

May 25, 2004

Sussex County Council
County Administrative Office Building
2 The Circle
P. O. Box 589
Georgetown, DE 19947

Dear President and Members of Council:

As required by Delaware Code, Title 9, Chapter 70, § 7003, paragraph (d), subparagraph (5), I respectfully submit the proposed annual operating budget for Sussex County for Fiscal Year (FY) 2005. The FY 2005 proposed budget was developed by the Budget Committee consisting of the County Administrator, the Finance Director, and the Director of Accounting. The information necessary to develop the budget was provided by each department and the County's Finance Coordinator.

The theme for the proposed 2005 budget is, "*You Can't Always Get What You Want!*" The theme was taken from a popular song in the '60's that continued, "but if you try sometime you just might find you get what you need." The proposed FY 2005 budget does not contain everything that everyone wants. However, it does contain programs that will ensure that it will once again be as successful as the past 16 budgets that I have presented. The Budget Committee believes that the proposed 2005 budget is in line with past budgets. It is not always necessary to change past practices just because a change results. A change should only be made if it allows for improvement in delivery of services. It is important to keep public services abreast of private consumption. The FY 2005 budget will allow the County government to continue to expand services to keep pace.

The proposed FY 2005 budget is recommending a credit to the taxpayers in the form of a 25 percent across-the-board property tax credit. After 13 years of the County's finances finishing the year with revenue exceeding expenditures, the Budget Committee believes County finances will not be put in jeopardy by allowing a

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one-time 25 percent credit. This credit would appear on the FY 2005 tax bills. All property owners in the County would be eligible for the credit as long as their past year's property taxes and sewer and water charges are current as of July 1, 2004. The 25 percent credit would be deducted from the tax bill for FY 2005. This credit would only apply to the County's portion of the property tax bill for general operations. Continuation of this program for future budgets would be on a year-to-year basis. It must be understood that this is not a tax reduction, as the tax rates will remain at the current level. This will be the first time since FY '89 that the taxpayers in Sussex County will see a decrease in their payment of property taxes. This credit will result in a loss of revenue to the County of approximately \$2.5 Million.

I realize that this proposal will be criticized by many. However, since our budget reserve known as the Rainy Day Fund is at its highest of all times at \$9,784,231 (25 percent of our General Fund operations) and all General Fund debt that is financed by property taxes has been satisfied, it seems reasonable to consider this credit at this time. Former President Theodore Roosevelt once stated, "**Be practical as well as generous in your ideals. Keep your eyes on the stars, but remember to keep your feet on the ground.**" The Budget Committee believes that the 25 percent reduction is very achievable for the new budget year.

Since the Tax Credit Program was first announced there have been many ideas on what the County Council could do with the funding. Expanding into additional programs, such as parks and recreation, rental housing units, or County-funded transportation programs, could quickly erode any surpluses that have been obtained over past years. It is important to know what we would like to do, but we must know what our limitations are and be reasonable within those limits.

Former Attorney General the late Robert F. Kennedy once stated, "**25 percent of the people are always going to be against anything that is being proposed.**" Just because there may be opposition to returning some of the funding to the taxpayers doesn't mean that it is wrong, it just means someone else has another opinion on how the funding should be used. I am aware of very little criticism of the General Assembly when they reduced the personal income tax

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several times during the '90's or when Kent County reduced their property tax rate in FY 2000.

For those who would like to see the tax credit used for other programs, they will have the ability to contribute directly to the program of their choice. The tax bill will show the savings to each property owner. The property owner can make a charitable donation directly to the organization of their choice, for example fire companies, local libraries, Sussex Land Trust, or the SPCA.

The Budget Committee believes that this is the first time in four years that the County does not have to be concerned with the State reducing the County's ability to raise revenue in certain categories, such as the realty transfer tax. The current State of Delaware Administration has stated that they have been able to recover from the downturn in the economy that they have faced in recent years. Headlines that appeared in the State News Sunday stated, "Budget increase expected." The article, dated November 9, 2003, went on to say that the Delaware Economic and Financial Advisory Council's predictions show the State will have at least \$280 Million more to spend in the upcoming budget year. An article that was authored by Jack Markell, State Treasurer, that appeared in the Sunday News Journal on August 10, 2003, had headlines that stated, "Once again, Delaware has the upper hand." The article went on to state that "Delaware's cash balance as a percentage of revenues is ranked second in the country . . . Delaware has more cash on hand than all but ten other states . . . Delaware has the third lowest state and local personal tax burden, according to the Tax Foundation . . . Governing Magazine rated Delaware's revenue system as the best in the country." As recently as April 20, 2004, headlines appeared in The News Journal stating, "Revenue Forecasts Inch Up." The article went on to say that officials are squabbling over tax cuts. Additionally, the Republican members of the House of Representatives have proposed a \$100 Million tax-cut plan in FY 2005.

I believe all of these examples are a strong indicator of why it may be reasonable at this time for the County Council to allow for a 25 percent tax credit. I believe those who do not think the amount of money that will be returned to the taxpayers will make a difference are not being realistic when you consider that everyone is paying more for gasoline and fuel oil than has ever been paid in the past, medical

costs continue to increase, and everyday consumer products such as milk are at an all-time high.

In addition to the Tax Credit Program, a subsidy is being recommended by the Budget Committee in the form of a cap on front footage assessment charges in the sanitary sewer districts. The County had a recovery system developed by the rate consultants Black & Veatch of Kansas City, Missouri, to assist in recovering the capitalization cost related to the construction cost of collection pipelines, transmission pipelines, and pumping stations. The street footage assessment is a commonly used method of assigning the cost of installing a wastewater collection system, transmission lines, and pumping stations. To determine the assessment, the total debt service cost of the collection system or transmission system is divided by assessable front footage of properties served by the improvement. The assessable footage for each lot or parcel of land is measured as a lot footage abutting the street or utility right-of-way, with a special determination for corner and odd-shaped lots or parcels.

The Budget Committee is recommending that residential homes in the sewer districts be subsidized with approximately \$300,000. This would allow establishing a cap on all front foot assessments of 125 feet per equivalent dwelling unit (EDU). This would give relief to those property owners who have front foot assessments greater than 125 feet.

As with the property tax credit, the 125-foot cap is only for FY 2005. It will have to be re-evaluated with each budget if funds are available. This subsidy will not apply to vacant lots or commercial properties.

As is the case with the 2004 budget, the Budget Committee will continue to closely monitor the growth in budget expenditures. There are many factors beyond the control of the Budget Committee that contribute to increased spending in the General Fund budget.

What's Gone Up?

- Delaware State Police Agreement - \$113,000
- New General Fund Employees - \$298,525

- Sussex County Fire Service Enhancement Building Permit Program - \$225,000
- Public Works Private Engineering Firm Review - \$250,000
- Local Library Grant - \$290,000
- Engineering Administration Inland Bays Regional Planning Study - \$400,000
- Sussex County Fire Service Discretionary Account - \$410,000
- Pension Contribution - \$527,023
- Paramedic Funding - \$721,209
- Group Hospital - \$1,044,572
- Appropriated Reserve Funding - \$2,745,011
- Wastewater General Fund Grant - \$4,150,000

**FY 2005 General Fund Budget Increase Without the Above Expenses -
4.5 Percent**

These costs total \$11.1 Million and make up 20.9 percent of General Fund expenditures.

It is incomprehensible to think that budget expenditures are not going to continue to increase when you consider the development and population increases that the County is facing each year. An article printed in the Sunday News Journal, Best in the Business Section, on March 14, 2004, stated that during calendar year 2003 Sussex County issued 3,184 single-family building permits. This compares to 3,604 single-family building permits for both Kent and New Castle counties combined during this same time period. Sewer services have increased from 32,869 EDU's in 1997 to 46,709 in 2004. This is an increase of 42 percent. The Planning and Permits Division of the Engineering Department has seen scheduled inspections increase 193 percent from FY '97 through FY 2003, while staffing has only increased by four employees to handle the additional workload. The Public Works Division of the Engineering Department has seen plan review for subdivisions totaling 392 lots in 1997 increase to 6,108 in 2003. This is over a 1,400 percent increase from 1997 to 2003, while at the same time the staff has decreased.

I believe these comparisons give a good illustration why County government has increased spending in Sussex County. If we are going to keep pace with the demand for services, additional expenditures must be accepted. Currently we are working in a very turbulent growth environment.

With spending demands increasing the cost of doing business, it is important that we maintain an operating reserve (Rainy Day Fund). The proposed FY 2005 budget will have \$9.8 Million in this account. We are estimating an operating reserve of 25 percent of the General Fund operating budget for the forthcoming year. This is the first time in five years that the Rainy Day Fund has been at 25 percent [see Addendum 1]. The Rainy Day Fund will be beneficial in addressing unanticipated revenue shortfalls or unforeseen expenditures. If there should be budget downfalls, the operating reserve will help us maintain our liquidity. Maintaining an operating reserve of 25 percent will be beneficial in allowing us to maintain our 'AA' bond rating with Standard & Poor's and Moody's Investors Service.

I believe the FY 2005 proposed budget will allow the County to maintain financial stability. Constant monitoring of revenue and expenses by the Budget Committee throughout the year will allow us to make adjustments during the year if they should be necessary.

Rosalynn Carter, wife of former President Jimmy Carter, once stated, ***“A leader takes people where they want to go. A great leader takes people where they don't necessarily want to go but ought to be.”*** The Budget Committee realizes that the County Council does not want to see double-digit budget increases in costs. However, the Budget Committee strongly believes that this is necessary if we are going to continue to provide public services to the degree that is necessary to allow for the continuation of population growth in our County.

The following goals were used to establish the FY 2005 budget:

- **Balanced budget**
- **Maintain an operating reserve of a minimum of 25 percent**

- **Fully fund the Pension Program**
- **Operate without tax-supported debt**
- **Maintain 'AA' bond rating**
- **Expand public safety**
- **Increase funding of local libraries**
- **Upgrade existing wastewater services and expand user base**
- **Maintain current tax rate while providing a 25 percent tax credit**
- **Provide subsidies to allow for the capping of front footage costs at 125 feet in the sanitary sewer districts**
- **Continue tax and sewer assistance programs**
- **Continue Open Space and Farmland Preservation Programs**
- **Continue Economic Development Stimulus Loan Program for local governments**

I would like to take this opportunity to highlight the proposed budget that begins July 1, 2004.

1. **TAX RATES**

The tax rate for the proposed FY 2005 budget is 44.5¢ per \$100.00 of assessment. This will be the fifteenth consecutive year that this rate has been set at 44.5¢ per \$100.00 of assessment. The rate is calculated by adding the general operations rate of 36.97¢ per \$100.00 of assessment, the estimated rate for libraries of 4.33¢ per \$100.00 of assessment, and the estimated capital fund rate of 3.2¢ per \$100.00 of assessment. The assessment is based on 50 percent of the 1974 assessed value of property.

It is estimated that the proposed FY 2005 budget will collect \$7,019,734 in County property tax [see Addendum 2]. Property taxes make up 11.2 percent of the County's total General Fund income. It has been financially beneficial that over the years we have been able to develop a wide array of incomes. The diversity in our income has been looked at favorably by bond rating agencies, as well as lending institutions.

As required by State law, Title 14, Chapter 8, § 1917, the County's Treasury Division will collect all school taxes. County government is required to do the assessment, billing, collection, and litigation when necessary for State school property taxes. The County government's General Fund portion of the property tax is 16 percent of the Sussex County property owner's entire tax bill [see Addendum 9]. In addition to the County Council proposed 25 percent tax credit on the FY 2005 bills, there are other programs to assist property owners with this expenditure.

Property Tax Assistance Programs

- Exemption for Disabled
- Exemption for Residents Over 65
- State Senior Citizen School Property Tax Credit
- Sussex County Property Tax Subsidy

Details on these programs can be obtained by contacting the County's Treasury Division at 302-855-7760.

For the third consecutive year there will not be any tax dollars spent on outstanding General Fund tax indebtedness. By eliminating our indebtedness that was dependent on property taxes we have been able to establish a pay-as-you-grow program that allows us to direct revenue toward capital expenditures, providing an avoidance of financing costs. The only General Fund obligation that the County has is supported by utility incomes. The current outstanding obligation on this debt totals \$102,901,897 as of March 31, 2004. Based on our current assessment value in the County, the

County government has the ability to borrow up to \$262,459,675. Thus, the County still has the ability to borrow \$159,557,778 for future projects.

The Budget Committee believes that we will be able to maintain our pay-as-you-grow program for the next several years. Under State law the County is able to borrow 12 percent of our total assessments. Under current real estate market trends the County's assessments reflect approximately 11 percent of the real estate market Countywide. Should there be a need for the County to exceed the 12 percent limitation, other local governments have gone to the General Assembly and asked for this percentage to be increased. If and when a reassessment is ever undertaken, the County's borrowing ability would increase several times.

The capital tax rate of 3.2¢ per \$100.00 of assessed value in FY 2005 will generate \$684,580. This funding will contribute to the non-sewer and water Capital Improvements Fund. The non-sewer and water Capital Improvements Fund will continue to be developed on a pay-as-we-grow basis. Income for the Capital Improvements Fund for FY 2005 is as follows:

<u>Revenue</u>	<u>Amount Year Ending June 30, 2005</u>
Taxes	\$ 684,580
Realty Transfer Tax	2,000,000
Appropriated Reserve	3,531,663
Federal Airport Grant	5,853,150
State of Delaware - Airport Grant	325,175
State of Delaware - Courthouse Addition	91,793
Road Project Special Assessments	13,000

<u>Revenue</u>	Amount Year Ending <u>June 30, 2005</u>
Landfill Water Connections	\$ 10,000
Investment Income	<u>20,000</u>
TOTAL REVENUE	<u>\$12,529,361</u>

The proposed FY 2005 budget indicates that 30 sources of revenue will increase during the year. This compares to 21 sources of revenue that increased in FY 2004. The increase in sources of revenue is a result of increases in the volume of work each department will perform. At this time the Budget Committee is not recommending that we adjust charges for services for any department other than the sewer connection charges. I will elaborate more in the appropriate section of this letter on those charges.

The realty transfer tax is projected to generate \$18,000,000 of income during FY 2005. This is a 51.9 percent increase over FY '04. The realty transfer tax, for the fourth consecutive year, will exceed property tax as a revenue-generator for the County government.

The Budget Committee feels comfortable that for the first time under the Minner Administration the General Assembly will not look at reducing the County's portion of the realty transfer tax. In July of 1998, under the Carper Administration, the General Assembly gave the County the ability to increase the realty transfer tax from one percent to one-and-a-half percent. At the same time the State decreased their collection of two percent to one-and-a-half percent. With the downturn in the economy in recent years there has always been that concern that the General Assembly would attempt to reverse the percentages; but with State revenues growing, this year it does not appear that this will happen. An article that appeared in the Local & Business Section of The News Journal on Tuesday, December 16, 2003, under the headline, "State predicted to have more revenue," stated that "State revenues continue to grow with the

strengthening economy, giving Gov. Ruth Ann Minner's budget planners a little more money to work with as they assemble next year's budget." The article went on to state that revised revenue estimates show that "the state will have about \$2.86 billion available for the 2005 budget that takes effect July 1, about \$242 million more than lawmakers budgeted to spend this year."

At the same time the County government has enjoyed the benefits of increases in the realty transfer tax, the State of Delaware has benefited even more. The County government does not collect a portion of the realty transfer tax in the coastal towns of Lewes, Rehoboth Beach, Dewey Beach, Bethany Beach, South Bethany, and Fenwick Island. Property sales in the coastal areas are at an all-time high. I would also like to mention that the State of Delaware does not exempt first-time homebuyers from the realty transfer tax as the County and local governments do. Those who wish to construct on property that they have not owned in excess of one year are also subject to a one percent charge for the cost of construction by the State. The first \$10,000 is exempt from this cost. This is a revenue-generator that the local governments do not have the ability to collect. During FY '98, the State of Delaware collected \$13.2 Million in realty transfer tax in Sussex County. This compares to \$26 Million that was collected in FY 2003. As of February 29, 2004, the State has collected \$24.5 Million during the current 2004 budget.

The Budget Committee understands the fact that the realty transfer tax is economy-sensitive. Changes in the world economy outside the control of the Budget Committee could jeopardize the success that the County government has received from this income. Changes in the environment, continued increased costs for gasoline, or increased interest rates on mortgages could have an impact on our County. It is crucial that precautions are taken by the Budget Committee in funding expenditures for this income. Subsidies to sewer service, the Open Space Program, Capital Improvements Fund, and Property Tax Credit Program would have to be reduced or eliminated if funding did not generate revenue in excess of what is needed for public safety. Public safety receives the first priority for allocating funds from

the realty transfer tax. Realty transfer tax funding for FY 2005 will be used for the following:

- ⇒ Paramedics
- ⇒ Fire Service
- ⇒ Ambulance Service
- ⇒ Emergency Operations Center
- ⇒ Solid Waste
- ⇒ Sewer Service Subsidy
- ⇒ Local Government Revenue Sharing
- ⇒ Open Space
- ⇒ Capital Improvements Fund

2. **PUBLIC SAFETY**

Public safety concerns continue to be the highest priority of the Budget Committee. The protection of lives and property in Sussex County is the utmost service a local government can provide its taxpayers. Population and property values continue to increase at a record pace, creating a demand for services that require additional spending. In FY 2005 the County government will provide \$14,879,970 for public safety [see Addendum 7]. This is a 19.7 percent increase for these services over FY 2004 and an increase of 94 percent over FY '99 when the budget provided \$6.4 Million for public safety.

The proposed 2005 budget calls for the County government to provide a contribution in the amount of \$1,019,000 to the State of Delaware toward salaries and the purchase of equipment for additional State police in Sussex County. FY 2005 marks the tenth anniversary of the agreement between the State of Delaware and the County Council to provide additional police coverage in Sussex County. The County Council will continue to provide

50 percent of the cost of 12 policemen stationed at Troop 4 in Georgetown. The proposed FY 2005 budget will be the third year the County has agreed to the phase-in of an additional 20 officers. During FY 2005, the County will pay 100 percent for four additional officers and 65 percent of the cost for eight officers that were hired in FY 2003 and FY 2004. This will bring the total of additional State police in Sussex County to 24 that are receiving funding subsidies from the County government. Four additional officers will be added in FY 2006 and four in FY 2007. The total County contribution for the 20 additional officers that started in FY 2003 over a six-year period is approximately \$3.8 Million, with the State's share being \$1.7 Million. On a percentage basis the County will pay 69 percent while the State of Delaware will pay 31 percent.

The funding for this program without a property tax increase was made available by utilizing the realty transfer tax. The realty transfer tax was collected only in the unincorporated areas of the County. Those who have purchased property in a municipality who are already receiving local police protection are not contributing to the payment of this service.

The FY 2004 budget allowed for an expenditure of \$1.1 Million to be made to the State of Delaware for conversion of the old Bridgeville State Visitors Center into a new home for Troop 5 of the Delaware State Police. At the time of this writing the State is preparing plans for the conversion and upgrade of this facility. Upon its completion the facility will be shared by Paramedic Unit 107. I will talk about the paramedic unit further in this letter under "Emergency Medical Services." It is estimated the total cost for this project will be \$3.3 Million. The \$1.1 Million that was approved by the County Council will be encumbered if not spent in its entirety during the 2004 budget year. The most recent estimates indicate that the paramedics will be able to occupy the facility in the final quarter of FY 2005.

The Sussex County Volunteer Firemen's Association will receive \$2,832,474 in funding for FY 2005. The Fire Service Enhancement Fund is projected to receive a contribution in the proposed budget of \$1.3 Million. This is an increase of 20.9 percent over the FY 2004 budget. This will be the seventh

anniversary of this program that requires a payment of one-quarter-of-one-percent of the cost of the value of new construction in the County. The 20.9 percent increase is another illustration of expenses that the Budget Committee has little control over.

The Fire Service Enhancement Fund will have a base figure set at \$875,000. This funding will be shared equally among the 21 fire companies. Carlisle Fire Company will receive a 50 percent share because it is located in both Kent and Sussex. Mid-Sussex Rescue and Georgetown American Legion Post No. 8 ambulance companies will receive \$10,000 each from this account. Funding generated in excess of \$875,000 will be distributed based on the percentage of new construction in the individual fire districts to each company. Distribution of this funding will be recommended by the Sussex County Volunteer Firemen's Association.

