

**TOWN OF SOUTH BETHANY
TOWN COUNCIL WORKSHOP MEETING MINUTES
JANUARY 26, 2012**

ATTENDANCE

PRESENT: Mayor Jay Headman; Councilpersons John Fields, Pat Voveris, Al Rae, Sue Callaway, and George Junkin; and Town Manager Melvin Cusick

EXCUSED ABSENCE: Councilman Jim Gross

MEETING CALLED TO ORDER

Mayor Headman called the January 26, 2012, Town Council Workshop Meeting to order at 5:00 p.m. Because the Republic Services representative had not yet arrived, Council proceeded to the Public Comment Period.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADOPTION OF MINUTES

- **Town Council Regular Meeting Minutes, December 9, 2011** – A motion was made by Councilman Junkin, seconded by Councilman Fields, to accept the December 9, 2011, Town Council Regular Meeting Minutes as amended as follows:

Page 3, Police Department Report/Questions, Nov. 5: Change “. . . and later determined to be sonic booms from military aircraft” to “. . . and **were** later determined to be sonic booms from military aircraft.”

Page 2, Mayor’s Report, Second Paragraph: Change “The Town will also be putting up signs that were missing and . . .” to “The Town will also be putting up signs that were missing (**No Trucks Over Two Axles Except Local Services**) and . . .”

Page 8, First Paragraph: Change “Fred Maloney” to “**Fran** Maloney”.

The motion was unanimously carried.

- **Town Council Workshop Meeting Minutes, December 15, 2011** – A motion was made by Councilman Junkin, seconded by Councilman Rae, to accept the December 15, 2011, Town Council Workshop Meeting Minutes.

Regarding Page 3, Second Paragraph, Councilwoman Voveris stated that she would like it noted in the record that she voted against the motion that trash collection be Monday and Friday during the months of May, June, July and August with yard waste collection Wednesdays and recycling collection on Saturdays. She emphasized that was changing trash to just two days during the summer months.

The motion was unanimously carried.

- **Town Council Executive Session Minutes – Town Staff, December 15, 2011** – A motion was made by Councilman Junkin, seconded by Councilman Rae, to accept the December 15, 2011, Town Council Executive Session Minutes as amended as follows:

Change “Dan is **going to** Ocean City. . .” to “Dan is **accepting a position with** Ocean City . . .”

The motion was unanimously carried.

- **Town Council Executive Session Minutes – Review of Employee Healthcare Premium, December 15, 2011** – A motion was made by Councilman Fields, seconded by Councilwoman Voveris, to accept the December 15, 2011, Town Council Executive Session Minutes – Review of Employee Healthcare Premium. The motion was unanimously carried.

- **Town Council Workshop Meeting Minutes, December 16, 2011**

A motion was made by Councilman Junkin, seconded by Councilwoman Callaway, to accept the December 16, 2011, Town Council Workshop Meeting Minutes. The motion was unanimously carried.

TRASH/RECYCLING SCHEDULE (Cusick/Headman/Allied Waste Representatives)

Mayor Headman stated that Council’s goal today was to finalize the recycling and trash schedule.

Glenn Kavanagh presented the following two options:

Option One:

Reduce the town’s trash collection from three times a week to two times a week during the summer season and move the recycling pickup to Saturday year round. These changes would save the Town of South Bethany \$3,269 per year.

Option Two:

Trash pickup Monday, Wednesday, and Friday and recycling pickup on Saturday during the summer season (May 15 to September 15). Off season the recycling would be turned back to Friday. The cost would remain the same.

Councilwoman Voveris stated that she understands the concept that if people recycle more maybe there will be less trash. She noted, however, Republic Services statistics show the Town’s tonnage had remained the same in the trash. In terms of savings, Councilwoman Voveris questioned if eliminating the third trash pickup in the summer months is penny wise and pound foolish.

Mayor Headman stated that the Council wants the town to be clean. He also stated that in response to the survey regarding recycling, moving recycling to Saturday would be a plus to the community.

