

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

January 9, 2012

The Workshop Meeting of the Mayor and Commissioners of the City of Rehoboth Beach, was called to order at 9:01 a.m. by Mayor Samuel R. Cooper on Monday, January 9, 2012 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	Bill Sargent
	Commissioner	Pat Coluzzi
	Mayor	Samuel R. Cooper
	Commissioner	Stan Mills
	Commissioner	Lorraine Zellers
	Commissioner	Mark Hunker

Absent: Commissioner Kathy McGuinness

Also in attendance was: City Manager Gregory Ferrese
City Solicitor Glenn Mandalas

Mayor Cooper had received a letter of resignation from Commissioner McGuinness due to family commitment. She was thanked for her years of service.

CORRESPONDENCE

Email received January 3, 2012 from Thomas McGlone, 318 Laurel Street, suggesting that the Commissioners urge the Rehoboth Beach Historical Society to bring its Gala back into the City and that the City should not provide more money unless the Society is willing to move its events back into the City.

OLD BUSINESS

There was none.

NEW BUSINESS

Mayor Cooper called to discuss a request by the Rehoboth Beach Historical Society for additional funding from the City.

Mr. Paul Kuhns, President of Rehoboth Beach Historical Society, read the Mission Statement of the Historical Society and provided a brief history of what has done in the past decade and what is being done in moving forward. Starting in 2002, the City has rented the Old Icehouse building to the Historical Society for its museum. During fundraising efforts, the Historical Society raised over \$1,000,000.00 for the renovation of the building. Construction had gone over budget which forced the Historical Society to borrow \$330,000.00 to finish the museum. The first floor of the museum has been completed, but a lot of work needs to be done on the second floor. Subsequent to the museum's opening in 2007, the Historical Society had a line of credit valued at \$310,000.00 of which \$55,000.00 had been paid; and in 2008, the City offered \$250,000.00 on the loan for a 10 year term. The current amount remaining on the loan is \$175,000.00. The City also pays the electric and pest control bills. In regard to operating expenses, the Historical Society has hired one full-time employee in 2007. Funding received is 90% from contributions and special events. The Beach Ball is the largest fundraising event and is in its sixth year. The budget for 2012 is approximately \$190,000.00 to \$195,000.00. Membership in the Historical Society is more than 600 persons. Annual visitor participation is approximately 2,400 to 2,500 persons per year. The Historical Society is asking for \$5,180.00 to help with the expenses of running the museum which includes \$3,500.00 for the accounting audit, \$680.00 for the security and fire alarm contract, and \$1,000.00 for the Verizon telephone/internet equipment for five months. This specific request is for the 2011/2012 budget from discretionary funds of the City. Mr. Kuhns will be submitting a similar request for the 2012/2013 budget.

Commissioner Hunker thought that there is no reason why not to help the Historical Society with its request. Commissioner Sargent agreed that this is for a worthy cause.

Mr. Kuhns addressed Mr. Tom McGlone's email and noted that the primary reason the Beach Ball is held out-of-town is due to parking in the City.

This item will be placed on the Agenda for the Regular Meeting on January 20, 2012.

Mayor Cooper called to discuss parking meter procedures including operations from the 2011 summer, other metering options, instituting pay by phone, enforcement and other related matters.

Mayor Cooper provided a presentation of the parking meter report. He has been working with Ms. Carol Everhart of Rehoboth Beach/Dewey Beach Chamber of Commerce, Mr. Mike Peterman of Parking Department, Mr. Dave Henderson, IT Director and Commissioners Coluzzi and Sargent on a pay by phone option with regard to the parking meters. According to Mr. Peterman, there are 2,121 parking spaces controlled by meters city-wide. Ninety-seven Reino meters serve approximately 670 spaces of which 51 meters are credit card enabled in the first two blocks of Rehoboth Avenue with 397 spaces, 42 meters are on the rest of Rehoboth Avenue with 239 spaces and four meters are on Grenoble Street with approximately 30 spaces. There are approximately 1,450 single space meters. The total revenue from meters for 2011 was \$2,580,000.00 with an average of \$1,200.00 per space. The meters are in effect for 115 days, the paid occupancy rate is 50% and the fine revenue is \$665,000.00. In regard to the 51 credit card Reino meters, there were 406,976 total transactions with 125,711 or 31% by credit card and 281,265 or 69% by cash. The total revenue was \$753,748.00 with \$381,251.00 or 51% from credit cards and \$372,497 or 49% from cash. The average per transaction was \$1.85 with a \$3.03 average per credit card transaction and \$1.32 average per cash transaction. The paid occupancy rate was 80%. The total cost as a percentage was 14.8% for taking credit cards in 2011. Issues which have been identified are:

