, FEBRUARY 26, 2018
PAUL H. MORRILL, JR. COMMUNITY CENTER
250 FIFTH STREET**

CALL TO ORDER – PUBLIC HEARING

The Honorable Mayor Green called to order the Public Hearing at 6:00 pm.

1. **ORDINANCE 17-1218-03 – RELATING TO INCREASING PROPERTY TAX RATE FOR FY19**
2. **ORDINANCE 18-0122-01 RELATING TO MODIFYING CHAPTER 48, SECTION 21 OF THE CITY CODE**

Mayor Green called the meeting to order and read the Ordinances being presented. He called on City Solicitor Walton for his remarks on Ordinance 18-0122-01. City Solicitor Walton said this Ordinance was introduced last month. It was sent to FEMA for comments but unfortunately none have been received for this meeting therefore he requests this Ordinance be tabled until next month. The vote will be taken when it is introduced later in the meeting.

ROLL CALL

Present were Mayor Green, Vice Mayor Malinowski, Council Members Barrett, Titus, Fitzwater and Greene. In addition, City Manager Houck, Assistant City Clerk Clifton, Police Chief Baylor and City Solicitor Walton were also in attendance

ORDINANCE 17-1218-03 – RELATING TO INCREASING PROPERTY TAX RATE FOR FY19

City Manager Houck addresses Council and Citizens regarding the Washington Street Flood Mitigation Project that began in 2013 with a summation of the project from inception to current time:

- Delaware City was awarded two grants totaling \$880,000 from DEMA, seeded by FEMA and New Castle Conversation District. Delaware City also was to contribute giving the project a starting balance of \$920,000
- In 2016 the first bids were sent out to contractors from the engineering company. All bids exceeded the available funding. Lowest bid was \$1,541,000
- December 2016, Duffield Associates was hired to engage the low bidder in value engineering the project expecting to match the available funding. The bid received on July 7, 2017 again exceeded the remaining funding.
- During this period, two (2) extensions (Period of Performance: POP) for completion date was granted by FEMA. The first extension was granted December 2016 and the second February 2017.
- By July of 2017 it was not feasible in time and funds to have the project completed by January 9, 2018.

This is where the tax increase becomes necessary:

- The grant funds utilized for design bore a FEMA requirement that the project be completed in its entirety subject to forfeiture of funding.
- This meant Delaware City would be required to repay grant reimbursement funds already received or monies spent and pending reimbursements as of July 2017 at nearly \$350,000.
- Repaying the funds granted and used for design would not give Delaware City any improvement to solve the ongoing flooding situation.

The path forward put us in a strong position to request a third (but rare) extension to the POP was to adopt a phased approach for completing the project.

- The phased approach would use the remaining funds for a distinct Phase I
- It would also require us to apply for Clean Water State of Delaware Revolving Loan funds (CWSRF) for a separate Phase II. If approved these funds serve as our necessary confirmation of funding for FEMA to grant the application.
- With the support of Mayor & Council, application for the revolving loan was made for an amount not to exceed \$790,000 and was approved on December 6, 2017
- FEMA formally granted the extension on January 18, 2018 with a POP for the project to be fully complete by April 9, 2019.
- Total engineering fees paid to Duffield Associates for services from March 2017 through January 2018 was \$117,700.
- Future engineering costs through Phase II bidding and construction has been incorporated into the funds needed to complete the project.

The Tax Increase:

- The estimate of increasing the tax level to \$1.19 per \$100 assessed property value would require Delaware City residents to pay an average of \$4.66 per month or \$55.94 more a year. This will provide approximately \$67,700 a year to fund loan payments and complete the project.
- Enabling legislation was necessary to allow the change from 10 years to 20 years term of loan will allow flexibility when addressing needs of the community, now and in the future. This legislation will be addressed when the Legislature is back in session.

- The “not to exceed” loan figure of \$790,000 takes into account all aspects of the project: contingencies, engineering, and the value-engineered construction bid estimate, permits, and legal fees.
- This increase moves the average tax collected per property from \$609.71 per year to \$665.65 per year and includes all City services.

Other considerations:

- Community Environmental Projects Fund (Penalty Fund) was explored but the fund is currently depleted. The level of funding and the competition for it is unknown at this time. We will continue to stay abreast of the fund and work to determine projects or initiatives that can be submitted for funding to benefit the community.

Additional Subsidization Assistance Program Grant Funding

- The Delaware Water Infrastructure Advisory Council offers funding to help certain low-income families to assist in their ability to pay their fair share of loan repayments. This grant cannot be applied for until loans are settled. It requires a 5-year agreement with municipality and has eligibility qualifications. We intend to make application. If approved will make the funds available in accordance with the grant requirements. We will do our best to assist those in lower income situation to ease the tax increase burden.

Public Comments/Questions

Ray Fruytier, 909 5th Street: asked for the amount of the increase.
\$4.66 per month. \$55.94 per year on the average

Debra Sellers, 400 Clinton Street: asked if the tax increase was for one (1) year or forever. City Manager Houck responds this is a 20-year payoff on the loan. Mayor & Council can say whether or not to see it to sunset in 20 years. However, we are not in the position to tie the hands of future Council. For now it is in place for 20 years. Future Mayor & Council will decide if there will be any changes.

