



Minutes of the Regular Town Council Meeting Monday, January 12, 2015

1. Call Meeting to Order

Mayor Krause called the January 12, 2015 Regular Town Council Meeting to order at 7:00 PM in the upstairs meeting room of the Slaughter Beach Memorial Volunteer Fire Company. Council members present were Mayor Bill Krause, Vice Mayor Amy Parker, Treasurer Jackson Gingrich, Secretary Glenn Stieffenhofer, and Councilperson Kathleen Lock. Community members in attendance are shown on the attached sign-in sheet.

2. Welcome and Announcements

Mayor Krause welcomed everyone to the meeting and introduced the guests for tonight's meeting: Terry Jester, Daniel McCarthy, and William Tobin from the Fire Department; and Thomas Sombar from Sombar & Company CPAs. Mayor Krause also reminded everyone of the special public meeting scheduled for Monday, January 19, 2015 at 3 PM.

3. Approval of the January 12, 2015 Regular Town Meeting Agenda

Motion: A motion was made by Jackson Gingrich to approve the January 12, 2015 meeting agenda. Kathleen Lock seconded the motion. **Motion carried unanimously, 5 – 0.**

4. Approval of the December 3, 2014 Special Meeting Minutes

Motion: A motion was made by Kathleen Lock to approve the minutes of the December 3, 2014 special meeting on Voting Procedures. Jackson Gingrich seconded the motion. **Motion carried unanimously, 5 – 0.**

5. Approval of the December 8, 2014 Regular Town Meeting Minutes

Motion: A motion was made by Amy Parker to approve the minutes of the December 8, 2014 regular Town Meeting. Jackson Gingrich seconded the motion. **Motion carried unanimously, 5 – 0.**

6. Special Guest Terry Jester, new Fire Company President

Terry Jester introduced himself and noted that this is his 45th year in the Fire Company. He currently holds the positions of President and Deputy Chief Dep-89. In the past, he has held the positions of Fire Chief 89-15 and First Assistant Chief 89-16. He expressed the desire to getting back to working amicably with the Town and reminded everyone that they are volunteers and "what time we get to do our stuff is when we get time to do it". The Fire Company volunteers are not at the residents' beck and call to pump yards, etc.

He said the Town is welcome to use the upstairs meeting room as it is warmer than downstairs and has better acoustics for our meetings.

Regarding the status of the new security system – Terry said he sent the Mayor and Town Clerk a list of keys and names that they have in their system. He would like to update the system to match the keys and names in an effort to upgrade the security and comply with their insurance regulations. Some people have cards, and some have key fobs. Kathleen Lock and Glenn Stieffenhofer have not been issued keys; Mayor Krause will follow up with an email. Terry said he would have the keys for our meeting next week.

Regarding snow plowing – Terry said they do not have insurance to plow the Town streets and they are not allowed to do it by State law. The State does not allow it unless it is an emergency such as getting to one of their volunteers

so they can respond to a call and they will plow to get to an alarm. They do plow down at the Launch Service because they have an agreement with them through the Delaware Marine Task Force. The State is also concerned with getting the road torn up. The Fire Company purchased a 5-ton army vehicle and a 14-foot plow to put on it (it will run in 6 ½ feet of water). This plow is to get to alarms or to pick up members to respond to alarms.

The County medics will only respond if winds are less than 35 mph. Terry said that is the County's policy, but their policy is to leave it to the officer in charge to make the decision. Terry stressed the importance that residents need to know that if they are asked to evacuate and they choose not to, they may not get a response in an emergency situation depending on how bad it is. The Fire Company will not risk a member's life. Please leave during an evacuation. He said that if they have the manpower to do so, the Fire Department would try to go door-to-door.

Terry mentioned that the Slaughter Beach Fire Company doesn't take care of Broadkill and Prime Hook as a primary district for fire and ambulance, but in the case of storms they take care of water rescue for them.

Terry thanked Amy Parker for (quickly) providing him with a mailing list of our residents. Their intention is to send a mailing to inform residents of the Fire Company's new equipment and services and to keep residents informed of upcoming events such as the big fire prevention day they are planning for sometime in August.

