

May 22, 2001

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) 2002. The FY 2002 proposed 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 and the County's Internal Auditor.

The theme for the FY 2002 budget is "Realistic Expectations." After several years of economic financial prosperity, there is a slowing of the economy that will start to affect federal, state, and local governments' financial positions. At this writing, it is unknown what the effects of the \$1.6 Trillion federal tax cut being proposed by the Bush administration will have on local governments. In an article that appeared in The Wall Street Journal on Monday, March 19, 2001, entitled "Budget Picture May Be Worsening Due in Part to Slowing Economy," it stated that government and private-sector analysts say they see indications of the federal budget picture deteriorating somewhat because of economic weakness, among other factors, resulting in over the year revenue growth decelerating.

According to an article published in the Wilmington News Journal on Wednesday, March 21, 2001, the State is looking to reduce the current 2001 budget by \$21 Million this year, and Governor Ruth Ann Minner has already ordered \$32 Million in budget cuts. After ten years of financial growth in Sussex County, it is important that the federal, State, and local government budgets be monitored closely. It is not realistic to believe that the County's financial standings will not be affected by the degradation of federal and State surpluses. Financial consideration will not allow the County government to do everything that has been requested. American novelist Mary McCarthy once wrote, "If someone tells you he is going to make a 'realistic decision,' you immediately understand that he has resolved to do something bad." I do not think the decisions that were made in the development of the proposed 2002 budget will result in an unsuccessful budget. However, realistic goals must be established.

The proposed FY 2002 budget does not include a taxation reduction, \$1.8 Million for additional State Police as requested by Senator George Bunting, 32 additional Sheriff Deputies as requested by Sheriff Reed, grant subsidies for local municipal police departments, nor a Parks and Recreation Program as requested by the Sussex County Association of Towns Steering Committee.

I believe it is unrealistic for the State to think that the County can provide \$1.8 Million for additional State Police at the same time Public Safety Secretary James Ford is being asked to reduce his budget by two percent, resulting in a loss of almost \$1 Million. It is my feeling that the County Council would consider a cost-sharing program similar to what was established for Troop 4 in Georgetown, but long-term the County cannot afford to pay the entire cost for the additional troopers under the current tax structure. Should the County Council agree to enter into a contract with the State for the additional police officers, the agreement should consider the revenue that would be realized from the additional State Police officers. Twenty (20) additional officers could generate as much as \$500,000 annually. This revenue should be deducted from the gross cost of \$1.8 Million to determine just how much the new officers would affect the County and State's net cost for the program.

The proposed FY 2002 budget does not allow for the development of a Parks and Recreation Program. The State of Delaware has an excellent parks system in Sussex County with areas such as Trap Pond, Indian River Inlet campgrounds, and Cape Henlopen, Holts Landing, and Delaware Seashore State Parks. At this time, it does not appear that it would be prudent for the County to duplicate those services.

The direction that I have taken from the County Council regarding Sheriff Reed's request is that if there was to be an expansion of police services in the County, it would be best to do it under the State agency and not try to duplicate a State program that is in place.

The proposed 2002 budget does allow the County government to continue with programs that have been established over past years that I will elaborate on more in those sections of the budget. The Budget Committee firmly believes that it is essential that the County government maintain an Operating Reserve of 25 percent—\$7 Million. This is an increase over the FY 2001 reserve of 21.17 percent [See Addendum 1]. The 25 percent Operating Reserve will help the County avoid shortfalls that other governments are currently experiencing. Additionally, the reserve will allow the County to participate in cost-sharing programs that are not included in the proposed 2002 budget, should the Council choose to do so.

A contributing factor that had to be considered in formulating the proposed FY 2002 budget was continuation of population growth, not only in Sussex County but the entire State. The 2000 census conducted by the U. S. Census Bureau indicated that Sussex County grew at a population rate of 38.3 percent from 1990 to 2000. This compares to the entire State of Delaware that grew at a rate of 17.6 percent [See Addendum 2]. The population growth will impact County-funded services such as water, sewer, library, fire, ambulance, and paramedics. A realistic increase in spending must be allowed if we are going to continue to have the ability to accommodate seasonal surge.

Not providing for additional financial growth will have a compound affect when considering the population increase and potential reduction in revenue.

The objectives established by the Budget Committee for FY 2002 are:

- **Balanced budget**
- **Maintain an Operating Reserve of a minimum of 25 percent**
- **Limited spending, as much as possible, on non-expanded programs**
- **Continuation of fully funding the Pension Program**
- **Operate without tax-supported debt**
- **Expansion of economic employment opportunities, public safety, and library services**
- **Upgrade existing wastewater service and expand user base**
- **Reduce sewer service costs**
- **Continuation of tax and sewer assistance programs**
- **Updating Land Use Plan**

I would like to take this opportunity to highlight the proposed budget that begins July 1, 2001.

1. **Tax Rates** – The proposed 2002 year budget contains a property tax rate of 44.5 cents per \$100.00 of assessed value. This is the same rate that was established 12 budget cycles ago.

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The general public, as well as the business community, has become accustomed to the County's steadfast tax structure. Much general public attention is always focused on collection and expenditure of property tax because it is local and highly visible. The proposed FY 2002 budget indicates that the County government will collect \$7.7 Million in General Fund property tax [See Addendum 3]. This is 24.8 percent of the County's General Fund expenditures.

The County Council portion of the property tax bill should not be confused with the property taxes levied by the individual school districts [See Addendum 5]. The Sussex County Tax Division is mandated under State law, Title 14, Chapter 8, § 1917, to do the assessment,

billing, collection, and when necessary the litigation for all school taxes. In FY 2001, the County billed \$39,658,931 for the eight school districts in Sussex County.

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 Capital Improvement Fund rate of 3.2 cents per \$100.00 of assessment. The assessment is based on 50 percent of the 1974 assessed value.

Although the County government has no outstanding tax indebtedness that is supported by property tax at this time, the Budget Committee is recommending that the 3.2-cent Capital Improvement Fund rate remain in place. This will generate an income of \$599,955. The Capital Improvement Fund will help offset any new expenditures the County incurs that do not have a revenue base for support in the next two to five years. I will elaborate more on this issue when I outline the Five-Year Capital Budget portion of this report.

The proposed 2002 budget indicates that 26 sources of revenue will increase during the year. This compares to 21 sources of revenue that increased during FY 2001. In addition to not having an increase in the property tax, none of the existing General Fund fees are projected to increase during the new year. The increases in income are a result of the increase in the volume of work that each department will perform.

The realty transfer tax is projected to generate \$7,750,900 in income during FY 2002. This is a 17.4 percent increase over FY 2001. The additional funding will be used for:

- **Paramedics**
- **Fire Service**
- **Ambulance Service**
- **Emergency Operations Center**
- **Solid Waste**
- **Sewer Service**
- **Local Government Revenue Sharing**

The proposed 2002 year budget anticipates a decrease in revenue in 13 categories. This compares to a decrease in revenue in nine categories in FY 2001.

The Budget Committee believes that the proposed 2002 budget should sufficiently fund itself based on the projected revenues. One of the difficulties in preparing the new budget is the

outside influences that are not under direct control of the County government, such as a slowing economy, reduction in State government income, and the federal tax proposal. An article that appeared in the March edition of American City & County magazine stated, "As Congress struggles to hash out the details of President Bush's \$1.6 Trillion tax cut proposal, Washington representatives looking after city and county interests are raising a yellow caution flag over the size of the plan. There is a growing concern among some city and county officials that Bush's across-the-board tax cut relies too much on projected surpluses, and they fear that a dip in the economy could adversely affect the future funding needs of local and state governments." My own personal experience has been that the last time we had a major federal tax overhaul, local governments suffered. Balanced budget policies that were implemented under the Reagan administration resulted in local governments losing Federal Revenue Sharing and the elimination of the United States Environmental Protection Agency Construction Grant Program for water and sewer infrastructure. During the budget year, it will be the responsibility of the Budget Committee, as well as the County Council and individual employees, to adhere to the budget limitations that are imposed in the 2002 budget. Adjustments will be made as needed.

As a result of the 38.3 percent population increase over the last ten years, public safety and public works capital improvements will once again play a major role in the budget process. Sussex County volunteer fire companies will receive \$1,765,275 in funding for FY 2002. Fire service enhancement will be set at a \$875,000 base figure to be distributed evenly among the 21 fire companies. The Carlisle Fire Company will receive a 50 percent share because it is located in both counties. Mid-Sussex Rescue and Georgetown American Legion-Sussex Post No. 8 ambulance companies will receive \$10,000 each from this account. Funding generated over the \$875,000 will be distributed based on a percentage of new construction in the individual fire districts to each company. This funding is generated from one-quarter of one percent of the cost of the value of new construction. This will be the fourth year of this program.

The equipment grant for the fire service will receive an increase of three-and-a-half percent. This funding is based on the growth of the property assessment during the previous year.

The Discretionary Account will receive \$2,500 for the costs related to the foam trailer which is housed at the Georgetown Volunteer Fire Company. The County 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 each volunteer fire company. Each company receiving funding is required to match the County's contribution toward this program. Funding will be provided in FY 2002 to allow the County to purchase and distribute 500 smoke detectors.

During budget year 2002, three additional fire companies will receive funding for Basic Life Support (BLS) attendants. This will bring the total number of fire companies that will be

sharing in the funding to 19 [See Addendum 6]. The County's contribution for this program has increased 19 percent over FY 2001.

For the first time in three years, the County government will not have to contribute funding for the new communication paging system. To date, the County government has provided the Sussex County Fire Service with \$495,000. During FY 2002, the installation and implementation of this program will be complete.

The proposed FY 2002 budget calls for a contribution of \$372,778 to the State of Delaware toward the salary and the purchase of an automobile for 12 policemen stationed at Troop 4 in Georgetown. This year's contribution is a 4.6 percent increase over FY 2001. As I stated earlier, there is not any funding for the additional State Policemen requested by Senator Bunting. However, should the Council choose to, funding can be deleted from the Undesignated Operating Reserve.

The total cost for public safety paid for by County government for the proposed 2002 budget is \$9.3 Million. This represents 30 percent of the County's General Fund budget. 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.

2. **Employees** – Employees will see a salary increase of two percent July 1, 2001, and 1.5 percent January 1, 2002. In addition to the cost of living increase, certified paramedics and 9-1-1 dispatchers who are working on a rotating shift will have a three percent across-the-board adjustment effective July 1. I will explain more on these increases in the pertinent sections of those budgets in this letter.

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All employees making less than \$20,000 will have a minimum increase of \$400.00 July 1. On a percentage basis, an employee making \$16,000 would then receive a \$400.00 increase, which is equivalent to 2.5 percent. The January 1 one-and-a-half percent increase will not have a minimum basis. By staggering the cost of living increase, the 3.5 percent adjustment will have an impact of 2.75 percent for the salary cost of the new budget. The January 1 one-and-a-half percent will only have to be funded for six months of FY 2002. The 3.5 percent total salary adjustment is in line with the inflation rate for the United States. Figures released on April 16, 2001, and recorded in the Wilmington News Journal stated that the United States inflation rate, as measured by the Consumer Price Index, over the past 12 months has been 3.5 percent [See Addendum 7].

Retirees will have a pension adjustment of one percent July 1 and three-fourths of one percent January 1. This increase is based on the policy established in FY '98 that the retirees would not receive more than two percent, or half of what the working force receives. The 2002 budget allows for a contribution of \$365,655 for group hospital care for retirees. This is

a 13.6 percent increase.

Medical coverage costs for the County will increase ten percent over FY 2001. The new budget will allow for the County government to absorb all costs associated with the medical coverage increase. The Kiplinger Letter dated February 2, 2001, stated, "Health care costs will slam businesses again and again . . . in '01, '02, maybe beyond. Double-digit increases in health insurance premiums for most firms, 11% or so. Smalls will take it on the chin: 20% hikes." The "2001 Insurance Market Report" review and forecast predicts that on an average, employee health care premiums will increase ten to 15 percent. The ten percent increase is based on the fact that County government will self-insure employees for the first \$50,000. This is an increase over FY 2001, when the coverage was \$35,000. After a cost analysis performed by Integra, the Budget Committee felt that if we were going to be able to limit our health care coverage increase to ten percent, it was necessary to self-fund the first \$50,000.

Funding has been allocated to allow for the purchase of long-term disability insurance that was approved for the first time in the FY 2001 budget. This year's cost for that benefit is \$45,000. This insurance will be beneficial to employees once they have exhausted all of their sick and vacation time.

