

May 17, 2005

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

Dear President and Members of Council:

As required by Delaware Code, Title 9, Chapter 70, § 7003, paragraph (d), subparagraph (5), I respectfully submit the proposed annual operating budget for Sussex County for Fiscal Year (FY) 2006. The FY 2006 proposed budget was developed by the Budget Committee consisting of the County Administrator, the Finance Director, and the Director of Accounting. The information necessary to develop the budget was provided by each department and the County's Finance Coordinator.

The theme for the proposed 2006 budget is **Growth Continues** . . . Sussex County continues to be a desirable location for many people on the East Coast. Year-round and seasonal population continues to bring increased requests for County government services. According to the U.S. Census Bureau, the Sussex County population in 2000 was 156,638. The estimated population by the Delaware Population Consortium in 2005 has increased by 12.2 percent. The year-round population is now estimated to be 175,760. The 12.2 percent increase in permanent residents compares to seven percent of the entire State of Delaware. According to the Sussex County Convention and Tourism Commission, the seasonal population is projected to increase as much as 18 percent.

The issuance of single-family building permits for calendar year 2004 increased 72.3 percent compared to the number of single-family home building permits that were issued in calendar year 2000. The U.S. Census Bureau reported that for calendar year 2004 the value of new construction in Sussex County exceeded that of the other two counties—Kent and New Castle. Approximately 50.3 percent of new construction value is occurring in Sussex County for the State of Delaware.

Value of new construction in Sussex County exceeded that for the individual states of Rhode Island, North Dakota, and Montana, as well as the District of Columbia. This all results in a demand for more County services in the areas of building inspection, infrastructure, and libraries, as well as public safety.

The Budget Committee believes that the FY 2006 budget must address the needs for keeping up with the demands. In providing these services, shortcuts should not be taken. Thomas Jefferson, in a letter to George Washington, once wrote, **“Delay is preferable to error.”** The review process by Planning and Zoning, Engineering, and Building Code does not happen as rapidly as it may have ten years ago. However, the process must remain thorough to ensure that the necessary infrastructure can be provided.

As requested by the County Council, the proposed FY 2006 budget is recommending a credit to the taxpayers in the form of 25 percent on the General Fund portion of the County’s property tax. All property owners in the County would be eligible for a credit as long as their past year’s property tax and sewer and water charges are current as of July 1, 2005. The 25 percent credit will be deducted from the tax bill for FY 2006. As I stated earlier, this credit will only apply to the County portion of the property tax for general operations. As was the case in FY 2005, this is not a tax reduction, as the tax rate will remain at its current level. This credit will result in a loss of revenue to the County of about \$2 Million. Roy Harrod, an English economist, once stated, **“The most basic law of economics [is]... that one cannot get something for nothing.”** The Budget Committee took into consideration the fact that County finances have finished with revenues exceeding expenditures for 14 consecutive years. If the County Council wishes to expand or reduce this program, they should keep in mind that every five percent impacts approximately \$400,000 in taxes.

In addition to the Tax Credit Program, the Budget Committee is once again recommending a subsidy in the form of front foot assessment charges in the sanitary sewer districts. In FY 2005, the County Council agreed to cap front footage at 125 feet. The County has a recovery system developed by the rate consultants of Black & Veatch of Kansas City, Missouri, to assist in recovering capitalization costs related to the construction costs for collection pipelines, transmission pipelines, and pumping stations. The street front foot assessment is a commonly used method of assigning the cost of installing wastewater collection systems, transmission lines, and pump stations. To determine the assessment, the total debt service cost for the collection system or transmission system is divided by an assessable front footage of properties served by the improvements. The

assessable front footage for each lot or parcel of land is measured as a lot frontage abutting the street or utility right of way, with special determination for corner and odd-shaped lots or parcels. The Budget Committee is recommending that Council authorize the establishment of a cap on all front foot assessments of 100 feet per equivalent dwelling unit (EDU) for residential homes.

The Utility Billing Division has received many favorable responses from property owners for the reduction that took place in 2005. As was true in FY 2005, this program will have to be re-evaluated with each budget to assure that funds are available. This subsidy will not apply to vacant lots or commercial properties. In FY 2005, this program was beneficial to 1,357 users. In FY 2006, the reduction to 100 feet will be beneficial to 2,971 users. It is estimated that this subsidy will cost approximately \$300,000.

