

TOWN OF TOWNSEND
August 1, 2012
Council Meeting Minutes

7:30 pm - Council Meeting

I. Call to Order: 7:30 pm

II. Opening Ceremonies

- a. Roll Call: Mayor Joel Esler, CW Karen Jennings, CM John Ness, CM Dwain Haines, CM Jermaine Hatton (arrived 7:40 pm), Engineer Tom Wilkes, Attorney Fred Townsend, TM Dawson Green, FO Azure DeShields, ES Cathy Beaver.
- b. Pledge of Allegiance: Pledge was said.
- c. Recognition of Visitors: 13 visitors, Mayor Esler thanked all for attending and reminded everyone to please silence their cell phones and to speak loudly so Ms. Beaver can hear the tape.

III. Additions/Deletions to Published Agenda: none

IV. Council Minutes – Approval of July council minutes (copies on back table)

- a. CM Ness motioned, CM Haines seconded with unanimous vote to approve the July Council minutes.

V. Unfinished Business

- a. Gray Street Properties Bonding – Mayor Joel Esler
- b. Mayor Esler explained Gray Street properties own the unfinished portion of TVII East. They have asked for a waiver from the 125% bond per our codes, to enable them to start building. They are asking that the bond only be enough to cover the top coat and landscaping, the finishing touches once the homes are built.
- c. Fred stated the lending requirements have changed substantially under the current economic circumstances and since this code was written. We aren't talking about an entire new development, just a short area of street that will serve 10-20 lots for continuation of improvement in the area. I see no reason not to move forward with this.
- d. Mayor Esler explained to the residents that the area of discussion is a continuation of Esch Street, 10-20 lots will be built at a time.
- e. **CM Ness motioned to allow the waiver from 125% and only require a bond of 20% to allow for the topcoat, landscaping and finishing touches.**
- f. CW Jennings asked if there was going to be a discussion first.
- g. Steve High asked if there is a dollar amount attached to this.
- h. Mayor Esler asked Rob if he has a hard dollar amount.
- i. Rob said the way the codes are written they have to put 125% bond up and the Town releases money once we get to the topcoat/landscaping stage with the house built.
- j. Mr. High asked Rob for an estimate of the dollar amount.
- k. Rob said he hasn't done an estimate but it will be about a \$100,000 bond they are asking for. The way the codes are written the bond would be over a million dollar bond. It is very hard to get from banks with this economy.
- l. Mr. High asked if this will be TVII sub-division III or will these lots be dovetailed into the number of homes in TVII.
- m. Rob stated they are part of the recorded plans for TVII.
- n. Mr. High stated it is about 50% built in TVII and there was a big concern in the past about unfinished roads and to build more homes the roads may not get surfaced.
- o. Rob stated with the bonding requirements in our codes they will not be able to build anything if the bond can't be reduced. The bonding requirements here are very high in comparison to other places.
- p. Mayor Esler said the cons are you could develop half a lot and walk away; there would be no building at all and no finished roads.
- q. Mr. High asked if that is what happened with Anderson Homes.
- r. Mayor Esler said no, Anderson was only a builder, the top coat and landscaping is the responsibility of the developer.

