

Prime Sponsor(s): Mr. Smiley, Mr. Hollins  
Co-sponsor(s): Mr. Cartier  
Date of introduction: June 25, 2024

**ORDINANCE NO. 24-113**

**AMENDING CHAPTER 14 ("FINANCE AND TAXATION"), ARTICLE 1 ("IN  
GENERAL") RELATING TO CERTAIN RESERVE ACCOUNTS  
AND VOTING REQUIREMENTS RELATED THERETO**

1       **WHEREAS**, to safeguard the financial well-being of New Castle County and to  
2 buffer taxpayers from volatile and unpredictable swings during challenging financial times,  
3 necessitating tax increases, New Castle County Council had the forethought of creating  
4 certain reserve accounts to mitigate the impact on County residents; and  
5

6       **WHEREAS**, the reserve accounts (also referred to as "funds") created by County  
7 Council include the Budget Reserve Account, the Sewer Rate Stabilization Reserve  
8 Account, and the Reassessment Reserve Account, among others; and  
9

10       **WHEREAS**, State law (9 Del. C. Section 1150) provides that under the authority  
11 granted to the government of New Castle County, County Council may by ordinance  
12 impose upon itself a supermajority voting requirement; and  
13

14       **WHEREAS**, given the importance of maintaining the predictability of the Reserve  
15 Account balances, ensuring funds are there to balance the budget or to be used for other  
16 important functions when needed, and to avoid the temptation of drawing funds from the  
17 accounts when not absolutely necessary, County Council deems it important to require a  
18 10/13 supermajority vote count for appropriations or transfers from the Reserve Accounts;  
19 and  
20

21       **WHEREAS**, County Council has determined that the provisions of this Ordinance  
22 substantially advance and are reasonably and rationally related to legitimate government  
23 interests, including promoting the health, safety, prosperity, and welfare of present and  
24 future inhabitants of New Castle County.  
25

26       **NOW, THEREFORE, THE COUNTY OF NEW CASTLE HEREBY ORDAINS:**  
27

28       Section 1. *New Castle County Code* Ch. 14 ("Finance and Taxation"), Article 1 ("In  
29 General") is hereby amended by adding the material that is underscored and deleting the  
30 material with strikethroughs, as set forth below.  
31

32       **Sec. 14.01.013. Budget Reserve Account.**

- 33       A. There is hereby established a Budget Reserve Account within the General Fund and  
34 the Sewer Fund.  
35       B. The amount of the reserve in each fund at the beginning of each fiscal year shall be  
36 equal to ~~twenty (20) percent~~ 20% of the total estimated revenues of that fund for that  
37 fiscal year.

- 38 C. County Council may, by a ~~ten-thirteenths (10/13)~~ supermajority 10/13 vote,  
39 appropriate from the Budget Reserve Account such sums as may be necessary to  
40 fund any unanticipated deficit in any given fiscal year or to provide funds required as  
41 a result of any revenue reduction enacted by the General Assembly or County  
42 Council. The requisite supermajority vote of 10/13 to appropriate or transfer funds  
43 from the reserve account may not be altered except by an equal supermajority vote  
44 of 10/13.
- 45 D. Any change to the percentage allocation to the Budget Reserve Account of either  
46 the General Fund or the Sewer Fund shall require a ~~ten-thirteenths (10/13)~~  
47 supermajority 10/13 vote of County Council.

48  
49 **Sec. 14.01.014. Tax Stabilization Reserve Account.**

- 50 A. There is hereby established a Tax Stabilization Reserve Account within the General  
51 Fund.
- 52 B. The amount in the reserve account shall be set annually by County Council in  
53 conjunction with adoption of the operating budget.
- 54 C. County Council may by a supermajority 10/13 vote appropriate or transfer from the  
55 Tax Stabilization Reserve Account such sums as may be necessary for the limited  
56 purpose of only balancing the annual operating budget or covering budgeted capital  
57 costs for County assets that would otherwise require the issuance of bonds and/or a  
58 tax increase. The requisite supermajority vote of 10/13 to appropriate or transfer  
59 funds from the reserve account may not be altered except by an equal supermajority  
60 vote of 10/13.

61  
62 **Sec. 14.01.015. Sewer Rate Stabilization Reserve Account.**

- 63 A. There is hereby established a Sewer Rate Stabilization Reserve Account within the  
64 Sewer Fund.
- 65 B. The amount in ~~that~~ the reserve account shall be set annually by County Council in  
66 conjunction with ~~the~~ adoption of the operating budget.
- 67 C. County Council may by a supermajority 10/13 vote appropriate or transfer from the  
68 Sewer Rate Stabilization Reserve Account such sums as may be necessary to  
69 balance the annual operating budget or to cover budgeted sewer capital costs that  
70 would otherwise require ~~the~~ issuance of bonds or payment of a rate increase. The  
71 requisite supermajority vote of 10/13 to appropriate or transfer funds from the reserve  
72 account may not be altered except by an equal supermajority vote of 10/13.

73  
74 **Sec. 14.01.016. New Castle County Strategic Economic Development Fund.**

- 75 A. There is hereby established a New Castle County Strategic Economic Development  
76 Fund.
- 77 B. The amount in the fund shall be set by County Council ~~with an initial transfer of funds~~  
78 ~~from the general fund tax stabilization reserve and as thereafter~~ provided by  
79 ordinance, which must be approved by a supermajority 10/13 vote of County Council.  
80 The requisite supermajority vote of 10/13 to appropriate or transfer funds from the  
81 fund may not be altered except by an equal supermajority vote of 10/13.
- 82 C. This fund shall serve as a source to retain and/or create jobs, maintain and/or  
83 improve the tax base, or otherwise maintain and/or enhance the quality of life in the  
84 community.