In addition to the Tax Credit Program and the front foot assessment cap, funding for the FY 2006 budget will allow for four property tax assistance programs and six wastewater and water district relief programs [see Addendum 6]. The Budget Committee is pleased that FY 2006 General Fund spending is only increasing 2.83 percent. After two years of double-digit increased expenditures, the Budget Committee believes that it is best to get increases manageable.

The proposed FY 2006 budget calls for a Rainy Day Fund in the amount of \$10,169,005. This is 19.1 percent of our General Fund expenditures. Although the dollar amount is the largest we have had, Council should take into consideration that the percentage is the lowest since FY '96. In order to maintain our financial stability, it is essential that we have a sufficient Rainy Day Fund. The Rainy Day Fund is beneficial in addressing unanticipated revenue shortfalls or unforeseen expenditures. Maintaining a proper Rainy Day Fund is necessary in allowing the County government to maintain our 'AA' bond rating with Standard & Poor's and Moody's Investors Service.

The proposed FY 2006 budget contains a new subsidy program. The Budget Committee is recommending that the County Council establish a Revenue Sharing for Local Law Enforcement Program. Each community that has their own police department will be eligible for up to \$25,000 for capital improvements. The chief of police of each municipality will request approval from the County Administrator for capital expenditures that are incurred after July 1, 2005, and before June 30, 2006. The Budget Committee believes that this program will compliment the current program where the County Council is paying for additional state police. If every community takes full advantage of the \$25,000 grant, this will cost

approximately \$525,000. This funding is being made available through the Appropriated Reserve for FY 2004.

The following goals were used to establish the FY 2006 budget:

- **Balanced budget**
- **Maintain an operating reserve of a minimum of 15 percent**
- **Increase pension funding**
- **Operate without tax-supported debt**
- **Maintain 'AA' bond rating**
- **Expand public safety**
- **Increase funding for local libraries**
- **Upgrade existing wastewater services and expand user base**
- **Maintain current tax rate while providing a 25 percent tax credit**
- **Provide subsidies to allow for the capping of front footage costs at 100 feet in the sanitary sewer districts**
- **Continue tax and sewer assistance programs**
- **Continue open space and farmland preservation programs**
- **Revenue Sharing for Local Law Enforcement**

I would like to take this opportunity to highlight the proposed budget that begins July 1, 2005.

1. **TAX RATES**

The tax rate for the proposed FY 2006 budget is 44.5¢ per \$100.00 of assessment. This will be the sixteenth consecutive year that this rate has been set at 44.5¢ per \$100.00 of assessment. The Budget Committee is

recommending that the general operations rate of 36.97¢ per \$100.00 of assessment be reduced to 34.97¢ per \$100.00 of assessment. The estimated capital fund rate will increase from 3.2¢ per \$100.00 of assessment to 5.2¢ per \$100.00 of assessment. The estimated rate for the libraries will remain at 4.33¢ per \$100.00 of assessment. The assessment is based on 50 percent of the 1974 assessed value of property.

It is estimated that the proposed FY 2006 budget will collect \$8,177,277 in County property tax [see Addendum 2]. Property taxes make up 13.2 percent of the County's General Fund income. The proposed FY 2006 budget does not call for any increase in rates for the General Fund portion of the County budget. The Budget Committee is recommending increases in the system connection charge and the service charge for operations and maintenance of the sewer districts, which will be further discussed later in this letter.

The Budget Committee believes it has been beneficial that over the years we have developed a variety of incomes that have been productive in diversifying the County's financial position. The diversity has been looked on favorably by lenders and bond rating agencies in that we are not overly dependent on one source of income. The Budget Committee believes the County Council should take pride in the fact that for the fourth consecutive year there will not be any tax dollars spent on outstanding General Fund tax indebtedness.

The only general obligation debt the County has is supported by utility incomes. The current outstanding obligation on this debt totals \$120,255,902 as of January 31, 2005. Based on our assessment value in the County, the County government has the ability to borrow up to \$278 Million. Should there be a need, the County still has the ability to sell general obligation bonds totaling \$157 Million for future projects. This cap is not affected if the County sells revenue bonds.