- s. Mayor Esler said the pros are some development going on, extend Esch Street further on. It appears things are going well in TVI for Handler, so either we reduce the bond to get building started back up or do nothing, the land sits and the roads will never get done because the development won't be 90% completed.
- t. CM Haines added that Rob explained all of this at the workshop and a lot of Towns are reducing bonds as Rob is asking us to do so building can go on.
- u. Rob said it is statewide. The Town of Smyrna and all of Sussex County changed so the only bonding needed is to complete the topcoat and landscaping. With the current process requiring the huge bond up front, it is only there to cut the roads and put the pipe in the ground and then the bond is reduced. We are only asking to waive the large bond up front.
- v. Mr. High said he understands all of this but several years ago there was a request to waive all but 25% of the bond. Is that amount going to be further reduced by 75%?
- w. Mayor Esler said he knows what Mr. High is talking about, he read about it in the old minutes.
- x. Everyone started talking at once.
- y. Mr. High said instead of \$100,000 we will only have \$25,000.
- z. Mayor Esler asked where Mr. High is coming up with 75%.
- aa. Mr. High stated before he was Mayor there was something passed by Council that reduced the amount of bond money the builders had to pay. Mayor Hanlin was on board. There was some kind of drastic reduction because of the economy and they were trying to get the home builders to build.
- bb. Azure stated Mr. High is talking about the impact fees for a new home permit. They pay 25% up front with the permit and 75%, the balance, for the CO when the house is done.
- cc. Tom said that is a separate issue than what we are talking about. You are talking about the home builder fees, this is about developer fees. They aren't related in any way. The way this process works is the developer puts a bond of 125% of the development up front and as they make improvements, cut roads, lay sewer and water pipe the bond gets reduced by the percentage of work that is done. At the end of the phase, the Town holds the reduced bond until the top coat and landscaping are done. It is essentially an insurance policy; if the developer walks away the Town has the remaining bond money to finish the final work. There are 5 phases of TVII. Most are almost complete; it is Phase V on the east side that still has a ways to go.
- dd. Mr. High asked if there will be a change in the type of house being erected. Will they be comparable to what is there or townhomes?
- ee. Rob said they will all be single family homes per the registered plan and Town codes.
- ff. Mrs. Gorman mentioned the past discussion about a cash bond versus a paper bond. She asked if there will be a cash bond issued with this extension.
- gg. Tom stated there was mis-information in the previous discussion. As already mentioned, there are 5 phases in TVII. Four of the phases are almost finished and there is bonding set aside for those four phases. I don't have the dollar amounts with me. The fact is, the developer hasn't defaulted on the development yet so the Town isn't capable of seizing the bond money and spending it. The developer hasn't gone away; he just hasn't done anything to complete it.
- hh. Mayor Esler said we'd all be interested in seeing the estimates from Rob and Rob stated it will all be presented to the engineer for approval.
- ii. CM Ness said the bottom line is if we don't approve this building bond reduction you can't move forward and if we approve it building will start up again and hopefully TVII will be built out so the roads can be finished. CM Ness added that if the economy turns around, in the next phase the Town could put the 125% bond back in play.

- jj.* Mayor Esler said yes, they will be building 10-20 homes at a time and once done will come back to the Town on the bonding.
- kk.* Tom Keiper said he lives in TVII East and was rear ended turning into the development last year. He asked if the Town could put a turn lane into the development like at Cricklewood in Middletown.
- ll.* Mayor Esler asked if we can save this discussion for later so we can move forward with the discussion at hand.
- mm.* CM Ness stated this is a DelDot issue, it is a state road. They will have to do a feasibility study.
- nn.* Mr. Keiper said he thought all communities had turn lanes.
- oo.* CM Ness said he came from New Jersey and to get anything done on a state road there had to be a number of serious injuries. He doesn't know how DelDot works.
- pp.* **Mayor Esler said CM Ness motioned earlier and asked for a second.**
- qq.* **CM Haines seconded the motion to waive the 125% bond except the portion leading up to the building permit. Vote – ayes unanimous.**

VI. New Business - none

VII. Introduction of House of Representative candidate – Mayor Joel Esler

- a.* Mayor Esler introduced Lynne Newlin who is a candidate running for State Representative for the 11th district. There are other candidates running for office that have expressed an interest in coming to our meetings and they will be welcome.
- b.* Lynne thanked Mayor Esler and everyone for providing her the opportunity to speak at the meeting. It is a pleasure talking with people in Townsend. District 11 is a huge district in the middle of Delaware and she said she is ready to take it on. She grew up in Kent County, Caesar Rodney High School graduate, went to Delaware State University and has a business degree. Currently is the manager of information technology at the University of Delaware. Feel like a really good fit for the district. We are a very rural block of geographic area. Was active with 4-H and very familiar with farming needs. Driving here tonight and looking at the farm fields I thought of how blessed I am to live in this rural area. I like the beaches and go visit but always love to come home. I feel this is the best area of the state to live in.
- c.* Several things I'd like to work on if I'm elected are first of all, job creation in the area. There are several small towns in the areas. Want to work with current and past representatives and senators and make sure I follow up on things they are currently working on to make all our lives better. In regards to creating jobs, what is it we can do to create jobs here. Would love to see more small business's but first we need to improve our infrastructure. Broadband services also need improved. My wireless representative is looking at this area to put in some cell towers.
- d.* Huge advocate for public education. I'm currently the president of the Smyrna School Board; it's my second term, going into my 10th year. My son James starts at U of D this year. Just paid the bill there so a little low on funds. Something we can all relate too! How do we ensure that our children are getting the quality education they deserve? Having been on the school board and staying up on the educational issues the last 10 years, I have been through all the state testing, no child left behind, school construction, bond issues....very familiar with capital financing at a large level.
- e.* Would like to also continue to work on senior needs. Was very fortunate to have dinner with my family tonight, husband, son and 87 year old father. What can we do to ensure services for seniors continue to be maintained as well as their needs change and we all age and live longer, ensure the services we offer change to meet all needs to enable seniors to keep their independence as long as possible.
- f.* I'm a big supporter of veteran needs. My husband is a Vietnam veteran. I see the guys and gals coming back from Iraq, Afghanistan and Iran with needs. What can

