



Sussex County's Fiscal Year 2013 Budget



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Council Presentation

May 22, 2012

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Budget Objectives

Sustainability

- Maintain AA+ bond rating
- Minimize increases in operating costs
- Support the priorities of long-range and operational plans

Modernization

- Update County's virtual interface
- Promote staff training
- Use new technology to increase public's safety

Efficiency

- Provide a greater level of service with fewer staff
- Support automation of business practices
- Streamline processes

2013 Budget

HIGHLIGHTS

- Property tax decrease due to a tax rebate credit from fiscal year 2011
 - Average County tax for single-family home - \$98.34 or \$0.27 per day
 - Average County tax for a manufactured home - \$37.18 or \$0.10 per day
- Reduced staffing levels – 6.5 less positions
- .18% General Fund Budget increase (CPI is 2.7%)
- Major cost driver – pension contribution of 23.67% of gross salaries, \$900,000 increase
- Decrease in sewer assessment charges due to bond refinancing
- Continue to fund critical public safety grants
 - Fire and Ambulance services – \$3.3 million
 - Local Law Enforcement - \$562,500
 - State Police – \$1.7 million
- Total library funding – \$4.2 million
- Aggressive governmental capital plan without general fund debt - \$13.2 million
 - 41.9% for airport projects
 - 23.9% for library projects

Personnel

HIGHLIGHTS

- COLA – 2.25% for staff; 1.125% for pensioners
- Merit increases
- Defined pension contribution - 14.27%
- Defined pension benefit contribution - 9.40%
- No change in health insurance contributions and coverage
- Continue health insurance opt-out incentives
- Continue dental, vision, and tuition reimbursements
- 13 paid holidays with 2 floating holidays
- Policy change for donated leave – 1 day for 1 day
- Review pension plan changes to begin January 2013
- Down 6.5 positions from last year's budget

Total Budget

| Expenditures | Fiscal 2012 | Fiscal 2013 | Percentage Change |
|---------------------------------------|----------------------|----------------------|-------------------|
| General Fund* | \$46,307,991 | \$46,392,059 | .18% |
| Capital Projects Governmental Fund | 8,675,000 | 13,247,485 | 52.71% |
| Enterprise Funds | 33,945,393 | 34,957,776 | 2.98% |
| Capital Projects Enterprise Fund | 47,664,831 | 21,219,521 | (55.48%) |
| Fiduciary Funds* | 4,255,786 | 5,330,720 | 22.71% |
| Total | \$140,849,001 | \$121,147,561 | (14.04%) |

* FY2012 was restated to reflect the separation of the fiduciary fund and the Community Development Grant being added to the General Fund. This restatement aligns our budget with the way the CAFR is presented.