The Budget Committee is asking the County Council to approve three changes in the personnel policy. The first change is to allow full-time employees to transfer sick and vacation time over to another full-time employee. A full-time employee would be able to donate a minimum of eight hours to another full-time employee by forfeiting 12 hours. The receiving employee would only be awarded this time for major health problems. This will benefit the employee as well as the County. A receiving employee may only acquire donated time up to 90 days. The donating employee will be able to designate if they wish to forfeit vacation, comp time, or accrued sick leave. All requests must be approved by the County Administrator.

The second change in policy that the Budget Committee would like to recommend is that the Council establish a policy that would limit employees from receiving a cost of living increase if they have been suspended during the previous year, demoted for disciplinary reasons, or have received an area of unsatisfactory performance in their annual evaluation. Each department head will be responsible for completing evaluations on all of the employees in their department. Failure to complete an evaluation could result in the department head not receiving a cost of living increase, as well as the employee who has not been evaluated. One of the most frequent complaints that I receive from employees is that an employee in their department is not performing satisfactorily, but they are still receiving the annual cost of living increase. This change in policy should take a major step in correcting this deficiency.

The third change would be that any employee retiring from County service must have at least 15 years of service to be able to qualify for health benefits. At this time, an employee with

only eight years of service and over the age of 60 can retire and receive full health benefits. At the same time, an employee who leaves County employment under the age of 60 and has less than 30 years of service is not eligible for any health benefits. The Budget Committee would recommend that the Council allow an employee who has 15 years of service and is under the age of 60 to be eligible for 50 percent coverage by the County for health benefits. The employee would be required to pay the remaining 50 percent. The 15-year minimum service requirement would take effect with new hires as of July 1, 2001. All current County employees would still be eligible under the 60 years of age and eight years of service program. All existing employees under the age of 60 with 15 years of service would be able to apply for the 50 percent benefit once they have reached the age of 60. All employees with 25 years of service will receive full health benefits when they become eligible to receive their pension.

The Budget Committee projects that the increase in years from eight to 15 for health benefits will save the County approximately \$100,000 a year, five years after the new requirements have been put in place.

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 the reorganizational meeting in January. The five County Council members will have an annual salary of \$19,593 effective July 1, 2001. The President of the County Council will once again receive an additional \$1,000.

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During the new budget year, the County Council will be required to redraw councilmanic districts for the next ten years. The apparent increase in population in eastern Sussex County will more than likely require the adjustment of all five councilmanic lines. The County's Legal Department will present the County Council with proposed districts during the first quarter of FY 2002.

The Council's proposed budget for FY 2002 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 be allowed for the continuation of the Councilmanic Grant Program. The Recreation Assistance Program will remain at the same funding level as FY 2001 of \$30,000. FY 2001 Recreation Assistance Program funding not used will be allowed to be carried over to FY 2002. This is the same policy as the Councilmanic Grant Program.

The County Council will make contributions to the Delaware Technical & Community College Annual Women's Conference, Slam Dunk To The Beach, University of Delaware

Symphony, Sussex County Science Fair, and Senior Citizen Beach Day. The Budget Committee is also recommending for the first time that the County Council participate in the Delaware Women's Health Conference in the amount of \$500.00 and the Delaware Technical & Community College Spring Gala, which is an annual fundraising scholarship event, in the amount of \$1,000.

During FY 2002, County Council meetings which are normally held at 10:00 a.m. on Tuesdays, Board of Adjustment meetings which are held at 7:00 p.m. the second and fourth Tuesday of each month, and Planning and Zoning Commission meetings which are normally scheduled for the second and fourth Thursday of each month at 7:00 p.m. will be available on a nationwide basis on the Internet. Anyone wishing to monitor any of these three meetings may do so with a link from the County's homepage of <http://www.sussexcounty.net/>.

The County Council will accomplish the following objectives during budget year 2002:

- ✓ **Strengthen intergovernmental cooperation**
- ✓ **Maintain public availability**
- ✓ **Complete redistricting**
- ✓ **Maintain spending limits established within the budget**

4. **Legal**– Legal services for FY 2002 will be provided by Mr. Eugene H. Bayard representing the County Council, Mr. Dennis L. Schrader representing the Planning and Zoning Commission, and Mr. Richard E. Berl, Jr., representing the Board of Adjustment. In addition to those individuals, the County Council will receive legal representation from the law firm of Young, Conaway, Stargatt & Taylor in regard to personnel and labor issues, the law firm of Parkowski, Noble & Guerke on environmental issues, and the law firm of Potter Anderson & Corroon in assisting with bond funding.

It is anticipated that the County Council will spend \$181,300 in the forthcoming year for legal expenditures. This compares to New Castle County expenditures of \$2.1 Million and Kent County of \$140,000.

Mr. Bayard will be designated as County Attorney, and Messrs. Schrader and Berl will be designated as Assistant County Attorneys. Their responsibilities will include, but are not limited to, providing the County Council, County Administrator, and all County departments, boards, and offices with legal advice. They will be responsible for representing the County in all legal proceedings and perform other duties as described in Delaware Code, Title 9, § 7005. The County Attorney and Assistant County Attorneys will have an active year in FY 2002 in assisting the County Council with the redistricting of councilmanic districts and providing legal advice to the Planning and Zoning Department in preparation of the

development of a new Land Use Plan.

The Legal Department will accomplish the following objectives during budget year 2002:

- ✓ **Draft redistricting boundaries**
- ✓ **Attend all public hearings and meetings when necessary**
- ✓ **Draft ordinance for new Land Use Plan**
- ✓ **Provide legal interpretations in a timely manner**

5. **Grant-in-Aid Program** – The proposed FY 2002 budget contains a grant-in-aid contribution of \$4,287,146. Grant-in-aid contributions include programs for police, fire, and ambulance companies. Additionally, the County will provide funding during the 2002 year for the Future Farmers of America, CHEER's Meal Program, the Small Business Development Center, First State Community Action, and Human Service Grants at the same level of funding as FY 2001.

Grant-in-aid contributions for the proposed 2002 budget call for the University of Delaware College of Agricultural Sciences to receive a one-and-a-half percent increase for all existing programs. The County's contribution for the new year will be \$159,115. This contribution includes \$50,000 to be awarded to a new program. The Delaware Poultry Extension Advisory Council has requested funding from the State of Delaware to hire an Extension Poultry Engineer. This program would be administrated through the University of Delaware Extension Service. The Advisory Council would like to see a hands-on outreach program by the Extension Engineer in the areas of improvement in in-house environment and energy conservation that would reap a major return to the local poultry industry. It is estimated that an extension program for the County's poultry growers and companies would reduce their live production costs as much as \$1.5 Million annually for the poultry industry. The Advisory Council had requested a \$100,000 contribution from the County for the next three years. At this time, the Budget Committee can only realistically recommend \$50,000 to be considered one year at a time. The funding is also solely contingent upon the Advisory Council securing sufficient funds at the State level. The Budget Committee is concerned with published reports that appeared in the Wilmington News Journal on Saturday, April 28, 2001, that according to the United States Department of Agriculture, poultry production decreased in Delaware for the second year in a row.

The Sussex Conservation District will receive a one-and-a-half percent increase also during FY 2002. This funding will be utilized for the salary of a Coordinator, Sediment and Stormwater Management Assistant, and the Equipment Manager. The County Council will

also contribute \$75,000 to be matched by State funding for the Tax Ditch Drainage Program. The County Council's total contribution for the proposed 2002 year budget for the Sussex Conservation District is \$123,547.

The proposed 2002 year budget contains a contribution of \$116,593 for the Human Service Grants Program. This funding is at the same level as FY 2001. Nonprofit agencies are eligible to apply for this funding in August, with grants being awarded by the County Council in late October. This program has been very popular among nonprofit agencies. The requests for this funding have grown tremendously over the years with reduction of federal and State programs. The Budget Committee believes that a three-and-a-half percent increase to this program would not have a significant affect on the applications. However, it is an area that the Committee chose to try to limit, as it has a cumulative affect on the entire budget.

Municipalities in Sussex County that do not have a realty transfer tax, or who collect less than \$20,000 annually from their realty transfer tax, will once again be eligible to receive Revenue Sharing from the County. The County Council makes \$15,000 from the County's realty transfer tax collection available for those municipalities who do not reach the \$20,000 minimum.

The proposed 2002 budget allows for the County Council's policy of paying a payment in lieu of taxes to the Town of Georgetown. This year's contribution will be \$5,464. In addition to the Revenue Sharing and the payment in lieu of taxes, the County Council also will make payments to the City of Rehoboth in the amount of \$850,000. These payments are for the acquisition of water for the Dewey Beach water system and the treatment of sanitary sewer for the Henlopen Acres and Dewey Beach Sanitary Sewer Districts. Seaford will receive \$72,000 from the County Council for the treatment of sanitary sewer for the Town of Blades. Georgetown receives a payment of \$70,000 for the treatment of waste from the Sussex County Industrial Airpark and the purchasing of water and sewer service for County properties located in Georgetown. The City of Seaford will receive approximately \$38,000 and the City of Rehoboth Beach will receive approximately \$44,000 from the County's share of the 50-cent service charge for the 9-1-1 fee on the telephone bill.

The Sewer and Water Low-Income Loan Program, the County's Sewer and Water Low-Income Assistance Program, West Rehoboth Sewer Low-Income Assistance Program, and Federal Rural Development Hookup Cost/Loan Grant Program will continue in FY 2002. The loan fund 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 to a subsidy of \$200.00 per year. This is a doubling of the assistance that was provided for the first time in FY 2000. The income guidelines for these programs will be the HUD/CDBG low-income levels. However, the Budget Committee is recommending that liquid assets be increased from \$7,500 to \$15,000.

The Grant-in-Aid Program will also include the continuation of the County Council's property tax subsidy for the County portion of the property tax bill. The Budget Committee is recommending income guidelines be increased for the new year. Currently, an individual whose annual income does not exceed \$14,400, or a household with two or more adults whose income does not exceed \$18,400, is eligible for this program. The Budget Committee would recommend that the individual income guidelines be increased to \$15,800 and a household income not to exceed \$20,000. This subsidy is in the form of a grant that can be applied to the County's portion of the property tax bill only. Funding cannot be applied to school or tax ditches. This program does not restrict anyone from applying for the senior citizen or disability programs that give exemption from all property taxes. I will outline all of the tax subsidy programs that are available in the "Finance--Treasury Division" section of this letter.

The Budget Committee wishes to advise organizations that receive grants from the County that after a decade of generosity, this is an area of the County budget that will begin to remain flat, or even decrease depending upon the County's economy.

6. **County Administrator** – The County Administrator is required to perform duties as listed in Title 9, Delaware Code, § 7003, that include, but are not limited to, being the Chief Administrative Officer of the County, attending all necessary government meetings, and being responsible for the proper administration of all County affairs. In addition to my normally scheduled meetings, I will remain active with the Sussex County Association of Towns, Delaware Association of Counties, and the National Association of Counties. During FY 2002, I will continue to lobby for federal assistance for wastewater infrastructure. I believe it is important that the federal government participate in a grant program. Because of our location geographically, there are regional benefits by providing central sanitary sewer with the elimination of failing systems and holding tanks.

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The primary goal that I have established for myself for FY 2002 will be the development of a new Land Use Plan. This Plan will improve on the current Land Use Plan that was adopted in October of 1997. A new Land Use Plan must be adopted by the County Council by October of 2002. During the first quarter of the new budget year, a selection committee consisting of the President of the County Council, President of the Planning and Zoning Commission, County Finance Director, Director of Planning and Zoning, and myself will conduct interviews of potential land use consultants. For the long-term vitality of our quality of life, it is imperative that we develop a Land Use Plan that is both protective of our natural resources and at the same time is publicly acceptable. The development of the new Land Use Plan will include a cooperative effort with State agencies to assure that the Plan is in conformity with Governor Minner's *Livable Delaware* legislation. Meetings and discussions will take place with the Sussex County Association of Towns, First State Manufactured Housing Association, and the Lower Delaware Homebuilders Association. A multiple of public hearings will be scheduled, to include formal hearings in each councilmanic district. I

believe the end result of the public hearings will allow the County Council to have a public understanding of the County's vision for future growth and the necessary knowledge for the development of regulations necessary for implementing the Plan.

The County Administrator will accomplish the following objectives during budget year 2002:

- ✓ **Maintain oversight of all County departments**
- ✓ **Draft new Land Use Plan**
- ✓ **Lobby on behalf of the County Council for State and federal funding to reduce sewer costs**
- ✓ **Seek revenue diversification in order to address future financial needs and new programs**
- ✓ **Assure current revenues are sufficient to support current expenditures**
- ✓ **Seek increased funding for road programs**
- ✓ **Primary point of contact for County government**

7. **Finance--Administration** – This department consists of the Finance Director, Finance Coordinator, 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. All of these are an important role in the budget-making process. The Finance Director assists in monitoring the monthly financial reports and preparing special financial analyses. The department oversees the Treasury Division, Accounting Division, Assessment Division, Utility Billing Division, and Data Processing.

