

COMMISSIONERS OF BRIDGEVILLE
SPECIAL MEETING – BRIDGEVILLE FIRE HALL
August 5, 2014 – 6:00 P.M.

I. CALL TO ORDER

The meeting was called to order by President Correll at 6:00 P.M. Present: Commissioners Sharon McDowell, Paul Kovack, Jay Mervine, Lawrence Tassone, Town Manager Jesse Savage and Town Solicitor Dennis Schrader.

II. QUORUM PRESENT

President Correll reported a quorum was present to discuss the business of the Town of Bridgeville; all five Commissioners were in attendance.

III. APPROVAL OF AGENDA

Motion to approve the Agenda – Kovack; 2nd – McDowell; motion carried.

IV. DISCUSSION OF FY-2015 TAX INCREASE

Solicitor Schrader advised tonight's discussion concerns tax increase in the FY-2015 Budget adopted by the Commissioners of Bridgeville. A list of individuals who wish to speak has been compiled.

Mr. Carlos Alvarez from 99 Emily's Pintail Dr. advised Heritage Shores is a community of retired persons, mostly on fixed incomes who are already heavily burdened by the Heritage Shore Special Tax. He believes the increase is unnecessary since the monies will not be placed in the budget.

Mr. William Gamble from 4 Whistling Duck Dr. asked for an explanation of the tax increase. Town Manager Savage advised during the budget workshop process the Commissioners chose to use transfer tax to fund important upcoming capital improvement projects and to pay debt. Transfer tax is a fee collected on each settlement when a home is transferred from one owner to another. There are 35-40 homes sold in Bridgeville each year which generate significant transfer tax for the Town.

Concerning projects that are forthcoming in the Town with transfer tax use, the Town has a 5-year compliance schedule to update our wastewater treatment plant in the amount of \$13 million. We have an EPA permit to discharge wastewater into the stream and a DNREC permit for spray irrigation on land. According to the Chesapeake Bay TMDL, mandated by the federal government, the Town must update its plant and treat the wastewater to a much lower level than the plant's current capabilities.

Town Manager Savage advised water rates were increased for a totally unrelated reason. The Town has received a 1-1/2% loan for \$1.2 million to replace the 100 year-old water main on Walnut St., replace water meters in the older part of the Town and a necessary alarm upgrade.

Mr. Gamble asked how the Town arrived at the new budget. He believes it is hard to know what to ask when residents are in the dark about the Town's operations.

Town Manager Savage advised this year's capital budget includes a street survey to determine necessary improvements and pumps at the spray farm that need to be covered. There are several police

cars leased to buy for a 3-year period that require funding. The Town's capital expenditures fund for this year is very minimal at \$80,000. He added, there have been three different meetings to discuss the budget. The Commissioners made a decision to reduce the \$200,000 transfer tax in the budget by half to help pay down the \$6.5 million debt (growing to \$13 million within the next five years.) He advised during the Budget Workshop that they did not have to go this direction; however, the Town believes it is responsible to remove transfer tax from the budget.

Mr. Bill Atwood from 113 Emily's Pintail Dr.

- The General Assembly considered a bill recently that would affect the various Towns' ability to levy taxes/fees. Per Town Manager Savage, that bill did not influence these increases.
- New Police station/Town Hall expansion is not in best interest of townspeople. (Could meet at the public library for free.) Also, Civic Center consideration of several years ago is not realistic.
- Concerning EPA and the Wastewater Treatment Plant, he agrees with Commissioner Mervine that we shouldn't sign an agreement to build a new plant. Town budget - \$3 million; new plant - \$10-20 million – doesn't make sense.
- Economic Development – believes a 20% increase in taxes will affect new home sales and businesses. With tax increase, he recommended disbanding the Economic Development Committee.

Mr. Joe Conaway from 105 Delaware Ave.

- Recommends his budget proposal with no increase in taxes/fees that would include \$174,000 to cover new initiatives. Appreciates Town Manager Savage's efforts concerning the budget.
- Believes the Town has a surplus of \$500,000 which is a 20% reserve.
- Concerning WWTP future expenses, state/federal government contributions to the possible \$13 million plant required by the state and EPA are unknown at this time. 20+ years ago Bridgeville was required to build a new sewer plant and did not do so because money was not forthcoming from the government. More recently, federal/state grants and loans paid for an updated plant and Lennar Homes assisted in paying for the spray irrigation land by prepaying impact fees for 915 new homes at Heritage Shores.
- Believes water fees have increased 37% in 4 years and we have the highest tax rate in western Sussex County. The sewer budget is up 72% and the water budget is up 68%.
- Believes Economic Development opportunities are destroyed.
- Believes Bridgeville abandoned the transfer tax in spite of Heritage Shores announcing they are going to build 800 new homes over the next 10 years.
- Recommends rescinding increases and not rolling over to the state bureaucracy, as the state has never fined a Town for not building a new system. He believes Seaford and Laurel are still pumping treated effluent into waterways, as well.
- Believes a \$90,000 fine budget for the Police Department is low and performance standards are needed for police officers.
- Delineated our current debt and recommends re-financing it.
- Recommends re-instating transfer tax in the budget.
- Believes the Town government consists of good people who received bad advice.

