

**TOWN OF SOUTH BETHANY
TOWN COUNCIL WORKSHOP MEETING MINUTES
NOVEMBER 21, 2013**

MEETING CALLED TO ORDER

Mayor Jankowski called the November 21, 2013, Town Council Workshop Meeting to order at 5:00 p.m.

ATTENDANCE

PRESENT: Mayor Kathy Jankowski; Councilpersons Al Rae, Jim Gross, Tony Caputo, George Junkin, and Pat Voveris; Town Manager Melvin Cusick; Finance Director Renee McDorman; and Code Enforcement Constable Joseph Hinks

EXCUSED ABSENCE: Councilwoman Sue Callaway

PER § 104-19D OF THE TOWN CODE, TOWN COUNCIL WILL HEAR THE APPEAL OF ROBERT S. DIDDEN REGARDING TOWN CODE § 104-15, JUNKED, DISCARDED OR INOPERABLE VEHICLES, BOATS, TRAILERS, EQUIPMENT OR APPLIANCES

Mayor Jankowski referred to the letter Council received from Robert S. Didden on November 8, 2013, in which Mr. Didden wrote to Council to appeal decisions concerning the presence of his Grady White Tournament 190 boat. Mayor Jankowski stated that the boat is inoperable. Mayor Jankowski said that Mr. Didden had already appealed it to the Town Manager and the Town Manager denied Mr. Didden's appeal. Mayor Jankowski stated that the Charter and Code Committee met on November 20, 2013, and discussed Mr. Didden's request for a change to the Town Code "to permit a boat being used for artistic reasons and to make a property more attractive, perhaps even being used as a planter for flowers". The Charter and Code Committee voted to make no changes to the existing code.

Councilman Gross stated that Council has all of the background material and Council has reviewed it.

Motion: A motion was made by Councilman Gross, seconded by Councilwoman Voveris, that Council supports the action of the Town Manager and the Code Enforcement Constable. During discussion Councilman Junkin and Councilman Gross noted that the boat is in violation of the Town Code.

Vote: Mayor Jankowski called for a vote. The motion was unanimously carried.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADOPTION OF MINUTES – OCTOBER 24, 2013, TOWN COUNCIL WORKSHOP MEETING MINUTES

A motion was made by Councilman Junkin, seconded by Councilman Rae, to adopt the October 24, 2013, Town Council Workshop Meeting Minutes as amended as follows:

Page 3, Next to last paragraph: Change "A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to accrue the liability for the Separation Bonus. Council had a discussion. Council did not vote on this motion" to read "A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to accrue the liability for the Separation Bonus. Council had a discussion. Councilman Junkin withdrew his motion."

The motion was unanimously carried.

REVIEW OF AN ORDINANCE TO REVISE CHAPTER 145, ZONING

Councilman Gross acknowledged that the entire Charter and Code Committee were present to answer questions and add to the discussion. The following changes were discussed:

Page 3, Repairs, Second paragraph:

Change "Examples of minor replacements include" to read "Examples of minor replacements include but not limited to".

Page 5: § 145-14E: Councilman Rae suggested inserting "approved and licensed" before "construction sites". Councilman Rae said he believes it is a problem if a property owner can have a dumpster even though the property owner does not have to have a building permit and therefore there is no control over how long the dumpster could be there. Bob Cestone stated that dumpster fees are charged day by day so he does not think anybody is going to keep a dumpster on their property. Councilman Gross stated that the Town has no problem like this. Councilman Rae noted that some folks use their old wagons with wooden sides that they fill up and haul away. Councilman Rae stated that a property owner can have a construction site without being required to have a building permit and therefore there is no control over how long that dump truck or big bin is allowed to sit on the property because it is a construction site. Councilman Rae believes there should be a tie in to a building permit. During discussion no other council members expressed support of Councilman Rae's suggestion.

Page 8:

Section 145-37A(2) Councilman Gross suggested: Dwellings in the R-1 District on lots east of Ocean Drive may **construct include**, for the purpose of primary access only, steps, ramp or platform in the front setback area, provided that:

Section 145-37A(2)(b) Councilman Gross suggested: The top of the step, ramp or platform shall be no higher than the elevation of the first livable story **floor** of the dwelling;

Page 10: Council agreed to delete 145-37F and change § 145-37G to § 145-37F:

~~F. All front and rear measurements are taken from the front property line.~~

GF. For structures allowed in the setback area, see § 145-38, H, J, K, and L.

