

ordinance. A recommendation from the work group is to combine both the long-term rentals and vacation rentals into one rental ordinance. The proposed vacation rental ordinance would then be converted into one rental ordinance and application that would take care of all rentals in the City.

Commissioner Bill Sargent thought that there should be a placard posted to show the number of occupants permitted. Commissioner Mills thought that there should be a spreadsheet posted on the City website of the rental properties.

Mr. Gulbranson said that if a complaint is registered with the Police Department, officers will go out to the property. The officers will probably initially ask if the behavior can be corrected. If a ticket is written, the fine and ticket would go to the renters, not the property owner. If there are more than three complaints on a property, it is put on a watch list. Then the City Manager would get involved and set up a meeting with the property owner or representative to discuss what is going on at the property. If there is no resolution, the City Manager would have the prerogative to not allow rental for the following year.

There was a lengthy discussion of whether this matter should be considered in ordinance form vs. a policy.

Mr. Gulbranson said that in moving forward with the rental process, inspections would be required. Currently, the rental license fee is \$33.00 + \$10.00 for each bedroom in excess of two. In order to do annual inspections, Building & Licensing will need to hire at least one full-time person, another vehicle and equipment. The recommendation is to inspect year-round. The first year for inspections would be phased in order to get everyone on a cycle. Not all applications will be submitted at the same time, and an inspection will need to be done at that time. There are approximately 2,400 rental units in the City. This proposal does not exclude condominium rentals. A list of criteria for inspections will be established. The recommendation of the work group is to increase the rental license fee to \$100.00 + \$50.00 for each bedroom in excess of two. Currently, the rental tax is 3%. In the coastal areas of Delaware and Maryland, the rental tax ranges from 3% to 8%. The recommendation of the work group is to increase the rental tax to 6% to 7%. The purpose of the increase would be to help fund the process and inspections. There are a considerable number of units in the City that are not paying anything. They are not licensed, and they are not paying the tax. The realtors thought that the timing of the rental licenses when they are due should coincide with the City's fiscal year beginning April 1. Having the rental licenses coincide with the beginning of the fiscal year would make it easier for the City to get an accurate count of income.

Commissioner Mills thought that inspections should not be done in the middle of the summer during rental season. He would like to seek justification for the increase in numbers for the hiring of an inspector, as an example.

Mayor Cooper thought that the due date for rental licenses should coincide with the start of the calendar year. Commissioner Sargent thought that overlapping with the fiscal year would make abundant sense. Mayor Cooper said that the Commissioners need to determine what the City's needs are before increasing the rental tax.

Mr. Gulbranson noted that there will be administrative and inspection costs that this process will create to be borne by the City. To make the process more efficient, additional software would need to be purchased. Consideration could be given to providing the rental license process online in the future.

Building Inspector Terri Sullivan said that currently a rental license and initial inspection are needed from the City. Mr. Gulbranson said that one license would be required for the City.

Commissioner Sargent said that there should be a maximum occupancy on a 50 foot x 100 foot lot, regardless of the size of the house, and the fee should be \$100.00.

Mayor Cooper said that in the proposed ordinance, the special conditions placed by the City Manager are undefined. With regard to the definition of property, it should be the unit and not the real estate. Vacation rentals should be further clarified with regard to condominiums, etc.

Ms. Sharon Palmer, address unknown, said that the Commissioners cannot set an ordinance across the board and have it work for every house. Occupancy is easy to enforce for those properties that are governed by a lease. It depends on the size of the house what the occupancy will be. When the owners get their rental licenses, the City should have a conversation with them about setting the number of bedrooms and occupancy at that time. Currently, when the owners get a rental license, they are given a sticker to be put on a window at their rental house.

Commissioner Gossett noticed that condominium hotel is not defined in the proposed ordinance. A

definition is needed for resident manager or innkeeper.

Mr. Gulbranson acknowledged that occupancy on a timeshare basis should be treated equally.

The consensus of the Commissioners was to go with one combined rental policy and one process.

Mayor Cooper said that the listing agency should hold the master license. For ease of administration, the property owner should always be the applicant.

Ms. Sullivan noted that in the current application if there is an LLC or a trust, the contact person will have the information of who is in charge of the LLC.

Mr. Gulbranson said that each property will need to have a rental license. A real estate company that manages five properties will only need one business license, not a business license for each property. A transient occupancy registration certificate will be deleted from the proposed ordinance. Fees should be in the ordinance, not established by resolution.

Mayor Cooper noted that the language for the required annual inspections should be clarified. A new application is submitted annually for rentals. Each unit should be inspected annually and at time of a new application, it should be inspected before the license is issued. The unit needs to comply with the Property Management Code so that all units will be inspected on the same basis. Complaints may not rise to the level of being justified. There is no standard of what constitutes a complaint. Mr. Gulbranson said that the types of complaints will need to be clarified.

Ms. Sharon Palmer noted that a VRBO uses a property manager to rent and run a rental house, but property managers must be licensed real estate agents. Property managers are not authorized through the real estate commission for sales or rental of properties.