The proposed capital tax rate of 5.2¢ per \$100.00 of assessed value for FY 2006 will generate \$1,168,086. This funding will contribute to the non-sewer and water Capital Improvements Fund. The non-sewer and water Capital Improvements Fund will total \$14,341,136 in FY 2006. This pay-as-you-grow program for FY 2006 compares to expenditures of \$12,529,361 in FY 2005. Income for the Capital Improvements Fund for FY 2006 is as follows:

<u>Revenue</u>	<u>Amount Year Ending June 30, 2006</u>
Taxes	\$ 1,168,086
Realty Transfer Tax	7,700,000
Appropriated Reserve	3,050,000
Federal Airport Grant	1,967,100
State of Delaware – Airport Grant	65,450
State of Delaware – Library Construction Grant	252,500
Road Project Special Assessments	13,000
Investment Income	<u>125,000</u>
TOTAL REVENUE	<u>\$14,341,136</u>

As required by State law, Title 14, Chapter 8, § 1917, the County’s Treasury Division will collect all school taxes. County government is required to do the assessment, billing, collection, and litigation when necessary for State school property taxes. In FY 2005, the County billed \$50,028,684 for the eight school districts in Sussex County. The County government’s General Fund portion of the property tax is 15 percent of the Sussex County property owner’s entire tax bill [see Addendum 8].

The proposed FY 2006 budget indicates that 24 sources of revenue will increase during the year. This compares to 30 sources of revenue that increased in FY 2005. The increase in sources of revenue is a result of increases in the volume of work each department will perform. Currently, the Budget Committee is not advising that we increase charges for any services for any department other than service charges for sewer and water operations and maintenance and system connection charges for wastewater. I will elaborate more in the appropriate sections of this letter on those charges.

The realty transfer tax continues to be projected as the largest single income for the County budget. It is estimated that the income for 2006 will be \$25,700,000 [see Addendum 2]. This is a 43 percent increase over FY 2005. This is the fifth consecutive year that the realty transfer tax will exceed

property tax as a revenue-generator for the County government. The taxes continue to increase each year as a result of a strong housing market fueled by low interest rates. The Budget Committee understands the fact that the realty transfer tax is economy sensitive, and expenditures of this funding should be limited to some degree. The Budget Committee believes that the \$25.7 Million projection is still conservative.

While the County has continued to enjoy the benefits from the increase in realty transfer tax, the State of Delaware has benefited even more. The State of Delaware should approach \$50 Million in collections from Sussex County for FY 2005. The County does not collect a portion of the realty transfer tax in the coastal towns of Lewes, Rehoboth Beach, Dewey Beach, Bethany Beach, South Bethany, and Fenwick Island. The State has even benefited from the growth that we are currently seeing in Milford, Georgetown, and Selbyville. Real estate properties in Sussex County continue to be at an all-time high.

During budget year 2006, the realty transfer tax will be monitored closely. Subsidies to sewer service, the Open Space Program, Capital Improvements Fund, and Property Tax Credit Program will have to be reduced or eliminated if funding does not generate revenue in excess of what is needed for public safety. Public safety is the first priority for allocation of funds from the realty transfer tax. The Budget Committee would like to remind the Council that the entire Paramedic Program and state police subsidies all are paid from the realty transfer tax that is collected in the unincorporated areas. The County, unlike the State, does not have the ability to collect this in any municipality. The realty transfer tax funding for FY 2006 will be used for the following:

- ⇒ Paramedics
- ⇒ State Police
- ⇒ Fire Service
- ⇒ Ambulance Service
- ⇒ Emergency Operations Center
- ⇒ Solid Waste

⇒ Local Government Revenue Sharing

⇒ Capital Improvements Fund

2. **PUBLIC SAFETY**

In keeping with the theme of this year's budget, as growth continues the demand for public safety funding also continues. Funding must be adequate enough to accommodate the growth without sacrificing the quality of public service. The FY 2006 budget calls for additional funding for paramedics, police, fire and ambulance service, and emergency reporting. In FY 2006, the County will provide \$17.5 Million for public safety [see Addendum 7]. This is an 18.2 percent increase for these services over FY 2005. The Budget Committee believes that no place are the challenges of growth more evident than with the financing of public safety services. Public safety costs as recently as FY '99 were only \$6 Million.

Public safety expenditures are impacted not only by an increasing population, they are also being impacted by the composition of the population. With many of the new residents of the County being an older generation, the demand for public safety services will continue to increase as a result of the age and makeup of the new residents. In 2000, the U.S. Census Bureau said that the Sussex County percentage of seniors over 65 (18.5 percent) is higher than the senior population percentage of Miami's Dade County (13.3 percent) and Ft. Lauderdale's Broward County (16.1 percent), Florida. The increased population is compounded when you look at the 55-year-old and older residents in Sussex County, Ocean View/Bethany Beach/Fenwick Island and Millsboro. In Sussex County, 30.5 percent of the population is over 55 years of age. In Ocean View, the percentage of residents over 55 is 45.4 percent, in Fenwick Island 64.6 percent, Bethany Beach 57.5 percent, and in Millsboro the number is 36.9 percent.

