

FISCAL YEAR 2027

BUDGET INTRODUCTION

July 1, 2026 - June 30, 2027



LAST YEAR'S SUCCESSES

The past fiscal year has been marked by significant achievements across all key areas of our operations. We are proud to present a summary of our collective successes, demonstrating our commitment to the well-being and prosperity of our community.

PUBLIC SAFETY ACHIEVEMENTS

Committed to providing services that promote public safety.

- **Emergency Operations Plan Update**

Completed the update to the Sussex County Emergency Operations Plan, adding 11 Hazard Specific Annexes.

- **Homeland Security Grant Funding**

Secured funding for major upgrades to the Video Wall in the Emergency Operations Center (EOC) and 911 Center.

- **Mass Care Unit**

Placed in service the Mass Care Unit, primarily funded by a FEMA/DEMA grant and supplemented with county funds.

- **EMS Re-accreditation**

Obtained re-accreditation for EMS through the Commission on Accreditation of Ambulance Services (CAAS).

- **911 Paging System Upgrade**

Utilized Delaware E911 Board grant funding to upgrade the county fire/EMS paging system.

- **Radio Reprogramming**

Reprogrammed all 800mhz radios to P25 compliance, ensuring interoperability with mutual aid companies.

- **911 Center Console Replacement**

Completed the multi-year console replacement project in the 911 Center.

- **Response Time Reduction**

Achieved a 25% reduction in response times in Roxana and a 12% reduction in Dewey/Rehoboth when the seasonal unit is active.

- **Improved Hospital Transfer Times**

Improved hospital transfer of care times to under 20 minutes, increasing from 96.7% to 98.1% of the time.

- **Endotracheal Intubation Success Rate**

Improved first-pass endotracheal intubation success rate by 1%.

- **Automated Call Distribution**

Fully utilized the automated call distribution system, increasing calls answered within 10 seconds to 98.3% (up from 91.5% before ACD).

WELL-BEING AND PROSPERITY ACHIEVEMENTS

Key successes in enhancing community well-being and economic prosperity.

- **Housing Assistance & Repairs**

Provided essential housing repairs to over 220 households and installed 21 aluminum ramp systems to improve accessibility.

- **Winter Relief Distribution**

Distributed 25 portable heaters to vulnerable households during the winter to ensure warmth and safety.

- **Homeownership Support**

Assisted 19 households with crucial down payment and settlement costs, fostering pathways to homeownership.

- **Ordinance Revision for Housing**

Worked on a revision of the SCRP ordinance and related land use ordinances

- **Affordable Housing Policy Development**

Secured SJR8 funding for free technical assistance from a consulting firm to develop affordable housing and land use policies.

- **Community Housing Project Progress**

Collaborated with property management for the Chapel Branch Apartments (Lewes) SCRP project, preparing for initial lease-ups.

- **Kitchen Incubator Expansion**

Expanded the kitchen incubator program, adding 10 new business members to support local entrepreneurship.

- **Feeding Every Delawarean (FED) Program**

Launched the FED Program with CHEER, funded by a \$15,000 state grant, distributing over 700 meals to seniors in Sussex.

- **Septic Elimination - Oak Acres, etc.**

Completed a Septic Elimination project for Oak Acres, New Marydels & Tanglewood, providing central sewer service to 76 residences in a high environmental risk area.

- **Septic Elimination - Lochwood**

Completed a septic elimination project in a subdivision located on Chapel Branch and Burton Pond for 220 residential properties.



ENRICHED QUALITY OF LIFE SUCCESSES

- **Enhanced Residential Development Ordinances**

Coordinated new ordinances for perimeter buffer requirements, open space definitions, and land subdivision considerations.

- **Enforcement and Compliance**

Responded to 856 complaints, issued 680 violation notices, and conducted 3,341 inspections for zoning violations.

- **Sports Tourism Funding**

Provided assistance to tourism fund winners, securing \$3,090,000 in state funding and unlocking a minimum of \$3,090,000 in private investment.

- **Community Engagement Programs**

Engaged adult members with programs in music, food, art, and history.

- **Library Outreach Initiatives**

Hosted a Back-to-School drive and expanded book talks and story time programs outside the library.

- **Global Pen Pal Expansion**

Expanded the New Zealand Pen Pal Program to include students from Hanoi, Vietnam, with approximately 50 participants.

- **Literacy and Education Support**

Partnered with the 'Read & Feed' program to distribute approximately 432 new books to children.

PERSONAL AND PROFESSIONAL MANNER SUCCESSES

- **Enhanced Transparency & Understanding**

Launched an online property tax calculator and provided educational resources to help residents understand reassessment impacts.

- **Streamlined Processes for Builders**

Enabled digital document uploads for builders into the inspection program, eliminating physical paperwork.

- **Responsive Service Delivery**

Conducted sound and odor studies based on customer feedback for wastewater treatment facilities and are implementing improvements.

- **Employee Development & Efficiency**

Provided extensive training sessions and expanded an electronic document management system for public access and modernized processing.

- **Improved Accessibility & Accuracy**

Verified and made 73 additional old deed books available to the public online.

- **Optimized Customer Interaction**

Implemented a more efficient front-end process in the Register of Wills by assigning a dedicated greeter.

- **Cross-Departmental Efficiency**

Implemented new GIS workflows between departments to enhance communication and operational efficiencies.

FISCALLY RESPONSIBLE SUCCESSES

- **Secured Significant Grant Funding**

Acquired \$1,055,000 Delaware State Grant for RWY 4-22 Extension design and \$2,686,641 in FAA AIP/AIG Grants for Taxiway B construction.

- **Completed Countywide Reassessment**

Successfully executed the first countywide tax reassessment in 50 years, with fewer than 1% of taxable properties filing formal appeals.

- **Generated Revenue**

Earned over \$72,595 from civil ticketing and zoning violations, and supported a Site Readiness Application approved for \$1,400,000, unlocking \$11,205,300 in private capital.

- **Earned Prestigious Financial Awards**

Received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Distinguished Budget Presentation Award, and Triple Crown Award.

- **Implemented Energy Efficiency Measures**

Completed upgrades at Milton Library, 2 EMS stations, and the Administration Building to improve energy efficiency.

- **Optimized Lease Agreements**

Executed 2 new leases and renegotiated 2 existing leases, leading to increased revenue.

- **Secured Infrastructure Agreements**

Finalized 19 wastewater infrastructure use agreements, totaling over \$2.0 million.

- **Improved Operational Efficiency**

Installed new fleet machinery, reducing vehicle downtime and enhancing resource availability.

BUDGET SUMMARY: FY2026 VS. FY2027

Fund / Category	FY2026 Budget	FY2027 Draft Budget	Difference	% Change
General Fund	\$ 103,422,374	\$ 107,188,627	\$ 3,766,253	3.6%
General Fund Capital Projects	\$ 18,335,462	\$ 29,365,400	\$ 11,029,938	60.2%
Water Fund	\$ 2,088,180	\$ 4,810,611	\$ 2,722,431	130.4%
Sewer Fund	\$ 62,841,457	\$ 71,351,115	\$ 8,509,658	13.5%
Sewer Capital Projects	\$ 76,739,000	\$ 74,600,000	\$ (2,139,000)	-2.8%
Pension	\$ 11,784,000	\$ 12,462,800	\$ 714,800	6.1%
American Rescue Plan	\$ 9,929,558	\$ 222,010	\$ (9,707,548)	-97.8%
TOTAL BUDGET	\$ 285,140,031	\$ 300,000,563	\$ 14,860,532	5.2%

GENERAL FUND

GENERAL FUND REVENUE HIGHLIGHTS

Realty Transfer Tax Revenue

+\$2.0 MILLION

5.4% increase to \$39.0 million

Use of Reserves

+\$1.6 MILLION

14.5% increase to \$12.8 million

Building-Related Revenues

+\$0.4 MILLION

3.4% increase

Tax Revenue

+\$130,500

due to new improvements

Grant Revenue

-\$0.5 MILLION

4.2% decrease

Interest Revenue

\$5 MILLION

no change

GENERAL FUND REVENUE HIGHLIGHTS

What Pays for County Services



Realty Transfer Tax

Taxes generated from the transfer of real property. \$39,000,000 (36%)



Taxes

Includes property taxes, fire service revenue on building permits, and accommodations tax. \$23,067,000 (22%)



Charges for Services

Fees for permits, licenses, and other services. \$14,015,630 (13%)



