



The Town of Fenwick Island

800 Coastal Highway, Fenwick Island, DE 19944-4409

302-539-3011 ~ 302-539-1305 fax

www.fenwickisland.delaware.gov

REGULAR MEETING OF THE TOWN COUNCIL

Friday, May 24, 2024

MEETING HELD VIA TELECONFERENCE

MINUTES

In Attendance

Town Council Members:

Mayor Magdeburger, Treasurer Rymer, Secretary Napolitano, Council Member Bishop, Council Member Bortner (via Zoom), Council Member Zanelotti, Council Member Benn.

Staff in Attendance:

Police Chief Morrissey, Town Manager Dabbondanza, Finance Manager Gary, Town Clerk Ellinger, Administrative Assistant Grab, Beach Patrol Captain Rykaczewski (via Zoom), Building Official Locke

Others in Attendance:

Along with the Town Council and Staff, there were an additional 6 on Zoom and 9 in-person participants.

MOTION to proceed as discussed in Executive Session.

Moved by: Richard Benn

Seconded by: Bill Rymer

MOTION passed unanimously.

1. President's Report - Mayor Magdeburger

Mayor Magdeburger reported the medians that are now complete. She said the town will be addressing the overlapping sod areas with CSR. The idea was to make the medians pleasing and highlight the fact that drivers are entering a town and need to be reminded that there are pedestrians present.

DelDOT surveyors are around town surveying for the sidewalk project. Sidewalks are scheduled to be funded by 2029-30.

The Town's new website is up and running. We are working on a couple of issues to repair.

Administrative Assistant, Kathy Grab was introduced, and we are fully staffed. We have set our phone system to ring multiple lines simultaneously to hopefully allow callers to speak with a live person.

A document management system is currently being reviewed by the Technology Committee and they hope to have a final recommendation for Council/s consideration in the near future.

The town expresses condolences to the family of Agnes Loise Mould for her passing. Natalie's father, Wayne Carmean, passed away on May 1. She extended her thanks to everyone in town that reached out and supported her family during their difficult time.

2. Approval of Minutes from April 26, 2024, Regular Town Council Meeting

MOTION to approve the minutes from the April 26 Town Council meeting as amended.

Moved by: Bill Rymer

Seconded by: Kurt Zanelotti

MOTION passed unanimously.

3. For Discussion and Possible Action:

3.1 Action Form – Review and approve Independent Auditor Engagement Letter

The Audit Committee reviewed and voted unanimously to formally request that the Town Council approve a new three-year audit engagement letter with our current independent accounting firm, PKS. PKS has provided exceptional, professional service to the town. The three-year agreement's fees are \$16,250 in Year 1, \$16,750 in Year 2 and \$17,400 in Year 3. The previous agreement had annual fees of \$13,250.

Rymer makes a motion to approve the new three-year audit engagement letter with PKS.

MOTION to approve the new three-year audit engagement letter with PKS.

Moved by: Bill Rymer

Seconded by: Richard Benn

MOTION passed unanimously.

3.2 Action Form – Street Maintenance

Richard Benn noted that he needed to amend this year's budget to include an increase of funding for Public Works/street maintenance.

MOTION to amend last year's street maintenance budget to \$120,000.

Moved by: Richard Benn

Seconded by: Bill Rymer

MOTION passed unanimously.

3.3 Infrastructure Committee – Approval for engineering firm engagement regarding statement of work

Richard Benn noted that we put out a bid for an engineering firm to look at our stormwater infrastructure and mapping. The Town and residents

have done some independent research on bulkhead height and current conditions of our infrastructure. Ed Bishop noted that we are not looking for them to scope any pipes, just hoping to get some planning study complete in advance of a potential BRIC grant award. He believes it's a good idea for Council to approve a spending amount so we can get started with the project in September. Bill Rymer noted that this information is needed regardless of whether we receive the grant or not. MOTION to authorize up to \$30,000 to have the study completed.

Moved by: Richard Benn

Seconded by: Natalie Magdeburger

MOTION passed unanimously.

3.4 Appointment of three Board of Elections members and of alternate – Stu Rubenstein

Mayor Magdeburger nominated Stuart Rubenstein for a three year term on the Board of Elections.

A MOTION to confirm Stuart Rubenstein for the 3-year appointment to the Board of Elections as the alternate.

Moved by: Richard Benn

Seconded by: Kurt Zanelotti

MOTION passed unanimously.

3.5 Mike Locke's 5 – year service award

Mike Locke, Building Official, Public Works Supervisor & Code Enforcement Officer was acknowledged and presented with an award for his service to the town for 5 years.

3.6 Memorial Day Service reminder

Mayor Magdeburger reminded everyone about the Memorial Day ceremony that will begin at 5:30 p.m.

