

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

August 15, 2014

The Regular Meeting of the Mayor and Commissioners of the City of Rehoboth Beach was called to order at 7:02 p.m. by Mayor Samuel R. Cooper on Friday, August 15, 2014 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 Mark Hunker

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

APPROVAL OF AGENDA

Commissioner Stan Mills made a motion, seconded by Commissioner Bill Sargent, to approve the Agenda with the deletion of the May 5, 2014 Workshop Meeting, June 9, 2014 Special Meeting and July 18, 2014 Regular Meeting Minutes. Motion carried unanimously.

CORRESPONDENCE

Letter dated July 31, 2014 was received from Bill Moore, Baltimore Avenue, regarding the wastewater alternative.

APPROVAL OF MINUTES

No Minutes were available for approval.

REPORT OF THE POLICE DEPARTMENT

(See attached report.)

Police Chief Keith Banks presented the report of the Police Department for the month of July 2014. There were 159 criminal, 346 traffic and 61 civil charges made during the month. Forty-four traffic crashes were investigated. On September 27, 2014 from 10:00 a.m. to 2:00 p.m., the Police Department along with other agencies will collect unused and expired medication for safe disposal. The drop-off location will be in the lobby of the Police Department. Unused and expired medication is also accepted throughout the year. The Dispatch Center handled 645 police incidents, 366 ambulance incidents, 73 fire incidents, 533 traffic stops, assisted other agencies eight times during the month and 9-1-1 calls totaling 735 were received.

REPORT OF REHOBOTH BEACH VOLUNTEER FIRE COMPANY

Mr. Walter Brittingham of Rehoboth Beach Volunteer Fire Company reported that the new building on Route 1 is substantially complete. The Fire Company has accepted it from EDiS Company. It is expected to be operational by mid-September 2014.

REPORT OF THE BUILDING AND LICENSING DEPARTMENT

(See attached report.)

Chief Building Inspector Terri Sullivan presented the report of the Building & Licensing Department for July 2014. During the month, 56 permits were issued for a value of work totaling \$3,761,628.98. Fees collected totaled \$82,453.14 for the month. Sixty-seven permit processing fees were received in the amount of \$1,340.00. The Board of Adjustment heard three cases in July. No restaurant applications were received in July. One notice of violation was issued for illegal parking in a lot. One notice of violation was issued for a contractor working without a building permit. Five notices of violation were issued for freestanding signs. Three notices of violation were

issued for blinking signs. Five notices of violation were issued for maximum noise levels. Five notices of violation were issued for obstructions on sidewalks. Two notices of violation were issued for damaged sidewalks. Two notices of violation were issued for broken windows. One notice of violation was issued for a structure in a setback. One notice of violation was issued for overgrowth. One notice of violation was issued for a flag too low. Two notices of violation were issued for selling by outcry. There were 56 building inspections, eight plumbing inspections, five rental inspections, three meetings regarding trees, 27 meetings regarding new projects and 12 meetings regarding City business.