Other Financing

Use of savings to fund services. \$12,827,651 (12%)



Intergovernmental

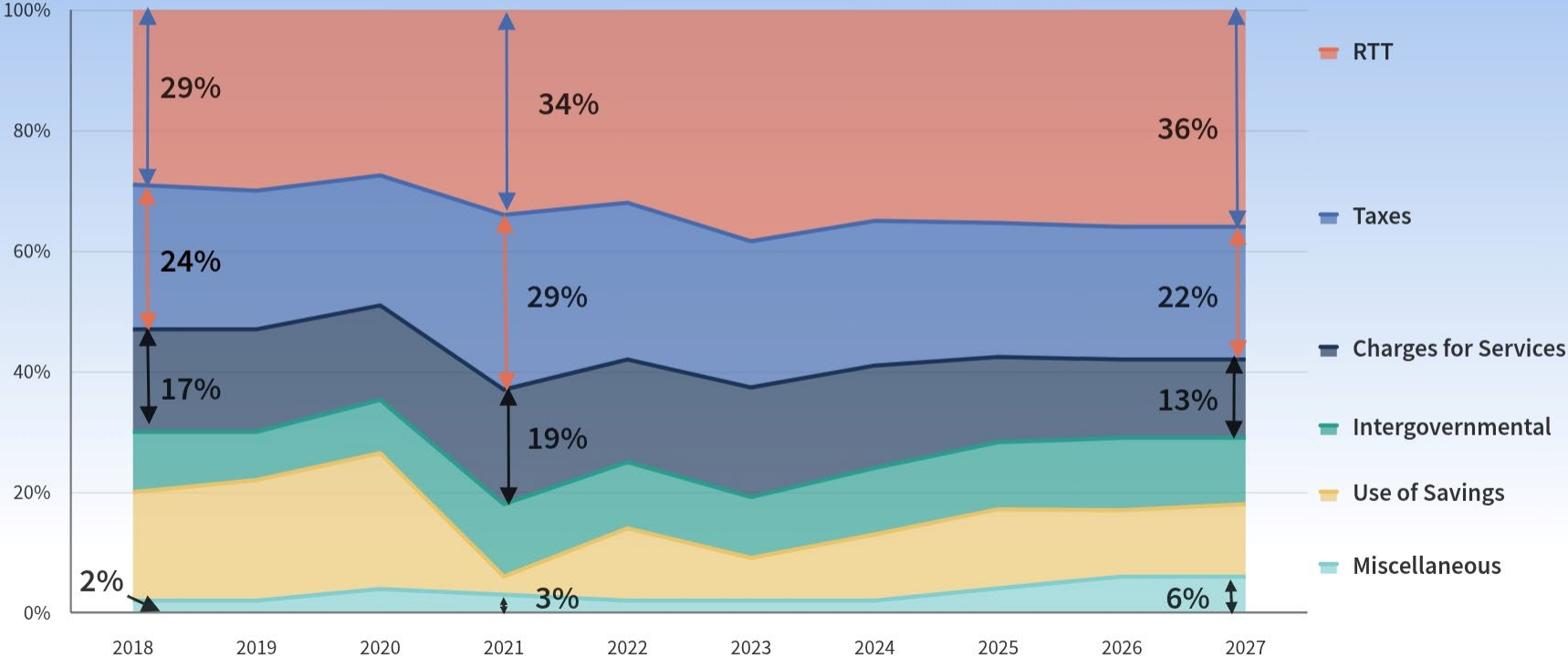
Revenue from state and federal governments. \$12,056,846 (11%)



Miscellaneous

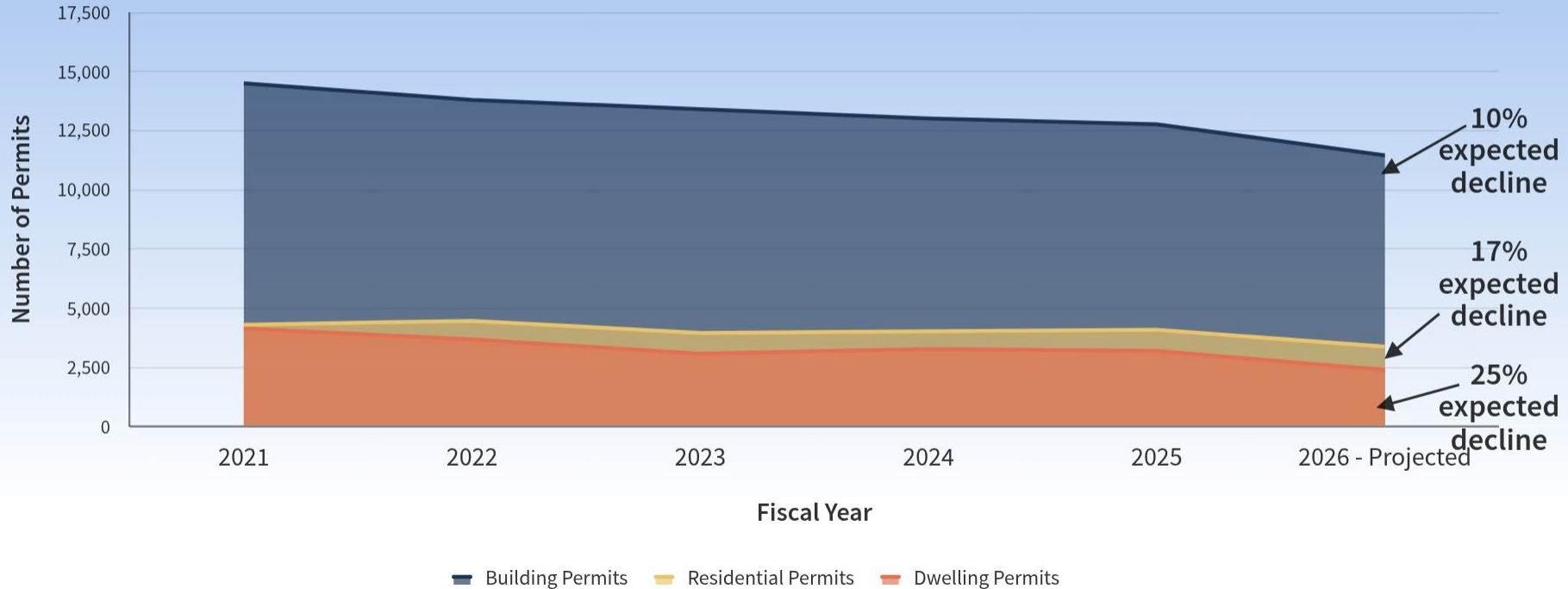
Includes investment interest, fines, donations, and rents. \$6,221,500 (6%)

BUDGETED REVENUE DISTRIBUTION OVER 10 YEARS



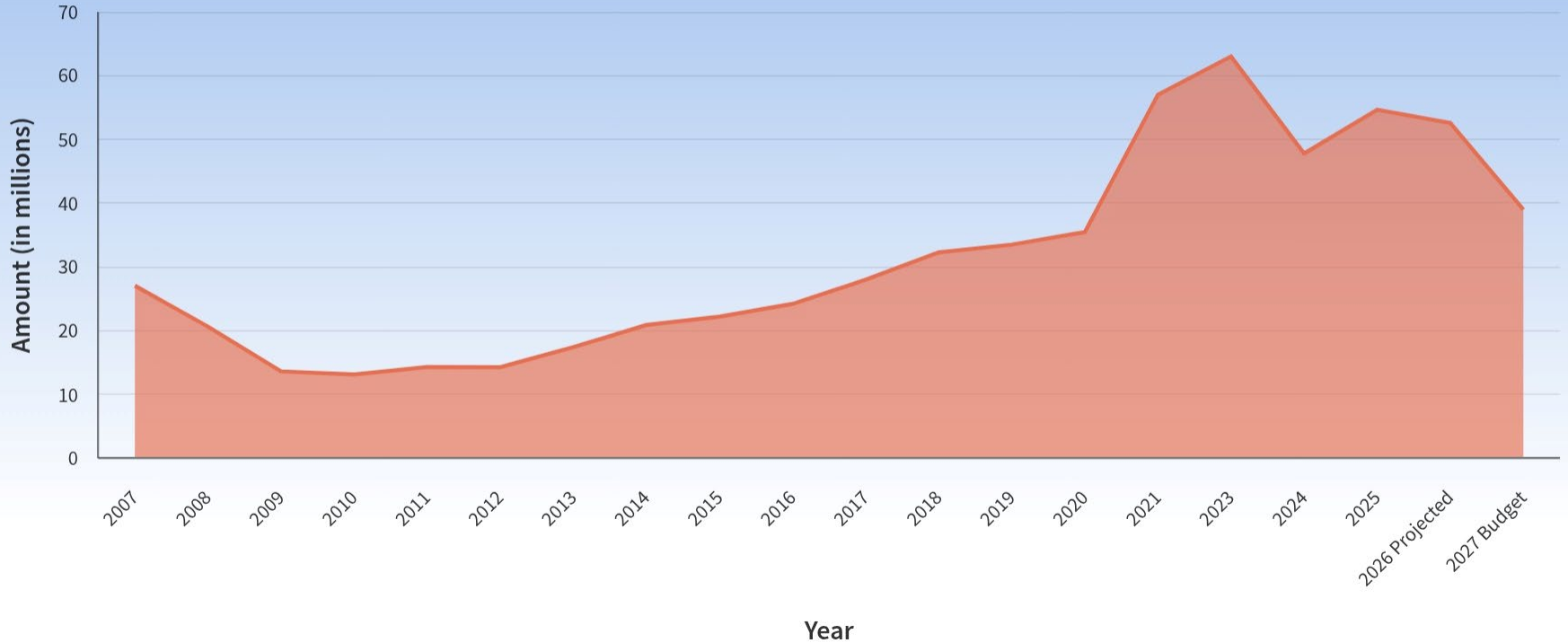
BUILDING TRENDS: HISTORICAL AND PROJECTED