A very important function of the Finance Director is the administration of bond sales and other mechanisms necessary to support the County's growing wastewater infrastructure. During FY 2002, the Finance Director will monitor federal legislation that was proposed by Senator Trent Lott of Mississippi that would allow for the County to refinance existing bond indebtedness. Currently, federal legislation will only allow you to refinance an issuance once. In many cases, we have taken advantage of lowering interest rates and have refinanced several bond issues. With the lessening of the federal restriction and continued reduction in the prime borrowing rate, there may be advantages to sewer districts to consider reissuance at this time. The financial benefit from these reissuances will be passed along to the users of the sewer districts.

With the elimination of all General Fund tax-dependent debt, the Finance Director will establish a Capital Improvement Fund that will be beneficial for any capital improvements the Council may approve over the next two to five years. The establishment of this fund will be beneficial in limiting the debt Council may have to incur to complete a project.

During FY 2002, the Finance Director will receive investment recommendations from J.H.W. Gefaell, Capital Markets Advisory Group, LLC, and Fairmount Capital Advisors, Inc.

In addition to the responsibilities listed for the Finance Director in Title 9, Delaware Code, § 7004, the Finance Director will accomplish the following objectives during budget year 2002:

- ✓ **Maximize idle cash investments with minimum risk**
- ✓ **Collection of delinquent property tax and sewer charges**
- ✓ **Maintain or improve the County's most recent bond rating—Aa3**
- ✓ **Maintain a zero balance in General Fund tax-supported indebtedness**
- ✓ **Evaluate potential consolidation of services between the Treasury Division, Accounting Division, Assessment Division, and Utility Billing Division**

8. **Finance--Assessment Division** – This division consists of one Director, one Assistant Director, seven Assessors, two Clerk-Supervisors, one Secretary, and 11 Clerks. It is the responsibility of this division to ensure that all land, buildings, improvements, and special betterments, except those exempted from taxes, are valued and added to the County's assessment rolls for the purpose of taxation. Currently, the division uses 1974 construction values to calculate the assessments placed on real property.

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The proposed 2002 budget allows for the Assessment Division to purchase three Pentium III computers, two printers, one microfilm reader/printer, two calculators, six file cabinets, and two digital cameras.

The Assessment Division will accomplish the following objectives during budget year 2002:

- ✓ **Continuation of converting paper records to microfilming to eliminate storage problems**
- ✓ **Conversion of ownership cards to digital form by the fourth quarter of the new budget year, thus enabling this information to be obtained through the Internet**

- ✓ **Assessment Director will have oversight of the Building Code Department and the Constable's Office**

9. **Finance--Accounting Division** – The Accounting Division consists of a Director of Accounting, an Assistant Director, a Payroll Accountant, six Accountants, and one Secretary. 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 Finance Director, in preparation of the annual budget and recording of financial transactions through the fiscal year to prepare the monthly budget performance reports.

- Other responsibilities for this division include preparation of 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.

Funding has been allocated for the purchase of a fax machine, binding machine, and copier.

The Accounting Division will accomplish the following objectives during budget year 2002:

- ✓ **Collection of all Industrial Airpark tenants' rent**
- ✓ **Collection of Airport fuel sales premiums**
- ✓ **Maintaining current fixed asset records**
- ✓ **Funds received are to be deposited on the day of receipt and invested as soon as they are available in an interest-bearing account**
- ✓ **Maximize the efficiency of the accounting software**
- ✓ **Processing of accounts payable in a timely manner, allowing the County to take advantage of any discounts that it is eligible for**

10. **Finance--Treasury Division** – The Treasury Division consists of one Director, one Assistant Director, one Secretary, three Tellers, and three Clerks. The Treasury Division will be responsible for administrating the State Senior Citizen School Property Tax Credit Program, exemptions for residents over the age of 65, exemption program for the disabled, and Sussex County Property Tax Subsidy Program. The Budget Committee is recommending that the County Council allow annual income to qualify for the County's Property Tax Subsidy Program to increase from \$14,400 for an individual to \$15,800, and a household income to

increase from \$18,400 to \$20,000. The Committee also recommends that liquid assets or real estate, other than a home, will increase from a maximum of \$7,500 to \$15,000 [See Addendum 8].

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The Treasury Division will accomplish the following objectives during budget year 2002:

- ✓ **Investigate new cashier computer programs to simplify collections and disbursements**
- ✓ **Adjusting tax records to new address system**
- ✓ **Develop Internet payment program and accept all major credit cards without loss of payment to County or school districts**
- ✓ **Automatic rebilling of payments received that are not paid in full**
- ✓ **Assessment billing and collection of all school taxes**

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 First State Inspection Agency to perform field inspections for the single-family portion of the inspection program. During FY 2002, the Building Code Department will continue to provide services for single-family home inspections for 12 municipalities and multi-family and commercial inspections for 13 municipalities [See Addendum 9].

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There are several benefits to having the County implement this program within the municipalities. First, it is provided without any cost to the local governments. Many small towns would not be able to have a program if the County did not provide this service. The cost of the program is being paid entirely from the fees that are associated with the permits. The second benefit is that it allows the construction industry in the County to be familiar with one code by having 14 jurisdictions use the same code. The County currently uses the Southern Building Code Congress International code. We will continue to monitor State legislation that may mandate that the County change its building code. If this legislation is passed, it would have a detrimental affect on the Building Code Department's budget. In addition to the retraining of County staff, it would also require the purchasing of additional code books.

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The proposed 2002 budget indicates that the County's income for the Building Code Department will decrease \$277,676. We are projecting that 1,275 new homes will be built in the County. This is a reduction of past years where we have seen an average of 2,000 homes

built. The biggest decrease in construction that we foresee in the upcoming year is the reduction in large commercial buildings and multi-family projects. The reduction in construction projects will eventually affect the County's tax base, which could result not only in a reduction of income from building permits, but could affect the 2003 assessment growth.

Funding will be provided this year to allow the Building Code Department to purchase a calculator, computer, and digital camera. The purchasing of a digital camera will be useful in recording any violations that are observed in the field. The camera will also be beneficial in the demonstration of proper workmanship in different or unusual circumstances.

The Building Code Department will accomplish the following objectives during budget year 2002:

- ✓ **Ensure that inspectors are provided with the necessary training and education to keep up with code changes**
- ✓ **Continuation of good working relationship with local and out-of-state contractors**
- ✓ **Maintaining current fee structure**
- ✓ **Completion of review and comments on all single-family homes within five working days**
- ✓ **Completion of review and comments on all commercial projects within 15 working days**

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

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Funding has been provided in the 2002 budget to allow for the hiring of an additional employee for this department. The personnel reporting requirements for County employees have increased over the years, especially with the addition of more paramedics. This increased activity has necessitated the need to hire an additional employee. The department is responsible for coordinating all County benefits for employees, which include medical, vision, dental, life, accidental death, and long-term disability insurance, plus pension benefits. Not only does this department have to create a file for the employee, they must also

maintain a file for the spouse and dependents.

The Budget Committee is recommending that the County Council expand the current vision benefit. Currently, the County allots \$1,000 per employee for dental benefits during the budget year. The proposed 2002 budget allows for an employee to apply vision costs toward the \$1,000 allocation. For most employees, the new program will provide additional assistance in vision costs. However, employees will only be eligible for reimbursement for glasses every two years.

With the adoption of the policy of not providing all employees with a cost of living increase as a result of an unsatisfactory evaluation, it will be the Personnel Department's responsibility to work closely with the County Administrator in those evaluations. The Personnel Department will distribute to each department head evaluations that will be required to be maintained on an annual basis.

Should the Council approve the program to allow employees to donate time to other employees, the Personnel Department will be responsible for monitoring those records.

The Personnel Department will accomplish the following objectives during budget year 2002:

- ✓ **Assist County Administrator to ensure County maintains competitive compensation and benefit package**
- ✓ **Posting of all position vacancies**
- ✓ **Reviewing and evaluating County employee benefits**
- ✓ **Processing all health, dental, and vision reimbursements**
- ✓ **Reviewing and recommending the elimination of non-essential positions**
- ✓ **Consolidation of training and education between departments**

13. **Information Systems** – The Information Systems Department consists of a Supervisor of Information Systems, one Systems Administrator, one GIS Specialist, five CAD Technicians, three Personal Computer Technicians, and three Clerks. The major focus for this department for FY 2002 will be the refining of the Rural Readdressing Project. With the termination of the consultant's contract to deliver the addresses, the Information Systems Department will be required to refine the process. Two new employees that were added in the fourth quarter of FY 2001 were utilized for this project. The proposed 2002 year budget allows for the hiring of a GIS Specialist. It is critical that this position be filled as soon as possible to allow the County to rectify the problems that have developed as a result of the less than satisfactory

completion of the contract with 3Di.

With the County Council authorizing subdivisions to retain many of their current addresses, the Information Systems Department will be responsible for transferring this information to the property tax records. There are also numerous unnamed private roads that will be required with the constant changing of addressing and sending the information to the State 9-1-1 Coordinator for input into Verizon's telephone records. This process will be compounded by the fact that we will have a need for ongoing excessive maintenance to the previously delivered addresses, as well as monitoring new subdivisions.

- Additional responsibilities for the department during the year will include the further enhancing of the County's PC network infrastructure. This department will be assisting the Engineering Department in their enhancement of the SCADA system and remote reporting capabilities. Information Systems will work with the Paramedic Department to enhance connectivity to the State's Office of Emergency Medical Services and the EDEN system to provide fast and reliable connectivity to the incident reporting system. Information Systems will be responsible for the development of the installation of Internet cameras to allow for a broadcast system to provide real-time broadcasting of County Council meetings, Planning and Zoning Commission meetings, and Board of Adjustment meetings.

The Information Systems Department will accomplish the following objectives during budget year 2002:

- ✓ **Enhance public relations in regard to the 9-1-1 Addressing Program**
- ✓ **Rectify the Rural Readdressing Program**
- ✓ **Development of personal computer custom applications for each of the County's departments**
- ✓ **Installation of additional security systems for the Administrative Building**
- ✓ **Installation of Internet-based broadcasting of County Council meetings**
- ✓ **Provide maps and related assessment information in a timely manner**
- ✓ **Coordinate tax and address information with the Treasury Division and Data Processing**

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. During budget year 2002, the department will coordinate its activities with the Planning and Zoning Department, Assessment Division, Utility Billing Division, Treasury Division, and Building Code Department.

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New budget expenditures will allow for the purchasing of a new vehicle to replace a vehicle that has 138,000 miles. Additional expenditures will include a color printer that will be utilized for the downloading of violations that have been taken from a digital camera in the field and two new computers.

The Constable's Office will accomplish the following objectives during budget year 2002:

- ✓ **Investigating and resolving complaints and violations in a timely and professional manner**
- ✓ **Vigorously and aggressively pursuing the collection of back taxes, overdue sewer and water bills, bad check reimbursements, and open permits**
- ✓ **Removal and demolition of vacant and illegal manufactured homes, coordinating activities with the First State Manufactured Housing Association**
- ✓ **Computer recording of outstanding violations**

15. **Planning and Zoning** – This department consists of a Director, an Assistant Director, a Chief Zoning Inspector, seven Zoning Inspectors, one Environmental Planner, and three Clerks. The proposed 2002 budget allows for the hiring of a land use consultant to assist in the development of updating the current Land Use Plan to comply with State regulations. I believe the development of the new Land Use Plan will dominate the County Council, the Planning and Zoning Commission, the County Administrator, and the Planning and Zoning Director's time during FY 2002. There will be a multitude of meetings necessary to inform the public on the process of developing an acceptable Land Use Plan.

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I believe it will be beneficial to select an independent land use consultant who will provide impartial input and clarify some complex zoning issues to assure that the final product is both publicly acceptable and in compliance with State regulations.

The proposed 2002 year budget allows for the Planning and Zoning Commission and the Board of Adjustment to meet 31 times a year. Members of the Planning and Zoning Commission and the Board of Adjustment will be paid \$250.00 per meeting.

The Planning and Zoning Department will accomplish the following objectives during budget year 2002:

- ✓ **Drafting of a publicly acceptable Land Use Plan**
- ✓ **Assisting property owners to ensure that any proposed development is in compliance with County long-range plans**
- ✓ **Coordinate activities between the Engineering Department and local and State agencies**
- ✓ **Coordinate technical review of pending applications and process all applications in a timely manner**
- ✓ **Coordinate violation activities with the Constable's Office**
- ✓ **Develop a computer program tracking outstanding permits**
- ✓ **Review and make recommendations of any necessary adjustments to existing ordinances**
- ✓ **Coordinate zoning activities with the State Planning Office**

16. **Emergency Operations and Preparedness** – The Emergency Operations Department consists of one Director, one Assistant Director, one Communications Section Supervisor, one Quality Assurance Technician, one Assistant Chief Dispatcher, four Emergency Communications Supervisors, two Communications Support Technicians, 13 Emergency Communications Specialists, one Local Emergency Planning Coordinator, and one Clerk. County employees working at the 9-1-1 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 State and local police.

