

ASSOCIATION OF COASTAL TOWNS
June 14, 2019
MINUTES

A meeting of the Association of Coastal Towns was held on Friday, June 14, 2019 at 9:00 A.M. in Lewes City Hall, 114 E. Third Street, Lewes, DE, with the following present: Chairman Lewes Mayor Ted Becker, Bethany Beach Vice Mayor Rosemary Hardiman for Mayor Killmer, Rehoboth Beach City Manager Sharon Lynn for Mayor Kuhns, Fenwick Island Mayor Gene Langan, Dewey Beach Mayor TJ Redefer, South Bethany Mayor Tim Saxton, ACT Consultant Tony Pratt, and Recording Secretary Jackie Doherty.

1. CALL MEETING TO ORDER

Mayor Becker called the meeting to order at 9:00 A.M.

2. APPROVAL OF MAY 9, 2019 MEETING MINUTES

ACTION: *Vice Mayor Hardiman made a motion to approve the meeting minutes of May 9, 2019 as presented; Mayor Langan seconded the motion, which passed unanimously.*

3. FINANCIAL ACTIVITIES

Mayor Becker stated Mayor Reich has provided the financial report in her absence noting there was approval at the May meeting to increase the contribution to \$4,000 from each community and the invoices have been sent. The account balance is \$6,190 with two checks outstanding bringing the balance to \$4,088. The premiums for Chubb Insurance will remain the same at \$750. The financial report was accepted by common consensus.

4. UPDATE FROM TONY PRATT

- **Legislative Update**

Mr. Pratt stated that the funding for the Waterway Bond Bill may be increased. The exact amount will not be known until the Bond Bill is passed. There was discussion at the last RASCL coffee meeting regarding water quality issues and the possibility of a Regional Sediment Management Plan for the Delaware Inland Bays. Cost-share funding may be available from the State.

Mr. Pratt added that he has been working with Fenwick Island and Henlopen Acres regarding dredging and material disposal issues. There has been discussion with DNREC Wetlands Assessment Group to determine recipient areas for sediment placement including wetlands, islands, and shorelines. The Regional Sediment Management Plan would benefit Fenwick Island, Henlopen Acres and other communities that will require an increase in sediment removal by looking at the projects holistically and not individually. The boundaries of the Inland Bays and Lewes/Rehoboth Canal to Fenwick Island would be included. Mr. Pratt will provide a formal presentation next month.

Ms. Michelle Schmidt stated the Center for Inland Bays CCMP revision includes development of a sediment management plan with DNREC and requested they be included in the planning discussed by Mr. Pratt today.

5. PRESENTATION BY AMERICAN FLOOD COALITION (AFC)

Ms. Anne Baker, Coalition Outreach Manager, thanked Mr. Pratt for the invitation to speak today. Ms. Baker provided a PowerPoint presentation describing their mission and ways they might work with ACT in the future.

Presentation included:

- AFC is a nonprofit organization, a nonpartisan coalition based in D.C. working on national solutions to flooding and sea-level rise;
- Over 160 members including federal champions, cities, elected officials, businesses, military leaders, and civic groups;
- Policy Platform information was reviewed; one example of their work was a plan to address the issue of funding for access roads to military bases impacted by flooding and sea-level rise;
- Plans for long-term objectives related to pre-disaster funding for roads impacted by flooding; develop educational resources; members may apply for in-kind services from an engineering firm; Coalition will act on issues with broad benefit to more than one community;
- Executive Advisory Board; no cost to become a member due to philanthropic and institutional funding available; members have no legal ties or obligations and may leave at any time.

Additional discussion points included:

- AFC worked with the City of Miami to develop a communications plan around municipal bonds to be used to address flooding and sea-level rise;
- Mr. Pratt to evaluate how the program can provide help for smaller town projects related to flooding while including the larger community and best interest of ACT;
- Long-term plan to work on the Water Bill; also, to reach Delaware's Congressional leadership;
- There are members of Congress in the Coalition who deal with FEMA issues.

6. DISCUSSION OF DNREC WATERSHED STEWARDSHIP PROGRAM

Mr. Jim Sullivan of the DNREC Environmental Finance Section gave a PowerPoint Presentation about funding that is available for grant and loan opportunities regarding water quality improvement projects.

Presentation by Mr. Sullivan included:

- **Surface Water Matching Planning Grant** designed to improve water quality; \$250,000 will be available in this fiscal year for municipalities, State agencies, counties, and conservation districts; application packet is available on the website for review; a meeting is scheduled on August 19th for the Water Infrastructure Advisory Council to make recommendations for approvals; reviewed list of cities that have been approved in the past and how the funds were used.

- **Community Water Quality Development Grants** have a 25% cash match and are available to nonprofit organizations, cooperative organizations, and conservation districts; counties and municipalities are not eligible; \$250,000 is available for this fiscal year; applications are due September 11, 2019.
- **Watershed Improvement Projects Initiative** will have \$2.5M for large-scale water projects in urban and non-urban sectors; need to be located in an EPA recognized watershed, which includes the Inland Bays; these funds are considered a loan with 0% interest; when the project is completed, the outstanding balance, including closing costs, will be forgiven. Applications are due September 16, 2019.
- Website lists all requirements for review.

7. DISCUSSION SUSSEX COUNTY LODGING TAX PROGRAM

Mr. Todd Lawson explained that last year legislation passed authorizing New Castle County, but not Kent or Sussex, to levy a 3% lodging tax for hotels, motels, and tourist homes. This is in addition to the accommodations tax. This proposed legislation, if passed, would let Sussex County do the same in unincorporated areas.

