

**FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION**  
**BOARD OF DIRECTORS MEETING**

The Fort Dupont Redevelopment and Preservation Corporation Board of Directors meeting was held on August 9, 2023 at the Delaware City Fire Hall, 815 5th Street, Delaware City, with Chair John McMahon presiding. Board members present were Ms. Ruth Ann Miller (Controller General of the State of Delaware), Dr. Courtney Stewart (Office of Management and Budget), Mr. Rony Baltazar-Lopez (Department of State), Mr. Kevin Whittaker (Resident of Delaware City), Ms. Wendy Rogers (Resident of Fort DuPont), Mr. Michael Graci (Resident of Fort DuPont), Mr. David Baylor (Delaware City Manager) (departed at 10:13 a.m.), Mr. David Edgell (Office of State Planning Coordination), Mr. Kurt Foreman (Delaware Prosperity Partnership) (arrived at 8:44 a.m., departed at 10:17 a.m.), and Secretary Shawn Garvin (Department of Natural Resources and Environmental Control (DNREC) (arrived at 8:45 a.m.). Board members absent were Senator Spiros Mantzavinos (Capital Improvements Committee), Representative Sean Matthews (Capital Improvements Committee), and Mr. Douglas Eriksen (Resident of Delaware City).

Staff members present were Mr. Tim Slavin – Executive Director, Ms. Janice Moturi – Deputy Director/Controller, Mr. Bert Scoglietti – Treasurer, and Mr. Richard Forsten and Ms. Pam Scott of Saul Ewing Arnstein and Lehr LLP.

Members of the public present to speak were Ms. Billie Travalini.

**CALL TO ORDER**

Chair McMahon called the Fort DuPont Redevelopment and Preservation Corporation (FDRPC) Board of Directors meeting to order at 8:30 a.m.

**APPROVAL OF MINUTES – FORT DUPONT REDEVELOPMENT AND PRESERVATION CORPORATION (FDRPC) BOARD MEETING OF JUNE 14, 2023**

**Dr. Stewart moved for approval of the FDRPC Board meeting minutes of June 14, 2023. The motion was seconded by Mr. Baylor and unanimously carried.**

**TREASURER’S REPORT**

Mr. Bert Scoglietti, Treasurer, advised that an operational change had been made and the reports are now being prepared by the FDRPC management team and then reviewed and presented to the Board by him as the Treasurer. He noted that this change provides necessary separation and another level of review.

Mr. Scoglietti noted that the P&L that will be presented is a little different than what they have done in the past and it will basically move some things that have been in the P&L that probably would be better reflected on the balance sheet. He advised that items such as real estate sales, drawing down from loans that they are using to finance improvements will not appear in future P&L statements, but rather will appear on the balance sheet itself. They will periodically present both the P&L and the balance sheet to keep the Board informed. Mr. Scoglietti stated that the changes will better reflect the finances of the FDRPC, as well as institute better accounting practices in terms of what is reported to the Board.

Mr. Scoglietti advised that the report represented changes for two months due to the cancellation of the July 2023 meeting. He reviewed the Budget vs. Actuals: Budget FY23, P&L Draft 1 - FY23 P&L for July 2022 - June 2023 (Exhibit 1) and noted the following:

- **4200 Real Estate Sales – Operations Funding** - \$300,000 was drawn down based on the flexibility given in the mini bond to get through fiscal year on a positive cash basis.
- **6460 Total Environmental Expenses** – this line item is up \$13,000 from \$91,000 to \$104,000.
- **6500 Professional Fees** – this line item is up \$75,000 since April, of which \$53,000, is representative of engineering fees in Marina Village and the roundabout. Approximately \$26,000 is representative of professional fees for Legal and Accounting.
- **6721 Roundabout** - the previous number discussed was \$1.61 million. \$1.66 million is an additional \$50,000, which is the retainage. This project is basically done.
- **7000 Operating Expenses** – this line item is up about \$9,000, but still well under budget.
- **7100 Common Area Maintenance (CAM)** – these charges are up \$60,000, which is expected for the spring and the summer. Approximately \$30,000 was lawn care and \$20,000 was landscaping maintenance.
- **7740 Salaries and Wages** – this line item is up \$80,000 and is still within budget.

Responding to Mr. Forsten, Mr. Scoglietti explained that Net Income shows actual net income of minus \$1.977 million. He noted that it is a fairly large minus number and reminded members that they pulled real estate and the drawdown on the proceeds for improvements out of the report, which is reflected in the numbers.

