

VERNON TOWNSHIP COUNCIL
SPECIAL WORKSHOP MEETING MINUTES

FEBRUARY 10, 2020

CALL TO ORDER

The Special Workshop Meeting of the Township Council of the Township of Vernon was convened at 5:00 p.m. on February 10, 2020 in the Vernon Municipal Center, 21 Church Street, Vernon, New Jersey with Council President Harry Shortway presiding.

STATEMENT OF COMPLIANCE

Adequate notice of this meeting had been provided to the public and the press on February 3, 2020 and was posted on the bulletin board in the Municipal Building in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-7. The purpose of this meeting is to discuss the Short Term Rental Ordinance. Official Action may be taken.

ROLL CALL

Present were Council Members John Auberger, Jean Murphy, Kelly Weller and Council President Shortway. Also present were Mayor Howard Burrell, Business Administrator Charles Voelker and Township Attorney Marlin Townes. Council Member Mark Van Tassel was not present.

SALUTE TO THE FLAG

Council President Shortway led the assemblage in the salute to the flag.

PUBLIC COMMENTS *(For Current Agenda Items Only, Limited to 3 minutes per person)*

Council President Shortway asked for a motion to open the meeting for Public Comment.

MOTION: John Auberger

SECOND: Kelly Weller

All members were in favor.

Lizbeth Ryan – [REDACTED] owns two Air B&B's in Highland Lakes and feels that this is bringing business into the community because people come here and spend money. Ms. Ryan's Air B&B's have five star ratings. She feels that instead of putting Air B&B's out of business, there should be regulations on short term rentals.

Russ Furber - Highlands Lakes, commented that the ordinance should be addressed to the people who are the problem and not to the good owners of short term rentals.

Mayor Burrell commented that he has not heard anyone on the Council say that they are taking away short term rentals. He explained that all they are trying to do is fix the situation from a regulatory stand point. We are looking at short term rentals from a standpoint that they exist. Mayor Burrell said that there are some safety and regulation issues that need to be addresses. He said that there are also some fairness issues because of the tax issues and it would be irresponsible to not have this addressed.

Peter Erb – Pleasant Valley, asked why are you regulating Air B&B's but not the slumlords? He said he has a house two doors down from his that is a long term rental and it is pigsty. Mr. Erb said that short term rentals have to maintain their property to have a good rating and to keep their neighbors happy, but long term rentals do not have to maintain their properties. Mr. Erb commented that a lot of people are doing short term rentals so that they can keep their homes instead of walking away from them and letting them go into foreclosure. Mr. Erb commented on some of the regulation in the ordinance such as the parking space limitations and the water testing.

Lou Blaine, commented that he is considering renting out a suite in his home as an Air B&B. He feels that there should be a separate fee structure for people who are renting out a portion of their property in their existing home. Mr. Blaine asked who is going to police all of the regulations in the ordinance.

Stephanie Blaine, feels that it is critical for the Council to consider owner occupied rentals. She said that if there is a problem at their rental they are right there.

Lisa Conklin – Highland Lakes, asked the Council what takes priority, the interest of business or the safety of someone’s residence. She told the Council that she would not live next door to a short term rental no matter what it looks like. She feels that there are transients in and out and they are not invested in the neighborhood. Ms. Conklin said that primary residents should take priority over a second home as a business.

Mayor Burrell said in his opinion, it is a reality of life that short term rentals need to be dealt with.

Mike Malascalpo – Highland Lakes, said that based on the Mayor’s comments, short term rentals are here to stay. He feels that the problem is with the short term rental owners who do not live in or close to the rental where they could be contacted right away if there is a problem. He said if he knew five years ago he would be living next door to a short term rental he would not have bought his property.

Peg Distasi -, is not opposed to the ordinance but she sees some administrative concerns with it. She is concerned with the cost of policing the short term rentals as opposed to how much money will they bring into the town. Ms. Distasi is also concerned about possible lawsuits in the future and how will the privacy of the information that will be gathered by the town be maintained.

