

**TOWN OF SOUTH BETHANY
TOWN COUNCIL MEETING MINUTES
MARCH 8, 2024
9:00 A.M.**

Meeting Called to Order and Pledge of Allegiance

Mayor Saxton called the March 8, 2024, Town Council meeting to order at 9:03 a.m., followed by the Pledge of Allegiance to the Flag.

Attendance and Absences

In attendance were Mayor Tim Saxton and Councilmembers Randy Bartholomew, Bob Biciocchi, Edie Dondero, Chris Keefe, Tim Shaw, and Bob Shields; Town Manager Maureen Hartman, SBPD Chief Jason Lovins, Town Finance Director Renee McDorman, Town Code Enforcement Constable Joe Hinks, and Town Clerk Matt Amerling. Public attendees: 2. Virtual attendees: 11.

Adoption of Minutes

Councilman Bob Shields stated under the section about the BRIC grant, the word "study" should be replaced with "plan." Motion by Councilman Tim Shaw, seconded by Councilman Bob Biciocchi to adopt the February 9, 2024, Town Council meeting minutes with proposed changes. Motion carried 7-0.

Councilman Randy Bartholomew requested on the first page in the Draft Budget section, that the words "three of" be added before the four revenue drivers, and that \$30,000 has "been budgeted for." Councilwoman Edie Dondero requested on the first page, under the motion of the York Road study that the wording "to" be changed to "by" before the \$3,000. Councilman Tim Shaw motioned to approve the February 23, 2024, Town Council Budget Workshop meeting minutes with proposed changes, seconded by Councilman Bartholomew. Motion carried 7-0.

Public Comment

There were no comments.

Review and discussion of draft FY2025 operating and capital budget and long-range planning (Bartholomew, Keefe, Saxton)

Councilwoman Chris Keefe stated, regarding the long-range planning, there are three projects right now which are the Right-of-Way Project, the Code Rewrite and the GIS Information Services Project, with just the GIS project being budgeted for this current fiscal year. Councilwoman Keefe stated Building Code Assistant Ryan Dacey provided an update for the inventory maintenance, indicated that things were going well, they do have 28 storm drains still that are covered or not found. Councilwoman Keefe stated if all goes well, the Town will seek funding through the U.S. Army Corps of Engineers (USACE). The Resiliency Committee is spearheading the mitigation plan implementation. The Town has the mitigation implementation plan which comes out of the design project and Town is estimating it to be about \$2,000,000. The BRIC study plan for Cat Hill is also just as important, and that is dependent on if the Town is awarded that funding. The York Road plan also needs to be done as it's just as important for those people living in that area. Those are the two projects really that are in the Town's immediate focus with which we have funding for the study. The other projects towards the bottom of the list are the raising of the roads, raising bulkheads, and dredging. Once the York Road project is completed, we will have a better grasp on whether or not those projects will be feasible. In the meantime, the Town will be conducting general maintenance of the roads, as well as maintenance on Town bulkheads.

Councilwoman Keefe further stated there is not a lot of funding for dredging, and Council has to figure out exactly how to fund this project, but Councilwoman Keefe will leave that with the Canal Water Quality Committee (CWQ) because they've been working on it the most. Regarding beach replenishment and land purchase at the bottom of this list, it doesn't mean that these two are unimportant. Beach replenishment could zoom right up to the top, depending on what the DNREC study. Regarding land purchase, it is an excellent idea for the Town, but it is more of a want than a need right now. Councilwoman Keefe thanked Councilwoman Edie Dondero for getting the Resiliency Committee up and running, along with all the work they've put into this. Councilwoman Dondero stated she just wanted to mention in terms of raising roads and raising bulkheads, she thinks it's important to point out that these are possible, but, at this point, the Town doesn't know if that's going to be necessary. Mayor Saxton stated that this is a living document, and it can be adjusted as issues come up and there are projects around when some become higher priority than the other. The Town may have to seek public input regarding the priorities for these projects. Councilwoman Dondero stated one way Council can start to get some public input on these projects and prioritize these projects is through an updated comprehensive plan, and Council originally was talking about doing it this year and decided to delay; but if we want to be able to find large, sizable grants for some of these projects, it will behoove us to have these projects in a comprehensive plan. A few weeks ago, Councilwoman Dondero, Mayor Saxton and Town Manager Maureen Hartman met with representatives from the grant assistance program at University of Delaware, and they said it is enormously important to include these projects in the comprehensive plan because grant funders, want to see those projects identified as priorities in a comprehensive plan so that they know that they are priority for the Town. Mayor Saxton stated he agrees with Councilwoman Dondero, but he also wants to make sure Council doesn't ignore the fact there may be other ways to get the information and make it just as powerful in our grant application.

Regarding the operating budget, Councilman Randy Bartholomew stated one of the changes from the last review was the removal of the \$20,000 for the GSI project because that'll be done in this fiscal year rather than next fiscal year; and Council added the \$3,000 expense for the York Road study. The Council agreed to allocate \$100,000 out of reserves for the drainage program and retained \$30,000 for internal drainage work. They also considered a deficit of \$25,650, and debated on how to balance the budget, with options including raising property taxes by about 4.7% from the current rate of \$1.30 per \$100 to \$1.36 per \$100 or using reserves. Council was in favor of increasing revenue sources rather than dipping into reserves. Mayor Saxton stated he is not convinced of having a property tax increase if the Town actually has these other cash sources that are going to be available for funding; it is difficult to justify a tax increase.

