

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

**May 15, 2015**

The Regular Meeting of the Mayor and Commissioners of the City of Rehoboth Beach was called to order at 7:00 p.m. by Mayor Samuel R. Cooper on Friday, May 15, 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  
                 Commissioner    Kathy McGuiness

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

**APPROVAL OF AGENDA**

Commissioner Stan Mills made a motion, seconded by Commissioner Kathy McGuiness, to approve the Agenda with the deletion of the entire slate of minutes for approval. Motion carried unanimously.

**CORRESPONDENCE**

Two letters received will be read when the Public Hearing portion of the meeting is held.

**APPROVAL OF MINUTES**

No Minutes were available for approval.

**PUBLIC HEARING** on and consideration of a proposed ordinance that will extend the moratorium on the issuance of permits or other approvals for the construction of unenclosed swimming pools in the residentially zoned areas within the municipal limits of the City of Rehoboth Beach; the original moratorium having been imposed by the adoption of Moratorium Ordinance No. 1014-01 on October 17, 2014.

City Solicitor Mandalas noted that currently a moratorium was placed on the construction of unenclosed swimming pools in the residential districts. This ordinance proposes an extension of that moratorium to June 19, 2015. It has been properly noticed 15 days in advance and published in a newspaper of general circulation in the City. He read the ordinance.

Public Comment:

1. Mr. James Pike, 95 Columbia Avenue – in support of. Two homes with swimming pools placed at Columbia Avenue and Third Street have created a nuisance because of the noise, etc. late at night. This is something the homeowners do not appreciate as well as renters.
2. Mr. Richard Perry, 46 Pennsylvania Avenue – in opposition to. He was also opposed to the original adoption of the moratorium. What brought the Commissioners to the original adoption was the stated purpose to eliminate noise. The Commissioners have adopted a noise ordinance. To further proliferate this moratorium and impact property owners' rights further, this is totally inappropriate. He plans to bring before the Board a regulation of swimming pools which says that the purpose of this ordinance is to ensure that residential swimming pools are used and enjoyed in a responsible manner which protects the health, safety and well-being of all residents, guests and visitors to the City. This does not need a moratorium to be adopted. The noise ordinance should stand on its own and be enforced, and the Commissioners should stop continuing this moratorium impacting homeowners' property rights. Police records from 2012 and 2014 indicate there were 205 noise complaints. Of the 205 noise complaints, seventeen were related to pools and hot tubs. Only nine of those complaints were pool related.
3. Mr. Mark Purpura, 5 Third Street, questioned the purpose of the extension of the moratorium.

He worried that the extension would be perpetually renewed. Not all pools are bad. Trying to end pools in the City would be impacting property rights in a way that is detrimental to homeowners. Mr. Purpura agreed with the noise ordinance. It should address some of these concerns. He urged the Commissioners to consider the fact that it is not appropriate to just perpetuate the renewal of the moratorium.

4. Mr. Mel Woloshin, 12 Stockley Street, asked why the moratorium is only extended until June 2015.

Mayor Cooper said that ordinances like this moratorium need to have an end date when they are enacted. The resolution was passed a month ago, and the Commissioners felt at that time that two months would probably be enough to conclude their deliberations and propose changes to the ordinance itself.

5. Ms. Mable Granke, 1013 Scarborough Avenue Extended – in support of. She said that when the issue of the moratorium was brought up in a past public hearing the situation evolved into something much larger than just the noise issue. The Commissioners need to consider the parking issue with regard to the large rental homes that many residents consider to be motels.
6. Ms. Linda Kauffman, 206 Laurel Street – in support of. The issues are beyond just noise; they involve the size of houses and all the things the Commissioners are addressing. The Commissioners need the time to address all those things to ensure the quality of life issues that the residents have brought forward.
7. Mr. Mark Betchkal, 98 Sussex Street – in support of.

Mayor Cooper closed the public portion of this hearing.

Commissioner Mills believed that the original purpose is still valid for having the moratorium. Extending the moratorium is the prudent thing to do. The Commissioners have been very deliberate in meeting twice a month. A third meeting was added in May. He felt confident that the Commissioners will be able to vote on a new pool ordinance at the June 19, 2015 Regular Meeting.

Commissioner Lorraine Zellers agreed. The Commissioners have learned that this is a very complex issue. What started with noise has leached out into other problems in the community that the pools were the flashpoint which brought them forward. Extending the moratorium for another month so the Commissioners can discuss the other things involved such as zoning, parking, etc. is also wise.

Commissioner Bill Sargent said the issues that the Commissioners have been dealing with are complex and interrelated. As the Commissioners have gone on, they have found that their initial ideas need to be modified, etc. Because this has taken longer than what was expected, this has resulted in much more careful thought and will result in much better public policy when the Commissioners are done. He hoped that in the next 30 days the Commissioners will be able to finish. The important thing is for the Commissioners to get it right and keep in mind what they really want to achieve with what they are doing.

Commissioner Toni Sharp said that the extension of the moratorium is in the best interest of everyone in the community. The Commissioners' role is to work very hard to protect what everyone loves about the City.