Mr. Gulbranson said that with regard to the appeal process, the sub-committee would consist of three Commissioners. With regard to an audit, if complaints have been received, the City Manager will have access to each rental and any records at any time during normal business hours for the purpose of inspection or audit. The intent is that if there is a problem property, the City would have the right to enter the rental property to address the situation or find out what is going on. City Solicitor Mandalas said that this type of power cannot usually be given. If probable cause is shown, a judge would need to issue a warrant. Ms. Sullivan thought that the City would have to go through the property manager to access the property.

Ms. Sharon Palmer said that the realtors can help with problem properties. She suggested that the realtors and the City work together in developing the good neighbor brochures, laminating them and putting them in each rental property. Each realty company could participate in the cost associated with the brochures.

Mayor Cooper said that expectations have to be set in moving forward with complaints and responses.

Mr. Gulbranson said that the rental forms will be recreated, the good neighbor brochure will be developed and the proposed ordinance will be rewritten. The work group will contact the rental folks the next time it meets.

Mr. Tim Green, Delaware Avenue, asked if a rental property can be grandfathered as to occupancy. The financial liability of his business would be greatly diminished if occupancy is decreased. The inspection process will be extremely difficult to manage.

Ms. Donna Mabry, 221 Hickman Street, said that one of the biggest concerns with larger properties is parking.

Ms. Linda Dar, 100 Norfolk Street, said that after two years, seven property owners are still up in arms about a certain property on King Charles Avenue.

Mayor Cooper said that the police should be called at the time of the issue. That way the City will have some sort of documentation.

Mr. Gulbranson will provide the proposed pool ordinance at the next meeting. He will email a revised draft of the noise ordinance to the Commissioners for their review. A separate policy and criteria will be established for commercial and residential.

Mayor Cooper said that the potential noise source standard should be more concise for residential to be handled one way and commercial another way.

Commissioner Gossett thought that commercial businesses in the residential district and residential homes in the commercial district should be addressed.

Mr. Walter Brittingham, 123 Henlopen Avenue, thought that whoever is the responsible person, their driver's license information should be recorded.

A Special Workshop Meeting will be held on December 19, 2014 at 1:00 p.m.

Discuss the processes and conditions for merging and unmerging lots included discussion of a proposed ordinance amending the Zoning Code to clarify the merger and un-merger of lots in the City.

This item was deferred to a later date.

Mayor Cooper called for the discussion of the City's smoke-free initiative including whether or not to designate other areas as smoke-free.

Commissioner Mills reported on the marketing efforts regarding the smoke-free initiative. The City partnered with the Chamber of Commerce which distributed the smoking brochures in the realtor bags that went out to all the realtors. It is likely that there will be a cost for distributing the brochures this year. The City received a grant in the amount of \$2,200.00 through the American Lung Association to produce the no smoking brochures for this coming season. Before moving forward with printing the brochures, he would like to make sure all the content is up-to-date. Commissioner Mills has received emails in support of the smoke-free initiative and comments on considering establishing smoke-free areas at some of the entrances to the municipal buildings. The Bandstand and two restrooms at the Boardwalk are covered under the current smoke-free initiative. The other municipal buildings that the public uses would be at 306 Rehoboth Avenue, Convention Hall, City Hall and Parking Permit Department. Banning smoking at the entry corridors may curtail litter, and it would give non-smokers the opportunity of an easier entry into a building.

Mayor Cooper said he would prefer offering a cessation program to employees who smoke. This would go further in benefitting the City than anything at this point. City Manager Sharon Lynn said that the City could offer an through the employee assistance program for no cost.

Commissioner Zellers said that she is happy with the e-cigarettes issue, but she does not have an appetite to expand the smoke-free initiative at this point.

Commissioner Sargent said that he would be happy to leave this area the way it is, but he liked the idea of clarifying that e-cigarettes are included in the initiative.

This topic was dropped at this point in time.

Mayor Cooper called to discuss implementation of electric vehicle charging stations in the City including required Code changes.

Commissioner Mills distributed the latest version of the proposed ordinance for the electric vehicle charging stations to the Commissioners prior to the meeting. The objective of the proposed ordinance is to facilitate installation of the electric charging stations, define electric vehicle, provide parking spaces for only electric vehicles while charging, establish a time limit on parking and identify parking spaces. The parking spaces have been identified as H1 and H2 at Mariner's Park. The meters would be in effect year-round, 24 hours per day, seven days a week, and the fee for parking would be \$1.50 per hour. The City Manager has recommended a three hour charging limit. Signage will say electric vehicle parking only while charging.

The consensus of the Commissioners was that the meter season will reflect the existing dates.

NEW BUSINESS

Mayor Cooper called to discuss the process for conducting a comprehensive review of standing committees.

