

May 16, 2000
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 the County of Sussex for Fiscal Year (FY) 2001. The FY 2001 budget was developed by a 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 head and the County's Internal Auditor.

The theme of the FY 2001 budget is "**The Future Is Now.**" Sussex County has established a strong financial position over the last 12 years. This can be best illustrated by Moody's Investors Service upgrading the County's bond rating from A1 to Aa3. On February 11, 2000, Moody's stated, "The upgrade reflects the county's long history of stable economic growth, minimal levels of tax-supported debt, well-maintained financial operations and excellent financial flexibility, reflected in a very high General Fund Balance."

Former Washington Redskins Coach George Allen once was asked why he traded his draft selections of younger players who may be future stars for older established players. He responded, "Because the future is now." The Budget Committee for the last 12 years has been recommending a financial course of action for the County. Each budget was prepared to allow for benefits for future budgets. The proposed 2001 budget will be a big beneficiary of the spending disciplines that have been developed over the last 12 years. The Budget Committee realizes it is not their responsibility to predict the future, but it is the Committee's responsibility to enable the future to be affordable for Sussex County taxpayers. The proposed 2001 year budget allows for a contribution to fully fund the pension, a \$4,150,000 subsidy to the sewer districts, and capital fund expenditures for the year totaling \$24,308,449.

Each budget presents the Committee with its own challenges. Financing of services and infrastructure is even more challenging when you have to fund existing levels of service and allow for expanded programs. Increasing population, heightened economic activity, and more intense development are major concerns that must be addressed by the Budget Committee. Economic vitality and expanded prosperity are much more desirable than an overburdened infrastructure and diluted services that eventually erode the quality of life that we have enjoyed in Sussex County.

The goals established by the Budget Committee for FY 2001 are:

- Balanced budget
- Maintain an operating reserve of a minimum of 18 percent
- Limit spending, as much as possible, on non-expanded programs
- Fully fund the outstanding liability of the Pension Program
- Eliminate tax-supported debt
- Expand economic employment opportunities, public safety, and library services
- Upgrade existing wastewater service and expand user base
- Reduce sewer service costs

The Budget Committee encourages the County Council to continue to maintain an operating reserve of a minimum of 18 percent. The proposed 2001 budget allows for an operating reserve of 20.44 percent. This reserve is essential if the County is going to avoid any tax or service fee increases in the future. Many economists are predicting that the economy is going to remain strong. However, they are not the ones who will have to suffer the consequences if they are wrong. All we have to do is look to our south to several counties in Maryland who are having budget difficulties at this time. According to an article published in The Daily Times of Salisbury, Maryland, on Friday, March 10, 2000, six counties were facing deficits, budget woes, and tax increases. It is my understanding that these counties had limited operating reserves. The Budget Committee believes that attention must be paid to increased costs in gasoline, home fuel oil, and rising interest rates on mortgages. Although it may be a small indicator, manufactured home placements and single-family home housing starts are down by 186 units as of March 13, 2000, compared to the same time last year. On a national level, the U.S. Commerce Department announced on Tuesday, April 18, 2000, that "housing construction, dampened by higher mortgage rates, took its biggest dive in six years last month—down 11.2 percent from the previous month. Economists said the plunge won't stop the Federal Reserve from pushing interest rates higher to slow the economy and control inflation." The decrease in housing starts marked the sharpest one-month drop since January 1994.

The Budget Committee believes that the goals established for the proposed budget will be beneficial to all of the residents across the County. The Budget Committee is concerned that we are able to provide a balanced budget with balanced services. United States Senator from Texas Phil Graham once stated, "Balancing the budget is like going to heaven. Everybody wants to do it, but nobody wants to do what you have to do in order to get there." The proposed budget will not utilize any past retained earnings to balance current year expenditures. Retained earnings will only be used to pay for subsidies to the sewer districts and for reduction of tax-supported indebtedness.

In many ways, the Budget Committee believes that the proposed budget mirrors the State of Delaware's financial plan. In an article that appeared in the Wilmington, Delaware, News Journal, on Tuesday, April 18, State Treasurer Jack Markell and State Finance Secretary John Carney were referenced. Secretary Carney said the State should take advantage of the current boom by paying down its debt and using the money for capital improvement projects, instead of programs that come with continuing costs. The Budget Committee believes that the proposed County budget will allow this to happen.

The proposed 2001 year budget calls for General Fund operating expenditures, appropriated surpluses, and appropriated project reserves totaling \$30,111,558 [See Addenda 3 and 4]. This is an increase of 5.37 percent over FY 2000. This compares to the New Castle County increase of approximately 6.75 percent, Kent County approximately five percent, the State of Delaware five percent, and the Town of Georgetown 6.9 percent. The Budget Committee is gratified that the increase is only 5.37 percent over FY 2000. The Budget Committee believes the 5.37 percent is a moderate increase, considering the proposed 2001 budget allows for an increase in library services, expanded paramedic services, increased funding to the fire service, and increased wastewater service areas that are necessary to allow us to keep pace with the increased population. According to a report released by the Delaware Population Consortium dated July 1, 1999, the population in Sussex County has increased 25.6 percent from 1990 to 1999. This is almost twice the amount of increase, percentage-wise, of New Castle of 10.7 percent and 13.1 percent for Kent County. The report further stated that the population will continue to increase more than 20 percent over the next 20 years. Planning must be undertaken at this time to deal with this type of increase.

I would like to take this opportunity to highlight the proposed budget that begins July 1, 2000.

1. **Tax Rates** – To quote former President George Bush, "Read my lips, no new taxes," the proposed 2001 year budget contains the same recommended tax rate for FY 2000 of 44.5 cents per \$100.00 of assessed value. This is the eleventh consecutive year that the tax rate for Sussex County has been set at 44.5 cents. I realize that by not raising property taxes we may be leaving ourselves open for criticism from some members of the Delaware General Assembly who have stated that the reason we are experiencing an increase in population is because the County brags that we have one of the lowest property tax costs in the United States. Still, some consideration for people moving to Delaware must be taken into account when you realize that the General Assembly has continued, year after year, to lower Delaware's personal income tax and inheritance tax and to reduce school taxes for those over 65. I would like to say that I am in favor of all of those reductions. However, I do not

think the County Council should have to burden all of the blame for the population growth that has taken place. Possibly those who criticize the County Council for maintaining the same tax rate for 11 years in a row should remember an old French saying, "One should look long and carefully at one's self before one considers judging others." I believe it is obvious from the difficulty the school districts have been having in our County in passing referendums that the general public is not interested in paying increased fees for any governmental services.

The tax rate is calculated by adding the estimated general operation rate of 36.97 cents per \$100.00 of assessment, the estimated library rate of 4.33 cents per \$100.00 of assessment, and the estimated bond rate of 3.2 cents per \$100.00 of assessment. The assessment is based on 50 percent of the 1974 assessed value. With the elimination of General Fund debt that is supported by the 3.2 cents bond rate, it is the goal of the Bond Committee that this portion of the tax would be able to be transferred to the general operation rate. The transferring of the 3.2 cents will be beneficial in assuring that if there is any tax increase in the future, it would be minimal. This year's bond payment will be \$3,709,498. A contribution of \$2,003,925 will be made from past year's savings and an additional \$1,000,000 will be dedicated from the FY 2001 realty transfer tax. This will reduce the County's tax-supported indebtedness to zero. This will be the first time since the creation of the Sussex County Council form of government that there has been no tax-supported indebtedness.

The proposed 2001 year budget indicates that 21 sources of revenue will increase during the year. This compares to 33 line items that increased during FY 2000. In addition to not having an increase in property tax, none of the existing fees are projected to increase during the new year. The increase in income is a result of the increase in the volume of work that each department will perform.

The proposed 2001 year budget projects revenue increases from the following sources:

- Property Tax - County and Library
- Tax Penalties
- Realty Transfer Tax
- Manufactured Home Placement Tax
- Federal Airport Grant
- State Paramedic Grant
- Clerk of the Peace
- Recorder of Deeds Office
- Register of Wills Office
- Sheriff
- Building Permits and Zoning Fees
- 911 System Fees
- Fire Service Enhancement Funding
- Building Inspection Fees

- Private Road Inspections
- Private Road Design Review Fees
- Water and Sewer Engineering Income
- Investment Income
- School Tax Rebate
- Industrial Bond Fee
- State EMS Technical Fund

The realty transfer tax will once again increase in excess of \$1,000,000. It is projected that the income from the realty transfer tax for FY 2001 will be \$6,600,000. This is an increase of \$1,324,000 over FY 2000. The additional funding will be used to pay for the supplemental cost of the sixth paramedic unit and to subsidize the sewer districts. Additionally, the realty transfer tax will be used to help provide a grant in the amount of \$15,000 to any town in Sussex County that does not collect \$20,000 during their budget year in realty transfer tax. Currently, Sussex County government is the only county government that is providing Revenue Sharing to the smaller communities [See Addendum 5].

The proposed 2001 year budget anticipates a decrease in revenue in nine categories:

- State Library Grant
- State Airport Grant
- State Local Emergency Planning Committee Grant
- Airport Rent
- Data Processing
- Sale of Assets
- Cost Accounting
- Appropriated Project Reserves
- Appropriated Surplus

The proposed budget will not utilize any past surpluses to subsidize the operating portion of the General Fund. In FY '99, over \$750,000 of past retained earnings was used to balance the budget, and as recently as FY '96, \$2,000,000 was needed. The proposed FY 2001 budget should sufficiently fund itself based on the projected revenues, but the new budget must be properly managed. This management is not only the responsibility of the Budget Committee, but each department head also will have the responsibility to seek creative input from within their department to define budgetary objectives to be able to accomplish the programs for the new year. As has been past policy, if there is a decline in revenues, we will have to reduce expenditures to ensure that we finish in a positive cash position for the eleventh consecutive year.

With the increased population and demand for services, the Public Safety and Public Works Capital Improvement Programs will play a major role in the budget process. Sussex County volunteer fire companies will receive \$1,814,427 in funding for FY 2001. The fire service enhancement fee will generate \$875,000. This funding is generated from the one-quarter-of-one-percent of the cost of the value of the new

construction. This program was adopted by the County Council three years ago. The equipment grant will receive an increase of 3.5 percent. This funding is provided from the General Fund portion of the property tax and is based on the growth of property assessments during the previous year. The Discretionary Account will receive \$3,500 for costs related to the foam trailer that is housed at the Georgetown Volunteer Fire Company. The County Council will also make \$2,000 available toward the cost of the annual memorial service. Five thousand dollars (\$5,000) is available for public safety education programs provided by the volunteer fire companies. Each company receiving funding is required to match the County's contribution toward their program.

The proposed 2001 budget allows for a 9.4 percent increase in funding for Basic Life Support (BLS) attendants. During FY 2001, 16 fire companies will share in \$255,000 [See Addendum 6]. This funding will allow for the volunteer fire companies to hire BLS attendants. This funding category will continue to increase if the fire service is going to comply with State standards for emergency response. The Delaware Emergency Medical Services Oversight Council has established a goal of eliminating all "scratch" calls. A scratch call is when an ambulance company is called and for some reason or another they are not able to respond, and another company must be called into their service area. Callboard staff is currently monitoring the percent of calls that have to be transferred. The most recent numbers that are available indicate that the County has a rate of four percent. The continuation of funding of BLS attendants is going to be necessary if we are going to reduce the percentage of scratches. I would like to mention that Sussex County is the only county government that is providing funding that is dedicated solely for BLS attendants in Delaware.