Kathleen Lock asked Terry if it would be beneficial for the Town to develop a safety plan. Terry thought that a plan would help in the case of an emergency. Many people don't realize that one of the biggest hazards in a storm is propane tanks (that aren't strapped down or anchored). He cited several communities that have developed safety plans or hazard mitigation plans (Dewey, Bethany, Lewes, FEMA) and would be happy to get them to use as a starting point for our own should we decide to develop a plan for the community.

There was a lease signing ceremony for the Town Park Lease.

Finally, Terry asked that everyone exit the building using the side door after the meeting. If at anytime another door has to be used, Terry asked that someone send him a text so he can deactivate the alarm for that particular door. He also suggested it might be better to use the downstairs meeting room for the large public meeting next week. He said the Fire Department would have the heat on and the room will be ready for the meeting.

7. Presentation of the Town Audit by Sombar & Company

Mayor Krause and Jackson Gingrich reviewed the preliminary audit last week and their only comment was a correction to our address.

Thomas Sombar presented the audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the Town, as of and for the year ended June 30, 2014. In summary, the assets of the Town exceeded its liabilities at the close of the fiscal year by \$553,423. Unassigned net assets have a balance of \$25,291, which may be used to meet the Town's ongoing obligations in accordance with the Town's fiscal policies. Mr. Sombar gave an in-depth report on all areas of the audit and highlighted page 21 as the most important statement. This report shows revenues over three-year period. Revenue was somewhat flat, and expenditures were up for this audit period resulting in a net loss of \$9500 in 2014

Mayor Krause referenced the section on how we can improve operations and noted that we have already done some of the recommendations such as using an outside payroll service.

Amy Parker asked what 'unassigned' means in relation to the audit. Mr. Sombar explained that fundamentally, you can't spend the first part and the remainder of funds drops down to unassigned. Unassigned funds are unrestricted and how much of your resources are available and keeping that number high is important because it is reserves for future periods. The auditor would like to see unassigned funds closer to five or six months of our general operating funds. Three months is not great, but is not bad. He said we should identify expenses that can be paid from the RTT funds to help increase our general funds so there is more there in an emergency. Brenda Desjardin asked if we have a reserve fund, and if other municipalities have reserve funds. Typically, most towns don't have earmarked accounts. On paper we have capital reserves but we don't have much of a cushion on operating expenses. Our general fund is supported by our taxes, so chances are we would have to raise taxes to make that cushion. Mr.

Sombar said it should be looked at in the future. Dan McCarthy asked if the RTT fund can be used for legal fees. There are two kinds of legal fees and legal fees for infrastructure work can be paid from the RTT fund.

Brenda Desjardins noted that in the opinion letter, the auditors wrote that they didn't review internal controls. Mr. Sombar said they are not making an opinion but they did look at internal controls. Assessing risks and bringing higher risks down to moderate or low risk is important. One person shouldn't handle transactions from beginning to end. Mayor Krause said we have already fully implemented Quickbooks and the Treasurer will authorize payment and the bookkeeper will create the check that both the Treasurer and Mayor have to sign the check. Brenda Desjardins asked if we could have one signature for a check up to a certain amount and second signature if above that amount. No – we have to have two signatures according to our Charter.

The full audit is filed in the Town Office and available for review by appointment.

8. Reading of Correspondence

- Christmas cards
- Notice from Comcast that rates are going up
- Letter from DNREC approving a septic system
- Town resident Jane Bardon sent the Mayor a copy of Power Foods for the Brain
- Letter from Sussex County Council regarding additional funding from the YE June 30, 2014. The County has developed the 2015 Economic Development and Infrastructure Grant which will award each town in Sussex County \$10,000. This one-time grant must be used by June 30th. We need to look at projects that relate to our town's economic development or infrastructure. Dan McCarthy suggested we put the information on our website and ask for suggestions. Amy Parker asked if we can pay the Launch Service a few years in advance rather than \$750 per quarter (pay a couple of years to free up Municipal Street Aid Fund). Several suggested that this might be sticky because governments don't want you to pay in advance (should be paid in arrears). Other suggestions were to improve some of the roads, the Town Park, and/or the Town Pavilion. Kathleen Lock will contact Melody Booker-Wilkins to see what kind of initiatives they have in mind and then send a one-page request for funding.

