

MINUTES OF MEETING
DAGSBORO TOWN COUNCIL
BETHEL CENTER – 28307 CLAYTON STREET
MONDAY – JUNE 24, 2013

The meeting of the Town Council was called to order at 7 p.m. by Patti Adams, Mayor. Those in attendance in addition to Mayor Adams were Stacey Long, Town Administrator; Vice Mayor Truitt, Councilman Connor, Councilwoman Flowers, Councilman Hansken , Sgt. Litten of Dagsboro PD and Attorney Witsil.

New Business:

1. **Review and consideration of Town budgets and property tax consideration.** The Mayor opened this discussion by reading an excerpt from the Town Code in that the Town Council must at the first meeting of the last quarter of the Fiscal Year determine budget requirements and revenue required to meet current and projected operating expenses. Section 25 A and B state that it is at the sole discretion of the Town Council to determine the source of revenue for the property tax rate per \$100 of assessed value. Compliance with both Town Code and FOIA requirements must be met by means of posting the agenda 7 days before the meeting, no public notice or other postings are required. Stacey commented that the agenda was posted at Town Hall and that the agenda was also on the website within the 7 day requirement. Several of the council members commented that the residents do know about the proposed tax increase but no one is here for the meeting. A handout was distributed to all councilmembers with tax rate given in 5 cent increments all the way up to 63 cents. The most up to date assessment at the current rate was given which is a decrease from last year as the total taxable income decreased from \$42,634,225 which generated \$161,497.82 to this year \$42,499,425 which will generate \$134,800.00 this is a result of projects that have sunsetted and exempt properties. There is \$45,088.00 that will be transferred from the Water budget to aid in covering general over-head expenses. Councilwoman Flowers asked about income from turning utilities off and on and if the town is charging for the time that the town is spending on grass issues for properties in the town. People have walked away from the properties and the banks holding the mortgages are not doing anything as far as the maintenance of the properties are concerned. The bank accounts in the General Fund have all been drained down to bare minimum due to helping absorb shortfalls in the budget over the past years. Stacey gave a projection of income anticipated for the upcoming year to the Public Service Impact Fee account and the Property Transfer Tax account but little will be available after meeting necessary obligations. It was decided to come back to the approval of the General Fund budget until the other accounts have been complete do to the size and amount. Projected water revenues were listed as \$229,175.00 with \$30,000.00 being left over from FY2013. Expenses were broken down that covered general operating costs, buildings and

maintenance, loan servicing and repayment and operation and distribution were reviewed for total expenses of \$247,803.00 resulting in a surplus of \$11,375.00 The Water budget was approved and a motion was made by Councilman Connor and seconded by Vice-Mayor Truitt to adopt. All in favor. Motion carried. The MSA budget was reviewed and discussed with minimal comments regarding expenditures for signage and street repairs and the restriction requirements of allocated funds and was approved by a motion made by Vice-Mayor Truitt and seconded by Councilman Hansken. All in favor. Motion carried. The Prince George's Chapel Cemetery budget there was not much to discuss there may be some grant money available. The income is projected at \$1,650.00, expenditures of \$3,577.00 leaving a deficit of \$1,927.00. A letter will be sent in the near future to local funeral homes recapping the fees for opening graves and the rules and regulations of the cemetery. A motion was made by Councilman Connor and seconded by Councilman Hansken to adopt. All in favor. Motion carried. The SALLE/EIDE budget was reviewed and a motion was made by Vice-Mayor Truitt and seconded by Councilman Connor to adopt. All in favor. Motion carried. The General budget and associated tax increase we discussed and a motion was made by Councilman Connor and seconded by Vice-Mayor Truitt to increase taxes 17 from 38 cents to 56 cents per \$100 of assessed value. There was further discussion regarding the amount to just breakeven or have a little more than we need since there had been no increase in over 20 years. There was discussion of general operating expenses and more than one half of revenue received goes toward payroll compensation for admin and police which includes the towns portion of taxes and pension contributions. A motion was then made by Councilman Connor to raise taxes .17 cents which will provide the revenue needed to balance the budget and eliminate the need for cashing in CD's. There was discussion in regards to the age and condition of police vehicles, the possibility of breaking down the tax increase over the next several years by Councilman Hansken so that the impact was not as sudden and severe at once. Sgt. Litten interjected also, that even though the town has been depleting its reserve funds to help meet general overhead costs, this increase would not in any way be used to restock those funds as the increase was only enough to balance the budget and not set up to create a surplus. Councilwoman Flowers stated that it was a shame that there had not been several smaller tax hikes periodically over the last 20 years which would have lessened this hike also. She also interjected the thought that the employees should start absorbing a portion of the cost of their health care benefits. Stacey commented that \$70,000.00 has been taken from the town's CD's over the past 3 months alone. Expenses will not be going down, that is just reality and additional revenue must be generated to keep the town from defaulting on its obligations. There were transfers from the Property Transfer Tax account and the Public Service Impact Fee account of more than \$50,000.00 which totals more than \$120,000.00 transferred into the general account. Councilman Connor restated his motion to increase taxes .17 cents and that motion was seconded by Vice-Mayor Truitt, Mayor Adams asked about the vehicle situation of the police and after discussion regarding age, mileage, maintenance issues etc. Councilman Connor changed his motion to increase the tax rate 18 cents to a rate of 56 cents per \$100 of assessed value, and asked that it be recorded that taxes had not been increased in 19 or 20 years and that he was Mayor for almost that long and he

had to raise taxes only once while in office. It was seconded by Vice Mayor Truitt. Mayor Adams, Councilman Hansken, Councilman Connor, and Vice-Mayor Truitt were all in favor of increasing taxes 18 cents. Councilwoman Flowers was opposed. Motion carried with 4 in favor and 1 opposed. Tax rate was .38 cents and has been increased by .18 cents and the new rate is now .56 cents per \$100 of assessed value and this raises property tax revenue by \$76,498 to cover the proposed deficit.

