

**Minutes of Meeting
Dagsboro Annexation Committee
Bethel Center
September 10, 2026**

1. Call Meeting to Order

Mr. Chandler called the meeting to order at 4:00 p.m.

Those in attendance were Mr. CJ Shortridge, Mr. William Chandler, Town Manager Cynthia Brought, Cpl. Catherine Craft and Chief Nick Disciullo. Mr. John Marvel was absent due to a structure fire out of town. See sign in sheet for others in attendance.

Mr. Chandler addressed that two-thirds of the committee were present (known as a quorum of the Committee) therefore, they could proceed with the meeting agenda.

2. Public Comment

There was no public comment.

3. Old Business

Approval of June 4, 2026, Meeting Minutes

Mr. Shortridge made a motion to approve the June 4, 2026, meeting minutes. Mr. Chandler seconded the motion. All were in favor. None were opposed. Mr. Marvel was absent.

Discussion of PFM Annexation Report and Possible Recommendations to Council

Mr. Chandler advised that he and Mr. Shortridge visited the proposed annexation property to view the landscape, the size and proposed entrance and exit. Mr. Chandler restated that the three parcels proposed to be annexed into the Town of Dagsboro by DR Horton are 133 acres, to construct 262 residential single-family homes (at a value of approximately \$475,000 per unit), as well as seeking rezoning of the current AR-1 to Cluster Zoning District; this allows them to construct the homes in a tighter manner. The project is projected to sell 40 homes a year, at approximately 4-5 years to build out.

Mr. Chandler summarized the analysis by PFM that studied the infrastructure impact, the effect on Town Hall and Town staffing, environmental impact, and fiscal impact on the Town of Dagsboro. Mr. Chandler stated that the project as proposed by DR Horton would have a positive impact on the Town of Dagsboro fiscally for the first 5 years; years 6 and beyond, would cause a negative impact on the Town of Dagsboro fiscally. Thus, the analysis stated the Town of Dagsboro would be forced to raise property taxes on all properties within town limits to make up the shortfall of the additional 262 homes. Mr. Chandler requested PFM to modify the analysis to show a longer buildout of homes, to an

11-year build out or 3-year buildout. Both scenarios showed the Town of Dagsboro would have to increase property taxes to be able to afford the additional costs the Town would incur to service the additional homes in the development. Mr. Chandler advised that the current property taxes are based on values from 1994, and requested PFM to run the analysis based on the County's reassessed values and the difference is dramatic. Mr. Chandler advised the current assessed values for all homes in town is \$63 million dollars. Mr. Chandler advised the County's assessment for all homes in town is \$240 million dollars. Mr. Chandler requested PFM to consider into the analysis if the Town of Dagsboro adopted the County's assessed value, while keeping revenue neutral, by adjusting the millage rate. PFM advised Mr. Chandler that doing so does not change the outcome of negative effect of the fiscal situation at year 5 or 6.

Mr. Shortridge stated he was still undecided and his concern was that at least the Town of Dagsboro would have some say over what would go into the property if it was annexed into town. Ms. Brought addressed concerns over not annexing yet still having to provide Fire/EMS and Police services. Ms. Brought advised the utilities estimate also looked incorrect.

Chief Disciullo commented on the fiscal impact details on the PFM analysis. He addressed fines and fees and advised it is projected substantially lower than actual fines and fees collected, which he projected to be \$80,000-\$100,000 a year. In addition, he addressed the line item for grants Police to be under projected. Chief Disciullo felt that the increase in dues/subscriptions and insurance to be inaccurate and overstated. Chief Disciullo expressed concern that if the property is not annexed, DR Horton will build in Sussex County limits; he also stated that assist other agency complaints have skyrocketed as the Town of Dagsboro Police have handled assists out of town in areas such as Frankford and outer limits of Selbyville assisting other police agencies. Chief Disciullo stated concern for strain on the police department with the DR Horton project, as well as the proposed Piney Neck Road development.

Mr. Chandler advised he would vote against the annexation. Mr. Chandler advised the proposed annexation area is a Level 4 growth area, which is highly agricultural and open space. Mr. Chandler stated it would extend residential development beyond Route 113 – which he felt should not happen and would cause us to lose the small-town charm of Dagsboro and invite future builders to propose annexation, creating a Plantation Lakes effect. Lastly, Mr. Chandler did not believe the County would approve the development regardless due to the impact on infrastructure. Mr. Chandler felt there was a de facto moratorium on building in Sussex County due to overdevelopment. Mr. Chandler addressed that if the Town annexed the property, the Comprehensive Plan would have to be re-done. Mr. Chandler stated he would not say yes to anything until the following issues are addressed: roads are safe enough for vehicles, pedestrians and bicyclists to travel on, there are enough doctors and dentists to service the population, the right water and sewer systems, and adequate space for the school system.

Mr. Chandler advised that the Committee needed to vote and a report needed to be written, which he would write, with pros and cons of annexation. Mr. Shortridge and Mr. Marvel would then review and make edits as needed by the September 21, 2026, Town Council meeting. Voting to completed at the next Annexation Meeting on September 18, 2026, at 4:00 p.m.

4. Public Comment

There was no public comment.

5. Adjournment

Mr. Shortridge made a motion to adjourn. Mr. Chandler seconded the motion. All were in favor. None were opposed. Mr. Marvel was absent.

The meeting adjourned at 4:34 p.m.

Respectfully Submitted,
Cpl. Craft, Dagsboro Police Department