Version: 2
Topic: Proposed City Charter changes
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Changes to the Charter of the City of Rehoboth Beach must be made through action of the General Assembly. This document is intended to catalog the various sections of the Charter wherein changes have been suggested. It is not intended to be all inclusive.

<u>Section 7: Manner of holding elections.</u>

Current: As used in this Chapter "Freeholder" means a natural person who holds title of record to a fee simple estate or life estate in and to an undivided interest in real property in the City or who holds title of record to real property in the City as a tenant by the entirety or who is both grantor/settler and trustee of a valid revocable trust to which real property located within the City has been conveyed, provided that a copy of the trust document identifying a grantor/settler and trustee is on file with the City.

Proposed: Extend the right to vote to trustees of irrevocable trusts owning property

<u>Section 8(b): Annual organization meeting of Commissioners.</u>

Current: The Commissioners shall by ordinance fix the salaries and compensation of the employees, officers and agents of the City, and the time and manner of his or her, or their payment; Provided, that the salary or compensation of any such employee, officer or agent shall not be increased, during the term of said office should said appointment thereto be for a designated term. No officer, employee or agent of the City shall in any form have, take, or receive from the City any compensation, in any form, in addition to the salary or compensation fixed by The Commissioners.

Explanation: If a salary increase is desired amongst the Board of Commissioners, it is to be determined at the Annual Organizational Meeting and while the Commission may consider increasing the salaries of all Commissioners going forward, these salaries would be effective only for newly elected Commissioners at the start of their designated term or, in the case of a re-elected Commissioner, upon the beginning of the new term. As a result, due to the staggered terms of the Commissioners, there may be situations where the various Commissioners will have different salaries.

Proposed: If there is a desire to adjust Commissioner compensation including the way it is set, the time and manner in which it is set, consider changing this provision accordingly.

<u>Section 18: Auditors.</u>

Current: “(a) Three auditors of accounts, who may or may not be residents, but who shall be substantial free holders of The City, shall be appointed by The Commissioners at each annual meeting hereinbefore provided to serve for the term of one year or until their successors shall have been duly appointed and qualified.

(b) It shall be their duty to audit the accounts of The City and all of its officers whose duty involves the collection, custody and payment of monies to The City. They shall audit the books of the Mayor of The City of Rehoboth Beach, and the records of all fines, penalties and costs imposed or collected by him pursuant by any judgment, order, or decree made. The auditors on or before the fifteenth day of September, annually, next following their appointment, shall make and deliver a detailed report of every and all accounts, records, and books by them examined and audited, which report under their hands and seals shall be printed in a newspaper published in The City in the issue immediately succeeding their annual report...."

Proposed: Section A can be interpreted as applying to the City's Audit Committee; however, Section B is clearly applicable to the annual financial audit, which is completed by an outside audit firm. Consider clarifying this section.

Section 23: Assessment of Taxes.

Current: "The Tax Assessor shall, prior to the first Monday in March, make a just, true and impartial annual valuation or assessment of all real estate and of all improvements having a valuation of at least One Thousand Dollars ($1,000.00)..."

Proposed: Consider removing the reference to $1,000 valuation and discuss whether to allow for the use of Sussex County's assessment records.

Section 28: Town budget.

Current: (b) Annually each year and not later than May 1st, the City Manager shall prepare a rough draft of a City Budget. From this rough draft The Commissioners of Rehoboth Beach shall not later than the regular meeting held in May of each year, prepare the City Budget, containing the financial plan for conducting the affairs of the City for the ensuing fiscal year.

Proposed: Remove the reference to May. For example "Annually the City Manager shall prepare a rough draft of a City Budget. From this rough draft The Commissioners of Rehoboth Beach shall prepare the City Budget, containing the financial plan for conducting the affairs of the City for the ensuing fiscal year, April 1 through March 31."

Section 29(a)(27): Enumeration of Powers; Violations.

Current: To provide for the punishment of a violation of any ordinance of the City by fine or imprisonment, or both, not exceeding Five Hundred Dollars ($500.) or sixty (60) days, and for working any person sentenced to such imprisonment or any person who shall refuse to so work when ordered.

Proposed: Consider removing the reference to a maximum fine. For example, "To provide for the punishment of a violation of any ordinance of the City by fine or imprisonment, or both, however, imprisonment shall not exceed sixty (60) days. Nothing contained herein shall prohibit the Commissioners from imposing a limit on the fine for a violation of any ordinance."

Section 24 and 29(a)(30): Enumeration of Powers; Property Tax.

Current: To levy and collect taxes for any and all municipal purposes upon all real estate within the City, except lands belonging to the City; provided that the amount to be raised from this source shall not exceed the sum of three million dollars ($3,000,000.00). Section 24 of the City Charter requires that the tax rate be set at the regular meeting of the commissioners in June of every year.

Proposed: Consider removing the dollar cap raised from property tax and instead place a cap on the percentage of assessed land and improvements. For example, “To levy and collect taxes for any and all municipal purposes upon all real estate within the City, except lands belonging to the City; provided that the amount to be raised from this source shall not exceed X.XX% of the full assessed value of land and improvements within the City.” Additionally, consider changing the month the tax rate is set to align with the adoption of the fiscal year budget.

<u>Section 40 (q) and (s): Borrowing of money and issuance of bonds.</u>

Current: Paragraph Q - In no event shall the indebtedness of the City of Rehoboth Beach authorized by this section at any one time exceed in the aggregate seventy-five million dollars ($75,000,000.00).
Paragraph S - Notwithstanding the foregoing provisions of this Section, the Commissioners may authorize the issuance of bonds or other obligations under this Section in an aggregate amount of up to $6,000,000 outstanding at any time, without regard to the requirements set forth in paragraphs d. through m. of this Section 40…

Proposed: As the City approaches the limit of $75M, consider another methodology to set the maximum borrowing limit of the City. Some municipalities base the maximum on a percentage of the annual budget. Additional methods exist, all of which could be explored, and a new methodology determined.
In considering a revision to paragraph Q consider a revision to paragraph S, which establishes the limit of $6,000,000 which can be obligated without going to a public referendum for approval.