



Townsend Council Meeting Minutes
May 24, 2017
Townsend Town Hall

7:00 pm – Council Meeting

- I.** Call to Order: 7:00 pm
- II.** Opening Ceremonies
 - a. Roll Call: Mayor Rudy Sutton, CM Jermaine Hatton, CW Lorraine Gorman, CW Cindy Cook, TA Fred Townsend, TC Cathy Beaver, FC Dawn LoboZZo, TM Dawson Green
 - b. Pledge of Allegiance: Pledge was said
 - c. Recognition of Visitors: 12
 - d. Announcements:
 - Town Hall closed Monday, May 29, 2017 for Memorial Day. Please remember to thank a Veteran!
 - Town Elections were held Saturday, May 6. The new Council members are Rudy Sutton, Lorraine Gorman and Steve High. They will be sworn into office on June 7, 2017 during the re-organization meeting prior to the Council meeting. Congratulations to all.
- III.** Additions/Deletions to Published Agenda:
 - a. CM Hatton asked to delete 8e, CM Ness not here.
 - b. Mayor Sutton deleted the executive session.
 - c. CM Hatton motioned, CW Gorman seconded with unanimous vote to accept the agenda with the deletions.
- IV.** Debbie Horn – Rowland and Johnson – FY 2016 audit report
 - a. Debbie gave Council the financial statement and went over the reports with Council and the residents.
 - b. End of year accountants report on page 3, cash on hand at the end of the year ended at \$554,000 and investments ended at close to 2 million. Investment in land, construction in progress and depreciable buildings, property and equipment is 1.1 million. Overall the Town has assets on hand of 5.8 million, liabilities of \$246,000 and remaining net is 5.5 million.
 - c. Expenses incurred - \$810,000.
 - d. The Town had more revenue come in than expenditures going out in excess of \$339,000.
 - e. Page 11 is strictly the trash funds with \$11,000 in receivables by the end of the year.
 - f. Page 12 is trash only – income from trash was \$15,996 for the year.
 - g. Page 18 shows all the detail for construction, at end of June 2016 have a total of \$1,048,000 in the new Town Hall.
 - h. 10% of the Town expenditures went to Waste Industries.
 - i. Per the law, there are 2 types of audits done, governmental and general accounting.
 - j. Emsley stated there was a lot of revenue and asked where it came from.
 - k. Debbie stated some was impact fees and transfer taxes and CM Hatton said a bulk of it came from new home construction.
 - l. Mr. High asked what our fiscal strengths are going forward.
 - m. Debbie stated we are in a strong financial position now and have been getting more revenue than expected.
 - n. Mr. Mueller asked if the audit will be put on the website and was told yes.
- V.** Council Minutes
 - a. Approval of 3/22/17 Council minutes
 - b. Approval of 4/5/17 Council minutes

- c. CM Hatton motioned, CW Gorman seconded with unanimous vote to approve the above minutes as written.

VI. Mayors Report

- a. Lifehouse Church has received funding to build an assisted living facility on the lot next to the church. This will be a great service for Townsend.
- b. Discussion on upcoming committee re-organization (to be done at 6/7/17 Council meeting)
 - Mayor Sutton said with CM Ness leaving, this is a good time to consider switching committees and someone will have to take over the police committee.