General Fund



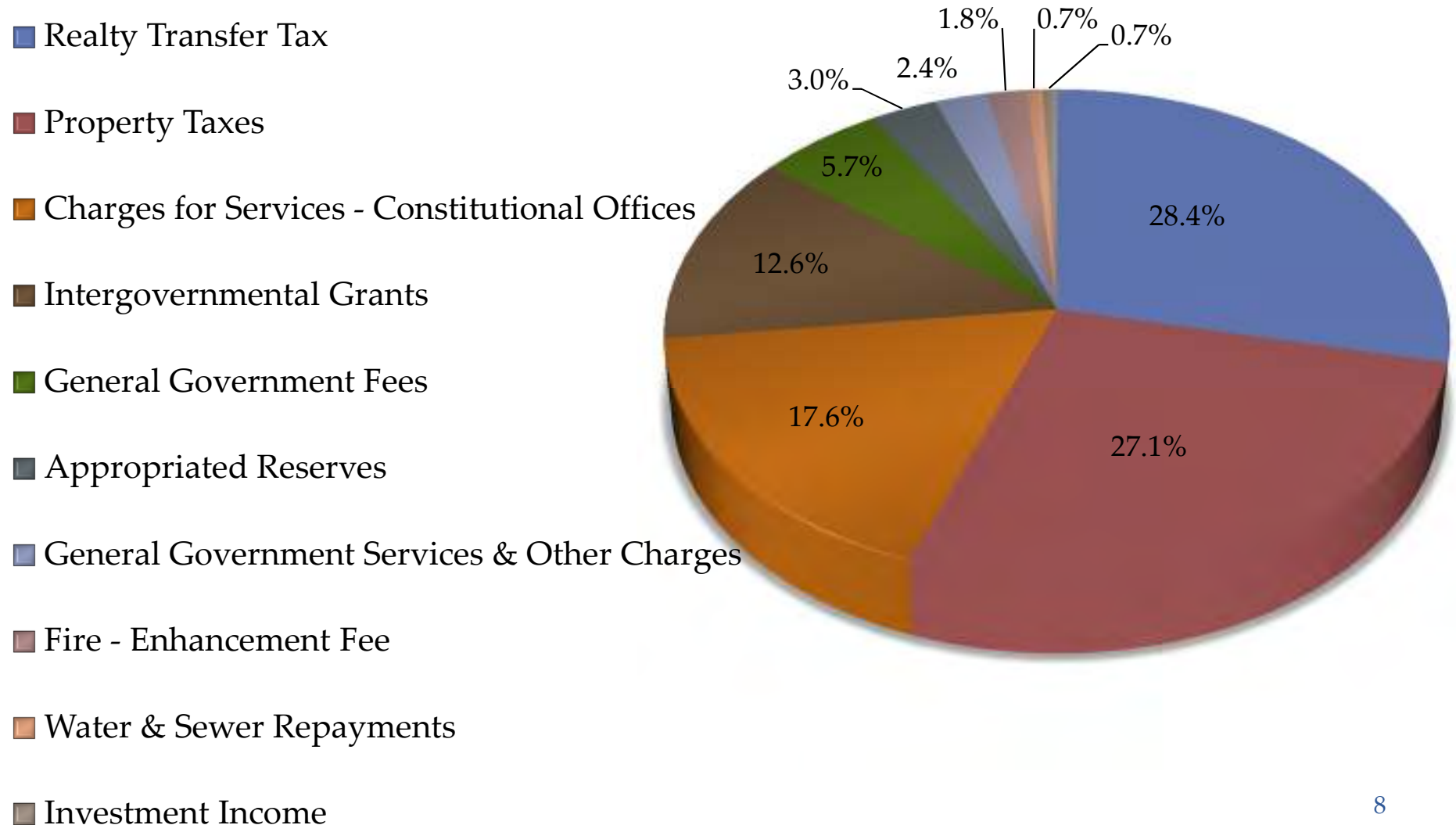
Fiscal Year 2013 Budget

General Fund

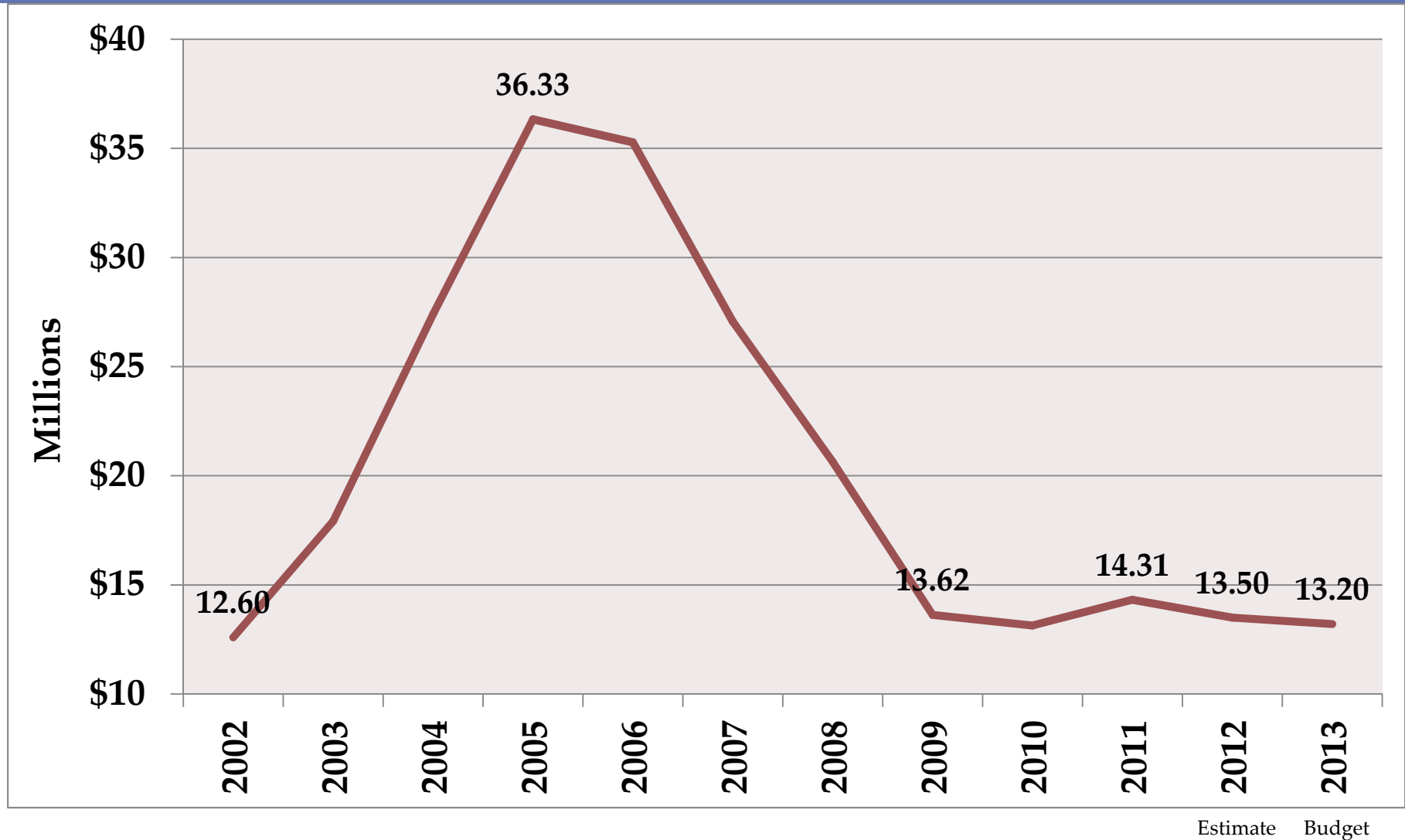
HIGHLIGHTS

- Total operating budget increased .18% or \$84,000
- No fee increases
- Taxable assessments increased 1.39%
- Intergovernmental grants decreased 14.02%
- Overall revenues have leveled
 - Building permit and zoning fees are up while Recorder of Deeds and building inspections are slightly down from last year's budget
 - Investment income continues to lag

