

**TOWN OF ELSMERE
COUNCIL MEETING MINUTES
September 12, 2024
6:30 p.m.**

CALL TO ORDER: Mayor Thompson called the meeting to order at 6:30 p.m.

PLEDGE OF ALLEGIANCE:

MOMENT OF SILENCE:

ROLL CALL:

MAYOR	ERIC SCOTT THOMPSON	PRESENT
1 ST DISTRICT	JANE MCDANIEL	PRESENT
2 ND DISTRICT	SALLY JENSEN	PRESENT
3 RD DISTRICT	MARY STEPPI	PRESENT
4 TH DISTRICT	CHARLES MCKEWEN	PRESENT
5 TH DISTRICT	JOANN I. PERSONTI	PRESENT
6 TH DISTRICT	DAWN DIBIASO	PRESENT

Town Solicitor, James McMackin – Present
Chief of Police, Laura Giles – Present
Town Manager, Steven Martin – Present
Finance Director, Valarie Strzempa - Present

PUBLIC COMMENT:

Danny Rappa of 302 Cedar Street in Newport, Delaware introduced himself and announced that he is running for State Representative of District 13. Danny also presented a free news journal called the Elsmere Enquirer which just talks about events going on and hopes that it gets the community more involved. It has been placed around Town already and he gave more copies for Council to read through.

APPROVAL OF MINUTES:

Minutes of the August 8, 2024, Council Meeting.

ACTION: A motion was made by Councilwoman Personti to approve the minutes of the August 8, 2024, Council Meeting with no corrections. The motion was seconded by Councilman McKewen.

VOTE: 7-0 All-in-Favor Motion Carried

AUDIT PRESENTATION:

Representatives from Whisman, Giordano & Associates will present the FY 2023 Audit Report.

Mr. Frank DiFrodo stated he was presenting the FY 2023 Audit Report. This year, the audit needed to be done in accordance with the uniform guidance, which is also known as the single audit, because the Town expended more than \$750,000 worth of federal expenditures. There were additional compliance and testing that had to be done for this. Most of that money was the ARPA funds received of over a million dollars, and the Town spent over a million dollars in the ARPA funds. Part of this audit was ensuring that money was spent where it was supposed to be spent.

There are certain guidelines and a checklist that the government puts out based on the federal funds that are given and it has about seven different requirements needing to be checked as part of the audit process. There were no findings relating to the spending of those funds and everything was spent in accordance with the appropriate guidelines.

As for the regular funds, they audited the accompanying financial statements of the government activities, each major fund, the aggregate remaining fund balance as of June 30, 2023, 2022 and, the related notes to the financial statements.

Essentially, the report shows an unqualified and unmodified opinion and this is the type of opinion that all government agencies would like to obtain. Mr. DiFrodo explained that it is like getting an A on a report card.

The next section of the report defines the basis for their opinion. Mr. DiFrodo explained they are required to conduct our auditing course. We generally accepted auditing standards as well as government auditing standards. This shows information about the responsibility of management and how management is responsible for the financial statement presentation as well as the internal controls and the design and implementation of the internal controls of the organization. The auditors responsibility is to opine on an opinion based on audit procedures throughout the process.

Mr. DiFrodo then explained that there is a lot of supplemental information and they are required to review it, making sure that the information that is included is consistent with the rest of your financial statements. Once again, this is a clean bill of health.

The next section Mr. DiFrodo spoke about was the management discussion and analysis. This is prepared by management and gives the reader of the financial statements a better understanding of what took place this year. As an example, it explains reasons for revenues or expenditures increased or decreased from the prior year.

In looking at the regular government-wide financial statements, this is based on the accrual basis of accounting. During the year, total assets the Town had eight million dollars in total assets, which is consistent with last year. The Town also had liabilities of about 4.2 million dollars. At the end of the year, the Town had a positive net asset balance of 4.1 million dollars. Looking at the net asset balance from last year, it increased by 550,000 dollars from the prior year. On an accrual basis, the Town's revenues exceeded the expenses by 550,000.

