

**TOWN OF GEORGETOWN
TOWN COUNCIL MEETING MINUTES**

Meeting Date: Wednesday, July 27, 2011
Location: Town Hall, 39 The Circle, Georgetown, DE
Time: 7:00 P.M. Regular Meeting

PRESENT:
Brian Pettyjohn, Mayor
Steve M Hartstein, Ward One
Bob Ricker, Ward Three
Annie Besche-Martin, Ward Four

STAFF PRESENT:
Eugene S Dvornick Jr, Town Manager
Angela Townsend, Town Clerk

ABSENT:
Sue H Barlow, Ward Two

7:00 P.M. REGULAR MEETING

1. PLEDGE OF ALLEGIANCE

Mayor Pettyjohn led the Pledge of Allegiance.

2. INVOCATION

Mayor Pettyjohn led the invocation.

3. ADOPTION OF AGENDA

Motion by Councilman Ricker, seconded by Besche-Martin, to adopt the agenda as presented. **APPROVED (unanimous).**

4. APPROVAL OF JUNE 22, 2011 TOWN COUNCIL MINUTES

Motion by Councilman Ricker, seconded by Councilman Besche-Martin, to approve the minutes as presented. **APPROVED (unanimous).**

5. RESOLUTION #2011-5 TOWN OF GEORGETOWN 2011 BONDS

Resolution Proposing to Re-Finance \$7,500,000 and to refund certain prior indebtedness consisting of (a) Sewer System Bonds, Series of 1984, (b) General Obligation Refunding Bonds, Series of 2003, and (c) General Obligation Note, Series of 2009 (the "Prior Indebtedness"); and (ii) pay the costs of issuance of the Bonds.

The Town will need to pass a 1st resolution setting forth their intent to re-finance and to hold a public hearing with due notice provided of such public hearing. At the public hearing (which normally coincides with a council meeting, scheduled for August 10, 2011), the council then adopts a terms setting forth, among other things, the final terms of the 2011 Bonds (which will be based on the pricing that occurred that day). Additionally at the August 10th meeting, the Town will enter into the Bond Purchase Agreement with Royal Bank of Canada (RBC). The Town will see a savings of approximately \$600,000.00 with the re-financing.

Motion by Councilman Ricker, seconded by Councilman Hartstein, to adopt Resolution 2011-5 Town of Georgetown 2011 Bonds.

"Resolution 2011-5 is incorporated as part of minutes."

5A. RESOLUTION #2011-6 DHSS – GEORGETOWN 2011 SRF LOAN TERMS RESOLUTION

On June 22, 2011 the Town Council approved a Binding Committee Letter on behalf of the Delaware Drinking Water State Revolving Fund, for a loan to the Town of Georgetown in the amount of \$2,199,410 at an interest rate of 0%, with 100% principal forgiveness, upon completion of the project. The Loan will be used for the costs associated with the service lines, laterals and the installation of a new public water well. All legal costs, incurred, associated with loan closing shall be borne by the Town and may become part of the loan proceeds.

Motion by Councilman Ricker, seconded by Councilman Besche-Martin, to adopt Resolution 2011-6 DHSS – Georgetown 2011 SRF Loan Terms Resolution.

“Resolution 2011-6 is incorporated as part of minutes.”