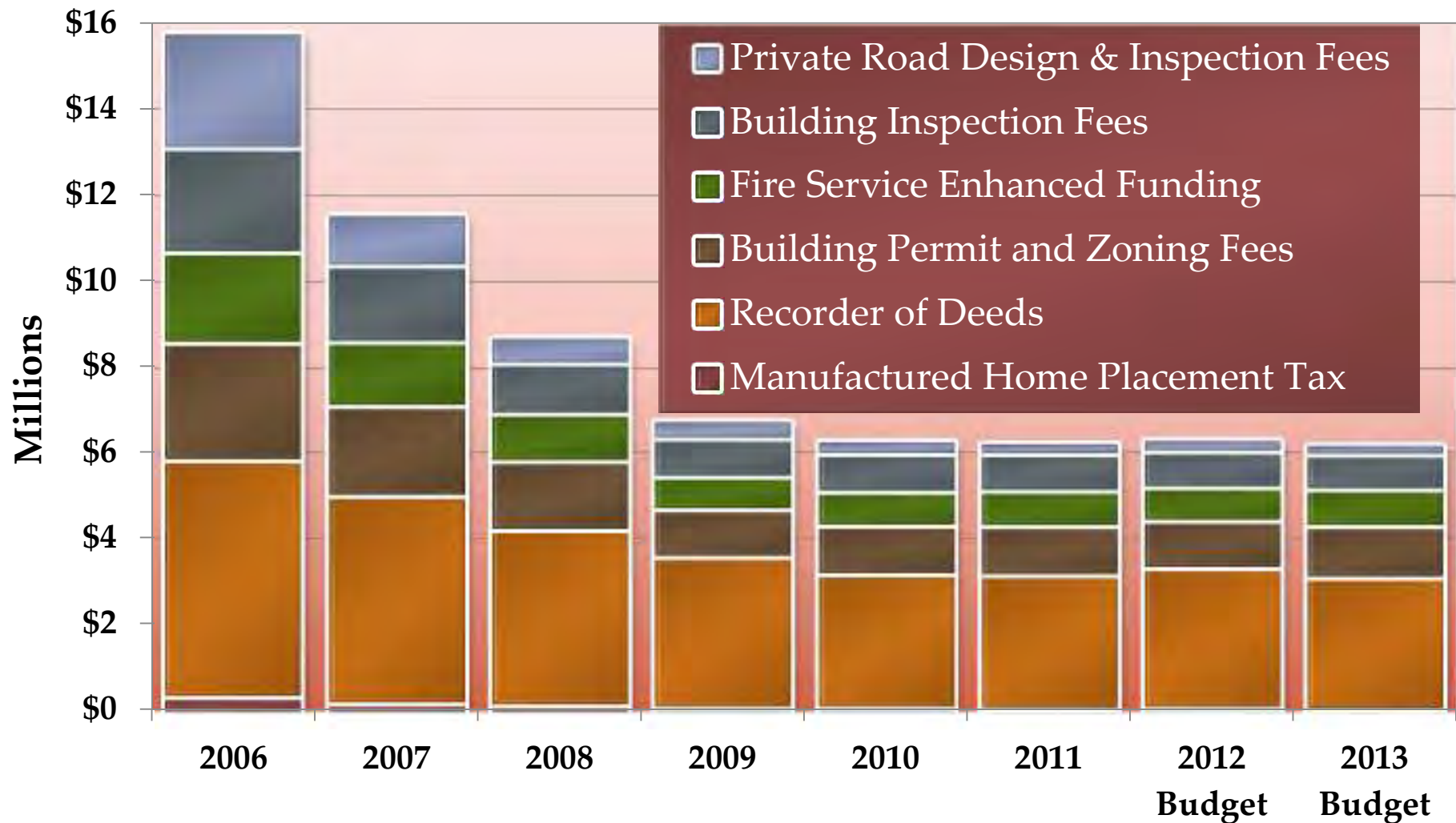
General Fund Funding Sources



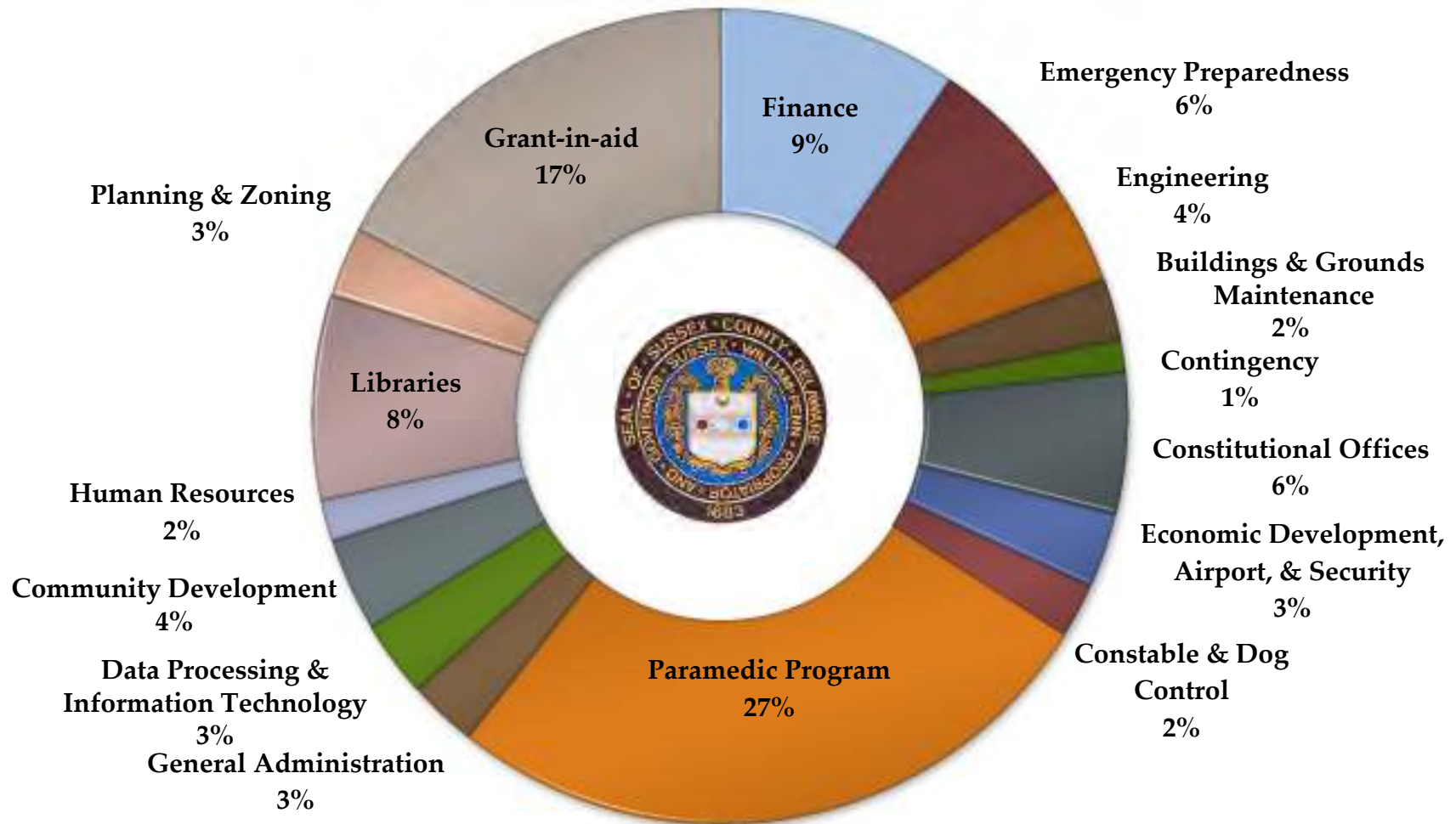
Realty Transfer Tax



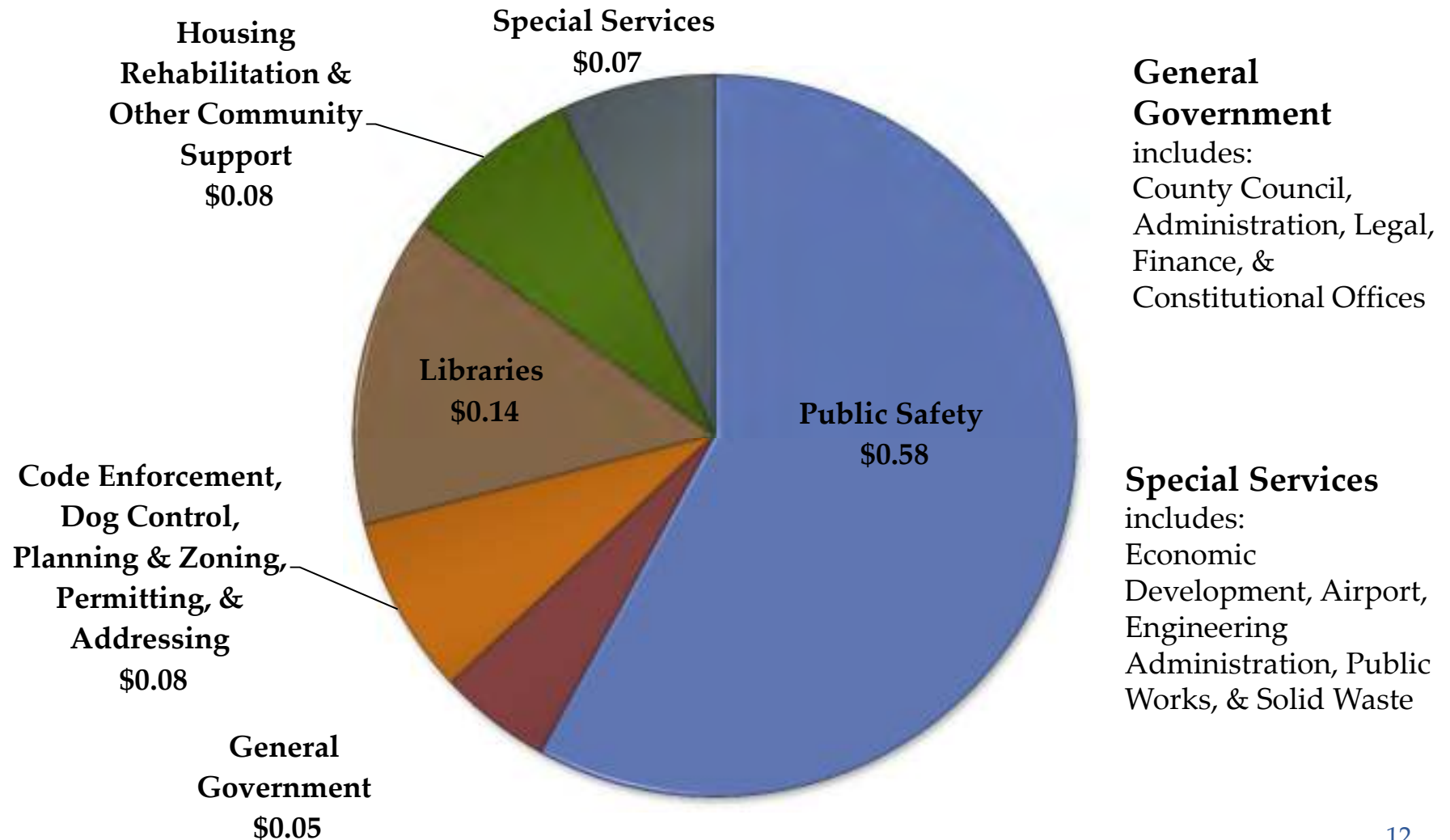
Housing Related Revenues



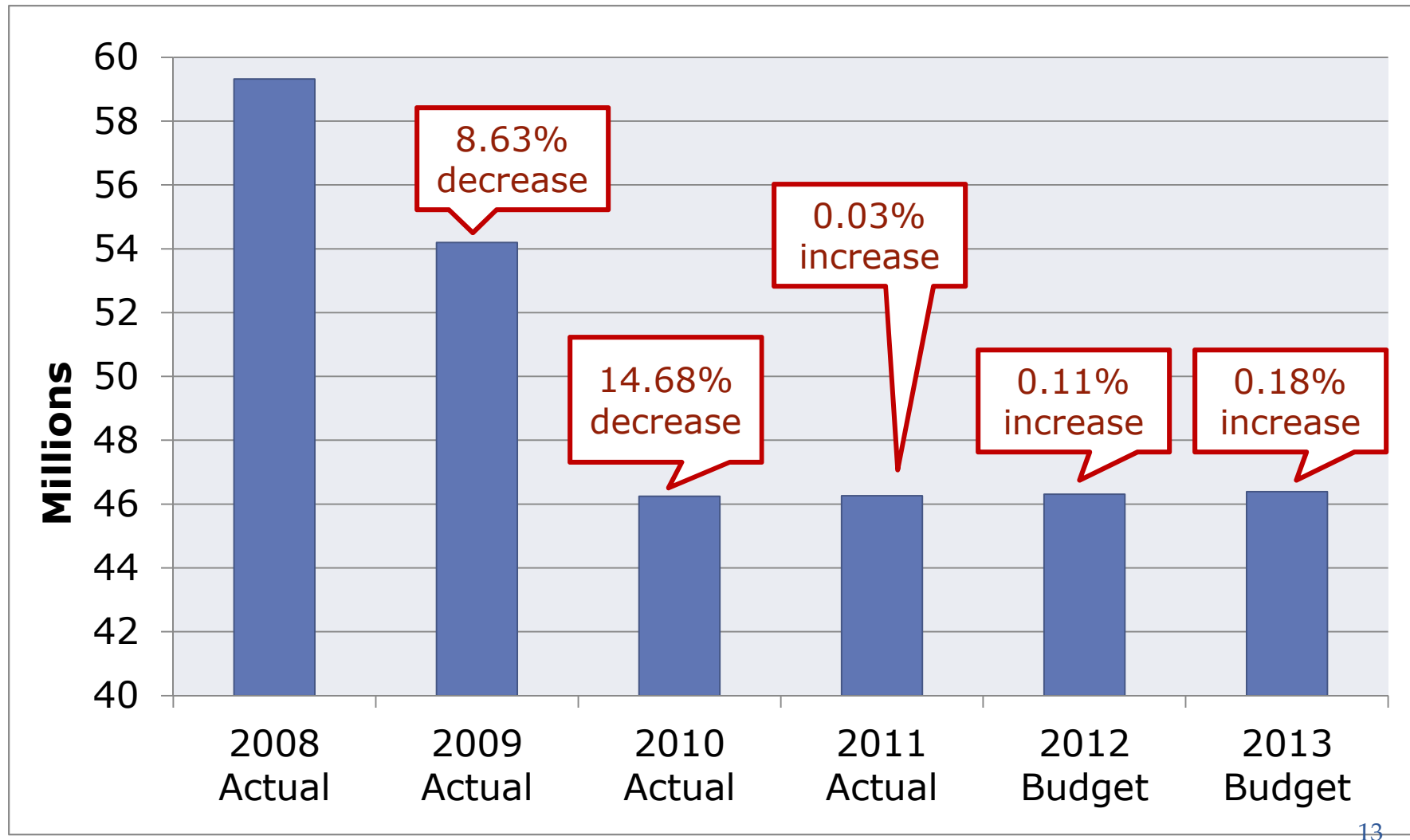
General Fund Expenditures



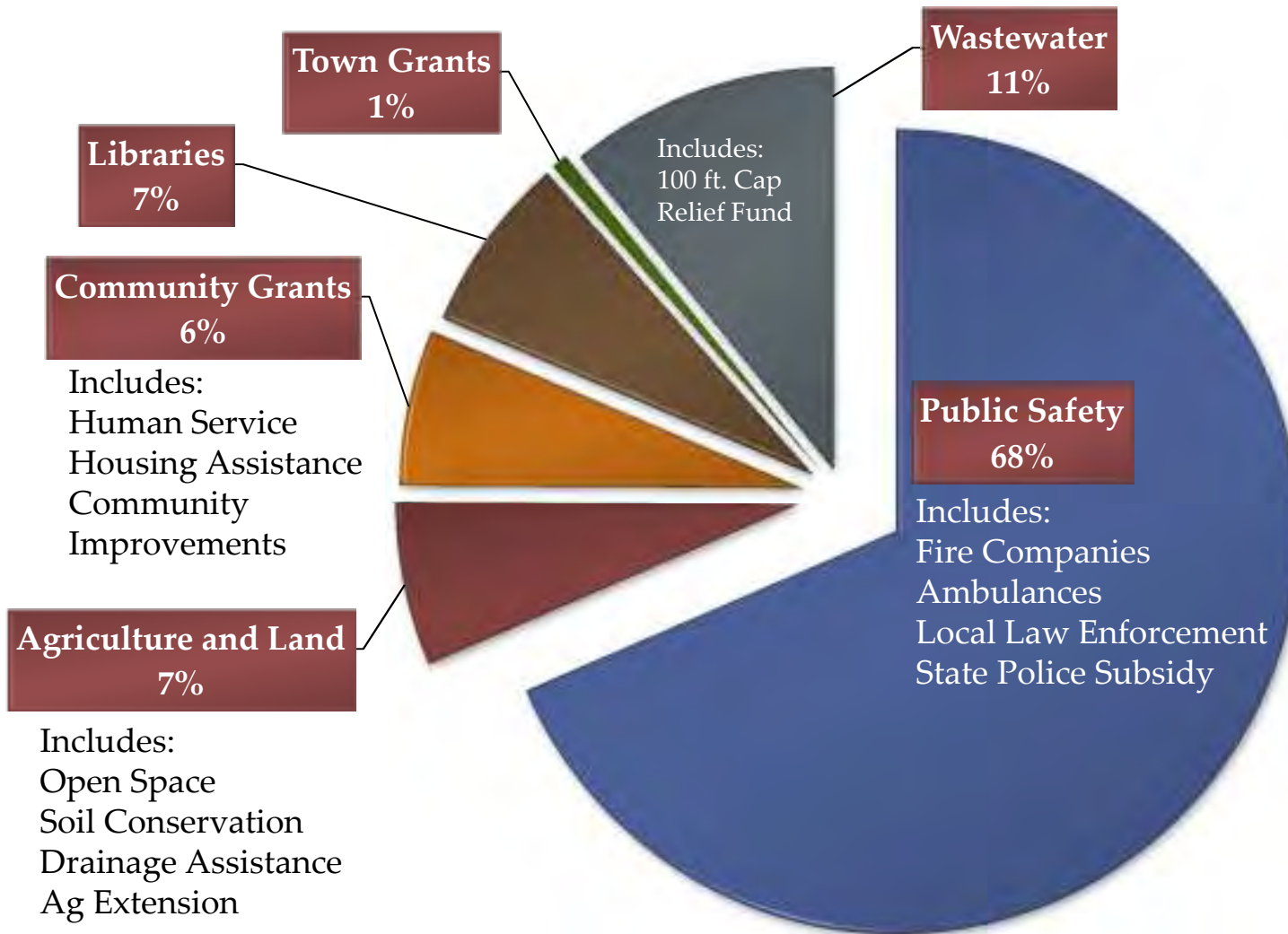
County Tax \$ Breakdown



Operating Expenditures



Grants



Public Safety

Paramedics



- Demand for services has increased 15% in the last 10 years
- FY2013 Objectives:
 - Continue to be a nationally recognized leader in mobile healthcare services
 - Provide staff and support for 8 full-time and 1 seasonal paramedic units
 - Provide comprehensive training and education for staff

| 2012 Budget | 2013 Budget |
