

*Minutes*  
**DAGSBORO TOWN COUNCIL**  
**Bethel Center**  
**Monday, February 20, 2023**

**I. CALL MEETING TO ORDER**

Meeting was called to order by Mayor Baull at 6:00 p.m.

In attendance were: Mayor Brian Baull, Vice-Mayor Theresa Ulrich, Councilman William Chandler, Councilman Norwood Truitt, Councilman William Labor, Town Administrator Cynthia Brought, Chief Steven Flood, P & Z Chairman Brad Connor, and Engineering Consultant Kyle Gulbranson. See sign in sheet for others in attendance.

**II. PUBLIC COMMENT**

No public comment was made.

**III. APPROVAL of MINUTES**  
**January 23, 2023 Town Council Meeting Minutes**

Vice-Mayor Ulrich made a motion to approve the Town Council Minutes. Councilman Chandler seconded the motion. All were in favor.

**IV. CONSENT AGENDA**  
**a. Police Department Report**

Chief Flood stated that the 2022 Yearly Report shows that accidents increased for the year and most arrests were related to drugs, DUI's, assaults, theft/shoplifting, and burglary.

He also stated that Officer Glaeser broke his hand in training at the Academy last week and is on light duty and is in a hard cast while he heals, which could be 6-12 depending on his healing and therapy. He is coming in every day and is answering phone calls, covering complaints that can be handled by phone and taking care of evidence work.

Chief Flood shared that in 2022 they received \$47,500 in extra grants, which were ones that they researched and received on their own and were able to purchase vehicle equipment and higher-priced equipment including portable and in-car radios, body cameras, tasers, computers and radar units.

He also shared that he received an email from a young man that was given a speeding ticket from Officer Cullen. Chief Flood shared that the email said Officer Cullen was overly respectful and kind throughout the whole interaction. After he left the incident, he felt cared for and that the interaction

was truly to the betterment of the community and to himself and wanted to thank Officer Cullen. Chief Flood stated that it was nice to get a compliment since they don't receive many.

Councilman Chandler asked, "Does anyone know what is on the Norfolk Southern Train that goes through town with the large tanker cars?" Chief Flood stated that he has no idea but possibly it would be something that the Fire Company could have more insight with. Councilman Chandler stated that he was curious because the Engine was stopped almost in the middle of Swamp Road and the tanker cars looked identical to the ones that blew up in Ohio. Chief Flood stated that this is something they can research and would check with the Fire Company and see if they have any information on it.

Mayor Baull asked Chief Flood if he has heard if "arms" would be installed on the train tracks in town? Chief Flood stated that he has not heard but he knew there had been a survey done recently but wasn't sure if that had anything to do with the arms being installed or not.

- b. Treasurer's Report**
- c. Administrative Report**
- d. Building Official Report**
- e. Code Enforcement Report**
- f. Meeting Reports**
- g. Water Department Report**
- h. Prince George's Chapel Cemetery Report**
- i. Correspondence**

Councilman Chandler made a motion to approve the consent agenda. Councilman Truitt seconded the motion. All were in favor.

#### **V. PLANNING AND ZONING REPORT**

##### **a. Final Approval Recommendation - Cea Dag Phase**

P & Z Chairman Brad Connor stated that the P & Z Commission met on February 2, 2023, and they recommend consideration of the Final Plan Approval with the condition that no building permit be issued for Lot A until the Tax Ditch situation is resolved with DNREC, and the Tax Ditch Mapping and Easement is corrected. Once the letter of approval is presented to the Town, a building permit could be applied for. It is felt that the building permit for Lot B may be issued with Final Approval of the plan.

##### **b. Preliminary Plan Approval - "All Fur Love" Pet Grooming Business**

P & Z Chairman Brad Connor stated that the P & Z Commission recommends consideration of Preliminary Approval of Plans. The plans are for 5000 sq. ft. of improved land including the building and parking lot. AECOM recommended a meeting with Sussex Conservation regarding the stormwater management for the project.

**c. Preliminary Plan Approval - Dovetail Home**

P & Z Chairman Brad Connor stated that the P & Z Commission recommends consideration of Preliminary Approval of Plans. The plans are for opening a Coffee Shop and Marketplace in the house located on the property. The plan includes a new parking lot to serve the new business. AECOM recommends speaking with Sussex Conservation regarding the size of the parking lot and that they speak with DelDOT about curb cuts and approvals.