VII. Reports

- a. Town Attorney Fred Townsend III:
 - Would like to hear how the public hearing on the streetlights went.
 - Spent some time researching what other jurisdictions do in this situation which should help us moving forward.
- b. Town Engineers Aquilino Andres Jr.:
 - Mayor Sutton said TE Andres couldn't come to the meeting tonight but he sent a report.
 - TVII West – RVB is generating a punch list and will provide them to the developer to address.
 - Improvement Dedication – developers for both TVII West and Wiggins Mill Road Frontage properties are getting ready to dedicate improvements to the Town. TM Green explained Sapperstein has Karins putting forms together to turn these properties over to the Town.
 - RVB reviewed and approved 7 new building permits for TVI and TVII.
 - Smith Liquors construction is still on-going.
 - TM Green explained phases can be turned over to the Town with approval as the building continues.
 - CM Hatton asked TM Green to make sure Sapperstein is aware he will have to put up an escrow account to pay for snow plowing if not planned properly for MSA funds.
 - TM Green said it is nowhere near ready to turn over to the Town.
 - Ms. Albert asked if the open spaces will also be turned over.
 - TM Green said it will be the streets only right now. Per the recorded plat, it shows the Town will take over the open spaces but Town hasn't decided if we will do this yet. The developer will probably deed them over to the Town and the Town can pass them over to the HOA.
 - Mr. Emsley said there is no advantage for the Town to take over the open spaces and retainage ponds; is a concern that the Town will get them and the rest of the Town will have to pay for it.
 - TM Green said he doesn't live in the developments and isn't sure if money is being taken from the HOA dues to maintain the open spaces in the future.
 - Ms. Golden said the ponds and open spaces in Townsend Station is the HOA responsibility.
 - A resident asked if the Town can require a letter of approval from the HOA before a permit is approved.
 - TM Green said no, the Town doesn't enforce deed restrictions; we enforce our codes and ordinances only.
 - TA Townsend added this is a common problem; governments don't enforce HOA rules.
 - TM Green stated the Town advises residents to check with their HOA to see if something is permitted.
 - Ms. Golden said the HOA doesn't have the money to take anyone to court; the people don't care and are doing what they want. Really getting to the point of no sense having a HOA in Townsend Station. She asked if the HOA were disbanded, would the ponds

then become the Town's problem. If something happened to them now, the HOA has no money to fix them.

- TA Townsend said the Town would have no obligation to take care of the ponds; however they may decide to take care of them for the safety of the residents.
- Mr. Mueller asked if the Town could fax all new permit applications to Tom Cahill or the HOA for approval before the Town approves it.
- Mayor Sutton said that puts more responsibility on the Town and it is a process that has been kept separate. We can look into it but at the end of the day, we are all Townsend and we don't want to see the neighborhoods go down.
- A resident said it would be better if the HOA and the Town worked together.
- CW Gorman stated if we do this, the Town could potentially be involved in lawsuits down the road.

c. Town Manager Dawson Green:

- Met with Delmarva yesterday. They are replacing 8 utility poles on the west side of Commerce Street in June. The service won't be interrupted.
- Received comments back about the speed limit signs in the developments and will put it all together for Council.
- Solar for the streetlights is not an option; Delmarva permits nothing to be put on their poles.
- Beginning 7/1/17, if the trash is discontinued, the resident will have to pay a \$50.00 resume fee on top of paying the bill in full. Residents will all receive a letter about this and Cathy has added a paragraph in the collection letter she mails monthly.
- Spoke to the NCC policeman that lives next to Old Orchard Lane. He asked the Town to not put a chain on the paper road on the development side, so people won't go on his property. He asked us to put up signs only.
- Got estimates/bids for treating the lawn at Town Hall from Tru Green - \$288.00, Lawn Doctor - \$427.00 and Bailey's - \$655.00. Simply Green said they will do it free of charge if the Town lets them put a sign up on the lawn. Council said to put the sign up! They will also be thanked on Facebook and the Town website.
- An irrigation man is coming tomorrow to give a bid. Can't get anyone that is interested in giving a bid to turn the system on, tune it up and flush it in the fall.
- Mr. Emsley said the system isn't a year old, need to read the contract, should be included, this is ridiculous.
- Mayor Sutton asked if there are any estimates for the concrete work on Taylor Street.
- TM Green said met with someone on Friday and today, waiting for both estimates.
- Mayor Sutton said Jones Paving called this week and said he will have the end of the cul-de-sac on W Founds Street repaired by next week.
- TM Green had to leave the meeting after his report.

