

**MINUTES
COMMISSIONERS OF BRIDGEVILLE
JUNE 9, 2008**

I. CALL TO ORDER

The meeting was called to order by President Joseph Conaway at 7:00 P.M. Present: Commissioners Patricia Correll, Ruth Skala, Earl Greason, William Jefferson and Town Manager Bonnie Walls. The meeting began with the Flag Salute and Lord's Prayer. Due to a difficulty in hearing the Commissioners' comments on the tape, the audience was requested to refrain from any private conversations during the meeting. It was suggested that any conversations be taken out of the room.

II. QUORUM PRESENT

President Conaway reported a quorum was present to conduct the business of the Town of Bridgeville.

III. APPROVAL OF MINUTES

Minutes from the May 12, 2008 monthly Commission meeting and the Special Commission meeting on June 2, 2008 to adopt the FY-09 Budget were presented for approval. Commissioner Jefferson made a motion to approve the minutes, Commissioner Correll seconded the motion. Motion carried.

IV. MR. JOSHUA FORSTER (MUNICAP) – ADOPTION OF HERITAGE SHORES SPECIAL TAX DISTRICT REPORT FY 2008-2009

President Conaway introduced Mr. Joshua Forster from MuniCap for a discussion and adoption of the Heritage Shores Special Tax District Report for the next fiscal year. Copies of the report were made available to the Commission and a copy is attached to the original minutes. The main difference between last year and this year's report is the special tax requirement has been reduced by approximately 20% - from \$1.5 million to \$1.2 million. This is because bonds have been called twice now with the partial prepayments made by the developer. President Conaway commented many people don't realize there has been a partial reduction of the lien on all the houses that have been sold in Heritage Shores, paid for entirely by the developer. Mr. Forster advised that amount was approximately \$21,000 for single-family homes and \$14,000 for attached units. President Conaway asked, given the performance of the fund and with the surpluses that have to be controlled, is there a possibility that this tax will be retired prior to the 27 years left on the bond? Mr. Forster responded they have always anticipated that a portion of it would be retired before the 30 years, based on the partial pre-payments. The remaining amounts, which are the responsibility of each homeowner, would not be retired early, they would continue to the end and the payment would continue to escalate 2% per year; however, once the development is completely built and if there were a surplus in a given year that didn't require you to levy at that assigned special tax rate, you could levy it proportionally at a reduced amount. There is that

possibility. Mr. Forster directed the Commission to page 1, Table A. This is a breakdown of the account balances held by the trustee of the bonds and shows the activity over the past year. Page 2, Table B shows the rate of return on each of the accounts. Several of the accounts are invested in a guaranteed investment contract. Other accounts are invested in money markets. MuniCap is expecting these account rates to drop to 2%. Page 4, Table C is a breakdown of the special tax requirement of Series A & B bonds. The special tax requirement is made up of the interest and principal payments on the bonds coming due January 1, 2009 and July 1, 2009. The amortization schedule has been changed on the Series B bonds due to the prepayments. The developer pre-paid 57.78% (Series B bonds only) and the balance is the responsibility of the homeowner. Mr. Forster advised Administrative Expenses for the year totaled \$27,550. There is a contingency of approximately 3% added. Debt Service on the bonds, administrative expenses and the contingency total \$1,482,605. Reserve Fund Investment Income information for Series A and Series B bonds is located on page 5. Surplus from Prior Year is shown in Table D on page 6. There is a \$239,059 surplus from the prior year, largely because they were able to call bonds early with the developer's pre-payments. There was a deficit administrative expenses of \$344. President Conaway inquired why there was a deficit. Mr. Forster replied they were called upon to do unexpected, additional work at the request of Heritage Shores homeowners. The administrative expense budget totaled \$27,000 for the year. MuniCap had expenses of \$10,637.50; however, the trustee had a budget of \$12,560 and there was an unexpected expense of \$8,096 for Miles & Stockbridge for additional questions and legal opinions concerning the Special Tax District and, therefore, additional expense. Total administrative charges were \$31,742. Miles and Stockbridge prepared a notice to send out to Heritage Shores homeowners, as well, which cost additional monies. The total revenue requirement for the new year is \$1,200,000. Beginning at the bottom of page 6, the balance of the report describes how the revenue requirement is allocated between the three types of properties:

1. Platted, developed property (building permit already issued by May 1st, 2008)
2. Platted, undeveloped property (owned by Brookfield Homes or related entities)
3. Unplatted, undeveloped property (owned by Brookfield Homes)

President Conaway commented Brookfield Homes is paying the lion's share of this tax.