- 85 D. Funds received for the New Castle County Strategic Economic Development Fund  
86 shall be invested and dispersed in accordance with rules, regulations and criteria  
87 developed by the Executive Branch and approved by ~~New Castle County Council~~.  
88

89 **Sec. 14.01.017. Library Reserve Account.**

- 90 A. There is hereby established a Library Reserve Account within the General Fund.  
91 B. Subject to the limitations established by Subsection D. ~~below~~, the County Council  
92 may set aside up to ~~five hundred thousand dollars (\$500,000.00)~~ \$500,000 annually  
93 in the Library Reserve Account in conjunction with the adoption of the operating  
94 budget. Funds are to be withdrawn, as needed, from the General Fund Tax  
95 Stabilization Reserve Account for the purpose of funding the Library Reserve  
96 Account.  
97 C. By a supermajority 10/13 vote, County Council may appropriate or transfer from the  
98 Library Reserve Account such sums as may be necessary, in County Council's  
99 discretion, for funding of library maintenance expenses, capital expenses,  
100 operational expenses, and/or other necessary library-related expenses. The funds in  
101 the Library Reserve Account may be used for any library in the New Castle County  
102 library system. The requisite supermajority vote of 10/13 to appropriate or transfer  
103 funds from the reserve account may not be altered except by an equal supermajority  
104 vote of 10/13.  
105 D. The Library Reserve Account shall not exceed ~~two million five hundred thousand~~  
106 ~~dollars (\$2,500,000.00)~~ \$2,500,000, in the aggregate.  
107

108 **Sec. 14.01.018. Reassessment Reserve Account.**

- 109 A. There is hereby established a Reassessment Reserve Account within the General  
110 Fund.  
111 B. ~~The principal amount due, in addition to the interest of six (6) percent 6% per annum~~  
112 ~~on the unpaid principal amount (to be paid annually until the principal is paid in full),~~  
113 ~~plus all other amounts due under the promissory note executed by the Delaware~~  
114 ~~Board of Trade shall, upon receipt, be deposited into the Reassessment Reserve~~  
115 ~~Account. The Office of Finance shall promptly advise New Castle County Council~~  
116 ~~when any funds have been deposited into the reserve account.~~  
117 ~~C.B.~~ County Council may, by a supermajority 10/13 vote, appropriate or transfer from the  
118 Reassessment Reserve Account such sums as County Council deems appropriate  
119 to pay for reassessment-related costs and expenses. County Council, by a ~~ten-~~  
120 ~~thirteenths (10/13)~~ supermajority 10/13 vote, may appropriate, transfer, or reduce  
121 funds in the Reassessment Reserve Account to balance the annual operating budget  
122 or to cover costs that otherwise would require the issuance of a bond or a tax  
123 increase. The requisite supermajority vote of 10/13 to appropriate, transfer, or reduce  
124 funds from the reserve account may not be altered except by an equal supermajority  
125 vote of 10/13.  
126 C. The Office of Finance shall promptly advise County Council when any funds have  
127 been deposited into the reserve account.  
128

128 **Sec. 14.01.020. Affordable Housing Fund.**

- 129 A. There is hereby established an Affordable Housing Fund.  
130 B. The amount of the fund shall be set by County Council ~~with an initial transfer of funds~~  
131 ~~from the Tax Stabilization Reserve Account within the General Fund and as~~  
132

- 133 ~~thereafter~~ provided by ordinance.
- 134 C. Before County Council may consider an affordable housing project at a committee
- 135 meeting, the originating source of the funds transferred into the Affordable Housing
- 136 Fund (e.g., Community Development Block Grants, Housing Trust Fund, HOME
- 137 funds, etc.) shall be expressly identified in the title and the body of the ordinance
- 138 introduced to approve of and appropriate or transfer funds in support of the housing
- 139 project.
- 140 D. The fund shall be used exclusively for the preservation and development of
- 141 affordable housing within New Castle County. Funds shall be appropriated or
- 142 transferred to projects and initiatives consistent with the purpose of the Affordable
- 143 Housing Fund by resolution adopted by a majority of County Council. Funds placed
- 144 in the Affordable Housing Fund may not be reappropriated or transferred for a use
- 145 inconsistent with the purposes of the Affordable Housing Fund except through the
- 146 adoption of a resolution by a supermajority 10/13 vote ~~two-thirds majority~~ of County
- 147 Council. The requisite supermajority vote of 10/13 to appropriate, transfer, or
- 148 reappropriate funds from the Affordable Housing Fund may not be altered except by
- 149 an equal supermajority vote of 10/13.
- 150 E. The fund shall be administered by the Department of Community Services, with
- 151 oversight by County Council, and governed by policies and procedures set forth in
- 152 an administrative manual to be approved by County Council.
- 153 F. A report on the status of the fund will be given to County Council and the Executive
- 154 by the Department of Community Services annually.

155 Section 2. This Ordinance shall become effective immediately upon its adoption

156 by County Council and approval by the County Executive, or as otherwise provided in

157 9 Del. C. § 1156.

Adopted by County Council of  
New Castle County on:

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Karen Hartley-Nagle  
President of County Council  
of New Castle County

Approved on:

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Matthew Meyer  
County Executive  
of New Castle County

**SYNOPSIS:** This Ordinance clarifies the requisite supermajority 10/13 vote count of County Council that is necessary to authorize an appropriation or transfer (which includes a “reappropriation”) from the identified reserve accounts (also referred to as “funds”). The requisite supermajority vote of 10/13 to appropriate or transfer funds from the reserve accounts may not be altered except by an equal supermajority vote of 10/13.

**FISCAL NOTE:** This Ordinance, if approved, will have no fiscal impact.