4. Treasurer's Report

During the month of April, the town's overall cash balance decreased \$83,000 to \$5.06 million. This decrease was anticipated. Overall revenues remain above the FY24 Budgeted levels and are expected to continue to grow. Overall expenses are in line with anticipated levels. The town reported \$39,000 of RTT revenues for the month which brings the year-to-date total to \$402,000 which compares very favorably to the \$225,000 FY24 Budget. Based on current market activity, we expect the FY24 final RTT revenues will likely exceed \$600,000. The town remains in a very strong financial position.

MOTION to accept the Treasurer's Report.

Moved by: Natalie Magdeburger

Seconded by: Richard Benn

MOTION passed unanimously.

5. Committee Reports- Audit, Beach & Recreation, Budget & Finance, Commercial Planning & Building Review, Business Concerns, C&O, Dredging, Emergency

Mgmt., Environmental, Information Technology, Infrastructure, Planning Commission, Residential Concerns, Pedestrian Safety

Audit- No additional information. Report was given above with the Audit Committee's action item.

Beach- Summer bonfire will be held on July 6. There will be an auction, 50/50, and t-shirt sales. Fenwick flicks June 21 – “Luca”, July 16 – “The Little Mermaid” and August 16 – “Finding Nemo”. The event begins at 8 pm.

Lifeguard Captain Ryk stated that FIBP is fully staffed for the year. Full time beach guarding will begin June 8. The next meeting will be on June 7 at 9:30 am

Budget & Finance- On May 20, the committee reviewed the first pass of the FY25 Budget. There are some additional follow-up questions and items to complete before our next meeting. The committee also reviewed an updated FY24 Forecast which projects operating income (revenues exceed expenses) of \$148,000. This compares very favorably to the original FY24 Budgeted loss of \$195,000 (expenses exceed revenues) which is a \$343,000 improvement. The committee also discussed the potential impact of a pending state law which would impose a new 8% accommodation tax on residential rental income. Hotels are currently taxed by the state at 8%. However, the town taxes hotels 3.5% on these accommodation revenues while it charges 8% on short-term rentals which includes most residential rental properties. If the state passes this new accommodation tax, the committee will review the current municipal rates to consider making the two municipal rates equal (hotel and short-term). To remain tax revenue neutral to the town, hotel tax rates would be increased while short-term rates would decrease. The goal is to finalize the FY25 Budget in its next meeting.

Building Review- No report

Business- Kurt Zanelotti reported a Bike Mosey will be held on Saturday, June 1, at 9 am to introduce the new police bike patrol unit. He said that they would like to put together a video that highlights town business to be played in advance of Fenwick Flicks. Next meeting on June 4 at 9 am.

C&O- Natalie Magdeburger noted that they did not hold a meeting in May. They will be meeting in June to discuss noise ordinance, and the criminal to civil fines chapter, as well as the electronic sign ordinance. She is waiting on input from the Town Solicitor

Dredging- The dredge committee finalized a rescoped RFP bid package in an effort to reduce overall costs of the project yet still achieve the projects overall goals of improving boater safety and navigation. This second round of the RFP process kicked off on May 8. Five independent contractors (all of which provided bids in the original process) participated in the mandatory pre-bid meeting. The official bid opening for Round 2 is scheduled for May 31. The committee is also working diligently to obtain additional funding to offset these higher costs. We have met twice with representatives from Sussex County Council. The second meeting was a formal presentation at May 21 County Council Meeting to request \$500,000 in support of the project. The County

Council will vote on this request at their next meeting on Tuesday, June 4. We also officially filed for a \$50,000 grant from the upcoming FY25 State Bond Bill. These funds would be used to purchase and install navigational aids for the two channels once the dredging has been completed. Both Representative Gray and Senator Hocker have been extremely supportive of this project and have helped the town obtain \$1 million for this project through three different State Bond Bill appropriations. We won't know the final response for this \$50,000 request until early July.

Emergency Mgmt.- The next meeting will be June 10, 2024 @ 10 a.m.

Environmental- Colleen Wilson reported that there was an Offshore Wind (“OSW”) meeting held at Indian River High School earlier this month. On June 5, at Beacon Middle School, DNREC will host an informational session. Ocean City will also be hosting an air quality permit poster session on June 13 at the convention center. She thanked the town council and Mayor for their advocacy on OSW. She noted a House Bill 265 that addresses a process for OSW.

The new pollinator park is very lush and blooming. Next meeting on June 12.

Natalie discussed HB 265 and shared that it is likely to pass. She added that there was recent a FOIA complaint against ACT by a homeowner in South Bethany, noting that his town was unaware of the OSW negotiations. In September 2022 our current Council voted against taking money from OSW companies. We have made the request that our ACT dues do not be used to hire a consultant to negotiate a contract between US Wind, mayors, etc. Ultimately, the secret negotiations resulted in the community benefits package in 2023. Fenwick Island filed a separate response to the FOIA complaint and highlighted that we told the other ACT Mayors that they needed to be open and transparent about negotiating with the wind farm companies, and that ACT was a public body subject to FOIA.

