

**MAYOR AND COMMISSIONERS MEETING  
CITY OF REHOBOTH BEACH**

**March 20, 2015**

The Regular Meeting of the Mayor and Commissioners of the City of Rehoboth Beach was called to order at 7:02 p.m. by Mayor Samuel R. Cooper on Friday, March 20, 2015 in the Commissioners Room in City Hall, 229 Rehoboth Avenue, Rehoboth Beach, DE.

City Solicitor Glenn Mandalas gave the invocation followed by the Pledge of Allegiance.

**ROLL CALL**

Present:	Commissioner	Toni Sharp
	Commissioner	Patrick Gossett
	Commissioner	Bill Sargent
	Mayor	Samuel R. Cooper
	Commissioner	Stan Mills
	Commissioner	Lorraine Zellers

Absent: Commissioner Kathy McGuinness

Also in attendance: City Manager Sharon Lynn  
City Solicitor Glenn Mandalas

**APPROVAL OF AGENDA**

Commissioner Stan Mills made a motion, seconded by Commissioner Lorraine Zellers, to approve the Agenda with the deletion of the November 25, 2014 Special Workshop Meeting, December 8, 2014 Workshop Meeting, December 19, 2014 Special Workshop Meeting, January 5, 2015 Workshop Meeting, January 16, 2015 Special Workshop Meeting Minutes, February 9, 2015 Workshop Meeting Minutes, February 20, 2015 Special Workshop Meeting Minutes and March 9, 2015 Workshop Meeting Minutes. Motion carried unanimously.

**CORRESPONDENCE**

There was none.

**APPROVAL OF MINUTES**

Minutes of the November 10, 2014 Workshop Meeting, February 20, 2015 Regular Meeting and March 9, 2015 Special Meeting were distributed prior to the meeting. Minutes of the November 25, 2014 Special Workshop Meeting, December 8, 2014 Workshop Meeting, December 19, 2014 Special Workshop Meeting, January 5, 2015 Workshop Meeting, January 16, 2015 Special Workshop Meeting, February 9, 2015 Workshop Minutes, February 20, 2015 Special Workshop Meeting Minutes and March 9, 2015 Workshop Meeting Minutes were not available for approval.

Commissioner Mills made a motion, seconded by Commissioner Zellers, to approve the November 10, 2014 Mayor and Commissioners Workshop Meeting minutes as written. Motion carried unanimously.

Commissioner Mills made a motion, seconded by Commissioner Toni Sharp, to approve the February 20, 2015 Mayor and Commissioners Regular Meeting minutes as written. Motion carried unanimously.

Commissioner Mills made a motion, seconded by Commissioner Sharp, to approve the March 9, 2015 Mayor and Commissioners Special Meeting minutes as written. Motion carried unanimously.

**REPORT OF THE POLICE DEPARTMENT**

(See attached report.)

Police Chief Keith Banks presented the report of the Police Department for the month of February 2015. There were 34 criminal and 161 traffic charges made during the month. Five traffic crashes were investigated. Twenty-four seasonal officers have been hired, and training begins April 10, 2015. The Dispatch Center handled 117 police incidents, 171 ambulance incidents, 160 traffic stops, assisted other agencies one time during the month and 9-1-1 calls totaling 351 were received.

**REPORT OF REHOBOTH BEACH VOLUNTEER FIRE COMPANY**

Mr. John Meng of the Fire Company reported that there were 51 crew calls, seven alarms and assisted Lewes with two fires. A new ambulance will be arriving on March 23, 2015 which will replace the red ambulance.

## **REPORT OF THE BUILDING AND LICENSING DEPARTMENT**

(See attached report.)

Chief Building Inspector Terri Sullivan presented the report of the Building & Licensing Department for February 2015. During the month, 62 permits were issued for a value of work totaling \$1,231,053.78. Fees collected totaled \$21,507.47 for the month. Seventy-two permit processing fees were received in the amount of \$1,440.00. The Board of Adjustment heard no cases in February. No restaurant applications were received in February. One notice of violation was issued for a contractor working without a building permit. There were 37 building inspections, 12 plumbing inspections, four rental inspections, two meetings regarding trees, 21 meetings regarding new projects and 13 meetings regarding City business.

