

SUSSEX COUNTY COUNCIL-GEORGETOWN, DELAWARE-DECEMBER 4, 1990

Call to
Order

The regular meeting of the Sussex County Council was held on Tuesday, December 4, 1990 at 10:00 a.m. in the Council Chambers, Courthouse, Georgetown, Delaware with the following members present:

William D. Stevenson, Sr.	President
R. James Mariner	Vice President
Ralph E. Benson	Member
George B. Cole	Member
Dale R. Dukes	Member

The meeting was opened by repeating the Lord's Prayer and the Pledge of Allegiance to the Flag.

M 528 90
Approve
Minutes

A Motion was made by Mr. Cole, seconded by Mr. Dukes, to approve the minutes of the previous meeting as submitted. Motion Adopted by Voice Vote.

Corre-
spondence

Mr. Jones, Acting County Attorney, read the following correspondence:

BETTY LYNCH, FRANKFORD

RE: Thanks for the Proclamation proclaiming the week of November 18 through November 24, 1990 as "Betty Lynch Week".

DELAWARE RIVER BASIN COMMISSION, WEST TRENTON, NEW JERSEY

RE: Notice of Commission Meeting and Public Hearing on December 12, 1990.

CAROL GASIOR, DIRECTOR, BRIDGEVILLE PUBLIC LIBRARY

RE: Thanks for donation to the Bridgeville Public Library.

Intervet
Presenta-
tion

In response to Council's request last week, representatives were present from Intervet to discuss the intended uses of their facilities at Millsboro and Gumboro. Dr. Spangler "Buzz" Klopp, Director, Technical Services; Mr. Howard Vanderslice, Manager, Quality Control; and Mr. Gene Bayard, Legal Counsel, used slides to illustrate their presentation. Their main facility, located at Millsboro, has been used primarily for the manufacturing of poultry vaccines in the past. However, they are now working with other animals to produce vaccines. The animals are located at the Gumboro "research clinic" and are housed in an enclosed area. All animals are purchased from the USDA and are housed in environmentally controlled buildings.

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Intervet
(Con't.)

Additional facts about the uses of their facilities were made as follows:

1. Millsboro operation will continue as in the past. The "research clinic" located at the Gumboro site utilizes less than two (2) acres of the sixty-five (65) acre tract for clinical purposes.
2. In the next five (5) years they anticipate little expansion at the Gumboro site; only additional "colony" houses for poultry experiments.
3. The incinerator, at the Gumboro site, will be used once or twice a week; actual hours of burn time would be five (5) or six (6) per week.
4. Both facilities are licensed by USDA.
5. All poultry vaccines are shipped live; all other vaccines are shipped in an inactive state.

The use of the research facility in an Agricultural Residential area was again discussed. No action was taken by Council.

Paramedic
Vehicles

Mr. Stevenson, Paramedic Director, reviewed information concerning three (3) bids received by the State of Delaware for the paramedic vehicles. Sixty percent (60%) of the cost of each vehicle will be paid by the State and the County will pay the remaining forty percent (40%). The low bid for the Suburban 4 x 4 paramedic vehicle (in accordance with State specifications) was received from Diamond State/MedTech as follows:

Suburban chasis	\$27,750
Conversion	16,282
TOTAL BID	\$41,032

M 529 90
Authorize
Purchase -
Paramedic
Vehicles

A Motion was made by Mr. Cole, seconded by Mr. Benson, that the Sussex County Council approve the purchase of two (2) paramedic response vehicles from the state bid lists; costs not to exceed \$41,032.00 per vehicle. Motion Adopted: 5 Yea.