Analyzing Construction Indicators from 2021-2026



REALTY TRANSFER TAX (2007-2026)

Analyzing Historical Trends



VARIOUS ONE-YEAR ACTIVITY COMPARISON

Activity	2023 Actual	2024 Actual	2025 Actual	2026 Projected	Change (%)
Constable Complaints	1,104	889	868	856	(1%)
Building Code Inspections	29,198	27,534	26,029	22,847	(12%)
Bills Issued	501,444	510,558	567,080	588,387	4%
Deed Documents Recorded	62,970	47,820	48,583	49,915	0%
Register of Wills Revenue	\$1,874,099	\$1,992,419	\$1,743,188	\$2,159,334	24%
Water and Sewer EDUs	92,030	94,947	97,795	99,005	1%
Miss Utility Tickets	52,957	50,976	46,177	46,073	0%
Utility Inspections	2,621	2,810	2,551	2,185	(14%)

USE OF RESERVES - \$33.5M

Breakdown of Reserve Usage for FY 2027

Initiative	General Fund	Capital Projects Fund
Total Reserves Allocated	\$12,827,651	\$20,685,450
Accommodation Tax Reserves	\$3,100,000	
ExciteSussex	\$2,500,000	
Open Space	\$2,417,000	\$5,000,000
2nd Reassessment	\$1,942,651	
Trap Pond Project	\$1,500,000	
Community Development/Housing Trust Fund	\$1,000,000	
Previous large FY 2027 project not to be completed by June (water tank at industrial park)	\$368,000	
Delaware Coastal Business Park and Airport Improvements		\$5,626,050
Administrative Building Improvements and Annex Purchase		\$5,320,000
EMS Stations (Lincoln/Roxana)		\$2,650,000
Various Building Improvements		\$1,271,400
Land and Land Improvements		\$818,000

REASONS THE TAX BASE IS NOT GROWING AS FAST

Dwelling Permits

All permits are down 10% over the previous year

Dwelling permits are 25% down from the previous year

Shift in Value to Land

Before reassessment more value was in improvements - 85%

After reassessment, improvements are 65% of the assessed value

Shift in Value to Areas Already Developed

Beachfront property on average increased 40 times in assessed value - \$42,000 to \$1.9 million
 Inland properties that are experiencing growth (Millsboro) on average increased 15 times in assessed value - \$27,000 to \$389,000

Before reassessment, 1.5 new properties in Millsboro would equal a beachfront value. After reassessment, 4.5 properties in Millsboro need to be built to equal the value of a beachfront property.



Property Location	1974 Values	Percent of Assessment in 1974 Values	2023 Values (with growth)	Percent of Assessment in 2023 Values
Beach Map #'s	\$2.0M	45%	\$52.1M	56%
Non-Beach Map #	\$2.4M	55%	\$40.3M	44%
Total	\$4.4M	100%	\$92.4M	100%

PROPOSED CHANGES IN FEES AND CHARGES

- **Building Permit Fees:** Revisions to calculation methods and rates.
- **School Surcharge on Building Permits:** New \$5.00 per \$1,000 surcharge on building permits
- **Building Plan Replacement Fee:** New \$120 fee for replacing building plans requiring staff re-review.
- **Public Hearing Readvertisement Fee:** Flat \$500 fee for readvertising public hearings at applicant's request.
- **P&Z Plan Re-review Fee:** New \$150 fee per additional review required due to applicant error.
- **By-Right Application Fee without floor area:** New \$300 fee for by-right applications without floor area (current fee assumes floor area).
- **Record Plan Modification:** New \$1,000 fee for making changes after initial recordation, or revising conditions of approval
- **Street Naming Fee:** Addition of street name changes to the existing subdivision naming fee of \$50/hour fee.

BUILDING PERMITS: % ADDED FOR SCHOOLS



History

- Discussion on the school permit fee (VSA versus % on building permit)
- Cost study completion
- Builder engagement on methodology required by County Code



Next Steps

- Reviewing methodology
- Establishing new rates
- Discuss the building permit school ordinance



Objectives

- Cost recovery
- Streamlined calculations
- Realignment with work performed
- Equitable distribution of charges

COST RECOVERY ANALYSIS

Fiscal Year	Building Permit and Inspection Revenue	Expense to provide permitting and inspection services	Net	Cost Recovery
2023	\$4,637,109	\$4,644,788	-\$7,679	99.8%
2024	\$4,299,031	\$4,792,924	-\$493,893	89.7%
2025	\$4,754,375	\$4,799,038	-\$44,663	99.1%
2026 estimate	\$4,490,839	\$4,848,943	-\$358,104	92.6%
2027 projected (10% decrease in revenue)	\$4,041,755	\$5,000,169	-\$958,414	80.8%
2028 projected	\$4,041,755	\$5,156,525	-\$1,114,770	78.4%
2029 projected	\$4,041,755	\$5,318,190	-\$1,276,435	76.0%

CURRENT PERMIT CALCULATION

PROPOSED PERMIT CALCULATION

**PERMIT FEE COMPUTATION FORM
RESIDENTIAL CONSTRUCTION**

BUILDING COST PER SQUARE FOOT - AVERAGE QUALITY **PERMIT NO.**

RESIDENTIAL BASE UNITS	AMOUNT	X	STANDARD	TOTAL	ACCESSORY STRUCTURES	AMOUNT	X	STANDARD	TOTAL
One Story			\$55.00 SF		Detached Shed			\$12.00 SF	
One and One Half			\$55.00 SF		Attached Shed			\$12.00 SF	
Split and Bi-Level			\$55.00 SF		Private Greenhouse			\$6.00 SF	
Two Story			\$55.00 SF		Carport			\$10.00 SF	
Three Story			\$55.00 SF		Pergola			\$12.00 SF	
Subtotal					Gazebo			\$12.00 SF	
					Subtotal				
RESIDENTIAL EXTRAS	AMOUNT	X	STANDARD	TOTAL	ALTERATIONS & ADDITIONS	AMOUNT	X	STANDARD	TOTAL
Add Full Bath			\$700.00		A-Frame Roof			\$6.00 SF	
Add 1/2 Bath			\$600.00		Additional Rooms			\$48.00 SF	
Metal Fireplace			\$800.00		Open Deck			\$8.50 SF	
Masonry Fireplace			\$2,000.00		Porch With Roof			\$14.00 SF	
Basement			\$11.00 SF		Three Season Room			\$24.00 SF	
Open Deck			\$5.00 SF		Sunroom			\$48.00 SF	
Porch With Roof			\$7.00 SF		Lean-To			\$6.00 SF	
Three Season Room			\$24.00 SF		Subtotal				
Sunroom			\$55.00 SF						
Attached Garage			\$9.00 SF						
Detached Garage			\$13.00 SF						
Unfinished Area			\$15.00 SF						
Subtotal									
FARM BUILDINGS	AMOUNT	X	STANDARD	TOTAL	BASED ON COST OF CONSTRUCTION				
Pole Barns -Farm Use			\$6.00 SF		Alter Existing Space				
Poultry House			\$4.00 SF		Siding				
Subtotal					Fence				
					Swimming Pool				
					Solar Panels				
					Boat Dock / Bulkhead				
					TOTAL				