1. Inability to provide enough quarters for parking meters and the need to provide an alternate way to pay for parking.
2. Credit card acceptance by the 51 credit card Reino meters can be confusing, and maintenance is a problem. Available alternate payment methods are pay by space meters, pay and display meters, single space meters that accept credit cards, pay by phone and others. Pay by space would require spaces to be numbered and payment is made at a central meter by coin or credit card. This system is currently in use on Rehoboth Avenue. The pros of this system are:
 1. Can have different rates and time periods.
 2. Revenue can be accounted for, for each individual space.
 3. Eliminates clutter of individual meters.
 4. Has no consumables such as paper.The cons of this system are:
 1. Each space must have a number applied to the street surface.
 2. Acknowledging credit card payment problematic.
 3. Expensive - \$7,000.00 to \$8,000.00 per unit. The City currently has a unit to eight spaces, but could probably average 10 to 12 city-wide. Pay and display would require payment at a central meter, an a receipt is dispensed which is then displayed on the dashboard. The pros of this system are:
 1. Payment can be made at any meter.
 2. Does not require individual space numbering.
 3. Eliminates clutter of individual meters.
 4. Receipt verifies payment by credit card.The cons of this system are:
 1. Cannot have different rates or time periods.
 2. Customer must return to car to display receipt.
 3. Enforcement is slowed because of need to check dashboard.
 4. Requires consumables such as paper.
 5. Cannot account for revenue by the space.Single space meters are similar to that which is used in the City today, but also accepts payment by credit card. The pros of this system are:
 1. Can have different rates and time periods.
 2. Single space meter clearly indicates area is metered.
 3. Revenue can be accounted for, for each individual space.
 4. Does not require individual space numbering.
 5. If meter fails it only affects one space, not many.The cons of this system are:
 1. Acknowledging credit card payment may be problematic.
 2. Each meter must have a connection to a wireless network costing \$8.50 or more per month.
 3. Rehoboth Avenue does not have single space meter poles.
 4. Cost \$500.00 or more per meter.Pay by phone would entail making a phone call or using an app on your smart phone in order to pay for parking with a credit card through a third-party vendor. The pros of this system are:
 1. No capital cost to the City.
 2. Can have different rates and time periods.
 3. Does not require on-street individual space numbering.
 4. Confirmation of transaction.The cons of this system are:
 1. Requires customer to pay service charge.
 2. Must maintain signage on meter identifying meter number.
 3. Time purchased by phone does not appear on meter.
 4. More complicated enforcement.
 5. Accounting by space only for credit card transactions.Other methods would include car parking meters. The following are items for the Commissioners' consideration:
 1. Institute pay by phone city-wide. This would make all metered spaces payable by credit card for those with cell phones and would require no capital investment by the City, and no connection fees.
 2. Remove the current credit card system from 51 Reinos. This would eliminate the main problem. The City should get three to five more years from these meters. The City would save nearly \$9,000.00 in annual connection fees.
 3. Purchase or lease new ticket management system including new hand-helds. This would provide wireless connectivity and would be an integrated solution and requires only one unit be carried. With regard to instituting pay by phone city-wide, three potential vendors have been interviewed, and Parkmobile seems to be the vendor with the strongest system. Customers can sign up for service with their cell phone or can create an account by going online with