It shows as of June 30, 2023, the Town was in good financial health. The fund level statements in 2023, the total assets at the fund level were 3.8 million dollars, the liabilities were 2.1 million dollars, so at the end of the year there was about 1.5 million dollars in net assets. When comparing that to the prior year, there was a decrease of about 208,000 dollars.

For the general fund, the total revenues were 4.8 million dollars, the total expenses were about 5 million dollars, so there was a loss of about 205,000 dollars. Some reasons for that are expenditures that weren't originally budgeted for part of the budget process that came up during the year. There was the payout to a prior employee and unforeseen legal costs relating to some police litigation. There was additional spending relating to the street and basement project. All of these accounted for the additional loss for the year.

However, the Town had a positive fund balance at the end of the year.

The next section of the report are the notes to the financial statements and it gives a better understanding of the policies the Town follows in accordance with generally accepted accounting principles. When comparing these notes to last year, there have been no changes and no new notes.

The next section Mr. DiFrodo highlighted was the budget schedule which shows the comparative budget for the general fund for the year. For the year, there was budgeted 4.2 million dollars in revenue and 4.8 million dollars was actually received which is an excess over the budget of about 640,000 dollars. From an expenditure standpoint, 4.2 million dollars was budgeted and there was 5 million dollars spent, which is an overage of about 800,000 dollars related to some of the examples above.

Part of the audit process is to provide recommendations that are included in the report and Mr. DiFrodo and his team explained that they already went over them with Town Manager Steven Martin and Finance Director Valerie Strzempa, who have already put together a corrective action plan so that the Council Members will know for next year.

Mayor Thompson asked for a quick summary, asking if there was anything of concern?

Mr. DiFrodo answered no, from generally accepted accounting principles, the Town follows them all and they give a clean opinion. Mr. DiFrodo did explain that he gave some recommendations with regard to the computer system and how it is difficult to post entries after the year end.

Councilwoman Steppi asked if this was a software issue?

Mr. DiFrodo answered yes, and explained that there were entries from last year that were attempted to be put in the system, but for some reason, the Edmunds System didn't accept the journal entries, so in this year, they had to reconcile last year's balance to the beginning balances and recheck which entries didn't get accepted by Edmunds and which ones did. It is a normal process that entries have to be booked each year after the audit process.

Councilwoman Steppi asked if there is a cutoff time in the finance software?

Finance Director Valarie Strzempa answered yes, technically it is 90 days, but they can back date the system to be able to make the appropriate changes.

Mayor Thompson asked about the pension and if Mr. DiFrodo can explain it more clearly.

Mr. DiFrodo answered that the Town should meet with our actuary to give a better explanation since the numbers shown are historical, but overall, the pension liabilities increased due to the fluctuation of the market.

Town Manager Steven Martin added that we can certainly request the Actuarial to attend the next pension meeting to provide a better explanation.

Councilwoman Personti asked when the next actuarial is due out?

Town Manager Steven Martin replied that it should be completed by the end of October and it will be presented in November.

OLD BUSINESS:

Introduction for Third and Final reading of Ordinance 675:

An ordinance updating the fines for illegal dumping.

Town Manager Steven Martin explained that this ordinance was sponsored by Councilwoman Steppi.

Mayor Thompson stated that he heard there was video captured of someone dumping in Town that accurately captured the information needed to issue a violation.

Both the Town Manager and Chief of Police confirmed stating they were able to see a vehicle tag number and fines will be issued.

ACTION: A motion was made by Councilwoman Steppi to approve the Third and Final reading of Ordinance 675. The motion was seconded by Councilwoman Personti.

Councilwoman Steppi asked if we could show some photos of dumping areas around Town and proceeded to explain that the fines needed to be raised since \$100 fines do not cover the staff and other resources if an abatement is needed and to take the items to the dump but also being able to apprehend the individuals responsible.

