

**ASSOCIATION OF COASTAL TOWNS**  
**Non-Public Meeting Minutes**  
**April 4, 2024**

The non-public meeting of the Association of Coastal Towns was held on Thursday, April 4, 2024 at 2:00 P.M. in the Town of Bethany Beach Meeting Room and via conference call with the following present: President, Bethany Beach Mayor Rosemary Hardiman; Rehoboth Beach Mayor Stan Mills; Lewes Deputy Mayor Khalil Saliba; Dewey Beach Mayor William Stevens; Henlopen Acres Mayor Joni Reich; South Bethany Beach Mayor Tim Saxton; Fenwick Island Mayor Natalie Magdeburger; and Recording Secretary Jackie Doherty.

**City Managers Present**

Cliff Gravier	Bethany Beach	Maureen Hartman	South Bethany
Lori Dabbondanza	Fenwick Island	Bill Zolper	Dewey Beach
Ellen Lorraine McCabe	(Acting) Lewes	Theresa Tieman (Assistant)	Bethany Beach

**Others Present**

Bethany Beach Town Council Member Rich McHugh  
Verity Watson of Ruggerio, Willson & Watson LLC

**I. Call Meeting to Order**

Mayor Hardiman called the meeting to order at 2:00 P.M. stating there would be a change in the order of the agenda. In the interest of time, Item IV would follow Roll Call and Pledge.

**II. Roll Call and Pledge**

Mayor Hardiman made the roll call and led the Pledge of Allegiance.

**IV. Evaluation of March 21<sup>st</sup> Event in Legislative Hall and discussion of next steps with Verity Watson of Ruggerio, Willson, and Watson.**

Ms. Watson spoke about the success of the event and the connections made with Legislators to build a relationship in this election year. ACT is a non-political group, but it is important for newly elected officials, including a new Governor and Lieutenant Governor, to know the impact ACT communities have on the State.

Ms. Watson's advice for steps forward included scheduling strategic meetings and to speak with Kyle Evans Gay and Sherry Dorsey Walker. Provide additional information on the impact ACT communities have on the State's economy and to write opinion articles for publication in local newspapers. All may be invited to the communities for a day's visit, to include dinner, in Fall.

Mayor Hardiman stated she will be speaking for ACT tomorrow morning at the SCAT Breakfast, followed by Tony Pratt for the Bay Beach Communities, regarding the DNREC plan for communities to pay the costs for beach replenishment.

Mayor Hardiman suggested having a meeting with the Bay Beach Communities group to include Collin O'Mara to speak about ACT's concerns regarding the entire coast. Kathy Lock and Tony Pratt may also be invited.

Deputy Mayor Saliba would like to have a discussion with Mr. O'Mara regarding the history of the India American communities and diversity in our area.

**V. Discussion Regarding Upcoming Luncheon Meeting with Gubernatorial Candidate Matt Meyer on Wednesday, April 10<sup>th</sup> at noon.**

Ms. Watson stated Mr. Meyer is very familiar with local government. results-driven and action-oriented. He also owned a company for years in Kenya until it was taken by the government. She advised that the information on DNREC's beach replenishment funding issue be provided to Mr. Meyer for review.

**VI. Discussion of Lobbyist Responsibilities**

Mayor Hardiman spoke about the previous consultants' issue when it was not made clear what we expected. Requests of Ms. Watson's firm included help to defeat the DNREC proposal and to establish relationships with the Legislators for the long term.

Ms. Watson stated her firm was hired to address the DNREC beach replenishment issue. The scope has increased, which is fine since their firm does offer a menu of options. A conflict does exist between another client concerning the Short-Term Rental Tax Bill. There have been many changes to this bill.

Ms. Watson continued stating Kent County Levy Court are asking for an additional 3% hotel tax in addition to the 3% by municipalities in the unincorporated Kent County areas. In Dover, another 3% would be charged. Only 4 of the 25 hotels in Kent County are on unincorporated land.

Deputy Mayor Saliba suggested applying a portion of the tax each year and not all in the first year.

There was discussion regarding the number of votes allowed for an LLC and if being the property owner is a requirement.

**VII. Discussion Regarding Possible ACT Position on two bills recently introduced by Senator Russ Huxtable: SB 23 Accessory Dwelling Units and SB 244 Amendment to Uses of County Lodging Tax.**

Deputy Mayor Saliba stated the Lewes Planning Commission has a Housing Subcommittee working on ADU policy and is scheduled to meet with Senator Huxtable on Monday. The Subcommittee is concerned about the mandate regarding requirements for on-street parking since it is so limited in Lewes. These rentals are to be for traveling nurses or seasonable workers with time limits of three to six months.

Ms. Watson stated the HOAs, builders, and realtors are also concerned about this bill and how to provide options for affordable housing.

Mayor Hardiman stated there was a previous study on pervious/impervious surface in the coastal communities. We do not need more impermeable housing on a lot. Amounts of pervious/impervious surfaces allowed is stated in the Ordinance. This bill overrides Charters and will need a two-thirds vote.

Mayor Hardiman continued stating SB 244 will allow the County to use the funds for beach replenishment and dredging. Senator Huxtable is adding that funds may be used for affordable housing. The Back Bay Study has not been completed because Senator Carper is waiting for an appropriation so DNREC would not have to provide the additional funds.

### **VIII. Financial Review**

Mayor Hardiman provided everyone with a statement for review.

### **III. Approval of March Minutes**

**ACTION:** *Mayor Stevens made a motion to approve the meeting minutes from March 7, 2024 as submitted; Mayor Mills seconded the motion, which passed unanimously.*

### **IX. AOB**

None

### **X. Adjournment**

Mayor Hardiman adjourned the meeting at 3:15 P.M.

Respectfully submitted,  
Jackie Doherty, Recording Secretary  
Association of Coastal Towns