their computer. Once an account is set up, the system will detect who is calling at which time only the space number and amount of time needs to be input. An app on a smart phone can also be used through a QR code on the meter. Parkmobile adds a service charge for the use of the service. The City pays \$0.35 per transaction; however, Parkmobile will add to this if the City wishes. The transaction is confirmed, and the customer is given the ending time of the parking session. If there is no time on the meter, the parking attendant would need to check the hand-held to see if payment was made by phone. Funds are credited to the City within 12 to 24 hours. With regard to removing the credit card system from the Reino meters, credit card readers and associated structure are the source of most problems associated with these meters. Replacing 97 of these meters would cost nearly \$700,000.00. In looking at the latest Reino meter, the City's maintenance staff did not feel any upgrades were sufficient to justify this expenditure. The fewer slots on a meter the easier it is to maintain, both through normal wear and tear and vandalism. The new ticket system would require 10 new hand-helds that would include wireless connectivity, camera, bar code scanner and possibly GPS. Duncan Solutions would host the ticket database at \$0.60 per ticket issued. Duncan can provide internet payment of tickets for a \$2.95 convenience fee charged to the customer. Ticket data would be available immediately after it is written where now the hand-held must be brought in and the data downloaded before it is available. Duncan has the ability to download vehicle registration information automatically. Currently, the City has to do it manually. Duncan will send mailed notices to ticket recipients for \$0.20 per notice plus postage. Cost would be \$50,000.00 to \$70,000.00; however, it may be cost effective to rent hand-held units from Duncan. Implementation of pay by phone would be the quickest and least expensive way to give customers the opportunity to pay for parking by credit card. There are a number of potential drawbacks including having to set up an account, the addition of a transaction fee and the need to have a credit card and cell phone; however, these issues are typically not an impediment in today's connected world. The City's ticket writing capabilities need to be upgraded at the same time to streamline enforcement and provide real time data and the ability to pay tickets online. The net effect on revenue is uncertain. It is almost certain that parking revenue will increase for a number of reasons. The City will, however, incur significant credit card fees. These fees currently exceed 12% of revenue collected by credit card. Pay by phone may negatively impact ticket revenue if customers pay their meter more often. There is evidence that payment options for such items as parking will be changing fairly rapidly in the near future. Institution of pay by phone may potentially give the City the necessary time to allow these technologies to mature. Questions to be considered would be: 1. Would the City want to add an incremental amount to the \$0.35 transaction fee to help offset credit card fees? 2. One of the point often used to sell pay by phone is the ability to call in and add more time to a meter; however, this in large measure defeats the purpose of time limited meters, i.e. to force turnover. Would the City restrict adding more time when the customer has already parked for the maximum time? 3. How long would the City want to commit to a contract with the pay by phone vendor? Discussion ensued regarding the Parkmobile system and its benefits.

Commissioner Hunker thought that some sort of advancement is needed with regard to parking to provide goodwill in the City.

Commissioner Coluzzi noted that the City should be in the forefront and should start to publicize it because it will be important to make sure visitors will know about this in advance.

Mayor Cooper said that there are a lot of logistics to work out with Parkmobile. The staff feels that the handhelds are critical because of a need to be able to check on spaces that have been paid for, etc.

There was consensus among the Commissioners to begin the process with Parkmobile. A vote will be taken at the January 20, 2012 Regular Meeting to sign the contract which would be worked out with Parkmobile.

Mayor Cooper addressed Mr. Walter Brittingham's questions of who the wireless provider will be and the reliability of the connection. The provider for the Reino meters is AT&T. Under Parkmobile, the provider would be according to each individual's cell phone service connection. The only carrier the City needs is for the handheld units in order to process the tickets. The handhelds could default to storing the data if a connection is unavailable.

Commissioner Hunker said that the caveat would be that the City is not taking away the option for metered parking.

Mayor Cooper articulated the process in moving forward. No monies will need to be consigned on the part of Parkmobile, but with Duncan there is. The Commissioners will need to decide whether the hand-helds will be rented, etc. His thought at this point would be to tell Parkmobile that the Commissioners would be moving forward. A copy of the contract will be forwarded to the City Solicitor and emailed to the Commissioners.