Appendices B/C indicate they are paying over \$700,000 of the tax; \$227,000 of the \$1,200,000 is being paid by homeowners. Mr. Forster directed the Commission to Table E on page 8. This table indicates that a single-family detached home that has been purchased and partially prepaid will have an assigned Special Tax of \$1,061.21. A single-family attached unit that is partially prepaid will have an assigned Special Tax of \$724.38. The majority of the property owned by the developer has not been prepaid and the Special Tax levied on those single-family detached homes will be \$2,574.49 and for single-family attached home, \$1,757.36. President Conaway asked for questions from the Commissioners; there being none, he asked for questions from the public.

President Conaway qualified that the Commission and Mr. Forster would entertain questions about the tax district, but not questions concerning the merits of having a special tax district or not having one. Mrs. Jacqueline Vogle of 124 Widgeon Way asked about the interest on the Reserve Fund. She asked if interest rates continue to decline, would it affect the amount the homeowners will have to pay in the future, the maximum special tax – 110%. Mr. Forster advised they cannot tax at the maximum until the construction is completed. He advised they are required to have 110% debt service coverage and the special tax rates are based on that 110%. There being no further questions, Commissioner Correll made a motion to:

- accept May 1st as the date for the three classifications of properties
- accept the rates of single-family detached at \$1,061.21, single-family attached at \$724.38
- accept the developer's rates of single-family detached at \$2,574.49, single-family attached at \$1,757.36
- accept the Special Tax Report
- accept the Special Tax Requirement of \$1,200,000

Commissioner Greason seconded the motion. Motion carried.

V. CORRESPONDENCE

Town Manager Walls reported the receipt of a letter from Comcast advertising their new billing and sales hours: 8 A.M. – 9 P.M. Monday through Friday and 9A.M. – 7 P.M. on Saturday and Sunday.

VI. APPROVAL OF FINANCIAL STATEMENTS AND BILLS PAYABLE

Finance Director Savage directed the Commission to the Balance Sheet. He indicated that as of May 31, 2008, the Escrow accounts totaled \$772,503. The impact fee and sewer sinking funds totaled \$133,083 for a combined total of \$919,817, (\$400,000 of which is earmarked for the Fiscal 2009 budget.) Cash on hand in the General Fund and the General Savings are \$296,627. The Library Fund now totals \$29,945. Concerning the Budget vs. Actual Report, the Town received a transfer tax check after this report was printed in the amount of \$14,000, bringing the total for transfer tax to \$274,000. There are approximately six home settlements pending which will bring another \$22,000 before the close of the budget year. To-date there have been 20 settlements for FY-08. Expenses are in-line. President Conaway questioned the sludge disposal expense. Finance Director Savage advised it is picked up weekly, and is basically an "on call" service when Superintendent Mowbray can't get the sludge to dry out. There was one pick-up in May. The Town is at 80% of its budgeted expenses. Income is at 93%, although it should be at 92%. Concerning Accounts Payable, bills to be paid total \$150,451. Expected expenses before the next meeting total \$121,678, which includes a quarterly debt service of \$26,578. The A.P. Croll bill is for the Library Road, which is completed except for a punch list to be resolved this week. The Barton's Landscaping bill concerns expenses from the Department of Forestry tree grant. The Davis, Bowen and Friedel bills are almost all reimbursable. We now have a defibrillator in the Town office and have purchased a storage cabinet. The M-T Trash bill is for the Spring Clean-Up Day. Commissioner Correll made a motion to pay the bills as presented. Commissioner Greason seconded the motion. Motion carried.

VII. DEPARTMENT HEAD REPORTS

President Conaway advised the Department Head reports are available to the public. He commented on the Police report. This month there were 23 counts of drug paraphernalia, compared to a usual 2 or 3 per month. President Conaway approached the department and

learned that each bag of drugs found on a person and each individual item of paraphernalia is counted individually. Paraphernalia is not drugs itself.