REPORT OF PLANNING COMMISSION

Planning Commission Vice Chair David Mellen presented the report of the Planning Commission. The Regular Meeting was held on August 8, 2014. The Planning Commission conducted a concept review of a proposed site plan for the property located at 110 Rehoboth Avenue and 35 & 37 Wilmington Avenue. At the start of the concept review discussion, the Planning Commission noted that the City's Comprehensive Development Plan [Section 8.31] recommended that special attention be given to the upgrade/revitalization of the first two blocks of Baltimore and Wilmington Avenues and First Street. The Plan recommended that the City should create a design image that would describe an architectural character for each block to be used as a source of ideas when individual properties are modified and that some of the ideas that should be considered are similar to those implemented on Rehoboth Avenue. It was noted that when this recommendation was presented to the Board of Commissioners, it was not implemented and that some members of the Board stated that property owners should create such a design. The Planning Commission noted that this proposed major development on Wilmington Avenue will serve as a de facto design image for this section of the City's commercial district and would hopefully guide and stimulate further revitalization. The Planning Commission, with approval of the City Manager, has retained the services of Mr. Kyle Gulbranson of URS Corporation to assist in the site plan review. The Planning Commission was impressed not only with the applicants' proposed design and architectural renderings but also their recognition that in collaboration with the City, this project could serve as a design image that would help guide further development. It seemed apparent that the Applicants could probably achieve their basic development needs within the constraints of the City's Code. However, by working with the Planning Commission and the City, a far better design may be possible. The Commission encouraged the Applicants to present for Preliminary Site Plan Review not only an application meeting existing Code requirements, but also a more expansive streetscape and façade/exterior design for consideration recognizing that it may necessitate either variances or permission by the Board of Commissioners. Since the Applicants had already filed an Application for Site Plan Review that was being reviewed by the Building Inspector, the filing of any amendments would allow it to be placed on the Planning Commission's September agenda for Preliminary Review. The Planning Commission completed and approved its remaining work in response to the Board's tree study resolution. Attached to this report is the Planning Commission's final tree study report. Should the Board desire, the Planning Commission or members thereof would be pleased to meet with the Board as it discusses the report and its implementation. The Planning Commission has begun discussion regarding the Comprehensive Development Plan (CDP). The Planning Commission is waiting to hear from the Board the scheduling of the joint meeting regarding swimming pools, noise, commercialization of properties, etc.

REPORT AND DISCUSSION on the recently completed Schematic Design for the City Hall Complex as prepared by the City Hall Complex Master Plan Task Force including a discussion and overview of funding and a discussion of Design Development, the next phase in the planning process.

Mr. Mike Wigley of Davis, Bowen & Friedel was present at the meeting. Mr. Wigley provided a brief history of the entire process to date. The master planning process from January 1, 2012 through May 30, 2013 included collecting existing documentation, evaluating the existing facilities, understanding the needs and developing a program, evaluating the ability of existing facilities to accommodate the program, preparing the site concepts and selecting a preferred approach, and preparing an example building concept, phasing and costs. An aerial view and site survey of the existing site were provided. Structurally, City Hall has minor areas of moisture penetration in the basement, minor wood roof deck deterioration, numerous masonry defects in the brick walks and retaining walls and beam supporting loading dock canopy appears undersized for snow loads. Currently, the fire suppression system is non-existent; the first floor exceeds permitted floor area for mixed-occupancy in a non-separated building; the basement egress passes through storage areas in some instances; some doors do not swing in the direction of egress travel; there are several ADA deficiencies; and there are electrical and mechanical deficiencies. This evaluation was based upon current codes and does not necessarily mean that the building is non-compliant. A summary sheet of the program was provided that identified all of the existing and proposed spaces for each department. Four concept plans had been presented to the Task Force of which Concept Plan A was selected which would allow for both Rehoboth Avenue access drives to remain, removing the existing City Hall building and the new building would extend to Rehoboth Avenue. A summary was provided of the conceptual cost estimates of the four plans. The total program cost with phasing and soft costs for Concept Plan A was \$16,545,778.00. The assumptions going forward