Page 11: 145-38E

- E. Residential lots west of and abutting on Canal Drive and abutting Cattail Road, Black Gum Drive, Kent Avenue (County Road No. 361), Periwinkle Road, Russell Road (west of Canal Drive), Tamarack Court and Tamarack Drive (standard lot width: 70 feet). **[Amended 2-8-2002 by Ord. No. 106-01; 2-13-2004 by Ord. No. 121-03]**
 - (1) Front setbacks shall be staggered so as to prevent construction of dwellings in a straight line, with a minimum of three feet difference. Front or rear setbacks of dwellings on lots on a street of this subsection shall be determined by the first permit issued on that street.

After discussion, the Charter and Code Committee agreed to research § 145-38E. Bob Cestone noted that when Cat Hill was originally established they had deed restrictions that the rest of the town does not have and maybe when they were annexed into the Town the deed restrictions that had to do with building were incorporated into the Town Code.

Page 13, § 145-38I: Councilman Junkin does not agree with this section. The Charter and Code Committee agreed to research this.

Page 14, § 145-51 Anchoring: Councilman Junkin noted that with this change the Code Enforcement Constable is going to have give out notifications, and it will be a lot of work for him. Mr. Cestone stated that when Bethany Beach and Fenwick Island changed their Code regarding this they sent notices out to property owners and it was on their websites.

145-51C: *The anchoring system shall be maintained and repaired ~~if required~~ as needed.*

145-56: Council agreed with the changes. Mr. Cestone said the Town has to get the lawyer's opinion on this change. Councilman Junkin agreed.

145-69B: Ninth line: Capitalize the o in occupancy.

Councilman Gross thanked John Fields, Bob Cestone, and Joe Hinks for helping Council this evening. Councilman Fields said he will make the changes to the ordinance that Council discussed and prepare it for a first reading at the December 13, 2013, Town Council Regular Meeting. Council agreed. Mayor Jankowski thanked the Charter and Code Committee members.

FY 2014 PROPOSED AMBULANCE BUDGET

The Town Manager stated that before this the Ambulance Service was on a federal year budget (October 1 to September 30) and they have now gone to a calendar year budget. The FY 2014 Ambulance Budget will take effect January 1. Councilwoman Voveris stated that if the new fee is going to cover from January 1, when the Town bills in April it will have to bill for more than \$53 or pull from reserves in order to cover the increase from January through April. The Town Manager said there will be several months that there will be a difference in the fee. Each town will have to discuss how they want to handle that. The Town Manager stated that all of the towns have tried to keep the fee the same. Councilwoman Voveris said that the Town has some reserves in the Ambulance Service account that the Town could tap into. The Town Manager explained that when the ambulance fee initially started South Bethany's tax bills were sent out before the service started and because of that South Bethany has a bit of reserve to pull from.

After discussion, Mayor Jankowski summarized the following concerns that Council had and she will request answers to these concerns from the Ambulance Service:

- On the first page of the budget Councilman Junkin questioned the numbers in parentheses which caused him to question the whole sheet.
- Why is the Ambulance Service putting more money in the reserve if they could pay off the loan?
- Explain the leave coverage.
- Explain the bereavement leave.

Mayor Jankowski stated that Bethany Beach and Sea Colony have already approved the increase. South Bethany and Fenwick Island are the only sponsors left to approve the increase. The Town Manager said that once the sponsors approve the budget then it has to go to the full fire company for their approval.

Councilman Rae stated that he does not think Council's comments during discussion are going to affect whether Council approves or does not approve the proposed ambulance budget.

A motion was made by Councilman Gross, seconded by Councilman Junkin, that Council approve the proposed budget. The motion was unanimously carried.

Councilman Caputo stated that he and the Finance Director will come to Council with a recommendation on covering the fee difference from January 2014 through April 2014.

PROPOSAL FOR CREDIT CARD PROCESSING

The Finance Director presented the following in a PowerPoint Presentation and Council asked questions throughout the presentation:

Slide 1: Credit Card Processing Proposal



Town of South Bethany

Credit Card Processing Implementation

Beginning in 2014, after multiple requests from residents and visitors, the Staff would like to propose that the Town offer an additional form of payment for taxes, licenses, building permits, parking permits and parking tickets.