As the funding continues to increase for this program, the Budget Committee would recommend to the Sussex County Volunteer Firemen's Association (SCVFA) Resource Committee that they establish a Rainy Day Fund. This fund could allow for 95 percent of the funds to continue to be distributed under the current formula, with five percent being placed in a reserve interest-bearing account under the name of SCVFA. The Resource Committee could place a cap and state that the account could not exceed a certain pre-established amount. The money may be used to make up shortfalls when budget projections are not obtained during any budget year. It also could be used to establish an account to help if a company had unforeseen expenditures or catastrophic losses. The distribution of this funding would only be approved upon the unanimous approval of the SCVFA Resource Committee. The Budget Committee will further explore the possibility of setting up this program with the SCVFA Resource Committee after the adoption of the 2005 budget.

The equipment grant portion for the fire service will increase 4.5 percent in FY 2005. This increase is based on the growth of property assessments during the previous year. It should be noted that since budget year 2000 this funding has increased 23.7 percent

Basic life support funding will increase 88.2 percent during FY 2005. The proposed budget will allow for an additional \$400,000 to be distributed to the volunteer fire and ambulance companies to help pay for ambulance attendants to fill in during hours when volunteers are not available. During FY 2004, the County Council contribution increased 49.4 percent for this program.

With the increased population, seasonal visitors, and additional buildings, the demands on the Sussex County Volunteer Firemen's Association will continue at a rapid rate. The Sussex County Volunteer Firemen's Association announced that in 2003 local fire departments responded to 5,966 alarms—1,520 were within corporate limits, 3,398 were in the County's jurisdiction. Additionally, they responded to 877 false alarms and 22 false complaints. Firefighters responded a total of 130,253 times and were in service for over 103,000 hours. Fire units traveled a total of 84,665 miles.

The County Council will once again provide \$5,000 for the development of fire prevention education. This funding must be matched at a 50 percent level by the fire companies submitting for contribution. Funding will also be made available, as has been done in the past, in the amount of \$2,000 toward the costs associated with the memorial service to be held at the Delaware Volunteer Firemen's Association Annual Conference.

An article that appeared in The News Journal on April 6, 2004, under a column written by Ron Williams stated, *"Fire companies continue to struggle with declining volunteerism among young men and women, a problem that county and state governments will soon have to address."* The Budget Committee believes that the Sussex County government is already addressing this issue when you consider the amount of funding that was increased in FY 2004 and what is being proposed for FY 2005.

The Budget Committee is pleased that we are able to continue to contribute to the SCVFA funding on a percentage that is exceeding the population and property value increases. However, with the adoption of the 2002 Land Use

Plan directing development toward the municipalities, the trend in the next five to ten years is going to be growth coming from within the corporate limits. This trend will have a direct affect on the County's realty transfer tax. Sussex County does not have the ability to collect this tax in the incorporated areas. The Budget Committee would strongly recommend that the Resource Committee start looking at municipalities for additional funding. It appears that the demand for services for growth will be in areas such as Bridgeville that is planning over 2,000 homes, Millsboro with over 4,000 homes, Georgetown 2,000 homes, and Dagsboro 1,500 homes. If these municipalities are going to encourage the growth, they should also support the fire service in their additional responsibilities.

3. **EMPLOYEES**

The Budget Committee is recommending that all employees receive a two percent cost of living increase effective July 1, 2004, and one percent January 1, 2005, plus a base level increase of \$750.00. The cost of living increase plus the \$750.00 would give an employee at the lower end of the pay scale a bigger percent of salary increase. For example, an employee making \$20,000 in FY '04 would have a starting salary of \$21,150. This is an increase of 5.75 percent. An employee making \$25,000 currently would have a starting salary of \$26,250 on July 1, 2004. This is an increase of five percent. Thirty (30) percent of County employees make less than \$25,000 annually. A \$35,000 employee would see an increase of 4.1 percent effective July 1, 2004. The Budget Committee believes the cost of living increase plus the \$750.00 level increase is an equitable way to increase the employees on the lower level of the pay scale. The \$750.00 should not be considered as a bonus and be confused with the \$500.00 that was proposed by the Minner Administration. This is strictly a level increase.

Funding will also be made available in the FY 2005 budget for merit promotions and longevity increases. The one percent cost of living increase effective January 1, 2005, is contingent upon expenditures and revenues being on target for the FY 2005 budget.

Retirees will see a one-and-a-half percent cost of living increase effective July 1, 2004. The Budget Committee is pleased that this is the sixteenth consecutive year that retirees have received a cost of living increase. Many public and private pensions, including the State of Delaware, do not provide retirees a regularly scheduled cost of living increase.

The Budget Committee believes that Sussex County government provides their employees with one of the best benefit packages being offered. During FY 2005, benefits will remain at the current level. The proposed FY 2005 budget will see the group hospital insurance rate increase 20 percent. During the new budget year each individual employee will have a contribution made in the amount of \$934.00 per month for vision, dental, and group hospitalization. This is an annual contribution of \$11,208 per employee. The County government will be self-insuring each employee for the first \$85,000. It is projected that group hospitalization will cost \$6,219,316 in FY 2005. This is a 30 percent cost increase, or \$1 Million more than FY 2004.

The pension contribution will increase 33 percent in FY 2005. The contribution rate of 13.9 percent will be required to be made to the gross recommended salary for each employee. During FY 2005, County government benefits for employees will cost 60.4¢ for every dollar the employee is paid. Long-term disability benefits that are provided by the County government to the employees have increased 31 percent for the new budget year. This increase is another example of uncontrolled budget costs.

Long-term insurance is beneficial to employees who have exhausted all of their sick and vacation time. The prescription and drug benefit program will remain at its current level without increases to the employees. Once again the employees will be allowed to transfer sick and vacation time from one full-time employee to another full-time employee. This program was established in FY 2002.

Liability for group hospital coverage for pensioners continues to be an added challenge for the County government budget. The County has funded this on

a pay-as-you-go basis in the past from the General Fund. The Governmental Accounting Standards Board (GASB) has issued a statement that will require the County to reflect the liability in our financial statement. This will require the County government to expend approximately \$2 Million per year to fund the pensioners' group hospital benefit liability. The County's actuary has completed a report which estimates the liability to be approximately \$19.5 Million in total. While there are very few public service employers who have fully funded this program, the Budget Committee is recommending that a FY 2005 contribution of \$883,458 be added to the \$1.5 Million that was contributed during FY 2003 and FY 2004.

It is anticipated that the new accounting standards will go into effect possibly during FY 2008. Any funding accumulated in this account will reduce the County's future annual liability for pensioners' benefits. The Budget Committee is concerned that the hospital benefit future liability shortfalls could have an impact on the County's bond rating as much as the effect underfunding the pension plan had in the early '80's. Funding contributions at this time will be beneficial in the future to administrators, County Councils, pensioners, as well as taxpayers.

4. **COUNTY COUNCIL**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$1,905,543	\$330,678	\$357,574	\$429,376	\$478,742

1 Council President

1 Council Vice President

3 Council Members

1 Clerk of the Council

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The County Council is the legislative branch of County government. The County Council consists of five elected members. Each Councilman is elected from his own district. The County Council President is elected by the members of the Council at their organizational meeting in January. The five Councilmen will receive an annual salary of \$22,519.33 effective July 1, 2004. The County Council President, which rotates each year at their organizational meeting, receives an additional \$1,000. This compares to Kent County Levy Court members who are compensated \$25,344, with the President being paid \$25,850. The New Castle County President is paid \$37,189 and members are compensated \$33,808.

The County Council's proposed 2005 budget allows for Council to belong to the following organizations:

- Delaware Association of Counties
- Delaware League of Local Governments
- Delaware Rural Water Association
- Delaware Safety Council
- Delmarva Water Transport Committee
- First State RC&D Council
- National Association of Counties
- Sussex County Association of Towns

Each Councilman will once again receive \$10,000 in funding for councilmanic distributions. This funding is made available through requests from nonprofit agencies. The Budget Committee would encourage the Councilmen to request anyone applying for this funding to provide their 501(c) number at the time of their application. The Recreation Assistance Program will remain at the same level of funding of \$6,000 per Councilman. As has been the

practice in the past, funding from these accounts is encumbered if not spent during the current budget year and carried over to the following year.

The Budget Committee is recommending that \$200,000 be made available for Community Improvements. This funding would be distributed at \$40,000 per Councilman. The funding could be used entirely in one Council district or could be leveraged with a Councilman representing other districts for a project of Countywide benefit. This would be the second year that this funding has been made available. Last year this program was a benefit for such programs as the Center for the Inland Bays Building Program, Marvel Museum, Milton Historical Society, Blades Marina, Georgetown Train Station, Delaware Vegetable Growers, and the Delaware Soybean Board. The Budget Committee believes this is an admirable way to return tax dollars back to the community [see Addendum 5].

The County Council will contribute to the following activities throughout the County during FY 2005:

- Delaware Technical & Community College Annual Women's Conference**
- District III Little League World Series**
- 4-H Foundation**
- Hispanic Festival**
- League of Women Voters**
- Needy Family Fund**
- Punkin Chunkin**
- Return Day**
- Senior Citizens' Beach Day**
- Slam Dunk to the Beach**
- South Bethany Tide Gauges**
- Sussex County Science Fair**
- University of Delaware Conference on Agriculture**
- Women's Health Conference**

The Economic Development Stimulus Loan Program that was established in FY 2004 will receive a contribution in FY 2005 of \$500,000. Currently there is \$1 Million available in this account. As of this writing, only the Town of Delmar has requested an application; however, several towns have indicated that they are in the process of developing a program. The Economic Development Stimulus Loan Program is used to assist municipalities in Sussex County with a low interest rate for the development of economically-beneficial programs. All Sussex County local governments in good standing with the Sussex County Association of Towns are eligible to apply for \$250,000 per application, with an interest rate of one percent for up to ten years. Anyone wishing to acquire more details on the program should contact the Finance Director at 302-855-7741.

Once again County Council meetings will be made available on a worldwide basis on the Internet. Those wishing to monitor Council meetings can do so by linking on to the County's home page of www.sussexcountyde.gov. In addition to the County Council meetings, Board of Adjustment meetings and Planning and Zoning Commission meetings are also available on the Internet. The meetings are scheduled as follows:

Sussex County Council	10:00 a.m.	First, third, and fourth Tuesday of each month
	6:30 p.m.	Second Tuesday of each month
Planning and Zoning Commission	7:00 p.m.	Second and fourth Thursday of each month
Board of Adjustment	7:00 p.m.	Second and fourth Monday of each month

Special meetings and additional meetings are posted prior on the bulletin board of the County Council, as well as the Planning and Zoning Office.

The Sussex County Council will accomplish the following objectives during budget year 2005:

- ✓ *Maintain public availability to all citizens of the County*
- ✓ *Promote pleasant work environment for the employees*
- ✓ *Encourage citizen participation to assist in making informed decisions*
- ✓ *Maintain financial stability*

5. **LEGAL**

The proposed FY 2005 budget will allow for the County to have an expenditure of \$241,700 for all legal services. The Budget Committee is once again encouraging that legal services be provided by the private sector. As the workload increases for the County staff, so does the responsibility of the Legal Department. Legal expenditures will increase 17 percent during FY 2005.

The County Council receives legal representation from the law firm of Griffin & Hackett. Mr. James D. Griffin will represent the County Council and Mr. Vincent G. Robertson will represent the Planning and Zoning Commission. Additionally, the County Council will receive legal representation from Assistant County Attorneys Ms. Rebecca L. Trifillis and Ms. Alix K. Robinson. Mr. Richard E. Berl, Jr., will continue with his representation of the Board of Adjustment. The legal staff will be responsible for representing the County Council in all legal matters and perform the duties as described in 9 Delaware Code, § 7005.

The law services of Young, Conaway, Stargatt & Taylor will once again represent the County in issues regarding personnel and labor matters. Potter Anderson & Corroon will be requested to assist in all financial matters, including bond funding. The law firm of Parkowski, Noble & Guerke,

although not on a retainer at this time, would be used should the need arise for legal representation on issues arising from environmental concerns.

Based on the volume of legal work that is required to manage the County government, the Budget Committee believes that it is best to continue to contract with the private sector.

The Legal Department will accomplish the following objectives during budget year 2005:

- ✓ *Attend all public hearings and meetings as required*
- ✓ *Advise and assist in drafting ordinances as required by the County Council*
- ✓ *Provide legal interpretations in a timely manner*

6. **GRANT-IN-AID PROGRAM**

During FY 2005, the grant-in-aid contribution will be \$9,888,677. Grant-in-aid contributions include programs for the Delaware State Police and the Sussex County volunteer fire and ambulance companies. Other programs funded through the account include Future Farmers of America, CHEER's Meal Program, Small Business Development Center, and First State Community Action. The Budget Committee is recommending that funding for these programs be continued at the current level.

The Budget Committee is recommending a contribution to the University of Delaware Extension Service located in Georgetown in the amount of \$113,512. The Sussex Conservation District will receive a contribution of \$125,504 for FY 2005. This is a three percent increase in funding for the salaries of the Coordinator, Sediment and Stormwater Management Assistant, and Equipment Manager. The \$125,504 contribution includes \$75,000 to match State funding for the Tax Ditch Program.

Human Service Grants will receive a contribution of \$110,000. This program is available for nonprofit agencies to apply for funding in August, with grants being awarded by the County Council in late October. Although this program is not scheduled to receive an increase in funding, the Budget Committee believes contributions that normally would have been made from this account could be made by the County Council with funding they will receive for their district for the Community Improvement Program. In FY 2004, \$149,250 was made available for Community Improvements while the FY 2005 budget will have \$200,000. The Budget Committee would recommend that Council awards in FY 2004 not be repeated to the same agencies in 2005.

One Hundred Five Thousand Dollars (\$105,000) will be made available for Revenue Sharing for municipalities in Sussex County. Municipalities that do not have a realty transfer tax or who collect less than \$20,000 annually in their realty transfer tax will be eligible to receive Revenue Sharing from the County in the amount of \$15,000. Sussex County is the only government in Delaware that provides a true Revenue Sharing Program to local governments.

Funding contributions for FY 2005 will be made to local governments in the following areas:

Town of Georgetown	Payment in lieu of taxes	\$ 6,042
	Treatment of waste from Sussex County	\$
40,000	Industrial Airpark	
	Treatment of waste from Ellendale	\$
42,000	Sanitary Sewer District	
City of Rehoboth Beach	Acquisition of water for Dewey Beach	
\$925,000	and treatment of sanitary sewer for Henlopen Acres and Dewey Beach	

47,000	Revenue Sharing for 9-1-1 fee for telephone bill	\$
City of Seaford \$174,000	Treatment of sanitary sewer for the Town of Blades and additional capacity	
39,000	Revenue Sharing for 9-1-1 fee for telephone bill	\$

The Budget Committee is once again recommending a grant subsidy program to those needing assistance in paying for their Sussex County sanitary sewer or water bills. To qualify for assistance an applicant must be a homeowner and a full-time resident of the home. The home must be served by the Sussex County sanitary sewer or water system. The applicant's liquid assets (cash, stocks, bonds, savings, etc.) and real estate, other than the owner-occupied home, must be less than \$15,000.

Programs that will be available for FY 2005 are:

- Sewer and Water Low-Income Assistance Program
- State of Delaware West Rehoboth Sewer Low-Income Assistance Program
- County Sewer and Water Low-Income Loan Program
- County Sewer Low-Income Septic and Connection Fee Assistance Program
- Federal Rural Development Hookup Cost/Loan Grant Program
- State Septic and Connection Fee Loan Program

Those wishing to obtain more information on these programs should contact the Sussex County Utility Billing Division at 302-855-7871.

In addition to the 25 percent across-the-board property tax credit for FY 2005 that has been proposed, as I spoke of earlier in this letter there are four other programs to assist property owners with paying their taxes in Sussex County. The proposed 2005 budget allows for the continuation of the County's property tax subsidy for the County's portion of the property tax bill. For the fourth year, this program that was established in FY 2002 allows any individual whose annual income does not exceed \$15,800 to be eligible for the program. Households having more than one adult cannot have an income exceeding \$20,000. This subsidy is in the form of a grant that can be applied to the County's portion of the property tax bill only. Funding cannot be applied to school or ditch taxes. This program does not restrict anyone from applying for the senior citizen or disability programs that give exemption from all property taxes.

Property tax assistance programs are:

- Exemption for Disabled (filing date - January 1 through April 30, 2004)
- Exemption for Residents Over 65 (filing date - January 1 through April 30, 2004)
- State Senior Citizen School Property Tax Credit (filing deadline - September 1, 2004)
- Sussex County Property Tax Subsidy

For additional information, applicants should contact the Sussex County Treasury Division at 302-855-7760. It should be noted that exemptions are not transferable if property is sold.

Funding in the amount of \$1,253,166 will be made available for the Sussex County Land Trust. In FY 2002 the County entered into a partnership with Sussex County Land Trust, a nonprofit conservation organization dedicated to protecting natural, cultural, agricultural, and recreational resources through land preservation, stewardship, and education for today and tomorrow [see Addendum 5].

The County Council has provided the following contributions to the Land Trust:

FY 2003	\$1,000,000
FY 2004	\$ 625,499
FY 2005	\$1,253,166

County Council funding pledged to the Land Trust shall only be used for land acquisition, the purchasing of development rights, or the stewardship of land purchased with County funds. Funds are not permitted to be used for general administration of the Trust. County funds contributed to the Trust may only be expended for specific purposes that are approved by four affirmative votes of County Council members at an open meeting. The \$1,253,166 contribution for FY 2005 is ten percent of the surplus that was generated from budget year 2003. Each year's contribution will be limited to excess revenue in the amount of ten percent from the previous audited budget year.

On February 10, 2004, the Sussex County Council voted unanimously to authorize the sale of 37.6 acres, more or less, of lands purchased by the County Council as part of a 187.68-acre tract known as the Jay Cannon Tract. The County Council authorized the purchase of this land to help with the expansion of the Dagsboro-Frankford Sanitary Sewer District. The 37.6 acres is separated from the main tract by a road and is adjacent to Vine's Creek. Because of the road setback requirements, the 37.6 acres were not suitable for spray, especially considering the value of \$35,000 per acre. It is anticipated that the Land Trust will purchase this land from the County after July 1, however before September 1, of 2004. The Center for the Inland Bays has expressed an interest in a partnership with the Sussex County Land Trust in creating educational activities at the site similar to what is taking place currently at the James Farm on Cedar Neck Road.

The primary reason for establishing the cooperative agreement between the Sussex County Council and the Sussex County Land Trust was to purchase open space. However, there is nothing prohibiting the use of a

portion of these funds to leverage with the State of Delaware Agricultural Lands Preservation Foundation. The Budget Committee is of the belief that the County Council, however, would prefer funding to the Land Trust be used for open space purchasing.

The Budget Committee is recommending \$300,000 be made available should the County Council wish to participate again in the purchasing of development rights on agricultural land in Sussex County. The \$300,000 would be generated from funds received from building permits. This funding will only be made available if there is a continuation of a two-to-one match. There must be \$300,000 made available from the State of Delaware and an additional \$300,000 from the Federal government. Funding made available in FY 2003 and 2004 was successful in protecting over 1,200 acres from development for eternity. The Budget Committee believes that any time you can put up 33¢ to spend \$1.00, it is prudent business. Should Council choose not to participate in the Agricultural Lands Preservation Program, the \$300,000 would revert back to the Capital Improvements Program fund.

Not only does this program protect farmland from development, legislation is being introduced that will allow for the spraying of wastewater on any farms enrolled in the program. Prior to this legislation farmers were not able to participate. By allowing local governments to spray wastewater on the land, the farmers will be guaranteed an additional income. It is believed that more people will be interested in enrolling with the program as they will get funding for selling of their development rights, as well as leasing the land for spray irrigation to local governments.

7. **COUNTY ADMINISTRATOR**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$168,759	\$169,488	\$150,550	\$199,202	\$220,037

County Administrator - Robert L. Stickels

1 Administrative Secretary

Telephone: (302) 855-7742 Fax: (302) 855-7749

E-mail: rls@sussexcountyde.gov

The County Administrator is required to perform duties as listed in Title 9, Delaware Code, § 7003, that include, but are not limited to, being the Chief Administrative Officer of the County, attending all necessary government meetings, and being responsible for the proper administration of all County affairs. During FY 2005, the County Administrator will represent the County Council on the following committees:

American Planning Association

Delaware Association of Counties

Delaware Emergency Medical Services Oversight Council

Delaware Inland Bays Estuary Program Executive Council

Delaware Sea Grant Advisory Council

Governor's Advisory Council on Planning Coordination

Livable Delaware Subcommittees

National Association of Counties

Sussex County Association of Towns

During FY 2005, the County Administrator will continue to be active with the Sussex County Association of Towns. The Administrator meets with the mayors, council members, and each town manager on a monthly basis. I believe Sussex County has an excellent intergovernmental coordination and cooperative agreement with local jurisdictions [see Addendum 16].