are to create a new receiving dock and remove deliveries from the east side of the Convention Center. The east parking field would be for public access. There would be a promenade from Second Street and pedestrian access from all streets. There would be reserved area for a parking structure on the east side. The 911 Communications Center would move only once, and the Police Department would not encompass the entire Rehoboth Beach façade. The east and west side accesses from Rehoboth Avenue would be maintained. The existing City Hall would be removed. There would be a defined walkway from the Police Department to the Parking Meter Department. The Parking Meter and Tech Services would be consolidated. The schematic design process from April 1, 2013 through July 14, 2014 included: 1. Establishing what a City Hall in Rehoboth Beach wants to be. The Task Force was interested in seeing that the complex has an identifiable feature, is not too pretentious, has a feeling of stability, is open and inviting, budget, is easy to navigate and should not ignore its context and history. 2. Studying the current Rehoboth Avenue streetscape. 3. Evaluating an alternative demolition approach. A demolition alternative was provided that showed partial demolition of the existing City Hall which could permit the Police Department/911 construction in its entirety. More design flexibility would be possible in the southeast quadrant. 4. Establishing first floor uses and layout. The 911 Communications Center, processing for the Police Department, Convention Center lobby, Administrative staff and the Mayor and City Manager will be located on the first floor. 5. Preparing massing studies for evaluation. The Task Force determined that a two and a half story approach would be the proper scale for the building. 6. Preparing schematic design options and finalizing. The Task Force determined that a plaza was favored with a covering of some sort, and the building would be of an asymmetrical design. Alternatives were looked at for the corner element, and front composite studies were done. A closer look at the site design was reviewed by the Task Force with regard to stormwater management, pervious pavement and the turning radii for trucks. The structural system would be a steel superstructure atop concrete foundation walls. It would have rigid frame connection for lateral stability. Two different options will be looked at for the mechanical system: 1. Geothermal. 2. Variable refrigerant flow. The electrical system would include relocation of transformers. The plumbing system would include high efficiency plumbing fixtures and low flow units. The final overall site plan, floor layouts and three dimensional renderings of the complex were provided at the meeting. 7. Preparing budget cost estimates throughout the process. EDiS Company has been working throughout to update the budget and cost estimate which is broken down into Phase 1 and Phase 2. The total project cost would be \$15,293,097.00. Alternative pricing and the potential sale of the building at 306 Rehoboth Avenue have been factored in. The cost for the Parking Meter Department/Main Street would be approximately \$916,000.00. The cost for that building is included in the cost estimate.

Mayor Cooper gave his presentation regarding funding and what the impact might be to the budget. The loan for Streetscape/Lake Gerar Bridge/306 Rehoboth Avenue building was originally \$6,000,000.00. The balance as of the end of this fiscal year will be \$1,584,000.00. The interest rate on that loan is 3.41%. By June 2017, this debt will be retired. The loan for the Lynch Well field was originally \$5,000,000.00 for treatment and wells. The balance as of the end of this fiscal year is \$3,768,000.00. The interest rate on that loan is 2.76%. The annual payment is \$346,938.00. Currently, the City is setting aside approximately \$735,000.00 to pay off that loan. The Schoolvue sanitary sewer was recently completed. The City borrowed \$450,000.00, and the balance as of the end of this year will be \$410,000.00. The interest rate on that loan is 3.00%. The loan will retire in 2023. The annual payment is \$52,421.00. The wastewater rates will be sufficient to pay that loan off. The wastewater outfall and plant upgrade will cost approximately \$22,000,000.00 which has not been borrowed to date. This amount would be the City's portion of the loan. It does not include what the County would be responsible for. The interest rate is unknown at this point. Mayor Cooper hoped that through negotiations with the State, the interest rate could be approximately 3.0%. The loan would be for 20 years. Approximately \$1,500,000.00 of revenue will need to be set aside each year by the City to retire this debt. The wastewater rates are the proper place to fund that through. The loan for the new City Hall complex would be approximately \$15,500,000.00. The interest rate may be approximately 4.0% depending on the market. This would be a level debt service over a period of 25 years. The annual payment would be approximately \$1,100,000.00. If the City was to borrow \$17,000,000.00 to pay off the \$1,500,000.00 which it would owe WSFS Bank, there would be \$735,000.00 to put toward the new borrowing. Borrowing would be for a 10 year period of time. This is the additional debt service that the City would incur. The City would need to find \$353,000.00 in revenue to pay for this project at 4.0%. There is a source of debt that is retiring which could be applied to the City Hall complex. Municipal bond rates have come down significantly from what they were six months ago. Before the Commissioners present a final plan to citizens, they will need to have a funding plan. Traditional bond issue is the most likely way to go. He suggested that as the first step is to get an informal bond rating for \$5,000.00. The Commissioners need to think about this as the project moves forward. Another option would be to borrow from a bank. Banks do not like to commit interest rates out more than 10 years. The Commissioners are close to the point where they would do an RFP for a financial advisor so they could guide the Commissioners through the process. The Charter says that the Commissioners can have outstanding, at any time, \$6,000,000.00 in debt that has not been voted on at a referendum. Both the ocean outfall and City Hall

complex projects are over the \$6,000,000.00 limit, and they will have to be submitted to a referendum to approve the borrowing. It is not to approve the projects themselves, but it is the approval of the borrowing of monies.