Town Manager Steven Martin added that new signs will be placed in the areas that are frequently dumped on with the new fine amounts.

Chief Giles then explained that she has been meeting with some companies for various cameras and software to be able to better capture things like this and to enhance investigative cases for other crimes across Town and that she will be submitting for a grant to fund the cameras.

Jose Matthews of 34 Richard Avenue thanked everyone for taking the dumping seriously since it is a continuous problem. Mr. Matthews spoke about needing to keep the Town clean and safe for families and children and animals and it is better for the longevity of the Town. Mr. Matthews also explained that we should enforce getting the message out to the public as well, since it seems some people don't pay attention and the ways that they can make reports if they see something. He believes in encouraging people to speak up and better show the ways they can make reports.

VOTE: 7-0

All-in-Favor

Motion Carried

NEW BUSINESS:

Consideration of awarding a contract in response to RFP 24-04, Year 1 Construction of the 5-Year Street Replacement/Repair Program.

Town Manager Steven Martin explained that RFP 24-04 was issued, and we received two bids. One from Paoli Services and the other from Richard's Paving. The information for these bids are as follows:

Paoli Services bid \$236,528.08 for the first three streets and \$78,685.58 for the fourth street, totaling \$315,213.58.

Richards Paving bid \$270,950.00 for the first three streets and \$106,225.00 for the fourth street, totaling \$385,175.00.

In conclusion, Paoli Services is the lowest bidder by \$70,000.00. Town Manager Steven Martin also stated he received a letter from Vandemark and Lynch with their opinion which they recommend that we award this bid to Paoli Services.

Town Manager Steven Martin also explained that he has reached out to both bidders to establish their start dates. Paoli Services can begin 15 days after signing a contract, and Richards Paving can begin immediately.

Town Manager Steven Martin also explained that based on funding, we have \$221,026 from ARPA funding and \$100,00.00 from the CDS funds, giving us a total of \$321,026. Therefore, if this is awarded to Paoli Services, all four streets will be able to be completed and there will even be a surplus of \$518.00. If Richard's Paving is awarded, there will be a shortfall and we will still need to find the funding to complete the fourth street for about \$64,149.

Some Council members expressed their concern about the bidders and previous experiences to which Town Manager Steven Martin replied that he plans to draft a contract which will be reviewed by the Town Solicitor to be able to hold the awardee more accountable to include public notice, a definitive time line, and action plan.

ACTION: A motion was made by Mayor Thompson to award a contract to Paoli Services in response to RFP 24-04, Year 1 Construction of the 5-Year Street Replacement/Repair Program. The motion was seconded by Councilwoman Steppi.

VOTE: 7-0 All-in-Favor Motion Carried

Consideration of appointing the following member to the Planning Commission. If appointed, their term would expire on September 12, 2026.

- a. Michael Czerwinski

ACTION: A motion was made by Mayor Thompson to appoint Mr. Michael Czerwinski to the Planning Commission with a term to expire on September 12, 2024. The motion was seconded by Councilwoman Personti.

At this time, Mr. Czerwinski was asked if he would like to introduce himself.

Mr. Czerwinski of 3 Jefferson Avenue introduced himself to Mayor and Council, stating that he grew up on Spruce Avenue and Filbert Avenue and moved into 3 Jefferson about two years ago.

Councilwoman Personti thanked Mr. Czerwinski for his willingness to serve on the Planning Commission.