The final category that the fire service will receive funding for is the new communication paging system. One hundred twenty thousand dollars (\$120,000) will be added to the past contribution of \$375,000. This funding will be used to buy 50 pagers for each of the 21 fire companies and 25 pagers for each of the two ambulance companies. In addition to the cost of \$321,000 for the purchase of the pagers, the County will spend \$174,000 for the infrastructure to support the system.

Utilizing the most recent population projections, the Sussex County Council's contribution of \$1,814,427 calculates to be \$12.69 per capita for fire and ambulance service. This compares to \$2.90 for Kent County and \$5.38 for New Castle County [See Addendum 6].

The County Council's contribution to the Delaware State Police will increase 9.86 percent during budget year 2001 for patrolmen. This year's budget allows for a salary contribution of \$356,455. In addition to the contribution that pays for a portion of the 12 policemen stationed at Troop 4 in Georgetown, funding will be encumbered for the purchasing of additional police vehicles in future budgets. During FY 2000, the County paid for six vehicles. To soften the impact on any one given year, we will encumber funding each year for the next five years to purchase additional vehicles, if the Council chooses to continue with this program.

The total cost for public safety for the citizens of Sussex County for the proposed 2001 budget is \$9,457,962. This spending represents 31.4 percent of our total General Fund budget. The public safety expenditures include the Paramedic Department, Emergency Operations and Communications, Emergency Operations Center, Emergency Preparedness, Local Emergency Planning Committee, Fire Service, State Police, and the Sheriff's Department [See Addendum 7]. I will detail these programs farther on in the budget letter.

2. **Employees** – The salary for employees will increase a minimum of three percent for the new budget. All employees will receive a minimum increase of \$600.00 annually. For employees whose salaries are less than \$20,000, they will have an increase of \$600.00. An employee making \$16,000 will have an increase that would be equal to 3.75 percent, and an employee making \$14,000 will have an increase equal to 4.3 percent. Any employee who is making less than \$15,000 after the first year of their anniversary of employment with the County will have their salary increased to \$15,000 at that time. According to The Kiplinger Letter of March 17, 2000, a three percent pay raise will be slightly less than the 4.2 percent average that the private sector will pay during the year 2000. The three percent will give employees a slight edge on inflation, which is climbing at a rate of 2.7 percent according to The Kiplinger Letter of April 7, 2000. I would ask the Council to keep in mind that there are many commodities that County employees purchase that will exceed the projected inflation

rate, with gasoline and diesel fuel up 22 percent, propane up 25 percent, and building materials ranging 12 to 15 percent increases.

During budget year 2001, medical coverage for the employees will increase 15 percent. The proposed budget will allow for the County General Fund to absorb these costs. Prescription costs will also increase. Employees will see non-generic costs to them increase from \$10.00 to \$12.00, and generic from \$5.00 to \$7.00. The Kiplinger Letter of January 21, 2000, stated that soaring drug prices nationwide will mean costly coverage. Because of increased costs, Congress is not going to take action at this time on providing prescription drug coverage for Medicare recipients. The Budget Committee is recommending that the proposed 2001 budget include funding that would allow for the County to purchase long-term disability insurance for the employees. It is estimated that this coverage for our employees would be approximately \$54,000. Considering this would provide coverage for all full-time employees of the County, it is relatively inexpensive when you look at the long-term benefits. Employees would be covered once they have exhausted all of their sick and vacation time.

The proposed 2001 year budget will be required to make a pension contribution of \$1,440,570 [See Addendum 14]. This is based on an actuary rate of 7.6 percent, as recommended by the County's actuary consultant, Aon Consultants, Inc. The 7.6 contribution percentage rate is the lowest the County has had in the last 12 years. This rate compares to last year's contribution of 8.72 percent, FY '99 rate of 8.8 percent, 9.4 percent rate for FY '98, 12.66 percent for FY '97, and 14.21 percent for FY '96. This additional contribution will allow for the Pension Account to be fully satisfied for the first time ever. Fully funding of the pension was one of the areas that was looked at by Moody's Investors Service when they upgraded the County to the Aa3 rating. The value of the market assets of the pension for FY 2001 will be approximately \$17,000,000. This compares to a value of \$1,230,114 in 1988.

An additional recommendation by the Budget Committee in FY 2001 is to amend the current Personnel Ordinance to allow for Paramedics and 911 Dispatchers to retire after 25 years. Currently, dispatchers and paramedics work based on an average 42-hour week and other County employees work on a 35-hour week. Over a 25-year period, the dispatchers and paramedics are working the same amount of hours that a 35-hour County employee works. Additionally, the Budget Committee felt that a reduction of five years for their retirement would be beneficial in retaining those employees. Also, it would provide compensation for having to work holidays and weekends. The recommended contribution of \$1,440,570 to the Pension Fund has taken into consideration the reducing of the retirement requirements. The 25 years would also equal the same amount of years that are required by the Delaware State Police. It is my understanding that New Castle and Kent County are both considering reduction of their pension requirements too. The states of Maryland and Virginia also have similar retirement plans for public safety providers:

Ocean City EMS (Maryland)	25 Years
Salisbury Fire Department (Maryland)	25 Years
Fairfax County Fire Department (Virginia)	20 Years
Caroline County EMS (Maryland)	25 Years
Chincoteague Fire Department (Virginia)	25 Years
Montgomery County Fire Department (Maryland)	20 Years

Retirees will have a pension adjustment of 1.5 percent. The 1.5 percent increase is based on the policy established during FY '98 that retirees would not receive more than two percent, or half of the increase for the working force. Although the one-and-a-half percent is relatively low, it should be mentioned that many private sector businesses do not provide inflation adjustments for retirees, and the State of Delaware does not do it on a regular basis. Retirees have seen an increase in their pension for 12 consecutive years. The total pension cost for retirees for the 2001 budget is \$1,018,106. This includes pension payments, group hospitalization, dental plan, and vision plan. At this time, there are 79 retirees receiving benefits, 43 employees are terminated or vested and will be receiving benefits in the future, and 172 employees that are currently employed are already vested.

3. **County Council** – The County Council is the legislative branch of the Sussex County government. The Council consists of five elected members. Each Councilman is elected from their own district. The County Council President is elected by the members of the Council at a reorganizational meeting in January.

The five County Council members will have their salary increased to \$19,193. This is equivalent to a 3.2 percent increase, the same as the employees will be receiving. The President of the County Council will receive an additional \$1,000.

The Council's budget for the proposed 2001 year will allow for the County Council to belong to the Delaware League of Local Governments, National Association of Counties, Delmarva Water Transport Committee, First State RC&D Council, Delaware Safety Council, Sussex County Association of Towns, Delaware Association of Counties, and Delaware Rural Water Association. Funding in the amount of \$10,000 per Councilperson will allow for the continuation of the Councilmanic Grant Program. The Budget Committee is recommending that the Recreational Assistance Program be increased to \$30,000. In FY 2000, the program was funded at \$20,000.

The County Council will also make contributions to the Delaware Technical & Community College Annual Women's Conference, Slam Dunk To The Beach, Delaware Arts Stabilization Fund, University of Delaware Symphony, Sussex County Science Fair, CHEER Senior Beach Day, and the Sussex County Return Day Committee.

4. **Legal** – The County Council's policy of contracting with the private sector for legal services will continue during budget year 2001. With the recent court rulings, especially those by the Supreme Court regarding billing issues for sewer service, the County is obtaining the best representation possible on specialized legal issues. Because of the nature of the County's involvement in a multitude of activities, it is difficult to have a staff attorney that would have the wide array of experience that we are now receiving from the private sector.

The proposed 2001 budget indicates that we will have legal expenditures of \$204,100 for the forthcoming year. I believe that if we were to have a full-time attorney and support staff, the expenditures for just those people would exceed what we are paying to the private sector. In addition, we would still have to contract for outside services. New Castle County, which maintains a full staff to support eight attorneys, still has to contract for outside legal costs. New Castle County's legal expenditures exceed \$1,600,000 annually.

The proposed 2001 year budget is calculated based on the policy remaining that Mr. Eugene H. Bayard will continue to represent the County Council, Mr. Dennis L. Schrader will represent the Planning and Zoning Commission, and Mr. Richard E. Berl, Jr., will represent the Board of Adjustment. In addition to these individuals, the County will be represented by the law firm of Young, Conaway, Stargatt & Taylor in regard to personnel and labor issues, the law firm of McCutchen, Doyle, Brown & Enersen will handle the County's environmental issues on the federal level, and the law firm of Potter Anderson & Corroon will assist with bond funding. The law firm of Parkowski, Noble & Guerke will represent the County on environmental issues at the State level.

5. **Grant-in-Aid Program** – The proposed FY 2001 budget contains grant-in-aid contributions of \$4,319,274. Grant-in-aid contributions include programs for police, fire, and ambulance companies. Additionally, the County will provide funding during the 2001 year budget for the Future Farmers of America and the CHEER Meal Program at the same level as FY 2000. The Small Business Development Center will receive a grant-in-aid of \$5,000.

Grant-in-aid contributions for the proposed 2001 budget call for the University of Delaware College of Agricultural Sciences to receive a two percent increase, making the County Council's contribution to this program \$107,502. Over the years, the Sussex County Council has provided increased funding to the University of Delaware Research and Education Center and the Cooperative Extension Service. As the County continues to grow, so does the demand for research-based information and education provided by this agency. The County's support has allowed for the University to continue efforts in agriculture for research, environmental/ water quality programs, human resource development, and youth programming.

The Sussex Conservation District will receive a two percent increase also during FY 2001. This funding will be utilized for salaries of the Coordinator, Sediment and Stormwater Management Assistant, and the Equipment Manager. The County Council will also contribute \$75,000 to match State funding for the Tax Ditch Drainage Program. The County Council's total contribution for the proposed 2001 year budget for the Sussex Conservation District is \$122,829.

The proposed 2001 year budget contains a contribution of \$116,593 for Human Service Grants. During FY 2000, the County Council capped this program at \$112,650. The proposed funding for FY 2001 allows for a three-and-a-half percent increase, as directed by the Council during budget year 2000. Nonprofit agencies are eligible to apply for this funding in August, with grants being awarded by the County in late October. This program has been very popular with nonprofit agencies. Requests for funding are usually twice the amount that is available to be distributed.

During budget year 2001, it is anticipated that 11 towns will receive \$15,000 of Revenue Sharing from the County's Realty Transfer Tax Program. The County Council established this program in FY '99 and awards \$15,000 to any municipality that does not have a realty transfer tax or that does not collect a minimum of \$20,000 per year [See Addendum 5].

In addition to the Revenue Sharing that will be provided to the towns, the County Council will also provide a payment in lieu of taxes to the Town of Georgetown. This year's payment will total \$5,305. I would also like to mention that besides this payment, the County will be putting three properties back on the tax rolls for the Town during FY 2001.

As I mentioned earlier, the 2001 budget allows for the continuation of the Recreational Assistance Program in the amount of \$30,000. This program was established in FY 2000 and is available for youth activities. Activities are not limited to just recreational programs. Once again the program will be administrated so that adult activity programs are not eligible, as they should be funded through individual Councilmanic Grants.

