

**SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, JUNE 24, 2014**

**A regularly scheduled meeting of the Sussex County Council was held on Tuesday, June 24, 2014, 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>Vance Phillips</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>

**[Mrs. Deaver joined the meeting following Additional Business and was present during the Executive Session.]**

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

**Call to  
Order**

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

**M 302 14  
Amend  
and  
Approve  
Agenda**

**A Motion was made by Mr. Phillips, seconded by Mr. Wilson, to amend the Agenda by deleting “Approval of Minutes” and to approve the Agenda, as amended.**

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Employee  
of the  
Quarter**

**The Council recognized Loretta Ellingsworth, Employee of the Second Quarter. Mrs. Ellingsworth is an employee in the Office of the Register of Wills.**

**Appoint-  
ment**

**Mr. Lawson asked the Council to consider Mr. Vincent’s appointment to the Library Advisory Board.**

**M 303 14  
Appoint-  
ment/  
Library  
Advisory  
Board**

**A Motion was made by Mr. Cole, seconded by Mr. Phillips, to approve the appointment of Rebecca Calio (District 1) to the Library Advisory Board for a term of three years, effective June 1, 2014.**

**Motion Adopted: 4 Yeas, 1 Absent.**

M 303 14  
(continued)

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

Adminis-  
trator's  
Report

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

1. **Advisory Committee on Aging & Adults with Physical Disabilities for Sussex County Subcommittee Meeting**

The Advisory Committee on Aging & Adults with Physical Disabilities for Sussex County Conference Planning Subcommittee will meet on Thursday, June 26, 2014, at 10:00 a.m. at the Sussex County West Administrative Complex (2<sup>nd</sup> floor conference room), 22215 North DuPont Boulevard, in Georgetown. During the meeting, the Committee will continue discussion of its upcoming conference.

2. **Sussex County Airport Advisory Committee Meeting**

Be advised the Sussex County Airport Advisory Committee will meet tomorrow, Wednesday, June 25, at 6:00 p.m. at the Sussex County Emergency Operations Center located at 21911 Rudder Lane in Georgetown. A copy of the agenda is attached.

3. **DelDOT 2016-2021 Capital Transportation Program**

Sussex County invites the public to offer suggestions for the upcoming 2015-2020 Capital Transportation Program request, which the County Council will submit to the Delaware Department of Transportation in early September. Residents and property owners with ideas for improving local roads, pedestrian walkways, public transportation, and other related infrastructure and services can go onto the County's website to submit their suggestions. Please visit [www.sussexcountyde.gov](http://www.sussexcountyde.gov) and click the 'Submit Transportation Ideas' link on the right side of the main page to fill out a suggestion form, as well as to view last year's County request. Submissions will be accepted now through July 25. Administration will review all suggestions and then compile a draft report for County Council's consideration in late August before submitting it to DelDOT in September.

4. **Summer Holiday**

The Sussex County Council will not meet on July 1, 2014, preceding the July 4<sup>th</sup> holiday. A summer holiday for the County Council will also occur on July 8<sup>th</sup>. The next regularly scheduled meeting of the Sussex County Council will take place on July 15, 2014.

County offices will be closed July 4<sup>th</sup> for the Independence Day holiday.

**Adminis-  
trator's  
Report  
(continued)**

**5. New Chief Constable**

**I am pleased to announce the hiring of Mr. Mike Costello of Lincoln as the new Sussex County Chief Constable. Mike's first day with the County was yesterday, June 23<sup>rd</sup>.**

**Mike brings more than 25 years in environmental law and criminal code enforcement and has extensive experience working with the various agencies throughout the State. Mr. Costello comes to us from the Delaware Department of Natural Resources and Environmental Control where he was a Lieutenant in the Environmental Crimes Unit. Prior to that, Mike worked as a police officer for Rehoboth Beach and Lewes. Mr. Costello is also a veteran of our armed services, having served over three years in the Coast Guard.**

**As the new Chief Constable, Mike will be charged with investigating public complaints and enforcing the County Code as it relates to zoning issues. In light of recent comments made by Members of Council supporting a more pro-active approach to Code enforcement – such as with property maintenance – I have specifically asked Mr. Costello to take a good look at ways to improve the Constable's operations to better serve the County's residents.**

**I want to welcome Mr. Costello to the County and thank him for his willingness to serve.**

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

**Insurance  
Recommen-  
dation**

**Mrs. Jennings presented the results of the County's Request for Insurance Proposals. This insurance renewal is for the period July 1, 2014 through June 30, 2017. Mrs. Jennings reported that the estimated cost for insurance coverage is \$1,975,000. This is a \$152,000, or 8 percent, increase. She also reported that there are two suggested minor changes to the County's coverage:**

- 1. IBC recommends increasing the deductible on the general liability to \$10,000 from \$0. By reviewing claims during the last 7 years, this change would have resulted in a savings of \$4,500 per year.**
- 2. IBC recommends increasing the airport liability coverage from \$2,500,000 to \$3,000,000 at an additional cost of \$500. This slight increase in cost gives the County improved coverage for airplanes at the County's airport.**

**In summary, Mrs. Jennings stated that the recommendation is to obtain all lines of coverage from Pratt Insurance.**

**Insurance  
Recommen-  
dation  
(continued)**

Mrs. Jennings noted that they are disappointed with the number of responses and therefore, they plan to go out to bid for worker's compensation next year instead of waiting three years; worker's compensation is over 50 percent of the cost. Additionally, they will be seeking more options, such as self-insurance.