Credit Cards will help improve the Town's cash flow and help in our receivable collection.

Slide 2: Business Plan Content



- Company Credentials
- Goal and Mission
- Product / Service
- Strategy and Implementation

Slide 3: Business Plan – Company Credentials



- Mercantile Processing Inc.
- Locally owned and operated on the Eastern Shore/Fenwick Beach
- Member of BNI & Chamber of Commerce
- BBB AAA+rating
- 24-hour, 7 day toll-free help desk support



- Fulton Bank
- Local Financial Institution
- Full relationship banking
- Merchant Services Group based in Lancaster, PA
- Operations are local
- 24-hour, 7 day toll-free help desk support
- Current Town of South Bethany banking institution

Slide 4: Business Plan – Goal and Mission

MPI Processing – Missions and Goals

- Our goal is to provide exceptional service and our success is attributed to one primary object – consistently providing superior service, based on trust.

Fulton Bank – Mission and Goals

- We offer and support a variety of automated payment collection options including dial-up terminals, payment software and e-commerce payment solutions. Our approach is to understand your business and expectations so that we can recommend appropriate payment collection solutions that will best suit your needs.

Slide 5: Product/Service**Fee Comparison**

Product / Service	<u>MPI</u>	<u>Fulton Bank</u>
Setup Fees		
Per Computer/Website Set-up	\$95 each terminal (2)	\$50 (one time) (\$20 monthly fee)
EPN (E Processing Network) Virtual Terminal		\$50 (one time) (\$10 monthly fee)
USB Swiper	\$99 each terminal (2)	\$140 (2) one time
Application Fee	\$150	\$125
License Fee	\$0.00	\$30 (2)
E Processing Network		\$50 one time fee, \$20 monthly fee
Monthly Fees		
Monthly Fee		\$12.00 per location per month (\$24)
Monthly Fee	2.39%	Direct pass through of Interchange, FANF fees
Additional Discount Rate		0.50%
Transaction Fee	0.05	0.16
Other Fees		
Master Reports	\$25	25 (initial setup - \$5 monthly)
<u>Other Fees (per instance)</u>		
Draft Retrieval Request Fee		\$5
Charge Back Fee		\$15
Voice Authorization Fee		0.75
Minimum Processing Fee		\$8
Annual Compliance Assessment		\$120

Slide 6: Product/Services

**MERCANTILE
PROCESSING INC.**

Total Initial Set-up Costs

Per Computer/Website Set-up	\$95 each terminal (2)	\$190
EPN (E Processing Network) Virtual Terminal		
USB Swiper	\$99 each terminal (2)	\$198
Application Fee	\$150	\$150
Total Initial Setup Cost		\$538

Slide 7: Product/Services

Fulton Bank

Total Initial Set-up Costs

Per Computer/Website Set-up	\$50 (one time) (\$20 monthly fee)	\$50
EPN (E Processing Network) Virtual Terminal	\$50 (one time) (\$10 monthly fee)	\$50
USB Swiper	\$140 (2) one time	\$280
Application Fee	\$125	\$125
License Fee	\$30 (2)	\$60
E Processing Network	\$50 one time fee, \$20 monthly fee	
Annual Compliance Assessment	\$120	\$120
Total Initial Set-up Cost		\$685

Slide 8: Product/Services



MERCANTILE PROCESSING INC.

Total Estimated Monthly Costs

Monthly Fee	2.39%
Transaction Fee (Per Transaction)	0.05
Master Reports	\$25

Slide 9: Product/Services**Fulton Bank****Total Estimated Monthly Costs**

Per Computer/Website Set-up	\$20 monthly fee
EPN (E Processing Network) Virtual Terminal	\$10 monthly fee
Monthly Fee	\$24
Monthly Fee	Direct pass through of Interchange, FANF fees
Additional Discount Rate	0.50%
Transaction Fee	0.16
Master Reports	\$5 monthly
<u>Other Fees (per instance)</u>	
Draft Retrieval Request Fee	\$5
Charge Back Fee	\$15
Voice Authorization Fee	0.75
Minimum Processing Fee	\$8

Slide 10: Product/Services

- Both MPI and Fulton bank also recommend adding a convenience fee for all credit card transactions. Both have recommended anywhere from a 2.5% to 3% charge added for processing credit card transactions .