Mayor Cooper would like to keep this group together which consists of Ms. Everhart, Commissioners Coluzzi and Sargent, Mr. Peterman and Mr. Henderson. He would like Ms. Everhart to be in charge of publicity and public relations to get word to a lot of people before they visit the City that this system will be available to them. A proposal will be needed from Duncan, and Mayor Cooper's thought was to tell Duncan that the Commissioners intend to move forward with that. The contracts would be brought to the Commissioners for approval. The credit card processing would need to be removed from the Reino meters.

Commissioner Hunker suggested moving forward with this matter and return to the Commissioner on January 20, 2012 with what is needed. Commissioner Zellers agreed.

Mr. Brittingham thought that the City should have its own person in charge of public relations and have the Chamber and Main Street assist that person. The City should not delegate to someone else. Mayor Cooper said that Ms. Everhart has a lot more experience and avenues to get this done, and he would fully expect that she would keep the Commissioners apprised, and the decision would actually be made by the City.

Mr. Patrick Gossett noted that the merchants and real estate agents should also be notified as part of the communication plan with regard to what the City is going with the parking meter system.

Mayor Cooper said that on the revenue side, the system will be tested to see how it works over the summer and then any financial decision may be made based on experience.

Ms. Joyce Lussier, 99 Henlopen Avenue, suggested that the realtors should be given an insert with each rental to explain the proposed system.

Ms. Carol Everhart of Rehoboth Beach/Dewey Beach Chamber of Commerce said that the proposed system would reduce the need for quarters. How the turnover would be set up over time is very important. The Chamber will work with the realtor association to provide information. Inserts can be placed in the realtor bags which are provided by the Chamber. The Chamber's books have gone to print, but inserts can be placed in them. The Chamber will do everything it can to get the word out. Ms. Everhart will work with Main Street and Commissioner Hunker to provide information on their website.

Commissioner Mills noted that the City website has a page for parking information which can be revamped to provide the information.

Ms. Joy Howell, Dewey Beach Commissioner, suggested that in the contract negotiations, the City Commissioners may be able to ask the supplying companies how they might help to get the word.

Mr. David Henderson, IT Director said that in regard to the commitment to keep the Reino meters working for three to five years, he and Mr. Peterman have looked at all the parts which would be required. It was their recommendation to get the parts now. Mr. Henderson will work with the City Manager in this regard.

Mr. Brittingham commented that there are no dedicated parking spaces for getting change only so people can pull off the roadway. Better signage is also needed. A change machine needs to be provided past the current change maker. Two paved parking spaces could also be provided at the Police Department.

Mayor Cooper called to discuss performing a complete city-wide property re-assessment.

Mayor Cooper said that the City's last assessment was based on 1969 figures. The periodic updating of the assessment has fallen to what was supposed to be a three member Board of Assessment. The gentleman who has been doing the assessment has become ill. Commissioner Sargent had forwarded Curt Riley's name to Mayor Cooper. Mayor Cooper, City Manager Gregory Ferrese and Mr. Riley held a meeting with Building & Licensing personnel to see what part they would be able to do, such as assembling the information, etc. Mr. Riley had done commercial assessments in the City. Mr. Riley suggested re-assessing the entire City for \$40.00 a parcel which would result in approximately \$130,000.00. If the city-wide is to take place in the near future, it will need to be put in the budget. The program would be assembled in late spring with publicity shortly after that, and the assessments would take place in summer or early fall through the winter and would be ready to go out in the tax bills in 2013.

Commissioner Mills said that the city-wide re-assessment is a great equalizer. It will give a truer assessment value and fairer values especially as it eliminates the discrepancies which have crept into the system over the last 40 years. All properties are re-assessed starting from square one using the same equal standards. The land values would be updated and more realistic than the land values of 1969. In Title 22, State law has two dictates for tax rates upon re-assessment which the first is that the total for the property taxes received

before the re-assessment have to equal the same total for the re-assessment afterwards. The second provision allows the Commissioners to increase tax rates if so desired. This is a separate process.