VIII. CITIZEN'S PRIVILEGE

President Conaway opened the floor to residents for comments or questions. Mrs. Jacqueline Vogel of 124 Widgeon Way asked the purpose of a building permit. Is it for revenue or to examine the workmanship of the structure? President Conaway advised building permits are issued when a structure is built, or renovated more than 50%. The price of a permit is not high enough to be a revenue generator. The permit triggers an assessment of a property so the Town is aware of improvements on properties for taxing purposes. The Town uses the county assessment and its inspectors, First State Inspectors. Bridgeville issues certificates of occupancy based on county inspections. Mrs. Vogel asked if the Commission is aware that the county does not inspect all things covered by building permits. She has applied for several building permits and the county has not come to inspect. President Conaway advised the county inspects footers, set-backs, etc. based on the International Building Code. They do not inspect plumbing or electrical work; that is a state function. The architectural plans for all the homes at Heritage Shores were approved. All models built on that design are not inspected. The county doesn't inspect for all renovations. Commissioner Correll reported she had seen inspectors at a remodeling house project next to her today. What you are remodeling triggers an inspection. If the project affects the structure of the house, then an inspection would take place. Per Heritage Shores residents, in New York you must apply for a building permit for everything, even the replacement of a hot water and an inspection is done on the new heater. In New Jersey, any permit over \$50 requires an inspection. Delaware does not inspect to the same extent as these States.

IX. TOWN MANAGER'S REPORT

Town Manager Walls reported plans are underway by the developer of Heritage Shores to complete the existing bike path on the Wilson Farm all the way to Cannon Street. President Conaway added that one of the recommendations of the Parks and Recreation Committee was to finish the bike path and be able to walk "from water tower to water tower."

The Town's annual Memorial Day Celebration was held on Monday, May 26th at the Veteran's Memorial in the Bridgeville Cemetery. The Town extends its thanks to those who assisted with the program and to the residents for taking the time to pay their respects to those who have and who are currently serving our country. Commissioner Correll thanked Town Manager Walls for making all the arrangements.

The Town has been notified by the State of Delaware, Department of Labor's Summer Youth Program that our request for two youths has been cut to one. Applications are currently being received, with a submittal deadline of June 16th. There are guidelines to participate in the program and interested students should stop at the Town office for an application and explanation of the program's requirements.

The Town has received notification from the Department of Natural Resources and Environmental Control, Parks and Recreation Division that our submitted pre-application proposal for the Bridgeville Branch River Walk and Park has been determined eligible for funding. We have been invited to submit an application, with a deadline of July 25th. The Town's Parks and Recreation Committee has been advised of the needed documentation and deadline date so that we may move forward with the project.

Town Manager Walls made contact with the Delaware Department of Transportation, reminding them of their commitment to paint double yellow lines on Railroad Avenue for safety purposes. Town Manager Walls had also requested that an area by the high school be re-painted. DelDOT representative, Mr. Meyer, has responded back that both sites will be completed by the end of June. In speaking with Mr. Meyer, Town Manager Walls inquired if the new stop sign posted at South Railroad Avenue would be removed and reinstated with a yield sign. Mr. Meyer advised DelDOT was confident in their study of the intersection that the stop sign should be in place and to his knowledge, would not be removed.

Per DelDOT, the Route 404 and Rt. 13 realignment work taking place near Jimmy's Grille, should be completed by June 21, 2008.

X. OLD BUSINESS

A. Introduction and First Reading of Ordinance A08-8 Relating to Swimming Pools

President Conaway advised this Ordinance basically codifies things that the Town is already doing. It adds a section on pool meters, allowing a resident to pump water into a pool without paying the sewer fee one time each year. Commissioner Jefferson made a motion to introduce Ordinance A08-8 concerning Swimming Pools for a First Reading. Commissioner Skala seconded the motion. Motion carried.