Mrs. Jennings recognized Andrea Wall and Louise Thompson for their work on the RFP.

Scott Agar, the County's insurance consultant with Insurance Buyers' Council reported on the results of the RFP, discussed the analysis of the proposals, and commented on the limited interest. Mr. Agar expressed the firm's disappointment that there was not more accomplished with this RFP and that typically, they are able to elicit a much broader set of competitive proposals. He noted that, absent alternatives, it is more difficult to secure better terms. He also noted that the County was able to secure coverage from insurers with "Excellent" or "Superior" Best Ratings and preserve to a large degree the level of coverage and service previously maintained along with some coverage enhancements as well.

Based on their review of the proposals received, Mr. Agar reported on the recommended coverages.

Mr. Agar stated (in agreement with Mrs. Jennings) that they will be seeking more alternatives, sooner versus later, i.e. on an insured and potentially self-insured basis for the next year.

**M 304 14  
Authorize  
Purchase  
of Insurance**

A Motion was made by Mr. Cole, seconded by Mr. Phillips, that the Sussex County Council authorizes the purchase of insurance for all lines of coverage except workers compensation for the period July 1, 2014 to June 30, 2017 and authorizes the purchase of workers compensation for the period July 1, 2014 to June 30, 2015, as recommended by Insurance Buyers Council and the County Finance Department, binding coverage with Pratt Insurance.

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Pension  
Fund**

Mrs. Jennings discussed the County's Pension Fund Performance, the Pension Investment Policy Statement, and the 2014 actuarial reports:

**Investment Performance Report as of March 31, 2014**

**Summary of the Pension Investment Analysis**

- Market value was \$71,322,869 as of March 31, 2014

**Pension  
Fund  
(continued)**

- Year-to-date gain of \$8.5 million, or 14.3 percent
- The fund’s performance ranked in the top 3 percent for pension funds tracked by Peirce Park Group

**Summary of the OPEB Investment Analysis**

- Market value was \$31,198,313 as of March 31, 2014
- Year-to-date return of \$2.89 million, or 11.0 percent, net of investment fees
- The fund’s performance ranked below average for OPEB funds. However, changes were made in January that are showing better returns.
- Next quarter, the Committee will be discussing the benefits and cons of taking on more risk to obtain a higher return. The current allocation is 40 percent fixed income and 60 percent equities.

Mrs. Jennings reported on the Pension Investment Policy Statement and she stated that the Pension Committee has recommended changes to the County’s Pension Investment Policy Statement. She noted that a copy of the Investment Policy Statement was included in the packet with all of the changes. The Investment Policy Statement was last updated in 2007. There have been no addendums or amendments to the policy since its adoption in 2007. The recommended changes are all housekeeping items and are notated on the Statement that was included in the packets. Each of the recommended changes will accomplish one of the following: fix grammatical errors, add clarification, update language to reflect industry standards, bring the Pension IPS more in line with the OPEB IPS that was adopted in 2010 and amended in 2012. Mrs. Jennings reported that the Pension Committee unanimously voted to approve the changes.

**M 305 14  
Approve  
Changes  
to the  
Pension  
Investment  
Policy**

A Motion was made by Mr. Cole, seconded by Mr. Phillips, that the Sussex County Council approves the changes to the Pension Investment Policy Statement, as recommended by the Pension Committee.

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Pension  
Fund  
(continued)**

Mrs. Jennings presented and reviewed the 2014 Actuarial Reports. She stated that, each year, the County’s Actuary, AON, is required to report an actuarial valuation of the County’s two pension funds. The purpose of the annual actuarial valuation is to determine the financial condition of the plans and the recommended contribution, as well as, provide information for use in satisfying the requirements of application standards of the Governmental Accounting Standards Board (GASB). Mrs. Jennings

**Pension Fund (continued)**

explained that new financial reporting guidelines will take effect with Fiscal 2014 for the Pension Fund and 2017 for the OPEB Fund.

