

Town of Henlopen Acres

104 Tidewaters
Henlopen Acres, DE 19971

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MINUTES: The Board of Commissioners of the Town of Henlopen Acres held their Quarterly Meeting at **10:00am on Friday, January 10, 2020** at Town Hall, 104 Tidewaters, Henlopen Acres, Delaware.

PRESENT:

Joni Reich	Mayor
Tim Hidell	Commissioner
Frank Jamison	Commissioner
Andrew Brittingham	Commissioner
Beatrix Richards	Commissioner
Richard Thompson	Commissioner
John Staffier	Commissioner
Lisa Michaels	Town Clerk
Glenn Mandalas, Esq.	Town Solicitor

ABSENT: Thomas Roth Town Manager

[Minutes are Not Verbatim]

1. Call to Order, Pledge of Allegiance

The meeting was called to order by Mayor Joni Reich at 10:01 am.

2. Approval of Minutes

a. Board of Commissioner's Public Workshop-October 11, 20219

A **motion** to approve the Public Workshop minutes from October 11, 2019 was made by Commissioner John Staffier and seconded by Commissioner Paddy Richards. **Motion** passed unanimously.

b. Board of Commissioner's Quarterly Meeting- October 11, 20219

A **motion** to approve the Quarterly Meeting minutes from October 11, 2019 was made by Ms. Richards and seconded by Mr. Staffier, Motion passed unanimously.

c. Board of Commissioner's Board Meeting-November 8, 2019

A **motion** to approve the Board Meeting minutes from November 8, 2019 was made by Commissioner Richard Thompson and seconded by Mr. Staffier. **Motion** passed unanimously.

3. Treasurer's Report

A copy of the current financials through the end of December 2019 were included in the meeting packet. Commissioner Tim Hidell noted that the budget is right on point for the end of 2019. Mayor Reich added that both construction fee income and transfer tax income are already above budget.

4. Town Manager's Report

A copy of the Town Managers report for December is included in the packet. In Mr. Roth's absence, Mayor Reich updated the Commissioners on several issues she and Mr. Roth have been working on. The Town has applied for dredging permits and will be taking a more traditional approach by hauling the spoils to the Lewes disposal site. She is hopeful the permits will be issued shortly and then the Town can reach out to contractors for bids on the project. Evelyn Maumeyer, the consultant who has been assisting the Town in the permit process, took water measurements in the marina in November 2019. The water level was under 1 foot throughout most of the marina at low tide. Ms. Maumeyer also noted that the sedimentation rate in the marina has steadily increased from 360 cubic yards per year in the period of 1990-2000 to 900 cubic yards per year in the period of 2010-2013. The dredging will be directed at the two most problematic areas, the far side of the marina and the parking lot side of the marina close to the mouth. The silting is so substantial at the far side of the marina that 9 boat slips are unable to be utilized. Long term solutions to mitigate the silting will be explored once the dredging is complete. Tom has been working with the City of Rehoboth on an interconnection of our water system to theirs that would be used in the event of a disruption of the Town's water service. Mayor Reich and Tom are continuing to work on the Marina Park memorial for David Lyons. There is a meeting scheduled with a second landscape firm in January. Once their plans and estimate are received a decision will be made.

5. Presentation by Lyons Companies

Tim Lyons and Brian Dietrich of Lyons Companies presented the Commissioners with a written presentation outlining the Town's current insurance coverage and historic rating. Mr. Lyons and Mr Dietrich both explained the how Lyons Companies has been able to keep the insurance premiums fairly low while the Town's exposures have gone up. Currently the biggest exposures working against the Town are its size, being a coastal town and having a marina. These traits make some carriers reluctant to write policies. This is why Lyons has remained with Selective Insurance and has been pleased with the coverage the Town has received. Mr. Lyons and Mr Dietrich did recommend the Town consider increasing the limits on the Town's Umbrella Policy and Mayor Reich and the Commissioners agreed. All the Commissioners questions and concerns were addressed.