After discussion, a motion was made by Councilman Junkin, seconded by Councilwoman Voveris to add a pickup in the summer to be on Wednesday with the schedule that was approved at the December 15, 2011, Town Council Workshop Meeting as per Republic’s proposal dated January 26, 2012, paragraph 3. The Town Manager clarified that under this proposal recycling would change from Saturdays to Fridays during the winter months. After discussion, Councilman Junkin rescinded the motion. Councilwoman Callaway stated that the purpose of shifting the recycling pickup day to Saturday was to help people move their recycling cans back per Town Code. She believes that if the Town cannot change recycling to Saturday year round it is too confusing to people. Mayor Headman stated that this all predicated on the idea that the Town wants to encourage people to recycle.

After discussion, a motion was made by Councilman Junkin, seconded by Councilman Fields, to keep things the way they were voted on at the December 15, 2011, Town Council Workshop Meeting (trash collection Monday and Friday during the months of May, June, July, and August and recycling on Saturdays throughout the year) as per paragraph two of Republic Services proposal dated January 26, 2012. Mayor Headman asked for a roll call. The voting was as follows:

FOR THE MOTION: Mayor Headman and Councilpersons Fields, Rae, Callaway, and Junkin

AGAINST THE MOTION: Councilwoman Voveris

The motion carried with a 5-1 vote.

A motion was made by Councilman Junkin, seconded by Councilman Fields, to authorize the Town Manager to do an addendum to the existing contract. The motion was adopted.

TOWN BUDGET PROCESS

Mayor Headman reviewed the Town's budget process. He stated that the staff has developed a draft budget. Next the Budget and Finance Committee will review the draft budget and they will be making recommendations to the Town Council which the Council will discuss at the February and March Workshop Meetings. At the end of the March Workshop Meeting, Council will basically vote to approve the recommended budget but the budget won't be voted on officially until the April 13, 2012, Town Council Regular Meeting. At the end of the budget process, Council will look at the budget process to see if anything needs to be modified for next year.

Mayor Headman reviewed "Major Sources of Revenue for Operating Budget FY 2004 – FY 2011 (attached), a chart which the Financial Administrator created. Councilwoman Voveris noted that the Property Tax for FY 2012 is \$485,000 and the Rental Tax for FY 2012 is \$488,000. Mayor Headman stated that Property Tax revenue and Rental Tax revenue are consistent, and Council can predict next year pretty accurately that revenue. Regarding Transfer Tax revenue, Mayor Headman discussed the decline beginning in FY 2006 and then the increase in FY 2010 and FY 2011. At this time, the Town has collected \$165,000 in Transfer Tax for FY 2012 which is approximately \$135,000 below the FY 2012 Budget projection. Mayor Headman hopes that the houses will sell and the Town will collect the \$135,000 to reach the budget number. If the Town does not collect that money, the Town has money in reserves to cover some of the shortcomings. The Town has received monies not projected in the FY 2012 Budget such as MSA funds, \$10,000 from the South Bethany Property Owners Association, an increase in Mercantile License revenue of about \$8,700, and about \$8,000 from DEMA regarding Hurricane Irene. Also, rental tax came in higher than projected.

BUDGET AND FINANCE COMMITTEE REPORT (Pat Voveris)

As of Dec. 31, 2011:

Balance Brought Forward	\$ 2,046,609.36
December Revenue	\$ 42,152.19
December Disbursements	\$ 147,928.24
Balance	\$ 1,940,833.31

Profit and Loss:	Total revenue	\$ 1,938,039
	Expenditures	\$ 1,538,462
	Leaving an excess of	\$ 399,578

Total revenues are at 85% and total expenses are at 72%. All departments are operating within budget.

Rental tax is up 4% over last year's. The rental tax is to the good \$18,678.

The transfer tax continues to be dismal. The Town is down 93% for the month of December and for this same period of time last year the Town is down 35%. At this time (8 months into the budget), the Town has collected \$165,885 and our budget is \$300,000. April historically reflects a large transfer tax number, but it will have to be very large for the Town to make the \$300,000 number.

The Town does have an increase in revenues over what was projected in rental tax and mercantile licenses, but overall if the Town doesn't make one of the major numbers (transfer tax revenue) it is a worrisome situation.

AWARD BID NO. 12-02 AUDIT SERVICES

The Town Manager stated that there were six bidders. The low bidder is the current auditor, Sombar & Company CPAs, P.A. with a bid of \$24,450. The highest bid was \$43,300. The recommendation is to award the Audit Services Bid No. 12-02 to the low bidder, Sombar & Company CPAs, P.A. in the total amount of \$24,450.

