

<b>TOWN OF SOUTH BETHANY TOWN COUNCIL WORKSHOP MEETING MINUTES OCTOBER 25, 2012</b>
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**ATTENDANCE**

PRESENT: Mayor Kathy Jankowski; Councilpersons Al Rae, Jim Gross, Pat Voveris, Sue Callaway, George Junkin, and Mark Damato; and Town Manager Melvin Cusick

**MEETING CALLED TO ORDER**

Mayor Jankowski called the October 25, 2012, Town Council Workshop Meeting to order at 5:00 p.m.

**PUBLIC COMMENT PERIOD**

Ralph Romeo (119 Layton Dr.) – Asked for Council's support of the six stage planning proposal to construct a gravity pull system to exchange the water between the ocean and the canals. Mr. Romeo requested that the plan be put on the next Town Council Workshop Meeting agenda so that he can discuss it in more detail. Mayor Jankowski replied that she believes it is going to be discussed at the October 26 Canal Water Quality Meeting and she would like to hear what the committee's recommendation is.

**ADOPTION OF MINUTES – TOWN COUNCIL WORKSHOP MEETING MINUTES, SEPTEMBER 27, 2012**

A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to adopt the September 27, 2012, Town Council Workshop Meeting Minutes as amended as follows:

Page 1, Budget and Finance Committee Report, Paragraph 5: Change "Councilwoman Voveris reported that 60% of rental revenues have been collected which is more than at this same time last year" to read "Councilwoman Voveris reported that 60% of the **budgeted** rental revenues have been collected which is more than at this same time last year."

Page 3, Paragraph 1: Change "Council discussed the need to enforce the Town's ordinance regarding garbage, rubbish, and recyclable materials and updating the ordinance regarding capacity of the trash container to encourage people to increase the **capacity**" to read "Council discussed the need to enforce the Town's ordinance regarding garbage, rubbish, and recyclable materials and updating the ordinance regarding capacity of the trash container to encourage people to increase the **usage**."

The motion was unanimously carried.

**FOR DISCUSSION: DRAFT ORDINANCE TO REVISE CHAPTER 42, "BUILDING CONSTRUCTION" SPONSORED BY JIM GROSS**

Councilman Gross thanked the Charter and Code Committee for their timely work. Councilman Gross believes the draft ordinance addresses the issues he brought up at the September 14, 2012, Town Council Regular Meeting. Councilman Gross stated that the Chairman of the Charter and Code Committee has suggested that Council take care of Chapter 42, Building Construction, first and follow that with Chapter 145, Zoning. Councilman Gross supports that approach.

Charter and Code Committee Chairman John Fields stated that the committee prioritized 15 areas in Chapters 42 and 145 that needed work. The committee has done Chapter 42 and when that is taken care of the committee will concentrate on Chapter 145. In the meantime the committee is willing to consider and work on any ordinances the Council brings forward. Mr. Fields noted that an ordinance that has just come to the committee and the committee is working on deals with solid waste disposal.

Council reviewed the draft ordinance to revise Chapter 42, Building Construction.

Councilman Rae suggested adding a definition for commercial trailers. It was agreed that the Charter and Code Committee will work on defining commercial trailers within § 42-13 and not put it under definitions.

§ 42-5B Change "needed repairs" to "necessary repairs".

§ 42-6 Change "Building permits shall be applied for and issued in accordance with the following provisions and shall include granting permission **by** the Code Enforcement Constable . . ." to read "Building permits shall be applied for and issued in accordance with the following provisions and shall include granting permission **for** the Code Enforcement Constable . . ."

§ 42-6A Change (unless not required) to (if required) and add a comma after the first (if required).

§ 42-6B Last sentence add Enforcement in between Code Constable.

§ 42-10A First sentence change "Upon completion of substantial new construction and improvements . . ." to read "Upon completion of new construction and substantial improvements . . ."

§ 42-10A Add "registered" before "surveyor".

§ 42-10A Change "Following receipt of the request . . ." to read "Following receipt of the above . . ."

§ 42-10B Change "If the certificate is denied, the recipient shall be notified that the denial is subject to appeal to the Board of Adjustment . . ." to read "If the certificate is denied, the recipient shall be notified that the denial may be appealed to the Board of Adjustment . . ."

