



**Finance Committee Meeting
May 29th, 2025 @ 3:00 pm
VIA Conference Call & Town Hall
141 Main St, Townsend, DE 19734**

3:00 pm Finance Committee Meeting

- I. Call to Order: Approximately 3:02pm.
- II. Opening Ceremonies
 - a. Roll Call: Mayor S. Lobdell, CM J. Bangura, TM J. Goodyear, FO J. Helms, and Chief R. Longo
 - b. Pledge of Allegiance: None.
 - c. Recognition of Visitors: None.
 - d. Announcements: None.
- III. Citizens Comments & Participation
 - a. None.
- IV. Adoption of Agenda
 - a. *All agreed to adopt the agenda.*
- V. Approval/Rejection of minutes:
 - a. **ACTION ITEM:** Approval/rejection of Finance Committee minutes from the May 12th, 2025, meeting.
 1. All agreed to approve the Finance Committee minutes from the May 12th, 2025, meeting.
- VI. Discussion regarding the budget for Fiscal Year 2026.
- VII. Discussion and review of proposed tax rate changes.
 - a. FO Helms shared that she spoke with TS Hatfield regarding re-assessments and roll back rates before increasing the taxes.



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1. TM Goodyear explains that a roll back rate is the rate that will get the revenue back to what it was before the reassessments were done. She states a decision must be made today, so an ordinance can be written by the next council meeting.
- b. FO helms shares a schedule that shows the rate that gets the town back to the 2024 tax rate. She then shows 6 different options to raise the tax rate which will ultimately bring the Town back to being solvent within 2 years.
 1. TM Goodyear recommends the option that is solvent plus 5%. Which will revenue +5% to save each year for a cushion for future growth.
 2. CM Bangura states that the town has already asked for the Town's input so we should consider this when decision making.
 3. FO Helms is proposing industrial, commercial, & residential all be charged the same utility rate with utility being assessed a different rate.
 4. CM Bangura asks about the solvent +10% option.
 - I. TM Goodyear thinks the request is unreasonable to put on the homeowners.
 5. FO Helms also suggests just focusing on becoming solvent year 1 as this will result in a 62.7% increase. Then the extra 5% increase year 2.
 - I. TM Goodyear asks Fo Helms to provide an example of her suggestion.
 - a. FO Helms shares an example of different types of tax classes with raised assessment values in consideration as well.
 - II. Mayor Lobdell asks if the examples are including garbage in the tax bills.



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- a. FO Helms confirms, yes.
- b. TM Goodyear expresses that she sees value in separating the garbage fees from the tax billing so residents can see what they're paying itemized to make it fair. Also, TS Hatfield did advise TM Goodyear that mortgage companies that pay taxes for residents, may not include garbage payment if it is itemized and to be prepared for this.
- c. Mayor Lobdell asks if there is a way to check the average monthly increase off the examples.
 1. FO Helms shares that the average annual increase comes out to \$357.77. Which would equate to about \$30.00 per month for Town taxes. She states she has not taken the county rate into account since the county has not yet announced the updated rates.
- d. TM Goodyear asks Mayor Lobdell what his thoughts are regarding on solvent plus 5%.
 1. Mayor Lobdell clarifies that the increase would be 2.5% each year for 2 years.
 - I. TM Goodyear states yes, that is correct. This year is solvent + 2.5% and next year only 2.5%.
 - II. Mayor Lobdell thought the Town was going to use cash reserves to help in the first year.
 - a. TM and FO state this was not confirmed and would prefer to not use any cash reserves.
 - i. Mayor Lobdell states we have not used any cash reserves in the past, so now would be the time to use it.



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- b. TM Goodyear believes that the average expected increase to becoming solvent plus 5% would be palatable to the residents.
- c. Mayor Lobdell does not want to vote for a two-year stage option for a 5% increase.
 - i. FO Helms expressed that if the Town cannot get solvent this year, we should not be adding promotions to the budget.
 - ii. CM Bangura states that we have already asked the Town how they would like to have the tax increase presented to them, now we must respect their choice.
 - 1. FO Helms agrees, her argument to this is that the Town cannot add on additional costs to the budget without becoming solvent.
 - iii. Mayor Lobdell states that there will be residents who express their dissatisfaction with the tax increase whether its 67% in one year or whether its 71% in one year. Thus, a one-time increase will help the Town not have to raise taxes again for quite a few years.
 - 1. CM Bangura agrees.
 - iv. Mayor Lobdell also adds that the Town of Townsend has not raised their taxes in over 6 years.



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VIII. TM Goodyear states she needs the committee's recommendations so she can put it in the ordinance for the next council meeting for the new tax rates to go into effect.

a. FO Helms asks if two versions of the ordinance can be added to the June Council meeting.

1. TM Goodyear states she is unsure if this is allowed.

b. Mayor Lobdell suggested presenting the two options to council to get their opinion.

1. TM Goodyear states there will need to be two meetings for this before an ordinance can be drafted.

I. Mayor Lobdell states that a special meeting can be held to get this done.

IX. Discussion regarding new business.

a. None.

X. Discussion regarding next meeting date.

a. All agreed on the next meeting date of June 17th, 2025, at 3pm.

XI. Adjourn

a. All agreed to adjourn.

1. Adjourned at approximately 4:20 pm.