A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to award Bid No. 12-02 Audit Services to the low bidder, Sombar & Company CPAs, P.A. The motion was unanimously adopted.

DISCUSSION OF DRAFT ORDINANCE TO ADD A TEMPORARY MERCANTILE LICENSE (Pat Voveris)

Mayor Headman stated that the Council had voted to make modifications to the Town's mercantile license and the Town's lawyer recommends amending Chapter 84, Licenses and Permits, to include a temporary mercantile license.

Councilman Junkin suggested the following:

§ 84-2: Add a 30 day temporary mercantile license. Make the words consistent.

§ 84-4: The letter F needs to be added which would include a date (a time frame) for the 30 day license.

§ 84-6, First Paragraph: Needs to address the 30 day mercantile license.

Councilman Fields stated that for some time the Town has been selling six-month (prorated) mercantile licenses and it is not authorized in the Town Code. Councilman Fields suggested including a six-month (prorated) mercantile license in Ordinance 161-12. Councilman Junkin noted that the Code has to specify that the six-month mercantile license can only be purchased for the second half of the year.

DISCUSSION OF ORDINANCE 160-11, TO AMEND CHAPTER 6, CONTRACTS AND BIDDING, TO INCREASE BIDDING MONETARY AMOUNTS

After discussion, Council agreed to delete § 6-2C and change the last sentence of § 6-2B to read, "The Mayor, and in the absence of the Mayor, the Town Manager, shall sign all contracts provided the Town Council has approved the expenditure."

PROPOSED CHARTER CHANGES

Councilman Fields presented the following four proposed Charter changes:

Number 1:**§ C-14. Use of town moneys.**

The Town Council shall have full power and authority to use the money in the treasury of the town or any portion thereof, from time to time, for the improvement, benefit, protection, ornamentation and best interest of the town, as the Council may deem proper, and to use town money to accomplish and carry into effect all acts and things which it has power to do by virtue of the Laws of the State of Delaware, this Charter and all ordinances and resolutions enacted by Town Council.

- A. Proposed capital expenditure. Any proposed capital expenditure of town funds in an amount exceeding one hundred thousand dollars (\$100,000.) shall first be submitted for approval by the qualified voters of the town in a special election. Funds derived from long-term loans (§ C-13B) are not subject to this requirement.

Councilman Fields stated that the Town Attorney said usually if a town is going to borrow money then a referendum is required, but in most towns the Town Council has the right to spend money that it has without going out to referendum. The Town Attorney recommended removing the requirement in § C-14A from the Charter. Councilman Fields stated that if directed by the Town Council the Town Attorney would rewrite § C-14 and keep all the important information and just take out the requirement to go to referendum to spend money that the Town has. The lawyer would write it as a bill that goes into the General Assembly. The Council would review the bill before it is submitted to the General Assembly. Councilman Junkin stated that until he looks at the Code he can't say if he would agree with it, but he would have no problem with changing the amount from \$100,000 to \$300,000.

Number 2:**§ C-7. Organization of Town Council.**

- B. Duties of Mayor. The Mayor shall preside at all meetings of the Town Council and shall have a vote on all pending issues. The Mayor shall execute, **and in the absence of the Mayor the Town Manager**, on behalf of the town, when authorized by Town Council majority vote, all agreements, contracts, bonds, deeds, leases and other legal documents. The Mayor shall appoint such standing and other committees, as the Town Council shall require, provided that a member of the Town Council shall serve as Chairman of each standing committee. The Mayor shall be authorized to administer oaths and affirmations. The Mayor shall perform such additional duties as are specifically imposed upon that office by this Charter, and as are specifically delegated to the Mayor by majority vote of the Town Council.

Councilman Fields stated that this change is to make the Code conform to the Charter. There were no questions or discussion.

Number 3:

Revise election laws in the Charter to conform to recent changes in State law.

The Town's attorney recommended not making changes to the Charter regarding election laws because the State's statute overrides the Town Charter. The Town attorney said that the State laws are always changing, and therefore changes made to the Town Charter would soon be out of date. The Town lawyer recommended leaving the Town Charter the way it is and look at the State statute concerning election guidelines. Councilwoman Callaway suggested adding a generic statement to the Town Charter referring to the State law. Councilman Fields will ask the lawyer about adding a statement referring to the State law.