§ 42-14.1B Strike through "Compliance Officer" and in its place in red add "Enforcement Constable".

§ 42-14.1F Change "Code Compliance Officer" to "Code Enforcement Constable".

§ 42-14.3 First sentence: Change "No construction work shall be carried on between the hours of 6:00 p.m. and 8:00 a.m. by any contractor or between the hours 8:00 p.m. 8:00 a.m. by any property owner" to read "No construction work shall be conducted between the hours of 6:00 p.m. and 8:00 a.m. by any contractor or between the hours 8:00 p.m. and 8:00 a.m. by any property owner."

Capitalize Certificate of compliance/occupancy throughout the ordinance. When "certificate" refers to the Certificate of Compliance/Occupancy, capitalize "certificate".

Mr. Fields asked if this was ready for the first reading at the November Town Council Regular Meeting. Council agreed that it was.

#### **FIVE-YEAR COMPREHENSIVE PLAN REVIEW (JIM GROSS)**

Council went over the Five-Year Comprehensive Plan Review which included Councilman Gross' response to the suggestions that were made at the August 23 Town Council Workshop and written comments by Council Members Callaway, Junkin, and Voveris. Council agreed to the following changes to the Five-Year Review:

Councilman Gross will put the Historical Society's suggestion in final form.

Five-Year Review Page 1: Because Council wants to keep "Improve access to emergency health care" in the Comprehensive Plan, Council agreed to delete the following from the Five-Year Review: Page 8, Goals of the 2012 CDP, Remove "Improve access to emergency health care".

There was a discussion about Appendices and References on Page 16. Council agreed to put References at the very end of the Five-Year Review and make it the last page.

Five-Year Review Page 5, Environment, Third Paragraph, Second Sentence: Change "Improving and maintaining canal water quality requires citizen participation as well as support from the State to reduce nutrient runoff from Route 1" to read " Improving and maintaining canal water quality requires citizen participation as well as support from the State **and other resources** to reduce nutrient runoff from Route 1."

Five-Year Review Page 6, First Paragraph: During discussion regarding adding the retrofit study, Councilman Gross suggested adding the retrofit study as Reference Number 5 and include the title of the report. Councilman Junkin agreed and also suggested including the link to the retrofit study that is posted on the Town website. Councilman Junkin will work on the wording for this.

Five-Year Review Page 7: Change the headings under Beach Issues to sub headings.

Five-Year Review Page 7, Beach Accessibility, Second Paragraph: Delete "The 2011 survey indicates that 63% of respondents who had an opinion felt that they were not needed."

Five-Year Review Page 7, Beach Accessibility, Second Paragraph: Change "When asked about Future Needs, Mobi-Mats scored 9<sup>th</sup> out of 15" to read "In the 2011 survey when asked about Future Needs, Mobi-Mats scored 9<sup>th</sup> out of 15."

Five-Year Review Page 8, Canal Maintenance, First Paragraph, Second Sentence: Change Adopt-a-Canal to Adopt-A-Canal/Road End program.

Five-Year Review Page 8, Canal Dredging, First Paragraph, First Sentence: 2nd needs to be a superscript.

Five-Year Review Page 12, Parking: Add "Parking issues east of Route 1 need further study."

### **TRIAL LIGHTS ON OCEAN DRIVE (SUE CALLAWAY)**

The Town has received approval from all of the residents located nearby to the two proposed test sites. The next step is to complete the application with Delmarva Power and then Delmarva Power can move forward with installing the two test lights.

A motion was made by Councilwoman Callaway, seconded by Councilwoman Voveris, that Council move forward with the two test lights on Ocean Drive as soon as possible.

Councilman Gross asked if there was any opposition to the test lights from the residents located nearby the lights. Councilwoman Callaway said there was no opposition - everybody approved. After a discussion on how long the test would last, Councilwoman Callaway said she would say six months to make sure it goes through to the spring. Councilman Rae asked if the people affected (the four houses nearby) will be resurveyed to see if they are still happy with it. Councilwoman Callaway said yes.

Councilwoman Callaway said at S. 5<sup>th</sup> St. on the east side will be the open bottom lighting (the light is more directly down) with a 70 watt bulb. At N. 2<sup>nd</sup> St. will be a cobra light which will be angled toward the southeast. Councilwoman Callaway said that these are the only two options for lighting on Ocean Drive because there is not underground wiring.