VOTE: 7-0 All-in-Favor Motion Carried

DEPARTMENTAL REPORTS:

Code Enforcement

Code Enforcement Officer Nicole Facciolo gave a brief overview of the Code Enforcement Report:

- Councilwoman Jensen thanked Code Officer Nicole Facciolo for getting the scaffolding removed from a business and asked if a copy of that portion of the Code could be sent to her.
- Councilwoman Steppi commented that she recently had an issue in her district concerning open burning and thanked Code Officer Facciolo for responding immediately to the property.
- Councilwoman Steppi also noted that based on previous years monthly reports, the citations have gone from 589 citations in August of 2022, in 2023 there were 687, and this year there were 816 issued. She continued to show appreciation for the hard work, especially with the nuisance properties.
- Code Officer Nicole Facciolo stated that one of those nuisance properties will be undergoing some improvements soon since the office has just issued two permits to the property.

Finance Department

Finance Director Valarie Strzempa gave a brief overview of the Finance Department Report:

- The Voluntary Assessment Center is not reflecting revenue in the accounting software as of yet. Finance Director Valarie Strzempa explained that she has been working with DTI and DELJIS and the State for some inaccuracies in their monthly reporting to the Town and hopes this will be resolved in the next month or so.
- Councilwoman Steppi asked about the collection of delinquent taxes and facilitating payment plan requests with Town Manager approval, is this due to tax invoices being sent out or are they delinquent?
- Finance Director Valarie Strzempa explained that there are not many payment plans, roughly three that they gauge to end on the fiscal year.

Public Safety

Police Chief Laura Giles gave a brief overview of Public Safety:

- Chief Giles introduced the new officer who was present at the meeting, Patrolman Edward Sommers, who just graduated from the academy on August 29th and has already

been patrolling with Officer Mitchell.

- Chief Giles reported she received \$15,000 in the reverted funding grant.
- Chief Giles stated that on September 18th at 5pm will be the first police advisory board meeting which is now required by State Legislature to create. The members are Deacon Dave DeGhetto, Leslie Palladino from Impact Life, Stephanie Garcia, Dominick Paoli and Al Grey. The purpose of the board is for any complaints against the police and are not satisfied with the findings, they can ask this board to review, but to also look into new policies and procedures and be more transparent of police and public safety. The meeting is open to the public and they will be called the Police Accountability Commission. They will be meeting four times a year.
- Chief Giles also reminded of the upcoming Elsmere Needy Family Crab Feast and that there are still tickets available.
- Chief Giles also informed the Mayor and Council that she will be on vacation from September 20th through the 26th and Lt. Shelton will be in charge during her absence.
- Councilwoman Steppi asked about the car towing report and the reason for the increase for this month.
- Chief Giles explained that this was a month of numerous car accidents in addition to needing to tow vehicles in the event of finding a driver with a suspended license or with no insurance.
- At this time, there was a brief discussion regarding the cleaning of debris left in the roadways after car accidents and construction along Kirkwood Hwy.
- Councilwoman Personti stated that, with a new school year beginning, parents are again parking in the yellow area on Olga Rd, making it hard to see any pedestrians and even the stop sign.
- Chief Giles acknowledged it, stating she has already reached out to the County and is planning to follow up because it is dangerous and also plans to issue tickets since warning are no longer getting through.
- At this time, there was discussion amongst the Town Solicitor, Chief Giles and Council discussing the Police Advisory Commission and the members needing to be appointed by Mayor and Council. It was concluded that the meeting for September 18th would be cancelled until they are appointed, which can take place at next month's Council meeting.

Public Works

Public Works Supervisor Leon Joseph gave a brief overview:

- Councilwoman Personti thanked the department for their quick handling of the Hometown Hero Banner that was damaged along Kirkwood Hwy as a result of a car accident that occurred which struck the light pole where it was attached.
- Councilwoman Steppi asked if the street sweeper was operational now?
- Public Works Supervisor Leon Joseph replied yes it is.
- Councilwoman Steppi then asked where he has used it thus far?
- Public Works Supervisor Leon Joseph replied he has used it on Birch, Baltimore, and Ohio and a few other streets on the south side.
- At this time, there was a discussion amongst Mayor, Council, the Town Manager, Chief Giles, and Public Works Supervisor Leon Joseph regarding the implementation of street parking regulations during hours of street sweeping which was determined to be unfeasible, however, more public notice is a possibility.
- Councilwoman Jensen asked about the extent of the damage to the dugouts at Fairgrounds Park to which Leon replied some of the damage can be patched but some of

it is rotted and may need major repair, however, they are not being used this year, so they can wait until the spring of next year.