Commissioner Coluzzi thought that this will be great for the residents for the re-assessment to occur. She was interested in knowing how it will affect commercial property. Mayor Cooper said that one thing commercial property is based on is income potential value. A mini-study could be done to find out what the outcome is. Commissioner Sargent said the point is that during the course of 44 years, the distortions and formulas which have been used have introduced such inequity in the system that it is right to move forward.

Commissioner Mills will contact Lewes and Bethany with regard to their re-assessments.

Ms. Libby Stiff, Scarborough Avenue Extended, supported the Commissioners as a Step 1 towards equalizing a lot of things in the City. Many of the properties will need to be looked at in terms of livable apartments.

Mr. Patrick Gossett suggested consideration of single time or phase in on a cycle, and an appeal process should be established at the same time the assessment is done. Mayor Cooper said that the first avenue would be to sit down with the assessor once the assessment would come out and it would be adjusted at that time, if need be. After that, the issue would come to the Board of Commissioners. Mayor Cooper thought that the Board of Assessment should be done away with; and if this would occur, it would require a Charter amendment. This firm would maintain a database and would charge \$7.00 per property per year.

This item will be deferred to the Budget sessions. Mayor Cooper requested that the City Manager make a provision in the Budget for this item.

Mayor Cooper called to discuss potential changes to Chapter 189 – Noise of the City Code.

Commissioner Mills recused himself from this portion of the meeting.

Mayor Cooper felt that with the program, there could have been better publicity upfront, and it went well last summer with Noise Enforcement Officer Bobby Edmonds. The noise issues were a fraction of what they had been. Mayor Cooper suggested two changes to the Code which would improve enforcement of it and are in line with what he has heard from a number of people: 1. The idea of “plainly audible” is in the existing Code. City Solicitor Mandalas read Section 189-8(A)(3). Notwithstanding anything to the contrary herein, during the hours designated as nighttime in Section 189-7 herein, in residentially and commercially zoned districts, the noise levels from stationary sources and mobile sources while stationary shall not be plainly audible within any receiving dwelling unit, including any unit in a multiple dwelling structure. Mayor Cooper said it would be the policy of the City that this will be enforced. He would like to extend as an addition that noise cannot be plainly audible 50 feet from the source. There would need to be discretion in enforcement of it. 2. In discussions with Mr. Edmonds, he had said particularly the restaurant establishments that 95% of the time the problem with noise can be solved by closing doors and windows. Mayor Cooper suggested that there should be an ordinance to say that anytime there is entertainment, the doors and windows will need to be closed. Entertainment would also need to be defined. This issue is not strictly about restaurants. The City did get good cooperation from the businesses this past summer.

Commissioner Sargent said that in the past there had been a few establishments that did whatever they wanted to do. Because of discussions, businesses said they were going to try to cooperate. There was a high level of desired compliance on the part of the business community, but the City may not always get that. If an establishment thumbs its nose in the future, it would be nice to have clearly defined laws. One of the problems with the noise meter is that it does not register bass. When talking about plainly audible, the bass discussion would show up.

Commissioner Hunker did not firmly believe in the plainly audible standard. Fifty feet of footage with the plainly audible standard would be arbitrary. He was trying to figure out where the harm is that the Commissioners are trying to stop. The City has not been having a problem with noise since Mr. Edmonds has been hired.

Commissioner Coluzzi has worried about an issue where a business can potentially be picked. She voiced concerned that the goodwill which has been fostered by Mr. Edmonds during the past season may go away with trying to push some of these things.

Mayor Cooper did not see a whole lot of change in what was done this past summer, but it will be easier for Mr. Edmonds to use this tool to say that the ordinance clearly states the doors and windows need to be closed.

Commissioner Zellers said that there have been many communities which have adopted the plainly audible standard because it is simpler for people to understand. She suggested having the plainly audible standard and having the backup with the noise meter for those people who want more objectivity. Plainly audible in other communities was a simpler solution for the businesses and residents to understand and applies across the entire community. The 50 foot standard could possibly adjusted in the business community. A qualifier would be that there has to be so much noise that words which are spoken can be understood. She agreed with adding a provision about closing the windows and doors.

