

SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, JUNE 18, 2002

Call to Order The regular meeting of the Sussex County Council was held Tuesday, June 18, 2002, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Finley B. Jones, Jr.	President
Lynn J. Rogers	Vice President
Dale R. Dukes	Member
Vance Phillips	Member
Robert L. Stickels	County Administrator
David Baker	Finance Director
Eugene Bayard	County Attorney

M 388 02 A Motion was made by Mr. Rogers, seconded by Mr. Dukes, to amend the order of the Agenda, as follows: Robert Green, Director of Utility Construction; David Baker, Finance Director; Robert L. Stickels, County Administrator; and to approve the Agenda, as amended.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

M 389 02 A Motion was made by Mr. Rogers, seconded by Mr. Phillips, to approve the minutes of June 11, 2002, as distributed.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

Corre-spondence Mr. Bayard read the following correspondence:

SHIRLEY PRICE, STATE REPRESENTATIVE, HOUSE OF REPRESENTATIVES, STATE OF DELAWARE, LEGISLATIVE HALL, DOVER, DELAWARE.

RE: Letter regarding Sussex County Council's initiative to hire a certified planner.

Wastewater Facilities Mr. Green, Director of Utility Construction, discussed the construction of wastewater facilities.

M 390 02 **Rose Gate West/ Agreements** A Motion was made by Mr. Dukes, seconded by Mr. Rogers, based upon the recommendation of the Sussex County Engineering Department, for Sussex County Project No. 81-04, Agreement No. 262, that the Sussex County Council execute a Construction Administration and Construction Inspection Agreement between Sussex County Council and Gulfstream Development Corporation, for wastewater facilities to be constructed in Rose Gate West, located in the Ocean View Expansion of the Bethany Beach Sanitary Sewer District.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

M 391 02 **Briarcliffe/ Agreements** A Motion was made by Mr. Rogers, seconded by Mr. Phillips, based upon the recommendation of the Sussex County Engineering Department, for Sussex County Project No. 81-04, Agreement No. 249, that the Sussex County Council execute a Construction Administration and Construction Inspection Agreement between Sussex County Council and Gulfstream Development Corporation, for wastewater facilities to be constructed in Briarcliffe, located in the Ocean View Expansion of the Bethany Beach Sanitary Sewer District.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

M 392 02 **Wedgefield Phase II/ Agreements** A Motion was made by Mr. Dukes, seconded by Mr. Rogers, based upon the recommendation of the Sussex County Engineering Department, for Sussex County Project No. 81-04, Agreement No. 274, that the Sussex County Council execute a Construction Administration and Construction Inspection Agreement between Sussex County Council and Gulfstream Development Corporation, for wastewater facilities to be constructed in Wedgefield – Phase II, located in the Ocean View Expansion of the Bethany Beach Sanitary Sewer District.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

Workers Compensation Insurance Mr. Baker referred to the bids which were opened on May 29th for the County's insurance policies. The County received no proposals from commercial insurers for workers compensation insurance. According to the County's insurance consultants, the primary reasons for this is that (1)

**Workers
Compen-
sation
Insurance
(continued)**

insurance companies have experienced losses during the last few years primarily due to poor stock market returns and (2) as a result of September 11th. Mr. Baker reported that the County's insurance consultants, Insurance Buyers' Council, Inc., have advised that the County has three alternatives:

- to make application to the Delaware Workers Compensation Insurance Plan (DIP);
- seek quotations from other producers
- seek approval to qualify as a self-insured employer

It is the recommendation of Insurance Buyers' Council that the County pursue the first option as there is insufficient time to pursue the other two and the self-insurance option would expose the County to dramatically more variability in the cost of the workers compensation obligations. The deposit premium for the recommended DIP coverage is \$212,921.

Mr. Baker advised that as a part of the DIP program, the County needs to select an agent to service the workers compensation coverage. Mr. Baker further advised that the County received prices from Marsh and Pratt. Marsh would require an additional fee of \$4,258, while Pratt does not require additional compensation over the DIP commission. Also, Pratt has successfully serviced this coverage for the County for the last three years. For these reasons, the consultant has recommended that the County start the application process for DIP and award the responsibility to manage the County's DIP placement to Pratt.

**M 393 02
Authorize
Application
and
Purchase
of
Workers
Compen-
sation
Insurance**

A Motion was made by Mr. Dukes, seconded by Mr. Rogers, that the Sussex County Council authorizes the application and purchase of workers compensation insurance effective July 1, 2002 from the Delaware Workers Compensation Insurance Plan through Pratt Insurance.