6. Unfinished Business

a. Review of Chapter 95 Rental Property

A draft ordinance on changes to Chapter 95 Rental Property was included in the meeting packet. The Commissioners have taken into account the comments of residents on the current rental ordinance and the potential impact restricting the number of weeks a home could be rented on those currently renting their property. Mayor Reich presented the Commissioners with a spreadsheet showing the potential financial impact the new ordinance could have. She then detailed the changes being proposed in the draft ordinance. The new ordinance would allow a maximum of six rental periods per year with each period being a minimum of one week. A homeowner could rent their home for more than one consecutive week to the same renter and it would still be considered one rental period. Town hall would also be required to receive all rental contracts, whether through a realtor or done by the

homeowner, two weeks prior to the rental period. If passed the new restrictions would take effect on any rentals booked after June 1, 2020. The Commissioners had an extensive discussion, including proposing making the minimum rental period two weeks instead of one and also of having the proposed rules be applied to those currently renting their home and another set of more stringent rules to be applied to any homeowners who chose to rent their homes in the future. Ms. Richards felt limiting rentals to six rental periods was too strict and suggested making eight. She feels eight would still discourage homeowners from purchasing a property in Town solely for the purpose of using it as a rental property. Commissioners Frank Jamison and Tim Hidell both would like the limit to be six as keeping the rentals to a minimum will benefit the quality of life for all residents. Mayor Reich also noted there are some compliance issues with homeowners who rent their properties on their own as some of the listings do not comply with the current rental ordinance. This issue needs to be addressed by Town Hall.

Nathalie McGregor-3 Pine Reach

Ms. McGregor is requesting the Commissioners take comments from the homeowners before any changes are made to the rental ordinance. She feels six rental occurrences does not give the homeowners enough income to cover expenses. She also reminded the Commissioners the Town will be losing income as well with the new restrictions.

Mayor Reich and Solicitor Glenn Mandalas both agree the Town should hold one more public hearing before making any changes to the rental ordinance. This will be done before the next Board of Commissioners meeting on Friday April 17, 2020. Mr. Mandalas will redraft the rental ordinance to limit the rentals to six rental periods per year for current owners. The new ordinance will also include more stringent limits on rentals whenever a property changes ownership or is newly purchased. The minimum rental period will then become one month, while still maintain the six annual rental period maximum. The Commissioners also want to include a no sublease clause in the new draft. This new draft will be mailed to all resident along with the notice of the public hearing prior to the April 17, 2020 meeting.

Jeff Jacobs-24 Rolling Road

Mr Jacobs suggested creating a notice of violation to be sent to the homeowners currently renting their homes with listings that do not comply with the Town's rental ordinance. Mr Mandalas and Lisa Michaels will work on drafting a notice.

7. New Business

a. Appointment of two members to the Planning Commission

Mayor Reich recommended Mindy Peele, 54 Tidewaters, to the Planning Commission to serve the remainder of the Bob Reed's term, who resigned from the Planning Commission. The term currently expires March 31, 2021. Mayor Reich also recommended Gordon Kaiser, 13 Dodds Lane, for reappointment to the Planning Commission for a five year term expiring March 31, 2025. A **motion** to approve the appointments of Mindy Peele and Gordon Kaiser to the Planning

Commission was made by Mr. Thompson and seconded by Commissioner Tim Hidell. **Motion** passed unanimously.

8. Any other business that may come before the Commissioners

None

9. Executive Session for the purpose of discussing possible litigation, in accordance with 29 Del. C §10004(b)(4)

Commissioner Tim Hidell excused himself from the meeting prior to entering Executive Session. A **motion** to go into Executive Session was made at 11:35am by Mr. Staffier and seconded by Mr. Jamison

A **motion** to come out of Executive Session was made at 11:52am by Mr. Thompson and seconded by Mr. Staffier.

10. Review and possible action on matters discussed in Executive Session.

No action required.

11. Adjournment

A **motion** to adjourn was made at 11:53am by Mr. Thompson and seconded by Mr. Staffier.

Others in Attendance:	Chris Flood	Cape Gazette
	Henry De Witt	55 Fields End
	Nathalie McGregor	3 Pine Reach
	Gail McDermott	7 Pine Reach
	Jeff Jacobs	24 Rolling Road
	Tim Lyons	43 Pine Reach/Lyons Companies
	Brian Dietrich	Lyons Companies

Approved 07/10/2020