Mayor Jankowski called for a vote. The motion was adopted.

**CITIZEN REQUEST TO CONSIDER SMOKING BAN ON THE BEACH (KATHY JANKOWSKI)**

Mayor Jankowski thanked Councilwoman Voveris for providing Council with background information on discussions previous Councils have had regarding a ban on smoking on the beach.

A motion was made by Councilman Gross, seconded by Councilman Junkin, that Council reaffirm the acts that were taken in the past. The motion was unanimously adopted.

**BUDGET AND FINANCE COMMITTEE REPORT (PAT VOVERIS)**

The Budget and Finance Committee met October 19.

The Finance Director reviewed the Town's budget activity.

Delinquent taxes – the Town is down to eight people owing taxes - \$4,600.

Rental revenue is at 91% collected - \$453,523. \$486,000 was budgeted.

Joe Conway did a long range/contingency financial planning presentation on having a coastal catastrophe and not having any funding for it. It is very thought provoking and excellent information. Councilwoman Voveris would like to have Mr. Conway present it to Council at the December Workshop.

The Finance Director and Tony Caputo are working to have everything up and running properly in Edmunds by March. The Town has three apps in Edmunds: Financial, Accounts Receivable, and Billing and Payroll. It is the Financial that is not quite up to speed. Councilman Rae stated that the process may be accelerated if the Town spent \$1,000 and hired somebody to help get it done sooner. Councilwoman Voveris said that has been discussed, but right now the focus is on getting comfortable with the program and gathering questions and then possibly go back to Edmunds and have them send somebody in or hire a consultant.

The last thing the Budget and Finance Committee discussed was budget recommendations.

**BUDGET AND FINANCE COMMITTEE BUDGET RECOMMENDATIONS (PAT VOVERIS)**

Councilwoman Voveris presented the following Treasurer recommendations for FY 2014:

Line item on Transfer Tax Bank Charges – Councilwoman Voveris stated that previously Bank Charges and Transfer Tax Fees were all one line item which made it look like the Town had a lot of bank charges. Councilwoman Voveris said the Transfer Tax Fees (the money the Town pays the bank to collect its Transfer Tax) are hefty. For better representation and more transparency, Councilwoman Voveris had the Town's auditor separate these two items out and going forward they will be two separate line items on the budget draft. Councilman Rae inquired if there was any opportunity to try and leverage some of the fees. Regarding Transfer Tax fees, the Town Manager stated that the Town cannot control that. The Town has to go through the banks Sussex County deals with. Councilwoman Voveris said she does not know by bank what the fees are, but she could get an accounting of it in order to take a look at it. Councilman Damato said that a lot of the time when you use electronic banking the banks waive a lot of the fees. Councilwoman Voveris said she would talk to the Finance Director about it.

Line item on Remote Access Equipment – Whatever equipment is decided on the Town is going to have to have something whether it is new speakers, a TV, a screen, or a computer. It is important to get the information together in order to properly allocate something for the FY 2014 Budget. Mayor Jankowski said that she and the Finance Director are working together on this.

Five-year employment minimum for Sick Leave Payout – Currently South Bethany employees can be paid up to 160 hours (4 weeks) when leaving employment. There is no restriction on the length of time an employee has to be employed with the Town to receive the payout. Councilwoman Voveris believes there should be a restriction of five years of continuous employment (Councilwoman Voveris noted that this is the requirement for the pension plan). There was a discussion. A motion was made by Councilwoman Voveris, seconded by Councilman Gross, that Council add to the Town's employment policy under accrued sick leave that from this point forward an employee (hired after 10/25/12) has to have five years of continuous employment service to be eligible for an accrued sick leave payoff. The motion was unanimously carried.

Uniform 5% contribution on employee portion of healthcare – Currently an employee with family coverage is paying 10% for the employee coverage and 10% for the family coverage. Currently an employee with employee only coverage is paying 5% for the employee coverage. Councilwoman Voveris proposed that Council look at having a 5% contribution on the employee portion of health care cost whether the employee is taking employee only coverage or employee and family coverage. Councilman Damato agreed that this was consistent and equitable.

A motion was made by Councilwoman Voveris, seconded by Councilman Junkin, that effective for the FY 2014 Budget Council change the contribution for the employee health care in that all employees will pay 5% of the employee part and people with family will pay 10% of the family part. The motion was unanimously passed.