Information Technology- Lisa Lange reported that the website went live on May 15. They are also working on implementing a database for the town. They have split their committee into two workgroups. One will look at the database vendors and contracts. The other work group has been looking at the administrative processes. Next meeting is on June 18.

Infrastructure- No additional information. The report was given above with the Infrastructure Committee's action item.

Planning Commission- Susan Brennan shared the newly printed Comprehensive Plan booklet. The Planning Commission website has been updated to include the official plan. They will be holding an open house prior to the June 28 Council meeting. They will now be focusing on implementation. Susan Brennan shared a presentation with attendees. Mayor Magdeburger noted that this Plan was a huge accomplishment and serves to help us manage our town collectively for the next 10 years. Susan Brennan asked how we plan to address implementable items going forward. The first step will be for them to review the committees and how they fit in with the comp plan and make recommendations to Council. The last piece she discussed was the \$25k that they did not use and can be reallocated for other town business.

Residential Concerns- Janice Bortner reported that the committee is looking to host a residential forum on Dark Skies, Green Infrastructure, and FI's tree canopy. Deb Cowell and Rose Mary Hoy have both begun work on putting together the forum. June 3 is their next committee meeting.

Updates included the removal of the invasive lighting on S. Schulz. Additionally, Janice Bortner reminded everyone about the June 10 meeting with DelDOT on the Rt. 54 bridge project. Everyone was encouraged to attend in person.

Welcome packets are being worked on and they are looking at alternative ways to get the packets and information. She noted that they are continuing their initiative for fallen heroes and anyone interested in honoring a fallen hero should reach out to Lori at Town Hall to submit their request.

Pedestrian Safety- Mayor Magdeburger noted that we have not received a response from DelDOT regarding our concerns at Rt. 1 and Bayard. Police enforcement continues at the intersection but ultimately, we just want our pedestrians to be safe. Ed Bishop noted that DelDOT was in town conducting a pedestrian safety study.

6. Department Highlights

Mike Locke, Public Works Supervisor - All Mobi-mats and Sea Creatures signs are out. Speed bumps are out. Memorial Day decorations are set.

Chief Morrissey- extra patrols out for the holiday weekend. We have given out walk smart information and walk bright lights are all gone. Car magnets are also available. Emergency life ring bags are all installed. An extra bag has been provided to public works as well. Life jackets have been delivered. We have received a grant that we will use to put together event packets for children at town events.

Beach patrol - Capt. Ryk - Beach patrol is ready to go. Training begins Thursday and there are 8 new lifeguards to train this year.

Town manager – Lori thanked everyone for welcoming her. She reminded everyone of the Board of Adjustment hearing on Tuesday, May 28 at 11:30 am.

7. Old Business

Rt. 54 bridge project hearing reminder at Roxanna Fire Hall on June 10 from 4 – 7 pm

8. New Business

Jacque asked to be excused from the June meeting. Natalie granted the excuse.

9. Upcoming Events and Meetings:

- 9.1 Audit Committee – April 29 @ 10:30 am
- 9.2 Beach Committee – May 3 @ 9:30 am
- 9.3 Residential Concerns – May 6 @ 9:00 am
- 9.4 Dredging Committee – May 6 @ 11:00 am
- 9.5 Business Committee – May 7 @ 9:00 am

- 9.6 Infrastructure Committee – May 7 @ 1:00 pm
- 9.7 Environmental Committee – May 8 @ 9:00 am
- 9.8 Pedestrian Safety Committee – May 14 @ 2:00 pm
- 9.9 Planning Commission – May 16 @ 9:00 am
- 9.10 Budget & Finance Committee – May 20 @ 2:00 pm
- 9.11 Technology Committee – May 21 @ 10:00 am
- 9.12 Town Council Executive Session – May 24 @ 1:00 pm
- 9.13 Regular Town Council Meeting – May 24 @ 3:00 pm

10. Public Participation

Ann Riley - Thanked the Council for their dedication. Thanked the Mayor for her representation of Fenwick, especially on the OSW subject and reminded everyone that Council members serve without any compensation.

Emily Gaither from the Chamber of Commerce - Reminders: state park parking passes are available through the chamber, things to do, places to stay, events, etc. The chamber is open on Saturday from 9-3 in season. Shop local, Spring Fling, \$500 grand prize winner shopped at Southern Exposure. June 3, 12-4 Chamber Grand Opening in Dagsboro.

11. Adjournment

MOTION to adjourn the meeting at 4:49 pm

Moved by: Richard Benn

Seconded by: Kurt Zanelotti

MOTION passed unanimously.