## **REPORT OF PLANNING COMMISSION**

Chairman David Mellen presented the report of the Planning Commission. The Regular Meeting was held on March 13, 2015. The Planning Commission conducted a Preliminary Review for a property located at 101 & 105 Columbia Avenue. The Planning Commission voted to move the Application to Public Hearing at its April meeting. The Planning Commission continued its discussion of the procedure/process of the 5-year review of the 2010 Comprehensive Development Plan (CDP) update as required by the State. The Commission has made significant progress in its documentation of the current status of action items that had been identified in the CDP, and there was consensus that additional items should be added to the list. The Commission received an update from City Solicitor Mandalas and Consultant Kyle Gulbranson with regard to the status of the ongoing Board of Commissioners deliberations related to pools/large rental properties and potential zoning considerations. Discussions took place as to how this information may impact the Commission's CDP update report. After completion of the status update, the Planning Commission will focus on prioritizing and decide how to proceed with documenting the CDP update and involving public response. No new partitioning applications have been submitted to date.

**PRESENTATION** by and discussion with Jeff Sturdevant of GHD, the City's engineer, regarding the status of the City's wastewater outfall and wastewater treatment plant improvement projects and the budget for these projects.

Mayor Cooper noted that the Commissioners had voted in late 2009 to proceed to permit, fund an outfall for the wastewater treatment plant as a part of the TMDL consent order the City had signed. The Commissioners need to look at the budget with regard to this matter. He had hoped that after tonight's meeting the Commissioners would either have a dollar figure or a path forward so they can begin to finalize the funding source and the amount for the wastewater treatment project.

Mr. Jeff Sturdevant provided a summary of the background of the project, the Environmental Impact Statement, Record of Decision, the recommended alternative for the outfall and the components, improvements to the wastewater treatment plant, the estimate for construction costs and preliminary design and construction schedule for the project. The outfall was last priced in 2009. In 1996, Rehoboth Beach and the inland bays were identified as water quality limited. In 2002, the City of Rehoboth Beach received a letter saying that it could no longer discharge to the Rehoboth Canal. At that time, GHD started working on what to do about the consent order. An Environmental Impact Study was done with regards to what alternatives there are in lieu of discharging to the Rehoboth Canal. The University of Delaware was involved in that project.

Mayor Cooper noted he, Commissioner Mills and another representative from the City had attended meetings with Sussex County to look at regional solutions and partnering with it. A complete report has been done on this matter. The City has done its due diligence in looking at all the alternatives.

Mr. Sturdevant also noted that GHD had reviewed all the alternatives. From 2010 to 2011, the draft EIS was still being worked on and then was submitted to DNREC. In late 2014, GHD received notification from DNREC that it was looking to come with a Record of Decision for the Environmental Impact Statement. In January 2015, the Record of Decision was issued, and it recommended that the City proceed with the ocean outfall alternative. There have been a few meetings with DNREC in which DNREC wanted a few requirements to be added to the Record of Decision. In the EIS, there were six alternatives investigated. Physical, biological, human and environmental consequences were investigated in detail. For the ocean outfall itself, GHD brought in modeling expertise to ensure that in the worst case situations the outfall discharge would not affect the beaches. The Record of Decision was issued, and DNREC's statement was that the factors in consideration, identified in the EIS, were in approval of Alternative 6, ocean outfall as described and analyzed in the final EIS for the wastewater disposal method for the City of Rehoboth Beach. One of the components of the outfall is the wastewater treatment plant.

