

SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, MAY 23, 2023

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, May 23, 2023, at 10:00 a.m., in Council Chambers, with the following present:

Michael H. Vincent	President
John L. Rieley	Vice President
Cynthia C. Green	Councilwoman
Douglas B. Hudson	Councilman
Mark G. Schaeffer	Councilman
Todd F. Lawson	County Administrator
Gina A. Jennings	Finance Director
J. Everett Moore, Jr.	County Attorney

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

**Call to
Order**

Mr. Vincent called the meeting to order.

**M 243 23
Approve
Agenda**

A Motion was made by Mr. Hudson, seconded by Mr. Schaeffer, to approve the Agenda as presented.

Motion Adopted: 5 Yeas

**Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;
Mr. Hudson, Yea; Mr. Rieley, Yea;
Mr. Vincent, Yea**

Minutes

The minutes from May 16, 2023, were approved by consensus.

**Corre-
spondence**

Mr. Moore read a letter received from Autism Delaware thanking Council for their grant received.

**Public
Comments**

Public comments were heard.

Ms. Renita Harmon spoke about a law relating to people residing in campers.

**Presentation
Slam Dunk
to the Beach**

A presentation was given by Mr. Matt Robinson providing an update on the 2022 Slam Dunk to the Beach event. Mr. Robinson reported that twenty teams competed in the event consisting of four top 25 ranked teams and five top 50 players. A fourth day was added to the tournament that was called "Cape Night" where the boys and girls Cape teams played in the event. In addition, Seaford basketball team participated in the event also

**Presentation
Slam Dunk
to the Beach
(continued)**

representing Sussex County. All of the games were live streamed, and advertisements ran during the streaming. There were over twenty states that watched the livestream including Washington, DC. Over 4,500 attendees came to the event including 25+ college coaches and 70+ onsite media. Mr. Robinson reported that there were 45 local sponsors and vendors of which 96% were returning sponsors. Mr. Robinson shared information that was received from a survey distributed to those that attended the event.

Mr. Robinson thanked the County Council and all of the sponsors that made the event a success.

**FY2024
Budget
Presentation**

Mr. Lawson and Mrs. Jennings presented the proposed \$278.6 budget for Fiscal Year 2024.

Mr. Lawson reported that the recommended budget was drafted after receiving numerous submissions from County departments. Like so many organizations today, Sussex County is attempting to navigate through an uncertain financial environment as the economy continues to decelerate. The driving factors influencing the County's budget are the increases in cost due to inflation and decreases in revenue due to higher interest rates. As such, a conservative budget philosophy was followed in the development of the FY24 budget. This philosophy uses cautious revenue projections and keeps expenses at an ongoing sustainable level. The proposed FY24 budget presents an overall decrease of \$15.6M. The decrease is being driven by one-time expenditures occurring in the previous year. These expenditures include the completion of various capital projects and the use of one-time ARPA funds. Mr. Lawson added that the County continues to keep the ongoing operational expenses in check; excluding one-time purchases, the overall operating budget is increasing 2.8% which is trending below inflation. These efforts allow the County to continue to provide the services its residents and visitors come to expect while not passing to the taxpayers the additional costs of general operations. The County's receives the bulk of its revenue each year from both property taxes and RTT; with RTT being the largest revenue source. In recent years, RTT has grown to account for almost 40% of the County's revenue. In the past, it accounted for under 25%; relying on RTT collections for operations presents a risk. This year the County is taking steps to reduce its reliance on RTT, and it accounts for 35% of the FY24 revenue. However, as we look for the future, this is a concern that the County will need to address. In addition, RTT funds are limited to some of the County's most critical services including paramedics, fire and ambulance companies, police, 911 dispatchers, economic development, assessment, public works, and open space. Thus, we can keep pace with the population and the demand for our critical services through the use of RTT. However, should RTT drop below anticipated levels, it is likely at some point in the future the County will need to seek additional revenue from the taxpayers. The other side of the budget is the expenses that support our government services and County Council priorities. Any new project request was reviewed to ensure that they are necessary, align

**FY2024
Budget
Presentation
(continued)**

with the County's objectives and address long-term concerns and issues of this Council. The priorities of the Council that are supported in this budget include sustaining government services without adding a financial burden to our current and future residents, providing adequate services for our growing elderly population, increase workforce housing opportunities and foster an environment that attracts businesses and creates jobs for our highly skilled workforce. Mr. Lawson recognized the County Council for their leadership and financial responsibility that has helped build a strong foundation that has allowed this government to continue to live within its means and stay strong during economic uncertainty. The FY24 budget recognizes that the economy is treading downward and therefore, continues its conservative approach to ensure that the fiscal foundation stays strong.