VIII. Committee Reports

a. Finance: Chair – CM Jermaine Hatton

- Discussion/possible vote on streetlights – who will pay
 - I. CM Hatton said all know the options; would like to set aside the vote; CM Ness isn't here and this is a major issue. Would like a full Council vote but we can discuss it. The only issue is the next meeting is also the re-organization meeting and our new Council member will have to vote on the issue.
 - II. Heard from our residents last week, Council has to make a decision, going to pay one way or another.
 - III. CM Hatton stated he doesn't want this added to taxes; do not want to raise taxes, it is a slippery slope. Once you start raising them, when do you stop?

To raise them for streetlights would scare me. What would happen when we truly need to raise the taxes?

- IV.** CW Gorman said she agrees about the taxes. There is such a difference in the assessed value of the homes, would need \$10-\$12.00 per household for lights. Would have to double the tax rate to make up the difference. Think it would be good to have it included in another bill, not sure it could be a separate line item on the taxes; believe it would have to go on the trash bill. Would not be good to double the taxes to pay for streetlights, not fair to anyone and wouldn't be equitable for Town.
- V.** CW Cook said she agrees to not raise taxes. She said she has really been struggling with this and believes it needs to be on a separate bill because of the equity differences in all the homes in Town. We already have new taxes coming down the pike because of the budget cuts by the Governor. Our taxes are low; that's one reason why people have moved here. Raising taxes would hinder more growth; have to look at other solutions. I also don't believe this is a taxable item. People are here because we are a small Town with low taxes. Need to look at other solutions.
- VI.** Mr. Mueller said his taxes haven't been raised in the 3 years he has lived here and he wouldn't mind them doubling. If someone can afford to buy a home being built in Town now, paying \$600 rather than \$300 in taxes a year won't stop anyone from buying. If taxes were doubled based on the assessment, Old Town residents taxes won't go up that much. He said he has moved 6 times and never paid a trash bill until here, everywhere else it was all included in the taxes. Combined with the county taxes, he said his taxes are still lower than anywhere he has ever lived.
- VII.** CW Cook said it would affect many residents if their taxes doubled, many wouldn't be able to afford it. \$300.00 is a lot of money to many people.
- VIII.** Mr. Emsley said the streetlights are different all though Town. The streetlights benefit everyone in Town but there is a big difference in the lights in Old Town versus the developments. Main Street lights benefit everyone in Town, not just Old Town residents. Burns me up to have to pay for the development lights. Problem is DPL holds us hostage, won't let us do anything to save money.
- IX.** Mr. Mueller said we are one community and need to share the cost no matter where we live in Town. If it is broke down, we are dividing up the Town. He strongly supports adding it to the tax bill.
- X.** CM Hatton explained another option is to bill the streetlights based on districts. There are different numbers of lights in the developments and Old Town, could bill by district based on how many lights are in that district. We already know what the bills are for all the areas and it would be easy to bill by district. This is not a taxable item as it isn't a tax.
- XI.** Mr. Dugan suggested Council add the streetlights to the taxes as a line item and add the trash to the taxes as a line item. Then our escrow will pay the bill. The ladies who have to do the billing will spend a lot of time doing this, if added to taxes, less work for staff and escrow will pay it, chances are it won't be paid by many if a separate bill or added to trash and if trash is shut off, won't pay the light bill either.
- XII.** TA Townsend said no one wants to give tax advice. Another Town adds an assessment for lights yearly to their tax bill, it isn't taxable income, not sure what would happen if someone got audited.