One of the process tanks at the wastewater treatment plant is available to be rehabilitated into an effluent pump station for the force main in lieu of building a new facility. The effluent will be pumped along the Canal and through the center of the City. There will be a combination of open-cut excavation and directional drilling with approximately 11,000 feet of force main. From there, an ocean outfall will be constructed approximately 6,000 feet off of the beach into a water depth of approximately 40 feet. At the end of the outfall pipe, a diffuser will be installed to make sure that the treated effluent is discharged in a manner such that dilution occurs quickly. This is part of the requirements of the design. Barges will be located offshore to construct the diffuser structure 40 feet below water level. When the Record of Decision was issued, the construction costs were updated. In 2012, an alternative analysis was done which was based on the most cost effective solution. Since then, the pricing on directional drilling has increased. Mr. Sturdevant had recommended to Mayor Cooper that the alignment study should be looked at to make sure it is still the most cost effective alternative vs. open-cut. Mr. Sturdevant will be validating the pricing proposed in 2012. After that has been done, he will offer a recommendation to the City on how to proceed with that portion of the work. Directional drilling is a long pipe, and it minimizes the impact on traffic and construction. There will be approximately 3,000 feet of directional drilling to pull the pipe through the surf zone in order for it to be connected to the pipe done by open-cut installation and the diffuser approximately 6,000 feet offshore. As a condition of the Record of Decision, DNREC asked the City to conduct an evaluation for stormwater that flows into the ocean from the easterly portion of the City. A literature search has been done to find out what is going on with that industry. GHD has experience with this type of evaluation, but it wanted to find out what alternatives and options there are. A scope of services for the City has been developed to meet the requirements of the Record of Decision. There is a requirement for the City to include a stormwater study, not to implement the recommendations, etc. GHD will be looking into cost effective alternatives and will present them to the City and DNREC.

Chairman David Mellen of the Planning Commission asked why the stormwater study will not affect Silver Lake since the State has taken ownership of it. Mayor Cooper said that the State is probably not willing to pay for it, whatever the solution would be. He thought that whatever alternative the City would come up with, it would be applicable and could be rolled out at Silver Lake too.

Mr. Sturdevant noted that with regard to the effluent pumping station, a tank will be installed and the force main will begin from there. The pricing to do open-cut is approximately \$200.00 per linear foot, and \$450.00 to \$650.00 per linear foot for directional drilling. There are cost savings with open-cut, but there is more construction activity. Once the pipe is installed offshore, there will be a requirement to put concrete anchors on the pipe and install ballast stone on top of it. The pipe will either be PVC or high density polyethylene and will be safely there for at least 50 years or more of operation. At the 40 foot depth, pilings will need to be driven down, similar to a jetty, to hold the pipe in place at the very end. A diffuser will be installed at the end of the pipe to distribute the treated effluent evenly along the distance of it. The original treatment plant was constructed in 1987 with minor upgrades in 1994, 1997 and 2002. The plant is an advanced secondary treatment plant which produces high quality effluent. Upgrades and rehabilitations are continually needed and done because the wastewater itself is aggressive and causes a lot of corrosion. Typically, rotating equipment has to be replaced after 20 years. During the EIS, it was identified that the effluent filtration needs to be replaced and is required for permitting by the State. Those costs were included in the original EIS at approximately \$3,300,000.00. A study was done in 2012 which listed a lot of requirements on the facilities in order to maintain the permit and maintain the facility in working order. The remaining cost of approximately \$6,500,000.00 was not included in the original EIS.

Mayor Cooper noted that DNREC is pushing for the City to install an emergency generator to operate the entire facility.

Mr. Sturdevant noted that in 2009 the preliminary engineering estimate for the project was approximately 30,300,000.00. When the improvements to the treatment plant were added, the overall estimate increased to approximately \$36,000,000.00. The preliminary estimate for the project in 2015 is approximately \$40,000,000.00. Currently, the City has Class B sludge which is digested and hauled to a farm in liquid form where it is injected into the soil. The permit has come up for re-approval by the State. Because of the phosphorous levels in the soil and in the bio-solids which come out of the treatment plant, the State will require that the City add additional farmland to meet the requirements for injecting the sludge into the soil. GHD did an evaluation and approximately five alternatives were evaluated to see what might be necessary to improve the bio-solids system at the wastewater treatment plant. The alternative that was selected to look at in the future is a sludge dryer facility and de-watering facility. Those costs are currently not included in the overall project. Costs for the bio-solids improvements are approximately \$10,500,000.00.

Mayor Cooper noted that the County will pay 40% of the total cost of the outfall. The City will recover principal and interest quarterly from the County. He and the City Manager have working on funding for this

project.