- Both companies offer fraud protection services.

- Both companies offer automated batching services.

- Payment will be credited to the South Bethany General fund daily.

Slide 11: Strategy and Implementation

- Approve use of merchant services, November 21st.
- Contact Beach-net and coordinate adding a page on the South Bethany website for a "shopping cart", November 22nd.
- Begin accepting credit cards January 1st (in person transactions).
- March 1st online credit card processing implemented.

After the presentation, Councilman Caputo asked the Town Manager and the Finance Director which company they recommended. They both recommended Fulton Bank. The Town Manager stated that he was more impressed with Fulton Bank's fraud protection. Councilman Caputo asked what the recommended service fee is. The Finance Director suggested 3%. Councilpersons Gross, Voveris, Caputo, and Mayor Jankowski agreed. After discussion, the Town Manager suggested starting out with just walk-in credit card payments. Council agreed.

A motion was made by Councilman Junkin, seconded by Councilman Gross, to proceed with Fulton Bank and a service fee of 3% for walk-in payments. The motion was unanimously carried.

Councilman Rae said he wants to make sure Council gets reporting on this and that the Town is going to break even.

REVIEW DISCUSSION AND UPDATE OF INDIVIDUAL STRATEGIC PLANNING STRATEGIES, 2014 OBJECTIVES, ETC. WORKSHEET

Mayor Jankowski stated that the worksheet will get upgraded along the way. The idea is that these are the Town's goals and strategies related to the Town's Mission and Vision Statements, and anything that is in the worksheet should be supported in the upcoming budget. Mayor Jankowski stated that at some point Council will have to prioritize the items on the worksheet. Councilman Junkin stated that the worksheet is not the budget – it is a planning tool used to justify what is in the budget. Mayor Jankowski agreed. Mayor Jankowski said after the budget is approved Council can measure the Town's performance against the Strategic Planning Strategies Worksheet to see if the Town is meeting its goals or not. Councilman Gross pointed out that it should be clearly understood that because the objectives are on the worksheet does not mean Council has approved the objectives.

Review of Goals 1 and 2 of the Strategic Planning Strategies Worksheet:

- Councilman Junkin reviewed and Council discussed the strategies of which Councilman Junkin was the lead on.
- The Town Manager reviewed and Council discussed the strategies of which the Town Manager was the lead on.
- Councilman Rae reviewed and Council discussed the strategies of which Councilman Rae was the lead on.
- During discussion Council agreed the Board of Adjustment should have no responsibility on the worksheet. Council also agreed to delete 2.6.1, Address LLCs, partnerships, multi-family ownership growth.
- Mayor Jankowski said she needs to give the worksheet to the Planning Commission so that Planning Commission Chairman Dick Oliver can fill in the Planning Commission items.
- Mayor Jankowski proposed that she, Councilman Rae, and Councilwoman Callaway meet to discuss strategy 2.6, Promote property value retention/growth.
- The leads will make the changes discussed regarding Goals 1 and 2. Council will discuss Goals 3 and 4 at the December 12, 2013, Town Council Workshop Meeting.

DIFFUSER PROJECT REPORT REGARDING THE MONITORING THAT HAS BEEN DONE

Councilman Junkin presented the following PowerPoint Presentation:

Slide 1:

Demonstration Pilot Project To Examine Whether Diffusers Will Improve The Ecological Condition of Dead-End, Tidal Canals

**Status Report, November 2013
George Junkin, Town of South Bethany
Chairperson, Canal Water Quality Committee**

Slide 2:

South Bethany Is Built On 5 Miles Of Poorly Flushed Dead End Canals



Residence times due to tidal flushing in the dead end canals is > 3 months (red area above)

Slide 3:

Citizen Monitoring Test Results Show Increased Degradation as the Test Site Gets Closer To The Canal Dead-Ends – Consistent With The Flushing Study

Testing Locations

Quantities to be monitored:

- For "Fishable" Waters
 - Dissolved Oxygen
 - Water Temperature
 - Salinity
 - Nitrogen and Phosphorus
 - Secchi Depth
- For "Swimmable" Waters
 - Bacteria
- Storm Water Influence
 - Collect accurate local rain data

The farther removed from Snap Gut, the poorer the quality of water.