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The Budget Committee is recommending that the 9-1-1 dispatchers who work on a rotating shift receive an across-the-board three percent salary adjustment. In the last two years, this department has lost 12 employees. This has resulted in putting an additional burden on the existing staff. During FY 2001, the County Council reduced the retirement requirements for this department for those employees who work shift work to 25 years. The Budget Committee believes that the three percent across-the-board increase will be beneficial in employee retention, coupled with the 25-year retirement. The loss of employees has a negative impact on the budget because of the cost of providing uniforms, training, and overtime that has to be paid to cover because of the open positions.

The Budget Committee recommends that the County Council start exploring the possibility of

expanding the Emergency Operations facility. The Capital Improvement Fund reveals a \$500,000 expenditure for FY '05. This fund would be utilized for investigation and design of the expansion of the existing building or the possibility of purchasing a new building and relocating. Funding for this project would be provided from the Capital Improvement Fund. It is the recommendation of the Budget Committee that communications between the County and State agencies take place during 2002. The cost of the facility should be shared between the County and the State government. Other agencies, in addition to the State Police, that may be interested in such a facility could be the Department of Natural Resources, Delaware Department of Transportation, and the Delaware National Guard.

The installation of the new computer-aided dispatch (CAD) system will be completed during the first quarter of 2002. This equipment will be instrumental in allowing us to capture the necessary information to comply with the State's reporting regulations.

The Emergency Preparedness Office is responsible for coordinating the County's efforts in providing for public safety and protecting life and property. The Emergency Preparedness Office is responsible for coordinating activities between the State and local governments for incidents such as manmade or natural disasters and to maintain a continuity of order under emergency conditions. The County's 9-1-1 Mobile Command Center has been beneficial in accomplishing those goals.

The Local Emergency Planning Committee, which is part of the County's Emergency Operations, is funded 100 percent with State funding. This department is responsible for instituting safeguards pertaining to emergency preparedness operations in time of a hazardous material release or spill from a fixed or mobile facility that may affect the general public. The department is responsible to compile and maintain records of inventory of facilities that produce, store, or sell hazardous materials in Sussex County and supply the information to first responders, as well as the general public.

The Communications Support Section will supervise and assist in the performance of preventive maintenance of all County communication towers and respective antennas and feed lines. This would include maintenance and service on all 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 aiding the local fire and ambulance companies with technical assistance that includes siren maintenance, paging, and radio communications.

Emergency Operations and Preparedness will accomplish the following objectives during budget year 2002:

✓ **Complete installation of the new computer-aided dispatch system**

- ✓ **Act as a Regional Training Center for emergency medical dispatch priority**
- ✓ **Maintain a mobile command post to offer public safety, with capabilities of providing the latest weather, emergency communication bulletins, and centralized meeting facility**
- ✓ **Develop dialog with the County Fire Service on issues relating to dispatching, communications, and preparedness**
- ✓ **Phase the new County addressing information into all computers**
- ✓ **Coordinate activities with communities in Sussex County that have been recognized by the Federal Emergency Management Agency as Project Impact communities**
- ✓ **Coordinate training activities with the development of hazardous mitigation projects**
- ✓ **Maintain UHF paging system for the Fire Service**
- ✓ **Design and procurement of the new siren control system to interface with the computer-aided dispatch system**

17. **Emergency Medical Services** – The Paramedic Department consists of one Director, one Deputy Director, one Professional Standards Division Manager, one Operations Division Manager, one Service Support Supervisor, one Field Training Coordinator, 64 Field Paramedics, four Supervisors, one Support Service Mechanic, one Support Service Technician, one Information Systems Coordinator, one Administrative Assistant, and two Clerk-Technicians. The FY 2002 Sussex County Emergency Medical Services budget supports six paramedic units [See Addendum 10] and two first responder units, one of which is a supervisor unit, 24 hours a day, serving all of Sussex County and a portion of Kent County (primarily Milford). The system is operated out of eight facilities with a fleet of 19 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. Emergency Medical Services will accomplish this through direct patient care, continuous quality improvement, innovative technologies and procedures, and comprehensive education and training of their personnel and the general public.

The Budget Committee recommends that the County Council approve a three percent across-the-board increase for all certified paramedics. This increase is similar to the recommendation that was made for the 9-1-1 dispatchers. In the last two years, the County has lost 18 paramedics. It is estimated that the County has spent over \$400,000 in filling

these vacancies. The State Office of Emergency Medical Services recommended that the salary be adjusted upwards by five percent. The Budget Committee believes that the three percent is more realistic. Consideration will be given to phasing in an additional two percent in the development of the 2003 budget next year.

The proposed 2002 year budget allows for funding to complete the reduction in years of service for retirement that was approved in the FY 2001 budget. The County Council authorized the reduction for paramedics to retire with full benefits at 25 years instead of 30. A contribution of \$226,834 will be made to allow for the formula for 25 years to equal the same benefits as 30 years provided.

The Paramedic Department is the largest single department expenditure that the County government has. The Budget Committee is of the opinion that it is more cost-effective to retain than to train. Hopefully, the additional funding that was provided last year to reduce the retirement to 25 years and the across-the-board increase, in addition to the cost of living, will slow the loss of paramedic personnel.

During FY 2002, the budget will permit the rechassisng of two box-type response units, the replacement of two Suburbans, two staff vehicles, and one Hazmat support vehicle, and the purchase of one additional staff vehicle. Replacement and rechassis for emergency vehicles is based on a 100,000-mile safe practical life for vehicles used in emergency response. Support vehicles are used vehicles that may be replaced on or after the four-year mark, based on expiration of the four-year/100,000-mile warranty in place and maintenance history for those vehicles. Equipment purchases that will be funded during the new budget year will be used to replace aging equipment over a multiple-year period. Training equipment is used by field training officers to maintain ongoing paramedic skill proficiencies.

The Emergency Medical Services budget does not include funding for a seventh paramedic unit. At this writing, the State has not approved funding for a seventh unit. The Budget Committee is recommending that \$221,529 be encumbered under Appropriated Reserve from the increase in retained earnings due to the Fiscal 2000 audited results. This would assure that funding would be in place should the State approve the seventh paramedic unit after adoption of the new budget. Additionally, the funding would also be beneficial to lessen the impact if it is approved in future years and there is a decline in County revenue.

Emergency Medical Services will accomplish the following objectives during budget year 2002:

- ✓ **Develop a comprehensive total quality management system**
- ✓ **Maintain a continuing education program that includes coordination between volunteer fire and ambulance organizations**

- ✓ **Develop a first responder program**
- ✓ **Employee retention**
- ✓ **Maintain a high quality of advanced life support for Sussex County residents, as well as seasonal visitors**
- ✓ **Maintain high community visibility**

18. **Data Processing** – The Data Processing Department consists of one Director, one Assistant Director, two Programmers, and two Computer Operators. During budget year 2002, the Data Processing Department will be monitoring and setting up the procedure for the payment of County taxes and utility bills by credit card through the Internet. The department will maintain contact with the Official Payment Corporation for this program. Data Processing will be responsible for scheduling demonstrations for the Utility Billing, Treasury, and Assessment Divisions. These demonstrations will aid those departments in making decisions on whether to purchase new software or to continue to use in-house software. It is the belief that the software being evaluated would enhance billing collection and the overall performance of those departments.

Additional responsibility for the Data Processing Department in the new budget year will include reviewing the feasibility of software to convert RPG programs. This type of software is to allow the Data Processing staff, and future staff, the ability to easily write programs using a highly productive development environment. It would enable the County's software to run on multiple platforms and a multiple database, and would modernize existing software. This would simply make programs and users more productive and rapidly build efficient applications, easy maintenance, and portability to windows, JABA, or mixed.

An important aspect of the Data Processing Department is that approximately 85 percent of the work performed by this department are requests that are made by various departments throughout the year. This information is important to outside sources and these requests are usually needed immediately.

Funding has been made available for capital purchases to include a personal computer and a file cabinet.

The Data Processing Department will accomplish the following objectives during budget year 2002:

- ✓ **Set up and manage a payment project for credit card billing**
- ✓ **Replace software for County departments**

- ✓ **Review feasibility of software to convert RPG programs**
- ✓ **Prompt response to projects on demand**
- ✓ **Generate revenue for the General Fund with the production of information to the general public**
- ✓ **Strengthen and enhance cooperative efforts between departments**

19. **Engineering--Administration** – The Engineering Administration Division consists of one County Engineer, one Assistant County Engineer, three Accountants, one Director of Engineering Accounting, one Director of Utility Engineering, one Historic Preservation Planner, three Project Engineers, one Permit Technician, and two Clerks. The proposed FY 2002 budget will demand that Engineering Administration be involved with a wide range of capital projects. Currently, the Engineering Department is involved with 55 projects. During the year, it is projected that this list will only increase. The Engineering Department is receiving inquiries weekly for expansion of services. During the last 12 years, the Engineering Department has completed over \$130 Million of capital improvements. During the next three years, \$77.7 Million will be completed [See Addendum 11].

Regional sewer projects that will be developed during FY 2002 will include the construction and completion of the Ocean View Sanitary Sewer District; the bidding, awarding of a contract, and the beginning of construction of the Cedar Neck Sanitary Sewer District; bidding, awarding of a contract, and the commencement of construction for the Ellendale Sanitary Sewer District; the completion of design and announcement of the acceptance of bids for the Oak Orchard Sanitary Sewer District; and the completion of design and announcement of acceptance of bids for the Bay View Estates Sanitary Sewer District.

Additional capital improvement projects that will involve the Engineering Administration Division include the expansion of the Milton Library, construction of a new Airport Terminal Building, apron expansion, construction of four additional T-hangars, installation of a generator at the Industrial Airpark, feasibility study for the extension of Runway 4-22, design of the rehabilitation of the crosswind runway, and the selection of a consultant to design and construct a fire supply system for the airport side of the Airport/Industrial Airpark.

Funding has been appropriated in FY 2002 to allow for the Engineering Department to continue the monitoring of six former landfill sites that were operated by the County. Current State and federal laws require the County to maintain a cover over the complete site and perform certain maintenance and monitoring functions at these sites for 30 years after their initial closure. The County's financial audit, performed by Jefferson, Urian, Doane & Sterner, indicates that landfill post-closure care liability of these sites is \$2.4 Million at June

30, 2000. This amount is based on what it would cost to perform all post-closure care in 2000. Actual costs may be higher because of inflation, changes in technology, and/or changes in environmental regulations. During the new budget year, Engineering Administration will be responsible for ensuring that there is groundwater sampling, installation of new monitoring wells where needed, miscellaneous site work, and performance evaluation of groundwater management zones. Should groundwater sampling indicate a worsening in any of the landfills, the \$2.4 Million projected cost could escalate rapidly. Excavation and complete removal of soils at one site could exceed \$10 Million. This potential cost supports one of the primary reasons why it is important for the County to retain a 25 percent Undesignated Fund Balance.

The Engineering Administration Division will accomplish the following objectives during budget year 2002:

- ✓ **Oversight of design and construction of new and expanded sanitary sewer districts**
- ✓ **Monitoring of landfill closures**
- ✓ **Oversight of capital improvement projects, to include Airport expansion**
- ✓ **Investigate cost alternatives for the design and treatment of sanitary sewer**

20. **Engineering--Planning and Permits** – The Planning and Permits Division consists of two Planning Technicians, three Permit Technicians, one Clerk-Typist, and one Office Manager. The direct oversight of this division is the responsibility of the Assistant County Engineer.

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The proposed 2002 budget will require the Planning and Permits Division to prepare planning documents for the proposed North Millville Sanitary Sewer District, proposed Derrickson Creek Sanitary Sewer District, proposed Piney Neck Sanitary Sewer District, and an update to the South Coastal Area Planning Study. The division will be responsible for completing data for the billing of the Ellendale Sanitary District and start developing the information necessary for the billing of the Oak Orchard Sanitary Sewer District. The Planning and Permits Division will be required to implement procedures and train personnel on the administration and hookups for the Holts Landing Sanitary Sewer District, should the County Council decide to accept the responsibilities of the existing collection system. The transmission line construction has been completed for this sewer district in FY 2001. During the first quarter of FY 2002, the County Council will have to decide if the County is going to operate the collection system for this district. To comply with the United States Environmental Protection Agency, Planning and Permits will be responsible for reviewing the County's pretreatment ordinance to assure that it is in conformity with any new regulations.