**Mr. Graci moved for acceptance of the Treasurer’s Report, seconded by Mr. Edgell and unanimously carried.**

### **FY 2024 DRAFT OPERATING AND CAPITAL BUDGET AND FY 2024-26 DRAFT CAPITAL INVESTMENT PROGRAM**

Mr. Tim Slavin, Executive Director, presented an introductory reading of the draft Fiscal 2024 Operating Capital Budget. He advised that they wanted to use this process not just to solve a math problem but to include the context by which they make decisions. Mr. Slavin noted that the draft budget includes a number of things which help to place it into context, such as a copy of the two audits that were done, a copy of their enabling legislation, and roster of their boards and committees. He added that they want to ensure that this document stands on its own over time and the people looking at what they were proposing and what was approved is presented in numbers as well as context.

Mr. Slavin stated that the numbers really represent a trueing up of the budget because they have moved from a cash-based system to an accrual system. Ms. Janice Moturi, Deputy Director/Controller noted that members would see a mix of them shifting from cash basis to accrual because they are still using the proceeds from the sales last year to balance the budget for this year. She advised that their biggest source of revenue will be appropriations funding, which is currently at 69% of everything that they have. Ms. Moturi stated that they have tried to budget through all of the projects for the year and the major projects are the dip and duplexes.

Mr. Slavin advised members that they would see the projected expenses and revenues in the draft budget and noted that they were tentatively reserving \$1.89 million for capital improvements across the campus.

He cautioned that it does not mean they will have that amount on day one of the fiscal year and would be letting it out in quarterly allotments. Mr. Slavin noted that they have projects that are ready to go now and they would see mobilization as soon as the following week. He advised that they would keep an eye on the costs and stay within their \$1.89 million.

Mr. Slavin noted that the second reading and approval of the budget would take place at the next meeting in September. He advised that they anticipate the carry forward balance will change because they have closed out the books and will have an adjusted carried forward number. Mr. Slavin stated that they also anticipate that in January or February they will be presented with the audited carry forward and that would require a budget adjustment.

Included in the budget was the Capital Investment Plan (CIP), which is a tool that gives a separate identifier to each of their capital projects. It is intended to show where attention to deferred maintenance and campus improvements are needed, how those demands are managed, and to quantify the deferred campus maintenance that was inherited. Mr. Slavin advised that the CIP also allows them to authorize or deauthorize capital projects.

Mr. Scoglietti commended Mr. Slavin on the Capital Investment Plan, noting that it is a great tool for the Board members and the public to see what is on the horizon.

**Dr. Stewart moved for acceptance of the FY 2024 Draft Operating and Capital Budget and FY 2024-26 Draft Capital Investment Program. The motion was seconded by Mr. Baylor and unanimously carried.**

#### **FINANCIAL AUDIT**

Mr. Tim Slavin, Executive Director, advised members that the Fiscal Year 2022 financial audit from Belfink, Lyons, and Shuman had been provided to members and the public for informational purposes. He noted that Mr. George Fournaris would provide a presentation of the audit at the September Board meeting. Mr. Slavin noted that there were comments by the auditor for efficiencies and practices and they have responded to each of those and fixes were already underway and would be in place for FY 2023.

**Mr. Graci moved for acceptance of the Financial Audit. The motion was seconded by Mr. Whittaker and unanimously carried.**

#### **ACTION ITEM – PURCHASING AND PROCUREMENT THRESHOLDS**

Mr. Tim Slavin, Executive Director, reminded members that the Purchasing and Procurement Thresholds was presented at their June 14, 2023 Board meeting for informational purposes and again reviewed the thresholds for members.

**Mr. Whittaker moved for approval of the Purchasing and Procurement Thresholds (Exhibit 2). The motion was seconded by Mr. Foreman and unanimously carried.**

#### **ACTION ITEM – FINANCIAL RESERVES POLICY**

Mr. Tim Slavin, Executive Director, reminded members that the Financial Reserves Policy was presented at their June 14, 2023 Board meeting for informational purposes and he again reviewed the policy for members.