Commissioner Sargent made a motion, seconded by Commissioner Zellers, to adopt the ordinance extending Moratorium Ordinance No. 1014-01 which was adopted October 17, 2015 and duly noting that this was the subject of a public hearing.

Commissioner Patrick Gossett said that the Board has completed the noise ordinance and is still working on pool, zoning and vacation rental ordinances. This particular zoning ordinance has direct impact on the moratorium. Meetings that have been scheduled are a Special Meeting on May 29, 2015, Workshop Meeting on June 8, 2015 and Regular Meeting on June 19, 2015 where this will be the topic of discussion at all those meetings. The Commissioners have worked diligently on this and will have resolution with regard to the pool and zoning ordinances. The extension of the moratorium will allow the Commissioners to provide the individuals affected who will either build a pool or consider building a pool with rules and regulations that will allow them to carry forward. Five weeks is a short period of time to allow the Commissioners to give clear direction on what is intended for the future.

Commissioner McGuinness was disappointed with the Commissioners as a body, but she is pleased for the effort they have put in. As of today, the Commissioners are pretty much all on the same page for the pool ordinance. She asked if the moratorium would be pulled if the pool ordinance is able to be voted on in June 2015. Commissioner McGuinness feared that this will drag on for months with zoning and other

issues. She thought that possibly more meetings could be scheduled.

Mayor Cooper said that if the Commissioners are at a point where they feel comfortable that they have done what is needed to be done in regard to the pool issue as it relates to the pools, then they will let the moratorium be over.

Commissioner Gossett noted that at the conclusion of the Special Workshop Meeting held today with regard to the pool ordinance, everyone was pretty much on board with everything that was in place. A couple of points are still outstanding with regard to zoning such as parking, etc. He thought that the Commissioners are approximately 80% complete with those. This will allow the Commissioners to publicize public hearings for June 19, 2015 on both of those issues.

(Sharp – aye. It is in the best interest to the community. She supports as many meetings as it takes to get the Commissioners to closure. Gossett – aye. The additional five weeks allows the Commissioners to deal with these issues in a comprehensive way and allows them to collect the data that is needed to make a difference and do it correctly. It is imperative that the Commissioners get it done by that time. Sargent – aye. There is enough complex interplay in the pieces that the Commissioners need to get it right, and getting it right is necessary. The Commissioners should avail themselves the additional five weeks. Cooper – aye. All the original reasons that the moratorium was passed remain in effect and are valid. The Commissioners are working diligently but have not gotten there yet, so a bit more time is needed to complete that. Mills – aye, for the reasons previously stated earlier. The original purpose is still valid, and the Commissioners have been very deliberate in moving forward. This will be prudent to give the Commissioners another opportunity for another two or three meetings to bring to a fruitful conclusion. Zellers – aye, for the reasons she previously stated, particularly because it is a complex issue, and the Commissioners need to devote the time that is required to get it right. McGuinness – aye, citing the reasons stated by Commissioner Mills earlier.) Motion carried unanimously.

**PUBLIC HEARING** on resolution adopted by the Commissioners on April 27, 2015, which resolution proposed the borrowing of up to \$52,500,000.00 through the sale of general obligation bonds for the purpose of financing improvements to the City's wastewater system, paying the cost of issuance of the bonds and fixed the time and place for this public hearing.

Mr. Jeff Sturdevant of GHD gave his presentation and provided a brief history of the project. In approximately 1996, Rehoboth Bay was identified as a water quality limited segment. In 1998, DNREC published a total maximum daily load (tmdl) for Rehoboth Bay. In 2002, a consent order was finalized requesting that the City no longer discharge to the Rehoboth Canal. In 2005, the City completed the Rehoboth Beach Wastewater Treatment Plant Effluent Disposal Study. In 2009, a regional planning report was completed to assess a joint Sussex County/Rehoboth Beach land application report. In 2009, there was an alternative discharge cost evaluation. In 2010, there were draft EIS development, regulatory and scoping meetings. In 2012, a draft EIS was completed. A public meeting was held in April, and a final EIS development was completed in April 2013 and submitted to DNREC for review from May 2013 to January 2015. In January 2015, the Record of Decision was issued. The Environmental Impact Statement (EIS) required that six alternatives be investigated as part of it. Fiscal, biological, human and environmental consequences were investigated in detail. The Record of Decision, issued by DNREC, stated that the factors in consideration identified in the final EIS warrant approval of Alternative No. 6 – Ocean Outfall as prescribed and analyzed in the final EIS for the wastewater disposal method for the City of Rehoboth and in the Record of Decision. The components of the Record of Decision that were approved by DNREC require four different components: 1. Pump station located at the existing wastewater treatment plant. The pumping station will be constructed in an existing tank in the existing facility to minimize construction costs. 2. New force main which will run along the canal, cross the City and run along Henlopen Avenue to Deauville Beach. The force main will be 11,400 linear feet long and will be 24 inches in diameter. Currently, GHD is looking at open cut options and directional drilling. All of the construction activities through the middle of the City will be restricted from the end of October to the end of April. There will be no construction during the summer months. 3. Ocean outfall constructed 6,000 linear feet out to a diffuser which is located at the very end. Directional drilling will be done through the surf zone to 3,000 feet. From there, an open cut will be done along the ocean floor to put the pipe in with ballast stones and armor stones. At 6,000 feet, the outfall diffuser will be constructed at the termination of the pipe. 4. Requirement that the City completes a stormwater evaluation of all five current outfalls into the ocean. GHD will complete a report by January 1, 2016. The report will identify non-point sources of stormwater, cost effective alternatives for improving stormwater quality, reducing stormwater volume and evaluation of disposal options. There is no requirement to implement the stormwater evaluation; it is just something DNREC wanted included in the Record of Decision. The wastewater treatment plant was built in 1987 and upgraded in 1994, 1997 and 2002. It is an advanced secondary treatment high quality effluent plant