The proposed FY 2006 budget calls for the County government to provide a contribution in the amount of \$1,210,000 to the State of Delaware toward salaries and the purchase of equipment for additional state police in Sussex County. This will mark the eleventh year of the agreement between the State of Delaware and the County Council to provide additional police coverage in Sussex County. The \$1.2 Million payment is an 18.7 percent

increase over FY 2005. The County Council will provide funding in the amount of 50 percent to cover the cost of 12 state police officers stationed at Troop 4 in Georgetown.

The proposed FY 2006 budget will be the fourth year the County has agreed to a phase-in of an additional 20 officers. During FY 2006, the County will pay 100 percent for four additional officers and 50 percent of the cost for officers that were hired in FY 2003, FY 2004, and FY 2005. This will bring the total number of additional state police in Sussex County to 28 that are receiving funding subsidies from the County government. The agreement calls for continuation of an additional four troopers in FY 2007.

The adding of the 20 additional troopers started with an agreement in FY 2003 for a six-year period. The cost of the additional 20 officers for that period was projected to be \$3.8 Million, with the State's share being \$1.7 Million. It is anticipated that the County will contribute 69 percent of the cost, with the State of Delaware paying 31 percent. It should be mentioned that the cost of this program is paid entirely by the realty transfer tax, which is not collected in the incorporated areas of the County. Those who have purchased property in municipalities are already receiving local police protection and are not contributing to this funding liability.

During FY 2006, the state police will begin to occupy the new public safety facility that is located at the old Bridgeville State Visitors Center. In addition to housing Troop 5 of the Delaware State Police, the facilities are being renovated to allow for the conversion of the facility to house Sussex County Paramedic Unit 107. Improvements also include a helicopter pad. The conversion of the Visitors Center into a public safety facility will be beneficial to western Sussex County, which may not have the population of coastal Sussex County, but because of its geographic size response times are sometimes slowed. The total cost of this project is projected to be \$3.3 Million. The County government had appropriated \$1.1 Million from previous budgets.

As I mentioned earlier, the Budget Committee is recommending the establishment of Revenue Sharing for Local Law Enforcement. The Budget Committee is suggesting \$525,000 be allocated to be divided among the 21 police departments in our County. Each chief of police will be able to request this funding by providing a paid invoice for capital expenditures that are generated after July 1 of 2005 and prior to June 30 of 2006. The Budget

Committee maintains that this will help compliment the funding that we are currently paying for the additional state police. The Budget Committee believes that this additional funding will help offset some costs that local departments experience by assisting the state police outside their municipal jurisdictions. Funding for this program will be made available from the Appropriated Reserve. This program will be looked at annually and consideration will be given based on the amount of Appropriated Reserve that the County has available.

The Sussex County Volunteer Firemen's Association will receive \$3,170,166 in funding assistance for FY 2006. The Fire Service Enhancement Fund is projected to receive a contribution in the proposed FY 2006 budget of \$1.4 Million. This is a 7.7 percent increase over the FY 2005 budget. This is the eighth anniversary of this program. The County Council adopted an ordinance that requires the payment of one-quarter-of-one-percent of the cost of the value of new construction in the County to this fund. This program is another example of increased revenues as a result of growth. The Budget Committee would caution that this, once again, is economy sensitive, and funding will only be paid on what is actually collected. An example of how the growth of the County affects this income is that for the first full year of FY 2000 the fire service received \$885,492. The continued increase in construction in the County is now allowing this program to generate \$1.4 Million. A slowing in the economy could result in a reduction of the County's contribution.

The Budget Committee once again met with the Sussex County Volunteer Firemen's Association (SCVFA) Resource Committee and suggested that they establish a Rainy Day Fund. This fund could allow for ten percent of funding over the \$1.4 Million to be placed in a reserve interest-bearing account under the name of the SCVFA. The Resource Committee would place a cap and establish a requirement that the account could not exceed a certain pre-established amount. The money could be used to make up shortfalls when budget projections are not obtained during a budget year. It could also be used to establish an account to help if a company had unforeseen expenditures or catastrophic losses. To date, the SCVFA Resource Committee has not been favorable to this suggestion.