**VI. NEW BUSINESS**

**a. PKS Audit Results 7/1/21 thru 6/30/22 (Alyssa Revel and Andy Haynie)**

Alyssa Revel stated that the important part of the financial statement is the Auditor's Report which is on pages 1-3, and they have issued an unmodified audit opinion, which is the highest level of assurance that an independent auditor can provide. The second report is the Government Auditing Standards Report which reports any deficiencies, material weaknesses or non-compliances that are found during the audit. There was one significant deficiency issued on Internal Control, which is where the Town relies on the auditors to prepare the statements in accordance with the GAAP. She stated that this is typical in most small towns where auditors will prepare the statements for you. There was one material weakness issued on Internal Control which involves the proper segregation of duties in the accounting functions, and this is typical of a small town with limited personnel. She stated that they were able to remove one material weakness from last year where there were a large amount of journal entries and were significantly reduced this year. She added that there were no instances with non-compliance with laws, regulations, grants, or contracts.

Andy Haynie stated that in comparison to last year's report that the "opinion" paragraph has been moved to the first paragraph of the report. The same information is included in the report, but the paragraphs have been moved around. He added that they were able to remove the issue from last year, which was non-typical due to the number of adjustments that needed to be made, and the audit was much cleaner and easier this year from that perspective.

Alyssa stated that there were noticeable changes from last year where the restricted cash increased significantly which is mainly due to the second ARPA Grant and the additional Bond Bill that was received last year. Another significant difference from last year was that this year there is a net pension asset instead of a net pension liability and this comes directly from the State of Delaware's Pension Actuary Report. Andy Haynie stated that the important part of the pension to remember is that the Town has always funded 100% of the contribution that the Actuary requests on an annual basis, which is what is recommended. The increase in deferred grant revenue is due to the ARPA Funds and Bond Bill funds because the money hasn't been spent yet, but once it is spent, then the number would decrease.

Total revenues for the General Fund were about 1 million this past year, with the largest source being taxes, which included property and transfer taxes. Another large portion was Intragovernmental, which

is grant money. The total expenditures for the year were just over 1 million for the General Fund. Alyssa stated that the net income was about \$27k. Changes in the operating expenses included Public Safety which increased by \$132k due to increase in police salaries/insurance expenses and Capital Outlay. This increase was due to purchasing 3 new police vehicles.

Councilman Labor stated that the General Fund balance at the end of the year was 1.1 million and of that amount \$20K was non-spendable and 1.6 million was restricted which leaves an unassigned deficit of \$510k. He asked, "What does that mean in comparison to the increase for the General Fund of \$66,963.00?" Alyssa Revel stated that is what makes up the net position in the General Fund. The deficit is what is left after the non-expendables and the restricted cash. Andy Haynie added that some of the restricted cash will become unrestricted when it is used, such as grant money that has a specific purpose. Councilman Labor asked, "What is intragovernmental?" Alyssa replied, "It is the police grants, and pension grants that are received annually." Councilman Labor asked for explanation on what general government and capital outlay included. Alyssa stated that the general government includes administrative salaries and office supplies, and the capital outlay includes police vehicles.

Alyssa Revel stated that the Water Fund revenue for the year was about \$380k, which is an increase of about \$29k from last year. Water Fund expenses were about \$358k which includes the decrease in water expense charges and an increase in salaries. Operating income was about \$21k this year compared to a loss last year. The Water Fund ended the year with a 2 million net position, which increased from last year.

Councilman Chandler asked what the reason for the decrease in water use charges was. Alyssa Revel stated that was because of the switch from paying the Town of Millsboro to Artesian Water.

She stated that in the Auditor's Communications there are 2 letters; one is a management letter which contains recommendations for strengthening internal controls and operating efficiency. The second letter is the communication with those charged with governance, which is basically the auditor's report to you stating that there were no significant difficulties with the audit, no disagreements with management, all the estimates were agreed upon and no other matters of non-compliance were reported. Alyssa stated that the last section contains the journal entries that are proposed from the audit, which significantly decreased this year, and a lot of the entries are for them to convert the books from cash to accrual.