Councilman Bartholomew stated over the past year, Council has changed the investment policy where we were allowed to go to brokerage accounts, earn higher interest rates, instead of investing in CDs with lower rates. Councilman Bartholomew further stated that part of the motion he'll be making today is to cancel those CDs and transfer them to the brokerage accounts that are a higher percentage at about 4%. Council agreed that although a property tax increase would not happen this year, if the Town gets further into these long-range plans and looking at the income streams the Town is projecting forward along with the costs, there may have to be discussion of tax increases coming very soon. Mayor Saxton agreed and it most likely will happen next year. Councilman Bartholomew stated the main direction for Town Finance Director Renee McDorman is if we balance the operating budget, put the additional \$25,000 in interest income which Council knows will be achieved via the interest on the reserves.

Discussion and possible action to approve amendments to the Investment Policy (Bartholomew)

Councilman Bartholomew motioned to approve the amendments to the Investment Policy, seconded by Councilman Shaw. Motion carried 7-0.

Councilman Bartholomew motioned to authorize all current CDs held with any banking institution to be liquidated as the maturity date is reached, or earlier if fiscally feasible, specifically the number of CDs with the following banks: Artisan Bank (1), Bank of Delmarva (2), Community Bank (2), County Bank (1), Fulton Bank (1), Hebron Bank (1), M & T Bank (1), and WSFS Bank (1). Councilman Shaw seconded the motion. Motion carried 7-0.

Discussion and possible action to award Bid No. 24-01, Beach Food Concession (Hartman)

Councilman Bartholomew motioned to award the bid to Jay Vending, seconded by Councilman Shields. Motion carried 5-2 (Councilwoman Dondero and Councilman Shaw voting no).

Discussion and possible action to award Bid No. 24-02, Beach Exercise Concession (Hartman)

Councilman Shaw motioned to award the bid to Murray Oltman Yoga and ECE Yoga, seconded by Councilman Bartholomew. Motion carried 6-0-1 abstention (Dondero).

First Reading of Ordinance 214-24 to amend Chapter 42 Building Construction, §42-5 amending B and C, and Chapter 145 Zoning, Article XVII, §145-68, amending A (1), (6) and (9), regarding when building permits are required (Biciocchi)

Councilman Bob Biciocchi stated the Charter and Code Committee (C&C) met to discuss the topic of inconsistencies in the Code with respect to the flood plain ordinance. The Town was advised by FEMA of reporting requirements to secure continued FEMA flooding insurance coverage eligibility. The purpose of C&C's session was to review and advise submitted language changes to the Code and building permit requirements to comply with the current FEMA mandate. The proposed language change to the Town Code would require filing and approval of a Town permit for any building-related activity by a property owner, resident or contractor. This would apply to both remedial repairs and new construction of all kinds pertaining to the residential property in the entirety (meaning inside and outside). The Town would then have a record of these repairs by permit for each residential property available to FEMA upon request. Additionally, the proposed language changes would remove areas of conflicting instructions that exist in the Code, specifically regarding when a building permit is required. This ordinance would require homeowners to obtain a Town building permit for any building-related activity, including remedial repairs and new construction. Mayor Saxton asked if there was any conflict in this ordinance between how the Town is doing business and the flood plain ordinance. Town Code Enforcement Constable Joe Hinks stated no. Councilwoman Dondero asked Mr. Hinks if he's reviewed these changes and is comfortable with them. Mr. Hinks stated yes. Mayor Saxton stated the Town tried to go back to FEMA in attempt to not having to approve this ordinance, but the Town received a response from FEMA stating the Town had to do it if we wanted to continue being a part of the National Flood Insurance Plan program. Mayor Saxton stated he has had discussions with staff to present a draft of permit costs before the April Council meeting. Mayor Saxton stated this concludes the first reading of Ordinance 214-24.

Leadership Reports

Mayor's Report – Report submitted. Mayor Saxton stated he had a meeting with DNREC's Jesse Hayden this week and they announced they had finally cleared all the trees out of the Assawoman Canal so boats and kayaks can go up and down the canal. On March 21, 2024, the Association of Coastal Towns (ACT) mayors set up a meet & greet outside of Senate chambers to meet with legislators and introduce them to ACT and what they stand for. One item that ACT is concerned with is House Bill 168, where the State is trying to add an 8% tax on short term rentals, meaning the Town would have to raise its rental tax to 16%. ACT is opposed to the bill.

Town Manager Report – Report submitted.

Police Chief Report – Report submitted.

Treasurer Report – Report submitted.

Committee and Commission Reports

Budget and Finance Committee – Report submitted.
Canal Water Quality Committee – Report submitted.
Charter and Code Committee – Report submitted.
Community Relations Committee – Report submitted.
Planning Commission – No report submitted. Councilwoman Keefe stated the Planning Commission would like a liaison on the Resiliency Committee.
Resiliency Committee – Report submitted, and the BRIC grant application has been submitted to DEMA, and after a follow-up call with staff from DEMA, it was their recommendation to us that we also submit the same project under a different grant, FMA, a flood mitigation assistance grant. The Town would only be awarded one, but this increases the Town's chances of getting a grant.

Adjournment

Motion by Councilman Shaw, second by Councilwoman Dondero, to adjourn the March 8, 2024, Town Council Regular Meeting at 10:55 a.m. Motion carried 7-0.

Respectfully submitted,



Council Secretary



Town Clerk

4/12/24

Date of Approval