- XIII.** CW Gorman agrees that we are one Town and everything should be shared, especially looking down the road at the variables. Next phase of the streetscape is going to be done; new lights will be coming in. We may get a grant and Delmarva may start changing out to LED lights. Do we have to go through this every time something additional is done that involves streetlights in any way. We could go crazy. If we are one Town and trying to keep the Town together, the bill should be the same across the board. Any advantages we receive, additional MSA or any grants could then be applied to the Town as a whole.
- XIV.** Ms. Sturgis asked how this is fair to the residents when you have more lights in some areas than others. Town already bills for trash and has made money off the trash; now you want to do the same to us for the electric. The light bills in TVII are more than in Old Town, you want to share the cost town wide and make me pay someone else's light bill – that is never going to happen. I will fight it to the end. You can take the streetlight out that is in front of my bedroom window; half the lights on Main Street aren't even turned on. Not my responsibility to pay their bills.
- XV.** Mayor Sutton said he understands. There isn't an easy answer here. Have to look at it a number of ways. When there is an issue, for instance the broken sidewalk on Taylor Street, the Town will be paying that bill. The Town doesn't look to see how much money came in from Old Town to pay the bill, the "Town" pays the bill. We have to think about all of these things, we don't want to divide the Town, we are one Town, we can't pay bills depending on the income from certain areas of Town. Townsend isn't even 3 miles long, lots to consider.
- XVI.** CW Cook said lighting is a public safety issue which is a government issue. We want lights on in Town, all of Town. Understand the frustration of Old Town residents but it is all one Town.
- XVII.** Ms. Sturgis said it is not fair. Why are half the lights on Main Street turned off, if something happened on Main Street, I wouldn't expect the developments to pay to fix the problem.
- XVIII.** Mr. Haines said he hasn't had a raise in years, to do a blanket bill to everyone isn't fair; many of us are on fixed incomes.
- XIX.** Mr. Bailey said he believes the districts would be fair. Also, when was the last time anything was done in Town per Council obligations? The sidewalks on Commerce are horrible, Main Street project sidewalks are torn apart. Nothing has been done in Old Town to make improvements. Don't like saying that because I consider us one Town.
- XX.** Mayor Sutton agreed with Mr. Bailey. He added the Town didn't spend any money on the streetscape, which was a federally funded project. As far as the condition of the sidewalks on Main, that is in litigation and we can't talk about it.
- XXI.** Mr. Bailey asked about the sidewalks on Commerce Street. Nothing has been done for Old Town; how does the little bit of streetscape make our Town look better.
- XXII.** Ms. Sturgis stated per state law, the sidewalks are the responsibility of the homeowner whether it is a state road or not. Sidewalks are not the Town responsibility.
- XXIII.** Mr. High asked Mayor Sutton what Council would vote on tonight if they had to vote. He added he hasn't heard any proposal from Council.

- XXIV.** CM Hatton said there are 3 options in front of Council. We have all done due diligence and a lot of research. Someone would have to motion and council would have to vote to make a decision.
- XXV.** TA Townsend said after a vote is made, an ordinance will have to be written and approved. The initial vote could be a yes and once the ordinance comes up for a vote, Council could decide not to approve it.
- XXVI.** Mayor Sutton stated to raise costs to residents is difficult. No one knows someone else's financial situation, regardless of where you live. I am sensitive to any raise in bills at all. However, even if you live in the old part of Town, the value of your home has gone up because of the developments that have been built in Town. We have to look at the situation as a whole. I'm personally still considering all the options and every day something sways my mind; this isn't a simple decision. I'm against raising taxes with so much uncertainty going on in the state and on the fence with the blanket bill. CM Hatton came up with the idea of districts which is a good plan. I still have a lot of research to do and I always remember I'm dealing with real people with real issues.
- XXVII.** Mr. Emsley said it is a difficult decision. He stated if Council does a flat fee across the board, they are in fact saying all properties in Town are the same and that isn't the case and not fair. He feels this needs to be based on the value of the property if the bill isn't done in districts. He asked if another development is built and they choose not to have streetlights, they won't have a bill.
- XXVIII.** Mayor Sutton said if there is a blanket bill, if another 100 homes are built in Town and lights installed, the new development would fall into the blanket and it would decrease everyone's bill. Also, Council has continually researched bringing solar into Town, we all want to find a way to break the shackles of Delmarva and find another way to reduce the cost of electric.
- XXIX.** Mr. High said CW Gorman mentioned the assessed value of homes and asked if the charge would be based on the assessed value of the home under the blanket clause.
- XXX.** CW Gorman said assessments of the homes were based on if Council decided to raise taxes. If we raise taxes, everyone would have to pay the same rate.
- XXXI.** There was a long discussion amongst residents and Council and the 3 methods Council is considering to have the streetlight bills paid.
- XXXII.** Ms. Albert recommended the word tax be eliminated, this is not a tax, will be a fee. She said her concern is the percentage of homes on the trash shut off list; they don't get a trash bill so if the streetlight bill is added to the trash bill, how will they get a bill and pay it. Is the Town going to be able to pay the difference in the streetlight bill to cover for those who don't pay.
- XXXIII.** CM Hatton said only about 5% of the residents don't pay the trash bill. That difference is covered in the monthly assessment. There is a plan in place for this contingency.
- XXXIV.** Mr. Golden said he did some research and feels the lighting district would be the best method for everyone. With his research, taxes will have to be tripled to cover the cost, not doubled.
- XXXV.** Ms. Sturgis asked if the increase includes the rental on the poles and was told yes. She also asked if the Town owns the light poles put in with the streetscape and was told no. She asked why we didn't buy them, onetime expense rather than lifetime rental on the poles. How was this decision made?