Councilman Labor asked for clarification on internal balances and how it can be improved. Alyssa replied that these are from accounts labeled Due/To and Due/From that are used when money is being transferred between the Water Fund and the General Fund, they recommend that they be reconciled throughout the year so the balances net to zero. She stated that there was much improvement from last year. Town Administrator Brought stated that the new finance clerk is continuing to pick up on the changes that need to be made. Councilman Labor stated that he wasn't sure if that was something that had to be included in the audit or if this is something that could be improved on. Andy Haynie stated

that he feels it is being improved on and at some point, that recommendation could be removed since it was much better this year.

Vice-Mayor Ulrich asked for confirmation about why the Net Pension Asset was zero for 2021. Alyssa stated that last year there was a Net Pension Liability which is listed under the liability section. Andy added that a lot is based on the market and what the Actuary gives us.

**b. Planning & Zoning Discussion and Possible Vote on Recommendations  
Final Approval Phase – Cea Dag**

Engineering Consultant Kyle Gulbranson stated that the final two buildings for Cea Dag are ready for final approval. The plan is to complete the remaining two townhouses, and everything meets all Town codes. The only issue is that there is an error in the mapping of the tax ditch which is not actually there even though the tax ditch easement shows there is. Capstone Homes have started the process to have it removed through DNREC, but the process takes time. He stated that the recommendation from P & Z Commission was to approve the final plans but hold the building permits on that one building until the Tax Ditch issue is resolved.

Jake Booth, President of Capstone Homes, stated that he would like to give a projection of time but has been told that this process takes time. Vice-Mayor Ulrich asked, "Were you planning on building both of the townhouses at the same time?" Mr. Booth replied, "No, the plan was to stagger the buildings." He added that when they went through the Site Plan Approval originally, they had planned to obtain Site Plan Approval for both buildings but now with the Tax Ditch issue, they want to request to not have any building permits issued for the building in question until there is a letter of satisfaction with DNREC. Councilman Chandler asked if this was something that they would need to go to court about. Mr. Booth stated that the Map Amendment Process does not need to go to court. He added that the process is for all three property owners that touch the corner on the map, sign off and acknowledge that there needs to be a change in the mapping and then the map would need to be amended and it takes time for the process to be completed.

Councilman Chandler asked for confirmation that Capstone Homes is the successor to Gerald Hocker and Scott Evans. Jake Booth clarified that Capstone Homes is the builder for the townhomes and Rosehart Properties, which he is the owner of, bought the retained lands which includes the two townhouse pads. Councilman Chandler asked, "Who is the owner of the rest of the townhouses?" Mr. Booth stated that the rest the townhomes have individual owners. Councilman Chandler asked Mr. Booth what his intention is for the two new townhouses? Mr. Booth replied that they are up for sale now and already has a pre-hold contract on two of the townhouses. His intention is to sell them individually.

Councilman Chandler made a motion to approve the Final Plans for Cea Dag subject to the condition that the building permits for Lot A units be contingent upon the Tax Ditch being extinguished pursuant to DNREC's order. Vice-Mayor Ulrich seconded the motion. All were in favor.

#### **Preliminary Plan Approval – “All Fur Love” Pet Grooming Business**

Engineering Consultant Kyle Gulbranson stated that this plan is for a new building on Main Street. The new property owners, The Morgan's, have restored the old outbuilding and their plan is to build a new building for a Pet Grooming Salon. Plans have been reviewed and meet all Town requirements for Preliminary Plan Approval. Agency approvals and utility work needs to be completed before coming back for Final Approval.

Tony Morgan stated that their engineers, Axiom Engineering, have redesigned the back of the parking lot plan because it was over the 5000 sq. ft. threshold limit that DNREC required and are working on getting the new prints completed. He added that tomorrow, they have a meeting with their engineers and DeIDOT to discuss the entrance way.

Milana Morgan stated that she would be operating the pet grooming business with one other groomer and plans to be open 6 days a week with hours of operation being 8am to 6pm with the exception of later hours one night during the week for clients who work late. She added that they will have a dog trainer on site to offer desensitization for puppies/dogs that are terrified of grooming and would offer a class to help the owners learn how to brush and maintain a healthy coat for their pet and reinforce proper behavior, so the pets are calm and comfortable while at the salon. Mayor Baull asked, “Would there be overnight boarding for pets?” Mrs. Morgan replied, “No pets would be staying overnight.”

