

City of Salisbury



MARYLAND

SALISBURY CITY COUNCIL WORK SESSION AGENDA

**NOVEMBER 3, 2014
COUNCIL CHAMBERS, ROOM 301
GOVERNMENT OFFICE BUILDING**

- 4:30 p.m. Over Occupancy Issues in Neighborhoods – Susan Phillips/Mark Tilghman
- 5:00 p.m. Authorizing Delmarva Collections to collect delinquent accounts – Keith Cordrey
- 5:30 p.m. Motion to convene in Closed Session as permitted in the Annotated Code of Maryland §10-508(a)(1)(3)(7)(8).

*Times shown are approximate. Council reserves the right to adjust the agenda as circumstances warrant.
The Council reserves the right to convene in Closed Session as permitted under the Annotated Code of Maryland 10-508(a).*

Memo

To: Tom Stevenson
From: Susan Phillips 
Date: October 24, 2014
Re: 15.24.1640, Violation of Occupancy Provisions Legislation

Attached you will find an ordinance amending sections 15.24.280 *General*, 15.24.1640, *Violation of Occupancy Provisions*, and 15.26.110 *Denial, nonrenewal, revocation, or suspension of license or registration of the Salisbury Municipal Code*. The amendments in these sections will allow the City to permanently reduce occupancy to those who have received an exemption for four (4) unrelated or registration for three (3) unrelated for those who have violated the occupancy limitations. In addition, the changes will allow the City to suspend, revoke, or deny any rental unit registration for over-occupying any structure.

A rise in over-occupancy violations this year has caused NSCC to take a stronger level enforcement on this issue. This increased enforcement tool will assist NSCC in enforcing over-occupancy through-out the City limits.

Unless you or the mayor has any questions please forward this information to the city council for review and consideration.

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CITY OF SALISBURY
ORDINANCE NO.
DRAFT

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AN ORDINANCE of the Mayor and Council of the City of Salisbury amending Sections 15.24.280 General, 15.24.1640 Violation of occupancy provisions, and 15.26.110 Denial, nonrenewal, revocation or suspension of license or registration of the Salisbury Municipal Code.

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WHEREAS, the Department of Neighborhood Services and Code Compliance is experiencing a rise in over-occupancy violations; and

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WHEREAS, due to this rise in over occupancy, there is a need to strengthen the enforcement for occupancy violations; and

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WHEREAS, a reduction in the allowed occupancy of nonconforming where over-occupancy has occurred is desirable; and

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WHEREAS, the addition of denial, nonrenewal, revocation or suspension of license or registration will make enforcement more effective; and

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WHEREAS, the Department of Neighborhood Services and Code Compliance does recommends approval of these proposed code changes.

NOW, THEREFORE, be it enacted and ordained by the Council of the City of Salisbury, Maryland, that Chapters 15.24 and 15.26 of the Salisbury Municipal Code, be amended as follows:

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15.24.280 General

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When a structure or equipment is found by the housing official to be unsafe, or when a structure is found unfit for human occupancy, or is found unlawful, such structure shall be condemned pursuant to the provision of this code and declared a public nuisance.

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A. **Unsafe Structure.** An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is likely.

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B. **Unsafe Equipment.** Unsafe equipment includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid containers or other equipment on the premises or within the structure which is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public occupants of the premises or structure.

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C. **Structures Unfit for Human Occupancy.** A structure is unfit for human occupancy whenever the building official finds that such structure is unsafe, unlawful or, is in disrepair or lacks required maintenance, is unsanitary, vermin or rat infested, contains filth and

47 contamination, or lacks ventilation, illumination, sanitary or heating facilities or other essential
48 equipment required by this code.

49 D. Unlawful Structure. An unlawful structure is one found in whole or in part to be
50 occupied by more persons than permitted under this code, or was erected, altered or occupied
51 contrary to law.

52 E. An unlawful structure which is ordered to be “vacated or condemned” shall, ~~in the~~
53 ~~appropriate zones in the case of a dwelling~~, be permanently reduced to ~~at the maximum~~
54 occupancy ~~of two unrelated persons, not including the children of either of them~~ allowed for the
55 applicable conforming use, with no additional occupants permitted pursuant to the dwelling’s
56 status as a nonconforming use.

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58 **15.24.1640 Violation of occupancy provisions.**

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60 If the department of neighborhood services and code compliance determines that the number of
61 unrelated occupants in a dwelling violates the occupancy provisions established by this code,
62 ~~then~~ the number of unrelated occupants, not including the children of either of them, shall be
63 permanently reduced to ~~comply with city code~~ the maximum allowed for the applicable
64 conforming use, with no additional occupants permitted pursuant to the dwelling’s status as a
65 nonconforming use.