One of the primary functions of the Assistant County Engineer is to work closely with the County Administrator and Finance Director in securing funding for the new sewer districts.

The Assistant County Engineer meets on a regular basis with the Delaware Wastewater Facilities Advisory Council. During FY 2001, the County was successful in receiving \$10.2 Million in grant funding. Additionally, the County received \$5.6 Million in the form of low-interest loans. Because of statewide needs, the securing of funding will be more competitive during 2002.

Capital items that will be purchased for the Planning and Permits Division for FY 2002 include a work station, two file cabinets, a slide projector, a laser printer, and two computers.

The Planning and Permits Division will accomplish the following objectives during budget year 2002:

- ✓ **Promote the creation of new sewer districts**
- ✓ **Support expansion of existing sewer districts**
- ✓ **Development of billing data for new sewer districts**
- ✓ **Upgrading of the South Coastal Area Planning Study**
- ✓ **Plant expansion of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District**
- ✓ **Review of existing County ordinances for compliance with the U. S. Environmental Protection Agency and the Delaware Department of Natural Resources and Environmental Control**
- ✓ **Assist in securing funding under existing programs and investigation of new funding sources**

21. **Utility Billing Division** – The Utility Billing Division consists of one Director, one Assistant Director, one Secretary, one Accountant, five Clerk-Technicians, and two Clerks. The Utility Billing Division is responsible for processing all County water and sewer accounts in a timely manner. The Utility Billing Division currently has 42,138 accounts that must be processed on a quarterly basis. The 2002 proposed budget will allow the Utility Billing Division to maintain the existing sanitary sewer accounts and provide support for new districts, which need to be processed as soon as possible so all accounts may be tested for accuracy.

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The utility user assistance programs that we currently have in place [See Addendum 12] will be administrated by the Utility Billing Division. Efforts will be made to contact utility users who are having difficulty paying for their service to see if they qualify for County assistance. In an effort to assist low-income utility users, in addition to using the news media to alert the

general public about the availability of assistance, a letter campaign will be implemented in FY 2002 for notification of all delinquent account holders. Currently, 287 households are receiving assistance from the County programs. The Utility Billing Division will strive for doubling the number of recipients of these programs.

Delinquent utility users will also be made aware that the County will provide for partial payment agreements. The partial payment program has been instrumental in allowing accounts to reduce outstanding liability over a period of time. However, as harsh as it may seem, it is the division's responsibility to assure that all accounts are protected and, when necessary, liens placed upon some properties, with notification of uncollectible debts provided to the Sheriff and Constable's Office.

During FY 2002, funding will be provided for the purchasing of two personal computers and printers, shelving, file cabinets, a stool, and a typewriter.

The Utility Billing Division will accomplish the following objectives during budget year 2002:

- ✓ **Timely processing of all utility bills in an accurate manner**
- ✓ **Promoting of assistance programs to low-income residents**
- ✓ **Assistance in the collection of delinquent accounts**
- ✓ **Assist the Board of Appeals in making fair and accurate decisions on appeals**
- ✓ **Assist delinquent accounts in establishing a partial payment program**
- ✓ **Assist homeowners with the new septic grant program**

22. **Engineering--Utility Construction** – The Utility Construction Division consists of one Division Director, one Secretary, one Project Coordinator, and 12 Utility Construction Technicians. The Utility Construction Division is responsible for working with Planning and Permits and Engineering Administration in development of construction plans and making recommendations primarily for the County's sanitary sewer construction programs. This division is responsible for working with the contractors, the County's consulting engineers, and the property owners. The field personnel are usually the first line of contact for property owners when we commence a new project. It is essential that the members of this division conduct themselves in a polite and professional manner.

In addition to the oversight of the work being performed under contracts with the County, the Utility Construction Division is also responsible for overseeing private sector work that is

required under Ordinance No. 38. During FY 2000, the private sector was responsible for constructing \$2.6 Million in sewer improvements for the County-operated systems. This private contribution is beneficial to the sewer districts. Once construction has been completed, Utility Construction staff is responsible for obtaining as-built drawings of the completed construction. It is essential that proper documentation be maintained. Frequently, this department has had problems with other utility providers not having sufficient records. The lack of sufficient records leads to unneeded costs and interruption of service.

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Funding has been made available for the Utility Construction Division in FY 2002 for the purchase of two new vehicles, radio equipment, and Xerox document equipment.

The Utility Construction Division will accomplish the following objectives during budget year 2002:

- ✓ **Maintain lines of communication with the general public during construction of a new project**
- ✓ **Development of as-built records**
- ✓ **Assist in Miss Utility locations**
- ✓ **Provide training and education opportunities for staff**
- ✓ **Offer recommendations on construction cost savings**

23. **Engineering--Public Works** – The Public Works Division consists of one Director, one Assistant Director, one Private Roads Coordinator, two Public Works Technicians, and one Clerk-Technician. This division is responsible for performing plan review and construction inspection for private subdivision roads, and Technical Advisory Committee review for subdivision applications, private water and sewer systems, streetlighting projects, suburban community improvement projects, landfill projects, and Federal Emergency Management Agency mitigation projects.

Currently, Public Works is responsible for six suburban community street districts and 12 streetlighting districts. The Public Works Division is responsible for negotiating with power companies for the installation of streetlights, billing the units within a district on an annual basis, reimbursing power companies on a monthly basis, and resolving any problems that may arise. The suburban community street districts and the streetlight districts are an excellent opportunity for allowing private subdivisions to upgrade their communities with a cost-sharing program that has little administrative responsibility for the homeowners association [See Addendum 13].

The Public Works Division will accomplish the following objectives during budget year 2002:

- ✓ **Provide technical advisory review for subdivision applications in a timely manner**
- ✓ **Completion of the Federal Emergency Management Agency Mitigation Program**
- ✓ **Expand communities participating in streetlighting districts**
- ✓ **Expand communities participating in suburban community street district improvements**

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. The total expenditure for library service in Sussex County for both independent and County libraries is \$2,857,385. There is a library within 15 minutes of 90 percent of the residents of Sussex County [See Addendum 14]. The County funds 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.

Since the implementation of the mobile home placement tax being dedicated for local libraries, from FY '96 through FY 2000, \$1,452,298 has been collected. This is \$302,298 in excess of what the Budget Committee had told the 11 independent libraries to budget for. The additional \$27,482 that was provided for each library should allow them to prepare for any reductions that they may receive.

The library property tax funding and library grant have increased 3.5 percent for the new budget year. It is unrealistic to think that the County can provide more funding than this at this time.

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The **Library Administration Division** consists of one County Librarian, one Systems Administrator, one Accountant, two PC Technicians, one Cataloger, two Library Assistants, and two Librarians. Libraries are becoming busier than ever. Citizens are using libraries for more than just a place to find a book, or to read, or to bring children for books and special programs. Demands are being placed on staff to train the public on computer use, to search databases, to search license databases, and search the Internet. This requires more personal attention and staff with the appropriate training and expertise. Customer service is a key emphasis of the libraries. Library Administration's workload continues to grow. Creating divisions within the department and the rearranging of staff work will be necessary to become more effective carrying out the responsibilities of this department during budget year 2002.

During the new budget year, the Administration Division will continue to look at upgrading

the automated system. As a text-based system, it is now outdated. The vendor now offers two products that will provide graphical access to our patron catalog. While our current vendor will continue to support this system for another few years, the system lacks capabilities that are under development by our vendor and other vendors. The County Librarian and the Systems Administrator will be joining Systems Managers from other public library systems, the Delaware Division of Libraries, and a task force on funding and improvements for the libraries to investigate next generation systems, including joint systems, and funding sources for such upgrades.

The delivery service that is provided by the County is a key to successful resource sharing. The 2002 budget allows for the continuation of delivery of library materials by the private sector. This program was started in the fourth quarter of FY 2001 and allows us to ensure uninterrupted service in transporting library materials and information between all of the County libraries.

The **Sussex County Bookmobile** will be able to connect to the Hollinet database for real-time access to have full circulation capabilities. The best benefit is that staff and patrons will have immediate access to the library catalog. They will be able to place holds immediately on materials rather than wait for the staff to place the hold upon returning to the department. In addition, when books are returned to the bookmobile, there is no way of knowing there are holds on the items being returned. That information is not available until it is listed at the end of the day on the expectation report. By that time, the item may have been checked out by another patron. Staff will be able to renew materials and identify overdues and fines. Staff will be able to register patrons immediately, establish lost card information, and tell patrons what materials they have out. This connection to the automation system will be an opportunity to provide better service to the bookmobile patrons.

The bookmobile program continues to grow in popularity and is an excellent outreach service. The proposed 2002 budget allows for an increase in permanent record books of ten percent. Books to be purchased for the new year include large print books, which are in popular demand.

The **Milton Public Library** is a busy hub of activity for adults and children—a place for children and adults to access information both in print form and on the Internet, a place where meeting rooms are available for local library needs, community activities, and tutoring, as well as a lending library for reading for pleasure. During budget 2002, it is estimated that at least four activities per week will be provided to the patrons. Sixteen (16) people per hour visit the library on an average and 20 library materials are checked out per hour.

The biggest activity that will take place regarding the Milton Library will be the construction of an addition. Currently, the budget for the project is \$1.5 Million. This funding is made up of grants from the State, grants from the County Council, and private foundation assistance.

Currently, over 12 applications for funding are pending. The success of these applications will result in the final budget number. Design for the approximate 10,000-square-foot addition will be finalized in the first quarter of FY 2002, with a goal of awarding a contract in January of 2003. The director is planning to continue educating the community about the services that are needed at the library through presentations in hopes of additional monetary support, as well as increased use by the public.

The proposed 2002 budget allows for the awarding of \$50,000 for furniture and equipment for the addition. Permanent record books will increase ten percent for the new year. One Hundred Thousand Dollars (\$100,000) will be awarded for building expansion from the Appropriated Reserve account.

The **South Coastal Library** is continuing to address the needs of area residents and non-resident visitors and property owners. South Coastal had the highest circulation of any library in the County in FY 2000. Circulation in the summer months (May through August) skyrockets. Their total activity during this time period was 98,385, nearly as much as during the other nine months of the year (107,993). This puts extreme pressure on the staff and on the building itself. Additional staff during the busy summer months will alleviate some of the pressure and ensure that patrons are helped in a timely manner [See Addendum 14].

During budget year 2002, minor modifications will be made to the library hours. Friday hours will be adjusted to be open from 1:00 p.m. to 5:00 p.m. instead of 1:00 p.m. to 6:00 p.m. Saturday hours will be expanded by opening at 9:00 a.m. instead of 10:00 a.m.; 3:00 p.m. will remain closing time. South Coastal Library activities during hours on Friday were very minimal compared to other hours the library is open. On an average, Saturday morning between 10:00 and 11:00 a.m. is the busiest time of the week.

During the new budget year, funding will be made available for the hiring of a Full-Time Library Assistant and two Part-Time Assistants. Permanent record book expenditures will increase ten percent. An additional PC and printer for public use will be provided, a bar code reader, computer table, and a professional quality colored printer.

One Hundred Thousand Dollars (\$100,000) will also be made available from the Appropriated Reserve account for the paving of much needed additional parking. This funding will be added to the FY 2001 contribution to be utilized once plans have been finalized for the additional land that has been purchased.

The Capital Improvement Program indicates that in 2005 the building program will start. One Million Dollars (\$1,000,000) is budgeted for—\$500,000 State and \$500,000 County will be needed. Planning will take place in FY 2004.

Greenwood Public Library circulation has increased 40 percent since 1993. In 1993,

43,677 items were circulated compared to 61,067 in 2000. During the same time, the number of patron visits were increased 90 percent, from 19,178 in 1993 to 36,453 in 2000. This is the sixth year that the Greenwood Library is assisting, on an average, one patron every three minutes. In November of 2000, there was an average of one patron every 3.52 minutes, and in December there was one patron every 4.28 minutes.

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Summer activity increases are not limited just to the South Coastal Library. In August 2000, Greenwood Library had 4,844 patron visits, more than twice as many as November visits of 2,363. The library staff takes great effort to ensure that every person who comes into the Greenwood Library receives the best possible service and assistance. During the new budget year, the staff will continue to provide a general circulation collection of recent titles and make use of information resources available through the automated system to meet citizen information needs. Greenwood Library will be a center for cultural and educational programs for the community, with special emphasis on children and family. The proposed 2002 budget allows for a ten percent increase in permanent record books, purchasing of three personal computers, and one printer.