Councilman Labor made a motion to give Preliminary Plan Approval to “All Fur Love” Pet Grooming Salon. Councilman Truitt seconded the motion. All were in favor.

#### **Preliminary Plan Approval – Dovetail Home**

Schuyler Hannum stated that he and his wife, Jamie Idzi, are planning to open a Marketplace and Coffee Shop in their current home on 33134 Main Street. He added that he is a carpenter and would be selling small items at first and in the future, he will offer custom made furniture as his carpentry business grows and also, they plan to sell US made home goods.

Engineering Consultant Kyle Gulbranson stated that the only change to the property would be addition of the parking lot. Schuyler Hannum stated that they have been in contact with DeIDOT about the parking lot that is being proposed.

Councilman Chandler asked Schuyler Hannum if he would be making the woodworking items and furniture on site? Mr. Hannum stated, “Yes, in the beginning, I can make the smaller items on site, but he wouldn't be having his cabinet shop there.” Councilman Chandler asked if the Coffee Shop would

include food also. Jamie Idzi stated that coffee and baked goods would be offered. Mr. Hannum added that there would be no cooking on site, just muffins and croissants, etc. from local bakeries. Jamie Idzi stated that they would be leasing the space to a lady who previously had a Coffee Shop and was looking to have one in this area. Hours of operation for the Coffee Shop will 7am-2pm and the Marketplace will be open from 9am-4pm. Councilman Chandler asked how many days a week they planned to be open. Jamie Idzi replied, "We are planning for in-season, (May 1-Sept. 30) to be open 7 days a week and probably cut back a couple days in the off season depending on how busy we are."

Vice-Mayor Ulrich asked if they were required to be ADA compliant. Schuyler Hannum stated, "Yes, we will have the bathroom remodeled to become ADA complaint and will be installing a handicap ramp as well." Engineering Consultant Kyle Gulbranson stated that these would be handled through the building permit process when they get to that point.

Councilman Chandler made a motion to give Preliminary Plan Approval to Dovetail Home Marketplace and Coffee Shop. Vice-Mayor Ulrich seconded the motion. All were in favor.

## **VII. OLD BUSINESS**

### **a. Water Agreement DeIDOT Draft**

Town Administrator Brought stated Councilman Chandler had helped her with revising the Water Agreement for DeIDOT and if everyone agrees, it can be given to John Marvel for his boss to review.

Councilman Chandler stated that they will need to enter in the amounts on #4 and #5 in the Agreement. Town Administrator Brought stated that she would enter the amounts and needed to verify some of the information with Engineering Consultant Gulbranson about the number of EDU's and has since confirmed that the total in the Agreement is correct. Councilman Chandler questioned whether they wanted to change #6 in the Agreement where it mentioned charging an extra 10% for being out-of-town and thought since DeIDOT is a government agency with the State of Delaware with terrible water issues that they should reconsider charging the extra fees. Everyone agreed to charge DeIDOT the same fees that are charged to Town residents in addition to DeIDOT covering all of the impact fees and construction hook-up charges. Town Administrator Brought stated that she would make the changes in the Agreement and have it sent to DeIDOT for review.

Councilman Chandler made a motion to propose the Water Agreement to DeIDOT after removing the extra 10% fee for out-of-town service. Councilman Labor seconded the motion. All were in favor.

## **VIII. PUBLIC COMMENT**

No public comment was made.

Councilman Chandler made a motion to move into Executive Session. Councilman Truitt seconded the motion. All were in favor.

**Move to Go Into Executive Session**

**IX. EXECUTIVE SESSION**

**Discussion Police Personnel Matters (pursuant to 29 Del .C. Section 10004(b) (9))**

**Re-open meeting for results/comments regarding Executive Session at 7:14 pm.**

Councilman Chandler made a motion to approve Chief Flood's recommendation to hire Justin Wechtenhiser for the Police Department. Councilman Labor seconded the motion. All were in favor.

**X. ADJOURNMENT**

Councilman Truitt made a motion to adjourn. Vice-Mayor Ulrich seconded the motion. All were in favor.

Meeting adjourned at 7:18 p.m.

Respectfully Submitted,  
Wendy Rayne, Finance Clerk