

Town of Henlopen Acres

104 Tidewaters
Henlopen Acres, DE 19971

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MINUTES: The Commissioners of the Town of Henlopen Acres held a Meeting at **10:00am on Friday, June 11, 2021** at Town Hall, 104 Tidewaters, Henlopen Acres, Delaware.

PRESENT:	Joni Reich	Mayor
	John Staffier	Commissioner
	Andrew Brittingham	Commissioner
	Tim Hidell	Commissioner
	Beatrix Richards	Commissioner (by phone)
	Richard Thompson	Commissioner
	Jeffrey Jacobs	Commissioner
	Thomas Roth	Town Manager
	Lisa Michaels	Town Clerk
	Glenn Mandalas	Town Solicitor

[Minutes are Not Verbatim]

1. Call to Order, Pledge of Allegiance

The meeting was called to order by Mayor Joni Reich at 10:03 am.

2. Re-appointment of one member to the Planning Commission

Tabled until next meeting.

3. Appointment of three Election Officers

Mayor Reich recommended Bob Stevens, 66 Fields End for appointment and Louise Montgomery and Sherril Moon, 80 Pine Reach for reappointment as Election Officers. A **motion** to approve the appointments of Bob Stevens, Louise Montgomery and Sherril Moon as Election Officers was made by Commissioner Richard Thompson and seconded by Commissioner Tim Hidell. **Motion** passed unanimously.

4. Appointment of three members to the Board of Elections

Mayor Reich recommended the reappointments of Tiffany Derrickson, 54 Rolling Rd, Sally Jones, 31 Rolling Rd and Bruce Moore, 14 Tidewaters to the Board of Elections. A **motion** to approve the reappointment of Tiffany Derrickson, Sally Jones and Bruce Moore to the Board of Elections was made by Commissioner Jeff Jacobs and seconded by Mr. Hidell. **Motion** passed unanimously.

5. Review and possible action on proposed budget for Fiscal Year July 1, 2021, through June 30, 2022

The proposed FYE 2021-2022 Budget was included in the meeting packet. Treasurer Jeffrey Jacobs gave an extensive overview of the budget. Beginning this year Mr Jacobs and Mr Roth reviewed the capital budget for the next six years to better plan for capital

improvements; including periodic marina dredging, ongoing street maintenance and needed upgrades to the Town's water system. Mr. Jacobs stated he believes in a balanced operating budget and would also like to see some excess revenue each year. Unfortunately, this proposed budget doesn't show a surplus. The total operating budget is proposed at \$977,813 with a deficit of \$11,497. The proposed budget recommends increasing the water usage fees by 8% to \$475 per home and \$70 per undeveloped lot. Mr. Jacobs has also recommended increasing the marina fees for the 2022 season. Aside from increasing overall revenue, increasing marina rates will allow the Town to plan for the ongoing dredging. Originally Mr Jacobs recommended raising the marina rates from the current \$1725, \$2025, and \$2325 to \$1875, \$2200, and \$2525. After further review of the fees of other local marinas and the Town's extensive waiting list, Mr. Jacobs has recommended increasing the marina fees as follows: minimum rental fee for boats up to 22' \$2100, rental fee for boats 22.1' to 25.9' \$2425 and rental fee for boats 26' and larger \$2800. This will reduce the Operating budget deficit to \$7500. This was followed with discussion of North Shores and the role their revenue plays in the annual security budget. There was noted a 10% increase in payroll expenses for security as the Town has tightened the hiring standards and the Town wishes to remain competitive in the current labor market. There was discussion on the increased construction projects in the Town, requiring more oversight, and whether there needs to be an increase in personnel. Mr Roth feels that the current staffing along with inspections from Sussex County and Sussex Conservation District will meet the Town's needs. There is a proposed increase in the annual tree budget for 2021-2022. Mr Jacobs quickly reviewed the current year (2020-2021) budget and noted there were \$11,000 of unexpected expenses related to tree removal due to storms. This caused the annual tree maintenance to be moved to 2021. New tree plantings are proposed for the second and third block of Pine Reach. The Town is also planning to implement a new tree evaluation program. This will allow residents to have the trees on their property evaluated by Cypress Tree Care, at the Town's expense. Mr Jacobs and Mr Roth touched on the recent changes in personnel with two people from the streets department retiring. The plan is to hire one person to fulfill our needs. There is no increase in health care costs for the coming year. Mr. Roth also noted that the Town will receive approximately \$78,000 from the Federal government as part of the recovery plan over the next two years. Mr Jacobs then reviewed a six-year capital improvement program. The proposed improvements include: a new roof for the marina building, marina dredging, new security vehicle every other year; paving and patching of the Town streets, a new truck for the street department, replacement of the master panel and SCADA system at the water plant. Long-range considerations include installing water meters on all homes and possibly installing fire hydrants. It is expected that Sussex County will complete a re-assessment of all property values over the next four to five years which may increase the Town's tax revenue. If the Town's tax revenue does increase, it could allow for a potential decrease in the Town's tax rate. Mr Jacobs reviewed the current tax rate and tax revenue from the 214 taxable properties in Town. It is noted there has not been a tax increase since 2012. Mr Jacobs is proposing a tax increase to balance the 2021-2022 budget and allowing the Town to build a cash reserve to fund the capital improvement projects as proposed. Three scenarios were discussed:

1. Increase taxes from \$2.62 per \$100 of the county assessment to \$3.03 per \$100 of the county assessment. This would be an average increase of \$254 per home that would generate approximately \$55,000 in additional income. This is the scenario Mr. Jacobs recommends.
2. Increase taxes to \$2.92 per \$100 which would be an average increase of \$186 per home and would generate an additional \$40,000 of income.
3. Increase taxes to \$2.81 per \$100 which would be an average increase of \$118 per home and would generate an additional \$25,000 of income.

6. Adoption of the Tax Rate, Water Rates and Fee Schedule

A **motion** to approve the fee schedule with an increase in the marina rates to \$2100, \$2425, and \$2800 as discussed, to increase the water rates to \$475 per home and \$70 per lot and to include a new fee of \$200 to install a yard hydrant at construction sites was made by Mr. Jacobs and seconded by Mr. Thompson. **Motion** passed unanimously.

A **motion** to approve the proposed Budget for fiscal year 2021-2022 effective July 1, 2021, was made by Commissioner John Staffier and seconded by Mr. Thompson. **Motion** passed unanimously.

A **motion** to increase taxes from \$2.62 per \$100 of the county assessment to \$3.03 per \$100 of the county assessment was made by Mr. Thompson and seconded by Commissioner Paddy Richards. After further discussion Mr. Thompson and Mrs Richards withdrew their **motion**.

A **motion** to increase taxes from \$2.62 per \$100 of the county assessment to \$2.94 per \$100 of the county assessment effective July 1, 2021, was made by Mr. Staffier and seconded by Mr. Thompson. **Motion** passed unanimously.

Mr. Brittingham requested to be excused due to another commitment.

7. Executive Session for the purpose of reviewing executive session minutes and discussing personnel matters, in accordance with 29 Del. C. § 10004 (b)(6) and 29 Del. C. § 10004 (b)(9), respectively.

A **motion** to enter executive session for the purpose of reviewing executive session minutes and to discuss personnel matters was made by Mr Jacobs and seconded by Mr. Hidell at 11:50am.

A **motion** to return from executive session was made at 12:25 pm by Mrs Richards and seconded by Mr Thompson.

Mr. Staffier made a **motion** to approve executive session minutes of September 6, 2019; October 11, 2019; November 8, 2019; January 10, 2019; March 13, 2020; June 12, 2020; September 11, 2020; December 11, 2020; April 9, 2021. The motion was seconded by

Mr. Thompson. Mayor Reich, Commissioners Staffier, Thompson and Richards voted yes. Commissioner Jacobs yes but abstained on the minutes of September 6, 2019; October 11, 2019; November 8, 2019; January 10, 2020; March 13, 2020 and June 12, 2020. Commissioner Hidell voted yes, but recused himself from voting on the minutes of September 6, 2019; October 11, 2019; November 8, 2019; January 10, 2020; **Motion** passed.

A **motion** to approve adjustments to compensation discussed in executive session was made by Mr. Thompson and seconded by Mr Hidell. **Motion** passed unanimously.

8. Discussion and possible action on Canal Pointe dock zoning amendment

A copy of a draft letter Mayor Reich would like to send to Sussex County Council on behalf of the Town was included in the meeting packet. The letter asks the council to provide a compelling reason to rescind condition 15 entirely as it relates to the zoning of Canal Pointe. Otherwise, the Town is requesting provisions to modify the proposed dock to limit its size. The Commissioners discussed the letter and recommended a few changes. Mayor Reich agreed with the suggestions and a **motion** to adopt the letter with edits was made by Mr. Staffier and seconded by Mr Hidell. **Motion** passed unanimously.

9. Any other business that may come before the Commissioners

None

10. Adjournment

Having no other business, a motion to adjourn was made at 12:34pm by Mr Jacobs and seconded by Mr Hidell.

Also in attendance: Chris Flood Cape Gazette

Approved 07/09/21