SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, JANUARY 18, 2011

Call to Order

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, January 18, 2011 at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Michael H. Vincent	**President**
Samuel R. Wilson, Jr.	**Vice-President**
George B. Cole	**Council Member**
Joan R. Deaver	**Council Member**
Vance Phillips	**Council Member**
David Baker	**County Administrator**
Susan M. Webb	**Finance Director**
Hal Godwin	**Assistant to the County Administrator**
J. Everett Moore Jr.	**County Attorney**

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

The meeting was called to order by Mr. Vincent.

M 046 11 Amend and Approve Agenda

A Motion was made by Mr. Wilson, seconded by Mr. Cole, to amend the Agenda by deleting "Inland Bays Regional Wastewater Facility, Expansion No. 1 – Change Order" under Michael Izzo and "Land Acquisition" and "Pending/Potential Litigation" under "Executive Session" and to approve the Agenda as amended:

Motion Adopted: **4 Yeas; 1 Absent**

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

Minutes

The minutes of January 11, 2011 were approved by consent. Mr. Phillips was absent.

Airport Runway Update

Mr. Baker reported that, upon the Council's request several weeks ago, Jim Hickin, Director of Airport and Industrial Park Operations, had compiled information regarding airport comparisons, which the Council had received prior to today's meeting. Mr. Baker noted that the Sussex County Airport's current 5000-foot runway is comparable to the Cape May, New Jersey Airport, but below many of the others. Mr. Baker emphasized a number of important advantages of the Sussex County Airport, such as its location in the northeast corridor, close to New York, Philadelphia, Washington and Baltimore; lower costs than other airports; availability of water and sewer infrastructure; and the presence of an airframe mechanics training program located at the Industrial Park, which is a feeder program for employees for aviation businesses.

Airport Runway Update (Con't)

Mr. Hickin explained the information included in the schedule he prepared showing the longest runway in several local comparable airports; length of runway planned, if any; types of instrumental approaches; hangar space available and land available for development. Mr. Cole questioned how this information justified the expense of extending the current runway to 6,000 feet. Mr. Hickin gave the following positive reasons for extending the runway:

- **Sussex County Airport currently is not competitive nationwide to attract companies desiring to relocate**
- **PATS has a large investment in the airport and the facilities and increasing the runway makes it more competitive for them to remain**

Mr. Cole expressed his concern with the expense of extending the runway to keep one corporation here and stated that he is "still on the fence" regarding justifying taking the County into a position of borrowing millions of dollars.

Mr. Baker stated that the goal is not only to keep PATS at the Sussex County Airport, but also to attract other aviation-related businesses to the county. He reported that a committee has been formed for the purpose of developing a viable way to fund the airport runway expansion.

Mr. Phillips entered the Council Chambers.

Adminis-trator's Report

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

1. <u>Advisory Committee on Aging and Adults with Physical Disabilities</u>

Attached is an agenda for the next meeting of the Advisory Committee on Aging and Adults with Physical Disabilities that will occur on January 24, 2011, at 10:00 a.m. at the Sussex County West

Administrative Complex. Ms. Karen Lloyd, Chairperson of the Governor's Advisory Council on Services for Aging and Adults with Physical Disabilities will be the guest speaker.

2. <u>Delaware Housing Workshop</u>

On January 27, 2011, a workshop will be held at the Milford Senior Center from 3:00 to 7:00 p.m. to assist anyone regarding possible housing foreclosure. Attached is a flyer regarding the workshop. This is free and open to the public.

Administrator's Report (Con't)

(Attachments to the Administrator's Report are not attachments to these minutes.)

Comprehensive Annual Financial Report for FY 2010

Mrs. Webb presented Sussex County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010.

Mrs. Webb recognized Gina Jennings, Director of Accounting; Louise Thompson, Account Analyst; Kathy Roth, Budget & Cost Manager; Keith Moore, Assistant Director of Accounting; Jeff James, Director of Engineering Accounting; and Elaine Graves and Jean Schmidt from the County's auditing firm of Jefferson, Urian, Doane & Sterner, P.A.