6. PETTYJOHN WOODS – NOTICE TO PROCEED WITH FUNDING FROM USDA

In December 2003 the voters approved a \$11million proposed capital improvement projects. \$2.6 million was specifically for treatment and disposal. Treatment and disposal included land acquisition, testing, and installation of irrigation equipment. \$590,000 has been spent to date. Design Development Reports completed to date are: Goslee Farm, Prettyman Farm, Prettyman Woods, Melvin Joseph Property, and Pettyjohn Woods. The need for Pettyjohn Woods: additional land needed for disposal of treated effluent during periods of above-average rainfall, in 2009 average influent was 970,000gallons per day, maximum spray irrigation is only 935,000gallons per day, current spray disposal capacity is impacted by farming operations, Pettyjohn Woods in not subject to farming, and significant increase in spray disposal capacity. The original CWSRF Loan for the \$2.6million, rate was 2.39% for a 20 year term. The loan originated in 2005 with 13 years remaining to repay the loan. Future rate impact to cover the debt service would be \$0.85 per 1,000gallons. Total Financing Cost:\$3,040,173.08. Option A – renegotiated with CWSRF, term extension for the full 20 years, future rate impact to cover the debt service would be \$0.60 per 1,000gallons, and the total financing cost would be \$3,285,931.46. Option B – USDA Rural Development, combination grant and loan, the full \$2,600,000: \$1,038,000 grant and \$1,562,000 loan, rate is 2.5%, for a 40 year term, future rate impact to cover the debt service would be \$0.23 per 1,000gallons, total financing cost would be \$2,475,538.13.

Motion by Councilman Ricker, seconded by Councilman Besche-Martin to move forward with funding from the USDA, Option B. **APPROVED Yea 3-0 Hartstein, Ricker, Besche-Martin** Not Voting: Pettyjohn

Motion by Councilman Ricker, seconded by Councilman Besche-Martin to direct the Town Manager to meet with Warren Pettyjohn for the drafting of an amended agreement. **APPROVED Yea 3-0 Hartstein, Ricker, Besche-Martin** Not Voting: Pettyjohn

7. **DEPARTMENTAL REPORTS**

A. GENE DVORNICK – TOWN MANAGER

Municipal Street Aid

With the end of the legislative session we made out okay. The \$4.0 million budgeted for Municipal Street Aid (MSA) was retained. Additionally, \$1.0 million was appropriated for improvement specific to roads and bridges. For us this equates to \$116,470.66 in traditional MSA and an additional \$29,181.22 in restricted funds – total is \$145,651.88.

Alternative Energy Supplier

On an annual basis the town spends over \$165,000 on electric utility service through Delmarva Power. This excludes some operations that are covered by the Delaware Electric Cooperative. Over the last two months we have been investigating the possibility of an alternate energy supplier. We have received quotes from BidURenergy and Integry Energy Services:

| Rate Per /kWh | | \$ 0.098188 | \$ 0.083130 | \$ 0.078100 |
|---------------|------------|-----------------|--------------------|------------------------|
| | <u>kWh</u> | <u>Delmarva</u> | <u>BidURenergy</u> | <u>Integrys Energy</u> |
| Month | 140,226 | \$ 13,768.51 | \$ 11,656.99 | \$ 10,951.65 |
| Year | 1,682,712 | \$ 165,222.13 | \$ 139,883.85 | \$ 131,419.81 |
| Savings - Yr | | | \$ 25,338.28 | \$ 33,802.32 |

Motion by Councilman Ricker, seconded by Councilman Besche-Martin, to authorize the Town Manager to enter into a one (1) year energy supplier contract with Integrys Energy Services. **APPROVED (unanimous).**

Line of Credit – M & T Bank

The Town has applied for, and been approved for, a \$500,000 line of credit from M & T Bank. This additional loan will be included in the Public Hearing scheduled for the August 10 Council Meeting. The anticipated use of these funds is to begin repair work on 123 West Market Street in anticipation of the receipt of insurance proceeds.

Cinderberry Estates Easements

The Town has finally received, and recorded, all of the necessary easements from the residents where meter pits had been installed outside the Town right-of-way.

Engineering Agreement – Pettyjohn Woods

The Town has received the Engineering Agreement between Davis, Bowen and Friedel and the Town of Georgetown with respect to the Pettyjohn Woods Project. This document is required as part of our USDA Rural Development Funding application. There is no financial commitment as a result of this document – it documents the roles and responsibilities of each party and outlines the scope of work and associated cost. The incurring of actual cost does not take place until funding is approved and project construction begins.

