

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 a Virtual Board Meeting at **10:00am on Friday, December 11, 2020** at Town Hall, 104 Tidewaters, Henlopen Acres, Delaware.

PRESENT:	Joni Reich	Mayor
	Beatrix Richards	Commissioner
	Richard Thompson	Commissioner
	Tim Hidell	Commissioner
	John Staffier	Commissioner
	Jeffrey Jacobs	Commissioner
	Glen Mandalas	Solicitor
	Thomas Roth	Town Manager
	Lisa Michaels	Town Clerk
EXCUSED:	Andrew Brittingham	Commissioner

[Minutes are Not Verbatim]

1. Call to order, Pledge of Allegiance

The meeting was called to order at 10:00am by Mayor Joni Reich.

2. Presentation by PKS & Co P.A. in review of June 30, 2020 Audited Financial Statements

The audited financial statements were included in the meeting packet. The three members of the Audit Committee also reviewed the statements and submitted written comments which were also included in the meeting packet. Ashley Stern from PKS and Company, PA reviewed the audited financial statements with the Commissioners via Power Point presentation. Ms Stern explained that Henlopen Acres received the highest level of opinion rendered by PKS with no weaknesses found in the internal controls. Overall the Town has healthy financials. There were no disagreements with Town management and no issues with performing the audit. Commissioner Jeff Jacobs asked if there were any cautionary notes for the end of this year. Ms Stern noted that a procurement policy is especially important if any federal funds are received. Mayor Reich thanked Ms Stern for all the work done on the audit and is happy the Town is in such good financial shape. There were no other questions and the Commissioners approved the Financial Statements for the fiscal year 2019-2020 by consensus.

3. Discussion on rental rules, enforcement, and fines

A revised list of rental rules was included in the meeting packet. Mr Jacobs explained that at the public hearing last August, residents requested the the rental rules for the Town be clarified so everyone knows what is expected. Mr Jacobs researched the rental rules in neighboring towns and also met with four local realtors (three of whom rent homes in the Acres) to get a picture of what other towns are doing. The proposed changes in the Town's rental rules includes requiring a 24/7 emergency contact that can respond to the property within 60 minutes if an issue arises. The Town encourages all residents to call security immediately if there is an issue so it can be addressed quickly. The proposed rules also define excessive noise and adopts a "reasonable person" standard. This designates the town's security officer or the neighbor of the rental property as the "reasonable person"

The proposal also outlines potential violations, already listed in the Town Code that would be levied against the property owner if a renter violates the rules. The fines need to be significant enough to affect change in negative behavior. The property owner would be responsible to pay all fines and then recoup them from the renter's security deposit if they choose. An important aspect is making sure the renter has received the rental rules on multiple occasions, from the time they review the online listing and sign the rental contract to the day of check-in.

Commissioner Richard Thompson inquired whether the enforcement of the rental rules is going to be feasible. Mr Roth responded that the security staff would need to be trained on the new requirements and updated procedures.

Commissioner John Staffier commented that most of the rental rules apply to everyone in Town, not just renters and that it should be communicated that way. Mayor Reich agreed.

Commissioner Paddy Richards commented that there needs to be a system for keeping track of all violations. Mr Roth agreed and that also will be a function of the security department.

Mr Mandalas asked the Commissioners if he and Mr Roth should proceed to update the Code for the January meeting. The Commissioners agreed to proceed in that manner.

4. Discussion and possible resolution on Rental Property license fee per §95-7A

Included in the meeting packet was a graph showing Henlopen Acres rental license fee and gross receipts tax in comparison with other coastal Towns. Henlopen acres is on the lower end of the spectrum for both. Commissioner Jeffrey Jacobs proposed raising the rental license fee to \$115 per year and the gross receipts tax to 6.5% per year. Mr Jacobs informed the Commissioners that the gross receipts tax is paid for by the renter and doesn't affect the rental income of the property owner. Commissioner Staffier agreed the fees should be increased but recommended raising the license fee to \$125 per year. Mr Jacobs agreed. Mr Staffier made a **motion** to increase the fees to \$125 for the rental license fee and 6.5% for the Gross Rental Receipts Tax by resolution and Mr Jacobs seconded it. **Motion** passed unanimously.

5. Discussion and possible resolution on Gross Rental Receipts Tax rate, per §108-15

Action taken under item 4

6. Appointment of two members to the Investment Committee

Mayor Reich recommended Nancy Ferrell of 56 Pine Reach and Treasurer Jeffrey Jacobs for appointment to the Investment Committee. **Motion** to approve the appointment of Nancy Ferrell and Jeffrey Jacobs to the Investment Committee was made by Mr. Thompson and seconded by Mr. Staffier. **Motion** passed unanimously.

7. Executive Session for the purpose of discussion personnel matters, in accordance with by 29 Del. C §1004(b)(9),

A motion to go into Executive Session to discuss personnel matters was made at 10:50 am by Mr. Thompson and seconded by Mrs. Richards.

A motion to come out of Executive Session was made at 11:26 am by Mr. Thompson and seconded by Mrs. Richards.

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

None

9. Any other business that may come before the Commissioners

None

10. Adjournment

A **motion** to adjourn was made at 11:27am by Mr. Thompson and seconded by Mrs Richards.

Also in Attendance Virtually:

Ashley Stern	PKS & Co P.A.
David Kaplan	11 Rolling Road
Walter Stark	4 Rolling Road
Stephen O'Donnell	38 Rolling Road

Approved 01/08/2021