Vote by Roll Call: Mr. Benson, Yea; Mr. Cole, Yea;
Mr. Dukes, Yea; Mr. Mariner, Yea;
Mr. Stevenson, Yea

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Recommen-
dations
Variable
Rate
Bonds

Mr. Stickels, County Administrator, read a letter in its entirety from Mr. Baker, Director of Accounting, concerning the use of Variable Rate Demand Line of Credit Bonds as a financing alternative for Sussex County. Mr. Baker's recommendation is summarized as follows:

"The variable rate demand bond financing method as recommended by Mr. Gefaell does seem to be a better and less expensive means of financing County projects on a short-term basis at the present time versus the current line of credit financing through a local bank. The estimated savings over the next one and one-half (1½) years to the County would be \$574,000 due to lower interest rate costs and due to positive allowable arbitrage on investment earnings. I would recommend that over the next thirty (30) to ninety (90) days, as the legal documents are developed for these variable rate bonds, that serious consideration be given to partial fixed-rate long-term bonds in place of some of the variable rate bonds with this issue. If the interest rates for long-term bond financing gradually decrease, as some anticipate, then it may be to the County's advantage to initially issue thirty (30) year fixed-rate bonds for a major part of the Long Neck Project."

Mr. Purpur, Finance Director, reported that Mr. Gefaell, R. W. Corby & Company, had furnished references for him to contact concerning Tax-Exempt Variable Rate Demand Line of Credit Bonds. Mr. Purpur contacted three (3) references provided by Mr. Gefaell and was given positive comments and suggestions from each contact.

Mr. Purpur, Finance Director, summarized his comments concerning the variable rate demand bond financing methods as recommended by Mr. Gefaell as follows:

"Mr. Gefaell has been hired as our financial adviser. I am not an expert in this field. The information received from the references indicate that we should proceed with temporary financing with 'Variable Rate Demand Bonds' as a concept, plus we will save approximately \$574,088 in about eighteen (18) months versus the line of credit being used now."

M 530 90
Documents
for
Variable
Rate
Bonds

A Motion was made by Mr. Cole, seconded by Mr. Dukes, that the Sussex County Council authorize the drafting of documents for the \$25,000,000 Variable Rate General Obligation Bonds as outlined by R. W. Corby. Motion Adopted: 5 Yea.

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M 530 90
(Con't.)

Vote by Roll Call: Mr. Benson, Yea; Mr. Cole, Yea;
Mr. Dukes, Yea; Mr. Mariner, Yea;
Mr. Stevenson, Yea

Comments
Georgetown
Variable
Rate
Bonds

Mr. Stickels, County Administrator, read in its entirety a letter from Mr. Baker, Director of Accounting, concerning the two (2) year loan to the Town of Georgetown for sewer and water improvements.

Mr. Baker's letter outlined the advantages and disadvantages from a financial standpoint on the proposed \$10,000,000 loan to the Town of Georgetown.

Advantages listed by Mr. Baker included:

1. "The County would receive a credit loan fee of \$100,000 for this transaction, plus fifty percent (50%) of the net reinvestment earnings estimated to be a maximum of \$105,000 by Mr. Gefaell."

Disadvantages or concerns listed by Mr. Baker included:

1. "Would this \$10,000,000 County financing apply to the County's General Obligation Debt Margin Limit? This could become a problem if other Sussex municipalities received similar financing assistance from Sussex County Council or if the Georgetown Financing was extended beyond two (2) years."
2. "Would this affect the County's debt rating? Regarding security, if the Town of Georgetown defaulted or did not pay off the \$10,000,000 loan within the two (2) year period, then the County would take over the Sewer and Water System from Georgetown."
3. "Making sure that the Town of Georgetown's debt limit not be exceeded. I would recommend that any loan agreement with Georgetown would guarantee that Georgetown include this \$10,000,000 in their debt limit computation and that they would at no time exceed their debt limit."

Mr. Purpur, Finance Director, made the following points concerning using the variable rate general obligation bonds for the proposed \$10,000,000 loan to the Town of Georgetown:

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Comments
Georgetown
Variable
Rate
Bonds
(Con't.)