which provides a higher level of treatment than the current effluent permit requires. The purpose of the upgrade is to renew the aging infrastructure and improve reliability. The treatment plant runs 24 hours per day, seven days per week and 365 days per year. The proposed reliability upgrades to the wastewater treatment plant include upgrading part of the treatment process itself, preliminary treatment, emergency storage tanks, oxidation ditches, secondary clarifier improvements, rehabilitation of the disinfectant system and multiple systems. A comprehensive plan evaluation has been done which includes a condition assessment and consequence of failure for every piece of equipment. An emergency power system will be added to the treatment plant. A study had been completed to look at different alternatives rather than land disposal for the bio-solids. A solids drying system was selected as the recommended alternative to the City which includes rehabilitating the existing digesters, de-watering and dryer equipment in buildings, de-watered keg storage and associated power distribution improvements. The solids drying alternative includes drying the bio-solids which would be dried to approximately 90% total solids. This would become a Class A bio-solid which is unrestricted by DNREC and EPA, and disposal would be much easier. Typically, the dried sludge is purchased by a commercial landscaping company because it is used as a soil additive. The engineer's estimate of probable construction costs for the outfall project is \$40,000,000.00. The probable construction costs for the bio-solids treatment process is \$12,500,000.00. Total estimated cost for the two projects is in the amount of \$52,500,000.00. GHD completed a user rate analysis, and it shows increases to the 2010/2011 user rates. With the ocean outfall, there is a 41% increase. The reliability improvements are inclusive of that percentage at 61%. For a solids dryer alternative, the rates change 80% to pay for the cost of improvements to the facility. Currently, GHD is in the design phase of the outfall, force main and pumping station. It will begin work on the stormwater project in the near future. As soon as agreement is reached on the treatment plant, GHD will finalize the bio-solids portion of that project and begin work on it. In 2016, the three projects will go out for bid. Construction of the force main and ocean outfall will start in October 2017 and be completed and operational by June 2018.

Commissioner Mills noted that Sussex County had met with the Commissioners and helped them analyze the alternatives. The County approves of this method.

Mayor Cooper noted that the City treats all the wastewater east of the Rehoboth-Lewes Canal which includes four entities: 1. City of Rehoboth Beach. 2&3. Henlopen Acres and Dewey Beach are districts of the County. The City has a contract with them to treat the wastewater from those two districts. They pay a proportion which is based on the annual flows on their cost of operations. The proposal is that Henlopen Acres and Dewey Beach will pay a portion of the principal and interest payments each year going forward based on their flows. 4. North Shores. Because North Shores has no government system, the City maintains the collection system and treats the wastewater. North Shore customers are billed directly. They pay based on the total flow coming from North Shores and the allotted cost of the whole system which is divided by the number of users for each user rate. Mayor Cooper had hoped that the County would provide its own capital, but it seems better that the City go ahead with borrowing the entire amount. Commitment letters have been received from DNREC and the State Revolving Loan Fund. The City has a commitment for \$25,000,000.00 for the outfall for a 25 year period at 2% interest and \$10,484,000.00 for the plant upgrades for a 20 year period at 2% interest. The City will apply for an additional loan with DNREC for the \$12,500,000.00 for the bio-solids. DNREC will be accepting notices of intent at the end of August 2015. A decision is anticipated to be made by the end of 2015. If DNREC would approve the additional loan this year, it would carry a 2% interest rate.

Public Comment:

1. Ms. Jennifer Duncan, 68 Kent Street, asked if she would be able to drink the effluent water under the new technology.

Mr. Sturdevant noted that the water would not be set up for direct potable use. There are three built-in barriers that would prevent anything greater than three microns from getting out into the outfall and washing back onto the beach. There is a minimal chance of that happening. Typically, water that is discharged from the City facilities is majority-wise cleaner than the water it is going into.

2. Mr. Richard Kaplan, 58 Kent Street, asked that if the effluent being put in the ocean from towns north of the City are not in the same compliance with State legislation, then why would not the current or wind take their waste and dump it into the City's water. He also asked what percentage of the money is coming from the federal government and what will happen to taxes on a percentage basis.

Mayor Cooper said the Commissioners are currently contemplating that the sewer rates will cover the costs of operating the sewer plant. It is a function of the City which should be self-sustaining. It is a utility that needs to stand on its own. The beach in Rehoboth is impacted by waters of the Delaware Bay. It is hoped that stuff from Wilmington is diluted enough that it is imperceptible.