Commissioner Mills said that he would like to see the Commissioners move forward in that direction.

Public Comment:

1. Mr. Jim Horthy of City Hall Complex Master Plan Task Force noted with regard to the financing end that the Commissioners should look into qualifying for the Community Reinvestment Act. The rate would be extremely favorable.

Mayor Cooper said that the next phase for the City Hall complex project is design development. Past City Manager Greg Ferrese had put \$245,000.000 in the budget for the next phase. This item will be placed on the agenda for the Workshop Meeting in September 2014 for discussion.

Mr. Wigley said that in design development, the structure, HVAC systems, etc. is looked. A lot more detail will need to be provided by the departments and staff with regard to refining the layout, the quality of spaces, lighting, etc. There will be a lot of meeting and interaction with the staff and the departments. This phase will take approximately five months to complete.

Commissioner Mark Hunker said that the next phase is needed in order to show the project to the public and go to referendum.

Mr. Frank Cooper, 96 East Lake Drive, said that the eastern façade is incredibly impressive.

Mr. Jim Horthy said that pictures should be taken of the current working conditions the staff is in. Tours should be provided to anybody who wants to go through the building.

Mayor Cooper said that he has offered in two different forums for people to take a tour of the building to see the condition of the building and the working conditions. He, the City Manager and Police Chief will set up the tours.

Mr. Walter Brittingham, 123 Henlopen Avenue said that the fire company has built an impressive new building. He thought the Commissioners should look at the new station. It will be open in mid-September 2014. The City Hall plans are beautiful and have good ideas.

OLD BUSINESS

Mayor Cooper called to consider accepting a grant from the University of Delaware and DNREC to install two electric vehicle charging stations in the City.

Commissioner Mills said that charging up Delaware is a University of Delaware project directed by Dr. Willett Kempton and sponsored by the Delaware Department of Natural Resources (DNREC) with the desire to design and install public electric vehicle charging infrastructure statewide. A compilation of correspondence and a Memorandum of Understanding (MOU) was distributed to the Commissioners prior to the meeting. He summarized what the responsibilities are of the City and of the University of Delaware. If the Commissioners agree to the program, the University of Delaware would be providing the City with two high speed charging machines. Those machines would be under the ownership of the City. The University of Delaware will design a site plan for the parking spots, electrical connections and signage and submit these to the City for approval. The two charging machines are warranted by the manufacture for the first year. The University of Delaware would be offering the maintenance of the machines. Part of the program is that DNREC will pay the City in advance for one year's electric usage which will be an estimated fee. The stipulation is that the City will not charge for the electricity for the first year. The University of Delaware will reimburse the City up to \$1,000.00 for materials for installation costs. It will also provide signage at the site and directional signage. The City would determine what the final language would be for the signage. The City would take on installation of the two charging stations which would involve concrete pad(s) and electrical hookup. The City would need to consider whether or not to maintain the existing parking meters each location or give free parking, etc. The City would provide electricity free for one year. The timeline to install the stations would be to allow for two months after receiving the equipment or have installed by March 20, 2015. The City Manager and City Electrician can work out these details so the it does not become a burden. Other personnel from Public Works may be required to install the concrete pads, etc. The City would need to consider codifying designating space for electrical vehicles only. The Commissioners will need to discuss whether or not to keep the parking fee at \$1.50 or increase it to \$2.00. The City would need to do press releases in partnership with the University of Delaware and DNREC. Perhaps the City may want to do additional directional signage beyond what the University of Delaware provides. When the 2015 Parking Guide comes out, language and directional arrows

may be incorporated in it. The Commissioners will need to consider any special enforcement procedures. Evidence shows that there is a growing number of municipalities that are choosing to purchase, own and manage these systems. Photographs were provided of the charging stations. The City Manager had recommended two locations at Mariner's Park for the charging stations. Commissioner Mills agreed with this recommendation. He would like the Commissioners to pass this and try it for a minimum of one year.