- XXXVI.** Mayor Sutton said CM Hatton had to supply all the numbers to Council at that time to purchase the poles and lights. If we owned them, we would have to maintain them and the purchase price was way out of our budget.
- XXXVII.** CM Hatton said we decided to rent the light poles rather than buy them because it would have decreased the amount of money we had for the streetscape. It would have limited us because of the overall cost to buy the streetlights. Based on our tariff agreement, over a period of 10-15 years, we will break even with renting them.
- XXXVIII.** Mr. Dugan asked who got the bid for the streetscape and what the process was.
- XXXIX.** CM Hatton said the State and Town reviewed the bids.
- XL.** Mr. Dugan said it should have been included in the bid that the contractor had to eat the price of the poles so the Town would own them.
- XLI.** After a long discussion it was established that Delmarva has a monopoly since they are the only electric company in the area. Town pays rental on the poles and pays for the lighting. Everyone needs to contact our state reps and make noise about Delmarva's stranglehold. There are currently 3 options Council is looking at to enable them to make a decision on how the streetlight billing will be done; increase taxes, blanket or districts. Regardless of where you live in Townsend, we are one community – one Town.
- XLII.** There was a discussion about the difference in Middletown's and Townsend's electric bills. CM Hatton explained that Middletown supplies their own electric to the residents, it isn't through Delmarva. Years ago when electric was de-regulated (in the 70's), they joined a coalition called DEMAC. Townsend had the opportunity to join also and Council at that time chose not to join. This enables them to purchase their electricity through a wholesaler; it doesn't come from Delmarva and therefore is cheaper. Have called non-stop to see if Townsend can join and we can't, had to join at the inception.
- b. Public Works: Chair – Mayor Rudy Sutton
- Discussion on landscape maintenance at Town Hall
 - I.** Spoke with TM Green about power washing and treating our fire escape behind the Town Hall. If we don't do something with it, it will rot away. Will be getting some estimates together for TM Green.
 - II.** Mr. Keenan asked why the Town doesn't buy a power washer and have the Town employee do it.
 - III.** Mayor Sutton said we have a power washer and that is an option but we want to get bids to see what the price would be to have it done and depending on the prices, it may be an option based on George's work load.
- c. Land Use & Development: Co-Chairs – CM Jermaine Hatton & CW Lorraine Gorman – nothing to report.
- d. Community Relations: Chairs – CW Cindy Cook
- Townsend Scholarship
 - I.** Have more resume's which will email to Council to review.
 - II.** Asked Council to review the resumes submitted for the Town scholarship and send your choice to Cathy by this Friday.
 - III.** We can then notify the winner next week.
 - Community Yard Sale – June 3, 2017 – 8:00 – 2:00 pm
 - I.** This is town wide – rain or shine. Will be advertised in 3 papers statewide.
- e. Public Safety: Chair – CM John Ness – not here.
- f. Parks & Recreation: Chair – CW Lorraine Gorman
- Website Re-Design