3. Mr. Dan McGuinness, 1105 South Boardwalk – in support of rehabilitating the plant and bringing it up to standards and drying the solids. He questioned the outfall. Twenty million dollars to throw away a potential valuable resource seems to be silly.

Commissioner Mills noted that according to the Delaware Geologic Survey, the City is not in drought condition, and it does not need water. The City has 5,000 years' worth of well water available to it.

4. Mr. Tom McGlone, 318 Laurel Street, asked if the Mayor and Commissioners have gone back and studied land application to make a current comparison to see where they are cost-wise; how much money the whole thing will cost over the proposed financing plan and what the contingency plan is if the referendum does not pass.

Mayor Cooper noted that with regard to going back and studying land application, the cost increases have been related to inflation and the construction market since the estimates were put together. Those inflation factors would apply across the board to anything the Commissioners looked at in the past in the way of construction. He had not computed the entire cost for the proposed financing plan. There is no contingency plan. This is the plan that the Commissioners have put forward, and they are pursuing it.

5. Ms. Jane Fox, 214 Hickman Street, said that nowhere in the presentation was anything said about plans for the future in terms of the amount of load that will be on the system. She asked if it will be able to service all the needs for the future and the life of the system.

Mr. Sturdevant said that the treatment plant has a capacity of approximately 3.4 million gallons per day. It has capacity for the next 20 years. The proper capacity has been planned for with this system.

Mayor Cooper said that it averages 2.2 million gallons per day in the summer. Flows have decreased over the last 10 years.

6. Ms. Mable Granke, 1013 Scarborough Avenue Extended – in support of. She complimented the Commissioners to have the foresight to add to the water/sewer bills a percentage that allows coverage for some of the expenses. Spray irrigation can work very well, but what has to be taken into consideration is if the City has to go for the acreage needed, it would require approximately 14 miles of piping and the land would need to be farmland and woodland. Spray irrigation cannot take place when there are no crops in the ground. A bi-product is sludge, and those sites are not easy to find.
7. Mr. Frederick Schrank, 304 Hickman Street, asked for what the differences are between tertiary treatment and enhanced secondary treatment.

Mr. Sturdevant was not familiar with the Wilmington facility that deals with tertiary treatment. Secondary treatment on an average would be clarification after the biological treatment process and then it would be disinfected and go to the outfall. This plant has an additional step which is a filtration process.

8. Mr. Mark Purpura, 5 Third Street, asked for an explanation of the financing and what the contingency plan is if the other financing is not obtained.

Mayor Cooper said that under the Charter, the Commissioners have to propose the borrowing and give the maximum amount that would be borrowed and the purpose. The amount in the resolution is the maximum amount to be borrowed. The solids handling was finalized to be added to the project since March 2015. The Commissioners want this part of the project to be done. If the money cannot be borrowed from the Clean Water Revolving Loan Fund, the Commissioners would have to see where the money could be obtained advantageously.

9. Mr. Dominic Ramsey of Surfrider Foundation, 603 Bay Road, read from a letter requesting that the City cancel plans to build an ocean outfall pipe for treated effluent from the City's sewage treatment plant. The Delaware Chapter of Surfrider Foundation has proposed a land-based solution that is less expensive, faster to implement and less wasteful of millions of gallons of water. In the past 24 hours, submissions have been collected from those opposed to the outfall pipe, including Rehoboth Beach residents and ocean experts attending the Blue Vision Summit in Washington, D.C.

Commissioner Mills noted that the Commissioners received the petition from Surfrider Foundation today. He read some of the comments.

10. Mr. John Papajohn, 2 Rehoboth Avenue, said that the major reason the Commissioners chose ocean outfall was cost. He asked if the Commissioners had any vision that the ocean outfall would be cleaner than treatment on land, and if the ocean outfall is a lower cost than the treatment on land.

Mayor Cooper said that there are a number of studies on the City website. One was done with Sussex County in approximately 2009, looking at land application. The cost at that time for an average user for ocean outfall was \$630.00, and land application ranged from \$1,000.00 to \$1,400.00 depending on the methodology. In the original 2005 study, the Commissioners looked at land application and compared it in the same report alongside of ocean outfall using engineers' estimates of the costs. The ocean outfall, in every case, came out significantly cheaper and was totally environmentally appropriate.

11. Mr. Mario Rocha, 114 Henlopen Avenue – in opposition to. He also would like the Commissioners to consider placing the overhead electrical line underground while the pipe is being installed for the ocean outfall.
12. Ms. Patty Brown, 1 State Road, asked if marine life can still wash up on shore and if it will mess with the wastewater thing.
13. Ms. Linda Kauffman, 206 Laurel Street, asked if federal approval is needed and the extra costs for maintenance on a regular basis.

Mr. Sturdevant noted that the first 3,000 feet of outfall pipe will be 1 inch to 1½ inch high density polyethylene so saltwater will not affect it. The remaining 3,000 feet will be HDP as well, but thinner. There will be no corrosion on any part of the pipe. There will be caps on the diffuser itself that will need to be replaced approximately every ten years. GHD has submitted for an Army Corps of Engineers (ACOE) permit that will need to be approved to install the outfall.