**Mr. Foreman moved for approval of the Financial Reserves Policy (Exhibit 3). The motion was seconded by Mr. Edgell and unanimously carried.**

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Slavin reviewed the Executive Director's Monthly Report For the period June 1 to July 31, 2023 and noted the following project updates:

#### **Operations**

- **Legislative Year** - The legislative year was successfully closed with two minor changes added to the mini bond bill and epilogue language in the bond bill. FDRPC was level funded in the bond bill at \$2.25 million

#### **Capital Projects**

There was a pent-up demand for capital projects after the entranceway and roundabout projects were completed. Projects were put on hold to ensure that they finished the year in a healthy financial position, which they did, and they are now ready to proceed with the following projects:

- **Old Elm Avenue** - In the first quarter of Fiscal Year 2024, the Old Elm Avenue project that includes the connection to the roundabout, or the dip, and the top coat of asphalt all the way down Old Elm Avenue will be completed. An award was made to A-Del Construction and it is anticipated that the project will be complete before the weather hits in later October. Once this project is complete, all of the streets will be fully dedicated to Delaware City.
- **Chapel and Theater** – The additional funding that had been requested in the bond bill was not received and other funding is being sought. Mr. Shane Martin, FDRPC Construction Project Manager, will be the general contractor and will begin the process by testing both of the sites for any remaining hazardous materials and, if necessary, remediating the materials.

The exterior of the theater needs new doors and the chapel has some window work that has to be completed in the front porch area. The intent is to have the interior of both buildings in broom-swept condition and have the exteriors completed in the first quarter of FY24.

#### **Other Activities**

- **Strategic Plan Public Engagement** – The Delaware Alliance for Nonprofit Advancement (DANA) strategic planning process is proving to be very beneficial and has informed the Strategic Planning Committee of what the community wants from the FDRPC. They have listened to the staff and the community and have worked through the process of mission, vision, values, and some of the objective strategies. The strategic plan will be presented to the Board for discussion in September and a September 19, 2023 public session to present the plan to the community is planned.

- **Review Committees** – Chair McMahon has appointed a Finance and Audit Committee, which will be chaired by Michael Graci, a Land Use Planning Committee, which will be chaired by David Edgell, and a Maintenance Committee which will be chaired by Kevin Whittaker. The Finance and Audit Committee will oversee, guide and ensure compliance and make recommendations to the Board.

The Land Use Planning Committee will be used to re-vet and challenge the assumptions on their conceptual plan. A year ago, the conceptual plan was frozen and accepted. They are now beginning the process of looking at some of the assumptions that got them to some of the decisions that may be eligible for rethinking in that plan.

The Maintenance Committee is required by the Declaration of Covenants and it is the committee that looks at the Common Area Maintenance (CAM) fees and makes recommendations to the Board if, and only if, an assessment is necessary to property owners on the site.

The appointment of all five of the standing committees total 30 appointments. One of the criticisms and suggestions heard from the community was more opportunity for involvement from the local community. As a result, 18 of the 30 appointments across the 5 committees will be residents of Delaware City and Fort DuPont.

- **Cultivation Activities**

Campus Tours – Between 10 and 15 separate tours of the campus were given to legislators, private investors, developers, public agencies, and private support groups.

State of the County Event – The response from a five-minute overview of what they are doing at Fort DuPont has been tremendous and has resulted in a number of leads and follow up.

Community Meeting – A community meeting is being planned for the first week of September.

Fort DuPont Resident's Fall Event - October 13, 2023 has been selected as the date for a Fort DuPont resident's fall event.

- **Future FDRPC Meetings** - One of the things they have heard from the community is that a weekday meeting at 8:30 a.m. shuts people out from participating in the meeting. Members of the community have requested consideration of late afternoon or early evening meetings so that they may participate. Afternoon meetings will conflict with the legislative calendar for six months and would hinder their ability to get a quorum and participation of the Board. Mr. Slavin suggested moving the meeting times at different months or holding less frequent meetings, but one of the drivers is the need for the public to participate. He noted that they are required to hold the meetings in Delaware City. Mr. Slavin stated that he would continue to work on this issue.

**Mr. Foreman moved for acceptance of the Executive Director's Report, seconded by Mr. Whittaker and unanimously carried.**

**COMMITTEE REPORTS**

**Design and Historic Preservation Committee Meeting of June 6, 2023**

Mr. Tim Slavin, Executive Director, reviewed the Design and Historic Preservation Committee Report of June 6, 2023.

**By unanimous consent, the Design and Historic Preservation Committee Report of June 6, 2023 was accepted.**

**FDRPC Executive Committee Meeting of June 30, 2023**

Dr. Courtney Stewart, (Office of Management and Budget), reviewed the FDRPC Executive Committee Report of June 30, 2023.