we do to consolidate services for veterans and meet all their needs with one stop shopping?

- g. If anyone has any questions for me, brochures are on back table, can call me at 302-593-6449 or email me at votelynne11@gmail.com.

VIII. Reports of the Officers

- a. State Representative: Quinn Johnson

- In the summer, things have slowed down a bit.
- Last session we did several bills, one you can take advantage of is called the home of the brave fund. On your tax return you can actually make a donation to our veterans returning from overseas which will help them in whatever way they need.
- We also passed House Bill 238 which helps spouses of veterans whose professional license may have expired or they may have a business license in another state and Delaware will give them a temporary license through a simplified process which is good for 6 months.
- Also, any business who hires a veteran who comes home and gets out of the service that had active duty in Iraq or Afghanistan can get a tax credit up to \$1,500.00. It is added incentive to hire a veteran.
- We also simplified the process of absentee voting which will help many people.
- We worked on a lot more, but these are some of the highlights.
- The VFW on Rt. 71 is having a crab feast on Saturday, starts at 2:00 pm.
- Quinn told Mr. Keiper he will talk to him after the meeting on the turn lane issue on Rt. 71, it is a DelDot issue.
- Mr. High asked about the bill in reference to the military, is it only for active duty, or does it include the guard and retired veterans. Delaware has a very large guard, will this bill include only certain venues of the military, or everyone.
- Quinn said it will include all military that receive the medal for serving in that arena, serving in Iraq or Afghanistan or what we call the war on terror which is global. Those are the only three criteria that qualify. If you were a veteran of the Vietnam War, it doesn't qualify. Previous was veterans all had opportunities offered to them.

- b. Townsend Fire Department: Keith Shoemaker/Jeff Dawson

- Nothing to report other than our solar system out back will be up and running in the next 2 weeks.

IX. Reports

- a. Fred Townsend III, Attorney:

- Things have been quiet since the workshop, nothing to report.
- Saw the ad for the auction and it is exactly what I envisioned. I commend the office staff for putting it together. I understand the advertisement has been put in the papers and posted everywhere. I will put a contract together before the sale with the terms and time frames, etc.
- Mr. King asked who will conduct the auction.
- Fred said he doesn't know, there hasn't been any indication of hiring anyone to do it.
- Mr. King asked if it will be someone who speaks normal.
- Mayor Esler said yes and the auction will be held at the Town hall by someone who speaks understandable English.

- b. Tom Wilkes, Engineer:

- Tom asked Council to check their calendars and set a meeting for the new Town Hall discussion. He suggests doing it on 8/22/12 prior to the workshop. It shouldn't take very long, maybe 30 minutes.