Mr. Lawson reviewed the accomplishments by staff throughout the year from this year's budget. Mr. Lawson highlighted some of the milestones that were accomplished that were broken down by the County's goals.

Mrs. Jennings commented on the decline in the economy specifically in the real estate market. Mrs. Jennings shared a chart showing the various one-year activity. It was noted that there was a decrease in building activity, however, Register of Wills revenue did increase due to the population increase. In addition, there was an increase in sewer services due to the increased number of sewer customers being brought onto the system. The general fund is increasing \$4 million; about 2.8% of that is continual operational expenses with the other 2% is related to one-time purchases.

Mrs. Jennings shared the revenue highlights:

- No increase in taxes
- Use of Reserve: \$10.0 million in General Fund; \$15.0 million in Capital
- Tax revenue, due to improvements, is up \$687,000, or 3.9%
- Building related revenues are down \$1.3 million, or 9.0%
- Realty Transfer Tax revenue is down \$1.3 million, or 4.0%
- Grant revenue is up \$1.5 million, or 17.5%
- Sheriff revenue is up \$200,000, or 26.7%
- Wills revenue is up \$200,000, or 15.4%
- \$15 annual increase in Dewey water rates
- \$10 annual increase in sewer rates
- Increase sewer connection fees from \$6,600 to \$7,700
- Changes in Engineering Fees
- Decrease or elimination of assessment fees in seven areas

Mrs. Jennings reviewed revenue highlights with Realty Transfer Tax being the biggest revenue source at 35% which is down from 40%. The building related revenues and Realty Transfer Tax were discussed and how they were impacting the budget. It was noted that Realty Transfer Tax can only be spent on certain areas of which most is spent on public safety (90%).

**FY2024
Budget
Presentation
(continued)**

Mrs. Jennings discussed where the increases in the general fund were being seen. The largest increase is in grant-in-aid, however, there are some on-time grants included in that amount. Mrs. Jennings discussed staffing; the only increases in staffing are related to sewer.

Mrs. Jennings shared information relating to the use of reserves. Public Safety, Libraries and Open Space/Recreation funding was discussed further. The general fund capital items, water, sewer, and utility capital accounts were shared and discussed further.

The budget book and presentation can be found on the County's website at www.sussexcountyde.gov. Budget comments can be sent to budget@sussexcountyde.gov.

Mr. Rieley introduced a Proposed Ordinance entitled "AN ORDINANCE ESTABLISHING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2024".

Mr. Hudson introduced a Proposed Ordinance entitled "AN ORDINANCE ESTABLISHING ANNUAL SERVICE CHARGES, ANNUAL ASSESSMENT RATES FOR COLLECTION AND TRANSMISSION AND/OR TREATMENT AND CONNECTION CHARGES FOR ALL SUSSEX COUNTY WATER AND SANITARY SEWER DISTRICTS".

The Proposed Ordinances will be advertised for Public Hearings, which will be held on June 20, 2023.

**Adminis-
trator's
Report**

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

1. **Delaware State Police Activity Report**

The Delaware State Police year-to-date activity report for April 2023 is attached listing the number of violent crime and property crime arrests, as well as total traffic charges and corresponding arrests. In addition, DUI and total vehicle crashes investigated are listed. In total, there were 191 troopers assigned to Sussex County for the month of April.

2. **Holiday and Council Meeting Schedule**

A reminder that County offices will be closed on Monday, May 29th, to observe the Memorial Day holiday. In addition, Council will not meet on Tuesday, May 30th. The next regularly scheduled Council meeting will be held on Tuesday, June 6th at 10:00 a.m.

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

Pintail Pointe Hans Medlarz, County Engineer presented a recommendation to reject bids and re-bid for project S21-16, Pintail Pointe for Council's consideration. There were five responses received that were within in the budget, however, the project requires three certifications. The two lowest bidders did not complete the certifications and the third lowest bidder would put the project overbudget.