Mayor Green adds to City Manager’s comments by saying the Council sitting here today says 20 years. Future Council can reverse it, that’s their choice.

City Solicitor Walton adds that is correct but future Council can raise or lower as they see fit. Supposing money becomes available Council could vote to lower the tax rate in accordance with when the loan is paid off.

Debra Sellers inquires that at the last Mayor & Council meeting she came away thinking there were two (2) options: special assessment or tax increase. How did it change? City Manager Houck replied a special meeting of Mayor & Council took place and Council voted to remove the special assessment. Council Member Fitzwater and Titus both injected that the decision was to share the cost across all the citizens of Delaware City instead of just impacting those in the flood plane. All citizens will benefit from the project and it did not seem fair to single out just a portion of the town.

Ray Fruytier asked if the tax increase was strictly for this project and would no other taxes be increased in the future. City Manager Houck replied it would enable us to pay for this project. As for future taxes, no one has a crystal ball to foresee the future. We will be starting budget next month. As we move forward I will have a better idea of what will be coming. There is nothing intended at this time. Council Member Fitzwater adds, that the increase is for this project.

Russell Hutton, 406 Adams Street: asked what if materials costs increase, etc. City Manager Houck said there is a \$70,000 in contingency money available. Mayor Green added that is a good point, the longer we wait the more it will cost.

Michael Hendry, 400 Clinton Street said he thought for years the Town was in good financial shape but now unsure. What happens if something else goes wrong will there be a tax increase? Mayor Green replied right now it is the only thing we are dealing with. We are going through a financial burden from things transpiring in the past. The City Manager is helping to straighten this out. If something catastrophic occurs we will go to the State, the Federal government or anyone we can. We are fine with paying our bills each week. Council Member Greene believes Mr. Hendry's question is more general and refers to a rainy day fund that had been mentioned in the past. Mayor Green replied there is not rainy day fund. This issue has been gone over many times. He made the offer if anyone would like knowing what transpired he would be available to sit down and discuss it.

ADJOURN PUBLIC HEARING

Council Member Titus made a motion to adjourn the Public Hearing. Council Member Fitzwater seconded the motion. A vote was taken, all ayes, motion carried. The Public Hearing was adjourned at 6:28 pm.

CALL TO ORDER – MAYOR AND COUNCIL MEETING

The Honorable Mayor Green called to order the regular Meeting of the Mayor and Council at 6:32 pm.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Green led the Pledge of Allegiance to the Flag.

ROLL CALL

Present were Mayor Green, Vice Mayor Malinowski, Council Members Barrett, Titus, Fitzwater and Greene. In addition, City Manager Houck, Assistant City Clerk Clifton, Police Chief Baylor and City Solicitor Walton were also in attendance.

ACTION UPON THE MINUTES OF THE PREVIOUS MEETING

Council Member Greene made the motion to accept the minutes of January 22, 2018 as written. Council Member Titus seconded the motion. A vote was taken, all ayes, motion carried.

Council Member Titus made the motion to accept the minutes of January 30, 2018 as written. Vice Mayor Malinowski seconded the motion. A vote was taken, all ayes, motion carried.

POLICE REPORT

Police Chief Baylor reported the following:

- In the comparison of the year-to-date statistic nothing stands out in 2018

- Delaware Office of Highway Safety has given the Police Department \$720.00 to fund overtime for violations of the seatbelt law beginning Wednesday, March 21st through Sunday, April 1st. This grant allows for three (3) separate patrols for a four (4) hour period over and above the regular patrols.
- Last week a vehicle struck a telephone pole on Clinton Street. The investigation reported the vehicle came down the street at a high rate of speed. The road was closed for approximately 6 hours while Verizon made repairs.
- Chief Baylor suggested the speed limit on Clinton Street and Cox Neck Road be reduced because of the pedestrian, bicyclists and playground activity along there.
- A young child was reported lost. With the help of the Delaware City Fire Department the child was found a few doors away.
- Chief Baylor asked the public to be alert and pro-active in reporting any suspicious activity they see in town. The goal is to keep the community safe by keeping out those who are not supposed to be here.

Council Member Fitzwater asked Chief Baylor if it would be advantageous for the city to hire a clerk to receive fines instead of having them processed out of town? Chief Baylor responded that monthly fines are sent back to the city by the court. A clerk would be needed if Delaware City had its own court. Chief Baylor said the fines are antiquated and he would like to work with City Manager and Mayor & Council to bring fines up to par with other towns.

City Solicitor Walton added there are provisions in the Delaware City Charter to have an alderman and court established but there is a fair amount of cost in doing so if Mayor & Council would want one.

CITY SOLICITOR'S REPORT

City Solicitor Walton reported the following:

- Relatively quiet since the last meeting.
- Provided advice on the notice provision for the special meeting that was held earlier in the month
- Assisted the City Manager in preparation for the presentation this evening.
- Worked with DNREC and FEMA regarding language for the floodplain ordinance discussed during the public hearing.
- Gave advice to City staff regarding the sign code and enforcement thereof.