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67 **15.26.110 Denial, nonrenewal, revocation or suspension of license or registration.**

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69 If after any period for compliance with this chapter has expired, the NSCC determines that a
70 rental dwelling unit or a rental dwelling unit owner fails to comply with any of the licensing or
71 registration standards set forth herein or with the occupancy provisions of this code, and the
72 NSCC ~~has shall~~ initiate an action to deny, revoke, suspend, or not renew a registration or
73 license, ~~NSCC shall and~~ mail the owner a notice of denial, nonrenewal, revocation, or suspension
74 of the license or registration. The notice shall state:

75 A. That NSCC has determined that the rental dwelling unit fails to comply with the
76 ~~registration~~ standards for rental dwelling units in this chapter, and/or the owner has failed to
77 comply with the Maryland Department of Environment lead abatement reporting
78 requirements;

79 B. The specific reasons why the rental dwelling unit fails to meet ~~licensing or registration~~ the
80 required standards, including copies of applicable inspection reports, or notices sent to
81 licensee about the rental dwelling unit;

82 C. That the director will deny, refuse to renew, revoke, or suspend the license or registration
83 unless the owner appeals the determination within twenty-one (21) days after receipt of the
84 notice, in the manner provided in Section 15.26.120 of this chapter;

85 D. That after denial, nonrenewal, revocation or suspension, the rental dwelling unit shall be
86 vacated within sixty (60) days, and shall not be reoccupied until all violations are corrected
87 and a license and/or registration is granted by NSCC pursuant to provisions of Annotated
88 Code of Maryland, Real Property Article, Title 8;

89 E. The notice shall describe how an appeal may be filed under Section 15.26.120 of this
90 chapter;

91 F. The director shall cause a notice to tenants to be mailed or delivered to each registered
92 rental dwelling unit and prominently posted on the building. The notice shall indicate that the
93 rental dwelling unit registration or owner license for the rental dwelling unit has been denied,
94 revoked, not renewed or suspended, whichever is applicable; that the action will become
95 final on a specific date unless the rental dwelling unit owner appeals and requests a hearing;
96 that tenants may be required to vacate the building when the action becomes final; that
97 further information can be obtained from NSCC.

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99 AND BE IT FURTHER ENACTED AND ORDAINED BY THE CITY OF SALISBURY,
100 MARYLAND, that the Ordinance shall take effect upon final passage.

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102 THIS ORDINANCE was introduced and read at a meeting of the Council of the City of
103 Salisbury held on the ____ day of _____, 2014 and thereafter, a statement of the
104 substance of the ordinance having been published as required by law, in the meantime, was
105 finally passed by the Council on the ___ day of _____, 201__, and shall take effect
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109 ATTEST:

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Kimberly R. Nichols, City Clerk

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116 Approved by me, this _____ day of _____, 2014.

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James Ireton, Jr.,

121 Mayor

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~~Jake Jacob R.~~ Day, City Council President

City of Salisbury



MARYLAND



125 NORTH DIVISION STREET
SALISBURY, MARYLAND 21801
Tel: 410-334-3028
Fax: 410-548-3192

JAMES IRETON, JR.
MAYOR

TOM STEVENSON
CITY ADMINISTRATOR

TERENCE ARRINGTON
ASSISTANT CITY ADMINISTRATOR

KEITH A. CORDREY
DIRECTOR OF INTERNAL SERVICES

To: Tom Stevenson, City Administrator
From: Keith Cordrey, Director of Internal Services
Date: October 9, 2014
Re: Resolution authorizing retention of Delmarva Collections to collect delinquent accounts

The city has been working with the city legal firm to collect delinquent accounts. The city legal team has advised that for smaller balances due to the city, it will be more economical to retain the services of a collection agency.

Since the collection efforts are a form of legal representation, a resolution is needed whereby the council authorizes the retention of such services. Attached is a resolution which would authorize the city to retain Delmarva Collections to collect delinquent accounts. A resolution has previously been passed authorizing Delmarva Collections to collect delinquent Personal Property Tax accounts.

The commissions and terms for the agreement are defined in the attached proposed agreement. We will execute the agreement once council approves Delmarva Collections, Inc. as a legal representative in the capacity described in the agreement. We can cancel the agreement with 90 days' notice provided however that accounts that have a legal status cannot be canceled.