People Helping People Build a Safer World™

Building Valuation Data – AUGUST 2025

- Residential (includes duplexes and townhomes) - 75% of \$170.80 = **\$128.10 SF**
- Garages/Pole Barns - 75% of \$69.64 (utility category) = **\$52.23 SF**
- Decks/Sheds/Unfinished Basements/Porches - 75% of \$31.50 (unfinished basement category) = **\$23.36 SF**
- Apartment/Condo Buildings - 75% of \$155.12 = **\$116.34 SF**
- Farm Buildings - **\$6 SF**
- Commercial & Renovations - submitted costs

- Commercial Construction - submitted costs
- Apartment Buildings - submitted costs
- Duplexes and Townhomes - submitted costs

BUILDING PERMIT FEE = COST OF CONSTRUCTION X RATE

FEE SCHEDULE - BUILDING PERMIT

Current Fee

Description	Base Fee	Multiplier	Notes
Revision - Additional Plan Review - Revised Dwelling Projects	\$60		Minimum
Revision - Additional Plan Review - all other projects	\$30		Minimum
Building Permit (zoning code/no other zoning code)	\$7.50/\$5.00 for the first \$1,000 of construction cost	\$3.00/\$2.00 per \$1,000 thereafter	
Fire Service Fee	1/4 of 1% (.0025) of construction values		

Proposed Fee

Description	Base Fee	Multiplier	Notes
Replacement of Plans	\$120		New fee
Revision - Additional Plan Review - all projects	\$60		Minimum
Building Permit (zoning code/no other zoning code)	\$5.00 for the first \$1,000 of construction cost	\$2.50/\$1.50 per \$1,000 thereafter	
Fire Service Fee	1/6.67 of 1% (.0015) of construction values		



FEE SCHEDULE - INSPECTIONS

Current Fee Schedule

Description	Base Fee	Multiplier	Notes
Manufactured Home	\$120	\$40	Base fee covers 3 inspections. \$40/inspection after
Residential - 0-599 SF	\$120	\$40	Base fee covers 5 inspections. \$40 per inspection after
Residential - 600-2,349 SF	\$205	\$40	
Residential - 2,350-2,999 SF	\$230	\$40	
Residential - 3,000-3,499 SF	\$255	\$40	
Residential - 3,500-3,999 SF	\$280	\$40	
Residential - 4,000-4,499 SF	\$305	\$40	
Residential - 4,500-4,999 SF	\$330	\$40	
Residential - 5,000-5,999 SF	\$450	\$40	
Residential - above 5,999 SF	\$550	\$40	
Modular Home	\$150	\$40	
Commercial & Townhomes duplexes	\$120	\$5.00/\$1000	\$120 minimum/no cap on inspections

Proposed Fee Schedule

Description	Base Fee	Multiplier	Notes
Residential (includes all manufactured homes, modular homes) under 1,000 SF	\$120	\$60	Base fee covers 5 inspections. \$60 per inspection after
Non-attached Residential (includes modular homes) 1,000 - 2,999 SF	\$240	\$60	
Non-attached Residential - 3,000 SF and over	\$360	\$60	
All Attached Residential (townhomes/duplexes)	\$560	\$60	
Commercial	\$360	\$5.00/\$1000	

RESULT OF CHANGE COMPARISONS

These are estimated amounts using an assumption of what the sq. footage was when only cost of construction was given on the permit.

	CY 2025 Building Permit and Inspection Revenue	CY 2025 Fire Revenue	Building Permit Revenue using Proposed Fees	Fire Revenue using Proposed Fees
Dwellings	\$1,731,132	\$1,153,652	\$3,140,478	\$1,654,017
Additions	\$254,580	\$81,489	\$228,265	\$48,893
Accessory Dwelling Units	\$10,327	\$3,932	\$10,327	\$3,932
Townhomes/Duplexes	\$468,437	\$208,606	\$463,359	\$249,604
Accessory Structures (pole barns)	\$131,292	\$28,242	\$202,258	\$65,961
Miscellaneous	\$444,042	\$332,785	\$369,094	\$199,671
Commercial	\$1,556,613	\$707,737	\$1,462,774	\$437,611
Farm Structures	\$9,971	\$7,969	\$7,272	\$4,782
Manufactured Homes	\$82,169	\$0	\$73,083	\$0
Modulars	\$15,663	\$10,213	\$15,834	\$5,267
Total	\$4,704,226	\$2,534,625	\$5,972,744	\$2,669,738

SPECIFIC COMPARISONS

Type of Project	Description	Prev. Est. Cost	Prev. Fire Fee	Prev. Permit Fee	Total Prev. Fees	New Est. Cost	New Fire Fee	New Permit Fee	Total New Fee	Difference
Com w/BC	Delmarva Christian School - addition	\$14,967,335	\$37,418	\$104,776	\$142,194	\$14,967,335	\$22,451	\$97,650	\$120,101	-\$22,093
Com wo/ BC	Weis Markets - 3 tenant spaces	\$11,300,000	\$28,250	\$22,603	\$50,853	\$11,300,000	\$16,950	\$16,953	\$33,903	-\$16,950
Apartment Buildings w/BC	King Fisher Court	\$2,050,000	\$5,125	\$14,353	\$19,478	\$2,610,204	\$3,915	\$17,325	\$21,240	\$1,762
Apartment wo/BC	Dutchman's Harvest	\$1,304,000	\$3,260	\$2,611	\$5,871	\$1,051,714	\$1,578	\$1,581	\$3,159	-\$2,712
Dwelling w/ BC	7,144 sq ft with 5,120 sq ft garage & 5,564 sq ft in other areas	\$541,535	\$1,354	\$2,181	\$3,535	\$1,312,539	\$1,969	\$3,644	\$5,613	\$2,078
Dwelling wo/BC	5,779 sq ft, 740 sq ft garage, 325 sq ft in unconditioned/unfinished areas	\$360,061	\$900	\$725	\$1,625	\$855,421	\$1,283	\$1,287	\$2,570	\$945
Fast Track Dwelling w/BC	3,673 sq ft, 448 sq ft garage, 1,145 sq ft in unconditioned/unfinished areas	\$156,338	\$391	\$925	\$1,316	\$520,658	\$781	\$1,664	\$2,445	\$1,129
Residential addition wo/BC	retaining wall and pool	\$149,800	\$375	\$454	\$829	\$149,800	\$225	\$377	\$602	-\$227
Townhome/Duplex	2,338 sq ft, 412 sq ft garage, 365 sq ft in unconditioned/unifinished areas	\$262,930	\$657	\$2,108	\$2,765	\$329,543	\$494	\$1,386	\$1,880	-\$885
Accessory Structure	1,500 sq ft pole barn	\$19,500	\$49	\$269	\$318	\$78,345	\$118	\$438	\$556	\$238
Miscellaneous	Avg swimming pool	\$69,800	\$175	\$215	\$390	\$69,800	\$105	\$178	\$283	-\$107
Dwelling w/BC	2,000 sq ft home (additional full bath) with a 500 sq ft garage	\$115,200	\$288	\$555	\$843	\$282,315	\$423	\$949	\$1,372	\$529

SCHOOL SURCHARGE ORDINANCE



Applicability

- All permits above \$150,000
- Nonresidential commercial permits up to \$1 million



Exemptions

- DSHA projects or projects funded by DSHA
- Improvements through the Sussex County Rental Program
- 501c3 organizations
- Building structures actively devoted to agriculture or public safety uses
- Replacement of destroyed/demolished structures within 24 months



Process

- Rate is established in the budget for both the local school and Sussex Tech
- Funds collected will be held in an account for each district
- Schools file an application with the County identifying the qualifying capacity-related capital improvement project
- Funds will be distributed annually through the budget process if the project qualifies



Qualifications for funding

- School district has capacity-related capital improvements that are eligible for state matching funds pursuant to a certificate of necessity
- Proceeds have been qualified as matching funds for the applicable project



Recommended Rate

- \$5 per \$1,000 of construction value
 - A. \$4.70 per \$1,000 or construction value goes to the local school
 - B. \$0.30 per \$1,000 of construction value goes to Sussex Tech
- Kent County's construction values are calculated different - their rate is \$12.50 per \$1,000
- Per Kent County records, they collect less than \$2 million per year on their building permits