Intergovernmental cooperation programs include:

Revenue Sharing	7 Towns
Wastewater Service Provided	10 Towns
County Building Code Assistance	14 Towns

Payment in Lieu of Taxes

Georgetown

9-1-1 Revenue Sharing

**City of Rehoboth Beach
City of Seaford**

Purchase of Utility Services

**Town of Georgetown
City of Rehoboth Beach
City of Seaford**

Economic Development Stimulus Loan Program

During FY 2005, the County Administrator will meet on a quarterly basis with representatives of New Castle and Kent County governments. The County Administrator will also continue to communicate on a regular basis with our congressional representatives' staff.

During the upcoming year the County Administrator will work closely with the Engineering Department, Planning and Zoning Department, and Economic Development Office to enhance the quality of life in Sussex County through long-range comprehensive planning, to include recognizing the cost of the long-range goals and a financial plan for funding. Ideally, the Administrator would like to have plans finalized during the budget year that could be used until the year 2025 in areas of wastewater and airport expansion.

The County Administrator will accomplish the following objectives during budget year 2005:

- ✓ ***Encourage open lines of communication with department managers***
- ✓ ***Represent the County Council on funding assistance issues***
- ✓ ***Participate in long-term comprehensive planning with Engineering, Economic Development, and Planning and Zoning***
- ✓ ***Monitor the oversight of the County's revenue and expenditures with the Accounting Director and Finance Director on a monthly basis***

- ✓ *Provide annual transportation improvement requests for funding with the Delaware Department of Transportation, Capital Transportation Improvement Program*
- ✓ *Remain publicly accessible to the general public in matters pertaining to County government*

8. **FINANCE - ADMINISTRATION**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$261,962	\$279,735	\$370,984	\$487,719	\$565,191

Finance Director - David B. Baker

1 Finance Coordinator

1 Purchasing Agent

1 Administrative Secretary

Telephone: (302) 855-7741 Fax: (302) 855-7749

E-mail: dbaker@sussexcountyde.gov

In addition to the responsibilities listed for the Finance Director in Title 9, Delaware Code, § 7004, the Finance Director is responsible for overseeing the financial functions of the County government with respect to expenditures and revenues. As a key member of the Budget Committee, the Finance Director assists in monitoring monthly financial reports and preparing special financial analyses that assist the County Administrator in the monthly monitoring of the County's current budget. The County Finance Director oversees the Treasury Division, Accounting Division, Assessment Division, Utility Billing Division, and Data Processing.

The Finance Director is responsible for ensuring that all idle cash is invested at the highest interest rate while minimizing any risk. During FY 2005, it is

projected that the County's General Fund will receive an income of \$600,000 from investments. Earned interest rates continue to be at all-time low rates. As a result of the low rates, it is essential that the Finance Director market the County's investments with as many lending institutions in the County as possible. It is important that the Finance Director maximize the return on all funds available for investments without sacrificing safety or necessary liquidity. Because of the amount of deposits that we have in lending institutions, it is important that the Finance Director acquire collateralization with security by the United States government in an amount equal to 100 percent of the market value of the funds on deposit.

An additional responsibility of the Finance Director is to work closely with the County Administrator and County Engineer in developing planned expenditures. The Finance Director will recommend sources of funding to allow the County to continue with the pay-as-you-grow Capital Improvements Program. Whenever possible capital projects will avoid incurring long-term debt that is tax-dependent. By maintaining this policy more funding will go into the project with the avoidance of paying interest rates. This will be very beneficial to the taxpayers of the future.

The Finance Director will accomplish the following objectives during budget year 2005:

- ✓ *Maintain the County's financial stability and planning efforts*
- ✓ *Continue to collect delinquent taxes and sewer charges, including pursuing garnishes and judgments for manufactured homes*
- ✓ *Submit Comprehensive Annual Financial Report (CAFR) for Fiscal 2004 one month earlier*
- ✓ *Develop vehicle maintenance schedule procedures through Purchasing Agent*
- ✓ *Negotiate new audit agreement effective July 1, 2005*

- ✓ *Review refinancing of outstanding West Rehoboth sewer capital debt*
- ✓ *Review investment policies regarding collateral and investment composition with the goal of increased returns that provide security*
- ✓ *Request proposals for insurance for year beginning July 1, 2005*
- ✓ *Establish program to accept sewer and water and property tax payments via the Internet*
- ✓ *Investigate alternative group healthcare coverage while maintaining a minimum of current benefits*

9. **FINANCE - ASSESSMENT DIVISION**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$1,006,234	\$1,128,731	\$1,252,545	\$1,261,827	\$1,586,002

Director - Eddy J. Parker

1 Assistant Director

1 Chief Assessor

2 Assessor III

3 Assessor II

2 Assessor I

1 PC Programmer II

4 Clerk IV Supervisors

8 Clerk III Technicians

8 Clerk II-Data Entry

Telephone: (302) 855-7824 Fax: (302) 855-7828

E-mail: eparker@sussexcountyde.gov

It is the responsibility of this division to ensure that all land, buildings, improvements, and other special betterments, except those exempt from taxes by State law, are valued and added to the County's assessment rolls for the purpose of taxation. The employees of this division are also responsible for maintaining all County property record cards, maintaining tax maps, and issuing building permits. The director of this division oversees the daily operation of the County's Addressing Program, Constables' Office, and Building Code Department.

With property assessments increasing over 20 percent in the last five years, it is necessary that we employ another property assessor. This individual will work primarily in the coastal area and deal with additions. This will allow the current assessors who are assigned to those areas to concentrate on newly-constructed homes. A second employee will also be added as a clerk that will be shared part-time with the Assessment Division and part-time with the Building Code Department.

In FY 2004 a new software program was developed in-house that will be implemented to assist in the issuance of building permits. This program will be beneficial in eliminating some repetitious work that is required, as the building permits are now completed manually.

The Assessment Division will accomplish the following objectives during budget year 2005:

- ✓ ***Provide assistance in obtaining information for the general public, real estate industry, and law community relating to property records***
- ✓ ***Maintenance of computerized real estate and parcel database and data entry for transfers, name changes, and legal description of title changes***
- ✓ ***Assign an assessor with the responsibility for oversight of accurately picking up building expansions and additions***

- ✓ *Assist in the conversion of the new building code*
- ✓ *Convert paper records to microfilm to reduce storage insufficiencies for records*
- ✓ *Expedite the increasing of the assessment rolls for new construction*
- ✓ *Assure that the equity in existing assessment rolls is maintained*
- ✓ *Coordinate efficiency between Building Code, Constables' Office, Mapping and Addressing, and Planning and Zoning*

10. FINANCE - ACCOUNTING DIVISION

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$473,977	\$520,915	\$536,764	\$662,939	\$754,976

Director - Susan M. Webb, CPA

1 Assistant Director

1 Payroll Accountant

2 Accountant III

3 Accountant II

2 Accountant I

1 Clerk II Data Entry

Telephone: (302) 855-7853 Fax: (302) 855-7722

E-mail: smwebb@sussexcountyde.gov

The director of this division is responsible for assisting the County Administrator and the Finance Director in preparation of the annual budget and the recording of financial transactions through the budget year to prepare the monthly budget performance reports. A very important part of monitoring the annual budget is the preparation of the monthly monitoring

report that is provided to the County Administrator and the Finance Director.

Other responsibilities of the employees in this division include the processing of all County financial transactions in an accurate and timely manner, to include preparing payroll, maintaining fixed asset records, monitoring Federal and State grants, recommending and approving budget adjustments, review of all County bills, and coordination of the County's annual report.

The Accounting Division was very instrumental in assisting the County Finance Director in being recognized for financial reporting. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. This is the highest award the Government Finance Officers Association awards a county government for their financial reporting.

The Accounting Division will accomplish the following objectives during budget year 2005:

- ✓ *Assure that all accounting policies conform to generally accepted accounting principals as applicable to County government agencies*
- ✓ *Properly maintain current fixed asset records*
- ✓ *Maximize the efficiency of the accounting software*
- ✓ *Assure that funds received are deposited on the day of receipt and invested as soon as they are available in an interest-bearing account*
- ✓ *Efficiently collect all incomes due to the County including Airport rental income, fuel sale premiums, and Industrial Park tenant rents*

- ✓ *Complete an internal audit on all Industrial Park leases to ensure conformity with payment requirements and insurance standards*
- ✓ *Exercise the County's right to take advantage of any discounts for processing of payments in a timely manner*
- ✓ *Assist in the independent audit report, to include closing out year-end records to allow for completion of audited expenses in a timely manner*
- ✓ *Provide the County Administrator and Finance Director with a monthly budget monitoring report*
- ✓ *Comply with current Governmental Accounting Standards Board (GASB) regulations*
- ✓ *Assure that the County's independent audit is publicly available*

11. **FINANCE - TREASURY DIVISION**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$439,831	\$462,354	\$516,946	\$535,442	\$609,215

Director - Joyce F. Lord

1 Assistant Director

1 Tax Adjustment Specialist

1 Property Tax Address Controller

1 Accountant I

1 Clerk III Technician

2 Financial Clerk Teller II

1 Secretary II

Telephone: (302) 855-7760 Fax: (302) 854-5078

E-mail: jlord@sussexcountyde.gov

The Treasury Division is responsible for invoicing and collecting County property taxes, school property taxes, tax ditch assessments, capitation taxes, streetlighting assessments, and front foot assessments for the sanitary sewer districts.

During FY 2005, the Treasury Division will improve taxpayer knowledge of charges on the property tax bill. Every area of taxation will be separated as a separate line item. The staff, which has only had one employee added in the last ten years, continues to receive more and more requests for tax bill clarifications. Many of these requests are regarding the school portion of the property tax bill. Additionally, school taxes make up approximately 84 percent of the property taxes collected, with the County receiving 16 percent [see Addendum 9].

The Treasury Division is responsible for administrating the following tax assistance programs:

- Exemption for Disabled
- Exemption for Residents Over 65
- State Senior Citizen School Property Tax Credit
- Sussex County Property Tax Subsidy

The Treasury Division will accomplish the following objectives during budget year 2005:

- ✓ ***Coordinate efforts with the Addressing Department with an addressing comptroller to supply 9-1-1 addresses***
- ✓ ***Coordinate efforts with the Legal Department by submitting delinquent properties for sale, prioritizing the highest amounts owed***
- ✓ ***Coordinate with the Assessment Division to implement a workable system to eliminate duplication of capitation tax***

- ✓ *Re-bill all payments received that have not been paid in full as soon as possible*
- ✓ *Enhance information for taxes and exemptions on the Internet*
- ✓ *Expedite the billing and collection of all school taxes*
- ✓ *Provide property tax information in a timely and efficient manner*

12. **BUILDING CODE**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$621,302	\$736,433	\$846,517	\$816,201	\$949,117

Chief of Building Code Inspectors - Van W. Milligan

1 Code Enforcement Officer III-Plans Review Specialist

2 Code Enforcement Officer III

1 Code Enforcement Officer I

1 Clerk III Technician

1 Secretary II

1 Clerk II

Telephone: (302) 855-7860 Fax: (302) 855-7869

E-mail: vmilligan@sussexcountyde.gov

The Building Code Department is responsible for doing plan review and building inspections for additions and residential and commercial structures. The County contracts with First State Inspection Agency to perform field inspections for the single-family portion of the inspection program.

The Building Code Department will continue to provide services for local municipalities that require this service. Currently the County provides single-family home inspections for 14 municipalities, and multi-family and

commercial inspections for 15 municipalities [see Addendum 16]. This service is provided by the County without a cost to the local governments. Many of the small municipalities would not be able to have this program if the County did not provide the administrative portion of this service. The entire cost of the inspection program is paid for by the users of this service.

The FY 2005 budget allows for the implementation of a new building code. It is anticipated that enforcement of the new International Building Code/International Residential Code will take place. The adoption of this Code will be beneficial in bringing building codes into Statewide uniformity. The new Code will include an upgrade in construction standards in the coastal area. Enforcement of properties located east of the established building line have to be built to withstand 110-mile-per-hour winds. The building line would start at the mouth of the Lewes-Rehoboth Canal and continue south through the Lewes Canal to a point east of Massey's Landing, continuing south through Assawoman Bay to the Maryland line. The establishment of this line has received tentative approval from the County Council and has the endorsement of the municipalities in the coastal areas that would be affected by the upgrade.

During FY 2005, it is projected that the Building Code Department will be responsible for providing the following inspections:

Single-Family Homes	2,000
Modular Homes	300
Additions to Structures	2,000
Additional Inspections	1,500
Commercial Projects	300
Multi-Family Projects	50

The Building Code Department will accomplish the following objectives during budget year 2005:

- ✓ *Complete review and comments on all single-family homes within five working days*
- ✓ *Complete review and comments on all commercial projects within 15 working days*
- ✓ *Continue to coordinate efforts with the Fire Marshal's Office in regard to commercial structures*
- ✓ *Maintain the current fee structure*
- ✓ *Provide educational opportunities for inspectors to ensure that they receive the necessary training and education for implementation of the International Building Code/Residential International Code*
- ✓ *Assist County Administration in developing educational workshops for the general public and contractors on implementation of the new building code*

13. **PERSONNEL**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$230,969	\$313,965	\$281,136	\$347,745	\$504,703

Director - Dennis V. Cordrey

1 Assistant Director

1 Payroll Accountant

1 Accountant I

1 Clerk III Technician

Telephone: (302) 855-7711 Fax: (302) 855-7715

E-mail: personnel@sussexcountyde.gov

The Personnel Department is responsible for assisting the County Administrator in providing a healthy work environment to instill a spirit of professionalism among all employees and to assist the employees in all areas of personnel practices. The department is responsible for assisting the County Administrator in recruiting, testing, and interviewing in the selection of future County employees. Personnel records for current County employees plus retirees are managed by this department. These records include medical, vision, dental, and life, accidental death, and long-term disability insurance. The department maintains individual files for each retiree, employee, as well as spouses and dependents.

During FY 2005, the Personnel Department will continue with the practice of posting all County positions on the Internet website, as well as notices being sent to Delaware State University, the University of Delaware, and Delaware Technical & Community College, Jack F. Owens Campus, Georgetown. It is the goal of this practice to try to attract the best qualified applicants for each position that is available.

During FY 2005, the department will review and make recommendations, if needed, for changes to the present personnel performance evaluation process. Each department head is responsible for doing an evaluation of their employees on an annual basis. Personnel will also review all County job descriptions to ensure uniformity in grade and level and equity in compensation.

The Personnel Department will accomplish the following objectives during budget year 2005:

- ✓ ***Assist the County Administrator in assuring that the County maintains a competitive compensation and benefit package that is cost-effective***
- ✓ ***Post all employment vacancies***
- ✓ ***Review and evaluate County employees' benefits***

- ✓ *Process all health, dental, and vision reimbursements in a timely manner*
- ✓ *Review job classification categories to ensure employees are being compensated for the work that they are performing*
- ✓ *Coordinate training and education between departments*
- ✓ *Maintain automated sick, vacation, and compensatory records*
- ✓ *Identify, develop, and coordinate training opportunities for staff development*
- ✓ *Ensure that all employees receive an annual evaluation*
- ✓ *Maintain lines of communication with pensioners in regard to their pension and benefits*
- ✓ *Complete all reporting documents as needed by State, Federal, or County administration*
- ✓ *Provide the Accounting Division, for payroll purposes, payroll deductions for time missed not covered by sick, vacation, or compensatory time*

14. **MANAGEMENT INFORMATION SYSTEMS**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$734,008	\$854,482	\$336,642	\$332,160	\$514,292

Supervisor - Eddie C. Sparpaglione

1 Webpage Designer
1 Network Technician I
1 PC Technician II
2 PC Technician I
1 Communications Specialist
Telephone: (302) 855-7898 Fax: (302) 853-5889
E-mail: ecs@sussexcountyde.gov

During budget year 2003, Management Information Systems was combined with the Data Processing Department. Since reconstruction of the departments, services to individual departments have improved and an abundance of work has been accomplished. During FY 2005, the primary goal is to assist various departments in implementing and maintaining various technologies that will allow them to perform their functions more efficiently, with a higher level of customer support and satisfaction.

During the last quarter of budget year 2004, a new employee was hired for this department—a Communications Specialist. With the hiring of the Communications Specialist the County has begun the process to install and implement a comprehensive network-based phone system that will cover all of the departments in the Administrative Building. This phone system will assist interdepartmental communications and public relations with the ability of an after-hour automated information service and messaging. It is the goal of this program to reduce our overall expenditures for the telephone system.

Funding has been made available in the proposed 2005 budget to allow for the installation of a comprehensive power protection for the network/phone system. The network has grown to be depended upon by various departments and some of these utilize it 24 hours a day, 365 days a year. This upgrade will ensure that it will remain available and operational during an extended power outage.

Management Information Systems will accomplish the following objectives during budget year 2005:

- ✓ *Maintain security cameras for the Administrative Building and West Complex*
- ✓ *Manage the Internet-based broadcasting of all Council meetings, Board of Adjustment meetings, Planning and Zoning Commission meetings, and special meetings held in the Council Chambers*
- ✓ *Maintain hardware and software inventory for the computing infrastructure*
- ✓ *Assist the County Administrator in producing electronic presentations*
- ✓ *Install comprehensive power protection for network/phone system*
- ✓ *Implement a Countywide phone system*

15. **MAPPING AND ADDRESSING**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY ' 04</u>	<u>Budget</u> <u>FY '05</u>
-0-	-0-	\$630,499	\$645,502	\$794,850

Supervisor - Matthew M. Laick

1 GIS Specialist

2 GIS Technician I

1 CAD Technician II

2 CAD Technician I

6 Addressing Technician I

1 Clerk II Data Entry

Telephone: (302) 855-1176 Fax: (302) 853-5889

E-mail: mlaick@sussexcountyde.gov

During budget year 2005, Mapping and Addressing will continue to strive toward the completion of an accurate telephone base. To meet national

standards the assigned addresses must meet 95 percent accuracy Countywide. To date, Sections 1, 2, and 3 have been completed with addresses delivered. During budget year 2005, the department will work with the State and Verizon to assure the accuracy of these addresses. Section 4 will be completed during budget year 2005.

Federal legislation has mandated that cellular phones must be able to be located when calling for 9-1-1 assistance. The department will work with the Emergency Operations Center to develop a point-based system to ensure the location of cellular phones.

In complying with the request of the County Council, the department continues to install signs on private roads. To date, 425 private road signs have been installed and it is estimated that it may take as many as 2,000 to complete this project. The Budget Committee is recommending that the department only install one time. Signs that are damaged or stolen will be the responsibility of the residents on the private road.

The Mapping and Addressing Department will accomplish the following objectives during budget year 2005:

- ✓ ***Complete the delivery of addresses for Section 4***
- ✓ ***Work cooperatively with Verizon and the State of Delaware to complete the accuracy of Sections 1, 2, and 3***
- ✓ ***Review and approve all road names and addresses for new subdivisions***
- ✓ ***Continue the installation of signage on private roads***
- ✓ ***Provide GIS mapping support for interdepartmental use***
- ✓ ***Provide tax parcel mapping for the Assessment Division and the general public***

- ✓ *Assist the Treasury Division in address conversion for the purpose of billing*

16. **CONSTABLES' OFFICE**

<u>Actual</u> FY '01	<u>Actual</u> FY '02	<u>Actual</u> FY '03	<u>Budget</u> FY '04	<u>Budget</u> FY '05
\$197,868	\$164,539	\$161,123	\$162,029	\$236,829

County Constable - Robert N. Betts

4 Constables

Telephone: (302) 854-5034 Fax: (302) 855-7828

E-mail: rbetts@sussexcountyde.gov

The Constables' Office is responsible for the enforcement of all Sussex County codes and the collection of delinquent taxes, sewer and water bills, miscellaneous accounts receivable, and non-sufficiently funded checks. During budget year 2005, the office will continue working closely with the Justice of the Peace courts and the Attorney General's Office in prosecuting offenders of County regulations.

First State Manufactured Housing Association has been instrumental in assisting the Constables' Office in locating and identifying all manufactured homes in the County which are abandoned and derelict. First State Manufactured Housing Association has provided a grant of \$8,000 to be matched by the County to allow the County Council to establish a program to provide a zero interest loan to property owners who are in need of assistance in cleaning up unsightly and unsafe manufactured homes. As a result of the joint effort with the Constables' Office and First State Manufactured Housing Association, the County has successfully removed 80 unsafe manufactured homes in the County during the last 12 months.

