

Council Meeting
January 9, 2023
7:00 p.m.

The Council Meeting of Mayor and Council was held on the above date and time with Council members DeBenedictis and Flatter. Mayor Smith was presiding. Recording Secretary Sue Muncey, Chief Carl Hutson, Town Manager Robert Cote, Gary Junge, Chris Simms, Marvin Pedigo, Alex Dias, David Ross, Shirelle Spencer, and John Treadwell were also in attendance. Councilman Carrow and Councilman Paisley were excused from the meeting.

- 1. Call to Order** - Mr. Smith called the meeting to order at 7:00 p.m.
- 2. Pledge to the Flag** – Mr. Hutson led the Pledge of Allegiance.
- 3. Approval of Minutes** –

Ms. DeBenedictis made a motion to accept the Council Meeting minutes of 12/12/22 as presented in their written form. Mr. Flatter seconded the motion. Motion carried unanimously.

- 4. Approval of Income and Expense Report** –

Mr. Flatter made a motion to accept the Income & Expense Report for December 2022 in its written form. Ms. DeBenedictis seconded the motion. Motion carried unanimously.

- 5. Communications** – Ms. DeBenedictis read the certificate from American Legion Ambulance Station 64 thanking the Town of Clayton for their contribution to the Station.

- 6. Report of the Chief of Police** – Mr. Hutson stated there were 331 calls for service and 210 traffic arrests for the month of December. For the year 2022 there were 4300 calls for service which continues an upward trend and 1811 traffic arrests. The Christmas parade in Clayton was led by Chief Hutson and all officers helped with traffic control on 12/04/22. Sgt. Bishop helped with Rehoboth Beach's Christmas Parade on 12/05/22. Chief Hutson, Lt. Rau, and Lt. Scott attended the Police Chiefs luncheon after the meeting on 12/13/22. Multiple officers assisted First State Military Academy's formation run on 12/21/22.

7. Report of the Town Manager –

Administration - Mr. Cote stated 357 late notices were mailed, 53 disconnect calls made, and 11 disconnections executed. Good effort on the Administration's part. We try to be pro-active, so we don't have to disconnect. Stat numbers were: 4 Certificate of Occupancies were issued, 9 Improvement Permits issued, 28 Contractor License payments processed, 12 Business License payments processed, 1 Invoice issued, 3 New Home Permits issued, and 14 Utility Deposits were processed. Mr. Cote stated Horthy & Horthy has completed the accounting restructuring in Phase II and is working on Phase III. All accounts have been re-named and re-numbered. We had a sit down with the accountants and auditor to chart a path forward. We will have a final meeting with Horthy & Horthy and the auditor to review the restructuring and to review the 2021 data at the end of this week. The 2021 audit will start around the 17th of January. There was a lot of hard work from Sue getting all this together.

Licensing & Inspections – Paper files are being digitalized into the system. A lot of hard work getting this done.

Public Works – There was a call to repair a manhole cover after hours at Main Street and Railroad Avenue. The manhole was contracted out and repaired to DelDOT's specs by Tru Grit on the town's behalf. The crew winterized lawn equipment, mounted the box salter on the dump truck, and prepared the snowplows for the upcoming winter season. The town received a load of salt. On 12/18/22 at 12:30 a.m. a vehicle struck a pole and caused a power outage for approximately 200 customers. AUI completed the repairs due to high voltage. The re-energizing procedure was completed by the town and AUI under the supervision of the PW Director. The job was completed safely and in a timely manner. The PW crew completed 26 Miss Utility tickets and 47 work orders.

8. Report of the Town Solicitor – Mr. Junge had no report.

9. Reports from Members of Council

- a. Report from Electric Committee** – Ms. DeBenedictis had no report.
- b. Report from Street Committee** – Mr. Smith stated a meeting is scheduled for 01/17/23.
- c. Report from Sewer & Stormwater Committee** – Mr. Flatter had no report.
- d. Report from Equipment Committee** – Mr. Smith read Mr. Paisley's report. Mr. Paisley reported: In recent weeks, I had a productive meeting with the PW Director, who provided an update on the progress of the long-term plan for the town's equipment. We hope to have the plan back to the Equipment Committee sometime in the spring.
- e. Report from Personnel Committee** – Mr. Flatter had no report.
- f. Report from Public Safety Committee** – Mr. Smith had no report.

- g. Report from Budget Committee** – Mr. Flatter had no report.
- h. Report from Economic Development Committee** – Mr. Smith had no report.
- i. Report from Downtown Development Rebate** – Ms. DeBenedictis stated there are new guidelines. Sue will print the guidelines out. Ms. DeBenedictis stated Jeremy Rothwell has a Preservation Fund Matching Grant application round open. To qualify you must be on the historic register. Downtown Development money is available.
- j. Report from DEMEC** – Ms. DeBenedictis had no report. She stated the next meeting is 2/9/23.
- k. Report from Board of Adjustments** – Mr. Smith had no report.
- l. Report from Planning & Zoning Committee** – Mr. Smith stated a meeting is scheduled for 1/25/23 at 7:00 p.m.
- m. Appeals Board** – Mr. Smith had no report.
- n. Law and Legislature Committee** – Mr. Smith read Mr. Paisley's report. Mr. Paisley reported: A second draft of the Town Charter amendments has been sent out to Council as well as the Town Manager and the Chief of Police. This draft mostly consists of grammar revisions; however, there are a few minor edits to newly added and existing provisions. It is my hope to have a committee meeting sometime in January. If the Committee and Council approve the amendments, my goal is to get the revisions before the General Assembly during this legislative session. I understand the timeline may be difficult, but I am confident the Town can rise to meet the challenge. Mr. Smith stated it will be a hard push for this year. After it goes to committee, it has to go to the Solicitor before it goes to the General Assembly.