B. Charter Changes

President Conaway advised the Commission has asked Bridgeville's State Representative and Senator to introduce several charter changes for the Town. These changes merely "clean-up" some items in the charter that are no longer effective or no longer used. One example is that our charter requires we only place Town money in a bank located in Bridgeville. That would be changed to "Sussex County". The charter will now require that a person be a resident of Bridgeville for six months before they can vote in an election. A third bill would remove from the charter a provision that anyone bringing ten people into Town would not have to pay taxes for ten years. This becomes confusing when considering a business that brings many people in as employees of the company. The final charter change would abolish the Alderman's Court, which has not been in operation in Bridgeville for several years.

XI. NEW BUSINESS

A. Bridgeville Public Library Request for "Hometown Night" – 2008 Apple Scrapple Festival

The Bridgeville Public Library has again requested permission to hold a "Hometown Night" Carnival on Thursday, October 9th before the Apple Scrapple Festival begins on Friday the 10th. This would be advertised in the immediate area and in the school district and affords our local residents the opportunity to enjoy the Carnival without the weekend crowds. This is a one-price for all event. Commissioner Correll made a motion to allow the Bridgeville Public Library to host a Hometown Night on Thursday, October 9, 2008. All of the Commissioners enthusiastically joined to second the motion. Motion carried.

B. Resolution for Participation in the Delaware Economic Development Office Downtown Delaware Commercial District Affiliate Program

Town Manager Walls advised she has brought this program before the Commission numerous times in the last several months. The Delaware Economic Development Office has offered participation in a program to assist businesses in Town, offering training to them. This Resolution provides for our participation in the Affiliate Program; however, the Town is not committed in any monetary way to the program. Town Manager Walls did contact local business owners offering this training program, with no positive response. Town Manager Walls is hoping to get one or two interested, which would encourage others to consider the program. Commissioner Greason suggested a public statement assuring the merchants that there will be no restrictions placed upon them. President Conaway suggested setting another meeting date encouraging business owners to attend. They may be very concerned that this program will cost them money. Commissioner Greason also suggested having the DEDO representative walk down Market Street and visit businesses. Town Manager Walls has been discussing that very idea with the DEDO representative. Commissioner Jefferson made a motion to adopt this Resolution. Commissioner Greason seconded the motion. Motion carried.

XII. ADJOURNMENT

Commissioner Skala made a motion to adjourn the meeting. Commissioner Correll seconded the motion. Motion carried. The meeting was adjourned at 8:04 P.M.

Respectfully submitted,

Patricia M. Correll

Patricia M. Correll, Commission Secretary

Peggy A. Smith

Peggy A. Smith, Transcriptionist

**MINUTES
SPECIAL COMMISSION MEETING
JUNE 2, 2008 – 7:00 P.M.
TOWN HALL**

I. CALL TO ORDER

The meeting was called to order by President Joseph Conaway at 7:00 P.M. Present: Commissioners Patricia Correll, Ruth Skala, Earl Greason, Town Manager Bonnie Walls and Finance Director Jesse Savage.

President Conaway advised the meeting was convened to hold Public Hearings concerning the FY-09 Budget and a second reading and adoption of Ordinance A08-7 concerning water/sewer fees.

II. QUORUM PRESENT

President Conaway reported a quorum was present to conduct the business of the Town of Bridgeville, despite the absence of Commissioner Jefferson. He is expected momentarily. There were no representatives from the press or the public present.

**III. PUBLIC HEARING, SECOND READING AND ADOPTION OF ORDINANCE
A08-7, AN AMENDMENT TO CHAPTER 128 – FEES OF THE CODE OF THE
TOWN OF BRIDGEVILLE RELATED TO WATER/SEWER RATES**

President Conaway reported the Town is required by law to adopt a balanced budget; however, the balanced budget cannot be achieved without passing Ordinance A08-7 concerning raising specific categories of water and sewer rates. The Commission must consider the Ordinance before it can consider and adopt the Budget. The Ordinance would remain in effect even if the budget is not adopted. President Conaway opened the Public Hearing at 7:05 P.M. He reported there were no members of the public present to speak in favor of or against the budget. The Public Hearing was closed at 7:08 P.M. He advised the change in fees would only affect the second tier of water/wastewater users and not those who conserve water. President Conaway asked the Commissioners if they had any questions concerning the Ordinance. With no questions forthcoming, Commissioner Correll made a motion to adopt Ordinance A08-7 to go into effect July 1, 2008. Commissioner Greason seconded the motion. Motion carried.