The proposed 2001 year budget allows for the continuation of the County Sewer and Water Low-Income Loan Program that was established in FY '99, the County's Sewer and Water Low-Income Assistance Program, State West Rehoboth Sewer Low-Income Assistance Program, and Federal Rural Development Hookup Cost/Loan Grant Program [See Addendum 13]. The loan funding can be utilized on delinquent or current balances. The interest rate is three percent. The Budget Committee is recommending that the County's Sewer and Water Low-Income Assistance Program increase the subsidy to \$150.00 per year. This is an increase of last year's allotment of \$100.00 per year. Additionally, the State West Rehoboth Sewer Low-Income Assistance Program is available, and funding through the Federal Rural Development Program allows for assistance for sewer hookup costs, low-interest loans, and grants. The income guidelines for all of these programs will be HUD/CDBG low-income levels.

The Grant-in-Aid Program that was established by the County Council in FY 2000 to provide Sussex County property tax subsidies will again be included in the 2001 budget. The Budget Committee is recommending that the income guidelines be increased for the new year. Currently, an individual whose annual income does not exceed \$10,400, or a household with two or more adults whose income does not exceed \$14,400, is eligible for this program. The Budget Committee would recommend that the individual income guidelines be increased to \$14,400 and a household to \$18,400. This subsidy is in the form of a grant and can be applied to the County portion of the property tax bill. 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 do give exemption from all property taxes. This program is beneficial to those who are truly of low income and cannot afford to pay their property taxes. The Budget Committee believes that the County's participation in this program compliments the State's efforts in reducing school taxes for those over 65. The funding for this program is coming out of the General Fund and can only be accomplished because of the strong economy. This program will be monitored on a first-come, first-served basis, based on having \$130,000 available [See Addendum 12].

As in the past, the Budget Committee cautions agencies and individuals that receive funding through the Grant-

in-Aid Program to be very conscious of the fact that a downturn in the County's income would result in a reduction in many of these programs.

6. **County Administrator** – During the new budget year, I will continue my responsibilities as County Administrator, as listed in Title 9, Delaware Code, § 7003, that include, but are not limited to, being the Chief Administrative Officer for the County, attending all necessary government meetings, and being responsible for the proper administration of all County affairs. Additionally, I will remain active with the Sussex County Association of Towns and the Delaware Association of Counties.

During FY 2001, I intend to work with the National Association of Counties as a member of the Environment, Energy and Land Use Steering Committee. I will continue to make our congressional representatives aware that Delaware has not been receiving its share of special program grants from the United States Environmental Protection Agency. The federal FY 2000 appropriations awarded 141 grants nationwide. Currently, a request from the County is being considered for \$15,000,000 for the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District.

The primary goals that I have established for the new year include strengthening our intergovernmental coordination efforts. At this time, I believe that we have a very good relationship with the local municipalities in Sussex County, but this relationship does not appear to be at the same level with State agencies. For example, the State's participation on the Technical Advisory Committee meetings has declined. On Wednesday, March 15, 2000, there were no agency representatives from the 20 members comprised of the Technical Advisory Committee. I am concerned that with having a lame duck administration, the lack of attendance at these meetings may continue to decline. With the start of a new administration in the new calendar year 2001, every effort will be made to strengthen our relationship.

7. **Finance--Administration** – This department consists of the Finance Director, Internal Auditor, Administrative Secretary, and a Purchasing Agent. The Finance Administration section is responsible for overseeing the financial functions of the County government with respect to expenditures and revenues. These are all an important role in the budget-making process. The Finance Director assists in monitoring monthly financial reports and preparing special financial analyses. The department oversees the Treasury Division, Accounting Division, Assessment Division, and Utility Billing Division.

Financing of County projects through the sale of bonds and other mechanisms is also the responsibility of the department. During FY 2001, the Finance Director will work with the County Administrator in continuing to develop our Debt Reduction Program. The primary goal of the Finance Director is to assure that we have funding available to eliminate all General Fund tax-dependent debt within the next three years.

The Finance Director is one of four County employees who reports directly to the Council. During FY 2001, the Finance Director will continue to carry out his responsibilities as listed in Title 9, Delaware Code, § 7004. It is projected that during FY 2001 the County will receive an income of \$1,800,000 from investments. The Finance Director and his staff work diligently to invest the cash on hand and make sure the County is getting the best return for its money. The Finance Director's responsibilities include safeguarding the County's assets while trying to invest idle cash to maximum terms and minimum risk. During FY 2001, the County will continue to receive financial advice from Fairmount Capital Advisors, Inc. Funding that is established to allow for the Property Tax Subsidy Program is paid for from the interest that is earned on the General Fund portion of the budget.

8. **Finance--Assessment Division** – This division consists of one Director, one Assistant Director, seven Assessors, two Clerk-Supervisors, one Secretary, and 14 Clerks. It is the responsibility of this division to ensure that all land, buildings, improvements, and special betterments, except those exempted from taxes, be valued and added to the County's assessment rolls for the purpose of taxation. Currently, the division uses 1974 construction values to calculate the assessment placed on real property.

The primary goal of the Assessment Division in FY 2001 will be completion of the program that started in the last quarter of budget year 2000—the processing of assessment information and mapping information. All data

entries of new parcels of land, as well as owner information, will take place in the Assessment Office immediately upon retrieval of the deeds each day. This process, as currently done, can take a few days or several weeks to complete. Because of the new file created in conjunction with Data Processing, we will no longer need to print and update assessment books, which will result eventually in a cost savings of thousands of dollars a year just in supplies. When we take into consideration the labor cost involved by Book Clerks in creating and maintaining these books, the savings will become more evident. This new process will also allow for the elimination of the job currently held by Book Clerks. Our three Book Clerks will be trained to do edit/clerk calculations, thus dividing this work up among the entire staff. This will result in the assessment values being applied to the land and improvements in a more timely manner.

Another advantage to this process is that we will no longer need to update or create the ownership cards currently housed in the Mapping Department. This information, along with the history file, will be maintained on the AS/400 by Data Processing. This will result in allowing us to transfer one employee's responsibilities to other duties in the Assessment Division. It will only be necessary to have one employee to assist the public in searching our records and existing card files.

The changes in activities in this division will be monitored closely by the Director, and he will update the County Administrator on a regular basis as to the progress and the success of this program. It is believed that future budgets will benefit from this cost-saving and timesaving change.

During FY 2001, the County will retain \$530,000 in Appropriated Reserves should the General Assembly choose to mandate reassessment during this legislative session. However, it does not appear that there is any activity in mandating reassessment. It has been the County Council's position that since approximately 80 percent of the revenues collected for property tax go to the State schools, this should be a State expense. If the State is unwilling to pay 100 percent of the cost, the County's funding in Appropriated Reserves should cover our percentage.

The proposed 2001 budget allows for the Assessment Division to purchase three calculators, two file cabinets, two printers, and one microfilm reader/printer.

9. **Finance--Accounting Division** – The Accounting Division consists of a Director of Accounting, an Assistant Director, a Payroll Accountant, four Accountants, and three Clerks. The Accounting Division is responsible for recording, reporting, and auditing. The Director of Accounting's responsibilities include playing a major role, along with the County Administrator and the Finance Director, in the preparation of the annual budget and recording of financial transactions throughout the fiscal year to prepare the monthly budget performance reports.

Other responsibilities for this division include preparing federal and State payroll reports, reviewing and paying all County bills, maintaining fixed asset records, monitoring federal and State grants, recommending and approving budget adjustments, and working with the auditors to coordinate the annual audit report.

The primary goal of the Accounting Division for FY 2001 is to make final adjustments to the general ledger as soon as possible. Timeliness of financial reporting is essential to allow for the County Administrator and the Finance Director to have effective supervisory oversight and control for the dissemination of information to the public and the financial community. The Budget Committee would like to have the Council receive the audited statement before the end of the calendar year.

10. **Finance--Treasury Division** – The Treasury Division consists of one Director, one Assistant Director, three Financial Clerks, and three Clerk-Technicians. The Treasury Division is responsible for collection and distribution of County, school, tax ditch, and suburban streetlight district taxes. During FY 2001, the Treasury Division will once again be responsible for administering the State's Senior Citizen School Property Tax Credit Program. It was originally believed that because of the amount of work that this program has created for this division, we would be required to hire another employee. However, the existing staff was able to efficiently handle the program along with their other responsibilities. The division handled over 13,000

applications. Sussex County seniors received \$1,757,989 as of April 11, 2000, from this program. Because of the diligence of the Treasury Division, Sussex County seniors received their checks before Kent and New Castle residents.

It has always been the County's policy that tax bills be sent out the first week in July whenever possible. However, legislation that recently passed the Delaware General Assembly permits schools to delay the setting of their tax rates until the second week in July. This contradicts a Resolution that was passed by the County establishing June 1 as the deadline for submitting their tax rates to the Treasury Division. The County had two choices: (1) wait until we receive the schools' tax rates and delay sending out our tax bills, or (2) do a separate billing. If we do a separate billing, there would be an additional cost to the County for printing the bills, postage, and labor. It is believed that it would cost in excess of \$50,000 to mail school and County bills separately. The other alternative we have is to delay our billing for two weeks and then mail as we have done in the past. I have told the General Assembly that the County will delay its billing if we are compensated for it. Legislation is to be introduced that will provide the County with \$50,000 one time for adjusting our printing date.

During the new budget year, the Treasury Division will continue with the practice of rebilling taxpayers immediately after a payment is received that is not paid in full. This has been beneficial to make the taxpayer aware they have not paid their full payment and that they will start to incur additional penalty. The Treasury Division will work with the Constable's Office to pursue the collection of taxes. The proposed FY 2001 budget indicates that we will have an 11 percent increase in delinquent tax penalties.

Proposed expenditures for the division include four personal computers and three printers.

11. **Building Code** – The Building Code Department consists of a Chief Building Code Inspector, one Secretary, one Clerk, and three Code Enforcement Officers. The department is responsible for doing plan review and building inspections for residential and commercial structures. The County contracts with the First State Inspection Agency to perform field inspections for the single-family portion of the inspection program. During budget year 2001, the Budget Committee recommends that this contract be reviewed. Notice would have to be given during FY 2001 if we wish to make changes in the current agreement. Changes in the program could include the County hiring additional staff to perform all of the work in-house or the possibility of rebidding the contract and awarding this work to two inspection agencies. Awarding the contract to two inspection agencies would allow the general contractor to choose one agency over another. Currently, the State of Delaware allows the selection for inspection of electrical work with two agencies. It is my understanding this has been beneficial when personality conflicts between the private sector and the inspection agencies.

I also would like to remind the Council that there currently is legislation pending in the General Assembly that would have a dramatic impact on our Building Code Inspection Program. House Bill No. 399 would require a complete overhaul of this department. As the legislation is currently written, this bill, if passed, would be very detrimental to the County's finances.

During budget year 2001, we do not anticipate an increase in new homes being built, modular homes, additions, multi-family projects, or commercial projects. The Budget Committee believes that the construction activities in the County will start to level off. The Building Code Department will continue to provide single-family home inspection services to 12 towns, and multi-family and commercial services to 13 towns [See Addendum 5].

During FY 2001, the Building Code Department will purchase a calculator, computer, a digital camera, and a new vehicle. The calculator and the computer will replace old equipment that is insufficient. The purchasing of an additional camera would be useful in recording any violations out in the field. The camera could also be used to show proper workmanship in different or unusual circumstances. The Polaroid camera that the department has been using in the past does not take a clear picture and the pictures darken over time. Funding has been allocated to allow for the purchasing of a S-10 pickup to replace one vehicle that has over 100,000 miles and is starting to require expensive repairs.