Funding in the Capital Improvement Program budget will allow expansion of the Greenwood Library to take place in FY '05. Planning will take place in FY '04. One Million Dollars (\$1,000,000) has been estimated for this expansion.

The Budget Committee is pleased that we are able to continue to increase funding to the independent libraries. However, we strongly recommend that each independent library establish an Operating Reserve. During budget year 2002, the Budget Committee would like to meet with the independent libraries to review the current funding distribution program. Under the current funding structure, demands for services are increasing more rapidly than revenues are available. Serious consideration is going to have to be given on just how much services can be expanded.

The library service will accomplish the following objectives during budget year 2002:

- ✓ **Provide library resources to all Sussex County residents and visitors**
- ✓ **Maintain the automated system and monitor for security issues**
- ✓ **Provide consulting services to local libraries and boards by Library Administration**
- ✓ **Provide training opportunities for staff through appropriate classes, workshops, and conferences**
- ✓ **Expansion of parking facility for South Coastal Library**

- ✓ **Capital Improvement Program budgeting for South Coastal Library expansion**
- ✓ **Expansion of Milton Library**
- ✓ **Capital Improvement Program budgeting for Greenwood Library expansion**
- ✓ **Automation of bookmobile**
- ✓ **Provide meaningful cultural and educational programs for the community**

25. **Economic Development** – The Economic Development Office consists of one Director, one Assistant Director, one Development Planner, and one Secretary. Responsibilities of the Economic Development Office include the recruiting of new businesses and the retention of existing, distribution of the “Sussex County Profile,” coordination of Airport activities, and managing the County Industrial Airpark.

All indicators are pointing that budget year 2002 will be a very fragile environment for the economy. While some businesses will prosper, others will make difficult decisions in trying to right-size their operations. The recent announcement of 540 layoffs at the Seaford DuPont nylon manufacturing plant is an indication of this. In addition to the population increase of 38 percent in the last ten years, Sussex County has undergone the most rapid and profound economic changes in our history. Sussex County is transforming itself from a primarily agricultural society into an employment base that is service-oriented.

The Economic Development Office will work closely with the State of Delaware’s Economic Development Office in trying to attract businesses that are more technical in nature. Being geographically located within eight hours of one-third of the population in the United States, Sussex County should be ideally located for manufacturers who have a product that must be delivered in a timely manner. Both the Seaford Industrial Park and the Sussex County Industrial Airpark in Georgetown will be marketed for potential tenants. The Sussex County Economic Development Office will work with the town officials of Selbyville in expanding their Industrial Park. Other potential employment bases will be investigated to include any buildings that have been closed as a result of a reduction in work force.

Once again, the Sussex County Industrial Airpark will be a main focus of the Economic Development Office in that \$2.6 Million worth of projects will take place during the new budget year. These projects include terminal building construction, an environmental assessment, terminal apron paving, crosswind runway rehabilitation, Industrial Airpark water system, expanded fire protection system, Runway 4-22 extension study, and wetlands investigation and mitigation.

Although Sussex County’s unemployment is relatively low on a national basis, I believe there

is still an available work force for businesses that wish to relocate or expand. I believe many individuals are under-employed. With two excellent schools, Sussex Technical School District and Delaware Technical & Community College, there is an excellent opportunity for a partnership program with the private sector and the schools for providing education and technical assistance. This is a resource that should be very beneficial to us in attracting additional businesses or encouraging existing businesses to expand.

During FY 2002, the County Administrator and the Director of Economic Development will meet with as many business owners in the County as possible. It is very important that we retain as many businesses as possible. Simply attracting existing firms away from other locations does not necessarily provide a long-term benefit for the County's economy. If businesses move from a locale, there is no guarantee that they will not do it again. For the long-term economic vitality of the County, we would like to work with the State Economic Development Office and formulate a program to assure that existing businesses remain financially solvent.

The Economic Development Office will accomplish the following objectives during budget year 2002:

- ✓ **Seek alternative funding for Airport/Industrial Airpark expansion**
- ✓ **Respond to demographic inquiries in a prompt manner**
- ✓ **Establish a line of communication with businesses**
- ✓ **Maintain lines of communication with education and training institutes**
- ✓ **Encourage the business community to locate in Development Districts**
- ✓ **Work with the State of Delaware Economic Development Office to develop programs to assist existing businesses**

26. **Facilities Management** – The Facilities Management Department consists of one Director, one Assistant Director, one Clerk-Technician, one Heating and Air Conditioning Mechanic, seven Maintenance Workers, two Mechanics, one Carpenter, one Custodial Supervisor, six Custodians, and four Security Guards. 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 budget year 2002, the Director of Facilities Management will investigate the purchase of additional land in proximity to the County Administrative Building on The Circle in Georgetown. The additional land will be used for parking. Currently, the County has in possession one lot south of the current facility and there is other property that will become

available. Once it has been determined what areas will be purchased, a paving program will be developed.

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The Facilities Management Department will also be involved with the completion of a records storage building and equipment storage facility to be located at the Industrial Airpark.

The Facilities Management Department will accomplish the following objectives during budget year 2002:

- ✓ **Maintain all County buildings in a friendly and inviting manner**
- ✓ **Upkeep and maintenance of all grounds and roads for the Airport/Industrial Airpark**
- ✓ **Investigate acquiring additional parking areas**
- ✓ **Maintain all County vehicles in a safe and proper manner**
- ✓ **Coordination of custodial services for the three County-operated libraries**

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 and have a major impact on the County’s budget. Coordination of management of these offices with the County Administrator is essential. The expenditures of these offices total \$1,689,420. This is 5.4 percent of our total General Fund expenditures. Expenditure decreases for the constitutional offices for FY 2002 over FY 2001 are 6.43 percent. This compares to a 20.88 percent increase that was experienced for budgeted expenditures in FY 2001 over FY 2000. The Budget Committee believes that it is necessary for the constitutional offices to demonstrate the same expenditure disciplines that are imposed on the County-managed offices.

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The **Clerk of the Peace Office** consists of the Clerk of the Peace, one Deputy, and one full-time Clerk. The Clerk of the Peace is responsible for issuing marriage licenses, the performance of civil marriage ceremonies when requested, and providing the general public with copies of marriage certificates. The proposed 2002 budget indicates that the Clerk of the Peace income will decrease 3.3 percent over FY 2001. Expenditures are also projected to decrease during the new year by less than one percent. The Clerk of the Peace Office continues to be dependent on tax support from the County’s General Fund. The present cost of a wedding license is \$30.00, and there is no indication that there will be support for increasing this cost. Surprisingly, even though we have had a 38 percent population increase in the last decade, marriage licenses have consistently remained at approximately 1,100 issuances every year. In calendar year 1991, 1,020 licenses were issued compared to 1,142 in

calendar year 2000. During the ten-year period, the amount of activity in this department has not increased compared to population increases.

The Clerk of the Peace Office will accomplish the following objectives during budget year 2002:

- ✓ **Maintain a 24-hour hotline for information**
- ✓ **Performance of civil ceremony marriages**
- ✓ **Modernization of record-keeping by computerizing all records**

The **Recorder of Deeds Office** consists of the Recorder of Deeds, a Deputy, one Operations Manager, two Clerk-Supervisors, three Recording Clerks, four Clerk-Technicians, and three Data Entry Clerks. The proposed 2002 budget indicates that the Recorder of Deeds will have a decrease in spending of approximately 11.5 percent. Income for the department is projected to increase approximately 2.9 percent. The reduction in expenditures is a result of the limiting of new program activities for the Recorder of Deeds. Programs that have been approved in past budgets that have not yet been fully implemented must be completed before any new projects are started.

The Recorder of Deeds Office is responsible for the recording of all legal documents pertaining to real estate in the County, including deeds, mortgages, tax liens, agreements, right of ways, and survey plots. In addition, appointments, powers of attorney, military discharges, and Uniform Commercial Code financing notices are also recorded. The process of the recording requires preserving at least one permanent copy of the information and providing ready public access to this same information.

It should also be mentioned that the Recorder of Deeds Office is responsible for collecting the realty transfer tax for the State of Delaware. The collections for FY 2000 for the State were \$13.7 Million. This compares to a collection of \$9.7 Million for FY '97, an increase of 41 percent.

The Recorder of Deeds Office will accomplish the following objectives during budget year 2002:

- ✓ **Timely and efficient recording and indexing of all documents**
- ✓ **Assisting the general public with requests for information**
- ✓ **Proficiently accounting and distributing appropriate fees and taxes**
- ✓ **Reduction in spending**

✓ **Completion of previously approved programs and projects**

The **Register in Chancery Office** consists of one 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.

Legislation that was passed by the General Assembly in the 140th Session was the first step in a constitutional change that will transfer the responsibility of the management of this office from the County budget to the State Court of Chancery. It is anticipated that the second step in this legislation will be passed during the current General Assembly session, with the responsibilities transferring January of 2002. Should this occur, the County budget will be adjusted accordingly.

The Register in Chancery is another office that is not cost-effective. The 2002 budget indicates that if the office remains with the County for the entire year, there will be a deficit in expenditures over income of \$98,689.

The Register in Chancery Office will accomplish the following objectives during budget year 2002:

- ✓ **Assist in the smooth transition from County to State responsibility**
- ✓ **Modernization of records with computerizing of office**
- ✓ **Repair and preserve indices, dockets, and plot books**
- ✓ **Prompt response to public inquiries**

The **Register of Wills Office** consists of a Registrar, a Chief Deputy, a Deputy, a Computer Operator, and two Data Entry Clerks. The duties of the Register of Wills include probate estates, register and recording wills after death, appoint executors and administrators, and various other activities associated with the handling of estates. The proposed FY 2002 budget indicates that the Register of Wills will have an increase of 21.7 percent in expenditures. During the same period, incomes will remain the same.

During budget year 2002, the Register of Wills Office that is currently located on the second floor of the State Courthouse will be relocated to the first floor. The department is in

desperate need of ample work area space and extra room for files and records. Funding in past budgets has been appropriated to cover the cost of this move and the purchasing of any additional equipment, if needed.

The Register of Wills Office will accomplish the following objectives during budget year 2002:

- ✓ **Improve use of the computer system**
- ✓ **Assist users of the department in a timely manner**
- ✓ **Cross-training of employees**
- ✓ **Investigate record retention program to protect all materials**

The **Sheriff's Office** consists of the Sheriff, one Chief Deputy, and six Deputies. The Sheriff's responsibilities range from serving legal notices, to the transporting of State prisoners, to the sale of real estate. The proposed 2002 budget calls for the Sheriff's expenditures to decrease 5.4 percent, and revenues are projected to decrease 7.9 percent over FY 2001.

The Budget Committee is recommending that the starting salary for a deputy for the Sheriff's Office increase 14.3 percent. Currently, the starting salary for a deputy is \$17,500. The Committee has recommended that that increase to \$20,000. However, I must mention that the Sheriff has asked that this be increased to \$25,000. I have informed the Sheriff that he will have every opportunity to raise this issue and other budget issues that he may have at the public hearing. During FY 2001, the Sheriff's Office operated primarily short with a staff of three deputies. During the current budget year of 2001, there have been three resignations. An additional five employees have resigned over the two-year period.

The Budget Committee has not included funding in the proposed budget for 32 deputies, as requested by the Sheriff at the meeting with the County Council on January 30, 2001. Based on the Sheriff's meeting with the County Council, the Budget Committee has made the assumption that the Council did not wish to go forward at this time. Should the Council change direction prior to July 1 or any time after, the necessary funding for staffing and equipment can be extracted from the Unappropriated Reserve account.

During budget year 2002, it is the goal of the Sheriff to increase efforts to streamline all areas of paperwork to allow for adequate time to process and deliver papers. Training will become an area of focus to ensure proper processing and accomplishment of goals established for the department by the Sheriff. It is the Sheriff's wishes that all deputy sheriffs be certified, trained officers equipped to handle an increasing workload from the courts, give much needed

assistance to other law enforcement agencies, and provide miscellaneous areas of assistance to the citizens of Sussex County with community policing. Processing information of all writs will be easily accessible to the Attorney General, Public Defender, and various attorneys. The Sheriff has informed the Budget Committee that his office will establish and increase a level of professionalism by obtaining highly technological tools, trained employees, and increased staff to fill all positions.

The Budget Committee has reminded the Sheriff that his goals and objectives for the new budget year may not be in sync with the County Council, and it is imperative that the Council approve the necessary funding to accomplish his objectives.