Mr. Sturdevant noted that the pump station, force main and the ocean outfall will be three separate contracts because there will be three different types of contractors on the job. A facility contractor will build improvements to the pump station, a pipeline contractor will construct the force main and the ocean work and directional drilling will be done by a combination of a ocean contracting firm and a directional driller. The first step is to get the design documents to a point where GHD can submit for permits, put all the permits together and hold joint permit meetings to be arranged by DNREC. The requirements of the Record of Decision is that the project is completed in May 2018. There is a seasonal constraint on the construction of the force main and outfall that it can only be completed in the off-season months from October through April of each year so it will not impact the tourist season. The work at the pump station can be completed outside at any time. The project will go to bid in 2016, so pricing will be locked in at that point. There will be three separate general contractors, a construction manager onsite and site inspectors. Contractors will be pre-qualified for this project. An RFP will be put out asking for contractors to provide their qualifications. An alternative to building a separate bio-solids plant is upgrade the plant to do what is required for treatment and dewatering the bio-solids. Then Sussex County could increase the size of its dryer at the Inland Bays facility as needed to handle both Sussex County and the City's sludge, if the County would agree to it. There would be a cost savings with this option. Mr. Sturdevant has spoken with Mr. Mike Izzo of Sussex County on a preliminary basis with regard to this option, but there have been no direct talks with the County at this time.

Mayor Cooper noted that the Commissioners are tentatively considering holding a referendum in late May to mid-June. The structure of the wording in the resolution setting the referendum will be broad enough that the money can be used to include the bio-solids plant. The Commissioners will need to discuss in the near future whether or not to move forward with the bio-solids plant. The resolution setting the public hearing will need to have a dollar amount in it. The public hearing will be scheduled, and thereafter the referendum will occur.

Further discussion on this subject will be deferred to April 17, 2015 with regard to a conversation with the County, hone in on the costs and plug in interest rates vis-à-vis the total amounts to see what it does to the user charges.

## **OLD BUSINESS**

Mayor Cooper called to consider adoption of a resolution setting a public hearing on amending Chapter 270, Sections 270-4 and 270-46.1 of the City Code relating to the definitions of Lot and Lot Area, Gross and the consolidation (merger) of lots.

Commissioner Mills noted that the objective of proposed ordinance to clarify definitions, establish a process for consolidation (merger) of lots and establishes the process for separation of lots. Affidavits have been developed which will be controlled by Building & Licensing.

Commissioner Mill made a motion, seconded by Commissioner Sargent, to adopt the resolution setting a public hearing on April 17, 2015 to consider the ordinance amending Sections 270-4 and 270-46.1. (Sharp – aye, Gossett – aye, Sargent – aye, Cooper – aye, Mills – aye, Zellers – aye.) Motion carried unanimously.

## **NEW BUSINESS**

Mayor Cooper called to consider adoption of the City Budget for the fiscal year April 1, 2015 through March 31, 2016.

City Manager Sharon Lynn noted that the proposed budget is balanced in the amount of \$18,994,657.00. The proposed budget represents slight increases in fees and a large capital improvement program, mainly due to some costly projects. The Lake Avenue Streetscape Project has been incorporated in the capital improvement program. The City is in need of multi-spaced parking meters. Ninety-seven parking meters will be replaced over a two-year period of time, with 51 meters being replaced in the amount of \$351,000.00. The multi-space meters will be placed on the first two blocks of Rehoboth Avenue. Mercantile licenses will be increased on average 20%. Rental fees will increase from \$33.00 to \$50.00, and each bedroom beyond two bedrooms will increase from \$10.00 to \$20.00. On average, other fees will increase 20%. Parking will increase from \$1.50 per hour to \$2.00 per hour. Parking permit fees will increase slightly. Daily fees will increase from \$8.00 to \$10.00 and weekly fees from \$13.00 to \$15.00. There will be a replacement project of the old water mains in the amount of \$70,000.00. Kercher Engineering has looked at a city-wide paving plan. Its recommendation was that to maintain the current level of roads within the next 20 years, \$400,000.00 would need to be incorporated into the budget. This amount was not feasible, but \$250,000.00 will be tied to the \$70,000.00 water main infrastructure improvements. As the old mains are being replaced, paving will coincide with that.

Monies have been budgeted for a new trash truck in the amount of \$150,000.00. Monies have been budgeted for the second phase of the fire hydrant painting project within the City. Residential refuse rates will increase from \$255.00 to \$275.00, and the seasonal rates from \$230.00 to \$250.00. There will be a 2.5% raise for City employees on average.