During the new budget year the Constables' Office will be asked to work with the Building Code Department and the Planning and Zoning Department

to identify construction projects with expired permits. There are occasions when the proper building permits have been taken out, but the builder or homeowner fails to call for final inspection. Stepping up the final inspection process will be beneficial in adding new properties to the tax rolls.

The Constables' Office will accomplish the following objectives during budget year 2005:

- ✓ *Continuation of removal of unsightly and unsafe manufactured homes*
- ✓ *Vigorous and aggressive pursuit of collection of back taxes, overdue sewer and water bills, insufficiently funded check reimbursements, and open permits*
- ✓ *Investigate and resolve complaints from the general public in a timely and professional manner*
- ✓ *Assist the Planning and Zoning Department with correction of zoning violations*

17. PLANNING AND ZONING

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$784,695	\$795,443	\$956,181	\$921,224	\$1,070,117

- Director - Lawrence B. Lank
- 1 Assistant Director
- 1 Environmental Planner
- 1 Land Use Planner
- 2 Zoning Inspector III
- 2 Zoning Inspector II
- 3 Zoning Inspector I
- 1 Clerk IV Supervisor

1 Clerk III Technician

1 Clerk II Data Entry

Telephone: (302) 855-7878 Fax: (302) 854-5079

E-mail: llank@sussexcountyde.gov

The Planning and Zoning Department is responsible for providing zoning information on building permits (including setbacks from property lines), building locations, and accessory use locations. The department coordinates all necessary advertising and scheduling of public hearings for the Sussex County Planning and Zoning Commission and the Sussex County Board of Adjustment.

The FY 2005 budget for the Planning and Zoning Department has increased 16.2 percent over FY 2004. This increase is due directly as a result of the increase in work for the staff. The passage of State law requiring all applications to be submitted to the State Planning Office prior to the County Council accepting them will cause County staff to have to participate in the preliminary review of the projects. Most of these meetings will be held in Dover. The County Council has also recently passed an ordinance requiring all Residential Planned Communities to be reviewed by the Technical Advisory Committee. Both of these processes will be beneficial in refining applications to make sure they are in compliance with State and County regulations. However, they will add additional work and cost to the County. This additional cost should be offset by incomes that will be generated from the additional work. The Budget Committee does not believe there is any need to raise costs for fees associated with this department at this time.

The Budget Committee is proposing \$25,000 for Other Professional Services to allow for the hiring of an outside consultant to work with the Board of Adjustment and to prepare ordinances related to the Comprehensive Land Use Plan and zoning subdivision ordinances. Any funding that is not utilized during the budget year would be encumbered to allow for the start of a reserve fund for the next Comprehensive Land Use Plan which will be due for completion in October of 2007.

The Planning and Zoning Department will provide the Constables' Office with a list of outstanding permits and all zoning violations.

Funding has been allocated in the proposed FY 2005 budget to allow for the Planning and Zoning Commission to meet 36 times during the year. The Board of Adjustment will have funding budgeted to allow for 30 meetings during the year. Because of the current workload many applications are not being heard for eight to nine months.

The County Administrator has recommended that an ordinance be considered that would allow for the Planning and Zoning Director to approve subdivisions of 25 lots or less. The director would be required to give public notice that an application has been received. Anyone wishing to object to the subdivision approval could require a public hearing by providing substantial reasons as to why the subdivision would not meet the County's current regulations and Land Use Plan. This process would give some relief to the Planning and Zoning Commission. On very few occasions has the Planning and Zoning Commission denied subdivisions of 25 lots or less. There is also the legal question of whether the Commission can deny a subdivision if it meets all of the current regulations.

The Planning and Zoning Department will accomplish the following objectives during budget year 2005:

- ✓ *Recommend changes to the County's land use ordinances*
- ✓ *Coordinate activities between the Sussex County Engineering Department and State of Delaware agencies*
- ✓ *Coordinate technical review of pending applications and process all applications in a timely manner*
- ✓ *Coordinate violation activities with the Constables' Office*
- ✓ *Maintain membership with the American Planning Association*

- ✓ *Assist in providing training seminars for board members and staff*
- ✓ *Maintain all County zoning ordinances on-line for accessibility to County departments and the general public*
- ✓ *Provide a review of all development activities for compliance with adopted ordinances and the Land Use Plan*

18. **EMERGENCY OPERATIONS AND PREPAREDNESS**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$1,775,232	\$1,606,029	\$1,472,323	\$1,635,891	\$1,823,479

Director - Joseph L. Thomas

1 Assistant Chief Dispatcher

1 Quality Assurance Supervisor

1 Emergency Plan Coordinator

4 Emergency Communications Supervisors

5 Emergency Communications Specialist II

10 Emergency Communications Specialist I

1 Communications Support Tech II

3 Communications Support Tech I

1 Clerk III

Telephone: (302) 855-7801 Fax: (302) 855-7805

After Hours: (302) 855-7803

E-mail: jthomas@sussexcountyde.gov

This department consists of Emergency Preparedness, Emergency Operations Center, Local Emergency Planning Committee, and Emergency Operations Communications. The department is responsible for natural disasters such as snowstorms, floods, hurricanes, and nor'easters. The

department also assists in such matters as technical disasters (i.e. chemical spills or hazardous material incidents).

The Emergency Operations Communications Center provides E-9-1-1 service for all residents of Sussex County. The County's portion of the 9-1-1 Center is responsible for dispatching fire companies, ambulance squads, and the County paramedics. The 9-1-1 Center is shared with the State of Delaware whose dispatchers are responsible for dispatching State police, the medivac helicopter, and the local police departments.

The Emergency Operations Department is responsible for protecting the health, safety, and welfare of the citizens and visitors of Sussex County. It is crucial that this department maintain an extremely high level of professionalism to assure that the general public is receiving the most up-to-date communications during a disaster. The Delaware Emergency Management Agency (DEMA) works closely with this department in coordinating information between the towns in Sussex County. DEMA is responsible for coordinating conference calls between local governments, State agencies, and the weather service. It is not unusual during an incident that the department is involved with five to six bridge calls in a 24-hour period.

Currently the Emergency Operations Center has sufficient staffing to allow for four dispatchers for each shift when necessary. It is necessary that funding be allocated to allow for overtime because of the increased workload as a result of holiday activities in the County or inclement weather.

During FY 2005, staff of the Emergency Operations Center will continue to give regional training for priority dispatch. The Center has been authorized to provide this training. Six to eight sessions a year are anticipated with students coming from the Eastern Shore of Maryland, New Castle County and Kent County, as well as Sussex County.

The Communications Support Section of the Emergency Operations Center continues to see their workload increase. During FY 2005, the

Communications Support Section will expand electrical service at the West Complex to better accommodate County equipment. Additional work will require maintenance of the five County-owned communication towers and continued support of all County-owned radio systems, to also include 800 megahertz UHF paging for the fire service in the County. With the completion of the Gumboro tower site the staff will develop a simulcast paging system that will be beneficial for the southwest corner of the County.

The Mobile Command Center will again be readily available to local fire and ambulance companies on an as-needed basis. In the past, this equipment has been very beneficial as an information center and a field meeting room facility in both Kent and Sussex County.

During FY 2004, the County Council gave approval for the hiring of L. Robert Kimball and Associates to design a new Emergency Operations Center facility. The current facility, which is 6,100 square feet and was constructed in 1978, has become outdated and undersized. The new facility would be located to the south of the current facility, adjacent to the entrance to the Sussex County Airport. It is proposed to be a 21,000-square-foot, two-story building. The building will be of glass-resistant construction, including walls and glass. It will contain two conference rooms, a mechanical room, seven offices, two restrooms, bunkroom with showers, kitchen, operations room, 9-1-1 Communications Center, reception area, and computer system server room. The building will be served by an emergency-powered generator in the event of loss of electric. This emergency service will include an uninterruptible power supply to support a multi-zone heating and air conditioning system, temperature and humidity control, and building filtered air system to prevent against nuclear radiation. The facility will enlarge the dispatch area that is currently shared by the State of Delaware and County dispatchers. In addition, there will be offices made available for the State police, National Guard, Red Cross, Department of Natural Resources, and Department of Transportation. These offices will be offered at no cost to the State agencies.

It is anticipated that the design will be completed in the fourth quarter of FY 2005. Occupancy would be available in the spring of 2007. The current 9-1-1 facility is anticipated to be converted to offices for the Sheriff and the Paramedic Department.

The Local Emergency Planning Committee, which is part of the County's Emergency Operations Center, is responsible for instituting safeguards pertaining to emergency preparedness operations in time of a hazardous material release or spill from fixed or mobile facilities that may affect the general public. The department is responsible to comply and maintain records of inventory of facilities that produce, store, or sell hazardous materials in Sussex County. This information is to be made available through the Dispatch Center to first responders, as well as the general public upon request. This program is funded 100 percent through a grant from the State of Delaware, with funding being made available from the users, handlers, and producers of hazardous materials.

During budget year 2005, it is anticipated that the director of this department will conduct on-site audits of a minimum of one-third of the facilities in Sussex County. Staff will be available upon request to assist businesses with proper reporting procedures. The director will participate in activities with other agencies to include the State Emergency Response Commission, Seaford Mutual Assistance Group, Technical and Public Outreach Committee, and the Planning and Training Committee of the State Emergency Response Commission.

Emergency Operations and Preparedness will accomplish the following objectives during budget year 2005:

- ✓ ***Provide regional training for emergency medical dispatch priority***
- ✓ ***Maintain the mobile command office to offer public safety with intergovernmental agencies***

- ✓ *Assure that there are open lines of communication with the fire service on issues relating to dispatching, communications, and emergency preparedness*
- ✓ *Maintain the UHF paging system for the Sussex County volunteer fire service*
- ✓ *Upgrade siren equipment for the fire and ambulance service*
- ✓ *Audit one-third of the existing facilities and investigate new facilities in the chemical reporting program for the Local Emergency Planning Committee*
- ✓ *Provide an annual workshop for the Sussex County Association of Towns to provide information to local officials relating to emergency management*
- ✓ *Provide emergency assistance for local towns and school districts with emergency management needs, as well as provide prompt, accurate, up-to-date information during emergency events*
- ✓ *With completion of the Gumboro tower site, develop a simulcast paging system in Sussex County to benefit the southwest section of the County*
- ✓ *Improve on the maintenance and monitoring of the five County-owned tower sites*
- ✓ *Provide insight and planning recommendations to the designer of the new 9-1-1 Center*
- ✓ *Remain active as a regional training facility for priority dispatch by conducting six to eight training sessions during FY 2005*

19. EMERGENCY MEDICAL SERVICES

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$5,145,550	\$5,656,071	\$6,153,005	\$7,250,079	\$8,625,469

Director - Glenn H. Luedtke

- 1 Deputy Director**
- 1 Technical Services Division Manager**
- 1 Operations Division Manager**
- 1 Professional Standards Manager**
- 1 System Administrator**
- 1 Office Manager**
- 1 Technical Services Assistant**
- 4 Paramedic Supervisors**
- 14 Paramedic III**
- 29 Paramedic II**
- 35 Paramedic I**
- 6 Paramedic Students**
- 1 Clerk III Technician**
- 1 Clerk Typist I**
- 1 Mechanic I**

Telephone: (302) 854-5050 Fax: (302) 855-7780

Website: www.sussexcountyde.gov/scems

E-mail: gluedtke@sussexcountyde.gov

Sussex County Emergency Medical Services is responsible for providing mobile healthcare services to improve the quality of life within Sussex County. This is accomplished through direct patient care, continuous quality improvements, innovative technologies and procedures, and comprehensive education and training of paramedic staff and the general public.

The FY 2005 budget allows for Sussex County Emergency Medical Services (EMS) to support seven paramedic units and two supervisor units. Emergency Medical Services provides advanced life support service to all of

Sussex County and a portion of Kent County (primarily Milford). The system operates out of nine facilities with a staff of 98. This includes paramedics, administrators, and support personnel. The department utilizes a fleet of 26 vehicles.

During budget 2004, the County Council authorized the hiring of three additional staff members who are enrolled in the Paramedic Training Program at Delaware Technical & Community College. This program will be very beneficial in allowing the EMS Department to hire Sussex County residents in the future. It has been very difficult to hire Sussex County natives because of the lack of formal training. It is anticipated that the training program will be completed the first quarter of FY 2006.

The EMS Department's aggressive recruiting program has enabled the County to make considerable gains toward staffing goals. Between July 2003 and February 2004 the County has hired 11 new paramedics. Two other paramedics left the department, resulting in an overall gain of nine, with three anticipating leaving before the start of FY 2005. This will result in starting budget year 2005 with four paramedics short of the County's authorized staffing level. Nonetheless, with projected staffing levels it is anticipated that we will operate at a full configuration of seven paramedic units and two supervisors during the entire year of FY 2005.

During budget year 2005, EMS management will work with the State of Delaware in providing input on the design of a new Public Safety Center in Bridgeville. During FY 2004, the County Council approved providing \$1.1 Million toward the conversion of the Visitors Center in Bridgeville into a Public Safety Center to house Troop 5 of the Delaware State Police and Paramedic Unit 107. It is projected that the Center will be operational in the fall of 2005. Paramedic Unit 201 that was located in Blades will be relocated to the Laurel area. The facility that housed the 205 unit will be made available to the west side supervisor. The 107 unit will be located in the Seaford Fire Hall until completion of the Public Safety Center.

Station 106, which was relocated in FY 2004 to the Mid-Sussex Rescue Squad building on Route 5, north of Route 24, will remain in this facility during budget year 2005. The move of Station 106 to the Mid-Sussex Rescue Squad building has enabled us to house a vehicle indoors while providing suitable living quarters for the personnel.

During budget year 2005, the EMS Department will investigate the possibility of relocating Station 103 that is currently at the Stockley Center. The EMS Department has been asked to determine a more favorable location to reduce response times of this unit and will work with the State EMS Office to investigate the feasibility of a pilot project for the unit.

The EMS Department responded to 12,546 calls during calendar year 2003. In a 365-day year, 24 hours a day, this computes to 34.4 calls a day, or 1.4 calls per hour in the County. This is a 3.8 percent increase over the previous calendar year. Medic Unit 102, having to respond to 2,885 calls a year, continues to be the biggest unit, justifying the adding of Unit 107. With the implementation of Unit 107 the western side of Sussex County will go from having two paramedics a shift to five, with two paramedics on Unit 102 and the new supervisor position.

Calendar 2003 Unit Responses

Seaford – Medic Unit 102	2,885 Responses
Milford – Medic Unit 104	2,267 Responses
Stockley – Medic Unit 103	2,104 Responses
Lewes – Medic Unit 101	1,694 Responses
Millville – Medic Unit 105	1,630 Responses
Lincoln – Medic Unit 106	1,298 Responses
Supervisor – EMS 100	548 Responses

Other

120 Responses

The proposed FY 2005 budget indicates that the County will have an expense of \$8.6 Million for paramedic services. The County shares 60 percent, \$5.2 Million, and the State's 40 percent share will be \$3.45 Million. This is an increase of 19 percent over FY 2004. The \$8,625,469 is the largest single department expenditure in the FY 2005 budget. While this is a Countywide program, the Sussex County government funding portion of the \$8.6 Million program is paid solely from the realty transfer tax collected in the unincorporated areas of our County.

Emergency Medical Services will accomplish the following objectives during budget year 2005:

- ✓ *Provide staffing for seven paramedic units and two supervisor units 24 hours a day, 365 days a year*
- ✓ *Hire four additional paramedics*
- ✓ *Continue to support three students currently enrolled in the Delaware Technical & Community College Paramedic Training Program*
- ✓ *Maintain a high community visibility*
- ✓ *Maintain a high quality of advanced life support for Sussex County visitors and residents*
- ✓ *Improve response times, particularly in western Sussex County*
- ✓ *Provide comprehensive education and training for paramedics, both externally and internally*
- ✓ *Conduct annual evaluations in a timely manner*

- ✓ *Investigate cost-saving procedures without jeopardizing the quality of service being provided*

20. **DATA PROCESSING**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$315,618	\$346,288	\$437,386	\$416,585	\$495,664

Director - Bonnie O. Smith

1 Assistant Director

2 Programmer II

2 Computer Operator II

Telephone: (302) 855-7846 Fax: (302) 855-7845

E-mail: dataprocessing@sussexcountyde.gov

During budget year 2005, Data Processing and the Information Systems offices will continue to work together to provide the most up-to-date technology for County staff. This relationship has been beneficial to the County as technologies and applications continually change.

The Data Processing Department assists various departments and the general public on a daily basis. Data Processing generates information that is important to outside sources, and those requests are needed in a prompt manner. Although the County government is providing more information every day through the Internet, the individual attention that is needed by the general public for information requests has not reduced.

The Data Processing Department will work on a number of major projects, as well as maintain the day-to-day operations of the AS/400/iS series, tax assessment information, Treasury applications, Utility Billing applications, support of the financial applications, payroll applications, and the numerous requests from Data Processing from various State and local agencies, as well as the general public.

The 9-1-1 database accessibility will require developing methods to incorporate the 9-1-1 data into the County's main database. The development of this interface will allow users to have access to property information by either the 9-1-1 address or the County's district map and parcel ID. This interface will also be a valuable tool to use for the analysis of the County's database. When the 9-1-1 system was developed, no provisions were made to interface the 9-1-1 data with the present County database, which will require cooperation and coordination between the departments for this project to be successful.

The redesign and conversion of the present database into smaller, more manageable files will take place during FY 2005. This conversion is a required part of the 9-1-1 database accessibility project.

Presently water and sewer payment history is kept for four quarterly billings and customer information is changed dynamically. New rules will be set up to keep several years of payment history and customer information current. This will assist the Engineering, Finance, and Utility Billing departments with any research they may deem necessary.

During budget year 2005, Data Processing will investigate the possibility of establishing a pre-authorized payment for sewer and water accounts. Data Processing will work closely with the Utility Billing Division and a financial institution to make provisions for a customer's sewer and water account to be electronically paid. This will require a customer's pre-authorization. Once the account has been set up, all of the billing and payments of the account will be done electronically, with only a statement being sent to the customer. The Budget Committee realizes that it will take time for this program to be accepted by the public, but many private utility suppliers are using a similar system.

The Data Processing Department will accomplish the following objectives during budget year 2005:

- ✓ ***Assist in the 9-1-1 database accessibility***

- ✓ *Develop County database redesign*
- ✓ *Develop a program to allow for sanitary sewer and water bill history*
- ✓ *Investigate the possibility of establishing a pre-authorized payment for sewer and water accounts*
- ✓ *Generate income to the General Fund by processing public information requests from various sources*
- ✓ *Maintain interdepartment cooperation by providing a high quality of information in a timely manner*

21. **ENGINEERING - ADMINISTRATION**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$649,671	\$726,119	\$664,771	\$886,343	\$1,425,202

County Engineer - Michael A. Izzo, P.E.

- 1 Assistant County Engineer**
- 1 Director of Engineering Accounting**
- 1 Director of Utility Engineering**
- 4 Project Engineers**
- 1 Historical Planner**
- 1 Office Manager**
- 1 Accountant II**
- 2 Accountant I**
- 1 Permit Technician I**
- 1 Clerk IV Supervisor**
- 1 Clerk III Technician**
- 1 Clerk II Data Entry**

Telephone: (302) 855-7718 Fax: (302) 855-7799

E-mail: mizzo@sussexcountyde.gov

The primary responsibility for Engineering Administration is the design, construction, and operation and maintenance of public utilities. This responsibility includes wastewater treatment and disposal plants, public water systems, and the Sussex County Airport and Industrial Park. The County Engineer is also responsible for oversight and administration of the Planning and Permits Division, Utility Construction Division, and the Public Works Division. Currently Engineering Administration is involved with 90 working projects. During the next five years the department will be involved with \$171,614,600 in Capital Improvements projects. This includes \$29,079,473 for FY 2005 [see Addendum 12].

With the growing demands of the Engineering Department, it is obvious additional staff will be needed. However, available space is limited in the County Administrative Office Building. Further, there is an enduring need for a proper storage facility for the County records. The Five-Year Capital Improvements Budget allows for a study to take place in FY '06 that would incorporate both the long-term needs of the Engineering Department as well as records retention requirements. One solution might be the construction of a new Engineering building, which would include space for records storage and management. The Capital Improvements Budget would allow for expenditures in FY '07 and FY '08 for a new building. During FY 2005, the Finance Director, County Engineer, and County Administrator will start a land search in Georgetown that would be suitable to house this type of facility.