CITY MANAGER'S REPORT

City Manager Houck reported the following:

- Washington Street Flood Mitigation Project had the public hearing and vote on tax increase is on the agenda for this meeting.
- Congratulations to Mayor Green and the members of ball committee for a job well done at the 6th Annual Mayors' Charity Ball. Final figures will be shared later but do appear to be in line with previous events.
- Committee Members for Delaware City Day will be appointed at this meeting and the first meeting will be held in March.

- *By The Books Accounting* has been engaged to assist in completing the efforts underway to reconcile the general ledger financial records; to assist in merging this information into the new financial software; assist with launching the new Budget Module; and assist with the FY18 audit preparations and End of Year Requirements. With this path forward we expect to be able to deliver to Council in April a March Financial Statement.

City Manager submitted the list of meetings she attended during the month.

APPOINTMENTS, ANNOUNCEMENTS, COMMUNICATIONS

Mayor Green announced the following people were being nominated to be on the following:

Election Board: Debra Sellers.

Council Member Titus made the motion to accept Ms. Sellers for the Election Board. Council Member Barrett seconded it. Roll call vote was taken, all ayes. Motion carried.

Delaware City Day Committee: Each Member will have specific roles in planning the event

<u>Nominee</u>	<u>Motioned By Council Member</u>	<u>Seconded By Council Member:</u>	<u>Roll Call:</u>
Chief Poppe	Titus	Barrett	all ayes
Anthony Branda	Titus	Malinowski	all ayes
Madonna Malinowski	Titus	Barrett	all ayes
Chief David Baylor	Titus	Greene	all ayes
John Buchheit	Titus	Malinowski	all ayes
Bonnie Hanna	Greene	Titus	all ayes
Sean Johnston	Greene	Fitzwater	all ayes
Carol Houck	Malinowski	Barrett	all ayes

REPORTS OF COMMISSIONS, COMMITTEES AND ORGANIZATIONS

Main Street, Mr. Tim Konkus:

- The next meeting for Main Street will be held at 12 p.m. at Crabby Dick's on March 12th.
- Fundraiser for the Farmer's Market will be March 29th at Crabby Dick's from 6 p.m. until closing. The funds go to promoting the market and subsidizing the EBT cards
- April 28 beginning at 8 a.m. is the Annual Town-Wide Yard Sale

Council Member Barrett asked would it be a 2-day event as it was last year. Mr. Konkus' response was inaudible. Check Facebook posting for announcement.

OLD BUSINESS

Second Reading & Adoption - Ordinance 18-0122-01 Relating to Modifying Chapter 48, Section 21 of the City Code

City Solicitor Walton asked for this Ordinance to be passed on to next month's agenda, as the replies from FEMA are not yet available. Council Member Titus made the motion, which was seconded by Vice Mayor Malinowski. Roll call vote was taken, all ayes. Motion carried.

Second Reading & Adoption - Ordinance 17-1218-03 Relating to Increasing Property Tax Rate FY19

Council Member Greene made the motion to accept which Council Member Titus seconded. Roll call vote was taken. The response was all ayes. Ordinance was passed.

NEW BUSINESS

There was no new business.

MAYOR & COUNCIL COMMENTS

Council Member Barrett: No comments

Vice Mayor Malinowski requested a motion be made to have Chief Baylor study the speed limit on Cox Neck Road. City Solicitor Walton replied since it was not on the agenda a motion could not be made.

Council Member Titus: No Comments

Council Member Fitzwater: Asked if March's agenda could include a discussion of how an ethics complaint could be handled within Council before it went to the Ethics Board to ascertain if it is a valid complaint. City Solicitor Walton understands the request and will put it into an ordinance.

Council Member Greene: would like to donate two (2) new walkers

Mayor Green: Thanked the Mayors' Ball Committee, business owners, the Refinery and the Delaware City Fire Department for their efforts and contributions to the Ball. The Ball has raised money to pay for things around town, (i.e. the ball field, playground) and since its inception has raised more than \$300,000.

CITIZENS COMMENTS

Mike Mariano, 115 Fifth Street Lot #89 said he had an incident with Adam Popolus on February 13th and had called City Manager asking why Mr. Popolus's windows are tinted so dark and why his vehicle is not marked? Mayor Green told him to contact either City Manager Houck or Police Chief Baylor to discuss this matter.

Mr. Mariano also questioned a January 25th Facebook post of City Manager that she was now City Manager of Newark. Mayor Green assured him this was not true.

John Buchheit, 210 Clinton Street congratulated Mayor Green on the Mayors' Ball. He also added that he is very disappointed that there was no brainstorming or fundraisers in lieu of raising taxes.

ADJOURNMENT

Vice Mayor Malinowski made the motion to adjourn Mayor & Council Meeting. Council Member Greene seconded, all were in favor. The meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Bonnie Lynn Hanna

City Secretary