1. "Earnings
\$100,000 at issuance
\$105,070 in reinvestment earnings in two (2) years."
2. "These revenues must be weighed against:
 - a. "If Georgetown defaults - Sussex County Council gets a water and sewer system. Do we want this?"

"Since Sussex County Council's general full faith and credit is pledged, would a default by Georgetown hurt our bond rating?"
 - b. "Is a precedent being set for other Sussex County towns for similar help?"
 - c. "Does this issue count against our top limit for issuing General Obligation Bonds?"
3. "These are the factors the Sussex County Council has to take into account in arriving at a decision."

The points made by the Finance Director and the Director of Accounting were discussed.

M 531 90
Documents
Georgetown
Variable
Rate
Bonds

A Motion was made by Mr. Cole, seconded by Mr. Dukes, authorizing the drafting of documents for the \$10,000,000 Variable Rate General Obligation Bonds for the Town of Georgetown as outlined by R. W. Corby. Motion Adopted: 5 Yea.

Vote by Roll Call: Mr. Benson, Yea; Mr. Cole, Yea;
Mr. Dukes, Yea; Mr. Mariner, Yea;
Mr. Stevenson, Yea

Georgetown
Resources

Councilman Dukes requested that the resources for the Town of Georgetown be checked before the introduction of the Proposed Ordinance.

Recess

President Stevenson declared a recess at twelve noon until 1:30 p.m.

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Reconvene President Stevenson called the Council back into session at 1:30 p.m.

Administrator's Report Mr. Stickels, County Administrator, reviewed the following information included in his Administrator's Report:

1. DNREC Memorandum - Applications filed with the Wetlands and Aquatic Protection Branch for construction projects for subaqueous and/or wetlands construction projects lists only one site in Sussex County. It consists of replacing bulkhead and constructing a dock on an artificial lagoon off Whites Creek.
2. Recyclers of the Month - Chastity Justice of Georgetown and Ray Bryan of Milton will both be recipients of a \$50.00 Savings Bond for their participation in the Recycling Program. 1,943 people participated during the month of November compared to 1,672 for October.
3. Rescheduling of Council Meetings - The Council meeting scheduled for Tuesday, December 25, 1990 will be held on Thursday, December 27, 1990.

The Council meeting scheduled for Tuesday, January 1, 1991 will be held on Thursday, January 3, 1991. Superior Court Judge T. Henley Graves will swear in Mr. George B. Cole and Mr. George J. Collins at 9:00 a.m. in Superior Court. The Council meeting will take place at 10:00 a.m.

M 532 90 Councilmanic Grant A Motion was made by Mr. Cole, seconded by Mr. Stevenson, to give \$500.00, from Mr. Mariner's Councilmanic Account, to the Town of Laurel to help extend municipal street lighting on South Central Avenue. Motion Adopted: 5 Yea.

Vote by Roll Call: Mr. Benson, Yea; Mr. Cole, Yea;
Mr. Dukes, Yea; Mr. Mariner, Yea;
Mr. Stevenson, Yea

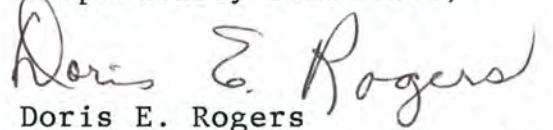
Western Land Use Plan Workshop A Workshop for the Western Sussex Land Use Plan was held. Mr. Lank, Director of Planning and Zoning, reviewed reasons as stated by the Planning and Zoning Commission for their recommendations for changes, additions and deletions to the Plan. The Council requested that another time be designated on the Agenda for discussion of the suggested changes. Possibly the Plan could be placed on the Agenda for a vote the next week after that discussion.

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M 533 90
Adjourn

A Motion was made by Mr. Benson, seconded by Mr. Stevenson,
to adjourn at 2:50 p.m. Motion Adopted by Voice Vote.

Respectfully submitted,



Doris E. Rogers
Clerk of the County Council