Mr. Howard Menaker, 16 Dover Street said that this conversation proves the point that this is a more complex issue the more it is discussed. What is plainly audible to one person may not be plainly audible to another person. With regard to plainly audible, to understand every word of a song is a completely different issue than the bass line which can be heard even when doors and windows are closed. Consideration needs to be given to residential vs. commercial. Maybe what is needed is for this to be complaint driven. What has worked in the residential neighborhoods is that a complaint is registered with the police, and they are called to the scene. Commissioner Sargent agreed with the comments about the bass line. The bass is 95% of the problem, and it carries through the neighborhood.

Commissioner Zellers suggested that the bass needs to be addressed in the ordinance. Commissioner Hunker agreed. Building Inspector Terri Sullivan noted that with the C line in the Code, the number are high for how the meter reads the bass. She thought that those numbers may need to be lowered.

Mr. Patrick Gossett commented that other communities handle this in a way of issuing an entertainment license annually. There are also mechanical devices which can be put in an establishment that will control or eliminate the bass line on an hourly basis. There is also a decibel meter which reads digitally to be put in establishments.

Commissioner Hunker said that the Commissioners need to keep some bearing in mind that people come to the City to eat, drink, not drink, walk along the beach, etc. People are coming to the establishments to have a good time. Mayor Cooper noted that the noise needs to be kept within the bounds of the establishment. Commissioner Hunker agreed that there are some outliers in the City. A way should be found to moderate what the true complaint is, the bass.

This item will be placed on a future agenda.

Mayor Cooper called to discuss progress on the ocean outfall project and presentation of the force main alignment study.

Mayor Cooper has asked Mr. Rip Copithorn to be in attendance at the January 20, 2012 Regular Meeting to discuss the alignment of the force main. When the study is complete, it will be clear what the best route is. The proposed route is to leave the wastewater treatment plant, follow Rehoboth/Lewes Canal bank to Canal Street, cross Rehoboth Avenue and be placed underground between the Canal and Rehoboth Beach Historical Society, turn and bore under Grove Park and down Henlopen Avenue where it probably will be open cut in the City right-of-way. The Draft Environmental Impact Statement (EIS) has been completed and is in the hands of the State. The State wants 30 days to review it. The Draft EIS will be available for 30 days online before the Public Hearing. The alignment will be in the EIS.

Commissioner Mills would be comfortable considering a vote as long as the agenda item is clear that this will be presented and consideration is given to adopting the alignment. Mr. Copithorn will discuss the reasoning why Henlopen Avenue is slated for the alignment vs. Columbia Avenue.

Commissioner Sargent said one major reason to not do the alignment on Columbia Avenue was because the State archaeological group has found this area to be undisturbed, and things could be found which could halt the alignment.

Mr. Walter Brittingham said that running the alignment down Henlopen Avenue is the most logical choice. People will not be inconvenienced more than a couple of days.

This item will be placed on the agenda for the January 20, 2012 Regular Meeting.

CITY MANAGER'S REPORT

City Manager Gregory Ferrese reported that he has spent the majority of his time working with Ms. Kaye Batchelor on the City Budget. He hopes to present to the Commissioners a balanced budget with no revenue increases except for the Wastewater Revenue surcharge. Those monies are allocated to the Ocean Outfall Project. All City projects are proceeding on schedule. Sealed bids will be opened for the Delaware Avenue

Restroom Project on January 12, 2012 at 1:30 p.m. The ADA Ramping Project will begin the week of January 9, 2012. This project will last approximately 90 days.

The first budget session will be held on Date for first budget session is January 20, 2012 at 9:00 a.m.

The second budget session will be tentatively scheduled for February 4, 2012.

COMMITTEE REPORTS

There were no reports.

CITY SOLICITOR'S REPORT

There was no report.

COMMISSIONER ANNOUNCEMENTS/COMMENTS

There were no Commissioner announcement/comments.

Discuss items to include on future agendas.

There were no items to be included on future agendas.

The Mayor and Commissioners Regular Meeting will be held on Friday, January 20, 2012 at 7:00 p.m.

There being no further business, Mayor Cooper adjourned the meeting at 11:32 a.m.

Respectfully submitted,

(Pat Coluzzi, Secretary)