14. Mr. Frank Cooper, 96 East Lake Drive, said that land application has its own set of problems. Using land application will allow for the disposal to leach into the bays. Ocean outfall is the best alternative, not only financially, but environmentally too.
15. Ms. Donna Mabry, 221 Hickman Street - in support of. She asked how much it would cost to upgrade the system to a potable system.

Mr. Sturdevant noted that there is advanced treatment which could cost an additional \$15,000,000.00 to \$20,000,000.00 with higher operational costs.

16. Mr. Imants Brolis, 8 Olive Avenue, asked if all the nutrients would be gone with potable water.

Mayor Cooper noted that the City pumps water out of the ground and supplies it as drinking water that has nitrates of up to 8 to 9 ppm (parts per million). It is put back in Rehoboth Bay at 6 to 8 ppm. The City is required to treat it to a higher level than it takes out of the ground.

17. Mr. John Gauger, 304 Laurel Street, requested clarification of the current stormwater outfalls and how far out they go.

Mr. Sturdevant noted that five stormwater outfalls go out and discharge into the surf zone. The ACOE removes sand from the end of the pipes on a regular basis.

Commissioner Zellers said that the stormwater outfalls are separate from the ocean outfall. There are more pollutants that often go out in the stormwater than will go out in the sewer system.

18. Mr. Ed O'Connor, 10 Cornwall Road, Rehoboth Beach, asked what effluent is in the water, and which system bears less environmental impact, ocean outfall vs. land-based application.

Mr. Sturdevant noted that the major components of the effluent are nitrogen, phosphorous, BOD and TSS. The issue with removal of pharmaceuticals has not been solved to date. The environmental impact of either application is subject to locality, weather, etc.

19. Mr. John Dorfler, 651 Beachwood, said that he would like the Commissioners to consider the foresight of the burden to fix the outfall in his generation.
20. Mr. Steve Myers, 6 Seabright Way, asked how the outfall pipe will be anchored.

Mr. Sturdevant noted that additional storm models and geotechnical work need to be done. There will be anchor collars on the pipe to hold it down, and ballast stone will be placed over the top of the pipe in the open trench area.

21. Mr. Hans Reigle, 707 South Boardwalk, asked what the depth of the ocean is at 6,000 feet out from the surf's edge. He also asked if the fee will remain or if there will be surcharge after the capital expenditure is paid off.

Mayor Cooper said that someone will need to decide that in 20 to 25 years. At the end of the process, the City will need to evaluate the structure of the wastewater bills.

22. Ms. Mable Granke, 1013 Scarborough Avenue Extended, said that the Commissioners should not allow Tidewater Utilities into the City's business.
23. Mr. John Papajohn, 2 Rehoboth Avenue, said that the City would have more control over land-based application because it cannot control the ocean.

Correspondence:

1. Letter dated May 5, 2015 and received May 7, 2015 from Preston and Pauline Littleton – in support of.
2. Letter dated May 14, 2015 from the Executive Committee of the D.C. Chapter of Surfrider Foundation – in opposition to.
3. Letter dated May 15, 2015 from Greg W. Rosner, requesting that the referendum vote on ocean outfall should be delayed, specifically until the proper and necessary permits are in order.
4. Letter dated May 15, 2015 and received May 15, 2015 from Tidewater Environmental Services Inc. requesting that the City should leave the record open and defer its decision on selecting the date for the proposed referendum until Tidewater's report is delivered and sufficient time is allowed for adequate review with regard to a land application solution.

Mayor Cooper closed the public portion of this hearing.

Mayor Cooper recessed the meeting at 8:54 p.m. and reconvened the meeting at 9:00 p.m.

**PUBLIC HEARING** on a resolution adopted by the Commissioners on April 27, 2015, which resolution proposed the borrowing of up to \$18,000,000.00 through the sale of general obligation bonds for the purpose of financing the City Hall Complex Project, paying the cost of issuance of the bonds and fixed the time and place for this public hearing.

Mayor Cooper said that the City has been working with EDiS and DB&F. This project was started with a task force which included three Commissioners, three citizens and a number of City staff. After the first task was completed, it was apparent that all the Commissioners had a vital interest in this project and process so the task force was expanded to include all the Commissioners. Four citizens have been included, two of whom are architects, one local businessman, one business person, one homeowner, the City Manager and Police Chief.