Estimated Charges per Project from CY 2025 Permits

Dwellings - \$5,500,000
Townhomes/Duplexes - \$830,000
Commercial - \$550,000
Miscellaneous - \$50,000
Accessory Structures - \$40,000
Residential Additions - \$40,000
Manufactured Homes/Modulars - \$5,000
Accessory Dwelling Units - \$10,000

Estimated Collections per School District per year based on CY 2025 permits

Indian River - \$2,800,000
Laurel - \$85,000
Seaford - \$210,000
Milford - \$450,000
Woodbridge - \$185,000
Cape - \$2,800,000
Delmar - \$95,000
Sussex Tech - \$400,000

Generate of total of \$7.0 million per year based on 2025 activity

SPECIFIC COMPARISONS WITH SCHOOL % ADDED

Type of Project	Description	New Est. Cost	Total New Fee before school %	School .005	Total Cost of a Building Permit	Difference from current year
Com w/BC	Delmarva Christian School - addition	\$14,967,335	\$120,101	\$0	\$120,101	-\$22,093
Com wo/ BC	Weis Markets - 3 tenant spaces	\$11,300,000	\$33,903	\$5,000	\$38,903	-\$11,950
Apartment Buildings w/BC	King Fisher Court	\$2,610,204	\$21,240	\$13,051	\$34,291	\$14,813
Apartment wo/BC	Dutchman's Harvest	\$1,051,714	\$3,159	\$5,259	\$8,418	\$2,547
Dwelling w/ BC	7,144 sq ft with 5,120 sq ft garage & 5,564 sq ft in other areas	\$1,312,539	\$5,613	\$6,563	\$12,176	\$8,641
Dwelling wo/BC	5,779 sq ft, 740 sq ft garage, 325 sq ft in unconditioned/unfinished areas	\$855,421	\$2,570	\$4,277	\$6,847	\$5,222
Fast Track Dwelling w/BC	3,673 sq ft, 448 sq ft garage, 1,145 sq ft in unconditioned/unfinished areas	\$520,658	\$2,445	\$2,603	\$5,048	\$3,732
Residential addition wo/BC	retaining wall and pool	\$149,800	\$602	\$0	\$1,351	-\$227
Townhome/Duplex	2,338 sq ft, 412 sq ft garage, 365 sq ft in unconditioned/unfinished areas	\$329,543	\$1,880	\$1,648	\$3,528	\$763
Accessory Structure	1,500 sq ft pole barn	\$78,345	\$556	\$0	\$556	\$238
Miscellaneous	Avg swimming pool	\$69,800	\$283	\$0	\$283	-\$107
Dwelling w/BC	2,000 sq ft home (additional full bath) with a 500 sq ft garage	\$282,315	\$1,372	\$1,412	\$2,784	\$1,941

GENERAL FUND EXPENSE COMPARISON

2026 vs. 2027

Category	2026 Expenses	2027 Expenses	Difference	% Change
Personnel	48,842,892	51,279,042	2,436,150	5.0%
Professional Services	1,923,868	2,019,145	95,277	5.0%
Contractual Services	13,430,695	13,173,809	-256,886	-1.9%
Supplies	2,236,966	2,569,254	332,288	14.9%
Programs and Projects	3,723,149	3,453,385	-269,764	-7.2%
Training	512,828	500,640	-12,188	-2.4%
Grant-in-Aid	28,844,799	31,984,199	3,139,400	10.9%
Capital/Improvements	3,183,682	1,488,653	-1,695,029	-53.2%
Other Uses	723,495	720,500	-2,995	-0.4%

GF DEPARTMENT BUDGET INCREASE SUMMARY (OVER 3.5% AND >\$50,000)

FY2027 Budget vs. FY2026 by Department

Department	FY2026 Budget	FY2027 Budget	% Increase	Amount	Reason for Increase
GIO	1,160,425	1,242,356	7%	81,931	Migrating systems to upgraded GIS platform
Human Resources	1,368,355	1,442,047	5%	73,692	Implementation of Human Resources Information System/Increase in Worker's Comp Insurance
Facilities Management	2,662,632	2,767,546	4%	104,914	Additional hours for part-time staff to help with fleet/repainting post office area/UPS replacement
Information Technology	3,175,115	3,295,580	4%	120,465	Software maintenance agreements
Security	640,796	702,132	10%	61,336	Admin building security upgrades
Grant-in-Aid	28,844,799	31,984,199	11%	3,139,400	Ambulance funding/Accommodation Tax
Deeds	933,870	1,070,781	15%	136,911	Software upgrade

EMPLOYMENT COSTS BREAKDOWN

Key Components & Projected Adjustments



Pension Fund Contributions

17.6% of gross full-time salaries, totaling \$7.5M (\$6.0M General Fund, \$1.5M Water & Sewer Funds).



Salary Merits

2% average annual increase for salary adjustments, costing \$800,000 (\$680,000 General Fund, \$120,000 Water & Sewer Funds).



Cost of Living Adjustment

3.0% adjustment for inflation, totaling \$1.3M (\$1.1M General Fund, \$250,000 Water & Sewer Funds). CPI-U at 3.3%; Core inflation at 2.6%

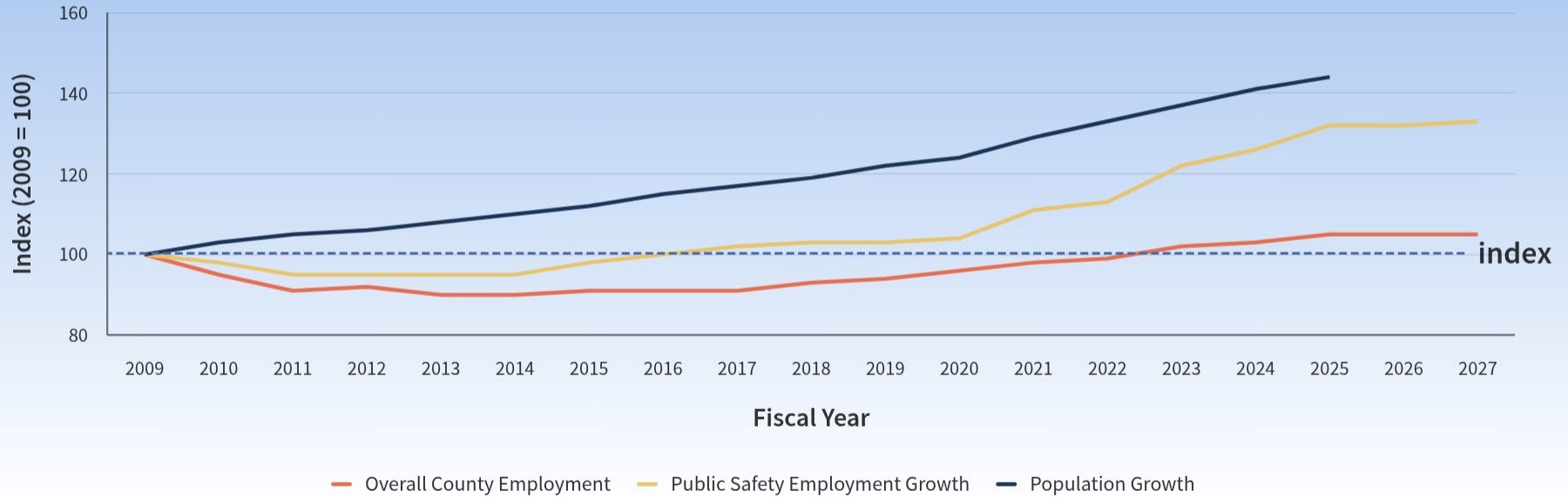


Health Insurance Costs

Expected 10% increase in budget, costing \$11.8M (\$9.3M General Fund, \$2.5M Water & Sewer Funds).

STAFFING TRENDS (2009-2027)

County Employment Growth vs. Population Changes



Analysis of county employment growth compared to population growth from 2009 to 2025.

STAFFING - POSITION COUNT CHANGES

No Change in Position Counts in Total

DEPARTMENT	POSITIONS	CHANGE
Community Development	Rehab Specialist - Grant Funded	-1
Public Safety - Paramedics	Street Medic	2
Finance	Restructure - Accounting/Billing/Assessment/P&Z	-2
Planning & Zoning	Assistant Director (assessment restructure)	1

GRANT-IN-AID: \$32.0 MILLION ALLOCATION

10.9% Increase Over FY 2026



Public Safety

\$15,564,950 - an increase of \$2,000,000.