As part of Engineering Administration's developer negotiation program, the Engineering Department will complete negotiations with the private sector to construct a regional pumping and transmission system for the Millville area. This project will be very beneficial to the Town of Millville and the North Millville expansion area of the Bethany Beach Sanitary Sewer District.

Engineering Administration will be involved with several projects at the Sussex County Industrial Airpark. The County Council has given approval for the extension of Runway 4/22. The Engineering Department will perform a feasibility study for alternative roadways, complete an environmental

assessment, and continue to investigate land acquisitions. Runway 10/28 will have the design completed and bids will be received for the construction of the rehabilitation of this runway.

Selection of a consultant to design and oversee the fire supply system for the Airport and Industrial Park will be completed in 2005. The expanded fire system is necessary to allow for expansion of both the Airport and the Industrial Park.

Other projects that Engineering Administration will be involved in during budget year 2005 include completion of the expansion of the Milton Library, initiating the plan and design of expansion for the South Coastal Library, participating in the design and completion of the Emergency Operations Center, and bidding and overseeing construction of the expansion of the Pinetown Sewer District.

Engineering Administration will accomplish the following objectives during budget year 2005:

- ✓ ***Oversight of design and construction of new and expanded sanitary wastewater treatment facilities***
- ✓ ***Oversight of Capital Improvements projects to include the Airport, Milton Library, and Emergency Operations Center***
- ✓ ***Investigate alternatives for design and treatment of sanitary sewer***
- ✓ ***Develop a public administration program to encourage more private bidders on construction projects***
- ✓ ***Provide the County Council with timely and quantitative information regarding capital projects Countywide***

22. **ENGINEERING - PLANNING AND PERMITS DIVISION**

Costs for this division are included with Engineering Administration.

3 Planning Technicians

5 Permit Technicians

1 Clerk II Data Entry

Telephone: (302) 855-7719 Fax: (302) 855-7799

E-mail: rarchut@sussexcountyde.gov

Each year the Budget Committee realizes the increased workload that the Planning and Permits Division is facing as a result of the increased population and building in the County. The Planning and Permits Division puts a great deal of pride into its hands-on and quality approach to meeting those needs. Permit Technicians are assigned specific sewer districts to manage so there will be one individual with an ultimate understanding of that sewer district. Further, the Planning Technicians have been assigned to specific areas to provide the same understanding and service. Based on the amount of growth it is becoming increasingly difficult to provide this level of service to the property owners and sewer customers. The Budget Committee is recommending that a new Planning Technician be hired and a Permit Technician during budget year 2005. Comparing the activities of the Planning and Permits Division between the years of 1995 and 2003 gives an example of why it is necessary for additional staff.

<u>Comparison 1995 v. 2003</u>			
	<u>1995</u>	<u>2003</u>	<u>Percent Increase</u>
System Con. Chg. Forms	172	676	293
Permits	560	1,700	204
Change Slips	2,598	7,133	175
Building Permit Approvals	413	1,788	303
Inspections Scheduled	662	1,610	143

Employees	8	12	50
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The Planning and Permits Division has taken a very aggressive positive position to planning wastewater extensions for new service areas. Each expansion now requires a planning study or thorough review to assure that the adjacent properties and future service areas are considered in the design and installation of these proposed pipelines. This will result in considerable savings for future users in the expansion and service area. Additionally, it also facilitates ease of expansion of facilities, which maybe hastens through the ability of sewer service to those areas where it is needed and minimizes disruption by avoiding future work in the same area. It should be noted that since July 1, 2003, the County Engineering Department has implemented 13 sewer expansions to the County's sanitary sewer districts.

During budget year 2005, the Planning and Permits Division will work with an independent consultant to develop bid specifications to allow for the development of a computer program for calculating and storing equivalent dwelling unit assessment information for commercial accounts.

The South Coastal Area Planning Study update which was started in FY 2004 should be completed in the new year. It is the goal of this plan to be able to allow for the South Coastal Planning Area to match the environmentally sensitive Development District as shown in the County's Land Use Plan.

A major undertaking by the Planning and Permits Division during FY 2005 will be the selection of a consultant for the North Coastal Planning Area. A private engineering firm will work with the staff engineer that was hired in FY 2004. This planning area encompasses approximately one-third of the County starting at the south point of the Indian River Inlet Bridge, heading west to the westerly side of Millsboro, heading northwest of Georgetown, west of Ellendale, south of Milford, continuing east to the Mispillion River, and heading southeast to the starting point. This plan would be very similar

to the plan that was used to develop the South Coastal Regional Planning Area. Included in this study would be Slaughter Beach, Broadkill, unincorporated areas in the vicinity of Milton and Ellendale, and west of Long Neck.

The Planning and Permits Division will accomplish the following objectives during budget year 2005:

- ✓ *Commence the North Coastal Planning Study and Dagsboro-Frankford planning and expansion area*
- ✓ *Administrate property hookups for the Cedar Neck Sanitary Sewer District*
- ✓ *Implement a personal computer program for the calculation and storing of equivalent dwelling unit assessment information for commercial accounts*
- ✓ *Provide for the orderly expansion of sanitary sewer districts through the use of existing and new planning documents*
- ✓ *Attend Wastewater Advisory Council meetings*
- ✓ *Provide up-to-date newsletters for all ongoing projects*

23. UTILITY BILLING DIVISION

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$494,322	\$459,049	\$704,175	\$541,522	\$643,150

Director - Leon Collins
1 Assistant Director
1 Accountant II
4 Clerk III Technicians

5 Clerk II Data Entry

Telephone: (302) 855-7871 Fax: (302) 854-5381

E-mail: lcollins@sussexcountyde.gov

The Utility Billing Division is responsible for the billing and collection of sanitary sewer and water district charges and administering the grant programs to assist low-income residents in obtaining funding to help toward their sanitary sewer utility cost [see Addendum 8].

It is no surprise with the amount of growth the County is experiencing that the Utility Billing Division continues to have an added work demand with additional sanitary sewer users. As of March 1, 2004, the division is responsible for 47,703 equivalent dwelling units. This is a 6.7 percent increase over March of 2003. On a ten-year basis this would be an astonishing 67 percent increase. From 1998, my first year with the County, to March of 2004 we have seen an increase of 263 percent [see Addendum 14].

The Budget Committee is recommending that an additional staff person be hired in FY 2005. The primary responsibility of this individual will be the collection of delinquencies. The duties will be expanded to include a telephone and letter campaign aimed at boosting water and sewer collections. We will continue with the program that we implemented in FY 2004 of contacting mortgage-holders of delinquent accounts, and when necessary properties will be recommended for Sheriff's Sale if no payments have been received for a period of two years and the property is not the primary home of the utility user.

The Utility Billing Division is projecting to complete a program in 2005 to allow for electronic direct payment. The Utility Billing Division is currently reviewing information obtained from the Wilmington Trust Company and Citizens Bank. The division is working cooperatively with Data Processing, Treasury, and the Finance Director to refine this program. Customers will be able to pay water and sewer tax bills electronically. This is the most requested service by our customers.

The Utility Billing Division will continue to assist those utility users needing financial assistance in meeting their obligations. The grant assistance programs currently help 332 households in Sussex County. However, the most helpful and the one having the most direct impact on our collections and in satisfying liens is our signed repayment agreement program. A signed repayment agreement is required when establishing a monthly account. This program will allow customers to pay monthly installments until the account is current and the lien satisfied. As of this time last year, there were 469 accounts that had delinquent liens placed against the property. This program was instrumental in reducing this amount by 15.7 percent. There are additional accounts that are currently making monthly installments that were not two years in delinquency and are being beneficial in avoiding the lien process.

The Utility Billing Division will accomplish the following objectives during budget year 2005:

- ✓ *Accurate and timely processing of all utility bills*
- ✓ *Administrate all assistance programs for low-income utility users*
- ✓ *Administrate the septic grant program for low-income residents*
- ✓ *Aggressively collect delinquent accounts*
- ✓ *Continue partial payment acceptance program*
- ✓ *Assist the Board of Appeals in making fair and accurate decisions on appeals*
- ✓ *Develop electronic payment system*

24. **ENGINEERING - UTILITY CONSTRUCTION DIVISION**

Budgetary costs associated with this division are allocated through the Sussex County Utility Distribution Account. The expenses associated are based on the percentage of work completed by this division in each sanitary sewer district.

Director - Robert C. Green

1 Project Coordinator

1 Construction Coordinator

1 Acquisition Coordinator

2 Utility Construction Technician III

7 Utility Construction Technician II

7 Utility Construction Technician I

2 CAD Technician II

1 Secretary II

Telephone: (302) 855-7717 Fax: (302) 854-5391

E-mail: rgreen@sussexcountyde.gov

The Utility Construction Division is responsible for working with the Planning and Permits Division and Engineering Administration in the development of construction plans and making recommendations primarily for the County's sanitary sewer construction programs. This division is responsible for working with contractors, the County's consulting engineers, and property owners. The field personnel are usually the first line of contact for property owners when commencing a new project. It is essential that these employees provide the proper first image of Sussex County government.

The Utility Construction Division is responsible for the oversight of private sewer construction that must comply with Sussex County Ordinance No. 38. In addition to the oversight responsibilities, Utility Construction staff must acquire utility easements and obtain as-built drawings of the private utilities.

The Utility Construction workload continues to exceed the previous year every year. During FY 2004, plan review income increased 238 percent over

FY 2003, construction administration and inspection has increased 170 percent in FY 2004 over FY 2003, and purchase order projects have increased 155 percent in FY 2004 over FY 2003. The Budget Committee is of the opinion that this percent of increase will carry through for FY 2005.

As a result of the demand for increased services, it will be necessary to hire three additional employees to allow the Utility Construction Division to be able to maintain its current level of service. One employee will be dedicated to Miss Utility locations and two employees will be assigned to Ordinance 38 projects. Currently we are servicing nine Ordinance 38 projects with five Utility Construction Division inspectors. In the fourth quarter of FY 2004 we anticipate 18 Ordinance 38 projects to be under construction.

Additionally, we are seeing more projects built under Ordinance No. 657. Ordinance 657 requires private developments that are installing central sewer to build to Ordinance 38 projects. These projects are outside of the scheduled service areas for County wastewater service. Ordinance 38 projects are projects that are built in existing sewer districts with the County taking over immediate operations once beneficial acceptance has been granted. With the County Council considering permitting clustering to 7,500-square-foot lots, it is believed that we will see more Ordinance 657 projects in the upcoming year.

The Utility Construction Division will accomplish the following objectives during budget year 2005:

- ✓ ***Maintain a line of communication with the public during construction projects***
- ✓ ***Maintain as-built records***
- ✓ ***Assist in Miss Utility locations***
- ✓ ***Provide value engineering recommendations for construction cost reductions***

✓ *Provide plan review and inspection of construction for Ordinance No. 38 projects and Ordinance No. 657 projects in a timely manner*

25. **ENGINEERING - PUBLIC WORKS DIVISION**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$286,775	\$549,068	\$731,917	\$365,721	\$724,687

These costs do not include Solid Waste.

Director - Richard S. McCabe

1 Assistant Director

1 Private Roads Coordinator

1 Public Works Technician III

2 Public Works Technician II

1 Public Works Technician I

1 Secretary II

Telephone: (302) 855-7703 Fax: (302) 854-5391

E-mail: rmccabe@sussexcountyde.gov

The Public Works Division is responsible for performing plan review and construction inspections for private subdivisions, and Technical Advisory Committee review for subdivision applications and residential planned communities, private water and sewer systems, streetlighting projects, suburban community improvement projects, landfill projects, and Federal Emergency Management Agency mitigation projects.

Public Works Division employees are responsible for performing maintenance and assisting the County engineering consultant with the sampling of groundwater and central water system facilities located in the County's Bridgeville, Anderson Crossroads, Omar, Angola, Laurel, and Stockley

landfills. These sites are owned by the County government and were operated as household waste landfills during the '70's and '80's. Although all of these landfills have been inactive for over 16 years they still remain a large potential financial liability to the taxpayers of Sussex County. County staff is required to constantly monitor the closed sites in an attempt to reduce illegal dumping and trespassing that takes place on the sites. Technical support and assistance in developing site evaluation and remedial work during FY 2005 will be provided by Roy F. Weston, the County's consulting engineer for landfill projects.

The proposed FY 2005 budget calls for an expenditure of \$705,100 for Solid Waste. The Budget Committee is recommending the County Council approve the purchase of two tracts of land adjacent to the County's landfills, the first being 15 acres at Anderson Crossroads. There are residential strip lots that are being offered for purchase to the general public on the County road adjacent to the landfill. The development of residential housing in this area will only result in greater liability to the County in the future. The second tract of land is 12 acres at the Stockley Landfill site. This property is located to the south and east and would allow us to create a 100-foot buffer on the perimeter of the landfill. The site adjacent to the landfill fronts on Route 20 and is being considered for development for several uses at this writing.

The Budget Committee believes that there is no better indication of the necessity to maintain a Rainy Day Fund than the potential landfill post-closure care cost liability. The County government's Comprehensive Annual Financial Report stated that landfill post-closure care costs are estimated to be \$4,472,000 as of June 30, 2003. This amount is based on what it would cost to perform all post-closure care with 2003 dollars. The actual cost may be higher because of inflation, changes in technology, or changes in regulations.

In FY 2004 the County Council approved the hiring of a private consultant to assist the Public Works Division in construction plan review. The Public Works Division will work closely with Cabe Associates in outsourcing

construction plan review of developments with private streets under Chapter 99 and Chapter 115 of the Sussex County Code. The Budget Committee believes that this public/private partnership will be beneficial in assuring that all reviews are done in a timely manner. It is projected that the Cabe Associates contract will cost approximately \$250,000. Although these funds will be paid by the developer, the overall expenditures for the department as a result of hiring another employee and this added cost inflates Public Works' expenditures by 98.1 percent. As has been true with other divisions of Engineering Administration, it will be necessary to hire an additional employee for this division—a Public Works Technician.

During FY 2005, the Public Works Division will work with the Planning and Zoning Department, Sussex County Volunteer Firemen's Association, and the State of Delaware Fire Marshal's Office to review road widths in private subdivisions. The public safety sector is asking for consideration in increasing road sizes and limiting the types of plantings that are permitted in islands and curbside.

The Suburban Community Improvements Program, which is administrated by the Public Works Division, currently has a waiting list of eight developments requesting assistance with street and drainage improvements under this program. These projects have not moved forward because of the lack of an engineer in the division available to work with them. The engineer that was hired in the fourth quarter of FY 2004 will be able to provide this assistance in FY 2005. This program is very time-consuming, as public meetings, cost estimating, engineering, bidding, referendums, construction management, and individual assessments must be performed for each project. It is projected that this work will be done in-house.

Currently there are 14 communities that have participated in the Street-lighting Program as permitted under Sussex County Code, Section 95. There are three additional communities that have indicated they are looking for assistance in FY 2005. The Public Works Division will be reviewing this process to see if there is a possibility for any streamlining. The current

billing procedures will also be reviewed to investigate the possibility of including cost-sharing for all properties, not those that are just developed.

The Public Works Division will be responsible for assisting the County Engineer in performing in-house project engineering, project management, and inspection of miscellaneous County construction improvement projects. This process includes construction inspections of the Sussex County Industrial Airpark projects.

The Public Works Division will accomplish the following objectives during budget year 2005:

- ✓ *Provide technical advisory review of subdivision applications in a timely manner, both pre-applications and final submittals*
- ✓ *Promote expansion of community participation in suburban community street district improvements*
- ✓ *Promote participation in County streetlighting districts*
- ✓ *Work cooperatively with a private consulting firm in performing construction plan review*
- ✓ *Perform necessary inspections as required under County Ordinance No. 657*
- ✓ *Provide oversight of County closed landfills, to include sampling of groundwater and central water facilities monitoring*
- ✓ *Provide engineering inspection services for miscellaneous County construction projects*

26. **LIBRARY SERVICES**

Library services in Sussex County consist of 11 independent libraries and three County-managed libraries, a bookmobile service, book delivery service, Literacy Program, and Library Administration [see Addendum 13]. The total expenditure for library services in Sussex County for both independent and County libraries totals \$4,147,515 for the new budget year.

During FY 2004, the County Council asked the Budget Committee to review the possibility of allowing for the capitation tax that is collected by the County to be allocated as an expenditure for the 11 independent libraries. Every full-time Sussex County resident over the age of 21 is required to pay \$3.00 annually as part of the capitation tax. This will generate approximately \$215,000 during FY 2005. It is the opinion of the Budget Committee at this time that the County Council can afford to allow for this expenditure. The Budget Committee would recommend, as with other financial changes in the budget, that this be done on an annual basis and reviewed with each budget process. By awarding the capitation tax to the local libraries, the County will provide four sources of funding. The additional three sources are the library tax, General Fund grant-in-aid contribution, and mobile home placement tax. This is a 17 percent increase in funding over FY 2004.

In addition to the direct funding that is provided by the County Council, local libraries also receive direct benefits from Library Administration with the cost being absorbed by the County government. These services are:

- ◆ Auditing of financial expenditures
- ◆ Delivery of materials on a daily basis
- ◆ Training and education assistance
- ◆ Coordination of literacy programs
- ◆ Computer technical services

Library Administration

Actual	Actual	Actual	Budget	Budget
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<u>FY '01</u>	<u>FY '02</u>	<u>FY '03</u>	<u>FY '04</u>	<u>FY '05</u>
\$485,244	\$574,238	\$637,763	\$623,250	\$994,583

County Librarian - Carol H. Fitzgerald

1 Assistant County Librarian

1 Librarian III

1 System Administrator

1 PC Technician II

1 PC Technician I

1 Cataloger-Librarian I

1 Library Assistant III

1 Library Assistant II

1 Accountant

1 Librarian

Telephone: (302) 855-7890 Fax: (302) 855-7895

E-mail: cfitzger@hollinet.lib.de.us

The Sussex County Librarian is responsible for general administration and overseeing the budgeting, accounting, and consulting for the County-operated libraries. This oversight includes the bookmobile, South Coastal Library located in Bethany Beach, Greenwood Library, and Milton Library.

The computer service section of Library Administration will be responsible for upgrading the automated computer system and will continue to maintain the system and all related equipment for the 14 public libraries and Administration. During FY 2005, the County Council would ask the 11 independent libraries to consider entering filters on their computers. The department will work with the State to ensure equity of access for all. This work will include upgrading public access computers to ensure security and to improve management of these assets. Because of the amount of work and the number of computers, 221, it will be necessary to hire a PC Technician to assist the one staff person that is currently carrying this responsibility.

Other responsibilities of Library Administration include providing training opportunities for staff through appropriate classes, workshops, and conferences; provide outreach and literacy services to residents; review revisions on library policies as necessary; update collections of professional materials for Administration and library staff; provide timely communications to all libraries on issues and trends, with special emphasis on Statewide issues; review job descriptions of staff members to assure proper classification; and assist the libraries and the Delaware Division of Libraries in the development of a Statewide master plan for library facilities and services.

Bookmobile

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$106,734	\$106,038	\$118,298	\$126,685	\$151,748

1 Librarian I
1 Library Assistant II
Telephone: (302) 381-3582

The Sussex County Bookmobile is an excellent cost-effective outreach vehicle for the Sussex County government which currently has 71 stops. These stops include senior centers and day care centers that would not have library service without the bookmobile. Circulation of materials for the bookmobile continues to increase. Patron visits also have increased in FY 2004 over FY 2003. The Hollinet database access will continue to be available in the bookmobile during FY 2005. The installation of this service has been very beneficial to patrons in obtaining materials in a timely manner.

The bookmobile staff will develop a marketing plan during FY 2005 to increase awareness of the bookmobile service. Staff will identify additional locations to make the community aware of its services. This marketing plan will also call for the staff to engage in community activities and form partnerships with other community organizations. The Budget Committee is

pleased that the bookmobile collection of popular and recently published materials in a variety of formats is equal to that of the stationary libraries.

Milton Library

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$264,351	\$399,647	\$440,617	\$322,083	\$444,025

Director - Mary C. Hopkins

1 Library Assistant III

3 Library Assistant II

2 Library Assistant I

Telephone: (302) 684-8856 Fax: (302) 684-8956

E-mail: mhopkins@hollinet.lib.de.us

With the completion of the first phase of the \$1.7 Million expansion to the Milton Library it will be necessary to hire an additional staff person. The Budget Committee is recommending that a Library Assistant I be hired during the first quarter of FY 2005.

