

**SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, JANUARY 27, 2015**

**A regularly scheduled meeting of the Sussex County Council was held on Tuesday, January 27, 2015, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:**

<b>Michael H. Vincent</b>	<b>President</b>
<b>Samuel R. Wilson, Jr.</b>	<b>Vice President</b>
<b>George B. Cole</b>	<b>Councilman</b>
<b>Joan R. Deaver</b>	<b>Councilwoman</b>
<b>Robert B. Arlett</b>	<b>Councilman</b>
<b>Todd F. Lawson</b>	<b>County Administrator</b>
<b>Gina A. Jennings</b>	<b>Finance Director</b>
<b>J. Everett Moore, Jr.</b>	<b>County Attorney</b>

**The Invocation and Pledge of Allegiance were led by Mr. Vincent.**

**Call to  
Order**

**Mr. Vincent called the meeting to order.**

**M 040 15  
Amend  
and  
Approve  
Agenda**

**A Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to amend the Agenda by deleting “Hal Godwin, Deputy County Administrator – Legislative Update” and by deleting “Sussex County Profile Luncheon”; and to approve the Agenda, as amended.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**Minutes**

**The minutes of January 20, 2015 were approved by consent.**

**Corre-  
spondence**

**Mr. Moore read the following correspondence:**

**GREATER LEWES COMMUNITY VILLAGE, LEWES, DELAWARE.  
RE: Letter in appreciation of Human Service Grant.**

**IMMANUEL SHELTER, NASSAU, DELAWARE.  
RE: Letter in appreciation of grant.**

**DELMARVA TEEN CHALLENGE, SEAFORD, DELAWARE.  
RE: Letter in appreciation of grant.**

**Public  
Comments**

**There were no public comments.**

**Adminis-  
trator's  
Report**

**Mr. Lawson read the following information in his Administrator's Report:**

**1. Project Receiving Substantial Completion**

**Per the attached Engineering Department Fact Sheet, Lewes Crossing (aka Deep Valley Farm) – Phase 2 received Substantial Completion effective January 21, 2015.**

**[Attachments to the Administrator's Report are not attachments to the minutes.]**

**Compre-  
hensive  
Annual  
Financial  
Report  
for  
Fiscal  
Year  
End  
6-30-14**

**Mrs. Jennings presented the Sussex County Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2014.**

**Mrs. Jennings reported that the County received the Audited Financial Statements for Fiscal Year 2014 from BDO USA, LLP, the County's Auditors. Mrs. Jennings presented the Independent Auditor's Report and stated that the County has again received a clean opinion. Mrs. Jennings informed Council that the County's Auditors could not be in attendance due to weather conditions.**

**Mrs. Jennings reported that the County has received the GFOA (Government Finance Officers Association) Certificate of Achievement for Excellence in Financial Reporting for 12 years in a row. Additionally, the County continues with an Aa1 bond rating.**

**Mrs. Jennings reported that revenues total \$63 million and Expenditures total \$59 million, leaving a change in fund balance in the amount \$4 million (revenues over expenditures). Revenues are up over last year; revenues are up by 16.4%, or \$8 million. The largest increase was in Realty Transfer Tax (\$3.5 million). There was an increase in grants received of \$1.4 million and an increase in investment earnings of \$1.3 million. Mrs. Jennings reported that expenditures also increased, but not as much as revenues; however, she noted that these are not operating expenses, they are due to paying down long term obligations, i.e. pension contribution of \$1 million and paid back holiday pay and comp bank. Mrs. Jennings reported that capital expenditures are up \$3.7 million; capital expenditures include an airport project at \$6.7 million and library projects at \$2.2 million.**

**Mrs. Jennings reported that Realty Transfer Tax was 37% (\$3.5 million over previous year) of General Fund Revenues. Other revenues include property taxes (25%), charges for services (21%) (a \$350,000 increase over last year) Federal and State grants (13%) (\$1.4 million over last year), and fire service fee (2%).**

**Mrs. Jennings reported on General Fund expenditures:**

- Paramedics – 28% (\$14 million)**
- General Government – 22% (\$11.2 million)**

**Comprehensive  
Annual  
Financial  
Report  
for  
Fiscal  
Year  
End  
6-30-14  
(continued)**

- **Grant-in-aid – 16% (\$7.9 million)**
- **Libraries (Independent and County-owned) – 8% (\$4 million)**

Mrs. Jennings reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) as of June 30, 2014. She reported that \$50 million was budgeted in revenues and \$57 million was brought in (actual exceeded budget by \$7 million). Expenditures were not increased and the County still spent under the budgeted amount by \$84,000. Mrs. Jennings noted that variances in revenues that cannot be depended on in the future are: Realty Transfer Tax (\$4.9 million), Charges for Services (\$2 million) and Intergovernmental Grants (\$1.1 million).