Motion by Councilman Ricker, seconded by Councilman Besche-Martin, to authorize the Town Manager to sign the Engineering Agreement with Davis, Bowen, and Friedel. **APPROVED (unanimous).**

Budget versus Actual (June 11) – Two Months (16.67% of the Year)

| <u>Revenue</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> | <u>%</u> | <u>Notes</u> |
|----------------|---------------|---------------|-----------------|----------|--------------|
| General Fund | \$2,752,227 | \$1,708,018 | \$1,044,209 | 62% | 1 |
| Water Fund | \$1,247,000 | \$17,574 | \$1,229,426 | 1% | |
| Sewer Fund | \$2,000,668 | \$336,574 | \$1,664,094 | 17% | |
| Total | \$5,999,895 | \$2,062,166 | \$3,937,729 | 34% | |

| <u>Expenditures</u> | | | | | |
|---------------------|-------------|-------------|-------------|-----|---|
| General Fund | \$2,950,416 | \$532,737 | \$2,417,679 | 18% | |
| Water Fund | \$1,130,700 | \$475,674 | \$655,026 | 42% | 2 |
| Sewer Fund | \$1,918,779 | \$546,988 | \$1,371,792 | 29% | 2 |
| Total | \$5,999,895 | \$1,555,399 | \$4,444,496 | 26% | |

1. Property Tax Billing – May 1, 2011
2. Bond Principal and Interest – 2003 Bond (previously Principal was paid from Impact Fee Accounts not General Fund)

Other Key items (versus the same time period last year):

- Real Estate Transfer Tax Revenue, **Down 25.83%**
 - YTD FY 2008 \$81,247
 - YTD FY 2009 \$20,465
 - YTD FY 2010 \$43,730
 - YTD FY 2011 \$7,888
 - YTD FY 2012 \$5,850
- Building Permit Revenue, **Up 742.01%**
 - La Red Health Center
 - Carpenters Union

Miscellaneous

- Water Leaks:
 - Number 25: 403 North Race Street – replaced service line
 - Number 26: 3 Elderberry Street – repaired service cut by Comcast
 - Number 27: 403 North Bedford Street – replaced service line
 - Number 28: 201/204 West Laurel Street - replaced service line
 - Number 29: Albury & Cedar Streets – abandoned old service line
 - Number 30: Dewberry & Cinder Way - repaired 8” sleeve cut by Comcast
- Upcoming Events:
 - Charter Review Committee Meeting
 - Town Hall, Monday, August 1, 5:30 PM
- Service Anniversaries for July:

| <u>Name</u> | <u>Department</u> | <u>Years</u> |
|--------------|-------------------|--------------|
| Bill Bradley | Public Works | 26 |
| Kenny Wilson | Sewer | 15 |
| Jeff Ward | Public Works | 5 |
| Linda Zelo | Police Department | 2 |

8. 2ND READING & ADOPTION

A. ORDINANCE #2011-15 YARD SALES

The Town has received complaints from residents and comments from our Code Enforcement Officer of several properties repeatedly holding yard sales on the weekend. Councilman Barlow voiced concerns over the allowed number of yard sales per year for churches and non-profit organizations. Councilman Barlow recommended that churches and non-profit organizations be exempt from this ordinance. Council agreed.

Motion by Councilman Ricker, seconded by Councilman Besche-Martin, to adopt Ordinance #2011-15 Yard Sales. **APPROVED (unanimous).**

“Ordinance 2011-15 is incorporated as part of the minutes.”

9. PUBLIC COMMENT

A Thank Note was received from the Delmarva Poultry Industry, thanking the Town for all their help in making the Chicken Festival a success.

The Town Manager thanked the Public Works Department on a job well done with landscaping around the Town Hall.

The fountain is awaiting some maintenance with the electrical portion.

10. ADJOURNMENT

Motion by Councilman Ricker, seconded by Councilman Hartstein to adjourn at 7:54p.m. **APPROVED (unanimous).**

APPROVED:


Sue H Barlow, Secretary

ATTEST:


Eugene S Dvornick Jr, Town Manager