Arnold from the Alpine House, told the Council that Air B&B will be responsible for any kind of damage to the property or the neighborhood. He said that Air B&B also pays the tax for the rental.

John McNally, is proud to be an Air B&B super host. He only advertises for families to rent. He feels that bad renters are not going to rent on Air B&B. Mr. McNally feels that short term renters should pay a percentage but the ordinance is very over regulated.

Council Member Auberger made a motion to let the public speak more than once about the short term rentals, Seconded by Council Member Weller. All were in favor.

Peter Erb, asked how would the Council know how much to tax the Air B&B’s.

Council President Shortway told Mr. Erb that the tax information would come directly from Air B&B.

Peg Distasi, feels that it is not the local homeowner that is the problem but the corporate owners. She would like to know if there is a way the local and the corporate owners can be handled different as far as regulations.

Stephanie Blaine, feels that rentals should be limited to Vernon residents who live in the rentals or who live close to the rentals.

Robin Jenkins – Glenwood, commented that the ordinance says there will be an application process that will have the name and contact information of the owners. Ms. Jenkins would like to know how this is all going to be regulated. She suggested maybe having a radius of where the rental owners can live.

Sean Clarkin – Barry Lakes, feels that a lot of the issues residents have are police related issues. He says as a real estate agent that there are a lot of investment properties for sale under \$100,000 and if people cannot rent them out they will stop buying them. Mr. Clarkin feels that the town is motivated by the money that they will receive from the State. He said the town needs to cut back the regulations, have the owners register the properties and collect the 3% tax. He also suggested to add a fine if the police need to go to an Air B&B for a problem.

Peter Erb, asked if the word transient could be changed to tourist. He also commented on the ordinance about the police regulations. He would like to know if long term rentals currently have the same police regulations.

Seeing no other members of the public wishing to speak, Council President Shortway asked for a motion to close the meeting for Public Comments.

MOTION: Kelly Weller

SECOND: John Auberger
All members were in favor.

ITEM FOR DISCUSSION:
Short Term Rental Ordinance

Council President Shortway started the short term rental discussion. Currently the STR industry is not regulated in Vernon. We estimate there are over 200 in operation throughout the Township. We must find a balance between the competing interests that have expressed their viewpoints.

I do not favor banding STRs as we are a recreation community and it is a thriving business. Although, I suspect regulations will decrease the number of STRs, the market will dictate revenue based on supply and demand. The opening of LEGOLAND on July 4th could also be a factor in market forces.

I believe we cannot ignore the industry due to safety and quality of life concerns.

The Land Use Board reviewed and sent it back advising that all STRs not just internet platform based should be subject to tax and regulation. I do not favor giving them another bite of the apple and create more delay.

Reasonable regulation is necessary.

Review of our police CAD system found that we had three (3) noise ordinance complaints in Highland Lakes for Air BNB's and three (3) noise ordinance complaints for Air BNB's in the condos for a total of six complaints that the police responded too from 2017 to present.

There are other noise complaints that the police handled during that time period but they were unable to confirm whether they are Air BNB's rentals or not. Unfortunately, unless a caller identifies the property they are complaining about as an Air BNB rental, our dispatcher has no way of identifying that when documenting CAD cards. So it could be an Air BNB or it could be a resident having a party that a neighbor is complaining about.

6 additional noise complaints are on record since 2017 but we are unable to ascertain if the subject of the complaint was a STR.

Former Councilperson Curreri opined that we got rid of transients at Legends and now we are inviting transients back. He is mistaken.

The issue at Legends was that the structure was regulated for only short term accommodations and the owners of the units were permitting long term residencies. Electrical and plumbing issues were evident, caused by the need for comforts normally found in long term accommodations. Electrical outlets were overloaded with appliances including toaster ovens and washer machines were present in bathtubs.

Over the toilet in a seventh floor bathroom was an umbrella. The resident explained that the umbrella deflected the water from the eighth floor bathroom toilet immediately above when the toilet was flushed.