Number 4:

Update defined town boundary. § C-2 "Territorial limits." After discussion Council agreed that it was not necessary to make changes regarding § C-2 "Territorial limits."

Councilman Fields will ask the attorney to write the bill to include Numbers 1, 2, and 3 above, and if the lawyer can have it ready in time, the Council will review the bill at its February 23 Town Council Workshop Meeting.

DRAFT ORDINANCE TO REVISE TOWN CODE § 104-12, VEGETATION, TO INCLUDE REQUIRED REMOVAL OF DEAD TREE

After discussion, Council agreed to Councilman Fields' proposed changes to Chapter 104, Property Maintenance for the first reading as follows:

§ 104-12. Vegetation.

- C. Underbrush, dead wood. Un-wooded premises shall be kept free of dense underbrush and/or accumulations of ~~other~~ noxious vegetation. ~~All Weeded-lots~~ shall be kept free of **dead trees**, unreasonable accumulations of underbrush, ~~dead trees~~, limbs, and branches as would constitute a fire or health hazard.

RECOMMENDED NAME CHANGE – BEAUTIFICATION COMMITTEE

Councilwoman Callaway stated that at the December 9, 2011, Town Council Regular Meeting she presented the recommendation of the Beautification Committee to change the name of the Beautification Committee to Community Enhancement Committee. At the December 9th meeting Councilwoman Callaway was asked to develop a mission statement with specific focus. Councilwoman Callaway went back to the Beautification Committee and the committee developed the following mission statement:

To focus on initiatives that will improve the town's appearance and enhance our community; promote community pride and volunteerism; and increase individual property and community value. The committee's scope shall include town beautification, community maintenance and landscaping, and environmental improvement efforts.

Councilwoman Callaway feels the mission statement defines what the committee is about and it conveys the importance of the committee's work to property owners which is an important part of the name change. It gets away from the idea that the Beautification Committee is just focusing on gardens and flowers. Councilwoman Callaway believes the proposed name and mission statement communicates what the committee is about, and it establishes a framework for future committee chairpersons and committee members. Councilwoman Callaway recommends changing the Beautification Committee name to Community Enhancement Committee.

A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to change the Beautification Committee name to Community Enhancement Committee.

Councilman Rae stated that he feels it is a broad title. Councilman Rae said the idea of the committee broadening its focus is part of what troubles him. He would prefer the mission statement to say, "To focus on initiatives **approved by Town Council** that will improve the town's appearance . . ."

Councilwoman Callaway noted that everything the committee has done has been given a lot of thought and has been brought before Council for Council's approval.

Mayor Headman stated that per the mission statement it sounds like anything could be included because enhancement means to improve the community. Mayor Headman gave examples of ad hoc committees that enhance the community (the "June Bug" committee and the traffic restriction committee). Mayor Headman believes strongly in forming ad hoc committees because they are formed with a specific task and purpose and when the task is done the committee is dissolved.

Mayor Headman called for a vote. The motion was adopted with a 4-1 vote. Mayor Headman voted against the motion and Councilman Rae abstained.

Mayor Headman stated that the committee name is changed.

At 7:40 p.m. a motion was made by Councilman Fields, seconded by Councilman Junkin, to go into Executive Session to discuss agenda items:

- XIII A. Personnel Matters – Code Enforcement Constable Position, and
- XIII B. Commercial and financial information regarding Contract No. 10-01 Beach Concessions which is of a privileged or confidential nature pursuant to 29 Del.C 10004(b)(6)

The motion was unanimously carried.

EXECUTIVE SESSION

Council went into an Executive Session to discuss:

- A. Personnel Matters – Code Enforcement Constable Position
- B. Commercial and financial information regarding Contract No. 10-01 Beach Concessions which is of a privileged or confidential nature pursuant to 29 Del.C 10004(b)(6)

RECONVENE WORKSHOP MEETING

At 8:00 p.m. a motion was made by Councilman Fields, seconded by Councilwoman Voveris, to come out of Executive Session. The motion was unanimously carried.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADJOURNMENT

The January 26, 2012, Town Council Workshop Meeting was adjourned at 8:00 p.m.

phs:Workshop Minutes.1.26.12 Amended 2.23.12

Attachments: "Major Sources of Revenue for Operating Budget FY 2004 – FY 2011