**IV. PUBLIC HEARING TO RECEIVE COMMENTS AND QUESTIONS REGARDING
THE FY-09 BUDGET**

The FY-09 Budget was introduced at the May 12, 2008 Commission meeting. President Conaway opened the Public Hearing at 7:09 P.M. President Conaway reported there were no members of the public present to speak in favor of or against the budget. The Public Hearing

was closed at 7:10 P.M. President Conaway reported he has been involved with legislators in the state capitol concerning the future of the transfer tax. He is certain the Towns will lose .5 percent, which is approximately 1/3 of the transfer tax. In addition, the state will be eliminating the gross receipt tax cut made two years ago. The franchise tax will be adjusted and sports betting will be adopted. There are serious cuts yet to come. President Conaway believes they should cut state personnel, which is currently not being considered. The state is cutting empty positions, but not downsizing the government. The next governor will be left with reducing the size of the state government, which is currently the largest employer in the state. There is also a movement among the school districts and business community for a statewide reassessment. That will also be left for the next governor. There has not been a reassessment in Sussex County since 1977. Sussex County assesses differently than the remainder of the state. Sussex County assesses based on 1974 values, less labor, which means you are paying for the construction costs. Until the county changes its assessments to current market value, like Kent and New Castle counties, the assessments will be out of kilter. Currently the assessment is 17% of the real value. There is also little-to-no chance of the Bridgeville Library being funded, although sometimes "late night deals" are made in Dover. Senator Venables cut \$2 million out of the Bond Bill for a library in his own district (Seaford). (Commissioner Jefferson arrived at 7:12 P.M; therefore, all Commissioners were present for the remainder of the meeting.)

V. ADOPTION OF THE FY-09 BUDGET

President Conaway asked for questions concerning the budget as presented. There is a 10% cut in this year's budget. The Town entered the current fiscal year with reserves of \$80,000 plus approximately \$500,000 in escrow funds. The Town is over budget in transfer tax revenues this year. June's transfer tax will be an extra bonus. Commissioner Correll asked if Town Manager Walls and Finance Director Savage are comfortable with the budget as prepared. Town Manager Walls replied in the affirmative for both of them. Commissioner Skala asked if the budget reflects the decrease in transfer tax. President Conaway replied he would rather include transfer tax revenues in our budget and wait until the state budget is passed, rather than appear to agree with the idea before the fact. The Town might be alright since we anticipate a carryover of \$150,000 – \$200,000; therefore, the Town may be able to make up for the loss of transfer tax. The Town will be able to say that it cut its budget and increased fees anticipating a cut in state aid. This places the blame for the cut where it belongs – with the state. Commissioner Skala made a motion to adopt the FY-09 Budget as presented. Commissioner Correll seconded the motion. Motion carried.

VI. RESOLUTION ADOPTING TOWN PROFIT SHARING PLAN AMENDMENT

Finance Director Savage reported this amendment does not actually affect Bridgeville Town employees, based on our current pension/profit sharing plan. We are required to place this wording into our Plan document based on a change in IRS regulations. If our employee compensation included bonuses, then this amendment would affect our employees. If the Town ever changes its plan, then it would be important for this wording to be in place. Commissioner

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Skala questioned the words "profit sharing" since a municipality is not a profit-making enterprise. Town Manager Walls and Finance Director Savage advised the Town subscribes to a 415 Profit Sharing Plan. It was established before they arrived and is also used by other local Town governments. The wording does not appear to correspond to our identity as a municipality, but it is the designation of our plan. Commissioner Jefferson made a motion to adopt the amendment to the Bridgeville Profit Sharing Plan per IRS Regulations. Commissioner Greason seconded the motion. Motion carried.

VII. ADJOURNMENT

Commissioner Correll made a motion to adjourn the meeting. Commissioner Skala seconded the motion. Motion carried. The meeting was adjourned at 7:22 P.M.

Respectfully submitted,

Patricia M. Correll
Patricia M. Correll, Commission Secretary

Peggy A. Smith
Peggy A. Smith, Transcriptionist