49%



Accommodations Tax

\$4,100,000 - an increase of \$1,000,000.

13%



Libraries

\$3,227,600 - an increase of \$140,000.

10%



Economic Development

\$2,552,000 - an increase of \$12,000.

8%



Open Space

\$2,417,000 - funding remains at increased level from last year.

8%



Community Assistance

\$2,066,200 - a decrease of \$47,000.

5%



Recreational

\$1,537,400 - funding remains consistent.

5%



Agriculture & Drainage

\$519,049 - funding remains at increased level from last year.

2%

PUBLIC SAFETY - \$15.6 MILLION TOTAL

	2023	2024	2025	2026 Budget	2027 Budget
Delaware State Police	\$3,770,393	\$4,101,834	\$4,808,884	\$5,750,000	\$6,126,000
Local Law Enforcement	\$690,000	\$804,933	\$920,000	\$1,025,000	\$1,025,000
Fire/BLS	\$5,933,471	\$6,131,444	\$6,395,826	\$5,990,550	\$7,648,950
Growth %	9.0%	6.2%	9.8%	5.3%	15.9%
Total	\$10,393,864	\$11,038,211	\$12,124,710	\$12,765,550	\$14,799,950

Table excludes \$750,000 to Dewey Beach for County EMS space at their new building

ECONOMIC DEVELOPMENT GRANTS: \$2.6 MILLION

Fostering Growth and Supporting Key Community Projects

ExciteSussex Investment

\$2.5 MILLION

Funds previously set aside for new investment

Delaware District III - Little League World Series

\$20,000

Town Assistance

\$15,000

Return Day

\$12,000

Wings and Wheels

\$5,000

LIBRARIES GRANTS

Summary of Library Funding Sources & Budget Allocations (2018-2026)

Total Grant Funding

**\$3.2
MILLION**

KEY FUNDING SOURCES

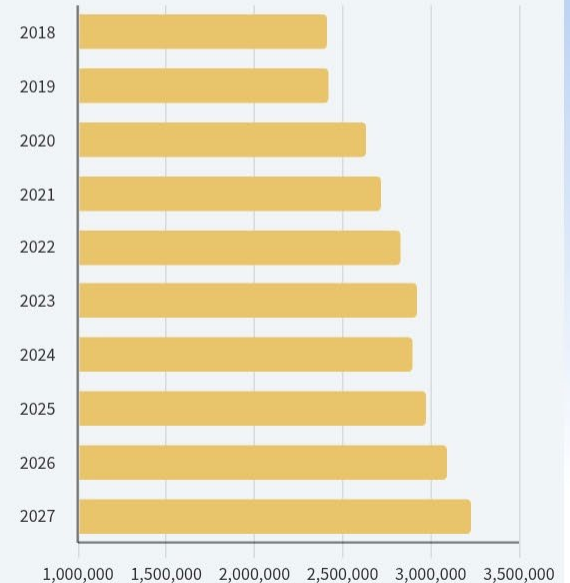
Library Tax - \$2.14 million

Mobile Home Placement Tax -
\$200,000

General Property Tax -
\$860,000

5% INCREASE

Budget Allocation Comparison



COMMUNITY ASSISTANCE GRANTS

Supporting Vital Services and Local Initiatives

\$2.1 million

- **Housing Rehabilitation**
\$725,000
- **Settlement Assistance**
\$525,000
- **Cold Weather Shelter Grant**
\$20,000
- **Human Service Grants**
\$225,000
- **Countywide Youth**
\$25,000
- **Council Grants**
\$200,000
- **Pass-through Grants from Legislators**
\$100,000
- **Low-Income Tax Program**
\$61,000
- **DOC Litter Clean-up**
\$50,000
- **BBA Commitment**
\$30,000
- **Bayhealth Capital Campaign**
\$25,000
- **CHEER centers**
\$21,600
- **Freeman Stage Youth Program**
\$15,000
- **First State Community Action Agency**
\$9,600
- **Payment in Lieu of Taxes for Georgetown**
\$9,000

AGRICULTURE AND DRAINAGE

	2025 Budget	2026 Budget	2027 Budget
Sussex Conservation District - Conservation Cost Share	\$100,000	\$120,000	\$120,000
Sussex Conservation District - Tax Ditch	\$125,000	\$145,000	\$145,000
Sussex Conservation District - Drainage Cost Share	\$125,000	\$145,000	\$145,000
Sussex Extension Program	\$169,049	\$109,049	\$109,049

OPEN SPACE - \$2.4M IN OPERATING AND \$5M IN CAPITAL

FARMLAND PRESERVATION

\$2,000,000 - Farmland Preservation

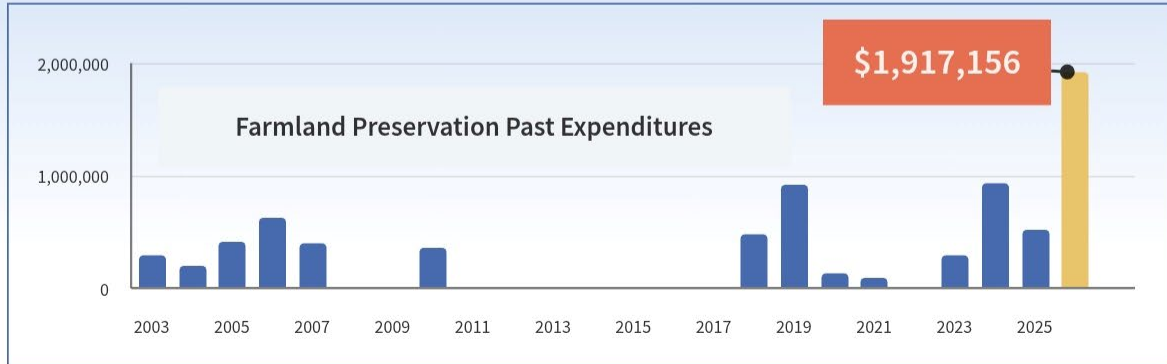
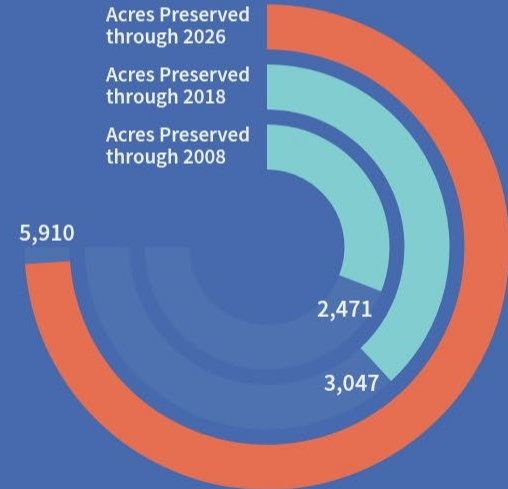
\$417,000 - Sussex County Land Trust