Mr. Mike Wigley of Davis Bowen & Friedel (DB&F) gave his presentation. This project was started in January 2012 with a feasibility and master planning exercise. This exercise lasted more than a year with five task force presentations during that time. In April 2013, the schematic design process began and was completed in August 2014. After that stage was completed, it was evident that the entire project became more of a priority in terms of timing. Design development was completed in March 2015 which had started in August 2014. There were three task force presentations during that time. Currently, DB&F is in the construction drawing process. There will be two buildings that will go on the City Hall site. An aerial view was provided of the existing site. At the beginning of the project, a site survey was done. A direct link will be created from Second Street to the City Hall Complex. As part of the building evaluation, floor plans of the existing building were developed, and square footages were determined. An assessment of quality of the building was done. Structurally the current building is not in bad condition. It has cracks and moisture issues in the basement. The code was met at the time the building was constructed; but in order to construct a building of this size today, it would need to have a sprinkler system and a firewall. In the basement, there is egress that goes into storage areas which is not permitted today. Doors do not swing in the right direction in several areas, and ADA deficiencies are inherent. The electrical system is at the end of its useful life, and these systems are not meeting today's standards. The biggest deficiencies are operational in the Police Department, Administration and public spaces. After the existing building was evaluated, interviews were done with all the departments and key staff including the Mayor and City Manager to find out what is needed. A program was put together which illustrates a summary of the departments. Currently, all the existing buildings amount to approximately 39,000 square feet. A building or a series of buildings is needed which amount to approximately 56,000 square feet. Once the additional space was identified, concept plans were developed. The public will park in the east parking lot. Police and staff parking and deliveries will occur in the west parking lot. Both driveways will be maintained on either side of the building. Proposed floor plans were provided of the City Hall Complex. An indoor and outdoor promenade will be created to lead back to the new entrance to the Convention Center. After

the massing studies were performed, the task force got into schematic designs. The Convention Center will have new restrooms, a new entrance and a reskinning of the exterior of it. The current loading for food service will be relocated from the east side of the Convention Center to the back of the building. The Parking Department and Main Street will be located in a new building on their original areas of the site. Total new construction for City Hall is 38,270 square feet. The renovated areas of the Convention Center are approximately 2,300 square feet. There will be a full basement for expansion capabilities committed for storage and other uses in City Hall. There will also be space on the third floor for expansion. The exterior will have brick and precast concrete on the building. The corner element of the building will house a caucus room for the Commissioners and may be available as an executive suite for the Convention Center. An aerial view was provided of the proposed complex. A sidewalk system will lead people from City Hall to the Parking Department/Main Street building. Floor plans were provided of the Parking Department/Main Street building. The design of this building is in keeping with a residential scale, and will have brick and precast concrete on it. The entrance to the Main Street office will be off of Lake Avenue. Next week DB&F will be submitting for site related permits which is a lengthy process. The construction drawings for the Parking Department/Main Street building will be completed this summer with the idea that it will be permitted and ready for construction after the season ends. City Hall construction drawings will be advanced. In Fall 2015, portables (temporary facilities) will be brought in for the staff. In late Fall, the departments will be located to the portable facilities. The demolition of the existing building, except for the Convention Center, will begin late Fall 2015. Site construction of the new Parking Department/Main Street building will be occurring at that time. In Spring 2016, construction of the Parking Department/Main Street building will be completed, and it will be occupied before the summer season begins. City Hall construction will begin in Spring 2016. It is anticipated that construction will be completed for City Hall by the end of 2016 and it will be occupied by the end of January 2017 and the Convention Center will be open in mid-February 2017.

Mayor Cooper had previously given a presentation about the financing of this project. There have been allowances for \$1,000,000.00 in construction contingencies within the \$18,000,000.00, \$300,000.00 in the owner's contingency for the things the City would want to change, and \$450,000.00 for fixtures, furniture and equipment (FFE). The City Manager has been working with USDA to submit an application and have it approved before the end of June 2015. USDA has a community development program which the City may be eligible for. The current interest rate is 3.5% for 20, 25, 30 or 40 years. The City would need to have interim financing during the period of construction, so the City would have to arrange with the bank for that. Other alternatives will be looked at. The City borrowed \$6,000,000.00 in the 2005/2006 timeframe, and that money was used to complete the City's share of the streetscape project, Lake Gerar Bridge and the first phase of the Boardwalk reconstruction. The last payment for that loan will be paid on September 1, 2017 which marries well with this project. Assuming that \$18,000,000.00 will be borrowed at 3.5%, the payments will be slightly less than \$1,100,000.00 per year for a 25 year loan. It will be \$360,000.00 more than what is currently paid on the \$6,000,000.00 loan. Mayor Cooper felt very comfortable about the financials for this project. The need for a new City Hall is apparent, and he encouraged anyone who has any doubts to arrange a tour of the building, particularly the Police Department.

Public Comment:

1. Ms. Jennifer Duncan, 68 Kent Street – in support of. She took the tour in April 2015 and found the Police Department deplorable, disgusting and embarrassing. The administrative offices are no better off.
2. Mr. John Gauger, 304 Laurel Street, asked if the Disabilities Act was meant instead of USDA. He did not see an elevator on the drawings.

Mayor Cooper said that the US Department of Agriculture has a community development program. Three elevators will be located within the City Hall building. One will be for the use of the Police Department, and two would be public elevators off of the lobby of the Convention Center.

3. Ms. Linda Kauffman, 206 Laurel Street, asked why the Parking Department was not brought into the City Hall design, and what would be done with the 306 Rehoboth Avenue building. She also asked that since the funding is not locked down if the referendum will have a cap on it.

Mayor Cooper noted that the 306 Rehoboth Avenue building is a useable building, but the decision by the prior City Manager and Commissioners was to consolidate the City's operations. The location of the IT Department is not efficient. With regards to the Parking Department, there was not a lot of room in City Hall. It functions well as a separate operation because of the amount of foot traffic. It will be located on the same property with the same oversight. Mayor Cooper said the cap for the



referendum is \$18,000,000.00. The referendum is to set the maximum amount of borrowing and the usage of it.