12. **Personnel** – The Personnel Department consists of a Director of Personnel, an Assistant Director, a Clerk-Technician, and a Payroll Accountant. The Personnel Department is responsible in assisting the County Administrator in providing a healthy work environment, to instill a spirit of professionalism among the employees, and to assist employees in all areas of personnel practices. The department is responsible in assisting the County Administrator in recruiting, testing, and interviewing in the selection of future County employees. Personnel records of the current County employees, plus retirees, are managed by this office.

The primary goal of the Personnel Department is to assist the County Administrator in classifying the job responsibilities of each employee. The department assists the County Administrator and the Finance Director in developing a competitive and affordable salary range for each classification. The current salary program that the County has does provide each employee with an opportunity to advance when there are vacancies. All employees have the opportunity to apply for any vacancy prior to the job being posted to the general public. This allows the employee an opportunity to advance based on his or her ability and education. This method allows for the employee to establish an innovative way to advance, and employees are only limited by their own initiative when openings are available.

During budget year 2001, the Personnel Department will be responsible for implementing the new Long-Term Disability Program for the employees. Additional responsibilities will include coordination and adjustment of personnel records for the 911 dispatchers and the paramedics to comply with the necessary changes for the reduction in the maximum number of years for retirement.

13. **Information Systems** – The Information Systems Department, formerly referred to as Mapping and Addressing, brings the title into conformity with the activities that take place in this department. This department consists of a Supervisor of Information Systems, one Systems Administrator, three CAD Technicians, and two Personal Computer (PC) Technicians. During budget year 2001, the administrative staff will provide support to almost all of the County's departments. This support includes providing information and services such as parcel and map information, databased signs, and custom maps, charts, and multimedia power point presentations. The department will also be involved with the design and implementation of the new work flow.

The department's PC Technicians will be working in programming, maintaining the County's web page, and maintaining the hardware for the PC's. Currently, Sussex County has one of the most advanced network infrastructures in the County, including the private sector. The system includes a fast 100-megabyte network on our local area network and a fast wide area network connectivity. Since the original installation of the computer network, the department has assisted in quadrupling our storage area to accommodate the growth and use of the network. The department projections for the next year require the County to again increase storage space on the network. As part of the automation of the Engineering Department's Maintenance Program, the J.D. Edwards software requires a larger data storage area.

Additional responsibilities for the department during the year include the continuation of automating the Sussex County Emergency Medical Services (EMS) Department by moving the server task to the County system. The Information Systems Department will provide support staff to EMS and manage the day-to-day operation of their computer network.

The Sussex County Engineering Department is in the process of further automating their sewer treatment plant reporting system. The Information Systems Department will be engineering a network solution for them to allow for anyone to get system information from the computer connected to the Internet or by direct access to the County's system.

During FY 2000, the department assisted the Register of Wills in developing a program that reduced the time to process their recordings. Whereas in the past the personnel had to retype the exact same information as much as six times, they now only have to type it one time and tell the program which reports or forms to reprint. During budget year 2001, this department will provide similar solutions for the Register in Chancery and the Clerk of the Peace Office.

One hundred twenty-five thousand dollars (\$125,000) will be allotted during budget year 2001 to allow for the completion of the County's 911 Addressing System. This program should be completed in the second quarter of the new year. Although the County's contract with 3DI will terminate, it may be necessary for the County to continue to retain them on a consulting basis. The Mapping and Addressing Program will never completely be finished. It will be necessary for the County to update our records with growth and new construction and refine the work that was done under the first contract.

14. **Constable's Office** – This department consists of four Constables. The oversight of this department is provided by the Director of Assessments. The Constable's Office has taken an aggressive, but yet diplomatic, approach to collecting back taxes and overdue sewer and water bills. Additional responsibilities include securing payments for bad checks. During budget year 2001, the department will work with the Planning and Zoning Department, Assessment Division, Utility Billing Division, Treasury Division, and the Building Code Department. The department will continue to work on a program that brings timely response to violations. It is important that this department provide a professional presence in dealing with the public to promote a positive attitude toward County government.

During FY 2001, the Constable's Office will receive two vehicles. The Sheriff's Department has requested two new vehicles. If these purchases are approved by the Council, the two used vehicles will be transferred from the Sheriff's Department to the Constable's Office. Both of these vehicles are mechanically sound and will fit the needs of the Constable's Office.

15. **Planning and Zoning** – This department consists of a Director, an Assistant Director, a Chief Zoning Inspector, six Zoning Inspectors, one Environmental Planner, and three Clerks. The proposed 2001 budget allows for the hiring of an additional Zoning Inspector. The Director of Planning and Zoning works closely with the County Administrator in developing intergovernmental coordination between the municipalities and the State. During the new budget year, the Planning and Zoning Director will work on improving the coordination of information from the towns with the quarterly meetings of the Regional Planning groups. The information retained from the Regional Planning workshops will be used in coordinating a new Land Use Plan that must be completed by the fourth quarter of the year 2002. During the fourth quarter of the new budget, a decision will be made if the County is going to select a consultant to assist in developing a new Land Use Plan.

Planning and Zoning staff will assist property owners to make sure that any proposed development is in compliance with the County's long-range Land Use Plan. The review will include coordination between the County Engineering Department and local and State agencies.

Funding has been appropriated for the new budget to allow for the Council to hire professional land use consultants to assist the staff in reviewing requests from the development sector, should the Council choose to do so. A consultant could also provide assistance to the Planning and Zoning Commission and the Board of Adjustment. An outside consultant may be beneficial in assisting the County by providing impartial input and clarity on some complex zoning issues. Traditionally, the County only receives support or opposition on a non-technical basis for many projects from the general public.

The proposed 2001 year budget allows for the Planning and Zoning Commission and the Board of Adjustment to meet 30 times a year. Members of the Planning and Zoning Commission and Board of Adjustment will be paid \$250.00 per meeting. This is the same rate of reimbursement that they have been paid in FY 2000.

The proposed budget allows for expenditures to purchase two new automobiles and one truck.

Additional responsibilities of the Director during the year will be to work with the Delaware Agricultural Lands Preservation Foundation, the Center for Inland Bays, and the Delaware Department of Transportation's Countywide Transportation Plan Committee.

16. **Emergency Operations and Preparedness** – The Emergency Operations Department consists of one Director, one Assistant Director, one Quality Assurance Technician, one Assistant Chief Dispatcher, three Emergency Communications Supervisors, nine Emergency Communications Specialists, and three Permanent Part-Time

Emergency Communications Specialists. County employees working at the 911 Communications Center are responsible for dispatching paramedics, ambulances, and volunteer firemen. The Delaware State Police Communications employees who share the facility with the County are responsible for dispatching both State and local police.

During budget year 2001, the Budget Committee has recommended that the County Council investigate the possibility of allowing employees in this department to retire after 25 years of service. Those employees who are classified in the communications sector who work an average of 42 hours per week would be eligible for the 25-year retirement.

The Emergency Operations Center will be completing the full fielding of the Mobile Command Center to offer the public safety community the latest in weather, data, and communications capability available from the mobile dispatch unit. Proposed funding for the 2001 budget allows for the building of a structure to house the Mobile Command Center. This equipment is beneficial in assisting Emergency Preparedness when there is a need for a Mobile Command Center and will be utilized as an alternate 911 Dispatch Center. Additionally, the equipment will be used as a public information vehicle making the general public aware of the County's emergency capabilities.

The acquisition of the new Computer-Aided Dispatch (CAD) system that was delayed prior to calendar year 2000 will be completed the second quarter of the new year. It is anticipated that the purchase of this equipment could approach \$1,000,000. Sixty (60) percent of this cost will be assigned to the Paramedic Department. The State of Delaware will pay 60 percent of the Paramedic Department's cost, plus an additional \$189,000 that has been made available from the Delaware Emergency Medical Services Oversight Council. The purchasing of the new CAD system will give the Emergency Operations Center the ability to record proper patient information and transfer this information to the State Paramedic Office, as well as hospitals.

The County's Quality Assurance Technician will be responsible for developing the County's Center into a regional training facility for an emergency medical dispatch program through medical priority. The cost of developing this program will be beneficial to the County in saving the cost for employees to travel to other areas. Additionally, the program will be offered to centers in Delaware, Maryland, and Virginia. The cost of developing this program will be paid by the students who participate in the program. Additional responsibilities of the Quality Assurance Technician will require the continuing education of the County's staff.

The \$120,000 that has been awarded to the Sussex County Volunteer Firemen's Association for the UHF paging system will allow for the completion of the procurement and installation for the fire and EMS community. The system will go on-line the second quarter of FY 2001.

The Communications Support Section will supervise and assist in the performance of preventive maintenance for all County communication towers and respective antennas and feed lines. This work would include maintenance and service on all of the County-owned electronic radio frequency equipment. The Communications Support Section will work with all fire and ambulance companies in the transition of the 800 megahertz system. Additional responsibilities of the Communications Support Section include assisting the local fire and ambulance companies with technical assistance that includes siren maintenance, paging, and radio communications.

Eighty thousand dollars (\$80,000) has been provided in the new budget to build a structure to house the mobile command vehicle. The Local Emergency Planning Committee, which is part of the County's Emergency Operations, is funded 100 percent by the State of Delaware. During budget year 2001, the Local Emergency Planning Coordinator will assist in conducting training exercises with the private and public sector, respond to Hazmat incidents as requested, identify facilities with extremely hazardous substances, represent the County on various hazardous substance response committees, and provide the general public with the awareness of the Local Emergency Planning Committee's functions. During budget year 2001, it is anticipated that the funding for this department will be reduced. Adjustments have been made in the proposed budget. However, if during the year there are additional reductions, other programs may have to be cut back or eliminated.

The Emergency Preparedness Department will develop and produce a color brochure about the Sussex County Emergency Operations Center to be distributed during public relations displays. This program will be beneficial as the department continues to assist the towns and school districts with any emergency management needs, as well as providing prompt and accurate weather notification.

17. **Paramedics** – The Paramedic Department consists of one Director, two Division Managers, one Support Service Manager, two Support Service Technicians, one Information Systems Administrator, two Clerk-Technicians, one Administrative Assistant, 60 Full-Time Paramedics, four Part-Time Paramedics, and four Supervisors. The proposed budget provides for the hiring of three new Paramedics and one additional Clerk. The proposed 2001 year budget allows for funding to support six paramedic units, 24 hours a day, serving Sussex County and a portion of Kent County (primarily Milford). FY 2001 will be the first year that we will fully operate a sixth paramedic unit located in the Angola/Long Neck area. The County's paramedic system is operated out of eight facilities with a fleet of 18 vehicles.

The mission of Sussex County Emergency Medical Services is to provide mobile health care services to improve the quality of life within the community. We will accomplish this through direct patient care, continuous quality improvement, innovative technologies and procedures, and comprehensive education and training of our personnel and the general public. The County will provide a challenging and rewarding work environment that will foster opportunity for growth and personal development.

The projected budget for FY 2001 is \$5,405,770. Sixty (60) percent of this funding is paid by the State of Delaware (\$3,243,462), with the realty transfer tax paying the County's 40 percent portion (\$2,162,308). The 16 percent increase is a result of the County adding the sixth paramedic unit. Based on the State goals being established as a result of the Fitch report, the additional unit was necessary if we are going to meet the goal of providing advanced life support 90 percent of the time within the eight-minute goal. Even adding the sixth unit, this still may be difficult for the County to obtain based on our geographic size. Additionally, from FY '95 to FY 2000, calls have increased for the paramedics at 36.5 percent.