50%

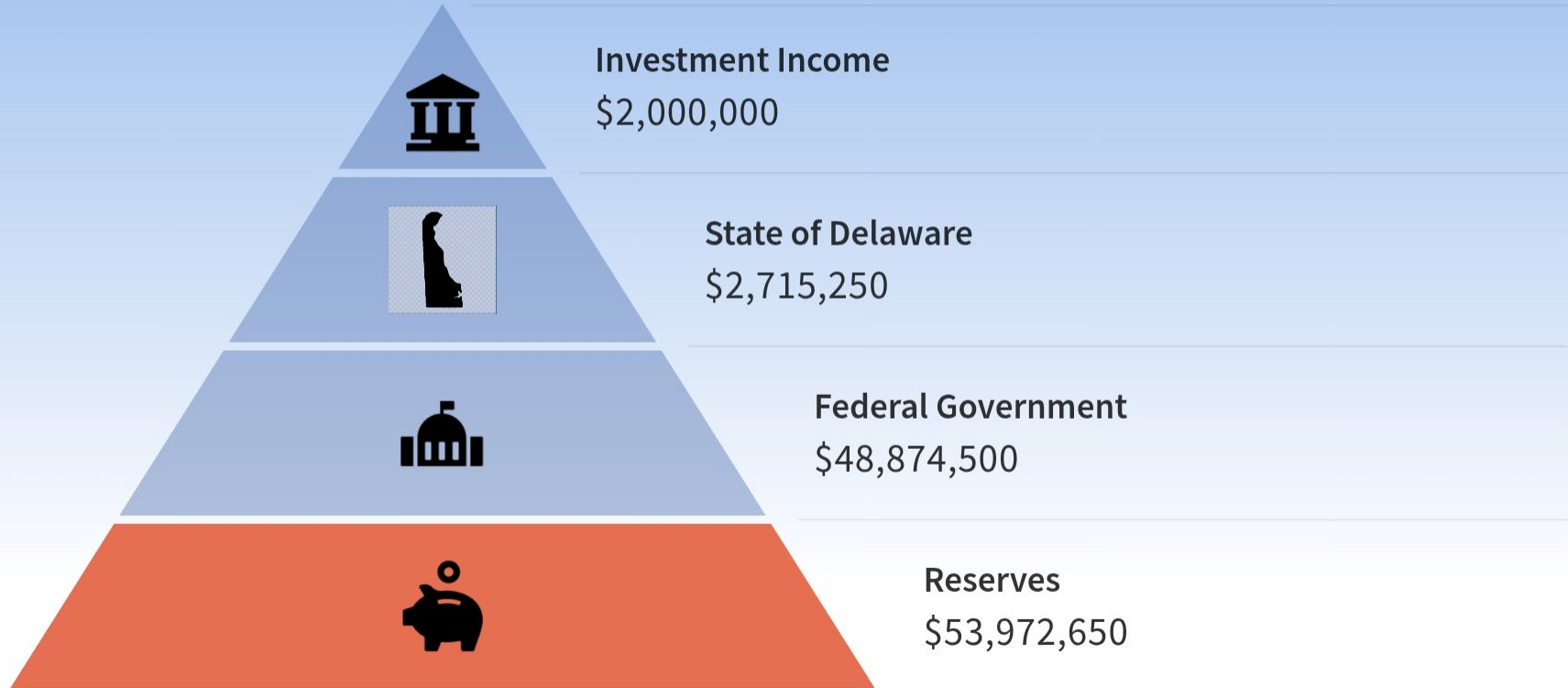
State typically puts in \$10M statewide and will cover 50% of the County's commitment on a parcel

Acres placed in Farmland Preservation with Sussex County Funding



GENERAL FUND CAPITAL

HOW ARE CAPITAL PROJECTS FUNDED?



GENERAL FUND CAPITAL: 5-YEAR PROJECT SUMMARY

Project	2027	Total 5 Year Cost
Airport - Runway Extension	\$2,800,000	\$43,500,000
Airport - Parallel Taxiway B	\$4,873,000	\$9,093,000
Airport - Hangar Taxiways	\$748,000	\$1,712,000
Airport - Other Improvements	\$205,000	\$605,000
Airport/Business Park - Stormwater Management	\$5,000,000	\$6,500,000
Facilities Management Pole Barn	\$635,000	\$635,000
Administration Annex Building	\$3,000,000	\$25,000,000
Administration Building Upgrades	\$3,000,000	\$5,000,000
Various Building Improvements	\$636,400	\$1,036,400
Land Acquisition (other than open space) and Land Improvements	\$818,000	\$2,231,000
Land Aquisition (Open Space)	\$5,000,000	\$5,000,000
EMS Stations	\$2,650,000	\$7,250,000
Total	\$29,365,400	\$107,562,400

OPEN SPACE - \$2.4M IN OPERATING AND \$5M IN CAPITAL

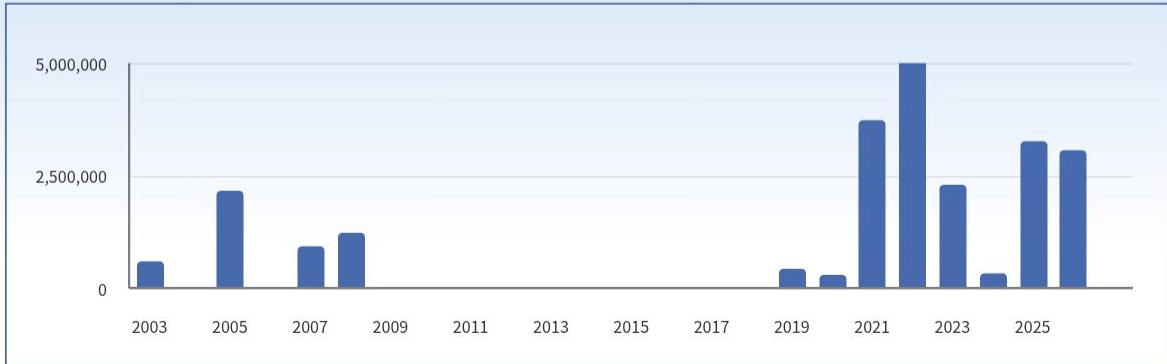
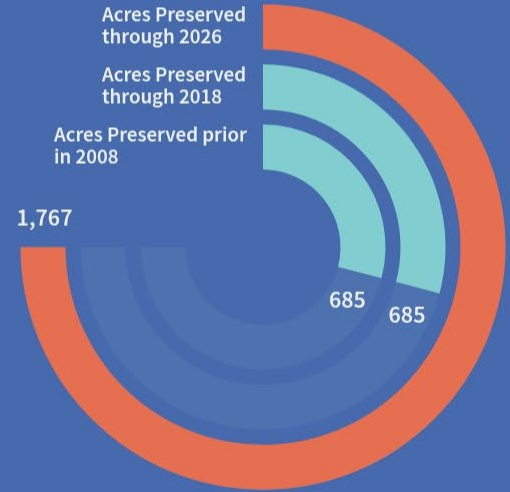
OPEN SPACE

\$5,000,000 - Capital Purchases



These purchases are primarily County funded but many of the purchases are discount sales from the owner with some funding from the State when possible

Acres Preserved as Open Space with Sussex County Funding



SEWER AND WATER OPERATING

SEWER OPERATIONS BUDGET SUMMARY

FY2026 vs. FY2027 Expense Comparison

Expense Category	FY2026 Budget	FY2027 Budget	Change	Change %
Personnel Costs	\$13,586,889	\$13,646,276	\$59,387	0%
Other Professional Services	\$1,692,300	\$3,271,500	\$1,579,200	93%
Utilities	\$13,395,556	\$14,754,987	\$1,359,431	10%
Supplies	\$2,104,335	\$2,032,297	-\$72,038	-3%
Administration	\$4,610,674	\$5,220,137	\$609,463	13%
Training	\$47,200	\$72,315	\$25,115	53%
Capital	\$11,656,744	\$16,605,844	\$4,949,100	42%
Other Uses (Debt Payments)	\$15,747,759	\$15,747,759	\$0	0%
Total	\$62,841,457	\$71,351,115	\$8,509,658	14%

SEWER OPERATIONS: FINANCIAL FACTS

Key financial data for budget performance and financial health

Sewer Fund	2025 Financial Statements	2024 Financial Statements
Operating Revenue	\$38,134,402	\$34,154,096
Operating Expenses	\$48,343,470	\$45,186,510
Operating Loss	-\$10,209,068	-\$11,032,414
Interest	\$6,027,697	\$5,890,660
Connection Fees	\$18,774,842	\$14,595,074

Operating Cash Balances

\$4,278,343

6% of the annual operating budget

\$388/EDU/YEAR

\$36 increase, 10.2% increase

\$3.3 million more in revenue

USING \$7M IN CONNECTIONS FEE RESERVES TO BALANCE BUDGET

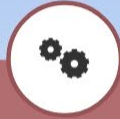
SEWER OPERATIONS: OPERATIONAL INCREASES

Factors Contributing to Rising Expenditures



Pumping Station Replacements

Require rebuilding due to aging infrastructure, increased wear and tear, and the need for modern upgrades to maintain reliable wastewater system performance and prevent costly operational failures.



Pump Optimization

Investments in advanced monitoring, control systems, and energy-efficient technologies add costs.



Chemical Costs

Increased usage due to stringent treatment requirements, influent complexity, and price fluctuations.



Asset Management

Required to proactively maintain aging infrastructure, prevent costly failures, and ensure reliable system performance.