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

**M 394 02
Adopt
Procla-
mation**

A Motion was made by Mr. Phillips, seconded by Mr. Rogers, to Adopt the Proclamation entitled "PROCLAIMING THE MONTH OF JULY AS A MONTH TO RECOGNIZE THE FIRST STATE COMMUNITY ACTION AGENCY FOR ITS DEDICATION AND HARD WORK THROUGH THE CO-SPONSORSHIP OF THE 2002 GROUP WORKCAMP".

Motion Adopted: 4 Yea, 1 Absent.

Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

Administrator's Report

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

1. Airport Committee Meeting

The Sussex County Airport Committee will meet on Wednesday, July 10, 2002, at the Sussex County Administrative West Complex, DuPont Highway, Georgetown, Delaware, starting at 10:00 a.m. All Airport Committee meetings are open to the general public.

2. Holiday Schedule

Sussex County Offices will be closed on Thursday, July 4, 2002, to allow County employees to observe Independence Day. There will be no Council meeting on Tuesday, July 2.

3. Land Use Meetings

The Sussex County Council and the Sussex County Planning & Zoning Commission will hold a joint workshop on Tuesday, July 9, 2002, starting at 5:00 p.m. at the County's West Complex, DuPont Highway, Georgetown, Delaware. The purpose of the workshop will be to finalize the County's Land Use Plan in preparation for public hearings. The Planning & Zoning Commission will hold a public hearing on the adoption of the Land Use Plan on Thursday, August 15, 2002, starting at 6:00 p.m. at the CHEER Center, located at East Market Street and Sand Hill Road, Georgetown. The Sussex County Council will hold their public hearing on Tuesday, September 10, 2002, starting at 6:00 p.m. at the same location. Drafts of the Land Use Plan are expected to be available to the public the week of August 26, 2002.

**Public Hearing/
Fiscal Year
2003 Budget**

A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE ESTABLISHING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2003".

Mr. Bayard read the following correspondence:

JOSEPH MURABITO, PRESIDENT, SUSSEX COUNTY FIRE CHIEFS' ASSOCIATION, SUSSEX COUNTY, DELAWARE.

RE: Letter asking the County to "act in a favorable manner to support our funding and equipment requests for this vital need in the coming budget year".

Mr. Bayard, County Attorney, left the meeting. Mr. Schrader, Assistant County Attorney, joined the meeting.

Mr. Stickels highlighted detailed information contained in Sussex County's Fiscal 2003 operating budget.

Public
Hearing/
Fiscal
Year
2003
Budget
(continued)

The \$83.9 million budget consists of \$32.4 million in General Fund operating expenditures; \$8 million in Capital Improvements; \$2.2 million in Community Development Grants; \$22.9 million for the sewer and water districts; and \$18.1 million in Capital Project Program Funding. The Capital Project Program Funding amount does not include the additional \$11.2 million in capital expenditures that are included in the other budgets. The FY 2003 budget maintains an operating reserve of 22.3 percent of the general fund expenditures, or \$7 million. The budget also maintains the current tax rate of \$.4450 per 100 of taxable assessed valuation. FY 2003 will be the 13th straight consecutive year without a tax increase.

Mr. Stickels announced that the FY 2003 budget includes \$4.4 million in grants to different agencies including the local libraries, sewer districts, University of Delaware, and Sussex Conservation District.

Mr. Stickels explained that there are three areas in which the local libraries receive funding: grants, property tax, and mobile home placement tax. In the FY 2003 budget, the total contribution from the County to the local libraries is \$1.3 million. Mr. Stickels reported that nine of the eleven independent libraries are receiving 100 percent of the amount they requested; the Georgetown Public Library is receiving \$7,764.00 short of their request and the Lewes Public Library is receiving \$45,665.00 short of their request.

Mr. Stickels pointed out that (1) the Reserve for Contingencies is \$1 million, an increase of \$250,000 compared to the Fiscal 2002 budget, and (2) the Appropriated Reserve is \$2.5 million, a decrease of \$643,723 compared to the Fiscal 2002 Budget.

Mr. Stickels reported that the Fiscal 2003 sewer costs total \$22.9 million. The annual assessment and service charge rates were reviewed; three changes were proposed, as follows:

(1) The assessment rate per front foot for West Rehoboth will be \$4.65, a decrease from \$4.79.

(2) The assessment rate per front foot for Holts Landing will be 4.58, an increase from \$2.50.