|--------------|--------------|
| \$12,200,000 | \$12,400,000 |

Emergency Preparedness

- 911 calls have increased 35% in the last 10 years
- FY2013 Objectives:
 - Administer the Sussex County's Emergency Operation Plan
 - Work with school districts to enhance shelter operations
 - Update audio visual system to better support meetings and EOC activations

| 2012 Budget | 2013 Budget |
|-------------|-------------|
| \$2,600,000 | \$2,800,000 |



Public Safety



Fire and Ambulance Service

- Carry on a strong relationship to support our volunteer fire companies
- Continue to provide \$3.3 million in grants to the fire and ambulance services

| 2012 Budget | 2013 Budget |
|-------------|-------------|
| \$3,300,000 | \$3,300,000 |

Law Enforcement

- Fund 40 additional state troopers
- Increase funding to local law enforcement – \$25,000 per town and \$12,500 for towns without local police

| 2012 Budget | 2013 Budget |
|-------------|-------------|
| \$2,200,000 | \$2,300,000 |



Community Development



FUNDING

- CDBG – \$880,000
- HUD HOME Program – \$120,000
- Delaware State Housing Loan – \$121,800
- County Council Emergency Grant Assistance – \$70,000
- Neighborhood Stabilization Program - \$405,000

Serve approximately 100 Sussex County Households

- All assisted households - income below 80% of AMI
- Half of the assisted homes - income below 50% of AMI

Capital Projects



Fiscal Year 2013 Budget

Governmental Capital Projects

Airport



- Runway 4-22 extension
- Stormwater Improvements
- Lighting and Pavement Improvements
- Guard Station

2013 Budget

\$5,550,900

County Public Safety Buildings

- Emergency Services – Station 106
- Emergency Communications Building
- Emergency Operations Center - HVAC

2013 Budget

\$2,062,500



Governmental Capital Projects



Libraries

- Greenwood Library Expansion
- Milton Library Improvements
- South Coastal Library Improvements

2013 Budget

\$3,169,600



County Building Improvements

- County Administration Building
- Records Management Building
- West Complex

2013 Budget

\$674,000



Other Projects

- Enterprise Resource Planning Software
- Property Acquisition
- Woodland Park Improvements