9. Reports

a. Treasurer

i. Treasurer's Report

Jackson Gingrich presented the December 1 – 31, 2014 Treasurer's Report. The General Fund had deposits of \$4,094.00 and expenses of \$6,739.02 leaving an ending balance of \$31,877.34. The Municipal Street Aid Fund had deposits of \$9,905.79 and expenses of \$416.04 leaving an ending balance of \$11,777.68. The Realty Transfer Tax Account had deposits of \$40.36 and expenses of \$5,794.05 leaving an ending balance (including CD) of \$496,003.31. Summing the above, the Town's total ending cash balance as of December 31, 2014 was \$539,658.33. The detailed Treasurer's Reports are posted on the Town website under the Town Council tab at <http://slaughterbeach.delaware.gov/town-council/financial-reports/>.

Motion: A motion was made by Amy Parker to approve the December 1 - 31, 2014 Treasurer Report subject to audit. Kathleen Lock seconded the motion. **Motion carried unanimously, 5 – 0.**

ii. Discuss and vote to approve the Town Audit by Sombar & Company

Motion: A motion was made by Kathleen Lock to approve the audit presented by Sombar & Company for FY 2014. Amy Parker seconded the motion. **Motion carried unanimously, 5 – 0.**

iii. Finance Committee – Budget Update – Legal Fees

Kathleen Lock mentioned that we used to have quarterly reports on how we are doing against the budget. Bill Krause hasn't done it yet for the last quarter.

iv. Update on the switch of the Town payroll to be IRS compliant

Jennifer will be switching the Town payroll effective January 1, 2015. Jackson will provide new W-4 forms for everyone to fill out.

v. Update on trash fees

Jackson Gingrich reported that the only update on trash fees is that initially he wasn't comparing apples-to apples when looking at both companies and the actual number of properties. Glenn provided Jackson with actual costs – approximately \$33.12 per collection site, which is about \$1 more than we would be paying to the prospective company. Since most are happy with the current service we are not contemplating switching at this time.

b. Building Inspector/Floodplain Manager

Jackson Gingrich reported for Building Inspector Bob Clendaniel who was not at the meeting. The Building Inspector spent a total of 9.5 hours in December 2014 for his work in reviewing and revising the draft Flood Plain Ordinance, Zoning Ordinance, and the MOU. The detailed Building Inspector's Reports are posted on the Town website under the Town Council tab at <http://slaughterbeach.delaware.gov/town-council/financial-reports/>.

c. Tax Collector

Angela Tibbitt is not feeling well and was unable to provide a report this month.

d. Town Street Committee

i. New Streetlight on Marina or Passwater Drive

Jimmy Dalton reported the light was installed on Passwater Drive and seems to be functioning properly. Mayor Krause mentioned the streetlight near Franks Draper's driveway is out. Amy Parker discussed cleaning up the debris to the right of Beach Plum (towards the bridge). Dean Hazzard can take care of this. We need to add possible vote to increase Dean's pay to next month's agenda.

ii. Other needed items, repairs, or updates

Mayor Krause mentioned the streetlight near Franks Draper's driveway is out. Amy Parker discussed cleaning up the debris to the right of Beach Plum (towards the bridge). Dean Hazzard can take care of this. Jimmy Dalton will contact Dean regarding this work. We need to add voting to increase Dean's pay to the February agenda.

10. Mayoral and Council Updates

a. State of the Town (wait until after the special meeting – postpone until next monthly meeting)

Amy Parker reported that she spoke with Al Rizzo who said the breach repair will begin fall 2015. Mayor Krause, the Building Inspector and Amy Parker will have a conference call with Darlene Messina to finish up the CAV report process.

11. Old Business

a. Grants

i. Wastewater Management Feasibility Study Grant

Ongoing. The engineering firm is in conversations with Sussex County to determine if it's feasible to put a sewer line through Town. We are trying to schedule a new meeting with Sussex County to determine options for how we would put a line in. The original plan was to

put it very deep gravity-fed in-water pumps, which the engineering firm said was not feasible.

ii. Sea Level Rise Grant

We received a letter from DEMA formally awarding the two elevation grants. This is not finalized through the state financial office. Once that is finalized, we will have a kickoff meeting within 30 days. Status report submitted today. Notices were sent to the Hendricks and Tuckers for escrow amounts payable to the Town of Slaughter Beach. Jackson will look out for checks and deposit in an escrow account. Paperwork will probably take another couple of months. FEMA will have to approve the request for proposal. All work must be completed by September 30, 2016.