Activities during FY 2001 for the Paramedic Department include the rechassisng of three box-type response units and replacing two Suburbans and one staff vehicle. All replacements and rechasiss for emergency vehicles are based on the 100,000-mile safe practical life for vehicles used in emergency response. Support vehicles may be replaced on or after the four-year mark, based on the expiration of the four-year/100,000 mile warranty in place and a vehicle maintenance history of those vehicles.

Equipment purchases for the new year include 20 new pagers to replace existing units that are ten years old and failing. These pagers are used to alert paramedic crews of 911 calls. Funding has also been allotted to continue to upgrade paramedic computer equipment in networking it with the County's system.

New initiatives to be undertaken during FY 2001 include improvements in three areas—equipment, delivery of services, and quality improvement. Equipment improvements include funding for a new CAD system for the 911 Center, additional cardiac monitors, and new pagers. Delivery of services includes the moving of one station and possibly a pilot project for using a single paramedic or paramedic/ambulance. Basic Life Support (BLS) operations are very important to the County's overall Emergency Medical Services. The BLS units are required to provide transportation in assisting the paramedics who are providing pre-hospital medical services. During FY 2001, the Paramedic Department will work with the State Paramedic Office and the local ambulance providers to investigate the possibility of doing first responder programs and a paramedic/ambulance program. Even by adding the sixth paramedic unit, it may still be necessary to look at providing first responder programs or single unit paramedic programs if we are going to reach 90 percent of the people within eight minutes. The third initiative of quality improvement includes further development of the department's work groups and provider training and education.

18. **Data Processing** – The Data Processing Department consists of one Director, one Assistant Director, two Programmers, and two Computer Operators. During budget year 2001, Data Processing will schedule demonstrations for the Utility, Treasury, and Assessment Divisions. These demonstrations will aid these

departments in making a decision on whether to purchase new software or continue to use in-house software. The software being evaluated will enhance billing, collection, and the overall performance of the administrative portion of these departments. Review of software to convert RPG programs will be accomplished by purchasing software to allow Data Processing staff the ability to easily write programs using a highly productive development environment. This will enable the County's software to run on multiple platforms and multiple databases. This will result in modernizing existing software, making programmers and users more productive, and rapidly builds efficient applications, easier maintenance, and portability. This action will result in the Data Processing Department protecting our investment, and future costs should be reduced.

Several changes will take place in the calculation and the creating of the tax bills for FY 2001. These changes will reflect school refunds to senior citizens and across-the-board expense refunds.

A complete new billing and calculation procedure will be put into place for street lighting district billing. For FY 2001, streetlight billing will be included in the County's tax bill.

To date, the County has had relatively little or no problems as a result of Y2K. However, Data Processing will be responsible to continue to monitor the situation for all departments.

19. **Engineering--Administration** – Engineering Administration consists of one County Engineer, one Assistant County Engineer, two Accountants, one Director of Engineering Accounting, one Director of Utility Engineering, two Clerks, one Historic Planner, and two Project Engineers. It goes almost without saying that once again the Engineering Administration division will be extremely active. With the continued growth and requests for additional services from the existing population, there never appears to be an end to activities of this department. The County's Five-Year Capital Improvement Program indicates that the County will develop \$98,879,669 in capital projects [See Addendum 10]. During FY 2001, the capital improvement costs for this budget year will be \$24,308,449. These projects include sanitary sewer construction that is vital to the protection of ocean, bay, and groundwater. These projects are: Cedar Neck Sewer, Ellendale Sewer, Holts Landing Sewer, Ocean View Sewer, Phase III of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District, Oak Orchard Sewer, Bay View Estates Sewer, North Millville Sewer, and South Ocean View Sewer. In addition to the new sewer districts, the Engineering Department will be involved with expansion and rebuild of existing sewer systems.

Additional responsibilities for Engineering Administration during FY 2001 include Milton Library expansion, a records storage facility, and Airport and Industrial Park improvements.

With the completion of a Memorandum of Understanding with the Department of Natural Resources regarding the closed landfills—known as Stockley, Angola, Lincoln, Bridgeville, Omar, and Laurel—the Engineering Department will start the implementation of the work required under this agreement. This work includes groundwater sampling, installation of new monitoring wells, site evaluation, and remedial work. Although the Laurel Landfill is listed on the Federal Superfund List, we will still evaluate this site with the same criteria we are using for the five landfills on the State Superfund List. During FY 2001, Engineering Administration will work with the County Administrator in seeking re-evaluation of the Laurel Landfill. There is the possibility that this site could be removed from the federal program. Although the situation has improved at these sites, the landfills still will remain a \$2,882,000 potential liability to the taxpayers of Sussex County, as shown in the County's audit report of December 6, 1999.

20. **Engineering--Planning and Permits** – The Planning and Permits Division consists of two Planning Technicians, three Permit Technicians, one Clerk-Typist, and a Secretary. The direct oversight of this division is the responsibility of the Assistant County Engineer. The Planning and Permits Division works closely with the Finance Department in securing funding for new sewer districts. The Assistant County Engineer meets on a regular basis with the Delaware Wastewater Facilities Advisory Council. During FY 2000, the County was successful in receiving a \$5,450,000 grant and a \$13,752,100, 1.5 percent interest loan through the efforts of this division.

Additional responsibilities for the Planning and Permits Division include reviewing construction plans as they

are developed for the new districts and developing of the billing records for the Holts Landing Sanitary Sewer District, Ocean View Expansion of the Bethany Beach Sanitary Sewer District, and Ellendale Sanitary Sewer District. The division will also be active in the two new sewer districts that had successful referendums in FY 2000—Oak Orchard and Bay View Estates. A recent report that was prepared for the Center for Inland Bays showed a 5.3 percent increase in equivalent dwelling units since May of 1999. The County is now servicing 32,840 EDU's in the Inland Bays area. This is an increase of 1,650 equivalent dwelling units in less than one year.

As a result of the amount of work performed by this division, it will be necessary to add a new Permit Technician. This new position would be responsible for creating and maintaining the billing information for the Ocean View, Holts Landing, Cedar Neck, Oak Orchard, and Bay View Estates areas. The proposed position would begin January 1, 2001, to coincide with the startup of Ocean View. This would also provide the new person with time to develop the billing records for Ellendale, Oak Orchard, and Bay View Estates.

It should also be noted that during FY 2001 there are three new proposed subdivisions south of the Town of Ocean View. These three subdivisions are Hunter's Run, South Hampton, and Bear Trap Dunes. These subdivisions combined will result in a thousand new EDU's. This one area has more EDU's than any of the recently approved new County sewer districts.

21. **Utility Billing Division** – The Utility Billing Division consists of one Director, one Assistant Director, one Secretary, one Accountant, three Clerk-Technicians, and three Clerks. The addition of an Accountant to this office, which was approved in budget year 2000, was necessary because of the additional accounts that the division is required to handle. During FY 2001, the Director of the Utility Billing Division will work closely with the new staff employee, who has education and experience in cost accounting and personal computer use. This individual will oversee all bank accounts and deposits. This includes, but is not limited to, capitalization fee deposits, partial payments of capitalization fees, and connection charges.

As of March 1, 2000, this division was handling 40,279 accounts Countywide. This compares to 37,946 accounts one year ago. During the last ten years, the activities in this division have increased 103 percent, while the staff has been kept minimal. In fact, we have two employees less than when this division was started over 20 years ago, when there were 12 employees.

During budget year 2001, the Utility Billing Division will be responsible for assisting utility users who qualify for the assistance programs that have been established during FY 2000 [See Addendum 13]. These programs are: County Sewer and Water Low-Income Assistance Program, State West Rehoboth Sewer Low-Income Assistance Program, County Sewer and Water Low-Income Loan Program, and Federal Rural Development Hookup Cost/ Loan Grant Program.

During budget year 2001, the Utility Billing Director will continue with the training program that was established. Everyone in the Utility Billing Division has been retrained to use scanner and inquiry screens to better serve customers. Employees have been trained to perform additional duties like prorating accounts, reporting title search information to settlement attorneys, reporting connection charges and capitalization fees to attorneys, and processing charge slips to show front footage and equivalent dwelling unit changes on the computer. The retraining process has taken over two years to complete, and it will be necessary to provide continuing education. The Utility Billing Division should be complimented that these efforts have been completed without massive problems experienced by some public utility providers. If you were to use one word to describe the Utility Billing Division, it would be "dependable." All bills are prepared for mailing on a quarterly basis, and receivable due reports and aged trial balance reports are checked and rechecked to assure accuracy. All bills sent to customers must be accurate. The Utility Billing Division has never missed a billing or been late with a mailing with quarterly service charges.

22. **Engineering--Utility Construction** – The Utility Construction Division consists of one Division Director, one Secretary, one Project Coordinator, and 11 Utility Construction Technicians. Members of this division are usually the first contact property owners have when construction starts. It is very important that they represent

the Council in a polite and professional manner. This division has been responsible for working with Planning and Permits and Engineering Administration in developing construction plans and making recommendations as a result of field experience. These recommendations have been beneficial in allowing the County to do value engineering on our own projects. This has resulted in cost savings on several projects. It should also be noted that many of the duties which are performed by this division were once provided to the County by the private sector with a consulting engineer. The creation of this division has resulted in the elimination of the need to contract for many inspection services that we now do. By eliminating the private sector engineer, there has been a direct savings in construction of new sewer service utilities.

During FY 2001, the budget will allow Utility Construction Division employees to attend courses such as surveying, drafting, and blueprint reading at Delaware Technical & Community College. With the recent addition of several employees to this division, these classes will be beneficial, as they are job-related. Funding will also be provided to allow for the County to participate in the Miss Utility program.

23. **Engineering--Public Works** – The Public Works Division consists of one Director, one Assistant Director, one Clerk-Technician, one Private Roads Coordinator, and two Public Works Technicians. This division is responsible for performing planning, review, and construction inspection of private subdivision roads. During the new budget year, the division will continue to implement the Suburban Community Improvements Program. Numerous communities have requested assistance from the Public Works Division in implementing the Suburban Community Improvements Program in their subdivisions. Engineering and construction management will be performed for each project with staff employees. During FY 2001, the Public Works Director will work with the County Administrator in reviewing the billing process for this program. State law requires that assessments be charged based on a front footage basis. This program will be reviewed to see if it would be possible to give property owners the ability to choose between front footage or per lot assessment.

The division will also continue to be responsible for the County's Street lighting Ordinance. This ordinance will also be reviewed during the year to see if the current billing procedure should be revised. As the ordinance is written, only properties with improvements are charged for the street lighting. The investigation will determine if all property owners should be billed equally and not just the existing homeowners. The belief is that eventually the vacant properties will benefit from the street lighting that is being paid for solely by current residents.

Additional responsibilities for this division include the Flood Hazard Mitigation Grant Program. As a result of receiving federal funds, 18 homes will be raised above the 100-year flood plain. This federally-funded program requires homeowners to put up a 25 percent match, with the federal government providing 75 percent of the funding. The County will be paid to administrate this program.

24. **Libraries** – The library service in Sussex County consists of 11 independent libraries, three County-managed libraries, a bookmobile service, book delivery service, literacy program, and library administration. Total expenditures for library services for both independent and County responsibilities are \$2,825,502. Based on the most recent population projections, this computes to \$19.74 per capita for this service. For comparison purposes, the expenditure for Kent County's proposed 2001 budget for library services is \$6.76 per capita, while New Castle County's is \$14.21 per capita [See Addendum 9].