**Mr. Edgell moved for acceptance of the Executive Committee Report of June 30, 2023. The motion was seconded by Mr. Baylor and unanimously carried.**

**RESOLUTION RECOGNIZING THE SERVICE OF DAVID BAYLOR TO FDRPC**

Mr. Tim Slavin, Executive Director, read the Resolution into the record, as follows:

WHEREAS, David Baylor has served the Fort DuPont and Redevelopment Corporation since August 13, 2019, and has served with distinction until August 9, 2023; and

WHEREAS, during his years of service to the Fort DuPont Redevelopment and Preservation Corporation he has served in the position of Vice-Chair and Acting Chair of the Board of Directors; and

WHEREAS, throughout his tenure, David Baylor has displayed a professional approach to his duties and a quality of leadership that fostered civility and respect for his colleagues and for members of the public; and

WHEREAS, throughout his tenure served a model public servant, always allowing for public dialogue and representing the needs of Delaware City; and

WHEREAS, the Fort DuPont Redevelopment and Preservation Corporation has benefitted from David Baylor's insight and knowledge and character; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Fort DuPont Redevelopment and Preservation Corporation express their gratitude to David Baylor for the many hours of public service he gave and express their sincere appreciation to him.

ADOPTED: AUGUST 9, 2023

Chair McMahon noted that he has known Mr. Baylor for quite a few years and recalled the various committees they served on together. He stated that he was extremely grateful for the opportunity to work with him.

Secretary Shawn Garvin, DNREC, stated that he has known Mr. Baylor for a very long time with both of them in different positions over time. He thanked Mr. Baylor for his leadership and advocacy on behalf of Delaware City and agreed that there has been an evolution and a growing partnership with Delaware City that puts them in a very good position. Secretary Garvin advised that it is still going to take a lot of conscious work on everyone's behalf to bring it to fruition. He congratulated Mr. Baylor on his new position.

Mr. Baylor thanked members for the recognition and stated that he thought Delaware City and Fort DuPont were starting to come together as one community. Noting that one of the things with leadership and community service is to try to leave a place better than you found it, Mr. Baylor stated that the FDRPC Board is in better shape than when he first stepped onto it. That's not condemning the people that were here in the past, it's just praising the current leadership that has taken them in a good direction.

### **DELAWARE CITY UPDATES**

Mr. David Baylor, Delaware City Manager, reported that a National Night Out was held on August 1, 2023 and there was a good turnout from both the Delaware City and Fort DuPont communities. He noted that DNREC Parks provided tours and it was a nice community event. Mr. Baylor also advised that Ms. Wendy Rogers has been helping them get Delaware City Day up and running.

Secretary Shawn Garvin, DNREC, reported that work with the Army Corp of Engineers on the Branch Canal issue continues. He noted Mr. Will Kassab, the DNREC attorney assigned to that discussion, just left to join the EPA and they are figuring out who will be assigned to those conversations. Secretary Garvin stated that it feeds into the larger conversation of what is going to happen at that part of the Fort DuPont site.

Mr. Baylor introduced Ms. Michelle Graham, the Finance Manager for Delaware City, and noted that she is now the acting City Manager. He advised that Ms. Graham had been a part of his team at Town Hall since he became the Acting City Manager and she is well versed on all the issues they have dealt with over time. Mr. Baylor stated that she and he would continue to remain in communication. Ms. Graham stated that she was looking forward to working with the Board.

### **PUBLIC COMMENT**

Ms. Billie Travalini advised that she was an advocate for the mentally ill and children. She stated that she was placed into foster care and Governor Bacon Health Center and noted that many of the children there had emotional problems because they were beaten or abused. Ms. Travalini implored the Fort DuPont Redevelopment and Preservation Corporation and the State of Delaware to acknowledge the 1000s of children who were placed at Governor Bacon and remember them in a meaningful way. She suggested a cultural arts center with programs for children.

### **RECESS INTO EXECUTIVE SESSION – LEGAL AND PERSONNEL MATTERS**

**Mr. Baylor moved to recess into executive session, seconded by Mr. Foreman and unanimously carried.**

Meeting recessed at 9:19 a.m.

Meeting reconvened at 10:20 a.m.

**ACTIONS TO BE VOTED UPON FROM EXECUTIVE SESSION**

**Secretary Garvin moved for acceptance of the recommendation of the Executive Committee on the Executive Director's compensation. The motion was seconded by Dr. Stewart and unanimously carried.**

**Dr. Stewart moved to refinance with Applied Bank, as discussed in the executive session. The motion was seconded by Secretary Garvin and unanimously carried.**

**ADJOURNMENT**

**Mr. Edgell moved for adjournment, seconded by Dr. Stewart and unanimously carried.**

Meeting Adjourned at 10:21 a.m.

Exhibits

Exhibit 1 – Budget vs. Actuals: Budget FY23, P&L Draft 1 - FY23 P&L for July 2022 - June 2023

Exhibit 2 – Purchasing and Procurement Thresholds

Exhibit 3 – Financial Reserves Policy

APPROVED: September 13, 2023