Planks of plywood was placed horizontally in one closet to create bunk beds for young children. The bunks reminded me of the photograph of prisoners of the "little camp" in Buchenwald. Captured for all to see, as prisoners stared out from the wooden bunks in which they slept three to a "bed."

I could not allow these conditions to exist. My administration took this issue on because others failed to address the illegal and unsafe living quarters.

I estimate there are 20 homes operating as STRs in Highland Lakes. None were inspected in 2019 as required per NJ fire code regulations. Revenue is estimated at \$500,000 a year. The average cost per night was \$247.00.

Pursuant to Section II of the Uniform Fire Safety Act (P.L. 1983, c.383) the International Fire Code New Jersey Edition shall be locally enforced in the Township of Vernon.

“Ensure compliance under the State Fire Code for carbon monoxide and smoke detectors in regard to seasonal and/or change of occupancy.”

Highland Lakes Association is aware of the short term rentals because the association is collecting \$50.00 tenancy.

HL’s regulations are as follows:

“Members who rent their premises are also required to register all tenants with the Club office upon each change of occupancy, and must establish the tenants as Associate Members prior to each tenancy. For each tenancy, Members must pay the corresponding Associate Member dues. For Calendar Year 2019, Associate Member dues shall be:

- \$300.00 for properties that rent for more than three months, up to annually, per tenancy;
- \$100.00 for properties that rent monthly or any part thereof, per tenancy;
- \$50.00 for properties that rent weekly or less, per tenancy.”

“Compliance by members with the Club’s By-Laws is not optional. Failure to register properties and tenants in accordance with Club policy, or misrepresentation of the amount of rentals or rental duration, will subject the Members to a penalty assessment in an amount equal to the then current annual cabin dues for each violation, together with late payment charges if the penalty assessment is unpaid on the first day of the second month following the assessment of the penalty.”

One host reported collecting approx. \$26,000 last year on his house rental. This is a \$10,000 decrease from 2018 due to the increased competition caused by the influx of additional STRs.

HL is collecting fees and has made an attempt to impose regulations but the State fire code is being ignored.

Currently, this is a quasi-black market industry that demands regulation.

The Founding Fathers understood that every aspect of creating a new government and the law of the land could not be foreseen. They created the mechanism of Amendments to address changes starting with the first Ten Amendments known as the Bill of Rights.

We too, whether it be this Council or future councils are able to change the ordinance or aspects of the ordinance should the occasion arise as we did with the soil ordinance. We have acceptable legislation now to go forward. We have kicked this around for 21 months. Safety and quality of life considerations need to be addressed. Summer and the opening of LEGOLAND will soon be upon us.

Council Member Murphy commented that for the three summer months, trash is included in the dues at Highland Lakes. She asked if the Lake Association could address the trash problem. Council Member Murphy feels that if we need more police to monitor the short term rentals, that would mean that we have more problems. Council Member Murphy asked the Township Attorney whether neighborhoods could form their own associations if they are currently not an association for the intent not to allow Air B&B’s in their neighborhoods. The Township Attorney responded saying in private communities there are bylaws, covenants and legal documents that would need to be in place. Council Member Murphy commented that she does not think people going to Lego Land will come to Vernon. Council Member Murphy asked if Highland Lakes Air B&B’s charge extra for beach badges for the tenants. A person in the public answered yes explaining that a fee is collected year-round.

Council Member Auberger asked if it was possible to increase the number of cars allowed in the short term rental driveways as long as they are not parking in the street.

Council Member Weller thanked everyone who came to the meeting to discuss the short term rentals. She commented that short term rentals are here and now is the time to regulate them where we can and look out for the safety of the community.

ADJOURNMENT

There being no further items of business to be conducted on the agenda, a motion for Adjournment was made by Council Member Weller seconded by Council Member Auberger with all members voting in favor.

The Meeting of the Township Council of the Township of Vernon was adjourned at 6:12 p.m.

Respectfully submitted,

Marcy Gianattasio, RMC, CMR
Municipal Clerk

Harry Shortway,
Council President

Minutes Approved: February 24, 2020