- I. The state oversees our website. It needs a face lift and they are willing to do this – it will be happening soon. They suggested we add some photos also.
- II. NCC is re-doing their website and have added photos.
- III. Would like to have residents submit their photos.
- IV. Mr. High asked how much this will cost.
- V. CW Gorman said it is free.
- Discussion on water meter at park
 - I. Not sure if TM Green is still researching the fire hydrant in the park to see if we have to have the water meter for its water supply.
 - II. Mayor Sutton said it has been confirmed; the hoses will reach any fire in the park, we will have the meter removed as agreed in a prior meeting.
 - III. Ms. Sturgis reminded Council that there are 2 wells in the park, one on either side.
- National Wildlife Update – Butterfly Garden Planting
 - I. Will be putting a butterfly garden in the little alcove at the Town Hall. Planting and mulching will be done by the local brownie troop.
- Movie Night Under the Stars – Friday, June 9, 2017 – “Sing”
 - I. In keeping with the theme of the movie, TruVoX will perform, sing and dance, prior to the movie.
 - II. Middletown Main Street is having their first movie night that night; I contacted them as soon as I found out and they won’t change their dates, they scheduled the same nights as all 3 of ours. They also Music on Main scheduled the first Friday of every month. I can’t change the date of our June movie but will try to change the next two. We have to pay a license fee and return the movie on Monday after the scheduled date. If it rains, we are permitted to show the movie on Saturday night and our video guy is great. The second movie date will definitely be changed. We are all one large community and the more events for the people the better.
- Second Movie Night Under the Stars – Friday, July 14, 2017
- Town Fair – Saturday, September 23, 2017
 - I. We have received several sponsors and the vendors and parade line up are coming along.

IX. Citizens Comments & Participation

- a. Ms. Albert said with the history of Townsend, the area and objections that some have of being able to be proud of the fact that we have a history in an Old Town should remember that without the Old Town district, we may not have a Town and I believe we should be proud of that and put some finishing touches in Old Town.
- b. Mr. Bailey said there are some homes on Commerce Street that mow only in front of the houses and the back yards are getting very long. Also, I believe we need to quit saying “old Town”, it helps build animosity between us and the people in the developments. It should start right here, right now.
- c. Mayor Sutton agreed and said it should be called the “Heart of Town”. We are all the Town of Townsend.
- d. Ms. Sturgis said she doesn’t believe that, it provides distinction.
- e. CW Cook said she believes we need to honor “Old Town”. Don’t believe it causes friction. We are still one Town.
- f. Ms. Sturgis asked why the Town employees are still driving the Town trucks home.
- g. Mayor Sutton replied that Council hasn’t discussed this yet to see how everyone feels. Don’t believe we have to deal with vandalism here like in the past and I personally don’t see the benefit of employees taking the vehicles home. That may cut some cost and solve other issues (if one vehicle is down). It is something Council will discuss.

- h. Ms. Sturgis said she noticed the executive session was cancelled and asked if she can talk to Council after the meeting.
 - i. Mayor Hatton said only 2 Council members can meet with you at one time so there isn't a quorum. Council agreed to do this.
 - X.** Motion to Convene Executive Session – Executive session has been cancelled.
 - a. In accordance to 29 Del. C. §10004 (b) (9) the Town Council will be meeting in executive session to discuss personnel matters
 - XII.** Adjournment: 9:07 pm, CM Hatton motioned, CW Gorman seconded with unanimous vote.
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