The Resource Committee has recommended a change in the distribution of the Fire Service Enhancement Fund. At their regularly scheduled meeting on Tuesday, January 5, 2005, the Association voted 16 in favor and four against to change the calculation for the enhancement funding. The Resource

Committee is suggesting that all enhancement funding be divided between the volunteer departments and companies providing fire, rescue, and ambulance/EMS service in Sussex County. Each of the services would get one-third of the funding for the fire district that they serve in Sussex County. A department or company that provides all three would get all of the funding for that district. A department or company that provides only fire and rescue would get two-thirds of that district's funding, and the remaining one-third would go to the ambulance service or company that is providing ambulance/EMS service to that district.

The Resource Committee has recommended that the threshold platform for FY 2006 be \$950,000. This is an increase over the \$875,000 for FY 2005. This funding would be divided 2 1/2 ways between the volunteer departments and the companies providing fire, rescue, and ambulance/EMS service. The Resource Committee would like to see any funding that is received over the \$950,000 allocated to the district in which the building permits are issued. The division of funds for each district would follow the same formula as was described, with the base being one-third for fire, one-third for rescue, and one-third for ambulance/EMS service. The Budget Committee is supportive of this recommendation based on the fact that 16 companies voted in favor of the recommendation. It should be noted that as of March 22, 2005, both the Lewes Fire Department and the Bethany Beach Fire Department have indicated they are concerned over potential changes in the funding allocation.

The equipment grant portion for the fire service will increase five percent in FY 2006. This increase is based on the growth of property assessments during the previous year. This year's funding will total \$699,541 for this category. This is a five percent increase in the equipment grant.

Basic life support funding will increase 23.4 percent for FY 2006. The proposed budget will allow for an additional \$200,000 to be distributed to the volunteer fire and ambulance companies to help pay for ambulance attendants to fill in during hours when volunteers are not available. The FY 2006 funding for ambulance attendants will total \$1,053,625. It should be mentioned that the FY 2005 budget had increased 88.6 percent, and the FY 2004 contribution increased 49.4 percent for this program.

The Sussex County Volunteer Firemen's Association continues to struggle with declining volunteerism among young men and women. This

recruitment is compounded by the fact that a new volunteer must have 120 hours of education and successfully complete a nationally registered test, as well as the Delaware Emergency Medical Services test. Once these have been accomplished, the volunteer must continue with 25 hours of continuing education annually.

The Budget Committee is also recommending funding for the Delaware Volunteer Firemen's Association Fire Prevention Educational Preschool Program in the amount of \$5,000 (requiring a 50 percent match from the local fire companies), \$10,000 for the foam trailer, and \$2,000 for the Firemen's Convention.

The pressures to expand public safety are very evident when you look at the annual Sussex County Fire Report for calendar year 2004. For the first time ever, the Sussex County volunteer firemen responded to over 6,000 calls. There were a total of 6,107 calls during calendar year 2004—1,797 were within incorporated municipalities and 3,419 in rural areas. Hours of service for calendar year 2004 totaled 4,731, and total personnel hours were 97,059. Response from the fire service required 86,460 miles traveled.

Emergency Medical Services (EMS) calls for calendar year 2004 totaled 18,805. Personnel and in-service calls were 36,899 with 15,222 hours. Service was provided for 12,666 patients requiring personnel hours of 42,169. EMS traveled 309,456 miles in providing this service.

Fire service calls increased 52 percent in calendar year 2004 over calendar year 1994. Emergency Medical Services calls increased 62 percent in 2004 over calendar year 1994. It is quite clear that the demand for expanded budgetary outlays for the fire service is not going to fade away. The Budget Committee believes that the proposed FY 2006 budget recommendations should be sufficient to handle current demands. However, as more municipalities continue to annex, growth that we have seen in the County will now be shifting to the incorporated areas. This will eventually impact the County's ability to collect the realty transfer tax. As more and more municipalities expand, it is going to be essential that the fire service strengthen their relationship with the local elected councils.

3. **EMPLOYEES**

The Budget Committee is recommending that all employees receive a two-and-a-half percent cost of living increase effective July 1, 2005, and a two percent cost of living increase January 1, 2006. Additional funding has been provided to allow for a \$400.00 increase for all certified paramedics, a two percent increase for library employees, and a three percent increase for 9-1-1 dispatchers. The 4.5 percent cost of living increase is the largest recommendation the Budget Committee has made in recent years. This increase compares to a 3.5 percent cost of living adjustment and an across-the-board two percent increase for Kent County employees. Governor Minner's budget calls for increases from two percent to nine percent, with an average of 5.2 percent, according to reports published by The News Journal.