(3) An increase in the application fee for annexation into a sewer district. Currently, the application is \$500.00. A graduated fee schedule is proposed:

- Less than 2 acres - \$500.00
- 2-9.99 acres - \$750.00
- 10 – 150.00 acres - \$1,500.00
- Greater than 150 acres - \$2,500.00

**Public Hearing/
Fiscal Year
2003 Budget
(continued)**

The purpose of this proposed increase is to cover costs associated with Sussex County's standard procedures and policies. Costs include legal costs, posting costs, advertising costs, and administrative review of conceptual plans. This change would be effective for applications received after June 30, 2002.

Mr. Stickels referred to the funds available in Appropriated Reserves (surplus generated from FY 2001 budget) and explained how the funds will be used, as follows:

Open Space Land Trust Funding	\$1,000,000
Ellendale Sewer Project Grant	500,000
Oak Orchard Sewer Project Grant	400,000
Cedar Neck Sewer Project Grant	400,000
Bayview Estates & Sea Country Estates Sewer Project Grant	53,000
South Ocean View Sewer Project Grant	50,000
Local Library Funding	53,000
Software Purchases	<u>60,306</u>
Total	\$2,516,306

Mr. Stickels reported that the budget includes a 2 percent cost of living increase for employees and a 1 percent increase for retirees, effective July 1, 2002.

Mr. Stickels advised Council of Mr. Cole's suggested amendment to the budget to reduce the Reserve for Contingencies from \$1 million to \$750,000 and to give each Councilman the discretion of spending \$50,000. Mr. Cole's recommendation is to allocate funds as follows: \$25,000 from his funds for the CHEER Center being built in his district; \$2,500 from each Councilperson to Slam Dunk to the Beach; \$2,500 from each Councilperson to the Humane Society, and \$10,000 - \$15,000 from each Councilperson to the local libraries.

Public comments were heard. Mr. Dennis Forney spoke on behalf of Sussex County Independent Library Trustees Association and stated that the libraries need a sustained source of increased funding to cover basic operating expenses including building renovations, increased salary levels, and employee benefits. The Association is asking Council to consider implementing a \$6.00 capitation tax to provide a sustained source of funding. Mr. Forney reported that the libraries have developed a formula for distributing the \$379,980 that would be raised by the tax.

Council members responded that they could not support a new tax when the County is already funding 100 percent of the libraries' funding requests and that other funding sources should be sought, such as making the public aware that they can donate money to the libraries through estate planning. Council members promised to look for other permanent sources of revenue for the libraries.

Public
Hearing/
Fiscal
Year
2003
Budget
(continued)

Mr. John Reed expressed concerns about the proposed operating reserve; the County's plan to fund additional state police officers; and the need for a County police force.

Mr. Paul Enterline, President of the Georgetown Public Library Board of Commissioners, stated that the Council should take into consideration the influx of Hispanics into the County's population; that the libraries are a valuable resource to help make these people a part of our communities; and that additional funding would help bring this into fruition.

Mr. Jeff Cox, representing the Sussex County Paramedic Association, read a prepared statement into the record thanking the Council for their continued support.

Mr. Dan Kramer spoke against an additional capitation tax; commented that the Council overspends its councilmanic grant funding; and commented that the budget actually reflects a deficit balance for the general fund.

Mrs. Til Purnell stated that Sussex County is a great place to live and "if you don't like it, you don't have to stay here".

The Public Hearing was closed.

Public
Hearing/
Assess-
ment
Rolls

A Public Hearing was held on the Assessment Rolls for all Sussex County Sanitary Sewer and Water Districts. Mr. Baker reviewed the following:

- (1) A summary of costs to be recovered through annual utility charges which include operating expense and capital cost.
- (2) A summary of annual service charges and assessment charges.
- (3) A summary of proposed system connection charges.
- (4) A one-time septic installation fee for Holts Landing Sanitary Sewer District.

Mr. Baker highlighted the changes in the rates and noted that most of the total rates are the same as the current fiscal year with a few exceptions. As Mr. Stickels noted previously, West Rehoboth's assessment rate of \$4.65 is down from the current year's rate of \$4.79 and Holts Landing's rate is up from \$2.50 to \$4.58. The other changes pertain to new projects: Cedar Neck Expansion, North Millville Expansion, and Miller Creek Sewer.

Mr. Baker explained that assessment rolls are a record of the front footage and Equivalent Dwelling Unit (EDU) for each individual property. These records are available in the Utility Billing Office.

Public comments were heard.