Slide 4:

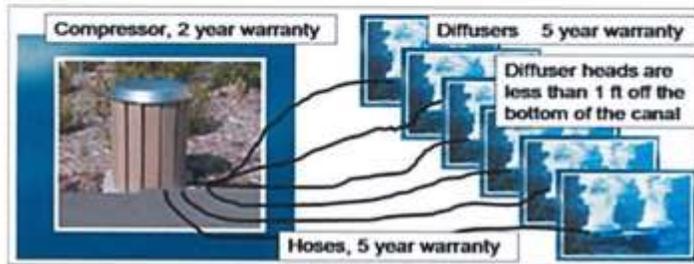
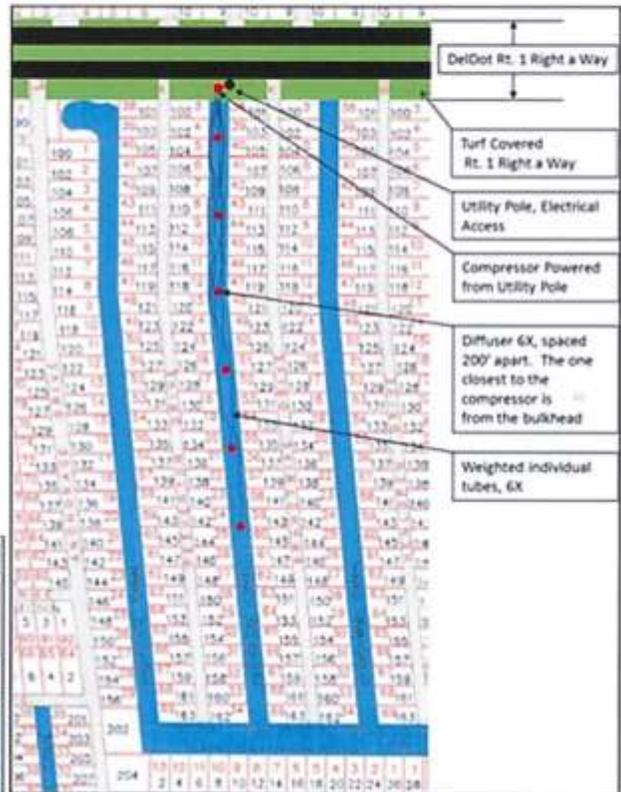


Diffusers That Are Used In Stormwater Management Ponds May Also Help In Canals

The primary objective of the two year pilot project is to determine if diffusers will provide a new method that works effectively in dead-end tidal canals, as they do in stagnant water management ponds, to increase dissolved oxygen and possibly reduce algae blooms.

Three canals are being used in the study;

- Anchorage
- Petherton (Has 6 diffusers installed)
- Brandywine (this is the control canal)



Slide 5:



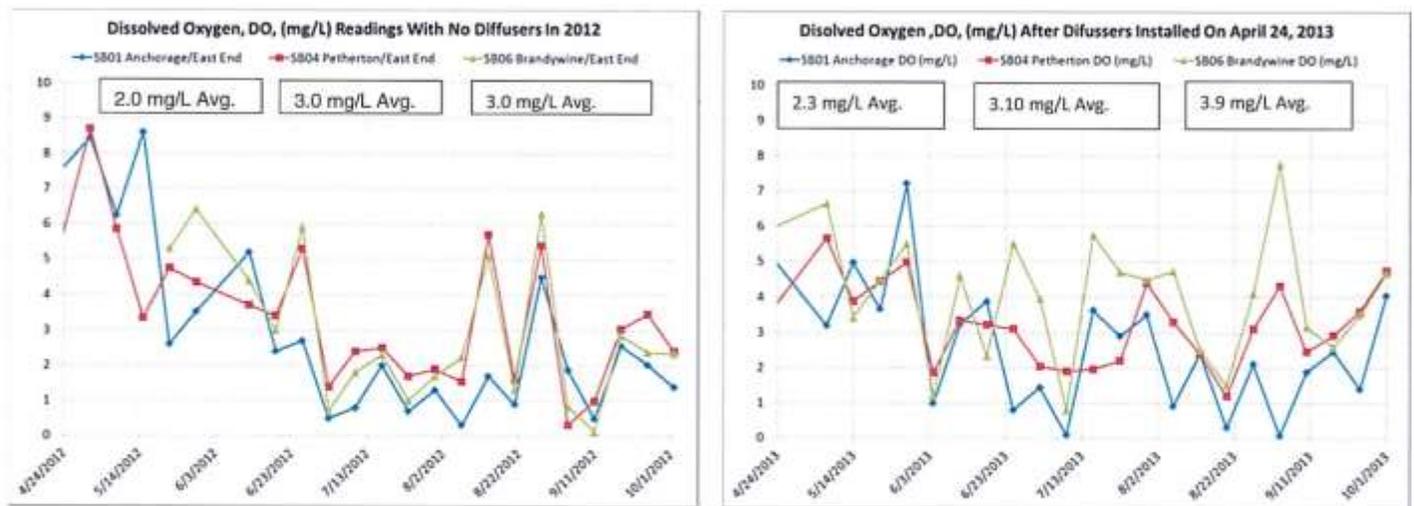
Diffusers Were Installed For The Town Of South Bethany By Envirotech On 4/24/13