The Engineering Department has been requested to investigate the possibility of extending the original contract with Kent Construction to include a design-build contract for completion of the second floor and renovations to the original structure to ensure the overall integrity and stability of the building. This work should include providing adequate and well-functioning work space for the staff. Even without this additional work being completed at this time the Budget Committee believes that the Milton Library will be a focal point in the first step of the downtown revitalization of Milton for the entire community.

In an effort to attract patrons the staff of the Milton Library will provide cultural and educational programs for all ages. At least two programs will be targeted to interest teens. Staff will continue to build and maintain collections in subject areas of local interest and develop orientation materials for new patrons.

South Coastal Library

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$351,806	\$393,330	\$462,787	\$424,311	\$487,572
Director - June E. Moran				
2 Librarian I				
1 Library Assistant II				
2 Library Assistant I				
1 Building Maintenance Supervisor				
Telephone: (302) 539-5231 Fax: (302) 537-9106				
E-mail: jmoran@hollinet.lib.de.us				

The South Coastal Library which is located in Bethany Beach remains the most active of the 14 libraries in Sussex County based on lending of materials. The South Coastal Library has been supported by a very active Friends of the Library. Over 4,203 hours of volunteer service have been provided, in addition to cash contributions. The Friends of the South Coastal Library should be a model for all Friends groups Countywide.

During FY 2005, the South Coastal Library will participate in the State's master plan effort in space needs assessments. Funding will be provided to allow for the hiring of a library consultant to conduct these assessments. This work will be beneficial when the County hires a design engineer for the expansion of the South Coastal Library.

The library will maintain an extensive collection of recently published materials in a variety of formats. An average of two adult programs a month will be offered during the new budget year with attendance anticipated of 500 patrons. The South Coastal Library will hold at least one program targeted to the interests of current non-users. Educational and cultural programs will be designed to address the lifelong learning interests of the

area residents, and children and teens will be targeted for additional programs.

Greenwood Library

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$175,640	\$188,444	\$242,765	\$253,575	\$317,108

Director - Patricia L. Brown

1 Assistant Librarian II

2 Library Assistant II

1 Library Page

Telephone: (302) 349-5309 Fax: (302) 349-5284

E-mail: pbrown@hollinet.lib.de.us

The Greenwood Library provides a very meaningful cultural and educational program center for the community. During the budget year of 2005, the staff of the Greenwood Library will work with the State of Delaware to complete a space needs analysis and develop a building program. Building expansion will be investigated during the new budget year to determine if it is possible to expand at its current location or if it will be necessary to secure land and relocate the facility. Every effort should be made to keep the facility as close to the center of town as possible; however, if land cannot be secured, this may not be feasible.

Expansion of the Greenwood Library is anticipated to take place in FY 2006. Currently the Capital Improvements Program has allotted \$600,000 in State and County funds to be made available for this expansion. This funding will come from numerous sources including the County government, Greenwood Friends organization, and the State of Delaware.

Funding will be allotted to allow for the upgrading of one Library Assistant to a full-time position. Materials reflecting the lifelong learning interests of the community will continue to be provided, as well as popular literature and current topic publications.

Literacy Program

Costs for the Literacy Program are included in Library Administration.

The County Department of Libraries provides a Literacy Program under the title "Project READS." Project READS provides leadership for the adult basic literacy program for all libraries in the County providing referral services and educational workshops to community organizations working with adults with beginning level reading skills. Most students enrolled in the program read under the fourth grade level. Project READS provides referral services for students to appropriate educational institutions in the County. The program works with outside agencies and organizations interested in this at-risk adult population.

Project READS has provided tutoring services to over 600 adults. Additionally, Project READS has offered a literacy program reaching over 109 families. Two of the family literacy programs have won the Delaware Outstanding Adult and Family Literacy Achievement Award.

Two years ago the County's Literacy Program expanded its assistance and has worked collaboratively with Northport transitional housing in providing the Women Helping Other Women In Literacy (WHO-WIL) Program. The goals of this program are to help women address their educational needs and assume responsibility for their learning. Weekly workshops provide daily living skills necessary for those homeless women to become independent members of the community. To date 15 women have benefited from attending the weekly workshops.

Library Delivery Service

Costs for this program are included in Library Administration.

During FY 2004, the County Council approved the contract with Brooks Courier, Inc., to continue to provide delivery services. It is projected in the

new budget that the cost of this service will remain at the same level that was budgeted in FY 2004—\$45,000. Budgeting with the private sector continues to be the most cost-effective way to provide this program. As was the case when it was handled by County staff, delivery days are not missed as a result of sick or vacation time, and there is even a savings since the County does not have to buy a replacement vehicle every three to four years.

This service is once again an illustration of an additional benefit the local libraries are getting without having the cost charged to them. If the County were to charge for this service, it would be approximately \$4,000 per independent library.

Library Services will accomplish the following objectives during budget year 2005:

- ✓ *Provide library services for all Sussex County residents and visitors*
- ✓ *Maintain the automated system and monitor for security issues*
- ✓ *Provide consulting services for independent libraries and boards by Library Administration*
- ✓ *Provide training opportunities for staff through appropriate classes, workshops, and conferences*
- ✓ *Work cooperatively with the State to address the Statewide plan*
- ✓ *Provide daily delivery services to all libraries in the County*
- ✓ *Provide meaningful cultural and educational programs*
- ✓ *Expand the user base of the County's literacy programs*

27. ECONOMIC DEVELOPMENT AND INDUSTRIAL AIRPARK

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$796,961	\$387,747	\$383,265	\$379,715	\$428,402

Director - Stephen T. Masten, Sr.

1 Development Planner

1 Clerk III Technician

Telephone: (302) 855-7770 Fax: (302) 855-7773

E-mail: smasten@sussexcountyde.gov

The responsibilities of the Economic Development Office include the promoting and development of new and existing businesses in Sussex County and expanding and diversifying the economy and employment base of the County. The department is responsible for recruiting businesses County-wide, to include tenants for the industrial parks. Industrial park recruitment includes the Seaford and Selbyville industrial parks, in addition to the Sussex County Industrial Airpark located in Georgetown.

Staff members of the Economic Development Office represent the Sussex County government in the following organizations:

American Association of Airport Executives

American Planning Association

Caroling on The Circle

Charles Mills Boulevard Initiative

Delaware Aviation Hall of Fame

Delaware Economic Development Council

Delaware Population Consortium

Delmarva Advisory Council

Delmarva Economic Development Association

Delmarva Water Transport Committee

Greater Georgetown Chamber of Commerce

Greater Seaford Chamber of Commerce

Historic Georgetown Association

Northeastern Economic Developers Association

Southern Delaware Tourism Commission

Sussex County Today and Tomorrow Conference

Funding will be provided in the FY 2005 budget to allow the Economic Development Office to continue to disseminate demographic information to businesses, individuals, and communities as requested. This information is very beneficial in allowing the private sector to make decisions on expansion and relocation, as well as being beneficial to local governments in obtaining the necessary information to provide for grant funding.

The Sussex County Airport will once again be a focal point for business activities in the County. We continue to see additional users of the Airport on an everyday basis. Promotion of the Airport and utilization of the Terminal Building will benefit both the public and private sector. The Economic Development Office will serve as the County Council's contact point in an attempt to provide a good Airport/neighbor program with the residents that live in the vicinity of the Airport. This program will be very beneficial in giving up-to-date information for the Georgetown community as the County government continues to prepare its expansion program for the Airport. Many of these issues will be discussed publicly at the quarterly Airport Committee meetings.

During FY 2005, the Economic Development Office will be asked to investigate the possibility of land expansion for the Industrial Park. The investigation will not be limited just to property adjacent to the existing Park, but they will also look at what is available in the vicinity of Georgetown.

The Economic Development Office will accomplish the following objectives during budget year 2005:

- ✓ *Develop alternative funding for the Airport and Industrial Park expansion*
- ✓ *Provide demographic inquiries in a prompt manner to both the public and private sector*
- ✓ *Continue to assist existing businesses to assure business retention*
- ✓ *Provide potential businesses with information regarding educational opportunities, as well as availability of suitable sites*
- ✓ *Promote the Economic Development Stimulus Loan Program with local governments*
- ✓ *Maintain regular lines of communication with local municipalities and the State of Delaware Economic Development Office as to the latest economic development trends*

28. **FACILITIES MANAGEMENT**

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$1,310,663	\$1,396,384	\$1,478,771	\$1,515,499	\$1,749,144

Facilities Manager - Ray W. Webb

- 1 Carpenter III
- 1 Electrician II
- 1 Heating and Air Conditioning Mechanic
- 1 Mechanic III
- 2 Mechanic II
- 1 Maintenance Worker III
- 1 Maintenance Worker I
- 1 Clerk III
- 1 Custodial Supervisor

4 Maintenance Worker II

1 Painter II

6 Security Guards

5 Custodians

Telephone: (302) 855-7840 Fax: (302) 855-7749

Airport Maintenance: (302) 855-7837

The Facilities Management Department is responsible for maintaining all County buildings and grounds including the Industrial Park, County libraries, County West Complex, and County Administrative Building. Additionally, the staff of the Facilities Management Department is responsible for making sure that all facilities are safe and accessible during inclement weather such as snowstorms.

The County Administrative Building located on The Circle continues to be a focal point not only for the community of Georgetown, but to those traveling through the County to the coastal areas. With hundreds of visitors a day using the facility it is important that the Facilities Management staff allows the facility to maintain a high level of warmth. For many people this facility provides them with their first encounter of County government.

The FY 2005 budget will mark the ninth anniversary of the County government's move from the Courthouse to this facility. Funding will be appropriated to allow for the upgrading of areas such as the Council Chambers, and carpet and window treatments where needed.

Facilities Management will accomplish the following objectives during budget year 2005:

- ✓ ***Continue to maintain all County facilities in a neat, clean, and safe manner***
- ✓ ***Upkeep and maintenance of all grounds and roads for the Airport/Industrial Park***

- ✓ *Provide custodial services for the three County-operated libraries*
- ✓ *Completion of expansion of the parking lot for the Administrative Building on The Circle in Georgetown*
- ✓ *Resurfacing of the parking lot at the West Complex in Georgetown*
- ✓ *Assist the Engineering Department in design and construction of an equipment storage building*
- ✓ *Maintain 190 County-owned vehicles in a safe and efficient manner*

29. **CONSTITUTIONAL OFFICES**

Constitutional offices include the Clerk of the Peace, Recorder of Deeds, Register of Wills, and Sheriff. All of the offices are managed by an elected official, although the County government is responsible for their financial accountability. It is essential that elected officeholders coordinate the management of these offices with the County Administrator. Expenditures for these offices for FY 2005 are projected to total \$2,272,134. This is an increase of expenditures for these same offices over FY 2004 of 19.7 percent.

Clerk of the Peace

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$89,374	\$93,285	\$122,380	\$106,072	\$121,812

Clerk of the Peace - Thelma Monroe

1 Deputy

1 Clerk III Technician

Telephone: (302) 855-7727 Fax: (302) 855-7798

E-mail: abesche@sussexcountyde.gov

The Clerk of the Peace is responsible for issuing State marriage licenses, the performance of civil ceremony marriages when requested, and providing the general public with copies of marriage certificates. The Clerk of the Peace Office is one constitutional office that must seek County government subsidies to operate. Expenses for FY 2005 will be \$121,812, with income projected at \$40,000.

It should be noted that both New Castle and Kent County offices experience similar deficits. New Castle and Kent counties both charge a \$20.00 fee for the utilization of the County facility for weddings. However, the Budget Committee is not in agreement since there is no additional cost in the utilization of the facility for a marriage.

To make this office cost-effective wedding licenses would have to be raised to approximately \$100.00 each. At this time it does not seem feasible to impose such a fee.

It has been well documented that the population of the County continues to increase, but surprisingly the number of weddings over the last five years appears to remain constant. The following wedding license applications were issued for calendar years 1999 through 2003:

1999	1,199
2000	1,142
2001	1,169
2002	1,199
2003	1,163

The Clerk of the Peace will accomplish the following objectives during budget year 2005:

- ✓ ***Maintain a 24-hour telephone hotline for information***

- ✓ *Perform civil ceremony marriages*
- ✓ *Provide ceremonial wedding certificates upon request*
- ✓ *Maintain all records in a computerized system*

Recorder of Deeds

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$818,714	\$823,391	\$943,167	\$1,097,666	\$1,306,043

Recorder of Deeds - John F. Brady

1 Deputy

1 Operations Manager

1 Clerk IV Supervisor

1 Financial Clerk Teller II

9 Clerk III Technicians

4 Clerk II Data Entry

Telephone: (302) 855-7785 Fax: (302) 855-7787

E-mail: pfausnaught@sussexcountyde.gov

The Recorder of Deeds Office is responsible for recording all documents pertaining to real estate in the County including deeds, mortgages, tax liens, agreements, rights-of-way, and survey plots. Other responsibilities include recording of appointments, powers of attorney, military discharges, and Uniform Commercial Code financing notices.

The Recorder of Deeds is also responsible for collecting the realty transfer tax for the State of Delaware. The Deeds Office collected \$26,053,264 for the State during FY '03. This is a 90 percent increase in income for the State of Delaware since FY 2000 when the State collected \$13.7 Million.

Currently the Recorder of Deeds is attempting to return all filed documents within six weeks of the filing. During budget year 2005, attempts will be made by the department to reduce this time. It has been necessary for staff of the Recorder of Deeds Office to work overtime during the week and on weekends to keep up with the high demand of increased property transfers. Ideally, the Recorder of Deeds Office would like to return all filed documents within two weeks of filing.

As of this writing ten monitors and two laser printers are being installed to allow for public access of deed information. This will be very beneficial in increasing customer service to the general public.

As is the case with many offices in the Administrative Building, space is a high priority. The Budget Committee has asked the Recorder of Deeds Office to investigate the possibility of digitizing plots. These plots are currently located at the south end of the general public area of the office. Digitizing these maps will not only make valuable floor space available, they will also ease the reproduction of the information. The authorization of this work has been approved in the most recent contract with ASC, should the Recorder of Deeds agree to allow for this service. It is estimated that it would cost approximately \$67,000 a year for the next two years. The reproductions would start with the newest books and work backwards. From the date that the contract starts, all recordings after that would be done in digitized form.

The Recorder of Deeds will accomplish the following objectives during budget year 2005:

- ✓ ***Assist the general public with requests for information***
- ✓ ***Timely and efficient recording and indexing of documents***
- ✓ ***Proficiently accounting and distributing appropriate fees and taxes to the proper organizations***
- ✓ ***Reduce the amount of time in returning filed documents***

- ✓ *Provide training assistance to the general public in the use of new monitors and laser printers*

- ✓ *Investigate the possibility of ASC digitizing all plots*

Register of Wills

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$171,243	\$194,903	\$227,563	\$236,681	\$299,732

Register of Wills - Howard A. Clendaniel

1 Chief Deputy

1 Deputy

3 Clerk II Data Entry

Telephone: (302) 855-7875 Fax: (302) 853-5871

E-mail: hwilkins@sussexcountyde.gov

The duties of the Register of Wills include probate estates, register and record wills after death, appoint executors and administrators, and various activities associated with the handling of estates. Currently the Register of Wills is located in the Court of Chancery building located on the northeast corner of The Circle in Georgetown.

The Budget Committee is requesting that the Register of Wills investigate the possibility of microfilming all original filed documents to allow for placement into compact books. This will result in providing better safekeeping and protect the integrity of the files. Due to the number of documents not being filed, some originals have been misplaced during the public's handling. As the population continues to increase, demand for services is greater every year and the problem is compounded.

The Register of Wills will accomplish the following objectives during budget year 2005:

- ✓ *Investigate the possibility of digitizing all records*
- ✓ *Respond promptly and courteously to all public inquiries*
- ✓ *Provide in-house training to allow for cross-training of employees*

Sheriff's Office

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$271,671	\$351,499	\$383,827	\$457,611	\$544,547

Sheriff - Robert L. Reed

1 Chief Deputy

7 Deputies

Telephone: (302) 855-7830 Fax: (302) 855-7832

E-mail: sheriff@sussexsheriff.com

The Sheriff's Office is located in the County's West Complex on North DuPont Highway in Georgetown. The office is responsible for the serving of legal notices, the transporting of State prisoners, and the sale of real estate. The Sheriff's Office is no different than any other constitutional office in regard to the amount of work that is being requested. Sheriff's Sales assistance has increased 32 percent from calendar year 2000 to calendar year 2003. During this same time period Superior Court summonses increased 19.2 percent, Superior Court executions 23 percent, and Court of Common Pleas executions 112 percent.

The Budget Committee has provided funding to allow for the starting salary of a deputy sheriff who has received some police education and currently is arms-certified to have a starting salary of \$30,000. This salary is

necessary to attract candidates for the position to compete with the local municipalities. The Sheriff's Office has had an average of replacing one deputy per year for several years.

Insurance continues to be a large budget item for this department. In FY 2005 it is projected that insurance will cost \$25,938. This is a 190 percent increase over FY 2001.

The Sheriff's Office will accomplish the following objectives during budget year 2005:

- ✓ *Refine the implementation of a new computer system to assist in reducing manpower and time in updating records more efficiently and accurately*
- ✓ *Training and education in areas of focus to ensure proper processing of court-related documents*
- ✓ *Cross-train road deputies to assist with clerical office functions*
- ✓ *Process all sales in a timely and professional manner*

30. COMMUNITY DEVELOPMENT AND HOUSING

County Contribution

<u>Actual</u> <u>FY '01</u>	<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Budget</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>
\$103,038	\$101,532	\$146,899	\$142,683	\$182,448

Director - William C. Lecates
1 Rehabilitation Specialist II
3 Rehabilitation Specialist I
1 Secretary II

Telephone: (302) 855-7777 Fax: (302) 854-5397
E-mail: wlecatas@sussexcountyde.gov

The primary responsibility of the Community Development and Housing Division is to provide annual grants and loans to finance housing rehabilitation, community facilities, and public works improvements that serve low- to moderate-income residents in Sussex County. The proposed FY 2005 budget indicates that the department will manage \$2,161,000 in housing assistance from four sources of loans and grants: (1) Community Development Block Grant for FY 2005 - \$1,886,000; (2) FmHA Housing Preservation Grant - \$25,000; (3) Delaware State Housing Loan Program - \$150,000; and (4) Sussex County Government Community Development Funding - \$100,000.

For the first time the Budget Committee is recommending funding to be made available for Community Development and Housing to allow for emergency assistance. Currently the department has over a three-year waiting list, and there have been instances where people have had life-threatening problems and funding from the Community Development Block Grant was not available. Funding for this category would be on an annual basis. The total funding will be beneficial in allowing the Community Development and Housing Division to provide decent housing, a suitable living environment, and expanded economic opportunities primarily for low- to moderate-income families [see Addendum 15].

Since 1990 the department has successfully rehabilitated 1,153 homes under the Community Development Block Grant Program at a cost of \$13,565,499. During the same time period 187 homes have been brought up to code standards under the Housing Preservation Grant Program at a cost of \$890,945.

Once again the Community Development and Housing staff will administrate grant programs for municipalities. The cost of administrating the grants for the towns will be absorbed by the County and with administrative costs that

are allowable under the grant program. Towns receiving assistance from the County in FY 2005 are:

Blades - Housing Rehab

Bridgeville - Housing Rehab and Demolition

Georgetown - Housing Rehab

Ellendale - Housing Rehab and Water Study

Laurel - Housing Rehab

Milford - Housing Rehab

Milton - Housing Rehab and Infrastructure

Seaford - Housing Rehab

Selbyville - Housing Rehab

The Community Development and Housing Division will accomplish the following objectives during budget year 2005:

- ✓ *Administrate housing code complaints for rental tenants*
- ✓ *Assist Ellendale residents in connecting to the sanitary sewer system*
- ✓ *Assist low- to moderate-income citizens with grant funding for housing rehabilitation, code compliance, and infrastructure improvements*
- ✓ *Rehabilitate homes using Community Development Block Grant funds, Housing Preservation Grant funding, Housing Loan Program funding, and Sussex County Community Development funding*
- ✓ *Encourage the restoration of Sussex County's housing stock, promote economic stimulation, and provide decent housing for all residents of Sussex County*

- ✓ *Encourage the private sector to provide affordable housing in all new projects*

31. **APPROPRIATED RESERVE**

The proposed FY 2005 budget has a funding recommendation from the Budget Committee in the amount of \$12.5 Million for the Appropriated Reserve account. This funding is made available from revenue expenditure savings from the FY 2003 budget. The following contributions are recommended:

Inland Bays Land Acquisition	\$ 3,000,000
County Tax Rebate Credit – 25 Percent	
2,500,000	
Sewer Project Subsidies	1,500,000
Sussex Land Trust Funding (Open Space)	
1,253,166	
Piney Neck Land Acquisition – Dagsboro-Frankford	
1,000,000	
Sanitary Sewer District	
Emergency Operations Center Capital Costs	
1,000,000	
Capital Improvements Fund	878,497
Sussex County Veterans' Home	
500,000	
South Coastal Library Expansion	
250,000	
Community Improvements	
200,000	
Milton Library Expansion	150,000

Community Development Funding	
100,000	
Delaware Community Foundation	
100,000	
Easter Seals	50,000
First State Community Action	25,000
Cedar Neck CHEER Center	
<u>25,000</u>	
TOTAL	<u>\$12,531,663</u>

The Budget Committee believes that the Appropriated Reserve funding for community investments is a very good way of returning money back into the community that will be beneficial to many. It is important to note that none of the funding that is being recommended for distribution will be used for salaries or recurring County operating expenses. Should the County not have the affordability of this funding source in the future, the Budget Committee does not believe taxes would have to be raised to cover these expenditures.