iii. Building for Sustainable Communities Grant

This grant has been delayed. The letter we had prepared for EPA will go to HUD. In addition, there is a new hazard mitigation grant through FEMA that will be opening up in April 2015.

iv. Sussex County Shared Safety Grant

Amy Parker reported that we have a balance of \$294.00 to spend or return. Suggestions included: a children at play signs for the park; mark a crosswalk from the Fire Department to the parking lot across the street; turtle crossing sign; a stop sign in Amelia's yard; slow – wildlife signs; put a camera on the pavilion; curfew signs; sign posting emergency numbers; camera on park area; lights on the pavilion.

It was agreed to purchase and install motion lights on the pavilion. The lights and installation should cost no more than \$294.00. Jimmy Dalton will contact Dean Hazzard to do this.

v. Town Park

As previously reported, the warranty claim work was put off until about April or when the weather warms up. The lease is signed and we will submit the grant paperwork again and give them an interim status report and ask for reimbursement for the \$15,000.00.

vi. CLUP

Waiting for comments from the State's PLUS review.

vii. Job Descriptions

Amy Parker reported that Dean is okay with his job description and she still has to meet with Bob and Kathy. Then we'll see if Holly is good. We anticipate being able to approve the final job descriptions at the next monthly meeting

viii. Snow Plowing

Fire Department will not plow except as detailed earlier in the meeting. Amy Parker spoke to Mark Wells regarding plowing and the rate would be \$95 per hour but he is not bonded and insured.

ix. SBZO and New Zoning Map, Flood Plain Ordinance (FPO)

Public Hearing is scheduled for January 19, 2015 at 3 PM.

12. New Business

a. Comcast – Discussion and vote to approve new Franchise Agreement

We don't need to vote on this because it is already done by automatic extension. The agreement is for five years and runs until March 2019.

b. Election Procedure Timeline of Responsibilities – discussion of perhaps having the Town Clerk start this guide using for references: our Charter, proposed election procedures, ordinance, and municipal election procedures overview by State of Delaware Department of Elections for Sussex County. She already has outline.

Amy Parker took the lead on this discussion and said that ideally we would have an outline of what needs to be done on what date so in future years it can be updated and referenced. Kathy McFadden has the bones of this done already since she already updates the checklist the County provides. Kathleen Lock said she would like to see a whole users manual done. Kathy McFadden will get this started with things we already have/know.

Kathy McFadden said there were 17 returns from the mailing and she has kept a spreadsheet with the updated addresses. Kathy Lock requested this information for her worksheet since the County list has issues.

13. Public Comment

Dan McCarthy asked if there would be an agenda published for the public meeting on January 19th. The agenda has already been posted on the website, sent via the listserv, and is posted on the bulletin board. Kathy McFadden said she could send it again, perhaps midweek.

Brenda Desjardins suggested the Town's website promotes bringing your unleashed dog to the beach. This is the wrong website: <http://www.townofslaughterbeach.com/> and is being used by someone that created a website and is portraying it as the Towns. This happened when our new website was created by GIC and the old domain name expired.

The correct and official website is: <http://slaughterbeach.delaware.gov/>. Please bookmark the correct website for future reference.

Fires on the beach? Renters vs. owners rights? Our Ordinances allow fires on the beach but don't differentiate between renters and owners. Amy said we have to get a hold on rentals so we don't have problems. There was a discussion of who owns the beach in front of the side streets. Does the State own the beach or do they just have an easement? Ultimately, we have to inform residents and renters and rely on their goodwill and the fact that they are informed. Glenn Stieffenhofer will continue to work with Beth Yost on an informational piece that can be distributed to renters.

14. Upcoming Events

- **SBZO, Zoning Map, and FPO Public Hearing – Monday, January 19, 2015, 3 PM**
- **Town Committees, 6 PM and Town Council, 7 PM – Monday, February 9, 2015**

13. Adjournment

Motion: *A motion was made by Kathleen Lock to adjourn the meeting. Jackson Gingrich seconded the motion. Motion carried unanimously, 5 – 0. The meeting adjourned at 8:51 PM.*

Respectfully submitted,



**Glenn Stieffenhofer
Secretary**