4. Mr. Hans Reigle, 707 South Boardwalk, asked if Commissioners examined whether to continue the 9-1-1 service or the Alderman Court.

Mayor Cooper did not know that the Commissioners examined it in relationship to the new building, but they have continually looked at that over a period of time. The value that it adds to the quality of life here is outweighed by the costs associated with it. Continuing the services at the level the City has is necessary and appropriate.

5. Mr. Mark Purpura, 5 Third Street, commended the designers and EDiS for what looks like a fantastic new building. It is needed, and the price seems reasonable to him. He encouraged the Commissioners to keep the residents up-to-date on the financing so they can understand what they are voting for. Mr. Purpura asked how the Convention Center will change and how it might affect attracting additional business.

Mr. Wigley mentioned that the first thing which will be done to the interior is expanding the lobby and improving public access to the building. The entrance to the Convention Center will be relocated to the east side of the building and more relative to the front doors. All of the existing toilet rooms will be renovated and completely ADA accessible. The floor will be replaced in the Convention Center. Brick and precast concrete will be added to the exterior of the Convention Center to emulate City Hall. The loading dock will be located at the rear of the Convention Center.

6. Mr. Tom McGlone, 318 Laurel Street – in opposition to. The cost for this project is excessive for a one mile town with 3,000 properties where 80% of the people do not live here. It is a waste of money. As the Commissioners are asking the citizens to build smaller houses and they will be changing zoning, this is excessive; and it is not a good example of consistency with what the Commissioners are planning on doing with zoning and FAR.
7. Mr. John Meng, 107 St. Lawrence Street, mentioned that there is parking across the back of the fire company. He asked that since the fire company does not own the property, if there will be space available to drive around the back of the building.

Mr. Wigley said that the fire department will be accessible from one side. Mayor Cooper said that he will talk with the fire department about this matter.

8. Mr. John Gauger, 304 Laurel Street, asked where the recycling bins will be moved to.

Mayor Cooper said that if the City hosts the recycling, the bins would be located at the Public Works garage or across the canal.

9. Mr. Randy Mason, 16 St. Michaels Place, asked if there will still be an exit to Third Street at the rear of the complex.

Mr. Wigley said that this exit will still be maintained, and it is hoped that there will be sidewalk access along Third Street right into the main walkway at the promenade.

10. Mr. Jeff Spring, 503 Lee Street, assumed that the Convention Center will not be used during construction, and there will be a loss of revenue.

Mayor Cooper noted that the costs associated with it are nearly as much as the revenue. It will make the construction simpler and will be completed sooner if the Convention Center will not be open. If the project goes forward, the Convention Center would be closed November 7, 2015 and would be available sometime in Spring 2017.

11. Mr. Frank Cooper, 96 East Lake Drive, said that while a shed dormer can be built on the new City Hall, no one else can.

Mayor Cooper disagreed because City Hall is located in a commercial zone.

Correspondence:

1. Email dated May 5, 2015 from John & Susan Roehmer, 528 School Lane – in support of.
2. Letter dated May 5, 2015 and received May 7, 2015 from Preston and Pauline Littleton – in support of.

Mayor Cooper closed the public portion of this hearing.

## **REPORT OF THE POLICE DEPARTMENT**

Police Chief Keith Banks presented the report of the Police Department for the month of April 2015. There were nine criminal, 255 traffic and two civil charges made during the month. Seven traffic crashes were investigated. The Dispatch Center handled 170 police incidents, 204 ambulance incidents, 235 traffic stops, assisted other agencies six times during the month and 9-1-1 calls totaling 389 were received.

## **REPORT OF REHOBOTH BEACH VOLUNTEER FIRE COMPANY**

Mr. John Meng of the Fire Company reported that there were 42 crew calls and two alarms. Dedication for Station 2 is scheduled for May 16, 2015 at 9:00 a.m. The dedication ceremony will commence at 11:30 a.m.

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

Chief Building Inspector Terri Sullivan presented the report of the Building & Licensing Department for April 2015. During the month, 123 permits were issued for a value of work totaling \$5,108,850.28. Fees collected totaled \$158,850.28 for the month. One hundred thirty-five permit processing fees were received in the amount of \$2,700.00. The Board of Adjustment heard three cases in April. No restaurant applications were received in April. One notice of violation was issued for a contractor working without a building permit. Two notices of violation were issued for construction after hours. There were 100 building inspections, 26 plumbing inspections, seven rental inspections, no meetings regarding trees, 42 meetings regarding new projects and 13 meetings regarding City business.

## **REPORT OF PLANNING COMMISSION**

Ms. Sullivan presented the report of the Planning Commission. The Regular Meeting was cancelled on May 8, 2015. A Workshop Meeting was held on May 8, 2015 from 1:30 p.m. to 5:15 p.m. The Workshop Meeting was devoted to reviewing the current Comprehensive Development Plan (CDP) status analysis and providing edits/additions that the Commission believes should be included in the State mandated five-year update. When these additions/modifications have been incorporated, the Planning Commission will enlist the assistance of Kyle Gulbranson of AECOM to begin drafting the CDP addendum document. The CDP update will be submitted as an addendum to the existing 2010 approved CDP and will not require a new PLUS review by the State. At this time, there are no new partitioning requests that have been submitted. The Planning Commission may schedule another Workshop Meeting to be held on June 12, 2015 to continue its work on the CDP update. This would be in lieu of the regularly scheduled evening meeting.