The County funds the 11 independent local libraries through three sources: (1) library property tax, (2) General Fund Grant-in-Aid from the County Council, and (3) mobile home placement tax. The Budget Committee is pleased that we are able to fund nine of the 11 independent libraries 100 percent of their requests.

The proposed budget allows for two new positions for FY 2001—a PC Technician I for Library Administration and a Part-Time Library Assistant for the South Coastal Library. Since the County has instituted graphical access to the Internet, we have received demands for technical support for PC's from the 11 independent libraries. The PC Technician would be responsible for going to the County libraries, as well as the independent libraries, as needed to troubleshoot and correct problems with the PC's that are a part of the automated system.

This involves installing software upgrades as needed. The Part-Time Library Assistant for South Coastal is necessary, as this library continues to face increased usage and needs the extra coverage to provide top quality customer service.

Library Administration will continue to look at upgrading the current automated system. As a text-based system, it is now outdated. While our vendors will continue to support this system for another few years, the system lacks the capabilities that are now developed by this and other vendors. The County Librarian and the Systems Administrator will be joining System Managers from the other public library systems and the Delaware Division of Libraries to investigate the next generation system, including joint systems and funding sources for such upgrades. It will only be necessary during FY 2001 to continue to work on upgrading various components to maintain our current efficiency. PC upgrades will also continue to be addressed with the move toward developing a regular cycle of replacement.

Over the years the County has developed a delivery of materials between libraries as a key component to quality customer service. Daily delivery is essential to give residents the material and information that they need. The current vehicle that we are using has over 100,000 miles and needs to be replaced. During FY 2001, it is believed that the best way to continue this service would be to contract with the private sector. Based on estimates that we have received, contracting for delivery services can be done more economically than we are currently providing this service. The proposed FY 2001 budget will allow for the County to continue to do this service in-house for three months, but the Budget Committee is recommending obtaining bids for this service with a private delivery provider. The advantage of contracting with the private sector will assure that we will have daily delivery. With one person responsible for this, there are occasional interruptions when this person is on vacation or may be out sick. I believe that this program will be just as successful as we have been with contracting for security for the Industrial Park. The employee who is currently providing this service will be reassigned to the County's Maintenance Department.

A number of factors have slowed the progress of the BASE planning process. BASE is an acronym for four key components of progress for library services: **B**enchmarks of best practice, **A**ction plans, **S**tandards of service, and **E**valuations. BASE is a standardized process for improving Delaware's public libraries through a cooperative planning and evaluation of library services. The primary factor that has slowed the development of this planning process has been the lull in support of the Delaware Division of Libraries; namely, the resignation of the Administrative Librarian for Planning and Evaluation, the Deputy State Librarian, and finally the State Librarian.

The County's bookmobile is a valuable outreach asset during FY 2001. The bookmobile program continues to grow in popularity every year. It was never more evident than in budget year 2000 when there was down time as a result of generator failure. With the bookmobile fully repaired during FY 2001, bookmobile stops will include four senior centers, four nursing homes, two rehabilitation centers, one retirement center, and 14 day-care centers for children.

Funding in the proposed budget allows for an increase in permanent record books of ten percent. The ten percent increase will allow for the continued purchase of large print books which are in heavy demand. Funding has also been increased to allow for the purchase of videos and audio books.

Budget year 2001 will be an active year for the Milton Library. Funding has been allotted to allow for a ten percent increase in books and subscriptions. In the last quarter of budget year 2000, an architect was selected for the Milton Library expansion. One hundred fifty thousand dollars (\$150,000) has been allotted in the new budget, to be leveraged with past County encumbrances of \$150,000. This funding will be matched with \$268,000 from the State of Delaware. I have asked the Director of the Milton Library to encourage the Friends of the Milton Library to try to solicit grant funding from private foundations. The current plans for the Milton Library call for a 5,000 square foot, single-story addition. The foundation that is installed should be sufficient to allow for a future second story. If the Friends of the Milton Library are successful in obtaining additional grant funding, a determination at that time will be made if we are to add a second story.

The Director of the Milton Library has established a goal of a ten percent increase in circulation, patron visits, and program attendance for the new budget year. Hours will also be adjusted to improve access and customer service by creating more uniform library hours.

The South Coastal Library will receive a ten percent increase in permanent record books and subscriptions during budget year 2001. During the new year, an additional part-time staff person will be hired and existing part-time staff will have their hours increased from 16 to 23 hours per week. The South Coastal Library continues to be the most active of the three County-operated libraries. As a result of the generosity of the Friends of the South Coastal Library, adjoining land has been made available. During the first quarter of FY 2001, planning will be implemented for expansion of the parking lot. This project should be eligible for State library construction funding. Fifty thousand dollars (\$50,000) will be encumbered in budget year 2001 for the start of this project. Consideration must also be given regarding future expansion of the library facility.

Despite reduction in federal and State funding, the County will continue with the adult literacy service of Project READS through continued development of resource collections, conducting training workshops, and recognition of tutor and student efforts. The County's Literacy Coordinator will assist other agencies and organizations involved in adult literacy efforts. The primary responsibility of the Coordinator is to raise awareness of adult literacy issues in Sussex County.

One of the most cost-effective programs that the County operates, and unfortunately probably one of the least known, is the Dial-A-Story Program. The County provides children's stories 24 hours a day that are accessible on three phone lines—856-3535, 856-3536, and 856-3537. This program reaches 41,000 children annually and costs the County less than \$1,500 a year to operate.

The Greenwood Library will continue to build and update reference resources, as well as general circulation collections, and make use of information resources available through the automated system. Permanent record books for the Greenwood Library will increase at a rate of ten percent during FY 2001. With the completion of the expansion to the Greenwood Library, this facility will develop a public relations program to provide public awareness of library programs and services. Meaningful cultural and educational programs will be provided for the community, with special emphasis on children and family. Electronic resources continue to be in high demand for the Greenwood Library. Staff will be assisted by the new PC Technician that will be hired under the administration portion of the budget.

During FY 2001, I will work with the County's library staff and the 11 independent libraries to lobby for additional State funding. Although State funding has increased, the County-maintained library services only receive nine percent of their funding from the State. During FY 2000, the State increased funding to the local libraries on a statewide basis of \$250,000. The Delaware Association of Counties and the Sussex County Association of Towns have requested the General Assembly to raise funding \$250,000 per year for the next four years. This funding is going to be necessary if the local libraries are going to be able to provide programs to school students to allow them to keep up with the new State standards. With schools not being available nights and weekends, local libraries will have more demand for extended services and hours.

25. **Economic Development** – The Economic Development Office consists of one Director, one Assistant Director, one Development Planner, and one Secretary. The responsibilities of the Economic Development Office include the recruiting of new businesses and the retention of existing, distribution of the County profile, coordination of Airport activities, and managing of the County's Industrial Airpark.

During FY 2001, the Office of Economic Development will develop a high- tech marketing program. During the new budget year, the department will develop this program utilizing equipment that was purchased in 2000. This equipment was paid for from funds we received from profits of the County's profile booklet. Currently, we have been using demographics from the 1990 census, updating this information from hit-or-miss bits and pieces we have gathered from other sources. Sometimes it has been very difficult to qualify this information. With the purchase of a new program, the County will have access to information on CD's and the Internet. The information that will be available to us that is updated monthly includes local maps, street atlases, business

maps, and almost anything related to the community which might be useful in grant research or referendums for towns, schools, and the County. The Budget Committee believes that the development of this program will be beneficial in providing faster, accurate service to potential employers; and by them seeing the County's Economic Development Office as modern, high-tech, and efficient, we will have an advantage in attracting potential employers to the area.

During FY 2001, the County will be involved with eight programs at the Sussex County Industrial Airpark. These programs total \$2,543,949 [See Addendum 10]. The Five-Year Capital Improvement Program indicates that an additional \$7,702,220 will be spent by the year 2005. These activities range from an environmental assessment for expansion, to the construction of a new terminal building with a restaurant.

The Economic Development Office will work with representatives of the Town of Georgetown and the City of Seaford in attracting businesses to those areas. Both Georgetown and Seaford have been recognized by the State as employment centers. The State realizes that both local governments have the ability to provide the proper infrastructure and there is a mix of housing options.

One goal for the Economic Development Office last budget year was to find a tenant for the corporate offices of Edgehill Pharmacy at the Sussex County Industrial Park. During budget year 2001, the Economic Development Office will work with Taylor craft 2000, who purchased that facility, in assisting and providing the necessary support to allow for the manufacturing of the Taylor craft airplane. It is anticipated that the first airplanes will be manufactured in the second quarter of the new budget year.

Additional responsibilities for the Economic Development Office will be to work with the new State administration at the beginning of calendar year 2001. The County Administrator, along with the Economic Development Director, will try to show the State the benefits of building speculative facilities. It would be very beneficial if we could develop a program that would allow for buildings to be available prior to obtaining a tenant. It is often more efficient to build ahead of current needs than to try to attract a tenant with the promise of expediting the necessary permits. The Budget Committee believes that having a facility in place that has already been permitted would give us a great advantage in recruiting businesses from surrounding areas. A determination will have to be made if the best location would be Georgetown, Seaford, or Selbyville Industrial Park.

26. **Facilities Management** – The Facilities Management Department consists of one Director, one Assistant Director, one Clerk-Technician, one Heating and Air Conditioning Mechanic, eight Maintenance Workers, two Mechanics, one Carpenter, one Custodial Supervisor, and five Custodians. The Director of Facilities Management is responsible for maintaining all County buildings and grounds, including the Industrial Airpark, County libraries, the County's West Complex, and the County Administrative Building. During FY 2001, it is anticipated that the delivery personnel in Library Administration will be transferred to this department, if the County contracts with the private sector for services.

During budget year 2000, the Facilities Director coordinated the sale of the property on North Race Street known as the Bramhall building, the former Engineering building located on South Race Street, and the old motor vehicle inspection building located on East Laurel Street. The proceeds from these sales will be utilized to build a structure that will allow the County to store all of its equipment and records. At this time, plans are to build this facility at the West Complex.

27. **Constitutional Offices** – Constitutional offices include the Clerk of the Peace, Recorder of Deeds, Sheriff, Register of Wills, and Register in Chancery. All of these offices are managed by elected officials. However, they have a major impact on the County's budget, and oversight by the County Administrator and the County Council is necessary. The Budget Committee is concerned that the expenditures for the constitutional offices are projected to increase 20.88 percent for FY 2001. The Sheriff's Department will see an increase in income of 24.26 percent. However, there is no direct benefit to the County's General Fund, as expenditures will increase at the same percentage. The Recorder of Deeds will have an income increase of 17.31 percent, while expenditures increased 26.11 percent.

The Clerk of the Peace Office consists of the Clerk of the Peace, one Deputy, one Full-Time Clerk, and one Part-Time Clerk. The Clerk of the Peace is responsible for issuing marriage licenses and performing civil ceremonies in the County. The proposed FY 2001 budget indicates that the Clerk of the Peace income will increase only by \$1,000 over FY 2000. Expenditures are also projected to increase during the new year by 8.53 percent. It is virtually impossible for this department to be self-sufficient. Kent and New Castle Counties also experience negative cash generations for this service. Wedding licenses would have to cost in excess of \$80.00 if the County was to break even for this service. Presently, the cost of a wedding license is \$30.00. During FY 2001, the Clerk of the Peace Office will receive two new computers, which will be beneficial in issuing and tracking marriage licenses.