Mrs. Webb reported that the result of the audit is the Auditor's Report, which stated that "The financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Sussex County, Delaware as of June 30, 2010….."

Mrs. Webb explained the County's Financial Planning. She reported that the County has a strong financial foundation; that the County took every advantage of the stimulus programs for sewer infrastructure; that the County has no general fund debt; that the County continues to make capital improvements with reserved funds; that sewer expansion projects are continuing; and that the County continues to make a 5-year capital improvement plan. She noted additional financial planning consists of developing uniform sewer rates; making annual pension contributions; balancing the budget; presenting quarterly review to the Council; maintaining healthy reserves; and practicing fiscal conservatism.

Mrs. Webb reviewed 2010 Financial Highlights. She noted that assets exceeded liabilities by $432 million; that net assets increased by $7.1 million; that there is no outstanding General Fund debt; that the County received a bond upgrade; that the County has an undesignated general fund balance as of 6/30/10 of $9.4 million, or 20% of the 2011 budget.

Mrs. Webb reviewed the Statement of Revenues and Expenditures for

Governmental Funds (including General Fund and Capital Projects). Total revenues in the General Fund were $46 million, total expenditures of $45 million, with a revenue over expenditures of $617,000. The Capital Projects Fund received only $1.5 in revenues, which comes from grants, with expenditures of $3.7 million, using the County's reserve funds.

Mrs. Webb reviewed the Balance Sheet for Governmental Funds showing an undesignated fund balance of $9.4 million.

Comprehensive Annual Financial Report for FY 2010 (Con't)

Mrs. Webb reviewed the 10-year history of Revenues Over (Under) Expenditures showing deficits for 2007, 2008 and 2009 and $618,000 revenue over expenditures for FY 2010.

Mrs. Webb reported that the Realty Transfer Tax Revenue for FY 2010 was $500,000 less than FY 2009.

Mrs. Webb reported that the General Fund Revenues and General Fund Expenditures for FY 2010 were comparable to FY 2009 showing FY 2010 expenditures to be slightly lower in most cases.

The Statement of Revenues and Expenditures – Budget to Actual – General Fund showed $1.3 million more in budgeted revenues and $367,000 less in budgeted expenditures resulting in a Net Change in Fund Balance of $617,977.

Mrs. Webb reported on the Capital Projects for FY 2010 stating that $1.7 million was spent on the Industrial Airpark expansion; $902,000 for buildings and improvements and $866,000 for property acquisition.

Mrs. Webb reported the following sewer highlights: an increase in net assets of $5.6 million, major upgrades and renovations to existing sewer infrastructure, five major projects currently in progress, $3.6 million in sewer infrastructure paid for by developers, and bond rating increase.

Mrs. Webb reported that as of June 30, 2010, the Pension Fund assets were $63.5 million.

Mrs. Webb stated that Long-Term Debt is all in the sewer districts with $167 million in outstanding bonds and no general fund bonded debt.

Mrs. Webb reported that the total expenditure of awards from federal programs is $18 million.

In conclusion, Mrs. Webb stated that the County will continue to forecast and monitor the effect of the housing market; that it will continue to balance the budget; that it will continue to promote economic development; that it will not increase property taxes; that sewer rates will gradually be uniform; that it will continue 5-year capital planning; and will begin to craft policies and procedures.

Mr. Vincent commended the Financial Department and the auditors for their work on the audit.

In response to questioning by Mr. Cole, Mrs. Webb stated that uniform sewer rates should be in place within seven years.

Mr. Baker noted that expenditures in the General Fund for FY 2010 were $2.4 million less than FY 2009.

River Road Sewer Extension/ Change Order

Juel Gibbons, Project Engineer, presented a Change Order for the River Road Sewer Extension (Contract No. 09-15) consisting of the installation of 1250 linear feet of sewer. Ms. Gibbons reported that soon after the project began, an archeological investigation revealed that there were 27 bodies buried along the intended path of the sewer line. The two options under consideration at that time were 1) removal of all the bodies 2) performing a jack and bore to install the pipe line beneath the graves. Ms. Gibbons stated that after consideration of the time and costs associated with each option, the jack and bore option was selected. This was presented to the Council and the County Engineering Department was authorized to proceed with the jack and bore.