## **OLD BUSINESS**

There was none.

## **NEW BUSINESS**

Mayor Cooper called to consider adoption of a resolution ordering a Special Election for the purpose of voting for or against the proposed borrowing of up to \$52,500,000.00 through the sale of general obligation bonds for the purpose of financing improvements to the City's wastewater system and paying the cost of issuance of the bonds, said borrowing having been the subject of a Public Hearing earlier in this agenda.

City Solicitor Mandalas said that this resolution sets in motion the process necessary to set the referendum date and hold the referendum on the ocean outfall project.

Mayor Cooper suggested that June 27, 2015 be the date for the referendum. This would allow enough time to send out a packet of information to every property owner and to finalize the preparation of the proxies or powers of attorney and put together the requisite he needs to line up people to run the election.

Commissioner Mills made a motion, seconded by Commissioner Sargent, to adopt the resolution ordering a Special Election for June 27, 2015 with regard to the borrowing of \$52,500,000.00 for improvements to the City's wastewater treatment system. (Sharp – aye, Gossett – aye, Sargent – aye, Cooper – aye, Mills – aye, Zellers – aye, McGuiness – aye.) Motion carried unanimously.

Mayor Cooper called to consider adoption of a resolution ordering a Special Election for the purpose of voting for or against the proposed borrowing of up to \$18,000,000.00 through the sale of general obligation bonds for the purpose of financing the City Hall Complex Project and paying the cost of issuance of the bonds, said borrowing having been the subject of a Public Hearing earlier in this agenda.

City Solicitor Mandalas said that this resolution sets in motion the process necessary to set the referendum

date and hold the referendum on the City Hall Complex Project.

Mayor Cooper said that these proceeded as two separate resolutions and will be put on one ballot, but they will be individual votes.

Commissioner Sargent made a motion, seconded by Commissioner Mills, to adopt the resolution ordering a Special Election for June 27, 2015 with regard to the issuance of up to \$18,000,000.00 in general obligation bonds for the City Hall Complex Project. (Sharp – aye, Gossett – aye, Sargent – aye, Cooper – aye, Mills – aye, Zellers – aye, McGuiness – aye.) Motion carried unanimously.

Mayor Cooper called to consider adoption of a resolution recommending the reappointment of Renee L. Bennett to a new two-year term as Alderman of the City of Rehoboth Beach.

Mayor Cooper noted that two years ago the State insisted that a term limit of two years be set for the Alderman. The Commissioners make a recommendation to the Governor, the Governor in turn makes the appointment and the State Senate acts on that. Ms. Renee Bennett had been appointed and was confirmed for two years. The current Charter says that within 30 days of the expiration of her term, the Commissioners are to reappoint the Alderman and send a resolution to the Governor recommending the reappointment. As a reappointment, Ms. Bennett will not be required to be reconfirmed by the Senate.

Commissioner Sargent made a motion, seconded by Commissioner Mills, to adopt the resolution requesting the reappointment of Renee L. Bennett as City Alderman. (Sharp – aye, Gossett – aye, Sargent – aye, Cooper – aye, Mills – aye, Zellers – aye, McGuiness - aye.) Motion carried unanimously.

#### **CITY MANAGER'S REPORT**

City Manager Sharon Lynn reported that the fire hydrant project outside of the City limits is substantially complete, and it appears to be under budget. The new parking meters were installed in the first and second blocks, and staff went for training on May 14, 2015. There will be additional training next week for the parking enforcement staff. The volunteer bike safety patrol begins on May 22, 2015 at 8:00 a.m. Three volunteers will be working on weekends until school is over, and then they will be assigned to a bike officer working from 6:00 a.m. to 10:00 a.m. on the Boardwalk. The Lake Drive Water and Wastewater Project is moving along ahead of schedule. It is anticipated that the charging station for electric vehicles will be ready by the end of next week.

City Manager Lynn noted that Street Aid expenditures will be deferred to next month.

#### **COMMITTEE REPORT**

There were none.

#### **CITY SOLICITOR'S REPORT**

There was nothing to report.

#### **COMMISSIONER ANNOUNCEMENTS/COMMENTS**

There were none.

#### **DICUSS ITEMS TO INCLUDE ON FUTURE AGENDAS.**

Items to be included on a future agenda area: 1. Drone policy. 2. Start discussion on standing committees.

#### **CITIZEN COMMENT**

Ms. Mable Granke, 1013 Scarborough Avenue Extended, said that she is proud of the Mayor and Commissioners.

The next Workshop Meeting will be held on June 8, 2015 at 9:00 a.m.

There being no further business, Mayor Cooper adjourned the meeting at 10:21 p.m.

**Respectfully submitted,**

---

**(Lorraine Zellers Secretary)**