The Recorder of Deeds consists of a Recorder of Deeds, a Deputy, one Operations Manager, two Clerk-Supervisors, three Recording Clerks, four Clerk-Technicians, and two Data Entry Clerks. The proposed 2001 budget indicates that the Recorder of Deeds will have an increase of approximately 17 percent for fees collected for services during the new budget year. The increase in income, however, will be offset by expenses that are anticipated to increase 26 percent. During budget year 2000, the County Council authorized the Recorder of Deeds Office to preserve the maps that are recorded in the office on 24-inch by 18-inch mylar coated sheets. The Recorder of Deeds had estimated this project would cost \$110,000. As they started the work, the department discovered as they broke down each of their maps to 24 by 18 format, that there were far more maps than they had originally estimated. This is because one large map may become four to six maps in the new 24-inch by 18-inch format. The Recorder said that the maps were folded or rolled up in their map room and an accurate count of pages was impossible to make. Originally, they had estimated 6,000; now it looks like 24,000 maps is a more realistic figure. During FY 2000, I authorized the transferring of \$50,000 from General Fund Contingencies to pay for what had been completed during the current budget year. It will take another \$250,000 during FY 2001 to complete this project. I have placed this project on hold until the Council has authorized the expenditure for the new budget year. The proposed budget does indicate that the Recorder of Deeds Office will finish \$660,343 on the positive side. It should be noted that in FY '99 the Recorder of Deeds ended the year \$1,056,426 to the good. This compares to New Castle County's positive cash balance of \$4,659,415 and Kent County's positive cash balance of \$855,000.

The Recorder of Deeds Office will continue with the installation of the AS/400 computer system, computerizing records for the last 60 years, and converting the past 20 years of mortgages and deeds to imaging on the computers. Additionally, the department will investigate the possibility of offering and installing remote access to law firms and title searchers. Before the remote access program is implemented, however, fees for these services must be established to assure that it is cost-effective.

The Budget Committee believes that the restructuring of the Recorder of Deeds Office has been beneficial to the real estate community. However, during FY 2001, the expenditures for this department will be monitored very closely. There is no advantage to the taxpayers of Sussex County if we have an increase in revenue while increases in expenses exceed the percentage that the income is generating. This is the second year in a row that the expenditures for this department have exceeded a 15 percent increase.

The Register in Chancery Office consists of a Registrar, one Deputy, one Chief Deputy, and one Clerk-Typist. The Register in Chancery Office receives, indexes, records, maintains, and preserves all documents pertaining to the Court of Chancery. It handles all civil actions pertaining to equities, such as quick title actions, receiverships, specific performance, temporary restraining orders, and preliminary as well as permanent injunctions. Other duties include recording admissions to the Bar, appointing guardians or trustees for aged or mentally ill persons and minors who acquire money or property, monitoring trust accounts under wills in court orders, and attending court and certifying court documents. The department will finish in a negative cash position of \$111,332. This compares to New Castle County which will have a negative position of \$32,018, and Kent County with a negative position of \$124,500.

Funding has been appropriated to assist in the relocation of the Register in Chancery Office. I have been given notification from the State that they will be starting renovations of the Courthouse during FY 2001 and the office will be relocated. However, at this time it is not known exactly where that relocation will be.

Additional expenditures for the new budget year include the replacing of the Canon 580 microfilm reader. The current reader was purchased 15 years ago and parts and supplies are no longer available. Five additional file cabinets will be purchased to replace cabinets that are over 20 years old that have broken drawers and they are unable to be secured.

The Register of Wills consists of a Registrar, one Chief Deputy, one Deputy, one Clerk-Technician, and one Computer Operator. The duties of the Register of Wills include probate estates, register and record wills after death, appoint executors and administrators, and various other activities associated with the handling of estates. The Budget Committee estimates that the Register of Wills will have an increase of 4.17 percent in income during the new year. Expenses will decrease during the year 1.17 percent. During the new budget year, the County Administrator will work with the Register of Wills in investigating a program to preserve and protect past and current documents that are not filmed. There have been problems due to public handling of the original documents and misfiling. As this office is handling more and more records each year, it is important that we have resources available to back up the original documents.

The Sheriff's Department consists of the Sheriff, one Chief Deputy, and five Deputies. The Sheriff's responsibilities range from serving legal notices, to the transporting of State prisoners, to the sale of real estate. The proposed budget calls for an increase in revenues to the Sheriff's Department of 24.26 percent over FY 2000. The Budget Committee does project that the Sheriff's Department will finish with an even cash balance, even though his expenditures are projected to increase 24.26 percent. The proposed budget for New Castle County indicates their Sheriff's Department will lose \$209,735, while the Kent County Sheriff's Department will finish \$86,900 to the plus. The Sheriff has requested that he be able to purchase two Chevrolet Malibu's. These are four-door automobiles that the Sheriff said are more suited for him in transporting prisoners. For accounting purposes, his department will be credited \$5,000 for two vehicles that will be transferred to another County department. One of the vehicles being replaced has less than 55,000 miles and the other approximately 30,000 miles, and both are still suitable for our needs.

28. **Community Development and Housing** – Community Development and Housing consists of one Director, one Secretary, and four Housing Rehabilitation Specialists. The proposed 2001 year budget indicates that the Community Development Block Grant (CDBG) Program will receive \$1,192,000 in funding. These are federal funds allocated through the Delaware State Housing Authority. Sussex County's Community Development and Housing Division administrates its own program, as well as assisting other incorporated towns in Sussex County [See Addendum 5]. Without County assistance, many of these towns would not have the ability to apply for Community Development funding. Community Development and Housing assists in housing rehab, community facilities, and public works improvements which serve low- and moderate-income residents of the County. Administrative costs for these programs are not charged to each town. Services are provided to the towns from the County's General Fund and administrative funding awarded with the grants.

In addition to the normal Community Development Block Grant, the department has made a request for \$1,313,570 in funding. The public hearing that was held in March requested funding for the Oak Orchard Sanitary Sewer District, housing rehabilitation for homes damaged during the 1998 nor'easter, and funding for the Long Neck Sanitary Sewer District. It is anticipated that the department will administrate these funds over two budget years. If we are successful in obtaining the second grant, this will be the largest amount of funding the County has received for this department. As a result of the additional work, it will be necessary to hire another employee. Each year the department assists approximately 200 families. Unfortunately, our waiting list is almost three years long.

29. **Appropriated Reserves** – The proposed 2001 year budget contains \$3,154,000 reserved funding from past budgets for projects that have prior Council approval. These projects are:

- Airport - including terminal building and site work, etc.
- Landfills - including State Superfund work, sampling, and legal costs

- Sewer Studies - including additional costs for sewer studies
- Road Projects
- Economic Development Loan Settlement
- Records Storage Building
- Addressing Project
- Councilmanic Grants
- Economic Development Fund
- Emergency Operations Center - 800 MHz pagers
- Microfilming Project - including filming old County records
- Milton Library - building fund
- Computer-Aided Dispatch (CAD)

30. **Capital Improvements** – The County’s Capital Improvement Program has a significant impact on the overall financial activities of the County. The County Administrator and Finance Director must determine what activities are feasible. Significant sources of revenue must be identified at the time the project is approved to ensure feasible completion and operation of the project. Projects can only be undertaken when resources have been identified and assured. Public administration does not allow for risk-taking that the private sector sometimes enjoys. All financial proposals are independently reviewed in order to clarify that the proposed financial plan is reasonable, balanced, and the best deal possible to achieve the County’s objectives.

The proposed 2001 year budget contains a Capital Improvement Program that totals \$98,879,669 for the next five years. For budget year 2001, the expenditures for capital improvements will be \$24,308,449 [See Addendum 10].

The Budget Committee would like to clarify that projected costs for 2004 and 2005 are based on present-day values. As these projects get closer to the current budget year, the estimates may have to be adjusted to allow for inflation and changes in industry.

31. **Sussex County Specialized Transportation** – Sussex County Specialized Transportation is a reimbursable transportation program that has been developed to promote cost-effective and responsive elderly and disabled transportation to agencies in Sussex County. Those agencies are:

- .. Cape Henlopen Senior Center
- .. Easter Seal Rehabilitation Center
- .. Indian River Senior Center
- .. Laurel Senior Center, Inc.
- .. Lewes Senior Citizens Center, Inc.
- .. Nanticoke Senior Center

.. Sussex County Senior Services, Inc.

The intent of this program is to provide those agencies involved in elderly and disabled transportation with a flexibility to secure programs that are responsive to clients' needs. This policy provides flexibility while helping to ensure that the available funding is used to provide the maximum amount of quality client transportation.

The Specialized Transportation Program is funded through a line item in the Delaware Transit Corporation's annual budget. Upon approval of the annual State budget, the Delaware Transit Corporation notifies the Sussex County Council of the amount of funding available for transportation programs in our County. The County Council is responsible for the appropriation of these funds to the individual agencies through the County and notifies the Delaware Transit Corporation of these appropriations. The Delaware Transit Corporation is charged with the administrative responsibility of dispensing these funds and monitoring the program.

In the past, the General Assembly has never appropriated sufficient funds to meet all of the requests. In FY 2000, the General Assembly made \$611,849 available. Funding requests totaled \$650,170. The County Council made a one-time commitment to provide \$38,321 to the program for FY 2000. The proposed FY 2001 budget does not allow for the Council's participation this year. The proposed 2001 budget contains a State of Delaware contribution of \$663,173. This funding is based on the General Assembly approving what is currently listed in the proposed budget for the State of Delaware. I believe that the 8.3 percent increase provided by the General Assembly should be sufficient to cover the agencies' requests for the new year.

32. **Water and Sewer Districts** – The proposed FY 2001 budget calls for a reduction in front foot assessment rates for the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District, North Bethany Sanitary Sewer District, Ocean Way Estates Sanitary Sewer District, and Sussex Shores Sanitary Sewer District. The other sewer and water districts' front foot assessments will remain unchanged. The operation and maintenance portion of the utility bills will also not increase this year for any of the districts [See Addendum 11]. The front footage rates and operation and maintenance calculations that are used to charge for utility use have been approved by the United States Environmental Protection Agency, the County's rate consultants Black & Veatch, and have been looked upon favorably by the rating agencies for the County's bonds.

The Budget Committee would strongly recommend that the rate calculations not be changed. In February of 2000, the Supreme Court of Delaware ruled on two suits against the County regarding the calculation methods. One suit looked at commercial users and the other at residential. Both of these rulings were in favor of the County's current system. The Budget Committee does recommend that whenever possible the General Fund should subsidize the sewer districts through the realty transfer tax. As the general obligations of the County are reduced with the elimination of the bonds, funding would be transferred to assist the sewer districts. The proposed FY 2001 budget calls for \$4,150,000 to help subsidize the sewer districts this year. One million dollars (\$1,000,000) will be made available from the current year's expenditures and \$3,150,000 from past years.

During budget year 2001, we will continue with the practice of taking partial payments for connection of sewer fees for the proposed districts of Cedar Neck, Ocean View, Holts Landing, Oak Orchard, and Bay View Estates. Partial payments will be an attempt to help lessen the impact of paying connection fees. Unfortunately, very few residents have taken advantage of this program to date.

The Dewey Beach Water District will have an annual cost for the sixth consecutive year for the average homeowner of \$259.27. The County purchases water from the City of Rehoboth for this district. County employees are responsible for the maintaining and distribution of the water. During budget year 2000, the County Council approved a new agreement with the City of Rehoboth for providing water for the next five years. The \$320,000 cost in purchasing water from the City of Rehoboth reflects a two percent increase. The Budget Committee believes that we will be able to continue to provide this service at the current rate. However, the rate may have to be increased in the second year of the contract.