The Sheriff's Office will accomplish the following objectives during budget year 2002:

- ✓ **14.3 percent pay increase for certified deputies**
- ✓ **Delivery of all papers in an adequate and timely manner**
- ✓ **Assist other law enforcement agencies**
- ✓ **Acquire grants for the purchasing of equipment**
- ✓ **Increase level of professionalism by obtaining highly technological tools**

28. **Community Development and Housing** – The Community Development and Housing Division consists of one Director, one Secretary, and four Housing Rehabilitation Specialists. The proposed 2002 year budget indicates that the Community Development and Housing Division will request \$2,975,027 in funding. The Community Development and Housing Division is provided with grants annually to finance housing rehabilitation, community facilities, and public works improvements which serve low- and moderate-income persons in Sussex County. This funding is allocated through the Delaware State Housing Authority from grants awarded by the federal Housing and Urban Development agency. The primary objective of this program is to develop a viable community by providing decent housing, a suitable living environment, and expanding economic opportunities primarily for persons of low- to moderate-income.

In addition to administrating their own program, County staff assists incorporated communities in Sussex County also. The cost of this program is covered by the administrative charges applied to the grant. Neither the incorporated municipalities nor the applicant pay any administrative charges. Many communities in Sussex County would not be able to participate in this program without County assistance [See Addendum 9].

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Additional responsibilities for Community Development and Housing will include the assistance in securing funds to help with sewer infrastructure projects for the Oak Orchard

Sanitary Sewer District and the Ellendale Sanitary Sewer District. This funding will be instrumental in providing the residents with an affordable sewer infrastructure project.

The Community Development and Housing Division will accomplish the following objectives during budget year 2002:

- ✓ **Restore Sussex County’s housing stock by providing improved housing standards for low- to moderate-income persons**
- ✓ **Rehabilitation of approximately 100 homes using Community Development Block Grant, Housing Preservation Grant, Housing Rehabilitation Loan Program, and Disaster Relief Initiative funding**
- ✓ **Assist 900 low- to moderate-income residents with infrastructure assistance**
- ✓ **Enforcement of Housing Code complaints for renter-occupied dwellings**
- ✓ **Seek alternative funding mechanisms for the prevention of slums and neighborhood blight**

29. **Appropriated Reserve** – The proposed 2002 year budget contains a recommendation from the Budget Committee to allocate \$3,882,013 for funding that was obtained from revenues exceeding expenditures in FY 2000. Those projects are:

| | |
|---|-------------------|
| - Paramedic Unit 107 | \$ 221,529 |
| Capital Improvement Fund | 721,984 |
| Wastewater Relief Program - Septic Repair, Connection Fees, and Annual Sewer Bills | 250,000 |
| Milton Library - Building, Furniture, and Equipment | 100,000 |
| South Coastal Library - Parking Lot | 100,000 |
| Assessment, Tax, and Utility Billing Software Purchase | 400,000 |
| Fund Additional Reserve to 25 Percent | \$ 646,000 |
| Sewer and Water - Projects and Debt Reduction: | |
| Dagsboro-Frankford Sewer District - Extension | 75,000 |

| | |
|---|---------------------------|
| Dagsboro-Frankford Sewer District - Sewer Grant | 75,000 |
| Blades Sewer District - O&M | 25,000 |
| SCADA Grant | 482,500 |
| Ellendale Sewer - Capital Project | 150,000 |
| Oak Orchard Sewer - Capital Costs | 100,000 |
| Ocean View Sewer - Capital Costs | 75,000 |
| Cedar Neck Sewer - Capital Costs | 150,000 |
| Bay View Estates Sewer - Capital Costs | 75,000 |
| North Millville Sewer - Debt Service | 25,000 |
| Henlopen Sewer - Capital Costs | 15,000 |
| Dewey Water - Water Tower Painting | 170,000 |
| West Rehoboth Pinetown Sewer Extension - Capital Costs | <u>25,000</u> |
| <u>TOTAL</u> | <u>\$3,882,013</u> |

As I stated earlier, as of this writing the State has not approved Paramedic Unit 107. The Budget Committee is recommending that we encumber \$221,529 in FY 2002 for the eventual approval of this program. Encumbering this funding at this time, which is the County's 40 percent share of a shortened initial start-up year, will have less of an impact when the program is approved.

Seven Hundred Twenty-One Thousand, Nine Hundred Eighty-Four Dollars (\$721,984) is recommended for the Capital Improvement Fund. As has been stated in the past, the County has no tax-supported indebtedness. This fund would be used to start building a reserve so that when the County looks for additional capital projects, there would be funding available that would either eliminate or reduce the amount that would need to be borrowed. An example would be the expansion of or a new 9-1-1 Center, estimated at approximately \$4.5 Million, which could be assisted in funding from this reserve account.

Two Hundred Fifty Thousand Dollars (\$250,000) is being recommended to be added to the

Wastewater Relief Program. This funding would be used as a grant to help the existing programs that we have that assist with connection fees and annual sewer bills. The Budget Committee is also recommending that this funding be available for Sussex County residents who are on septic systems. A grant could be applied for up to \$2,500 for those who meet the income level. This program would be very beneficial in central and western Sussex County where there are limited homes on central sewer systems.

One Hundred Thousand Dollars (\$100,000) will be made available for the Milton Library expansion. One Hundred Thousand Dollars (\$100,000) will be leveraged with \$50,000 from FY 2001 funding for the paving of the South Coastal Library parking lot on the land that was purchased through the generosity of the Friends of the South Coastal Library.

Four Hundred Thousand Dollars (\$400,000) is being made available for the purchase of a new software package for the Assessment, Tax, and Utility Billing Divisions. It is estimated that this total project will cost the County \$750,000.

Six Hundred Forty-Six Thousand Dollars (\$646,000) will be made available to add to the County's Unobligated Reserve, also known by the media as a "Rainy Day Account." This will bring our total Undesignated Fund Balance to \$7,019,575, which is 25 percent of our operating budget.

The Budget Committee's recommendation of establishing a policy of maintaining a 25 percent Undesignated Fund Balance is similar to what was established by the New Castle County Council. On Tuesday, April 24, 2001, New Castle County Council passed an ordinance mandating by law that they have to establish a minimum of 20 percent of their operating budget. This resulted in the New Castle County Undesignated Fund Balance being \$34.5 Million. At this time, the Budget Committee does not think the Council should adopt an ordinance, but should do it by policy. In the future, if the 25 percent reserve is not being able to be maintained, it could result in the Council having to raise property taxes to create the reserve.

One Million, Four Hundred Forty-Two Thousand, Five Hundred Dollars (\$1,442,500) is recommended to be distributed in subsidies to the sanitary sewer districts. Dagsboro-Frankford would receive \$75,000 for sewer extension; Blades Sewer District would receive \$25,000 toward operations and maintenance; Henlopen Acres would receive \$15,000 toward operations and maintenance; Dewey Water would receive \$170,000; the SCADA system, benefiting each district, would be funded at \$482,500; Ellendale Sewer District would receive \$150,000 for capital projects; \$75,000 would be made available to Ocean View Sewer District for capital projects, Cedar Neck Sewer District would receive \$150,000 for capital improvements; \$75,000 would be made available to Bay View Estates Sewer District for capital projects; and \$25,000 each would be made available for the North Millville Sewer District and Pinetown Extension of the West Rehoboth Expansion of the Dewey Beach

Sanitary Sewer District.

30. **Capital Improvements** – The proposed 2002 Capital Improvement Program has been estimated by the Budget Committee to be \$24.8 Million. Five-year expenditures total \$116 Million [See Addendum 11].

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In developing the Capital Improvement Budget, the Budget Committee must consider the timing of the expenditures, adequate financing, and the project's impact on the regular budget. Projects that are planned to be completed over the next five years are also compared to the County's Land Use Plan to make sure we are staying within the parameters of areas that will allow for growth and to ensure that the infrastructure is adequate for the projected demand of services.

The Budget Committee is concerned about the five-year projections of cost, as the dollars are based on present-day values. Recent project bids appear to be inflated. Because of the magnitude of this expenditure, this program will have to be monitored very closely to ensure that we can provide services that are equal to the estimates that we have presented to the utility users.

31. **Water and Sewer Districts** – The Budget Committee recommends a grant of \$1 Million to the sanitary sewer districts, in addition to the \$1,442,500 that was recommended in the Appropriated Reserve account (see Page 58). This funding will be distributed to the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District and the South Coastal Regional Wastewater Facility. This grant will help in the reduction of front foot costs for West Rehoboth. This funding will be made available from projected income from the realty transfer tax [See Addendum 15].

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The Budget Committee reviewed the possibility of consolidating all operations and maintenance (O&M) costs for the sewer districts utilizing the South Coastal Regional Wastewater Facility to allow for one uniform operations and maintenance rate. These districts are North Bethany, Bethany, South Bethany, Holts Landing, Fenwick Island, Ocean Way Estates, and Sussex Shores. By using past retained earnings in each district, the Committee was able to recommend that the O&M rate for the new proposed budget be \$195.10. I will detail the reduction advantages farther in this letter for each individual sewer district.

During the new budget year, Black & Veatch, the County's rate consultants, will be asked to advise on consolidating of all of the rates for the South Coastal Regional Wastewater Facility users. However, as I stated earlier, by utilizing past savings we can reduce the operations and maintenance rates for six of the sewer districts now.

Procedures will still remain in place that will allow the Utility Billing Division to continue to

take partial payment for connection of sewer fees for the proposed Cedar Neck Sanitary Sewer District, Ocean View Sanitary Sewer District, and Bay View Estates Sanitary Sewer District. The partial payment is an attempt to help lessen the impact of paying the connection fee. As was the case in FY 2001, very few residents are taking advantage of this program.

The **Dewey Beach Water District** will have an annual cost for the sixth consecutive year for the average homeowner of \$260.90. The County purchases water from the City of Rehoboth for this district. County employees are responsible for the maintaining and distribution of the water. The Budget Committee believes that current revenue projections will allow the rate to remain the same. During budget year 2000, the County renegotiated the water purchase agreement with the City of Rehoboth, which requires the district to pay an additional two percent a year over the next five years. However, the Budget Committee is comfortable that the rates can remain the same this year.

One Hundred Seventy Thousand Dollars (\$170,000) will be made available to the Dewey Beach Water District from the Appropriated Reserve account to allow for the painting and restoration of the water tank. This district is served by a one-million-gallon elevated tank and it has started to show signs of wear and rust. The tank has not been painted for over 15 years. The proposed 2002 year budget will allow for the first phase of this project. The interior wet area of the tank will be painted at an approximate cost of \$152,000. Exterior painting, to allow for spot cleaning and patching, is estimated at \$18,000. The second phase of this project will have to be completed in 2003, and at this time it is projected that it would cost an additional \$100,000.

The **Dewey Beach Sanitary Sewer District** annual bill for the average home for the proposed 2002 year budget will remain at \$297.81. County employees are responsible for the collection and transmission of the waste for the Dewey Beach Sanitary Sewer District to the City of Rehoboth wastewater treatment plant. The City of Rehoboth discharges their effluent into the Rehoboth Canal. Investigations that started in FY 2001 with officials from the City of Rehoboth and the Department of Natural Resources will continue to determine what method will be selected for the elimination of this discharge within the next five years. Alternative means of discharge include spray irrigation, deep well injection, and ocean outfall.

Additional activities for the Dewey Beach Sanitary Sewer District during the new budget year include the rebuilding of Pump Station 107. This pump station services Silver Lake Dunes. It was originally constructed with a two-HP Ebarra pump that is very unreliable. Presently, we are operating the station with a temporary Goulds pump and one Ebarra. The proposed improvements will increase pumping capacity by installing Flyght pumps and upgraded electrical controls. This work will be done by in-house staff.

The **Blades Sanitary Sewer District** will have an annual average bill of \$317.13. As stated

earlier, the Budget Committee is recommending a contribution of \$25,000 from the Appropriated Reserve to help offset the cost for operations and maintenance of the Blades Sanitary Sewer District. County employees are responsible for the collection and transmission of sewer for this district. The City of Seaford, through a contractual agreement with the County, provides treatment. It should be mentioned that the treatment costs charged by the City of Seaford may increase as the City makes improvements to comply with the Delaware Department of Natural Resources and the United States Environmental Protection Agency discharge requirements into the Nanticoke River. If the County is not in a position to subsidize the Blades Sanitary Sewer District, in future budgets rates definitely will have to be increased.

The **Dagsboro-Frankford Sanitary Sewer District** will have an average bill of \$415.49. This is the same O&M and front foot rate that was established when the district was first operated in FY '93. Funding has been provided in the amount of a \$150,000 grant from the Appropriated Reserve account for the extensions of sewer service along Route 113. There has recently been a request from the Town of Dagsboro to extend this service to users on the west side of Route 113. Seventy-Five Thousand Dollars (\$75,000) will also be made available should a similar request for service on the north side of Route 113 in the Frankford area materialize.