- Mayor Esler said they will have to discuss and decide this later.
- Mr. King asked if people could see the inside of the Lupo home.
- TM Green said anytime between 8:00 am – 4:00 pm, Monday through Friday. Come to the office and I'll take you over to see it.
- Mr. King stated he thought it would be in an open house setting for anybody to see.
- Fred said if we were inundated with requests to see it we would do it that way.
- Mr. King asked how many people have requested to see the house.
- TM Green said no one has asked to see it.
- Fred stated the Town Manager will exercise some authority over what areas of the house can be seen so no one is put in any danger. He will use his better judgment.
- Mr. High asked if Council is proceeding with the Town Hall as budgeted from last year's budget. He asked the status of all of it.
- Tom stated they are finishing the design and putting together bid packets so we can put this out on the street and see what the actual cost will be from a contractor's stand point. At that time Council can decide if they can afford it and move forward or not. Right now we are still working on the design proposal for architectural/engineering designing services. I have put together plans and contract documents. As far as budgeting, I defer to Council on that. We are still going down the original path.
- Mr. High asked if affordability is an issue.
- Tom said it isn't a new issue, it is only an estimate right now, and we have to get estimates from the contractors to see what the real cost to build will be. The original cost was design work.
- CW Jennings said when we get real figures back we'll know what is what and will be able to adjust the budget and put our strategy together.
- Tom stated depending on the bids, if it is too expensive it won't be done and the bids may be cheap enough that the Town can build a bigger Town Hall within the current budget. This is what is driving us to wait until the bid documents come in so we have an actual cost to build.
- Mr. High asked if the bidding and stuff, \$42,500 has already been budgeted and paid for. He asked Tom if there are any additional funds needed to push this down the road or has it been paid in full.
- Tom said it has been paid, that amount included the design, bid process and construction management, inspections and everything done to date. It was all part of the contract.
- Mr. High clarified the rest of the money being allocated for the Town Hall is to put a shovel in the ground and build, there is no more cost going to outside sources, the \$42,500 is paying for everything up to building it.
- Tom said yes, and the amount is \$35,500.
- Mr. High said he is just trying to connect the dots. The \$35,500 doesn't include the \$8,000 for the conceptual drawing you had the architect draw up.
- Tom said he isn't sure about that detail. All of the inspection fees and design provided by my company has been approved in the proposal and any additional cost will not be to build this thing.
- Mrs. Gorman asked how long it will be before we know something.
- CW Jennings said the next step is to have all of Council look at the design and see if any changes need made, it will be a final design meeting, then Tom will push out for bids, we will have a meeting and Council will open the bids. In the meantime I will work with Council to look over the plans, the feasibility, strategy and affordability for the Town. Regardless of what the bids come in

for, we still have to have a financial plan on how we will pay for this, what our financial opportunities are for this. Even if we find it isn't feasible at this time because it is much more than anticipated, we still have the plans for the future. We haven't wasted the investment. Mayor Esler said we are at step 3 out of 250.

- Mr. High asked what the next step is.
 - Mayor Esler said we will put the bids out and wait for them to come back, in the meantime Council has a budget meeting scheduled for 8/15 to see where we are financially.
 - Ms. Baker asked if Council decides not to move forward right now, can the Town still use the same bids or do we have to do all this work again.
 - Mayor Esler said it depends on the contractor. The plans are good forever and we won't have to do them again even if it is 10 years down the road.
 - Ms. Baker said she just wasn't sure how the bid process worked. Hate to have to do this every year.
- c. Dawson Green, Town Manager:
- Apologized for the lapse in updating the website. It has been done now if you'd like to look at it.
 - Mr. High asked the status of the billing software.
 - TM Green said still searching.
 - Azure said she contacted somebody today and they told her \$12,000.00. She told them she would get back to them so she is currently still working on it.

X. **Committee Reports**

- a. Finance Committee: Chair – CM Jermaine Hatton
- Total Assets - \$3,619,231.39
 - Total liabilities - \$3,588,158.17
 - These are the figures as of July 31, 2012
 - Mr. High asked CM Hatton if the report is available to the residents.
 - CM Hatton said not sure but it should be in the back.
 - Azure said she didn't make extra copies and took her copy to Mr. High.
- b. Streets Committee: Chair – CM Dwain Haines
- CM Haines asked TM Green if he decided on a date to sweep South Street.
 - TM Green said it will be next Friday.
 - Mr. High said there is a lot of tree trimming going on in Townsend and asked about it.
 - TM Green said it is Asplundi. Because of all the storms they have been trimming tree branches and limbs back from the power lines.
 - Mr. High asked if this is costing the Town.
 - CM Haines said no, it is through Delmarva Power.
 - Mr. High asked if the Town has a published schedule of when and where they will be.
 - TM Green said not that he is aware of.
 - CM Haines said he has never seen a schedule.
- c. Storm Water Management Committee: Chair – CM Dwain Haines
- Nothing to report, only brought street sweeping up so the storm drains don't get stopped up with leaves.
- d. Zoning Committee: Chair – CM Jermaine Hatton – nothing.
- e. Health & Public Welfare Committee: Chair – CM John Ness
- CM Ness said he has the contact information for the gentleman who does the EOP/Emergency Response classes and will contact him to get a schedule of classes for Council. He may be able to come here and teach the classes.