32. **CAPITAL IMPROVEMENTS**

Although the General Fund budget is normally the focus of much public debate, the Budget Committee believes the Capital Improvements Budget may be even more significantly important. As the population continues to increase and we see more intense development, it is vital that the County government has an achievable and dependable Capital Improvements Budget. During FY 2005 it is projected that expenditures for the Capital Improvements Budget will be \$29,079,473. The five-year projections indicate spending to be \$171,614,600 [see Addendum 12].

Capital Improvements projects for FY 2005 include the following:

- Airport Expansion

- Wastewater Expansion and Upgrading
- Parking Facilities
- Suburban Street Projects
- Library Expansion
- Emergency Operations Center
- Building Expansion

Funding for the Capital Improvements projects will be provided from the following assortment of incomes:

- Bond Property Tax
- Realty Transfer Tax
- State Grants
- Federal Grants
- System Connection Fees
- Developer Contributions
- User Fees

Not only is the Capital Improvements Budget addressing the demand of growth, it must also monitor the need for continuing to upgrade existing infrastructure. This will be discussed further in the "Water and Sewer Districts" section of this letter.

All revenue projections used for the 2005 Capital Improvements Program are based on 2004 dollar values. The Budget Committee has found it difficult to make reasonable expense and revenue projections for five years because of outside influences. Fuel increases, material increases, and lack of available contractors and work force all influence the final cost. The County Administrator and Finance Director will meet with the Engineering Department on a monthly basis to monitor the need to revise cost

projections. Delaying of projects because current bids exceed project estimates may not always be possible. The recent bid openings for the Oak Orchard Sanitary Sewer District presented evidence that delaying projects may still lead to even higher prices.

It is very important that the County government try to balance the underlying need with satisfying the needs of existing residents and the rapidly growing newcoming population. The Budget Committee firmly believes that all expenditures must be necessary, affordable, and publicly acceptable.

33. **WATER AND SEWER DISTRICTS**

Inland Bays Regional Wastewater Facility

District Manager, 1st in Charge - Al Goepel

1 District Manager, 2nd in Charge

2 Pump Technician II

1 Electrician II

1 Electrician I

1 Maintenance Worker III

1 Maintenance Worker II

1 Mechanic III

1 Mechanic II

2 Equipment Operator II

1 Secretary II

Telephone: (302) 947-0864 Fax: 947-0115

E-mail: agoepel@sussexcountyde.gov

Piney Neck Wastewater Facility

District Manager - Holly Webb

1 Maintenance Worker III

Telephone: (302) 732-9540

E-mail: hwebb@sussexcountyde.gov

South Coastal Regional Wastewater Facility

Director of Operations - Heather L. Sheridan
Director of Maintenance - Steve Hudson
1 Safety Director
3 District Managers
1 Project Engineer
1 Maintenance Division Manager
1 Maintenance Coordinator
1 Purchasing Supervisor
1 Purchasing Agent
1 Water and Sewer Communications Specialist
1 Wastewater Operator IV
3 Wastewater Operator III
1 Wastewater Operator II
1 Electrical Control Technician
3 Electrician I
2 SCADA Technician I
3 Equipment Operator III
3 Equipment Operator II
2 Equipment Operator I
2 Maintenance Worker II
4 Mechanic III
1 Pump Station Technician II
1 Secretary II
Telephone: (302) 855-7730 Fax: (302) 539-0981
E-mail: hsheridan@sussexcountyde.gov

Wolfe Neck Regional Wastewater Facility

District Manager, 1st in Charge - Karlyn Cate
1 District Manager, 2nd in Charge
1 Water District Manager
1 Wastewater Operator III
1 Wastewater Operator II

1 Pump Technician II
2 Electrician I
2 Maintenance Worker II
4 Mechanic III
1 Mechanic I
2 Equipment Operator II
1 Secretary II
Telephone: (302) 644-2761 Fax: 644-2763
E-mail: kcate@sussexcountyde.gov

As has been the case for the last seven years, the Budget Committee is recommending subsidies for the sewer districts once again—\$9,650,000 is recommended; \$5,500,000 will be from the Appropriated Reserve which is a result of revenue savings from the FY 2003 budget [see Addendum 5] and \$4,150,000 will be appropriated in the new FY 2005 budget from the realty transfer tax [see Addendum 14]. The funding will be in the form of grants and zero interest loans. The Budget Committee trusts that the County Council recognizes its responsibility in allowing for this funding assistance. In doing so the County government is going to be able to deal reasonably with the rate of growth that we are currently experiencing. Without funding assistance from the County government many of these projects would either have to be abandoned or increased. Increasing the cost of delivering these services will result in less public acceptance.

The proposed 2005 budget recommends allowing for the continuation of uniform operations and maintenance (O&M) costs for the sewer districts utilizing the South Coastal Regional Wastewater Facility.

The Engineering Department's Operations and Maintenance Division is responsible for the operation of the Inland Bays Regional Wastewater Facility, South Coastal Regional Wastewater Facility, Wolfe Neck Regional Wastewater Facility, and the Piney Neck Wastewater Facility. Staff is required to maintain 550 miles of collection and transmission line and 273 pump stations. The annual budget that is required for Operations and Maintenance, including debt service, for the sanitary sewer districts totals

\$24,611,593. This is 5.1 percent over the operating and debt service costs for FY 2004.

In March 2003 the County was providing service to 44,724 equivalent dwelling units. As of March 2004 this number totaled 47,703 EDU's. This is a 6.7 percent increase in just one year. During FY 2005, it is projected that we will provide service to an additional 1,747 equivalent dwelling units.

During FY 2005, the Engineering Department will be working in the following

FUTURE SERVICE AREAS:

Angola	Millville
Bay View Estates	Oak Orchard
The Greens of Indian River and Ellis Point	Pinetown
Miller Creek	Sea Country Estates
	South Ocean View

The proposed **Angola Sanitary Sewer District** is located in the North Coastal Planning Area. During FY 2005, the Engineering Department will select a private engineering consulting firm to study the area. The Angola area is located in the Inland Bays Watershed that is recognized as an environmentally-sensitive development area in the Sussex County 2002 Land Use Plan. Existing developments in several areas are experiencing trouble with on-site wastewater systems. Additionally, there is development pressure on other parts of the proposed district. It is projected that the waste from the Angola area will be treated at the Inland Bays Regional Wastewater Facility.

The **Bay View Estates Sanitary Sewer District** boundaries only include the Delaware portion of the Bay View Estates subdivision. The Bay View Estates subdivision is divided by the Delaware and Maryland state line. Currently the Engineering Department is negotiating with the Worcester County government a contract that would permit the County to provide wastewater service to the homes located in Maryland. Wastewater from the area will be pumped from the subdivision to the existing regional pump station at the

intersection of County Road 381 and State Route 54. It will then be pumped to the South Coastal Regional Wastewater Facility where it will be treated.

The Bay View Estates project will be combined with the Sea Country Estates project. The Bay View Estates portion of this project is currently estimated at \$3,228,000. Consulting engineers Whitman, Requardt & Associates, LLP, will complete the design and it is anticipated that construction for this project will start September of 2004.

The Budget Committee is recommending a grant in the amount of \$100,000 to be shared with Sea Country Estates. Additional consideration will be given in FY 2006 if funds are available.

The Greens of Indian River and Ellis Point subdivisions will be incorporated into the expansion of the Holts Landing Sanitary Sewer District. The developers of Ellis Point subdivision contacted the homeowners of The Greens of Indian River about routing their wastewater connections through The Greens subdivision. In return for this easement Ellis Point would build and pay for pipelines that pass through The Greens. Ellis Point will be required to build the remaining pipelines in The Greens so that all property owners will have access to sewer service by being provided the individual connection at each home at the street right-of-way. The cost of this construction will be financed through a loan from the County government and repaid by all property owners through front foot assessment charges. All pipelines will be designed and constructed to County specifications, and the County will be responsible for maintenance upon completion.

It should be noted that this is the first time that the County government is allowing a private contractor to provide service to an existing subdivision. County Administration believes this new approach will be beneficial in serving other established subdivisions in the County that normally have to wait. This project will be monitored very closely and may be beneficial in providing service earlier to the users of the Millville Sanitary Sewer District.

Total estimates for this project are projected to be \$2,330,000. The developers of Ellis Point will be responsible for paying \$930,000 and the County will provide a loan in the amount of \$1,400,000 for the project. The Budget Committee is recommending that the County government provide a loan for 20 years with zero interest. Combined with the fact that the Budget Committee is recommending a grant to cap front foot assessments at 125 feet, 71 percent of the homeowners will see a rate decrease of about 14 percent from the projected rates. The final rates will not be determined until all construction costs have been received. The Budget Committee is optimistic that by utilizing the private sector in construction of the infrastructure for The Greens of Indian River the \$1.4 Million cost may come in at a lower total.

The Miller Creek Sanitary Sewer District will serve an area along Miller Creek north of Little Assawoman Bay. It will serve the various Plantation Park subdivisions and the George C. Moore, Malcolm's Manor, Chevy Chase, Ocean Air, and Lands of Raymond Banks subdivision. Homes in these subdivisions currently use on-site wastewater systems such as septic tanks or holding tanks to dispose of their wastewater. Construction of central water for the area will eliminate 483 on-site systems. It is believed that many of these systems are contributing nitrates to the groundwater and the Inland Bays.

The project will consist of a gravity collection system. Pipelines ranging from eight inches in diameter to 15 inches in diameter will be placed within existing rights-of-way where possible. Individual connections will be provided for each home at the street right-of-way. The wastewater will be collected at the new regional pumping station at Bear Trap Dunes and pumped to the County's existing South Coastal Regional Wastewater Facility for treatment.

Current project costs are estimated at \$9,747,500. During FY 2005, the Engineering Department will work with Whitman, Requardt & Associates, LLP, on design of the project. It is anticipated that construction will start September of 2005.

The **Millville Sanitary Sewer District** will serve the Town of Millville and subdivisions north of the Town of Millville. Homes in these areas currently use on-site wastewater systems for disposal of domestic sewage. The County is proposing to extend sanitary sewer service through an expansion of the wastewater system serving the Town of Ocean View. Wastewater from the area will be treated at the South Coastal Regional Wastewater Facility.

The project will consist of a gravity collection system. Pipelines ranging from eight inches in diameter to 24 inches in diameter will be placed within existing rights-of-way wherever possible. Individual connections will be provided for each home at the street right-of-way.

During budget year 2005, the Engineering Department will be working with private developers to allow them to construct portions of the system. It is the goal of the Engineering Department to work with the private developers in reducing the construction cost of the system, which will result in a savings for the homeowners in the district. The current Engineer's Estimate for this project is at \$28,300,000. It should be noted that this is the second largest construction project the Engineering Department has entered into, only being exceeded by the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District.

Proposals for this district include two loans: (1) a one-and-a-half percent, 20-year loan from the State of Delaware Water Pollution Control Revolving Fund, and (2) a 4.5 percent, 40-year loan from USDA Rural Development. The Budget Committee will make funding recommendations from the County Council in FY 2006 if funding is available.

The **Oak Orchard Sanitary Sewer District** will serve an area along the northern shore of Indian River Bay. Specifically, it will serve properties on both sides of River Road (County Road 312) and the communities of Oak Orchard and Riverdale.

The original estimate that was used to calculate the cost for the district in December of 2002 was \$8,382,507. To date three contracts have been

awarded for this project. Unfortunately, the engineer's construction cost estimate based on the most current bids has increased to \$9,679,308. Attempts by the Engineering Department to attract more bidders have not been successful in reducing the cost. Project cost increases are estimated to be \$1,296,801.

The Budget Committee is recommending that the Council approve a zero interest loan in the amount of \$800,000 to the district. This loan will start being repaid once the district has been established and is operating in a positive cash position. Realistically speaking, this could take six to seven years.

The Budget Committee feels it is important that this project be delivered to the users at the rates that were quoted at the time of the referendum. Not supporting subsidies at this time could cast doubt on future wastewater projects in the County. Additional subsidies to the district will be considered in the FY 2006 budget if funding is available.

The Pinetown Sewer Extension project will provide wastewater service to a small unincorporated community which is located on the south side of Martin Branch, a tributary to Red Mill Pond, and on the west side of County Road 261. The community consists of 45 existing homes and three undeveloped properties. Pinetown is a predominantly low-income, minority community. A survey of incomes in the community recently determined that 93 percent of those households interviewed have a low or moderate income.

The proposed project will consist of a standard gravity collection system, pumping station, and force main. Wastewater will be pumped to our recently completed Red Mill Pond North project which is part of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District. Actual connection to the West Rehoboth Phase III project will be made in the Sweetbriar Mobile Home Park.

The Engineer's Estimate for this project was \$429,275. Bids were received in the second quarter of FY 2004 which were 111 percent above the

Engineer's Estimate. In view of the fact that only two bids were received and their amounts were excessively high, the County Council rejected all bids. During FY 2005, the Engineering Department will perform value engineering on the design in an attempt to reduce costs. The County government will negotiate with the private sector to construct a portion of this project. This should result in a cost savings to the users.

The Budget Committee is recommending that a grant in the amount of \$350,000 be awarded to help offset the cost for this project.

The **Sea Country Estates Sanitary Sewer District** boundaries include only the Sea Country Estates subdivision and the adjacent single-family home. Wastewater from the area will be pumped from the subdivision to the existing regional pumping station at the intersection of County Road 381 and State Route 54. It will then be pumped to the South Coastal Regional Wastewater Facility where it will be treated.

The construction work for this project will be bid at the same time as the Bay View Estates Sanitary Sewer District construction work. It is anticipated that the Sea Country Estates portion of this project will be \$900,000. During the first quarter of FY 2005, Whitman, Requardt & Associates, LLP, will complete the design. It is anticipated that construction will start September 2004.

The Budget Committee is recommending a grant in the amount of \$100,000 to be shared in calculating the rates for both Sea Country Estates and Bay View Estates. Additional consideration will be given in FY 2006.

The **South Ocean View Sanitary Sewer District** will serve Shady Del Park and Quaint Acres subdivisions, as well as scattered parcels along Parker House Road and Muddy Neck Road. Homes in these areas are currently using on-site wastewater systems such as septic tanks or holding tanks to dispose of their wastewater. Construction of central water for this area will eliminate 296 on-site systems. Once again it is believed that many of these systems are contributing nitrates to the groundwater and the Inland Bays.

The project will consist of a gravity collection system. Pipelines ranging from eight inches in diameter to 18 inches in diameter will be placed within existing rights-of-way where possible. Individual connections will be provided for each home at the street right-of-way. The wastewater will be collected at the new regional pumping station at Bear Trap Dunes and pumped to the County's existing South Coastal Regional Wastewater Facility for treatment.

Currently this project is estimated at a cost of \$6,700,000. During FY 2005, the County Engineering Department will work with engineering consultants Whitman, Requardt & Associates, LLP, in designing the system. Construction is anticipated to start January of 2006.

The Budget Committee is recommending a zero percent loan in the amount of \$200,000 to the district. This loan will be repaid as new users connect to the system in the future.

One of the primary reasons for listing the future service areas is to illustrate the need for additional staff. The nine projects that were described under future service areas total over \$60,000,000 of capital expenditures. It will be necessary to expand the Engineering staff to keep up with this workload. Not only must the Engineering Department allow for expanded users, we also must maintain the current 14 service areas.

The proposed 2005 budget allows for the hiring of the following employees:

- ▶ 1 Project Engineer
- ▶ 1 Public Works Technician
- ▶ 3 Wastewater Operations and Maintenance Equipment Operators
- ▶ 4 Operations and Maintenance Mechanics
- ▶ 2 Operations and Maintenance Electrical Technicians
- ▶ 2 Operations and Maintenance-Maintenance Workers

- ▶ 1 Contract Technician
- ▶ 1 Planning and Permits Planning Technician
- ▶ 1 Planning and Permits Permit Technician
- ▶ 1 Utility Construction Autocad Technician
- ▶ 3 Utility Construction Utility Technicians
- ▶ 1 Utility Billing Clerk Technician

The Budget Committee is pleased that once again the existing users of the water and wastewater districts will not see rate increases. The only increases that are projected for the entire budget consist of connection charges. I will elaborate more on these increases in the appropriate sections of this letter.

The FY 2005 budget does allow for subsidies from the County government to maintain the current rates in the amount of \$9,650,000. This funding is not only beneficial in maintaining the rates, but it is allowing the Engineering Department to work with the Finance Director and County Administrator in developing wastewater capacity to the year 2025 in all sewer districts. Continued land acquisition and mechanical upgrades to the South Coastal Regional Wastewater Facility should allow this to take place.

The Sussex County Council should take pride in the fact that the Sussex County government is the single most important supplier of wastewater services for the County. In addition to providing sewer service for the unincorporated areas, ten municipalities receive service from the County. They are:

Bethany Beach
Blades
Dagsboro
Dewey Beach

Fenwick Island
Frankford
Henlopen Acres
Ocean View

Ellendale

South Bethany

Additionally, we also have utility service agreements with the City of Rehoboth, Town of Georgetown, and City of Seaford in regard to wastewater service.

Our wastewater facilities have been visited by representatives from foreign countries such as China and Saudi Arabia. County employees have received local, State, national, and international recognition in maintaining and operating our wastewater facilities. Our Director of Operations has visited China and participated in a change of ideas in providing wastewater services. China will be hosting the 2008 Olympics and will be expanding their wastewater services to accommodate all of the visitors. The West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District was one of the facilities that was looked at as a model for their needs.

Most recently the District Manager for the South Coastal Regional Wastewater Facility was named "Wastewater Operator of the Year" and the District Manager for the Wolfe Neck Regional Wastewater Facility received an "Environmental Lifetime Achievement Award" from the State of Delaware Public Health Division, Delaware Technical & Community College, Delaware Rural Water Association, Water/Wastewater Operators Association, and the Department of Natural Resources and Environmental Control for the State of Delaware. I have been told repeatedly that Sussex County is used as a model for septic and holding tank elimination programs.

The Dewey Beach Water District annual bill will remain at \$260.90 for the ninth consecutive year. The County government is responsible for maintaining the water tower and service lines to the users of the Dewey Beach Water District. The district purchases water from the City of Rehoboth. For 2005 the district will pay the City \$360,000 for water supply.

Currently the County Administrator and Finance Director are negotiating a new agreement with the City of Rehoboth for supplying of the water. The

new agreement will be for five years. Every attempt will be made to avoid increasing the rates in the future. We have been successful in allowing the rates to remain at the current level by using past retained earnings.

The Dewey Beach Sanitary Sewer District annual bill for the average homeowner for the proposed FY 2005 budget will remain at \$297.04. County employees are responsible for the collection and transmission of wastewater for the Dewey Beach Sanitary Sewer District to the City of Rehoboth treatment plant. During FY 2005, the Dewey Beach District will pay the City of Rehoboth \$510,000 for wastewater treatment services.

As a result of upgrades and maintenance for the last five years, the FY 2005 budget will not be required to provide funding for any improvements in the new year.

The Blades Sanitary Sewer District will have an annual charge of \$316.18. The Operations and Maintenance staff of the County is responsible for collection and transmission of wastewater for this district. The City of Seaford, through a contractual agreement with the County, provides treatment. The district's contribution to the City of Seaford during FY 2005 will be \$102,000. This is an increase of 28 percent over FY 2004. Funding will be made available to allow for the district to purchase additional capacity. Twenty thousand (20,000) gallons a day will be requested from the City of Seaford to allow for expansion of the district at a cost of \$72,000. This cost will be paid out of the \$86,110 grant that is being recommended by the Budget Committee from the Appropriated Reserve.