Eighteen Thousand Dollars (\$18,000) will be needed for the rebuilding of Pump Station 29. This pump station services primarily the Frankford Elementary School. This station has experienced an increase in flow due to the addition of students at this facility. An audit will be performed to ensure that the district is adequately charging the Indian River School District for this service. Currently, this station is only capable of handling the flow with both pumps operating at the same time. Should there be a problem with one of the pumps, or if the school experiences a water leakage such as the valve sticking on a toilet, the station has a difficult time handling the flow. The station will be upgraded with the installation of larger pumps to correct this problem. Costs are also included for new electrical controls at this station. All of this work will be done with in-house staff.

The **Bethany Beach Sanitary Sewer District** will benefit from the uniform rate for operations and maintenance of \$195.10. This is a reduction in the O&M cost for this district of five percent. The average bill for a user in the Bethany Beach Sanitary Sewer District for FY 2002 will be \$239.26. During budget year 2002, the maintenance staff will perform repairs at Tyndall Road and First Street in Bethany Beach. The cost of these repairs is approximately \$50,000. The work will include the installation of 301 feet of 24-inch fiberglass sewer line. The present line, which is located between manholes 1C3 and 1C4 at Tingle Road and First Street, did fail and an emergency repair of approximately 12 feet of line was performed. A portable pipe TV videotaping of this area was performed which showed additional possible failure due to stress cracks and infiltration. This malfunction could cause future sinkholes, with service interruptions of this portion of the Bethany Beach

sewer collection system. Point line repairs as needed are very costly because they are usually done by an outside contractor at off-hours. The 12-foot repair cost almost \$8,000. By repairing the entire 301-foot line, there will be an eventual savings to the Bethany Beach Sanitary Sewer District.

The **South Bethany Sanitary Sewer District** will have an operations and maintenance service charge of \$195.10 for the new budget year. This is a reduction of 10.7 percent. The average sewer user in the South Bethany Sanitary Sewer District will have an annual bill of \$237.10. The proposed budget allows for an expenditure of \$70,000 for rehabilitation of a six-inch concrete gravity line in Bay View Park. An existing 924-foot section of eight-inch concrete gravity line on Hassell Avenue is in need of repair. The line has been inspected via the sewer TV equipment and the concrete pipe is deteriorating. The Budget Committee is estimating that this work would cost \$70,000 for a fold and form lining for the sewer line, reinstatement and sealing of laterals, and chemical grouting of manholes. The Budget Committee is requesting that the Engineering Department bid the South Bethany Sanitary Sewer District work at the same time as the Bethany Beach Sanitary Sewer District rehab. The districts may be able to reduce costs by limiting mobilization.

The **North Bethany Sanitary Sewer District** will have a reduction of five percent for the operations and maintenance portion of their sanitary sewer bill. The users in the North Bethany Sanitary Sewer District will have an average annual cost of \$1,082.36. Although the five percent reduction in the operations and maintenance cost does not significantly reduce the overall sewer cost for the district, this is the second year in a row that we have been able to reduce the rate for this district.

The **Fenwick Island Sanitary Sewer District** will have an average cost of \$292.37 for budget year 2002. This rate is based on the district's O&M rate remaining at \$195.10. The proposed 2002 budget calls for expenditures to allow for gravity sewer repair and to replace the pump at Pump Station 34.

The **Henlopen Acres Sanitary Sewer District** will have an average bill of \$499.69 for FY 2002. The proposed 2002 budget includes expenditures to rebuild Pump Station 53 and replace electrical controls at two stations. The Budget Committee will continue to monitor the financial situation for the Henlopen Acres Sanitary Sewer District. Future service charges for the users will also be affected by the final results of the City of Rehoboth choosing their discharge method when they select the final modifications to their treatment plant.

The rates for the **West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District** for FY 2002 will be reduced. Front foot assessment decreased from \$4.99 to \$4.79. This is a four percent reduction. The average bill in the district is \$657.05 annually. The reduction for the new budget year is possible because of the State of Delaware Department of Natural Resources agreeing to a reduction in the interest rate. Currently, there are three outstanding

State loans for the district with rates varying from two percent to 3.78 percent. The State has agreed to reduce the borrowing rate to 1.5 percent. The rate payment schedule will not be extended. The reduction in the rate will allow us to pass the savings along to the users of the district.

The County Administrator and the Finance Director will continue to seek additional funding subsidies for the district. Conversations have taken place with Senator Thomas R. Carper to request consideration, once again, for a congressional grant. Congressman Michael N. Castle has written directly to the U. S. House of Representatives subcommittee requesting \$12 Million. In FY 2001, the district was approved for \$1.2 Million. The request for funding was \$15 Million.

The **Long Neck Sanitary Sewer District** rate for the proposed 2002 year budget is \$472.83. Funding will be allotted for the purchasing of a new vacuum cleaning truck. At the present time, Sussex County Operations and Maintenance has two trucks that are responsible for the cleaning of pumping stations and wet wells, cleaning and jetting of collection systems, and emergency response for station failures. The necessity of purchasing this additional vehicle is obvious, because the County currently maintains 230 pumping stations and 500 miles of sewer line. The truck that is presently used in Long Neck is a 1994 model with a three-cubic-yard capacity. It is responsible for maintaining 88 existing pumping stations and associated collection lines. This number will significantly increase with the addition of Oak Orchard and Ellendale Sewer Districts. The 1994 three-cubic-yard vacuum truck is not large enough to accommodate the tasks that would be needed for Long Neck and Oak Orchard. The 1994 model will be assigned to the Dagsboro-Frankford Sewer District. This vehicle will be adequate for the needs of this smaller district and will be a tremendous cost savings to the Dagsboro-Frankford Sanitary Sewer District, considering what would have to be paid if a truck was bought new for this district.

The **Sussex Shores Sanitary Sewer District** will benefit from the uniform operations and maintenance rate of \$195.10. This is a five percent reduction from FY 2001 for the district. The average user fee in the Sussex Shores Sanitary Sewer District for FY 2002 will be \$466.42.

Ocean Way Estates, a sub-district of the Bethany Beach Sanitary Sewer District, will have an O&M rate of \$195.10. This is a five percent reduction for operations and maintenance. The average bill for this district will be \$469.00.

The **Holts Landing Sanitary Sewer District** will have a reduction in the operations and maintenance portion of their sanitary sewer bill of \$99.90. The operations and maintenance cost for FY 2002 will be \$195.10. This is a 33.9 percent reduction.

The proposed 2002 budget calls for capital spending for the **South Coastal Regional**

Wastewater Facility (SCRWF) in the amount of \$3 Million. This facility has been recognized by the Delaware Department of Natural Resources and U. S. EPA for their outstanding operations and maintenance. This has not happened by accident. The utility users of this district should be very proud of the dedicated staff. A major reason that our wastewater facilities have been operated so efficiently is because we have a competent and diverse work force. The staff is obligated to protect the natural resources of Sussex County by maintaining a high quality of effluent.

To ensure that the staff is able to maintain their high standards, it will be necessary to upgrade equipment. Ten additional staff positions will be added this year to assist with the expansion of the Ocean View Sanitary Sewer District, Cedar Neck Sanitary Sewer District, and Ellendale. Two four-by-four pickup trucks with extended cabs and four half-ton pickup trucks will be purchased. It is estimated that these trucks will cost \$138,000. A portable TV inspection system that is compatible with the County's existing TV system will need to be purchased. The existing system will do six-inch to 24-inch pipe and has quickly become a valuable tool for maintenance and repairs of our existing pipelines. The additional equipment will be used for three-inch to 12-inch lines, allowing the staff to TV sewer laterals. This is necessary when trying to determine blockaged and troubled spots. This system will allow the staff to pinpoint pipelines and laterals for maintenance purposes. It is projected that this will cost \$13,600. Four Thousand Dollars (\$4,000) has been budgeted for the purpose of purchasing electrical tools for two technicians.

An additional \$32,400 is needed for the completion of the office expansion at the South Coastal Regional Wastewater Facility. Funding had been made in prior budgets to allow for a 1,400-square-foot addition. Twenty Thousand Dollars (\$20,000) will be allocated for the rebuilding of three existing paging transmitters which are located in Dewey Beach, Bethany Beach, and Georgetown. These transmitters are responsible for sending alarms from our SCADA and Intrac systems to our County-owned pagers. Recent evaluation that has been completed on this equipment resulted in the necessity for the rebuild to keep the system in operation.

Funding in the amount of \$482,500 will be appropriated for the SCADA central alarm system. This is a continuation of a program that was started in FY 2000. The total project has a build-out cost of \$1.6 Million. It is the goal of the staff to electronically monitor, with computer controls, the County's 240 pumping stations. This work includes grinder stations also. By phasing this project over several budget years, we are able to do this with in-house staff. It should be mentioned that although the \$1.6 Million is a significant budget consideration, Kent County, with 40 pumping stations and the work being performed by an independent contractor, had a cost of \$1.4 Million.

The largest expenditure for the SCRWF Treatment Plant will be the development of a solids handling treatment and disposal project. As a result of growth in the area to the South

Coastal Regional Wastewater Facility and the aging of existing equipment, it is essential that the additional treatment process be added. The expansions will be constructed in phases. The first phase that will take place in FY 2002 will be the upgrading and expansion of the solids handling process. This work will include the installation of belt filter presses and a sludge pumping and lagoon piping agitator, the purchase of a manure spreader, wheel loader, and 32-yard dump trailer, and the construction of a storage shed. This project will cost \$1.2 Million. The last expansion at the SCRWF treatment facility occurred in 1998 when an additional three-million-gallon-per-day treatment unit was constructed. The new equipment will provide more flexibility and allow the facility to operate economically and efficiently. The cost of the upgrade and the expansion will be paid partially by existing users and fees collected from the new districts coming on line.

In summary, the Budget Committee believes that the proposed 2002 year budget provides a realistic, affordable financial plan for County services. For the twelfth consecutive year, the tax rate remains level. The average single-family home will have a tax cost to County government of \$84.81 based on a tax rate of 44.5 cents per \$100.00 of assessed value. The average cost for a manufactured home is \$35.76; 28.7 percent of our single-family homes are manufactured homes. The Budget Committee believes this is realistically affordable when you consider that according to Comcast Cable Company the cost for cable TV for a single-family home in Sussex County is \$456.00 per year. Even the cost of having a newspaper delivered to your home every day for a year costs \$184.60. In addition to having a level property tax, there are no proposed increases for sewer and water services or user fees.

The Budget Committee is especially pleased that the General Fund operation of the FY 2002 year budget has only increased 3.72 percent. I realize that every year the Budget Committee warns that expenditures should be limited. However, there are many indicators that should not be overlooked. Conservatism must be maintained during FY '02. Headlines in The Daily Times of Salisbury, Maryland, on April 8, 2001, stated, "Delaware economy beginning to unravel." Published reports in the Delaware News Journal mentioned that the State of Delaware's 2002 budget is projecting \$78 Million in shortfall and a decline for the second year in a row in production of chickens in the poultry industry. All of these are an example of why the Budget Committee feels it is important to limit spending and maintain a 25 percent "Rainy Day Fund."

Realistically, it is not possible for the County government to expand into additional policing and parks and recreation programs. The Budget Committee believes that funding additional programs may appear to be affordable at this time, but it will not be in future budgets. Just because we cannot do everything that we are asked to does not mean we should not continue to do what we have been successful with in the past. If Sussex County government is going to expand into programs such as policing, parks and recreation, and transportation, some other sources of revenue will be needed. Former President Gerald Ford once stated, "If the Government is big enough to give you everything you want, it is big enough to take away everything you have." Expanding into new areas of service will require additional sources of income or tax increases, eventually. I do not

believe that, based on today's economy, the general public is tolerant of any additional government taxation or spending.

In order for the 2002 year budget to be successful, all County expenditures will have to be minimized and increases only occur when existing revenues support those spendings.

Finally, budget highlights include:

- ❖ **No tax or user fee increases**
- ❖ **Internet accessibility**
- ❖ **Continued elimination of tax-supported General Fund debt**
- ❖ **Establishment of a Capital Improvement Fund**
- ❖ **Commencement of revisions to the Land Use Plan**
- ❖ **Funding assistance for Poultry Engineer**
- ❖ **Water, sewer, and septic assistance programs for low-income residents**
- ❖ **Expand central sewer service**
- ❖ **Revenue Sharing for local governments**
- ❖ **Computerize bookmobile**
- ❖ **Fully funded pension liability**
- ❖ **Expansion of the Milton Library**
- ❖ **Airport expansion**
- ❖ **General Fund grant for sewer districts**
- ❖ **25 percent "Rainy Day Fund"**
- ❖ **3.72 percent budget increase**

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 current

conditions and our experience as public administrators. I would encourage the County Council to review the budget before the public hearing is held on Tuesday, June 19, 2001.

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