Commissioner Toni Sharp said that has been interested in how the standing committees operate, the effectiveness of how they operate and whether or not the committees are meeting the needs of the community. She recommended that a comprehensive review should be done consisting of three phases: Phase 1 – information gathering and fact finding from the Chairs, City Manager on the interaction of the committees with ability to conduct business in the City, City Secretary on manhours that are being devoted to supporting the committees, taking notes and any other administrative tasks. Phase 2 – analyze and review the results. Phase 3 – come up with recommendations, validations or alternative structures. She thought this review could be done in a 90-day period and coming back to the Commissioners with a well-vetted report of the facts, analysis and

recommendations. Commissioner Sharp intends to put together a template so that each Chair responds in the same fashion. She anticipated that Phase 1 could be discussed at the Workshop Meeting in January 2015.

Commissioner McGuinness said that she would like to know how long people have chaired committees they have been on. She would like the report to be given by each Chair at the next meeting.

Mayor Cooper said that the report should be in writing.

Commissioner Mills preferred that the Commissioners should be polled on what type of information to solicit from the committees. He would like to see a compilation of the mission statements, membership list, chair frequency at meetings over the last few years, issues studied, accomplishments, any proposals for new committees, etc.

Commissioner Sharp will forward the template to all the Commissioners before it is finalized.

Mayor Cooper recessed the meeting at 11:57 a.m. The meeting was reconvened at 12:01 p.m.

Mayor Cooper called to discuss possible Code changes to Chapter 227 – Solid Waste and Chapter 270-27 – Storage of Refuse including but not limited to: Timeline for putting out refuse-yard waste-recycling for collection and for retrieving containers in the residential areas to include addressing refuse put curbside for collection and non-collection days, e.g. on Saturdays; screening of refuse-yard waste-recycling containers; and miscellaneous update to Code.

Commissioner Mills said that there has been a problem with trash being put out on Saturdays and staying out for long period of time and trash cans being set out too early for the weekday collection. The recent impetus for this topic was a letter from a resident complaining about the Saturday trash, why they have to look at it and smell it and vermin scattering the trash. He has spoken with Commissioner McGuinness and City Manager Lynn about refuse on the street from an aesthetic point of view, odor and safety perspectives in residential and commercial districts. A yard-waste flyer, refuse topic review and comments for the Commissioners to review. The first concern is that residential refuse (trash/garbage) is set out on the streets on Saturdays primarily by rental house cleaning crews. The collection day is either on Monday or Friday. Residential refuse-yard waste-recycling containers are not removed from public space (the street, curbside) timely per code requirement. Residential refuse-yard waste-recyclables are put out too early prior to collection day. Commissioner Mills recommended that the owner or occupier of any given residentially zoned lot shall place all waste material in waste containers or disposable containers along the curb in front of such lot not earlier than 5:00 a.m. on the day of collection and not later than 7:00 a.m. on the day of collection in order that it may be conveniently collected by the City collection forces. All waste containers shall be removed from City property not later than 9:00 p.m. on the day of collection. Any violation of this section is declared a civil offense.

Mayor Cooper said that this problem exists every day of the week year-round, and it involves part-time residents. He had discussed with the City Manager about a premium service for backdoor valet service which would carry a premium rate. With regard to the recycle cans, a discussion would need to take place with those people to see they would do this type of service for an extra fee.

Commissioner McGuinness noted that other communities have backdoor valet service where the owner pays more. It is mandatory, and the fine is \$50.00.

Commissioner Sargent thought that a lot of people would like the idea of backdoor valet service, and the service would be worthwhile.

Commissioner Mills wanted to try to resolve the timeline, addressing the problem of trashcans out too early and not retrieved timely and offering trash collection on a Saturday. He was not receptive to offering trash collection on a Saturday.

Mr. Frank Cooper, 96 East Lake Drive, liked the idea of the City offering a backdoor valet service, and maybe it could find a private contractor to take on that service for people who would want to pay extra.

Commissioner Gossett thought that as an option the City could have standardized bins for trash. He suggested that there would be greater success with having the recycling or yard waste changed to a Monday or Tuesday cycle and having the backdoor valet service of returning the container.

Commissioner McGuinness thought that the Commissioners need to look at trash collection times and dates. With that, a time will be needed to put out trash.

This item will be placed on the agenda for the next Workshop Meeting in January 2015.

CITY MANAGER'S REPORT

City Manager Sharon Lynn reported that the Delaware Avenue restroom is now heated and will be open during the winter from 9:00 a.m. to dark. The budget meetings with department heads are starting this week. She will be prepared to discuss the budget with the Commissioners anytime starting January 2015. The upcoming meeting with the Audit Committee will be held on December 12, 2014. This past weekend there were a few medical calls associated with the race, and everything, including the traffic pattern that was changed this year, went well.

COMMITTEE REPORTS

There were no reports.

CITY SOLICITOR'S REPORT

There was no report.

COMMISSIONER ANNOUNCEMENTS/COMMENTS

Commissioner Sharp thanked everyone from Main Street for a successful tree lighting as well as a wonderful Community Unity dinner last night.

DISCUSS ITEMS TO INCLUDE ON FUTURE AGENDAS.

There were none.

CITIZEN COMMENT

There was none.

The next Regular Meeting will be held on December 19, 2014 at 7:00 p.m.

There being no further business, Mayor Cooper adjourned the meeting at 12:38 p.m.

Respectfully submitted,

(Lorraine Zellers, Secretary)