

**MINUTES:** Special Meeting of the Board of Commissioners of the Town of Henlopen Acres held on Friday, June 8, 2012 at 10:00 a.m. at Town Hall, 104 Tidewaters in Henlopen Acres, Delaware.

**PRESENT:**

Wanda Davis	Mayor
David Hill	Commissioner
David Lyons	Commissioner
Winifred W. Kee	Commissioner
John Staffier	Commissioner
Beatrice Richards	Commissioner
Frank Jamison	Commissioner
Thomas A. Roth	Town Manager
Glen Mandalas	Town Solicitor
Sharon Karl	Town Clerk
David Boyce	11 Tidewaters
John Scheurer	62 Tidewaters
Marcia DeWitt	55 Fields End
Shaw Wilgis	32 Tidewaters
Diana Beebe	Rehoboth Art League
Ryan Mavity	Cape Gazette

**1. Call to order**

Mayor Davis called the meeting to order at 10:00 a.m. and led the Pledge of Allegiance

**2. Proposed Budget for Fiscal Year July 1, 2012 through June 30, 2013**

Commissioner Hill said that we should be on budget for the fiscal year ending June 30, 2012. He proceeded to walk the other commissioners through the proposed budget for fiscal year July 1, 2012 - June 30, 2013. Mr. Hill said the proposed budget includes an increase in the property tax rate of 50 cents per 100 of assessed value in order to balance the operating budget. Otherwise there have been minor changes in other categories. Mr. Hill said on the Expense side of the Operating Budget the major change in the General and Administrative Expenses is Legal which is doubled from \$25,000 to \$50,000 because there are a lot of unknowns. The only other significant increase is under the Street Department, attributable to a full time employee that began last September. That leaves us with a Net Ordinary Increase of \$8,465, assuming the Property Tax rate increase is approved. Without the property tax rate increase, Mr. Hill calculated that there would be a shortfall of about \$56,000 in the operating budget and that an operating budget deficit is ill-advised.

Mr. Hill said with regard to Other Revenue and Expense; we are maintaining the Transfer Tax budget of \$45,000 and Municipal Street Aid of \$13,000. The largest proposed capital expense is the marina dredging of \$198,795. In light of the dredging, we are proposing to defer Phase V of the street repair until the next fiscal year. That estimate was \$107,000. That leaves us with a deficit in Other Revenue and Expenses of

\$132,570.50. This can be covered by reserves. Mr. Roth said that the current reserve as of May 31, 2012 is \$1,321,000, of that, \$300,000 is undesignated. The balance is held for designated purposes.

Further discussion centered on the property tax rate increase. Mr. Staffier inquired what would be the minimum tax we would need to balance the operating budget. Mr. Roth calculated that a 45 cent tax rate increase would leave an operating income of \$2,278. Mr. Jamison said that of the variables it seems that legal fees are the hardest to predict and that \$50,000 is a good number.

Mr. Staffier made a motion to approve the Budget for fiscal year July 1, 2012 through June 30, 2013 subject to adoption of tax rate, water rate and fee schedule. Ms. Kee seconded the motion. The motion passed unanimously.

### **3. Adoption of Tax Rate, Water Rates and Fee Schedule**

Mayor Davis presented the proposed fee schedule and water rates.

Ms. Kee made a motion to approve the revised fee schedule excluding Personal Property Tax Rate. Mrs. Richards seconded the motion. The motion passed unanimously.

### **4. Executive Session**

Mr. Hill made a motion that the Board move to executive session to discuss personnel issues and potential litigation. Mr. Staffier seconded the motion. Motion was unanimous.

Board entered executive session at 11:00 am.

The Board came out of executive session at 12:30 pm.

### **5. Consideration and/or action on matters discussed in Executive Session**

Mrs. Richards made a motion to increase the property tax rate to 45 cents per 100 of assessed value. Mr. Jamison seconded and the motion passed unanimously.

Mayor Davis asked to be excused from the event parking committee. Mrs. Richards stated she would serve on the event parking committee.

Mayor Davis stated that new "no parking" signs have been posted stating there is no parking on the street.

Mr. Hill made a motion approving the actions discussed in executive session regarding personnel. Mr. Jamison seconded and the motion passed unanimously.

Mr. Hill made a motion to approve the action discussed in executive session with regard to potential litigation. Mrs. Richards seconded the motion and the motion passed 5 - yes, 2 - no.

### **6. Adjournment**

Having no other business, the Mayor adjourned the meeting was adjourned at 12:36 pm.

**Approved:** \_\_\_\_\_, 2012

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