Kathy Roth, Budget and Cost Manager, presented information on business type revenues relating to sewer and water funds: charges for services were 48% of the budget (\$18.9 million) and non-operating revenues, which are connection and assessment fees, were 42% of the budget (\$14.9 million). Mrs. Roth noted that a lot of the funds are restricted, either for future capital or bond debt. The change in net position overall for the funds is \$6.1 million. Operating revenues increased \$2.1 million, or 11.7%, to \$20.0 million. Connection fees increased from \$1.5 million, or 37%, to \$5.6 million. Capital contributions decreased \$2.9 million to \$2.8 million.

Mrs. Roth presented information on the Pension Fund, which is made up of two different funds – the Pension Fund and Other Postemployment Benefits Fund (OPEB). This year, the contribution to the Pension Fund was \$13.9 million, which includes normal contributions (3.5%) as well as net investment earnings (10.3%). Payments to retirees (regular pension and health insurance benefits) was \$3.1 million. The increase in net position was \$10.8 million. Overall, there is \$86 million in the Pension Fund this year. On the OPEB side, there was an addition of \$6.2 million (\$2.4 million of that was contributions and \$3.7 million of that was investments). The County paid out \$1.8 million in health care costs for pensioners. Overall, the County increased the total pension \$15.1 million. There is \$70 million in the Pension Trust and \$30 million in the OPEB trust, for a total of \$101 million in pension funds. The County is at 89.7% funded on the pension side and 78.2% funded on the benefit trust side (OPEB).

Mrs. Roth reported that the County has no long-term General Fund debt. Sewer debt was at \$167 million last year and is at \$159 million this year.

Mrs. Roth referenced the statistical section of the report and she stated that the section includes economic, demographic and financial information.

Mrs. Roth reviewed the Single Audit Supplement which shows where the funding was this year:

- U.S. Department of Agriculture (sewer money) \$ 293,754
- U.S. Department of Housing and Urban Development \$1,558,737
- U.S. Department of Transportation (airport) \$4,868,965

(continued) • U.S. Department of Homeland Security \$ 273,465

Mrs. Roth noted that the Comprehensive Annual Financial Report (CAFR) is available on the County's website ([www.sussexcountycle.gov](http://www.sussexcountycle.gov)).

Councilmembers discussed the report and raised questions regarding paramedic funding and Realty Transfer Tax revenues.

**Financial  
Report  
Ending  
12/31/04**

Mrs. Jennings presented the Financial Report for the Second Quarter Ending December 31, 2014.

**Extend  
Runway  
4-22/  
Package 2/  
Contract  
12-07/  
C/O #2**

Bob Jones, Project Engineer, presented Change Order No. 2 in the amount of \$179,590.00 to the Extend Runway 4-22, Package 2, Project (Contract 12-07). This Change Order deletes the solar obstruction light and tower and adjusts final quantities; there are 16 add/deduct items – 2 are for additional landscaping and 14 are for minor adjustments to the electrical communications portion of the project. Mr. Jones stated that there will be a Change Order No. 3 for final cost adjustments for utilities (taking down lines on Route 9). Mr. Jones reported that this Change Order reduces the Contract by \$179,590.00.

**M 041 15  
Approve  
Change  
Order  
No. 2/  
Extend  
Runway  
4-22/  
Package 2/  
Contract  
12-07**

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, based on the recommendation of the Sussex County Engineering Department, that Change Order No. 2 for Sussex County Contract No. 12-07, Extend Runway 4-22, Package 2, with George & Lynch, Inc. be approved, which decreases the Contract by the amount of \$179,590.00 for a new contract total of \$4,240,336.63, subject to the approval of the Federal Aviation Administration.

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**Tribute/  
Bob Jones**

The County Council presented a Tribute to Bob Jones (William R. Jones) on the occasion of his retirement from the County after 8 years of service (March 2006 to January 2015).

**Grant  
Requests**

Mrs. Jennings presented grant requests for the Council's consideration.

**M 042 15  
Council-  
manic  
Grant**

A Motion was made by Mr. Cole, seconded by Mr. Wilson, to give \$250.00 from Mr. Cole's Councilmanic Grant Account to the Town of Ocean View for the 2015 Homecoming Event.