The Dewey Beach Sanitary Sewer District annual bill for the average home for the proposed 2001 year budget will remain at \$297.04. The current rate reflects a payment in support of \$1,000,000 made to the City of Rehoboth as a result of the Department of Natural Resources and Environmental Control requiring upgrade and improvements to the effluent that is being discharged in the Rehoboth Canal. During the new budget year, the County Administrator and County Engineer will continue to attend meetings with the City of Rehoboth and the Department of Natural Resources regarding the continuation of discharge in the Rehoboth Canal. Current investigations include the possibility of spray irrigation or ocean discharge for the final effluent treated at the Rehoboth Treatment Plant. Costs range between \$8,000,000 and \$15,000,000. It is important that the County continue to participate in these negotiations, as the final cost will have a definite impact on the users of this district. Funding has been allotted in the new budget to allow for the replacement of electrical controls for two pump stations in the district.

The Blades Sanitary Sewer District will have an annual average bill of \$317.13. The Budget Committee is recommending that a contribution of \$250,000 be granted to the district to allow for this rate to remain at its current level. There are no projected upgrades to the district at this time. This subsidy is needed, as there has been very little growth over the years for the district and the payment for services is historically one of the County's lowest. The County's \$250,000 contribution for the Blades Sanitary Sewer District will allow the County to pay off outstanding bond indebtedness of \$211,655 and a line of credit of \$11,500. This will result in this district being debt-free. Twenty-six thousand, eight hundred forty-five dollars (\$26,845) will be used to subsidize income shortfalls. The Budget Committee is pleased that this will be the first sewer district that the County has that is debt-free. The rates will not decrease, however, as we are concerned that this district will be faced with increased costs, as the City of Seaford has to upgrade their treatment plant. The County is responsible for collection and transmission of the waste from the district and contracts with the City of Seaford for the treatment portion. It is imperative that the Blades Sanitary Sewer District establish some level of financial stability prior to the increase in cost being imposed by the City of Seaford if we are going to be able to keep the rates affordable for this district.

The Dagsboro-Frankford Sanitary Sewer District will have an average bill of \$398.77. This reflects the same rate as FY 2000. The wastewater system for this district continues to operate at approximately 40 percent of capacity. Funding has been allotted for the rebuilding of one pump station, replacing the controls that were from the original construction. Additionally, a second irrigation pump will be purchased to compliment the pump that was obtained during budget year 2000. The installation of the two irrigation pumps will allow the plant to run more efficiently.

The Bethany Beach Sanitary Sewer District will have an average bill of \$249.60, the same as the previous year. During the year, four control panels will have electrical rebuilds.

The South Bethany Sanitary Sewer District will have an average annual cost of \$259.67 for the new year. As a result of a very mild winter, there are no upgrades required for the South Bethany Sewer District for this year. The improvements that have been made over the past years have been beneficial in allowing us to handle the minor weather-related problems that we have had in the last year. This is a strong indication that the mitigation and work that has been paid for in the past will continue to allow for cost savings for the district.

The North Bethany Expansion of the Bethany Beach Sanitary Sewer District will have a decrease in the front foot assessment rate of 7.7 percent. The Budget Committee is recommending a contribution be made to the North Bethany District of \$600,000. Five hundred thousand dollars (\$500,000) will be escrowed toward the retirement of outstanding debt for the district. The district has a \$7,600,000 outstanding loan obligation. This district was established under the previous administration without any State or federal subsidies. The average annual cost for the users in the district will be \$1,032.75. To my knowledge, this is the highest rate in the State.

The Fenwick Island Sanitary Sewer District will have an average cost of \$292.37 for budget year 2001. During the new year, we will be required to replace 1,300 feet of gravity sewer that is located on Route 54. Although the gravity line is working currently, there is some concern that the original installation was not properly completed. As we get additional flows to the area, it is projected that this line will start causing problems. The

best time to complete the work will be when the Department of Transportation is upgrading the roadway. The cost of this work will be paid for from connection fees. It is estimated that the cost of the work will be \$375,000.

The Henlopen Acres Sanitary Sewer District will have an average bill of \$499.69 for the seventh consecutive year. As was true with the Dewey Beach Sewer District, the Henlopen Acres annual charge reflects their portion of the upgrade to the City of Rehoboth Wastewater Treatment Plant. The Henlopen Acres Sanitary Sewer District will receive a Revenue Sharing payment of \$125,000 to help pay for pump replacements for Pump Station 53. This is the second year of the Operation and Maintenance staff's attempt to rebuild all of the pump stations in Henlopen Acres. The cost of the rebuild is estimated to be \$16,000. Without assistance from the realty transfer tax, the rate for the Henlopen Acres Sanitary Sewer District would have to have been increased. The balance of the \$125,000 will be used to pay off a line of credit of \$79,815 and \$29,185 for operation and maintenance for the year. Future service charges for the users of the Henlopen Acres Sanitary Sewer District will also be affected by the final result that the City of Rehoboth chooses as their discharge method when their existing discharge permit is renewed.

The rate for the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District for FY 2001 will be reduced by six percent. The front foot assessment decreased from \$5.31 to \$4.99. The average bill in the district is \$661.08 annually. This reduction is possible because of a contribution of \$2,000,000 from the realty transfer tax. When the County originally negotiated the loan with the State of Delaware, the loan agreement stated that during budget year 2001 the rates for this district would increase three percent. We have been able to keep the debt of the district level and have been able to make all payments. Additionally, the County Administrator and Finance Director will continue to seek funding subsidies to the district. Currently, Delaware's congressional representatives of Senators Roth and Biden and Congressman Castle have requested \$15,000,000 of federal assistance. If we are successful in obtaining this funding, we would be able to reduce the average rate to \$554.00 annually. However, I will be the first to admit that this is not going to be an easy task, but there is nothing in this year's budget that would give me more satisfaction than being able to secure this federal funding. It is disturbing when we see a federal budget that contains 141 programs receiving grants and we have been ignored for 12 years. Additionally, I have asked the State to allow the County to refinance State loans for this district. Our current agreement calls for an interest rate between two and 3.78 percent. There is \$25,400,000 outstanding. We have requested that the rate be reduced to 1.5 percent, which would result in an additional reduction in the cost for the users.

The proposed budget will allow for replacement of level controls for the pump stations that need to be upgraded, the completion of a utility building for storing the equipment, and the networking of the alarm system through the County's Emergency Operations Center.

The Long Neck Sanitary Sewer District rate for the proposed 2001 year budget is \$472.83. During the new year, we will continue to rebuild four pumping stations and purchase new grinder pumps. The Long Neck Treatment Plant communications will be networked with the County's other facilities during the new year.

Sussex Shores Sanitary Sewer District will receive a decrease in front foot assessment of 8.7 percent. This savings is a result of being able to use past retained earnings generated by this district. The average bill for FY 2001 in this district will be \$480.75.

Ocean Way Estates, a sub-district to the Bethany Beach Sanitary Sewer District, will have a decrease in front foot assessment of 3.5 percent. This decrease is a result of using past retained earnings generated by this sub-district. The average sanitary sewer charge for FY 2001 will be \$479.34.

The proposed 2001 budget allows for funding for improvements to the South Coastal Regional Wastewater Facility in the amount of \$2,000,000. During the coming year, the staff will continue to renovate the South Coastal Facility, networking the new control system that has been installed. Staff will also continue to work with the Countywide installation of the supervisor control and data acquisition system, which will improve the operation and efficiency of all districts. It is the objective of the Operation and Maintenance Division to operate

and maintain the County's water and wastewater facilities in an economical and efficient manner.

It is the County's obligation to protect the natural resources of Sussex County by constantly maintaining a high quality of effluent. The staff's dedication can best be illustrated by the United States Environmental Protection Agency honoring the South Coastal Regional Wastewater Treatment Facility at a ceremony on May 11, 2000. The South Coastal Regional Wastewater Treatment Facility received EPA's Operation and Maintenance Excellence Award for EPA Region III. This is not the first time that recognition has been given to this facility.

In an effort to make sure that we are meeting the minimal requirements of our discharge permit, we will be replacing the sand filters at the South Coastal Regional Wastewater Facility that are 11 years old. The cost of these filters is estimated at \$1,500,000. This will allow us to upgrade our treatment for this portion of the wastewater facility to 9,000,000 gallons per day.

Three hundred eighty-two thousand, five hundred dollars (\$382,500) will be appropriated for the SCADA central alarm system. Additional funding will also have to be provided next year for this system. The County currently has 225 pumping stations, including grinder stations, that must be monitored along with 417 miles of sewer lines. Additional work at the South Coastal Regional Wastewater Facility includes a sludge alarm monitoring system, chlorine mixers, and new sludge pumps. The Budget Committee is pleased that all of this work, which we find very necessary, can be done without increasing costs to the users.

In summary, I believe that the proposed FY 2001 budget is a continuation of the same financial strategies that were adopted by the County Council with last year's budget. Those strategies included erasing of the pension deficit funding and elimination of tax-supported indebtedness. The FY 2001 budget grants this course of action to continue. The proposed budget permits for the County Council to do what they only have been able to say they were going to do in the future. As I stated earlier, the theme of this year's budget is "**The Future Is Now.**" The present proposed FY 2001 budget will allow the County Council to build on our financial stability. American poet Henry W. Longfellow once wrote, "The present is the blocks with which we build."

The Budget Committee would encourage the County Council to maintain an 18 to 25 percent unobligated reserve which was established in FY 2000. This reserve account should not be confused with the Contingency Reserve Account. The Unobligated Reserve Account is also known as a "Rainy Day Fund." The Contingency Reserve Account is only 1.6 percent of the entire FY 2001 budget. The Unobligated Reserve Account will be used to offset any unforeseen expenses or to help subsidize future budgets to offset any potential tax increases. For the unobligated account to be used in FY 2001, a public hearing would have to be held and a supermajority of four of the five Councilmen must support any expenditures from this account.

The proposed new year budget indicates that the average assessment for a single-family home is \$19,036. Based on a tax rate of 44.5 cents per \$100.00 of assessed value, the average single-family home will have a tax cost to the County of \$84.71. Stating that our property taxes are relatively low is not intended to be a boast. Sussex County residents have grown accustomed to expecting to secure some tangible benefits from the taxes that they are paying to the County. Providing additional services without raising property taxes should result in the residents of the County supporting the Council's financial direction.

Finally, the Budget Committee believes that the County Council should take pride in the programs that the Budget Committee believes are unique to County government in Delaware. These programs are:

- ❖ Revenue Sharing to Local Governments
- ❖ Payment in Lieu of Taxes to Local Government (Georgetown)
- ❖ Sewer and Water Assistance Program for Low-Income Residents

- ❖ Property Tax Assistance for Low-Income Residents (regardless of age)
- ❖ Mobile Home Placement Fee Subsidy for Libraries
- ❖ Building Permit Premium Fee for Fire Companies
- ❖ Paid Ambulance Attendants
- ❖ State Police Subsidy
- ❖ 25-Year Retirement for Public Safety Providers
- ❖ Elimination of Tax-Supported General Fund Debt

The projections that were used by the Budget Committee to develop this budget in my opinion were fair, honest, and accurate, based on our knowledge of the County's transactions and our experience as public administrators. I would encourage the Council to review the budget before the public hearing is held on June 20, 2000.

Please do not hesitate to contact me prior to the hearing if you have any questions regarding this proposed budget.

Sincerely,

Robert L. Stickels
County Administrator
RLS/sww