The Dagsboro-Frankford Sanitary Sewer District will have an average bill of \$407.89 annually. This bill is calculated by using the same operations and maintenance and front footage rates that were established when the district was created in FY 1993.

The recently adopted Land Use Plan for the Town of Dagsboro indicates several large-scale developments have been proposed. Recently the Town Council approved over 500 homes within the corporate limits, and the Land

Use Plan indicates that an additional 1,100 homes and a golf course could be built in the near future. In an effort to comply with the needs of the Town, the Budget Committee is providing a grant in the amount of \$100,000 to allow for a study to investigate the existing and future needs of the sewer district. The County funding will be matched by \$50,000 from the Wastewater Facilities Advisory Council Long-Range Planning Grant.

The users of the Dagsboro-Frankford Sanitary Sewer District will also benefit from the \$1,000,000 grant that was approved by Council for the purchasing of additional acreage for the Piney Neck spray facility. In addition to having to purchase more land to allow for the added capacity, it will also be necessary to upgrade the treatment plant. The Budget Committee is recommending that \$275,500 in the form of a grant be provided to the district. This loan will be repaid to the County in the future by the new users of the system.

Pump Station 19 in the Dagsboro-Frankford Sanitary Sewer District will be upgraded during the new budget year. The cost of this work is estimated to be \$13,000 and will be paid out of revenues received by the district.

The design of sewer extension for Delaware Avenue in the Town of Frankford will be completed during FY 2004 and construction will start in the first quarter of the new budget year. The cost of \$292,000 will be paid from previously received funding.

The **Bethany Beach Sanitary Sewer District** will have an average bill of \$239.26. The Bethany Beach Sanitary Sewer District operations and maintenance rate will remain at the uniform rate of \$195.10.

The Budget Committee is recommending a grant from the Appropriated Reserve in the amount of \$95,000 for the Bethany Beach Sanitary Sewer District—\$50,000 will be used to allow for the finishing of the Operations and Maintenance Division's slip line repairs to Tingle Road Pumping Station; \$27,000 will be allowed for replacing digital controls and upgrading the communications system to the spread spectrum radios for Pump Stations 62,

63, and 65 in the Bethany Beach Sanitary Sewer District, which will allow the Maintenance Division greater freedom and reliability in interfacing with the pumping stations; \$12,000 has been appropriated to allow for the rebuilding of Pump Station 59; and an additional \$6,000 has been allocated for the purchasing of a spare pump to avoid down time during the summer season.

The **South Bethany Sanitary Sewer District** will have an average cost of \$237.10. This is also based on the operations and maintenance rate once again remaining at \$195.10.

Capital Improvements for the South Bethany Sanitary Sewer District total \$52,500. Twenty-Seven Thousand Dollars (\$27,000) will be used for replacing digital controls and upgrading the communications system to the spread spectrum radios for Pump Stations 20, 22, 23, and 24 in the South Bethany District. This will allow the Maintenance Division greater freedom and reliability in interfacing with the pumping stations. Eight Thousand, Five Hundred Dollars (\$8,500) will be allowed for communications upgrades to Pump Stations 20, 22, 23, and 24. Eleven Thousand Dollars (\$11,000) has been appropriated for the rebuilding of Pump Station 14 and \$6,000 for the purchasing of a spare pump.

The **North Bethany Sanitary Sewer District** will have an average annual cost of \$1,046.39. As the result of an out-of-court settlement with the property owners of the North Bethany Sanitary Sewer subdistrict, there has been very little growth. As costs of operating the district increase, there is very little chance that the rates will reduce for this district. It should be noted that approximately 72 percent of the homes in the district are occupied as second homes.

The **Fenwick Island Sanitary Sewer District** will have an average cost of \$291.00 for FY '05. This is based on the operations and maintenance rate remaining at \$195.10.

One Hundred Four Thousand Dollars (\$104,000) will be spent in capital expenditures to allow for pump station upgrades. For Pump Station 31 the Maintenance Division proposes to move the electrical service and control systems to the existing peroxide building. The Maintenance Division will move and update the station control systems to the programmable logic control (PLC) and install three new variable frequency drives to aid in better process control. It is projected that this work will cost \$23,500.

Funding has been allotted in the amount of \$23,500 for Pump Station 32 to allow for the Maintenance Division to move the electrical service and control systems to the existing peroxide building. The Maintenance Division will move and update the station's control system to the PLC control and install two new variable frequency drives to aid in better process control during peak times.

Fifty-One Thousand Dollars (\$51,000) will be delegated to allow for the Maintenance Division to move the electrical service to the existing peroxide building for Pump Station 33. Additional work will include pour and run new conduit to a new generator pad, and purchase and install a new 45 kW generator and transfer switch. The Maintenance Division will also be required to move and update station control systems to PLC control and install two new variable frequency drives to aid in better process control. Six Thousand Dollars (\$6,000) will be allotted for the purchasing of a spare pump for the district.

The **Henlopen Acres Sanitary Sewer District** will have an average bill of \$499.69 for FY 2005. The Operations and Maintenance staff of the County is responsible for maintaining the collection and transmission lines for this district. The City of Rehoboth is responsible for the treatment of the wastewater and its discharge. The district will be responsible for paying the City of Rehoboth \$55,000 in FY 2005. This is an increase of 34 percent over FY 2004.

The Budget Committee is recommending a grant from the Appropriated Reserve in the amount of \$69,000 for the Henlopen Acres Sanitary Sewer

District. This funding will be beneficial in allowing for replacing the generator and transfer switch for the district. This will allow the Maintenance Division to replace a standby system that was installed in 1984 and has become costly to maintain. The Henlopen Acres Sanitary Sewer District is one of the smallest stand-alone districts that is operated by the County.

The West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District will have an annual cost of \$634.45.

The Budget Committee is recommending a grant from the Appropriated Reserve in the amount of \$54,390 to allow for the upgrade of the irrigation process of the wastewater treatment plant. In addition to upgrading the wastewater discharge equipment for the treatment portion of the plant, \$53,500 will be used from existing revenues for the purchase of three five-horsepower pumps, impellers for several pump stations, seal kits for 13 stations, replacement of a second pump at Pump Station 227, and the rebuild of Pump Station 210.

Thirty Thousand Dollars (\$30,000) will be necessary for the purchasing of an aquaguard enclosure. The aquaguard headworks screen frequently freezes during winter operations. Staff proposes covering the channels with fiberglass and a corrosion-resistant structure. The structure would be sized to include a second screen which would be added during the headworks expansion in the future.

As a result of the State of Delaware purchasing the adjacent land for parkland, it will be necessary to install an electronic security gate with lighting at the entrance to the facility. This will be done at a cost of \$12,000. We frequently have had people driving into the facility and around the treatment lagoons without checking in at the administrative building.

Seventeen Thousand, Seven Hundred Dollars (\$17,700) will be allotted to allow for the purchasing of a new phone system and computer equipment for the staff.

The Long Neck Sanitary Sewer District will have an annual cost for the proposed FY 2005 budget of \$480.81. The Budget Committee is pleased that this rate has not been raised since the creation of the district 11 years ago.

The waste from the Long Neck Sanitary Sewer District is transported to the Inland Bays Regional Wastewater Facility. Three Million Dollars (\$3,000,000) has been allocated from the Appropriated Reserve to help with the purchase of additional spray land for the Inland Bays Regional Wastewater Facility. The Inland Bays Regional Wastewater Facility was originally designed only to serve the Long Neck Sanitary Sewer District. With the creation of the Oak Orchard Sanitary Sewer District the facility will be expanded. Administration and Engineering are working together to develop a plan that will provide capacity for not only the Long Neck Sanitary Sewer District and Oak Orchard Sanitary Sewer District, but also the West Rehoboth Sanitary Sewer District and the proposed Angola Sanitary Sewer District.

To help offset costs to the Long Neck Sanitary Sewer District users, the Budget Committee is recommending a grant from the Appropriated Reserve in the amount of \$420,000 that will be beneficial for plant expansion.

The FY 2005 Capital Improvements Budget allows for the expenditure of \$61,000 to include replacement of the digital control system and pumps at Grinder Stations 145 and 169. This funding will allow the Maintenance Division to upgrade the control system to a more modern system. The upgrade will result in allowing the three-phase grinder pumps to be utilized for the cost savings, tower consumption, and maintenance costs. Also, the new control cabinets will give the grinder station a better appearance than what is presently there.

Ten Thousand Dollars (\$10,000) will be allotted to allow for the placing of an uninterruptible power supply in every grinder station in the Long Neck Sanitary Sewer District. This will allow the Maintenance Division to respond

quicker to power problems in the Long Neck area, as well as provide more surge protection to the existing PLC control.

The Sussex Shores Sanitary Sewer Subdistrict, which is part of the Bethany Beach Sanitary Sewer District, will have an annual bill for FY 2005 of \$466.42. This district will once again receive the benefit of a uniform rate for the South Coastal Regional Wastewater Facility for operations and maintenance of \$195.10.

The Ocean Way Estates Sanitary Sewer Subdistrict of the Bethany Beach Sanitary Sewer District will have an annual rate of \$469.00 for FY 2005. This district is also served by the South Coastal Regional Wastewater Facility with an O&M rate of \$195.10.

The Holts Landing Sanitary Sewer District will have an annual bill for FY 2005 of \$584.40. This is the second year of operation for the County of this district.

The Holts Landing Sanitary Sewer District collection system does not meet Ordinance 38 standards. The system was installed by a private utility company prior to the County Council assisting the users in the purchase of the system from the private utility company. The pump station upgrades that were needed will be completed in the first quarter of FY 2005. This work started in FY 2004. During FY 2005, the remaining upgrades will take place. This includes upgrading of the collection system as well as the septic tanks that are shared by adjoining homes. It is estimated that this work will cost approximately \$1,300,000 and has been calculated into the existing rate.

The Cedar Neck Sanitary Sewer District will have an annual cost of \$575.98. During FY 2005, operations and service will commence for the residents. The Cedar Neck area lies within the Indian River Bay drainage basin. Contaminants from failing septic tanks that enter the groundwater and local drainage ditches eventually end up in these water bodies.

The Center for the Inland Bays supports central water systems and discourages new septic systems since those systems eventually contribute excess nitrates and micropathogens into the Inland Bays. A recent study showed that as much as 15 percent of the excess nitrogen entering the Inland Bays originates from septic systems. Excess nitrogen and phosphorous are primarily responsible for excess macro-algae blooms, potential harmful algal blooms like pfiisteria, and other poor water quality that contributes to an unhealthy estuarine system for crabs, clams, fish, and other marine organisms. Eliminating septic systems eliminates this source of pollutants.

The Cedar Neck Sewer District will combine a small diameter pressure collection system with a standard gravity wastewater collection system to serve homes and businesses on the Cedar Neck peninsula. The standard gravity collection system will serve as the backbone of the new wastewater system by serving Cedar Neck Road and adjacent subdivisions. Small diameter pressure sewers, however, must serve some outlying subdivisions. These subdivisions are typically located in low-lying areas along the water or wetlands which preclude deep sewer construction.

The new wastewater system will include 80,287 feet of pipe ranging from one-and-a-half inch to 21 inches in diameter, seven pumping stations, and 40 grinder pumps. Pipelines are placed within existing rights-of-way where possible. Each property is provided with a lateral to the property line for future connection of homes and businesses.

County ordinance requires that every home and business must connect to this system within one year of when it becomes available. The sanitary waste collected in the Cedar Neck Sanitary Sewer District is transmitted to the South Coastal Regional Wastewater Facility.

The **Ellendale Sanitary Sewer District** will have an annual cost of \$430.67. Construction has been completed for the entire Ellendale Sewer District. Areas being served include the corporate limits of the Town of Ellendale and the surrounding area. New Market Village manufactured home park is a sub-

district. The average annual cost for 2005 for the subdistrict will be \$557.84.

The Operations and Maintenance Division is responsible for maintaining the collection system and transmission lines, with the wastewater being treated by the Town of Georgetown. The district will pay the Town of Georgetown \$42,000 for this service during the new budget year.

The Budget Committee is recommending a grant in the amount of \$175,000 from the realty transfer tax to help subsidize the district. When the district was originally established the County Council had a ten-year commitment toward the operation, maintenance, and debt service. An overwhelming majority of the users of the district are low-income.

Expansion of the **South Coastal Regional Wastewater Facility** is a top priority for Engineering Administration. It is no secret that Sussex County is a popular place to live. Many of the new homeowners are choosing the County's sewer districts as their choice to relocate. As a result of this it is very important that we complete the expansion of the South Coastal Regional Wastewater Facility. This includes upgrading of the sludge handling, plant expansion, and odor reduction. The treating capabilities will be increased from 6,000,000 gallons per day to 9,000,000 gallons a day. It is estimated that the cost of this work will total \$21.5 Million.

The Budget Committee is recommending \$400,000 from the Appropriated Reserve to the **South Coastal Utility Disbursement Account**. This funding will be used toward the purchase of transportation equipment for all of the sewer districts' benefit. This equipment includes:

- ▶ 3-4x4 Extended Cab Pickup Trucks
- ▶ 1-4x4 Pickup Truck
- ▶ 2-4x4 Utility Body Trucks
- ▶ 1-4x4 Crew Cab Truck

- ▶ 1-Tractor with Boom and Blade (to allow for the cutting of slopes on the lagoons at the treatment facilities)
- ▶ 1-Trailer for a Bobcat
- ▶ 1-Trailer for a Backhoe
- ▶ 1-Trailer for Safety Equipment
- ▶ 1-4x4 SUV
- ▶ 5-Pickup Trucks for Utility Construction

System connection charges for FY 2005 are recommended by the Budget Committee to increase five percent for all new connections in most districts. Exceptions to this recommendation would be the existing improvements in the Cedar Neck Sanitary Sewer District, existing improvements in the North Millville Sanitary Sewer District, and existing improvements in the Miller Creek Sanitary Sewer District. Charges in those districts for existing improvements will remain at their current level.

Also, the rates in the Blades and Ellendale districts increased reflecting the increase in impact fees charged by the City of Seaford and Town of Georgetown. Seaford and Georgetown charge the County impact fees for new connections in these districts which have increased this year.

The North Millville proposed rate for Fiscal 2005 includes a transmission connection charge for the first time. This is designed to recover transmission capital costs associated with growth.

The Long Neck treatment connection fee rate has been raised reflecting cost increases estimated for the pending treatment expansion.

The Budget Committee is pleased that the only increases in the entire budget are those imposed for system connection charges for new construction. System connection charges are calculated by adding a fee for transmission costs and a fee for treatment costs. This funding is used to allow for

expansion capacity for new users. The Budget Committee believes that these increases are necessary to assist in the purchase of land to expand treatment facilities and to assist in the funding of upgrade capacity for all treatment plants. With County Administration and the Engineering Department developing capacity plans for all treatment facilities to the year 2025, it is important that the new users pay their share.

The Budget Committee's recommendation of increasing system connection charges by five percent is based on reports indicating that construction costs are inflating on a national level at 4.98 percent. A report that appeared in the Engineering News-Record on March 22, 2004, stated, "**Quick pace of record-breaking hikes stuns construction. Bankruptcies loom as firms struggle with fixed-price work.**" The County government has been presented with firsthand evidence of these increases with recent bid openings for the Oak Orchard Sanitary Sewer District as well as property acquisition costs for the expansion of spray fields. Maintaining system connection charges at a level equal to increased construction costs will be beneficial to future Administrations as well as the end user. Not collecting sufficient incomes now for expansion will only burden future Councils. The Budget Committee would recommend that the County Council allow for increases in system connection charges as follows:

**SUMMARY OF SYSTEM CONNECTION CHARGES
 JULY 1, 2004 – JUNE 30, 2005**

'05	FY '04	Proposed FY
Charge/ <u>District</u>	Total System Connection Charge/ <u>EDU</u>	Total System Connection <u>EDU</u>
Dewey Beach Water	\$ 719	\$

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Dewey Beach Sewer	\$2,589	
\$2,718		
Bethany Beach Sewer	\$3,066	\$3,219
South Bethany Sewer	\$3,066	\$3,219
Fenwick Island Sewer	\$3,300	\$3,464
Blades Sewer	\$2,145	
\$2,252		
Henlopen Acres Sewer	\$2,589	\$2,718
Long Neck Sewer	\$2,411	\$2,783
Dagsboro-Frankford Sewer	\$4,753	
\$4,990		
West Rehoboth Sewer	\$3,369	\$3,537
Holts Landing Sewer (Existing)	\$2,347	\$2,464
Holts Landing Sewer (Extension)	\$4,065	
\$4,268		
Holts Landing Sewer (Septic)	\$1,795	\$1,884
Ocean View Sewer	\$3,066	
\$3,219		
Cedar Neck Sewer (New Imp. After 6/30/03)	\$3,066	\$3,219
Cedar Neck Sewer (Existing Imp., \$2,159 6/30/03)	\$2,159	
North Millville Sewer (New Imp. After 6/30/03)	\$2,347	\$4,224
	FY '04	Proposed FY
'05	Total System	Total System

Charge/ District	Connection Charge/ EDU	Connection EDU
North Millville Sewer (Existing Imp. As Of 6/30/03)	\$2,300	\$2,300
Miller Creek Sewer (New Imp. After 6/30/03)	\$2,347	\$2,464
Miller Creek Sewer (Existing Imp., \$1,559 6/30/03)	\$1,559	
Oak Orchard Sewer (New Imp. \$1,466 After 2/1/01)	\$1,156	
Ellendale Sewer (New Imp., \$4,377 1/1/05)	\$3,416	

(Note: EDU means "Equivalent Dwelling Unit")

I believe that the FY 2005 budget may be the most unpopular budget that I have presented to the County Council, not because it isn't a financially sound budget, but some critics will say we are doing too much spending and others will say we are not doing enough. Every budget has its share of critics. However, there always seems to be an abundance of critics during an election year. The past 16 budgets that I have presented to the County Council have always been based on decisions that would be beneficial to the current and future inhabitants of Sussex County, and this budget isn't any different. American author Elbert Hubbard once wrote, ***"To avoid criticism, do nothing, say nothing, be nothing."***

The Budget Committee believes that there are many successes in the FY 2005 budget, starting with the 25 percent reduction in property taxes for the County Council portion of the General Fund operations. There is a theory that governments should only collect enough revenue necessary to satisfy the services that they are providing. The Budget Committee believes this tax credit can be

applied this year without jeopardizing this budget or future budgets. For those who say they would like to see the County take this money and spend on other programs they have the right to choose for themselves where they would like to see the funding go. For example if someone would like to contribute to libraries, local fire companies, or the Sussex County Land Trust for open space, the tax credit will give them the ability to write their check directly to the organization of their choice.

The \$9.1 Million that the County Council is providing for wastewater service will reap many long-term benefits. While this is one of the most time-consuming and costly programs the County provides, a large portion of the general population of the County gives it little thought as long as service is uninterrupted.

The additional paramedics and State police being paid for with the new budget will be beneficial in expanding public safety services.

The Budget Committee is hopeful that the \$750.00 level increase being recommended for employee salaries plus the three percent cost of living will help reduce the turnover in employees. In the last 12 months the County has lost 49 employees for various reasons. The loss of employees and retraining of new employees adds to the expense of operating the County efficiently.

The proposed FY 2005 budget requires the hiring of 28 new employees. Nineteen (19) of these employees are engineering-related activities. The additional nine employees will be employed as follows:

Assessment Division - 1
Greenwood Library - 1
Milton Library - 2

Paramedics - 3
Sheriff's Office - 1
South Coastal Library - 1

The continued elimination of failing septic systems and holding tanks, and funding for open space and farmland preservation, will provide an environmental benefit.

The Budget Committee trusts that these are the items that will be considered when the 2005 budget is reviewed. It would be unfortunate if the FY 2005 budget

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is evaluated based on the increased spending that is necessary to cover such costs as group hospitalization, library grants, public safety services, Sussex County Volunteer Firemen's Association grants, and pension contributions.

I believe the FY 2005 budget will allow the County government to continue to provide a sufficient level of services while at the same time preparing for the future. Former President John F. Kennedy once said, ***“Unless there is the most intimate association between those who look to the far horizons and those who deal with our daily problems, then . . . we shall not pass through these stormy times with success.”***

I would encourage the County Council to review the proposed budget thoroughly before the Public Hearing which will be held on Tuesday, June 22, 2004.

Please do not hesitate to contact me or other Budget Committee members should you have any questions regarding this proposal.

Sincerely,

Robert L. Stickels
County Administrator

RLS/sww