Town Manager

Town Manager Steven Martin gave a brief overview of the Town Manager's Monthly Report:

Stormwater Project:

- Still waiting on a decision from the House of Representatives on our Congressional Direct Spending application, but they are back in session now so we are hopeful to hear some update soon.
- KCI is near completion of the engineering for Patty Blevins Walking Path and Little Mill Creek projects. One of them will be done at the end of September and the other should be done in the first week of October.
- Town Manager Steven Martin also asked KCI to provide a proposal for some construction management or bid oversight. He acknowledged that we are not engineers and there may be technical questions or inspection items we cannot recognize to be correct or not. KCI did submit that proposal and we found it to be much too high and we have asked them to scale it down some and we are waiting for the reply.
- The Rosemont and Taylor Road Project has been delayed by about a month by the engineers.
- Working towards revitalizing Maple Park and the parking lot and provided the Mayor and Council with a rough sketch of what it may look like including the basketball court.
- Planning to apply for an ORPT grant for the Patty Blevins Walking Path to install solar lighting.
- Planning the Fall Festival continues, and Town Manager Steven Martin thanked Administrative Assistant Katherine Pierce for all her work in the planning and coordination of the event.
- The tree branch at the VA Hospital has been removed.
- KCI performed obtained a wet weather sample from the Public Works yards and it was clean.
- Sheriff Sale property 7 Beech Avenue has been rescinded and all fines will be paid by the owner.
- Delmarva is in the design phase for the light installation at the Dog Park.
- Staff member has been attending the Municipal Clerks Institute.
- Staff member attended HIPAA training and NEBS training for Statewide Benefits Office.
- Councilwoman Steppi asked about the violation issued to 506 Junction St. Both the Town Manager and Code Officer Nicole Facciolo replied that this was a complaint from a tenant living inside the 3 unit residence and an inspection was performed which uncovered numerous violations. The owner of the property was contacted and given time to correct the violations and they did not. Therefore, after some safety concerns, the owner ultimately asked all tenants to move out so that full repairs can be made.
- Council asked about Republic Services and how they are missing collections seemingly to be weekly now and residents have no notice.
- Town Manager Steven Martin replied that we were not aware this was occurring since Republic is required to report this to us and clearly have not been, so we will escalate this to our contacts.
- There was a brief discussion regarding trash and littering around Wawa and the Kirkwood Hwy areas.
- There was a discussion regarding the graffiti and overgrowth around the Rt. 100 bridge to which Town Manager Steven Martin replied that he will be reaching out to Senator

Mantzavinos since this has fallen on deaf ears with DelDot.

PUBLIC COMMENT: None

STATEMENTS BY THE MAYOR AND COUNCIL: None

EXECUTIVE SESSION:

Pursuant to 29 Del. C. Section 10004(b)(9) the Mayor and Council will adjourn into an executive session to discuss a personnel matter, not to return into public session.

ACTION A motion was made by Mayor Thompson to enter an executive session pursuant to 29 Del. C. Section 10004(b)(9) and amend the agenda as to not return into public session. The motion was seconded by Councilwoman Jensen and Councilwoman DiBiaso.

VOTE: 7-0 with All-in-Favor Motion carried

These minutes summarize the agenda and other issues discussed at this Council Meeting. Votes are recorded accurately. The audio recording of this meeting will be available at Town Hall for a period of two years from the date these minutes are approved. The audio recording may be reviewed at Town Hall by appointment and in accordance with the Freedom of Information Act.



ERIC THOMPSON
MAYOR



SALLY JENSEN
SECRETARY