M 244 23 Approve Project Re-bid/Pintail Pointe A Motion was made by Mr. Rieley, seconded by Mr. Schaeffer, be it moved based upon the recommendation of the Sussex County Engineering Department that all bids for Contract S21-16, Pintail Pointe sewer expansion be rejected, and the contract be rebid.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea; Mr. Hudson, Yea; Mr. Rieley, Yea; Mr. Vincent, Yea

Deed Restriction/ 25867 Berry Street Hans Medlarz, County Engineer presented a deed restriction for 25867 Berry Street for Council's consideration. The project has been granted substantial completion from the County.

M 245 23 Authorized to Execute & Record Deed Restriction A Motion was made by Mr. Rieley, seconded by Mr. Schaeffer, be it moved based upon the recommendation of the Sussex County Engineering Department that Council authorize the County Administrator to execute and record the deed restriction associated with 25867 Berry Street in Millsboro, as part of the Federal Hazard Mitigation Assistance Program.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea; Mr. Hudson, Yea; Mr. Rieley, Yea; Mr. Vincent, Yea

FY2022 General Labor & Equipment Contract Hans Medlarz, County Engineer presented a one-year extension through July 1, 2023 – July 1, 2024, with George and Lynch and a close-out for JJID, Inc. for the FY22 general labor and equipment contract for Council's consideration.

M 246 23 Approve FY22 General Labor & Equipment Contract A Motion was made by Mr. Schaeffer, seconded by Mr. Hudson, be it moved based upon the recommendation of the Sussex County Engineering Department that County Council approve George & Lynch's bid packages A & B for Contract 22-01 FY22 General Labor & Equipment Contract for the second one-year contract extension in the aggregate amount up to \$5,000,000 at the unit price as previously bid.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;

**Mr. Hudson, Yea; Mr. Rieley, Yea;
Mr. Vincent, Yea**

M 247 23 **A Motion was made by Mr. Schaeffer, seconded by Mr. Hudson, be it**
Approve **moved based upon the recommendation of the Sussex County Engineering**
Close-Out/ **Department that County Council approves the closeout of ongoing FY23**
JJID, Inc. **work order no. 27 under JJID, Inc. contract no. 22-01, FY22 General Labor**
 and Equipment Contract without issuing a second one-year extension.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;
 Mr. Hudson, Yea; Mr. Rieley, Yea;
 Mr. Vincent, Yea

**Grant
Requests**

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

M 248 23 **A Motion was made by Mr. Rieley, seconded by Mr. Hudson to give \$3,000**
Millsboro **(\$2,000 from Mr. Rieley's Councilmanic Grant Account, \$500 from Mr.**
Historical **Schaeffer's Councilmanic Grant Account and \$500 from Mr. Hudson's**
Society **Councilmanic Grant Account) to Millsboro Historical Society for the Jacob**
 Godwin School for maintenance expenses.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;
 Mr. Hudson, Yea; Mr. Rieley, Yea;
 Mr. Vincent, Yea

M 249 23 **A Motion was made by Mr. Schaeffer, seconded by Mr. Hudson to give**
Seaford **\$2,000 (\$2,000 from Mr. Vincent's Councilmanic Grant Account) to**
Tomorrow, **Seaford Tomorrow, Inc. for their Friday Night Live event.**
Inc.

Motion Adopted: 5 Yeas

Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;
 Mr. Hudson, Yea; Mr. Rieley, Yea;
 Mr. Vincent, Yea

Introduction **Mr. Rieley introduced a Proposed Ordinance entitled "AN ORDINANCE**
of Proposed **TO AMEND THE FUTURE LAND USE MAP OF THE**
Ordinance **COMPREHENSIVE PLAN IN RELATION TO TAX PARCEL 135-11.00-**
 82.00".

**Council
Member
Comments**

The Proposed Ordinance will be advertised for Public Hearings.

There were no Council member comments.

M 250 23 **A Motion was made by Mr. Schaeffer, seconded by Mr. Hudson to adjourn**

Adjourn at 11:03 a.m.

Motion Adopted: 5 Yeas

**Vote by Roll Call: Mrs. Green, Yea; Mr. Schaeffer, Yea;
Mr. Hudson, Yea; Mr. Rieley, Yea;
Mr. Vincent, Yea**

Respectfully submitted,

**Tracy N. Torbert
Clerk of the Council**

{An audio recording of this meeting is available on the County's website.}