Mr. Lawson stated he has spoken to Representative Pete Schwartzkopf who will need a few more sponsors from the Senate to introduce the legislation. If the legislation passes, Sussex County Council would need to pass its own ordinance regarding the use of the estimated \$1.5M annual revenue collected. The legislation provides that the funds be used for beach replenishment, waterway dredging, economic development, tourist programs, recreational activities, water quality, and flood control projects.

Mayor Redefier stated the plan will be a great advantage but felt that the revenue estimate is low. There will be an issue with collecting the tax from the unincorporated areas.

Continued discussion of concerns and questions included:

- That the County not place the money in the general fund but in a “lockbox”; money may be used for matching funds; joint finance venture with the Center for Inland Bays; money will remain in Georgetown;
- If the legislation passes, the tax would be implemented after the Sussex County Ordinance is adopted; State would set a date to start the collection process;
- Senate Democrats in Lewes may be contacted to ask for support for the Sussex County Lodging Tax Program;
- Amount of 3% was decided on because this is the amount for New Castle County; projects in the County that may benefit from the funds include beach nourishment and dredging, buffers and wetlands for the wastewater facilities; Inland Bays flooding issues; Sussex Council to look at the Inland Bays Portfolio of Projects.

Vice Mayor Hardiman stated she, Fenwick Island City Manager Terry Tieman, and Mayor Killmer are on the Delaware League of Local Governments Legislative Advisory Committee and they were advised at the June 3rd meeting that there are proposals circulating from the Chambers of Commerce, hotels and Realtors regarding Airbnbs. There has been discussion about adding another short-term rental lease tax of 8%, which when added to Bethany Beach’s rental tax would equal 15%.

Mayor Hardiman stated another alternative is to cap the total of both taxes at 8% with no increase allowed without going back to legislature. Over 50% of the town's annual expenses are related to Summer activities with the main sources of operating revenue being the 7% tax (39%) and parking (49%). It has been suggested that the towns meet about the implications if these proposals move forward and the impact on revenue and the tourism industry.

Mayor Saxton stated the municipalities need help from the State to be sure the Airbnb taxes are being collected.

8. DISCUSSION RE: GOVERNOR CARNEY'S "DE LITTER FREE"

- **Plastic Bag Ban**

Mayor Becker stated House Bill 130 has passed and the plastic bag ban will start on January 1, 2021. A copy of the legislation was provided for review. Letters were sent to the food establishments in Lewes last year asking for elimination of non-biodegradable products. Many of the restaurants and the DRBA have begun to eliminate these products. Another letter will be sent asking for compliance with the plastic bag ban to begin before 2021.

9. UPDATE SEA GRANT

- **RASCL Coffee 5/29/2019**

Ms. Danielle Swallow stated the next RASCL coffee meeting will be in August in New Castle County. The RASCL Summit will be on November 15, 2019 in the same location as last year at Delaware Technical College. The theme this year will be land uses related to water quality and flood control.

There will be a RASCL meeting on July 11th from 2:30 P.M. to 4:00 P.M in Lewes City Hall with members of ACT, representative from DelDOT and the University of Delaware to discuss flood monitoring. Coast Day is scheduled for October 6, 2019.

10. DNREC UPDATE

Mr. Mike Powell reviewed the following:

- Inland Bay Dredging Prioritization Study: DNREC has secured the services of a NOAA Coastal Management Fellow for two years; this is a two-year study in the second of three phases; surveys have been distributed to the public asking what waterway projects are needed;
- Second bid opening for Massey's Ditch dredging and sediment reuse to the northside of Indian River Inlet was last month with the lowest bid of \$3.6M from J.F. Brennan. When the contract is confirmed, the work will begin November 1, 2019 with four months to complete;
- DNREC is reviewing plans for the Rehoboth/Dewey Federal Beach Nourishment Project and will provide comments to the Army Corp of Engineers today. Meetings with the communities will continue; work to begin in Fall 2019 and completed in Spring 2020;
- Back Bay Study agreement letter has not been signed and discussion of the language issues continue between DNREC and the attorneys for the U.S. Army Corp of Engineers.

11. UPDATE ON RESILIENT COMMUNITIES PARTNER GRANT

Mr. Evan Miller, Projects Coordinator for Rehoboth Beach, reported:

- The GIS information on current impervious surface coverage will not be completed until after the deadline date in September; an addendum will be added to the final report to be prepared by the Chesapeake Conservancy; University of Delaware will compare the 2007 data with the report from the Conservancy;
- AECOM continues work on best management practices meeting with towns this week for comments from the communities; information will be provided to KCI to develop a matrix;
- KCI will identify events in the communities for July, August, and September to be used for public input and comment;
- Next meeting will be scheduled after meeting with AECOM and KCI.

12. CIB UPDATE

- **Comprehensive Conservation Management Plan**

Ms. Michelle Schmidt reported more information on the economic valuation of the Inland Bays will be provided in the next few weeks; a very successful Clean Water Rally was held on June 5th regarding the Clean Water for Delaware Act-House Bill 200 that was passed but opposed by Governor Carney; the Sussex County Council has passed the Cluster Subdivision Ordinance; Grant Writing Workshop will be on Tuesday, June 18th at 9:00 A.M. at the Center for Inland Bays with a few spaces still available.

13. ABC UPDATE

Mr. Jim Bailly was not present today to report.

14. SCHEDULING NEXT MEETING

The next meeting is scheduled for Friday, July 19, 2019 at 9:00 A.M. in Lewes City Hall.

Vice Mayor Hardiman asked, on behalf of herself and Mayor Killmer, that there be discussion next month regarding rotation of officers so that each municipality shares the responsibilities. Also, that there be a meeting with the mayors and city managers only to review goals and agendas for the next year.

Mayor Becker adjourned the meeting at 10:30 A.M.

Respectfully submitted,
Jackie Doherty, Recording Secretary
Association of Coastal Towns