Slide 6:



Results From Monitoring From Shore At Canal Ends For The Period 5/21 to 10/1 (2012 & 2013)



- The 2012 chart shows that Petherton followed the large fluctuations in DO (~0.0 to ~6.0 mg/L) that were seen in the Brandywine. Both the Petherton and the Brandywine had the same average DO level of 3.0 mg/L.
- The 2013 chart shows that after diffusers were installed the fluctuations in DO in the Petherton were now reduced to ~1.0 to ~5.0 mg/L. In the canals that did not have diffusers the fluctuations ranged from ~0.0 to ~8.0 mg/L. Average DO was higher in 2013.

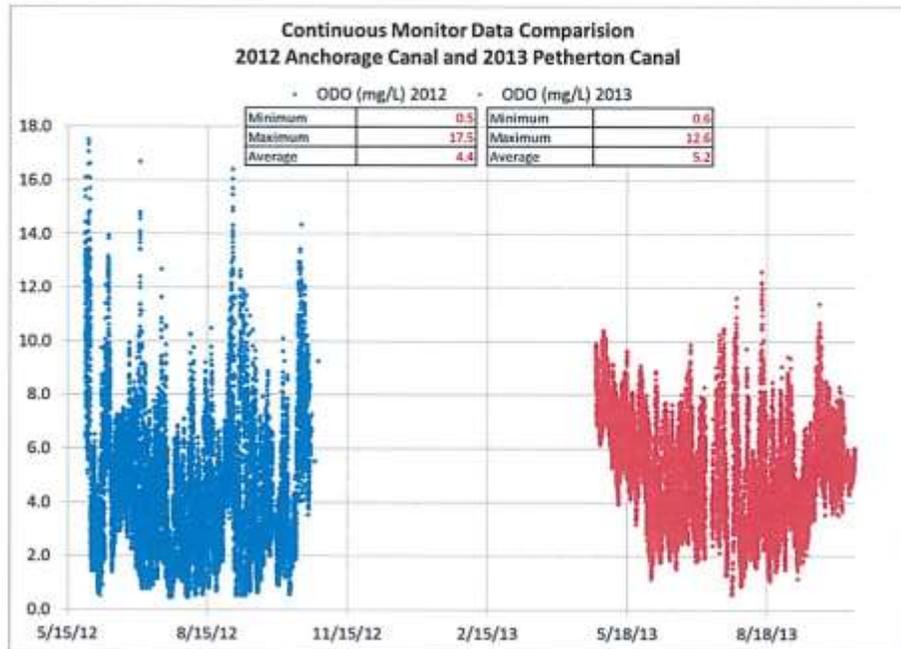
Slide 7:



Results from the continuous monitor 2012 In The Anchorage – 2013 In The Petherton

As can be seen from the charts above

- There was less fluctuation in DO in the canal that had the diffusers.
- The low DO measurements in the canal with diffusers were slightly higher.
- The highs were significantly lower in the canal with diffusers.
- The average was 0.8 mg/L higher in the canal with diffusers.

