

MINUTES: Special Meeting of the Board of Commissioners of the Town of Henlopen Acres held on Friday, March 11, 2011 at 10:00 a.m. at Town Hall on 104 Tidewaters in Henlopen Acres, Delaware.

PRESENT: Wanda Davis Mayor
 David L. Hill Commissioner
 Beatrix Richards Commissioner
 Frank Jamison Commissioner
 David Lyons Commissioner
 Winifred W. Kee Commissioner
 Thomas A. Roth Town Manager
 Sharon Karl Town Clerk
 Henry DeWitt 55 Fields End
 Ryan Mavity Cape Gazette

EXCUSED: Linwood Miller Commissioner

MEETING AGENDA

1. Call to Order, Pledge of Allegiance

Mayor Davis called Meeting to order at 10:00 a.m., followed by Pledge of Allegiance.

2. Correspondence - Resignation

Mayor Davis said that in the packet is a copy of the resignation letter from Woody Miller. Mayor Davis said Woody has moved to Colorado and will be missed. All the Commissioners wished him the best. A motion was made by Commissioner Lyons to accept Woody Miller's resignation with regrets. Commissioner Richards seconded the motion. The motion passed unanimously.

3. Appointment to Board of Commissioners

Mayor Davis said that she would like to appoint John Staffier as Commissioner to serve the remainder of Commissioner Miller's term. She said that Mr. Staffier has lived at 58 Pine Reach for over twenty years. Mr. Staffier is an attorney and would be a good addition to the Board.

Commissioner Jamison said that he would like to suggest Martin Clark, 59 Tidewaters, to serve as Commissioner for the remainder of Commissioner Miller's term. He said that Mr. Staffier has never run for office in the Acres but that Mr. Clark did run last year and got 100 votes and therefore should be considered.

Mayor Davis asked if anyone else had someone they would like to suggest for the position. A straw vote was taken on John Staffier and he received five votes, Mayor Davis, Mr. Hill, Ms. Kee, Mr. Lyons and Ms. Richards. A straw vote was taken on Mr. Clark and he received one vote from Mr. Jamison. A motion was made by Commissioner Richards to accept Mr. Staffier as Commissioner to serve the

remainder of Commissioner Miller's term which is up in September 2011. The motion was seconded by Mr. Lyons. The motion passed unanimously.

4. Audit Report for Period Ended June 30, 2010

Mayor Davis said that on February 10th Mr. Roth, Mr. Hill, Book and Associates CPA Jay McManus and she met with Ray Murphy, the head of the Audit Committee. Mr. Hill said the meeting was to discuss the Town's June 30, 2010 audited financial statements. Mr. Murphy provided them with the Audit Committee's collective comments to the statements. The Statements were approved subject to the following changes: (1) Page 9, General Expenses, will be broken out between Operating Expenses and Capital Expenditures for greater clarity, (2) Page 17, Subsequent Events, will state that there have been no material subsequent events from June 30, 2010 to the date of the financial statements release, (3) Page 17, Property Taxes, will be clarified to identify exactly what the \$2.17 per \$100 of assessed valuation applies to and (4) Page 8, Zoning Revenue--fix typo.

Mr. Hill said that they discussed at length the need and desirability of producing the financial statements on a faster schedule than this past year (almost 6 months) and all agreed this is too slow and diminishes the usefulness of the statements to Commissioners and Town employees. Mr. Hill said that the agreed upon schedule for next year is: July 31, all information and materials are to be delivered to Book & Associates by the Town; September 30, Book & Associates delivers draft audited financial statements to the Town and Audit Committee; October 30, the Audit Committee provides comment to the Town and Book & Associates.

Mr. Hill made a motion to approve the Audited Financial Statements with the four specific corrections Ms. Kee seconded the motion. The motion passed unanimously.

5. Review and consideration of Easement Agreement

Mr. Roth said the Easement Agreement would allow us to do the storm sewer work on Tidewaters. However he said it is his opinion, as well as Mr. Porter, the owner of that property, that the cost, \$44,170.70, is absurd related to the amount of work and the possibility that two years from now the storm sewer may be useless if the vacant lots across from him are built on. Mr. Roth said that Mr. Porter is going to meet with him and Mr. McClure to create stop gap measures to handle storm waters that affect his property. Mr. Roth recommended that the Easement Agreement not be signed and that the storm sewer for Tidewaters at Fields End in Phase 3 of the Street Improvement not be approved. No action was taken.

6. Review Bid Proposals for Phase III Street Improvements and Contract Award

Mr. Roth said that GMB, the town engineer, as stated in their letter found in the packet, recommends that the Bid for Street Improvements – Phase 3 be awarded to Dixie Construction Co., Inc., the lowest responsible bid received at \$168,869.80. GMB said in the letter that they reviewed the bid proposal and found it to be consistent with the bidding requirements and a fair price based on bid results from similar projects. GMB contacted both the Town of Easton and Harford County with regard to their experience on recent project completed by Dixie Construction and both entities were satisfied with the work.

Mr. Jamison asked if they are fixed cost bids. Mr. Roth said they are unit price bids based on their estimates of the units. Mr. Lyons stated concern as to what they may find once they start digging. Mr. Roth said that the last two phases done by GMB came in less than estimated. Mr. Roth explained that the items in Schedule B on the Bid Tabulation Sheet of the Street Improvements – Phase 3, found in the packet, are contingency numbers, if needed. Mr. Lyons asked who the bonding company was for Dixie Construction. Mr. Roth said that Travelers is Dixie Construction's bonding company.

Mr. Hill said that the money for Phase III is available and that we should move forward with the project. Mr. Roth said that all parties are aware that the work must be completed a week before Memorial Day and that there is a penalty clause in the contract. There were more questions asked about what was known about Dixie Construction and Mr. Roth said since they are bonded by Travelers, they must be worthy. Mr. Roth reviewed for Mr. Hill the streets being worked on in Phase III: Tidewaters from Zwaanendael to Dodd's Lane, Broad Hollow and Rolling Road from Dodd's Lane to Tidewaters. Mr. Roth explained for Ms. Richards that work to be done on Broad Hollow is reconstruction and the rest is recycle, which is where they mill up the surface, reprocess it, and put it back down.

Mr. Hill made a motion to approve Phase 3 awarding the contract to Dixie Construction, Inc. based on the cost and funding analysis compiled by the Town Manager that comes to a sub-total of \$124,699.10 with the Town funding \$81,599.10 of that total cost with the provision that the contract be reviewed by Mr. Mandalas, the Town Solicitor before executed. Mr. Jamison seconded the motion. The motion passed unanimously.

7. Employee Health Insurance

Mayor Davis said that it has been discussed that perhaps the employees should pay a part of their dependents insurance. Mr. Lyons reviewed the Health Insurance Analysis, in the packet. Mr. Hill said that the cost savings to the Town is not material. Mr. Lyons agreed but said that new rates will happen April 1st. It was the consensus to wait until the next Board meeting, April 8th to review the new rate changes and make a decision at that time.

8. Any other business that may come before the Commissioners

Mayor Davis requested that the Board of Commissioners Budget Meeting scheduled for Friday June 10th be changed to Monday June 13th. All the Commissioners agreed.

9. Adjournment

Mayor Davis adjourned the meeting at 10:42 am.

Approved: _____, 2011