Commissioner Hunker thought that this is a great thing.

Commissioner Zellers thought that this is a great initiative for Delaware, but she questioned whether the stations should be located within the City limits or if Park-n-Ride would be a better option; and whether it is the best for the City without having some other plan for managing traffic. Commissioner Mills did not see a problem with the stations being located within the City limits.

Commissioner Sargent said that the stations will be almost cost free, and there is a positive public benefit from a publicity standpoint. He agreed with installing the charging stations at Mariner's Park.

Mayor Cooper did not see this as a public function.

Commissioner Gossett said that this will not be a real investment of money from the City. There should be possible consideration of increasing the parking meter rate at these stations to discourage non-electric vehicles from parking there.

Commissioner Mills made a motion, seconded by Commissioner Hunker, to authorize the City Manager to execute the Memorandum of Understanding and place two electrical vehicle chargers at the location north of the Henlopen Hotel.

Mr. Frank Cooper, 96 East Lake Drive said that this is the wave of the future, and it is image driven.

(Sharp – aye, Gossett – aye, Sargent – aye, Cooper – no, Mills – aye, Zellers – no, Hunker – aye.) Motion carried.

Commissioner Mills will work with the City Manager on realizing this project.

NEW BUSINESS

There was none.

CITY MANAGER'S REPORT

City Manager Sharon Lynn reported that the City has sold 658 scooter permits to date. The City has had 64 weddings on the beach to date. An advertisement has been placed in today's Cape Gazette for an administrative services position. This position will replace a part-time employee who is retiring in September 2014. The primary responsibilities are in the billing department and to distribute parking permits to residents. The Schoolvue Sanitary Sewer System Replacement Project punch list inspection has been completed, and the contractors have until August 30, 2014 to complete the project. The no smoking initiative has been progressing throughout the summer as planned. Ms. Lynn, Commissioner Mills and Police Chief Banks will bring forward to the Commissioners in October 2014 a recap of this initiative. The Police Department had a new cruiser delivered which will be in service by the first week in September 2014. The Streets Department under its new leadership has provided and instituted some new efficient ways of doing several things including cleaning the downtown sidewalks, etc. The Bandstand activities are ongoing through Labor Day Weekend, and attendance has been higher this summer than in past years.

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

07/23/2014	550	Delmarva Power	\$8,548.31 (Street Lights)
08/13/2014	551	Delmarva Power	\$8,739.06 (Street Lights)

Commissioner Sargent made a motion, seconded by Commissioner Mills, to approve the Street Aid expenditures as presented. Motion carried unanimously.

COMMITTEE REPORTS

There were no reports.

CITY SOLICITOR'S REPORT

There was nothing to report.

COMMISSIONER ANNOUNCEMENTS/COMMENTS

Commissioner Hunker thanked everyone and was proud to serve with everyone on the Board.

Commissioner Mills commented that he was a guest speaker at a local Rotary sunrise breakfast this morning. He talked about City issues and being on the State Recycling Public Advisory Council and what universal recycling means to commercial entities. Commissioner Mills thought that the City offices should have a comprehensive recycling program.

DISCUSS ITEMS TO BE INCLUDED ON FUTURE AGENDAS.

Items to be included on future agendas are the smoking and merger topics at the September workshop.

CITIZEN COMMENT

There was none..

The next Workshop Meeting will be held on September 8, 2014 at 9:00 a.m.

There being no further business, Mayor Cooper adjourned the meeting at 9:56 p.m.

Respectfully submitted,

(Lorraine Zellers, Secretary)