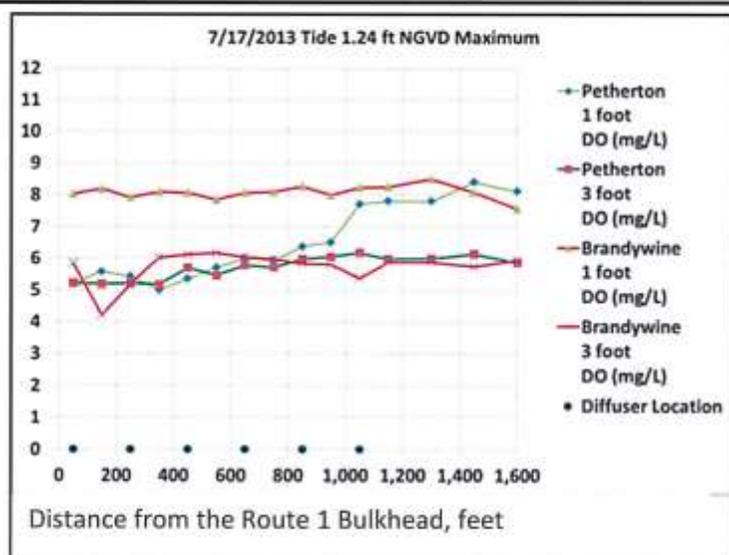


Slide 8:



Results From Weekly Monitoring By Boat Below Are Data From One Of 17 Weekly Trips

- At 1200 to 1600 ft., no diffusers, there is about 2.0 mg/L difference in DO between the one foot reading and the three foot reading.
- In the Brandywine (red curves) the 2.0 mg/L difference in DO between the one foot reading and the three foot reading extends all the way back to 50 feet from the Rout 1 bulkhead.
- In the Petherton (green Curves) the difference in readings between the one and three foot readings are eliminated.
- The surprising result is that where there are diffusers in the Petherton the average DO is lower than in the Brandywine by about 2.0mg/L.



Why are the diffusers sucking oxygen out of the Petherton Canal?

Slide 9:

Why Are The Diffusers Sucking Oxygen Out Of The Petherton Canal?

- The reduction in DO level where the diffusers are located does not make intuitive sense. The diffusers are adding oxygen, but where is it going. One explanation is, since diffusers are used to reduce "muck" on the bottom in ponds, that the diffusers are stirring up the zero DO components on the bottom and that it is stimulating the aerobic digestion process thus reducing nutrient levels and, possibly, associated algal growth. Raising the DO level near the bottom would favor aerobic bacterial decay of organic matter, "muck," which is faster than anaerobic decay. So adding the oxygen via diffusers should reduce the muck over time.
- A second explanation for the apparent reduction in DO levels is that if canals are 4 to 5 feet deep, sampling at 1 foot and 3 feet covers only 60 to 75% of the depth profile, so it's conceivable that if Petherton Canal is well mixed, the DO level nearer bottom might be similar to that at other depths, whereas Brandywine Canal might have had very low DO levels near the bottom that are not seen in the 3 foot and 1 foot sampling. Thus it would appear that the average DO level in the Petherton Canal is lower than in the Brandywine Canal. Since we try not to foul the probe on the bottom, we do not know the actual bottom reading.

Slide 10:

Summary - Conclusions

- The diffusers do eliminate stratification. (If there had been diffusers in the Russell Canal ends, the fish kill that occurred around September 9/10, 2013 probably would not have occurred.)
- Thus far the diffusers have not appeared to increase the DO level in the Petherton Canal. In reality they appear to have caused the DO to be reduced.
- The apparent reduction in DO level where the diffusers are located does not make intuitive sense. The diffusers are adding oxygen, but where is it going. One explanation is that the oxygen is being used to reduce "muck" on the bottom.
- Because of this "muck" reduction issue, some "muck" depth measurements were attempted. More muck depth measurements will be made for comparison next year.
- Time will tell. That is why the project is scheduled for two years.

PUBLIC COMMENT PERIOD

There were no comments from the public.

ADJOURNMENT

A motion was made by Councilman Junkin, seconded by Councilman Gross to adjourn the November 21, 2013, Town Council Workshop Meeting at 8:15 p.m. The motion was unanimously carried.

phs:Workshop Minutes11.21.13