2013 Budget

\$1,790,000

Enterprise Capital Projects

| | | | |
|----------|---|----|------------|
| REVENUE | Water & Sewer Fees | \$ | 8,743,521 |
| | Federal Grants | \$ | 5,150,000 |
| | Federal and State Bonds | \$ | 7,326,000 |
| | Total | \$ | 21,219,521 |
| EXPENSES | SCRWF – Pump Station 30 | \$ | 7,000,000 |
| | Marsh Island/Joy Beach Sewer | \$ | 2,400,000 |
| | IBRWF Expansion 1 and 2A | \$ | 2,300,000 |
| | West Rehoboth – Pump Station 207 | \$ | 2,000,000 |
| | Millville Sewer Expansion | \$ | 1,700,000 |
| | Angola Sewer District & North Expansion | \$ | 1,516,000 |
| | Route 26 – Phase III | \$ | 1,500,000 |
| | Herring Creek Water & Sewer District | \$ | 830,000 |
| | Oak Orchard Expansion | \$ | 600,000 |
| | Dewey/Henlopen Treatment Contribution | \$ | 500,000 |
| | Long Neck Branch & Autumn Roads Sewer | \$ | 477,521 |
| | Concord Road Expansion | \$ | 396,000 |
| | Total | \$ | 21,219,521 |

5-Year Capital Projects

| General Fund | | Water & Sewer | | Grants | | Bonds | | Total | |
|--------------|----------------|---------------|----------------|--------------|----------------|--------------|----------------|--------------|-----------------|
| 2013 | \$6.69 | 2013 | \$8.74 | 2013 | \$11.71 | 2013 | \$7.33 | 2013 | \$34.47 |
| 2014 | 2.52 | 2014 | 7.37 | 2014 | 6.40 | 2014 | 15.08 | 2014 | 31.37 |
| 2015 | 3.35 | 2015 | 5.44 | 2015 | 11.17 | 2015 | 13.02 | 2015 | 32.98 |
| 2016 | 10.10 | 2016 | 8.60 | 2016 | 1.56 | 2016 | 10.41 | 2016 | 30.67 |
| 2017 | 9.63 | 2017 | 10.00 | 2017 | - | 2017 | 16.34 | 2017 | 35.97 |
| Total | \$32.29 | Total | \$40.15 | Total | \$30.84 | Total | \$62.18 | Total | \$165.46 |

| | |
|--|----------------------|
| Non-Water & Sewer Capital Projects | \$56,766,985 |
| Water & Sewer Capital Projects | \$108,687,313 |
| Total 5-Year Capital Improvements Funding | \$165,454,298 |

Enterprise Funds



Fiscal Year 2013 Budget

Enterprise Funds

HIGHLIGHTS

- Service Charges – continue to work toward a uniform sewer rate
- Decrease in assessment rates due to bond refinancing
- 3% increase in EDUs
- 3% increase in 2013 operating budget
- 56% decrease in capital projects
- System connection charges – 2.7% increase for inflation
- Continue 100 ft Cap
- Rate Study

Expense Summary

- Administrative and General Expenses increased 12.56%, \$485,460
 - Sewer Studies – 50% reimbursed by the State
 - Cost allocation
- Operations Expenses increased 1.33%, \$52,321
 - TLS communication lines
 - Electrical safety program
 - Increase in water costs from City of Rehoboth
- Maintenance Expenses increased 0.47%, \$30,592
- Capital Expense increased 20.95%, \$577,761
 - Pumping equipment - \$1,200,000
 - By-pass pump - \$384,000
 - Vacon truck - \$380,000
 - Generators - \$119,000
- Utility Billing decreased 5.06%, \$44,999

Assessment Charges

- Charges used to recover the cost for bond payments, system improvements and maintenance costs
- Districts where rates decreased from bond debt
 - Bethany Sewer - Cedar Neck
 - Bethany Sewer - North Bethany
 - Bethany Sewer - Ocean Way Estates
 - Bethany Sewer - Proper
 - Bethany Sewer - Sussex Shores
 - Blades Sewer
 - Dagsboro/Frankford Sewer
 - Dagsboro/Frankford Sewer – Prince Georges Acres
 - Dewey Sewer – Proper
 - Dewey Sewer – West Rehoboth
 - Ellendale Sewer
 - Ellendale Sewer – New Market
 - Fenwick Sewer
 - Golf Village
 - Henlopen Sewer
 - Long Neck Sewer
 - Oak Orchard Sewer
 - Sea Country Estates Sewer
 - South Bethany Sewer
 - Woodlands of Millsboro

Service Charges

- Sewer Service Charge
 - Most Districts increased \$8.00 – Uniform Rate is \$262.00
 - Angola
 - Bayview Estates
 - Bethany
 - Ellendale
 - Holt's Landing
 - Johnson's Corner
 - Miller Creek
 - Oak Orchard
 - Sea Country
 - South Bethany
 - South Ocean View
 - Dagsboro/Frankford sewer district increased less than \$8.00 to become part of the unified sewer charge
 - Long Neck increased \$15.00
 - Districts that did not change
 - Blades
 - Dewey Sewer
 - Henlopen Acres
 - West Rehoboth
 - Woodlands of Millsboro
- Dewey Water service charge increased \$13 to cover increase in cost of water purchase from City of Rehoboth