Councilwoman Voveris presented the following Budget and Finance Committee recommendations for FY 2014:

Water Quality \$10,000 eastside project pledge – Council has already committed to this item.

Line item for Committee Artwork and Printing – For things like logos and flyers. Councilwoman Callaway believes this is important. She sees the value of the presentation. The appearance of the materials that are sent out to people is important. Council agreed that this would be a line item for each individual committee and each committee would need to submit a budget request for it.

Line item for Web Development Communications and Public Relations Committee (CPRC) – Councilman Damato stated that the CPRC is assessing the website and looking at changes and enhancements to make it more user friendly. Councilman Damato agreed to submit a budget request for website enhancements.

Long Term Reserves of \$294,000. Consider moving \$100,000 to Operational Reserves (GASB) – Councilwoman Voveris stated that this was a Budget and Finance Committee discussion, but she is not particularly in favor of this. The committee wants consideration to move \$100,000 of the \$294,000 in Long Term Reserves to Operational Reserves under the GASB principal (classifying a reserve). Currently Long Term Reserves are not designated for anything in particular. Councilwoman Voveris asked Council to think about this.

ARM Funding – For the FY 2013 Budget Council agreed to use ½% of the transfer tax to fund the ARM account going forward. For the FY 2013 Budget the Total Operating Revenue number is \$1,590,530 which is comprised of Transfer Tax in the amount of \$225,000. If Council were to take the ½% Transfer Tax (\$75,000) and allocate it to the ARM Reserves the Town would have a budget shortage of \$75,000 on the revenue side. Councilwoman Voveris said the question is where the Town comes up with that \$75,000. Councilwoman Voveris presented the following options:

Option 1: Councilwoman Voveris stated that the consensus of the Budget and Finance Committee was to consider a tax increase.

Option 2: Councilwoman Voveris suggested doing something similar to what Council did last year – take about \$79,000 (the amount needed for the ARM Reserve) from the Long Term Reserves and allocate that for the ARM Reserves account. Councilwoman Voveris added that the Town would have a better chance of balancing its budget because she sees numbers for items like vehicles, utilities, gas, employee increases, committee artwork and printing, and website development coming in higher this year.

Option 3: Council could not fund the ARM Reserves at all because there is \$936,000 in the ARM Reserves account and according to the FY 2013 depreciation list (ARM Reserves) the Town should have \$571,000 in the ARM Reserves account.

Council agreed to reallocate some of the Long Term Reserves over to the ARM Reserves account (Option 2).

### **EXECUTIVE SESSION**

A motion was made by Councilman Junkin, seconded by Councilman Gross, that Council go into Executive Session to discuss:

- Commercial and financial information regarding Contract No. 08-02 Trash Collection which is of a privileged or confidential nature pursuant to 29 Del. C 10004(b)(6)
- A personnel matter in which the name, competency and ability of an individual employee will be discussed.

The motion was unanimously carried.

Council went into Executive Session at 7:20 p.m.

### **RECONVENE WORKSHOP MEETING**

A motion was made by Councilman Junkin, seconded by Councilwoman Voveris, to reconvene the Workshop Meeting at 8:00 p.m. The motion was unanimously carried.

### **CONSIDERATION AND POSSIBLE VOTE TO EXTEND CONTRACT WITH ALLIED WASTE**

A motion was made by Councilwoman Voveris, seconded by Councilman Junkin, to extend Contract No. 08-02 Trash Collection for an additional three years as per proposal submitted by Allied Waste. The motion was unanimously carried.

### **DISCUSSION AND POSSIBLE VOTE ON SALARY ADJUSTMENT FOR TOWN EMPLOYEE DISCUSSED IN EXECUTIVE SESSION**

A motion was made by Councilwoman Voveris, seconded by Councilman Junkin, to approve the recommendation made in Executive Session to grant the Maintenance Worker position an end of 6 month probationary period compensation increase effective immediately and to approve the recommendations made in Executive Session to salary adjustments for both maintenance positions effective with the FY 2014 budget. The motion was adopted.

### **PUBLIC COMMENT PERIOD**

There were no comments from the public.

### **ADJOURNMENT**

The October 25, 2012, Town Council Workshop Meeting was adjourned at 8:02 p.m.