Mr. Steve Dell from 12 Gadwall Circle doesn't want the public to lose sight of the big picture. Taxes are the price you pay for living in the greatest country in the world. The Town desires to be diligent concerning expenses and more efficient than it is currently. The country used to take great pride

in its public buildings and its democracy. We spend money on our homes, on new, fuel efficient cars, etc., as that is what we are proud of. Locally, we are proud of our new library and the new high school is a source of pride and an investment in the future. In comparison, our police station is a 100+ year old dump, which needs to be more efficient and technologically advanced, as does our wastewater treatment plant. Mr. Dell agrees that government could be more efficient and residents should be vigilant about expenses; however taxes are nothing more than the privilege of living in the greatest society on earth.

Mr. Ralph Root from 44 Canvasback Circle reported for the past three meetings he has requested proof for the increase; i.e. forecasting, models, alternatives and has not seen any real proof. He cannot debate for or against the budget increase, as he has no proof.

Mr. Bob Sweet from 18 Amanda's Teal Drive is one of the earliest residents at Heritage Shores and believes that prospective businesses and homeowners will have a hard time dealing with the increases. It gives the impression of poor stewardship on the Town's part and he requests that the Town rescind the tax increase until an alternative can be considered.

Mr. Harvey Lieberman from 144 Widgeon Way agrees with the recommendations of Mr. Conaway. He is concerned about the Heritage Shores residents who are on fixed incomes.

Mr. Bill Jefferson from 204 S. Main St. believes the Town has a good Commission; however, they need to let go of their pride and listen to the residents tonight. He recommends eliminating the tax increase and if the Commission needs advice, to seek the right people.

President Correll advised this is not a pride-ful job; the Commissioners are doing the very best they can to keep the Town together. They have to deal with the financial figures that are in front of them and she suggested that Mr. Conaway share his figures with the Commission.

Mr. Waddia Rafail from 105 Jacobs Ave. reported he owns the mini storage units fronting John St. He supports Mr. Conaway's new figures and recommendations.

Mr. Phillip Clark from 32 Amanda's Teal Dr. doesn't understand the intentions of setting aside the transfer tax. Where will the money go? It appears the Town is raising money ahead of the need and believes they should not do that when they don't know exactly how the money would be spent.

Mr. Alan Green from 136 Widgeon Way advised he is not questioning anyone's motives and he agrees that Bridgeville is a great little Town. Taxes are defined as revenue from a particular source. What determine the amount of tax are the tax rate and the tax base. He advised when a house is built in Heritage Shores there are also a number of fees – building permits, transfer taxes and it becomes a permanent taxable property – of which there are approximately 600 currently. In 2004 taxes equaled \$213,000 and 2014 taxes equaled \$560,000. At full build-out rate the property value for the Town will easily double. He believes the growth of the Town itself will pay for these additional expenses without raising taxes. The Special Tax District is paying for the infrastructure improvements at Heritage Shores; the Town is not paying for them. He believes this mitigates the need to raise taxes at this juncture; in 10 years the Town can anticipate a property tax total of over \$1 million. The Town should submit to the people reasonable projections on expenses/revenue and should not follow other Towns blindly in not placing transfer tax in the budget. He believes the Town is well-intentioned. A 20% increase when the Town has a growing base is difficult to understand.

Solicitor Schrader advised a Workshop is limited to the items that are placed on the Agenda, which is a "discussion of the 2015 tax increase"; therefore, no action will be taken this evening. Mr. Conaway did not agree with Solicitor Schrader's conclusion concerning FOIA. He believes the Commissioners can take action; however, Solicitor Schrader disagreed. Commissioner McDowell asked to make a motion; however, Solicitor Schrader advised she would not be able to do that at this meeting. Solicitor Schrader advised she could add it to the September agenda.

Commissioner McDowell was allowed to place her motion on the record to be considered at the September 8th Commission meeting. It reads as follows: "Because I believe the passage of Ordinance #2014-C (water) and Ordinance #2014-D (tax) will bring economic disaster to the people and to the business community of Bridgeville, I make a motion to suspend the enforcement of both of these Ordinances until such time that they can be officially withdrawn." This motion will be placed on the Agenda for the September 8, 2014 Commission meeting. **[After the meeting concluded, it was determined that the August 11th Commission Agenda would be amended to include Commissioner McDowell's motion.]**

President Correll advised 2015 property taxes have been mailed and payments are already coming into the Town office. Many have mortgage escrow accounts and the checks have already been cut. She also is confident that it is not appropriate to continue to place transfer tax in the budget. (The Town did not take all of the transfer tax out of the budget; only ½, which is \$100,000.).

President Correll advised the Town will carry a heavier load when additional Heritage Shores streets/lights are accepted for maintenance by the Town. The Town is currently responsible for only two streets in the development.

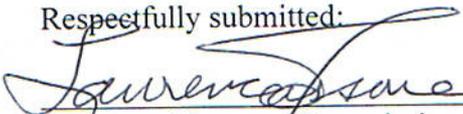
Mr. Bill Jefferson asked that the Commissioners make sure they will all be in attendance at the September 8th Commission meeting. President Correll advised there is no guarantee.

Mr. Root requested that the Commissioners/Town Manager prepare a forecast and/or model for the meeting as evidence that the Town needs the increase.

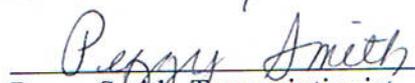
V. ADJOURNMENT

Motion to adjourn – McDowell; 2nd – Kovack; motion carried 5 to 0. The meeting was adjourned at 7:07 P.M.

Respectfully submitted:



Lawrence Tassone, Commission Secretary



Peggy Smith, Transcriptionist