Commissioner Mills said that other fees need to be reviewed for next year, including rental license fees, etc. The gardens and canal bank need to be addressed. He would like to see a capital improvement forecast in the budget for the future.

Commissioner Sargent made a motion, seconded by Commissioner Mills, to adopt the Budget as presented by the City Manager for the fiscal year April 1, 2015 through March 31, 2016. (Sharp – aye, Gossett – aye, Sargent – aye, Cooper – aye, Mills – aye, Zellers – aye.) Motion carried unanimously.

Mayor Cooper called to consider approval of a contract with EDiS Company for preparation of construction documents, preparation of bid documents, soliciting competitive bids and managing the construction of the proposed City Hall Complex, including a new building for the Parking Department and Main Street organization.

This item will be deferred to a future date.

Mayor Cooper called for presentation on and discussion of the use of audio/visual technologies in the new municipal building including the use of video cameras to broadcast selected meetings.

Commissioner Mills said that the impetus for him is the proposed new municipal complex building and how to better communicate with the public, seeing meetings conducted by other municipalities and visiting Ocean City, MD and how it conducts business. An overview was provided of the general layout of the council room and its sound system. With regard to videos, Dewey has a single camera system, and Sussex County has two cameras. Commissioner Mills pointed out the disadvantages of a single camera system. The advantages of a multi-camera system is that there are more angles. It is more complex and takes a different operating system than is used in the single or two camera system. It cost more money. Multiple cameras are fixed on different areas, and an operator is needed to select which view will be used. Ocean City, MD has numerous fixed locations for cameras and one movable camera. The operation of the system is by the City Clerk who monitors the camera system. Other camera systems may have an editor in a separate room. Broadcast methods that different municipalities use are cable TV, live streaming, archiving for viewing at another time, webcasts on municipal websites. Sussex County archives audio only. Videos are live only. Additional communication devices would be visuals such as projectors, bulletin boards, easels and smart boards. There are various agenda management systems that can be paired up with audio and visual systems. Additional consideration would need to be given for capital and operating costs, space for the equipment and ADA compliance and providing assisted listening devices.

City Manager Sharon Lynn has been working with the architects and space is being planned to have the equipment in line for when it is needed in 2017. She has been in discussion with Comcast regarding the renewal of the franchise agreement next year. It has grant opportunities which she hopes to apply for to offset the costs for a new system and work out how to get the meetings on the City website in the future.

## **CITY MANAGER'S REPORT**

City Manager Sharon Lynn reported that with regard to the EV charging stations, Mr. Sam Allen has completed the application for the electrical service update to DP&L, and it has been approved. Mr. Allen will continue working with the IT Department and finish the remainder of the work that is required. It is anticipated that the charging stations will be ready for use by the start of the summer season, if not before. On March 9, 2015, the painting contractor mobilized and began work to sandblast and prime the fire hydrants outside the City. To date, 80 to 85 hydrants have been finished. Approximately six to eight hydrants are done per day. The completion date for this project is at the beginning of May 2015. Restrooms will be opening on April 3, 2015.

City Manager Lynn recommended the approval of the Street Aid expenditures:

03/11/2015	560	Delmarva Power	\$8,568.00 (Street Lights)
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Commissioner Sargent made a motion, seconded by Commissioner Mills, to approve the Street Aid expenditures as presented. Motion carried unanimously.

## **COMMITTEE REPORTS**

There were none.

**CITY SOLICITOR'S REPORT**

City Solicitor Mandalas will be forwarding an update on litigation status to the Commissioners in the near future.

**COMMISSIONER ANNOUNCEMENTS/COMMENTS**

There were none.

**DISCUSS ITEMS TO BE INCLUDED ON FUTURE AGENDAS.**

There were none.

**CITIZEN COMMENT**

Chairman David Mellen commented that there are quite a few potholes in the City that need to be addressed.

City Manager Lynn noted that the street superintendent has recently ordered the mix to fill them.

The next Workshop Meeting will be held on April 6, 2015 at 9:00 a.m.

There being no further business, Mayor Cooper adjourned the meeting at 9:15 p.m.

**Respectfully submitted,**

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**(Lorraine Zellers Secretary)**