M 47 11 Approve Change Order/ River Road Sewer Extension

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, based upon the recommendation of the Sussex County Engineering Department and its consultant, Cabe Associates, Inc., that Change Order No. 1 for Sussex County Contract No. 09-15 River Road Sewer Extension be approved, which increases the contract amount by $115,906.60 for a new total of $429,857.85.

Motion Adopted: 5 Yeas.

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

River Road Sewer Extension/ Contract Amend-ment

Ms. Gibbons presented a Contract Amendment for the River Road Sewer Extension relating to provision of contract administration and coordination services by the consultant. Ms. Gibbons reported that initially five bodies were discovered and it was decided that these bodies would be moved; thus the need for archeologists with expertise in on-site burial excavation. During that time the consultant also had to provide full-time resident project representation services. Mr. Gibbons stated that the Contract Amendment reflects the necessary changes in the scope of work.

M 48 11 Approve Contract Amend-ment/Oak

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, based upon the recommendation of the County Engineering Department, that the Sussex County Council authorizes its President to execute Contract Amendment No. 3 with George Miles and Buhr, LLC of Salisbury, Maryland including subconsultant services by Cabe Associates, Inc. to provide contract

Orchard SSD/River Road

administration and resident project representation services for Oak Orchard Sanitary Sewer District – River Road Extension – at a cost not to exceed $19,838.00.

Motion Adopted: 5 Yeas.

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

Grants

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

M 49 11 Community Grant

A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give $1,000 ($200.00 from each Community Grant Account) to the Dr. Martin Luther King Jr. Organization for scholarships to Sussex County High School Seniors.

Motion Adopted: 5 Yeas.

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

M 50 11 Community Grant

A Motion was made by Mr. Phillips, seconded by Mrs. Deaver, to give $2,500.00 ($1,700.00 from Mr. Vincent's Community Grant Account and $800.00 from Mr. Phillip's Community Grant Account) to the Laurel Little League for ground improvement projects.

Motion Adopted: 5 Yeas.

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

M 51 11 Community Grant

A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give $2,500.00 ($1,250.00 each from Mr. Cole's and Mr. Phillips' Community Grant Account) to the Lower Sussex Little League for equipment expenses.

Motion Adopted: 5 Yeas.

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

M 52 11 Go Into Executive Session

At 10:45 a.m. a Motion was made by Mr. Cole, seconded by Mr. Phillips to recess the Regular Session and to go into Executive Session for the purpose of discussing personnel issues.

Motion Adopted by Voice Vote.

Executive Session

At 10:47 a.m., an Executive Session of the Sussex County Council was held in the Caucus Room of the Council Chambers for the purpose of discussing issues related to personnel. The Executive Session ended at 11:23 a.m.

M 53 11 Reconvene Regular Session

At 11:25 a Motion was made by Mr. Wilson, seconded by Mrs. Deaver, to come out of Executive Session and to reconvene the Regular Session.

Motion Adopted by Voice Vote.

Retirement/ David Baker/ County Administrator/

Mr. Baker read a prepared statement announcing his retirement effective approximately May 31, 2011. He stated "It has been a distinct honor to serve the Sussex County Council as County Administrator for the past four years", and also to have served as Finance Director and Director of the Accounting Department. Mr. Baker thanked the Council for its continued support and leadership and stated he is looking forward to spending additional time with his family and enjoying his grandchildren.

M 54 11 Accept Resignation/ Begin Search for Replacement

A Motion was made by Mr. Phillips, seconded by Mr. Cole, that the Sussex County Council accept Mr. Baker's resignation and authorize the President to appoint a search committee and take steps to find a replacement for the County Administrator's position.

Motion Adopted: 5 Yeas.

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

M 55 11 Recess for Profile Luncheon

At 11:34 a.m. a Motion was made by Mr. Cole, seconded by Mr. Phillips, to recess the Regular Session to attend the Profile Luncheon at the Sussex Pines Country Club.

Motion adopted by Voice Vote.

The meeting will be adjourned following the luncheon.

Respectfully submitted,

Gaye King
Administrative Secretary