- CW Jennings asked if there will be any changes made to the EOP Plan. She said she wrote that with Jim Weldin several years ago.
 - CM Ness said he will look at our plan to see if it needs updated but he really wants to get Council and the Town Manager trained and certified in case of an emergency.
 - CM Ness added that Council is reviewing the grass ordinance. He will try to address the issues and problems if someone repeatedly violates the ordinance.
 - Ms. Baker said the man cutting the field between South and Ginn never takes breaks and does a really nice job. She asked if the Town will be having mosquito spraying. There is a lot of standing water in that field and the mosquitos are a nightmare.
 - TM Green said he needs specific addresses for the state before they will come out and spray. They won't just do the Town.
 - Ms. Baker said it is between Ginn and South Street, standing water and worse after it rains.
 - CM Ness said you can buy something that can be thrown in the water and it kills mosquitos if it is a continual problem.
 - Mr. High asked if residents can call someone.
 - TM Green said they can call DNREC or call me and I'll call them. They won't let me know when they are coming out, but before they come and do anything they have to come out and assess the area.
 - CW Jennings said she is worried about the environmental impact with the use of their spray. She said she wished they would use something "friendly".
- f. Veterans Committee: Co-Chairs – Mayor Joel Esler & CM Dwain Haines
- Mr. High asked if when Council had the budget meeting, was there any discussion about the installation of the veteran plaque.
 - Mayor Esler stated it will be discussed at the meeting.
 - Ms. Baker asked if residents can possibly be a part of paying to install the plaque.
 - Mayor Esler asked what the price was to install.
 - TM Green said between \$2,900 - \$3,200.
 - Mayor Esler said they will discuss all this.
- g. Energy & Environment Committee: Chair – CW Karen Jennings – nothing to report
- Townsend Wildlife Habitat Project – call if want to be certified.
 - Astronomy Night in the Park – NASA is landing on Mars Monday.
- h. Police Committee: Chair – CM John Ness
- Going forward, CM Ness will provide the residents with a police overview every couple months, how many speeding tickets, seatbelt tickets, etc.
 - If you see anything call the police and report it.
 - Visited the 911 memorial last week and very moving. Can get tickets online and should see it if possible.
 - Mayor Esler said CM Ness gave Council a police report and it was interesting to see the trends.
 - Ms. Baker asked if the police are still patrolling the neighborhood, she never sees them anymore.
 - CM Ness said yes.
 - Ms. Baker added that children are out late and bored and mischievous with no school.
- i. Parks & Recreation Committee: Chair – Mayor Joel Esler
- Date for Park Clean-up Day
 - I. Mayor Esler said he has received 2 emails since the last meeting from residents volunteering to help clean the park.

- II.** Believe we should have the park clean-up prior to the fair on 9/22.
 - III.** All agreed park clean-up will be Saturday, 9/8/12, 10:00 am – 2:00 pm. Meet at the park. We will pull weeds and general clean-up.
 - Fair Date – Saturday, September 22, 2012
 - I.** 10:00 am – 3:00 pm
 - II.** Parade @ 10:00 am – line up @ Fire Hall @ 9:30 am
 - III.** Volunteers needed – please call the Town Hall
 - IV.** Fair committee meeting will be announced by posting on website and the boards.
 - V.** CW Jennings asked if we are looking for live music for the fair.
 - VI.** Mayor Esler said we have a DJ.
 - VII.** CM Ness said no we need a band for the parade.
 - VIII.** CW Jennings said they would complement each other.
 - XI. Announcements:** Mayor Esler read the following announcements:
 - a. Budget Meeting @ Town Hall – Wednesday, August 15, 2012 @ 6:30 pm
 - b. Lupo property auction @ Town Hall Wednesday, August 22, 2012 @ 6:00 pm
 - Minimum bid - \$2,500.00
 - \$1,000.00 deposit by certified check required by buyer at sale
 - XII. Citizens Comments & Participation** - None
 - XIII. Adjournment:** 8:55 pm, CM Ness motioned, CM Hatton seconded with unanimous vote.
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