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**M 043 15  
Council-  
manic  
Grant**

**A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$500.00 (\$100.00 from each Councilmanic Grant Account) to Sussex County Habitat for Humanity for their annual fundraising event.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**M 044 15  
Council-  
manic  
Grant**

**A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to give \$500.00 (\$250.00 each from Mr. Cole's and Mrs. Deaver's Councilmanic Grant Accounts) to the Clear Space Theatre Company for operating costs.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**Introduction  
of Proposed  
Ordinances**

**Mrs. Deaver introduced the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A MEADERY MICROBREWERY FOR THE MANUFACTURING OF HONEY WINE AND TASTING TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED AND BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 2.99 ACRES, MORE OR LESS" (Conditional Use No. 2013) filed on behalf of TBHM, LLC (Tax Map I.D. 334-4.00 34.00 (Part of) and 235-31.00-15.00) (911 Address – None Available).**

**Mr. Cole introduced the Proposed Ordinance entitled "AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A MR-RPC MEDIUM DENSITY RESIDENTIAL DISTRICT – RESIDENTIAL PLANNED COMMUNITY FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BALTIMORE HUNDRED, SUSSEX COUNTY, CONTAINING 49.66 ACRES, MORE OR LESS" (Change of Zone No. 1768) filed on behalf of Convergence Communities (Tax Map I.D. No. 134-17.00-12.00) (911 Address: None Available).**

**Mrs. Deaver introduced the Proposed Ordinance entitled "AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A CR-1 COMMERCIAL RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 114.4821 ACRES, MORE OR LESS" (Change of Zone No. 1770) filed on behalf of TD Rehoboth, LLC**

**Introduction  
of Proposed  
Ordinances  
(continued)**

**(Tax Map I.D. No. 235-23.00-1.00) (911 Address: None Available).**

**Mr. Wilson introduced the Proposed Ordinance entitled “AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A CR-1 COMMERCIAL RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN NORTHWEST FORK HUNDRED, SUSSEX COUNTY, CONTAINING 2.062 ACRES, MORE OR LESS” (Change of Zone No. 1771) filed on behalf of B. Ray Investments, LLC (Tax Map I.D. No. 530-14.00-15.00) (911 Address: None Available).**

**Mr. Vincent introduced the Proposed Ordinance entitled “AN ORDINANCE TO AMEND THE COMPREHENSIVE ZONING MAP OF SUSSEX COUNTY FROM AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT TO A CR-1 COMMERCIAL RESIDENTIAL DISTRICT FOR A CERTAIN PARCEL OF LAND LYING AND BEING IN BROAD CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 2.33 ACRES, MORE OR LESS” (Change of Zone No. 1772) filed on behalf of Sussex Ventures, LLC (Tax Map I.D. No. 132-12.00-12.00 and 12.05) (911 Address: None Available).**

**The Proposed Ordinances will be advertised for Public Hearing.**

**[It was noted that a Councilmembers’ introduction of a Proposed Ordinance is not an indication of that members’ support of the application. Per Delaware State Code, “Every proposed ordinance shall be introduced...” and “An ordinance may be introduced by any member at any regular or special meeting of the county government.”]**

**Council  
Members’  
Comments**

**Council Members’ Comments**

**Mrs. Deaver commented on calls she receives regarding flooding issues.**

**Mr. Vincent commented on the Tribute Dinner held on January 26, 2015 to salute the Honorable Robert L. Venables, Sr., who served 26 years in Delaware’s General Assembly as the 21st District State Senator (1988-2014). Governor Markell awarded Senator Venables the Order of the First State, the highest honor for meritorious service granted by the Governor.**

**Mr. Arlett reported that he took a tour of the airport and received information on the details and plans for the airport. He also reported that he had the opportunity to visit and attend the Sussex County Advisory Committee on Aging and Adults with Physical Disabilities meeting; a discussion at the meeting included senior safety and the drug problem in Sussex.**

**M 045 15  
Go Into  
Executive  
Session**

**At 10:55 a.m., a Motion was made by Mrs. Deaver, seconded by Mr. Cole, to recess the Regular Session and go into Executive Session for the purpose of discussing matters relating to personnel and land acquisition.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**Executive  
Session**

**At 11:00 a.m., an Executive Session of the Sussex County Council was held in the Basement Caucus Room for the purpose of discussing matters relating to personnel and land acquisition. The Executive Session concluded at 12:19 p.m.**

**M 046 15  
Reconvene  
Regular  
Session**

**At 12:22 p.m., a Motion was made by Mrs. Deaver, seconded by Mr. Arlett, to come out of Executive Session and to reconvene the Regular Session.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**There was no action on Executive Session items.**

**M 047 15  
Adjourn**

**A Motion was made by Mr. Cole, seconded by Mr. Wilson, to adjourn at 12:23 p.m.**

**Motion Adopted: 5 Yeas.**

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;  
Mr. Arlett, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

**Respectfully submitted,**

**Robin A. Griffith  
Clerk of the Council**