NEW: CONSTRUCTION PHASE DESIGN MODIFICATION FEE

TIER 1 – TECHNICAL BULLETIN

Tier 1 was approved in last year's budget and required Utility Construction Division management sign off

TIER 2 – CONSTRUCTABILITY/SITE CONDITIONS

New fee for this budget, this is for items that require County Engineer or his Designee (Utility Construction and/or Utility Planning Director) \$1,000.00 Fee

Project approved, notice to proceed issued

- Engineer failed to identify all existing utilities/obstructions
- Contractor bid the project with different materials than on the approved drawings to save money
 - Requests field change, County engineer involved because it does not meet the approved drawings or our design standards. Request expedited review based on contractor on-site ready to begin. New drawings submitted, reviewed to verify change is acceptable and nothing else was changed and county engineer sign-off.



WATER OPERATIONS BUDGET SUMMARY

FY2026 vs. FY2027 Expense Comparison

Expense Category	FY2026 Budget	FY2027 Budget	Change	Change %
Personnel Costs	\$150,480	\$286,715	\$136,235	91%
Other Professional Services	\$121,525	\$22,800	-\$98,725	-81%
Utilities/Other Contractual Services	\$1,415,047	\$4,295,284	\$2,880,237	204%
Supplies	\$39,750	\$23,750	-\$16,000	-40%
Administration	\$60,419	\$93,142	\$32,723	54%
Training	\$1,500	\$1,000	-\$500	-33%
Other Uses	\$299,459	\$87,920	-\$211,539	-71%
Total	\$2,088,180	\$4,810,611	\$2,722,431	130%

DEWEY WATER SYSTEM: OPERATIONAL CHALLENGES

Analysis of key issues impacting service delivery



Regulatory Burden

Complex and evolving compliance requirements necessitate significant administrative and financial resources, along with continuous training.

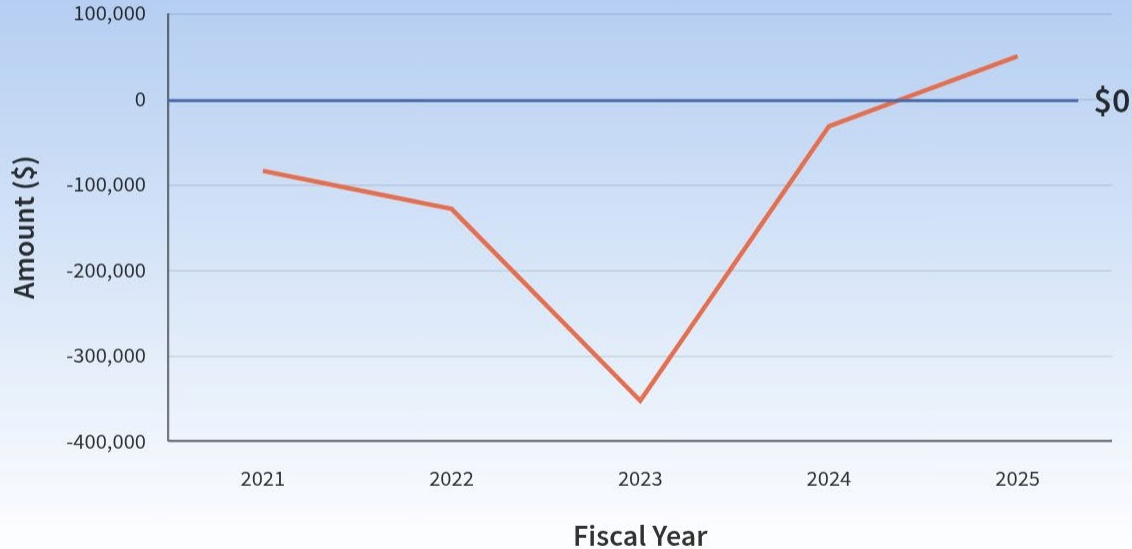


Supply Limitations

Dependence on other water sources

WATER OPERATIONS: OPERATING INCOME/(LOSSES)

2021-2025



**Unrestricted Cash
Balance:
\$1,791,294**
37% of operating budget

WATER OPERATIONS: REVENUE

FY 2027 Rate Change - 20%
increase

+\$90/EDU/YEAR

Increase revenue \$342,720

Annual Rate

\$540/EDU

RATE COMPARISONS:

- Tidewater: \$855
- Rehoboth (outside city): \$838
- Artesian: \$672
- Lewes (outside city): \$640

Restricted Cash:

\$887,634

Unrestricted
Cash:

\$2,247,854

Reserves to Balance Budget:

Unrestricted Cash: \$1,408,372

Restricted Cash: \$887,634

WATER AND SEWER CAPITAL

SEWER 5-YEAR CAPITAL PLAN

Revenue Source	2027	2028	2029	2030	2031	Total
Assessment Fees	35,050,000	29,700,000	5,000,000	0	0	69,750,000
Connection Fees	35,500,000	26,700,000	40,500,000	20,000,000	16,000,000	138,700,000
Third Party Contributions	3,050,000	1,800,000	10,000,000	5,000,000	4,000,000	23,850,000
User Fees	1,000,000	0	0	0	0	1,000,000
Total	74,600,000	58,200,000	55,500,000	25,000,000	20,000,000	233,300,000

Project	2027	2028	2029	2030	2031	Total
IBRWF Upgrades	18,450,000	14,500,000	0	0	0	32,950,000
Piney Neck Conversion	11,500,000	3,000,000	500,000	0	0	15,000,000
Wolfe Neck Upgrades	5,000,000	9,000,000	50,000,000	25,000,000	20,000,000	109,000,000
Various Interconnections & Flow Transfers	9,750,000	2,500,000	0	0	0	12,250,000
Septic Elimination Projects Joy Beach - Slaughter Beach Countryside Hamlet - Beaver Dam Road Warwick Park - Briarwood Estates Love Creek Mobile Home Community - Bay Oaks Red Fox Run - Bethany Forest	29,900,000	29,200,000	5,000,000	0	0	64,100,000
Total	74,600,000	58,200,000	55,500,000	25,000,000	20,000,000	233,300,000

ASSESSMENT RATES

Area - Billed by FF	2025 Rate	2026 Rate	2027 Rate
Angola	\$4.89	\$4.48	\$4.20
Angola North	\$7.80	\$7.20	\$7.15
Cedar Neck Expansion	\$2.67	\$2.67	\$2.67
Concord Road Area - Blades	\$4.24	\$4.24	\$4.24
Dagsboro/Frankford	\$0.60	\$0.60	\$0.60
Dags./Frank. – Prince George's	\$3.63	\$3.63	\$3.63
Ellendale	\$0.73	\$0.73	\$0.73
Ellendale - New Market Village	\$0.36	\$0.36	\$0.36
Fenwick Island Sewer	\$0.26	\$0.26	\$0.26
Fenwick Island – Rt. 54	\$7.06	\$7.06	\$7.06
Golf Village	\$1.47	\$1.47	\$1.47
Herring Creek	\$8.24	\$8.24	\$8.24
Johnson's Corner	\$4.55	\$4.55	\$4.55
Miller Creek	\$5.48	\$5.48	\$4.21
Millville Expansion	\$3.72	\$3.16	\$2.98
Mulberry Knoll	\$8.00	\$4.19	\$2.91
Oak Orchard	\$4.26	\$2.59	\$2.45

Area - Billed by FF	2025 Rate	2026 Rate	2027 Rate
Oak Orchard Expansion	\$4.19	\$4.19	\$4.19
Ocean Way Estates	\$1.82	\$1.82	\$1.82
South Ocean View	\$5.47	\$5.47	\$5.47
West Rehoboth Sewer	\$1.30	\$1.30	\$1.30
Woodlands of Millsboro	\$0.42	\$0.42	\$0.42
Winding Creek Water	\$0.00	\$8.75	\$6.94

Area - Billed by EDU	2025 Rate	2026 Rate	2027 Rate
Briarwood	\$0	\$800	\$800
Chapel Branch	\$680	\$680	\$680
Dewey/Henlopen Acres	\$318.54	\$318.54	\$318.54
Joy Beach	\$0	\$540	\$540
Lochwood	\$0	\$708	\$708
Long Neck Communities	\$0	\$633	\$633
Mallard Creek	\$0	\$540	\$540
Oak Acres/Tanglewood	\$0	\$644	\$644
Pintail Pointe	\$954	\$985.92	\$985.92
Warwick Cove/Gull Point	\$325	\$325	\$325
Western Sussex	\$285	\$285	\$196.11

FISCAL YEAR 2027

BUDGET INTRODUCTION

July 1, 2026 - June 30, 2027

PUBLIC HEARING: JUNE 16, 2026

questions/comments: budget@sussexcountyde.gov