Public Hearing/Assessment Rolls **Mr. Dan Kramer** questioned why some people are still paying \$1,000.00 versus some people paying \$200.00 and that the front foot assessments for the properties are not appropriate. (It was noted that Mr. Kramer is not an owner of a property in an organized sewer or water district.)

(continued) The Public Hearing was closed.

Public Hearing/Rates for Sussex County Water and Sanitary Sewer Districts A Public Hearing was held on the 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".

Public comments were heard.

Questions were raised concerning the rates for the Cedar Neck Expansion area and it was expressed that the costs are going up because there has been a delay in the construction of the project. Mr. Baker responded that prices are going up because construction costs are increasing. Mr. Izzo, County Engineer, noted that other factors contributing to the increase in construction costs are the fact that (1) the Ocean View contract went bankrupt and that scared a lot of contractors; (2) contractors are having a difficult time finding qualified help; and (3) the price of asphalt has increased.

Mr. Baker advised that rates for Cedar Neck will still be below the rates quoted at the referendum (\$7.77 per front foot and an annual service charge of \$225.00).

The Public Hearing was closed.

FY 2003 Budget Mr. Dukes referred to the Fiscal 2003 Budget and the proposed 2% salary increase for employees. Mr. Dukes recommended that an additional 1% salary increase be given to employees in January, 2003.

M 395 02 Approve Salary Increase A Motion was made by Mr. Dukes, seconded by Mr. Phillips, to approve a 3% salary increase for County employees, with 2% to be given in July, 2002 and an additional 1% to be given in January, 2003, contingent upon expenses being within budget and revenues meeting or exceeding the budget.

Motion Adopted: 4 Yea, 1 Absent.

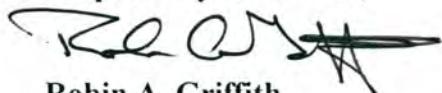
Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent;
Mr. Dukes, Yea; Mr. Rogers, Yea;
Mr. Jones, Yea

Funding Request	Mr. Rogers asked that the Council consider funding the Delaware Humane Society's request for \$10,000. There was no consensus to support this funding request.
Mr. Cole's Recommendations	It was noted that there was no consensus to support Mr. Cole's recommendations regarding the Reserve for Contingencies and funding allocations.
M 396 02 Adopt Ordinance No. 1546	A Motion was made by Mr. Dukes, seconded by Mr. Phillips, to adopt Ordinance No. 1546 entitled "AN ORDINANCE ESTABLISHING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2003" to include a property tax rate of 44.5 cents per one hundred dollars of assessed value; a capitation rate of \$3.00; a Fire Enhancement Funding rate of one-quarter of one percent of building costs; an additional one percent cost of living increase for County employees effective January 1, 2003; and requiring not less than four-fifths of the members of the Sussex County Council to approve transfers from the Undesignated General Fund Balance.
	Motion Adopted: 4 Yea, 1 Absent.
	Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent; Mr. Dukes, Yea; Mr. Rogers, Yea; Mr. Jones, Yea
M 397 02 Adopt Assessment Rolls	A Motion was made by Mr. Dukes, seconded by Mr. Phillips, that the Sussex County Council hereby adopts the Assessment Rolls for all Sussex County Sanitary Sewer and Water Districts, as presented on June 18, 2002, for the period of July 1, 2002 to June 30, 2003.
	Motion Adopted: 4 Yea, 1 Absent.
	Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent; Mr. Dukes, Yea; Mr. Rogers, Yea; Mr. Jones, Yea
M 398 02 Adopt Ordinance No. 1547	A Motion was made by Mr. Dukes, seconded by Mr. Phillips, to adopt Ordinance No. 1547 entitled "AN ORDINANCE ESTABLISHING ANNUAL ASSESSMENT RATES FOR COLLECTION AND TRANSMISSION AND/OR TREATMENT, AND CONNECTION CHARGES FOR ALL SUSSEX COUNTY WATER AND SANITARY SEWER DISTRICTS", including the one time Holts Landing Sanitary Sewer District septic installation fee, effective July 1, 2002.
	Motion Adopted: 4 Yea, 1 Absent.
	Vote by Roll Call: Mr. Phillips, Yea; Mr. Cole, Absent; Mr. Dukes, Yea; Mr. Rogers, Yea; Mr. Jones, Yea

M 399 02
Adjourn

A Motion was made by Mr. Dukes, seconded by Mr. Phillips, to adjourn at 12:15 p.m. Motion Adopted by Voice Vote.

Respectfully submitted,



Robin A. Griffith
Clerk of the Council