Delmarva Collections, Inc.
P. O. Box 37
Salisbury, MD 21803-0037
(410)546-3742 (800) 426-4664
Fax (410) 742-1675

PROPOSAL FOR COLLECTION OF MISC. RECEIVABLES

Agreement made this 2nd day of September, 2014 between **City of Salisbury** (hereinafter referred to as "Creditors"), whose principal place of business is 125 N. Division Street Salisbury, MD 21801 and **Delmarva Collections Inc.** (hereinafter referred to as Collector"), whose principal place of business is 820 East Main Street Salisbury, Maryland 21804.

Witnesseth:

Whereas, Creditor desires from time to time during the term of this agreement to submit to Collector for Collection certain miscellaneous claims, accounts, or other evidences of indebtedness (hereinafter called "Claims"), and

Whereas, Collector desires to provide Creditor with Collection services with the respect to said Claims.

Now therefore, for and in consideration of the mutual covenants hereinafter set forth it is mutually agreed by and between the parties hereto as follows:

A. ASSIGNMENT OF ACCOUNTS

1. DCI will enter all account placement information into its collection system within 48 hours of receipt, and begin such collection activity immediately upon placement. DCI will forward a detailed acknowledgement of placement to Client.
2. Collector agrees that all activities of Collector shall be carried out in compliance with all applicable federal, state, and local laws.
3. Creditor hereby warrants that all Claims forwarded to Collector will be valid and legally enforceable debts, and that the Creditor will, both before and after forwarding said claims, comply with all applicable federal, state, and local laws with respect thereto. Further, Creditor agrees to provide, whenever requested to do so by Collector: a written verification of a claim, a copy of the judgment, if any, on which a claim is based, the name and address of the person or entity to whom the debt was originally owed, if different from Creditor.
4. If any court of competent jurisdiction shall rule that any provisions of this agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect and shall not be affected by said ruling.

B. COMMISSIONS

1. DCI will earn a commission on the following contingency fee schedule:
 - a. Primary Accounts –Twenty-Five Percent (25%) commission based on total amount collected.
Defined as accounts referred by Client behind in-house collection department.
 - b. Legal Accounts – Thirty Percent (30%) commission based on total collected.

Defined as primary accounts authorized by client for legal action. Creditor is liable for court cost on accounts authorized for litigation.

DCI will utilize the services of Attorney William Hall for legal accounts and DCI will be responsible for his fees.
2. Creditor agrees to promptly report all payments within ten (10) days to avoid further collection efforts and will promptly report any bankruptcy notifications to said collector.

C. ADDITIONAL TERMS

1. This agreement shall be binding on the heirs, legal representatives, successors, and assigns of the parties hereto.
2. Collector agrees to hold harmless the Creditor, its officers, agents and employees from and against any and all claims, damages and losses arising out of Agency efforts to collect accounts assigned for collection; except, however, such as may be authorized acts on the part of the Creditor, its officers, agents and employees.
3. Except as necessary to carry out the terms of this agreement and, except as may be required by law, the parties agree to keep the terms of the Agreement and the carrying out of their obligations hereunder completely confidential.
4. This agreement is intended to be solely for the benefit of the parties herein.
5. DCI will report Client data to a credit reporting agency.
6. This agreement shall commence as of the date signed. Either party may terminate this agreement upon ninety (90) days written notice given to the other party. Accounts that have been authorized by Creditor for legal action or that have payment arrangements are not subject to cancelation by creditor.
7. Said Terms and Conditions have been signed by both parties and are hereby made a part of this agreement as fully and effectual as if they were set forth herein. Thus, whenever the term "Agreement" is used herein, it shall be construed to include said Terms and Conditions.

This Agreement, including the Terms and Conditions, contains the entire agreement between the parties hereto and cannot be amended or modified in any respect by any amendment, unless in writing, signed by both parties.

In Witness Whereof, the parties have hereunto set their hands and seals the day and year first above written.

City Of Salisbury
Creditor

Delmarva Collections Inc.
Collector

By _____ Date

By Joanne Young, President _____

Please print above name

RESOLUTION _____

**A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING
RETENTION OF DELMARVA COLLECTIONS TO COLLECT DELINQUENT
ACCOUNTS.**

WHEREAS, the City has delinquent Accounts Receivable accounts; and

WHEREAS, the City has a need for collection services to collect delinquent amounts due to the city; and

WHEREAS the collection efforts are a form of legal representation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MD that the City is authorized to retain Delmarva Collections to collect delinquent Accounts Receivable due to the city.

THE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on ___ day of _____ 2014 and is to become effective immediately upon adoption.

ATTEST:

Kimberly R. Nichols, City Clerk

Jacob R. Day, City Council President

APPROVED BY ME THIS

____ day of _____, 2014.

James Ireton, Jr., Mayor