Mrs. Jennings reported that, previously, the County would have reported a 94% funded status for the Pension Fund; however, because of new standards, the County will have to report an 88% funded status. She also reported that the County would need \$77.7 million in the Fund to be 100% funded and there currently is \$68 million in the fund (a liability of \$9.5 million). Mrs. Jennings explained that the new standards also determine what the County has to contribute to the Pension Fund. She noted that the County has \$3.28 million in the Fiscal Year 2015 Budget to fund the Pension Fund, resulting in the County funding the Pension Fund 119 percent more than the actual required contribution.

Mrs. Jennings noted that the Pension Insurance Benefits Fund was 70.6 percent funded last year; this year it has been increased to 78.2 percent funded (an 8% increase). The required contribution decreased \$20,000 and liability has decreased \$1.6 million.

**Wastewater Agreement**

Hal Godwin, Deputy County Administrator, presented a Wastewater Agreement for the Council's consideration.

**M 306 14 Execute Wastewater Agreement**

A Motion was made by Mr. Cole, seconded by Mr. Phillips, based upon the recommendation of the Sussex County Engineering Department, for Sussex County Project No. 81-04, Agreement No. 918-6, that the Sussex County Council execute a Construction Administration and Construction Inspection Agreement between Sussex County Council and Bay Forest LLC, for wastewater facilities to be constructed in Bay Forest Club – Phase 3.1, located in the Millville Expansion of the Bethany Beach Sanitary Sewer District.

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Legislative Update**

Hal Godwin, Deputy County Administrator, provided the following legislative update:

**House Bill No. 405 – “AN ACT PROPOSING AN AMENDMENT TO ARTICLE III OF THE DELAWARE CONSTITUTION RELATING TO THE CLERK OF THE PEACE”**

**This Bill has been stricken.**

**Mr. Phillips questioned House Bill No. 40 entitled “AN ACT TO AMEND TITLE 16 OF THE DELAWARE CODE RELATING TO THE CREATION OF MEDICAL ORDERS FOR SCOPE OF TREATMENT”.**

(continued) **Mr. Phillips asked Mr. Godwin to review the legislation and to report back.**

**Grant Requests** **Mrs. Jennings presented grant requests for the Council’s consideration.**

**M 307 14 Councilmanic Grant** **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give \$500.00 (\$100.00 from each Councilmanic Grant Account) to El Centro Cultural to sponsor the *Festival Hispano*.**

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Request Deferred** **The grant request from First State Community Action Agency was deferred.**

**M 308 14 Councilmanic Grant** **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give \$3,500.00 (\$2,500.00 from Mr. Cole’s Councilmanic Grant Account and \$1,000.00 from Mr. Phillips’ Councilmanic Grant Account) to the Town of Millville for event costs.**

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**M 309 14 Councilmanic Grant** **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give \$2,500.00 from Mr. Vincent’s Councilmanic Grant Account to the Seaford Historical Society for project expenses.**

**Motion Adopted: 4 Yeas, 1 Absent.**

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

**Additional Business** **Under Additional Business, Paul Reiger referenced the County’s new Constable and he commented on his complaints regarding violations that take place on the parcel adjacent to his property.**

**Additional Business** **Under Additional Business, Dan Kramer commented on the newly constructed Greenwood Public Library.**

**Deaver/Revisit** **Mrs. Deaver joined the meeting.**

**Grant Request** **The Council agreed to revisit the grant request from the First State Community Action Agency that was previously deferred.**

**M 310 14 Councilmanic Grant**      **A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to give \$500.00 from Mrs. Deaver’s Councilmanic Grant Account to the First State Community Action Agency for the Pinetown Civic Association’s community event.**

**Motion Adopted:      5 Yeas.**

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

**M 311 14 Go Into Executive Session**      **At 10:48 a.m., a Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to recess and go into Executive Session for the purpose of discussing issues relating to pending/potential litigation and land acquisition.**

**Motion Adopted:      5 Yeas.**

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

**Executive Session**      **At 10:50 a.m., an Executive Session of the Sussex County Council was held in the Council’s Caucus Room for the purpose of discussing issues relating to pending/potential litigation and land acquisition. The Executive Session concluded at 11:14 a.m.**

**M 312 14 Reconvene**      **At 11:16 a.m., a Motion was made by Mr. Phillips, seconded by Mrs. Deaver, 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. Phillips, Yea; Mr. Wilson, Yea;  
Mr. Vincent, Yea**

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

**M 313 14 Recess**      **At 11:16 a.m., a Motion was made by Mr. Phillips, seconded by Mr. Wilson, to recess until 1:00 p.m.**

**Motion Adopted:      5 Yeas.**

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

**Grand Opening**      **At 1:00 p.m., the Council attended the Grand Opening of the Greenwood Public Library.**



**M 314 14  
Adjourn**

**A Motion was made by Mr. Cole, seconded by Mr. Wilson, to adjourn at  
1:50 p.m.**

**Motion Adopted: 5 Yeas.**

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

**Respectfully submitted,**

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