10. Public Forum – N/A

11. Unfinished Business – N/A

12. New Business

- a. Discuss and Vote to Relevelize the PCA for Fiscal Year 2023** – Mr. Cote stated he invited our engineer, Chris Simms, to discuss. Mr. Cote stated a few months ago after the last increase, it was discussed there could possibly be another increase at the beginning of the year. Mr. Simms stated the cost for DEMEC to secure energy had to be passed along to the customer. The Indian River plant cannot retire at this time. DEC, DP&L and DEMEC are picking up the tab for the transmission upgrade to allow that

plant to retire. It was a five-year timeline, but it could be completed one year earlier. This could eventually be a 5 per megawatt reduction in cost. The cost came in at a 3% increase. The increase to the customer will be 2%. Mr. Simms said a 1,000-kw bill will have a \$3 increase. The current PPAC is .0186. The proposed increase will be .0217. We are very competitive with rates with DEC and DP&L. Clayton is less than DP&L. Delaware Electric Coop. increased their rate by 3-4%. They had a \$20 increase. Mr. Flatter asked what does PCA stand for? Mr. Simms said it is Power Cost Adjustment. It is hard to change the utility rates. You would have to go before the Public Service Commission and present a rate case. The PCA allows the utility to adjust for collection for power supply cost quickly. Mr. Flatter stated you gave two numbers per kilowatt hour. What were those numbers again? Mr. Simms stated it is currently .0186 and will increase to .0217 per kilowatt hour. Mr. Smith stated the utility still has to go before the Public Service Commission? Mr. Simms stated yes, Delmarva has to go before the commission to change their utility rate.

Mr. Flatter made a motion that the current PCA be increased to \$0.0217 per kilowatt-hour to begin the billing cycle at the end of January 2023. The impact from this action will be on average an increase of 2.0% to electric customers. Ms. DeBenedictis seconded the motion. Motion carried unanimously.

- b. Discuss and Vote to Correct the Council Resolution to Approve the FY-23 General Fund Budget and Property Tax Rate, Specifically the Approved Sewer Rate Section Therein** – Mr. Cote stated the resolution was approved at the December meeting. There was an error in the wording of the sewer rate structure. The correct wording is: Decrease to \$10.57 minimum billing and \$6.50 for every 1,000 thereafter. Mr. Flatter stated for simplicity – fixing a clerical error? Mr. Cote responded yes.

Ms. DeBenedictis made a motion to correct the wording of the sewer rate to read: decrease to \$10.57 minimum billing and \$6.50 for every 1,000 thereafter. Mr. Flatter seconded the motion. Motion carried unanimously.

- c. Discuss and Vote to Approve the CWSRF Binding Commitment Letter (\$1,198,300) for the Town's Sewer Rehabilitation CIPP Project, Phase III** – Mr. Cote stated the town is going through a three-phase sewer rehabilitation in old town (center of town). The pipes in the developments are fairly new. Phase I was cured in place piping. The pipes are lined with resin which gives the pipe a 40 to 50-year lifespan. This was paid through the ARPA funds. Our project engineer put together a project manual to begin Phase II – dig, cut pipe, replace pipe, refill, and repave. We were asked by the State to apply for this loan. We put in a request to the State for a revolving fund loan. We put together an application package which was approved in December. We need to inform the State whether we want to accept the loan for Phase III. Mr. Cote read the terms of the loan from the letter: Amount of \$1,198,300 for a term of twenty (20) years. The loan will be used to finance the rehabilitation of 10,919 linear feet of existing sanitary sewer collection lines. The proposed repair will be completed by the trenchless cured in

place pipe (CIPP) lining method. The loan interest rate shall be 2% for a term of 20 years. The Town will pay semi-annual interest only payments during the period commencing with the date of closing on the loan through and including the payment date following the date on which the project is actually completed based on cumulative loan draws. After the project has been completed, principal and interest payments shall be paid semi-annually in the amount sufficient to amortize the outstanding balance over 20 years. Mr. Cote stated the benefit of this loan is that there is a chance of forgiveness on the loan. They could forgive all, partial, or none. The town was ready to pay for this through the General Fund, but we are looking to save the town money. Mr. Cote is asking permission to sign the letter to secure the funds. Mr. Cote spoke with Laura Robbins from DNREC. Interest only payments would be \$11,982.99 (estimated) every six months. Principal and interest payments would be \$36,494.94 every six months. Mr. Smith stated Phase I and Phase II will absorb the ARPA funds we received. It was the town's intention to use the funds from the acquisition. We veered this way because all or part of the loan could be forgiven. We could pay off and Council will revisit. The caveat - is there a penalty for paying off early? It is for 20 years, and it does put a burden on the budget. Mr. Flatter asked the 10,000 – 11,000 linear feet you can't utilize the cured in place piping for Phase II? Mr. Cote stated Phase I were the most deteriorated pipes. They needed to be fixed as soon as possible. Phase II is vital and needs to be done but cannot be done by CIPP. The damage is too bad. It is the biggest and most intrusive chunk. Phase III can be done by cured in placed piping.

Ms. DeBenedictis made a motion that Council give the Town Manager the authority to certify the CWSRF Binding Commitment Letter (\$1,198,300) for the Town's Sewer Rehabilitation CIPP Project, Phase III. Mr. Flatter seconded the motion. Motion carried unanimously.

13. Adjournment

Mr. Flatter made a motion to adjourn. Ms. DeBenedictis seconded the motion. Motion carried unanimously. The meeting adjourned at 7:39 pm.

Recording Secretary,

Sue Muncey