Approval of Minutes: May 20, 2013 Town Council Meeting. Councilman Connor made a motion to accept the minutes of the May 20, 2013 council meeting and it was seconded by Vice-Mayor Truitt. All in favor. Motion carried.

Treasurer's Report: General checking \$50,419.37, Public Service Money Market \$5,452.46, Property Transfer checking \$1,564.17 and 3 CD's of \$27,818.06, \$46,738.25 and \$5,091.38. Water checking \$52,127.93 Impact fee savings \$174,123.20 and water reserve \$34,634.02. MSA \$10.50 with a comment made by Stacey that until next funding is received all expenses will be paid from the general checking account. PGC \$1,527.90, \$5,362.92 and 3 CD'S of \$32,693.51, \$44,672.84 and \$31,721.74. Councilwoman Flowers made a motion to accept the Treasurer's report and it was seconded by Councilman Hansken. All in favor. Motion carried.

Police Department: Sgt. Litten gave everyone copies of the montly report and reported highlights as related to the department.

Administrator: The Dead End and No Outlet signs for Helm, Canal and Chapel Lane have been received and maintenance will have them installed in the next couple of weeks. There are missing street signs at the corner of Clayton and Hazard streets and on the corner of Hazard and Swamp. We would like to wait until the next disbursement check is received in October before ordering these signs and maybe have maintenance go through the signs in the shed to see what we actually have for the streets out in Prince Georges Acres. Jayne's Reliable is moving at the end of the month to their new location at 33034 Main Street and a new business, Beach Uniques, dealing in antiques and collectibles, will be moving into the building across from the Town Hall. On June 12th Stacey spoke with a lady about opening a Mexican restaurant out at Savannah Square taking 3 units, including the 1 originally used by Pepper's Creek Pizza as the kitchen. The permitting process was discussed but nothing has been submitted yet. Ed Thomas has been in contact with the town regarding the 113 North/South drafting study which is to be released this summer with hearings to begin in the fall. He will let us know when exact dates are available and there will be a meeting with the Town of Dagsboro and info will be available for review at Town Hall.

Code Enforcement: There is nothing to report at this time.

Building Official: There have been 3 permits issued, 1 for the repair of siding, windows and trim at 33225 Main Street, the King property as part of compliance order. 1 for a 10x14 shed at 307 King George III Street in Prince Georges Acres, and 1 for roof and siding at 29139 Piney Neck Road. A certificate of completion for the demolition at 28359 Dagsboro Road and a certificate of occupancy for fit-out for Jayne's Reliable at 33034 Main Street.

Prince George's Chapel Cemetery: A \$1,000.00 donation has been made by WSFS, on behalf of, Wm. B. Chandler III, upon his retirement from the Board of Directors to the Prince George's Chapel Cemetery and letters of acknowledgement to all parties involved are being drafted at this time. There are several graves in the old part of the cemetery that have opened up in several places and the town maintenance will be taking care of getting these holes filled with a natural soil mixture as recommended by Lloyd's with funds from the cemetery account. We are still waiting to hear about the fencing to be installed, while searching for a surveyor.

Water Distribution System: The town is now on a Tri-Annual monitoring schedule for Lead and Copper and testing is scheduled to be done between the dates of June 20, 2015 and September 20, 2015. Stacey will be meeting with Dagsboro Electric and Plumbing at Savannah Liquors to determine the best way to deal with back flow issues at the complex. They are meeting there because it is a location where the main water line into the building and the fire suppression line are readily accessible for inspection and we should be able to have a proposal ready in time for the next meeting. The One year water consumption analysis with Millsboro will be ready for the next meeting also.

Correspondence: There was a letter received from the Friends of Prince George's Chapel referencing their possible withdrawal of subletting from the Town. The location of the parking lot for the chapel events being so far away and used very little they feel that they should not be held responsible for expenses that they did not authorize or actually receive benefit from. The Mayor stated that the town will recant the bill and absorb the full cost. Their membership is decreasing and funds are lower as a result. Fund raising is not as profitable and not as accessible with the limited membership that they have. Vice Mayor Truitt suggested contacting the Lord Baltimore Lions club to engage their support and host a Pancake Breakfast to support their cause, as they had expressed the desire to help raise money for the community.

Adjournment: Motion made at 8:54 p.m. by Councilman Connor and seconded by Councilwoman Flowers to adjourn. All in favor. Motion carried.

Respectfully Submitted,

Duane Kenton

Town Clerk