The Budget Committee believes that these increases are necessary to allow County employees to cope with commodity increases. The Kiplinger Letter dated January 14, 2005, stated, "**Fuel prices are poised to zoom again.**" County employees also face the same challenge in trying to find affordable housing and have to deal in many cases with increased daycare. Although the Consumer Price Index may gain only two-and-a-half percent, food and energy costs will well exceed this rate. Employees will also be affected if the Federal Reserve continues to increase interest rates on borrowing. Every time interest rates increase a-quarter-of-a-percent, a sector of the population is taken out of the housing market. The FY 2006 budget also allows for funding to be made available for merit promotions and longevity increases.

Retirees will see a one-and-a-half percent cost of living increase effective July 1, 2005. The proposed FY 2006 budget allows for the County to continue providing full healthcare coverage for retirees. The Governmental Accounting Standards Board will require the County to fund the pensioners' group hospital benefit liability. Currently, this liability is approximately \$19.5 Million. Since FY 2003, the County has been contributing. The proposed budget allows for a contribution of eight percent of the payroll to be contributed to this fund. Any funding accumulated in this account will reduce the County's future liability for pensioners' benefits. The Governmental Accounting Standards Board will require all public employers to have a program in place by FY 2009. The Budget Committee is concerned that hospital benefit future liability shortfalls could impact the County's bond rating and borrowing costs.

The group hospital insurance rate will increase 8.3 percent for the proposed FY 2006 budget. An industry report entitled, "**2005 Segal Health Plan**

Cost Trends Survey” projected that healthcare benefits would increase an average of 13.1 percent for employers who provide prescription benefits with their health plan. It is my understanding that New Castle County health costs are increasing 16 percent and Kent County over 20 percent for FY 2006.

The County government will once again self-insure each employee for the first \$85,000. Group hospitalization is projected to cost \$7,465,000 for FY 2006. This is a \$721,000 increase over FY 2005. A contribution of \$975 will be calculated for each employee for vision, dental, and group hospitalization. This calculates to \$11,700 per year. Employees should keep in mind that this is equal to \$6.43 per hour for a 35-hour-a-week employee. The Budget Committee is pleased that benefits did not have to be cut, and the only increase employees will have will be a \$5.00 to \$25.00 co-pay increase. For example, office visits will go from \$15.00 currently to \$20.00 in FY 2006, and emergency room visits from the current \$10.00 to \$20.00 in FY 2006.

The pension contribution rate for FY 2006 will be 22 percent, plus an additional one-time contribution of \$850,000 from the Appropriated Reserve. This is broken down into two categories—14 percent for pension income benefits and eight percent for pensioner health benefits. This contribution is made to the gross recommended salary for each employee. During FY 2006, County benefits for employees will cost 64.6 percent for every dollar the employee is paid.

Long-term disability benefits that are provided by the County government to the employee will cost \$77,000 in FY 2006. This is an increase of ten percent over FY 2005. Long-term insurance is beneficial to employees who have exhausted all of their sick and vacation time.

The prescription and drug benefit will remain at its current level; however, a new category will be added. Generic drugs will call for a co-pay of \$7.00, brand name drugs a \$20.00 co-pay, and a preferred drug will have a co-pay of \$15.00. Some of the brand name drugs have been reclassified to preferred.

The program that was established in 2002 allowing for employees to transfer sick and vacation time to assist other full-time employees who have exhausted all of their time will also be allowed in FY 2006.

4. **COUNTY COUNCIL**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$330,678	\$357,574	\$399,138	\$531,610	\$531,372

1 Council President

1 Council Vice President

3 Council Members

1 Clerk of the Council

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The County Council is the legislative branch of County government. The County Council consists of five elected members. Each Councilman is elected from his own district. The County Council President is elected by the members of the Council at their organizational meeting in January. The five Councilmen will each receive an annual salary of \$23,301 effective July 1, 2005. The County Council President, which rotates each year at their organizational meeting, will receive an additional \$1,000. This salary compares to Kent County Levy Court members who are compensated \$26,231, with the President being paid \$26,754. The New Castle County Council President is paid \$39,601, and Council members are compensated \$36,001 annually.

The proposed 2006 budget allows for the County Council to belong to the following organizations:

Delaware Association of Counties

Delaware League of Local Governments

Delaware Rural Water Association

Delaware Safety Council

Delmarva Water Transport Committee
First State RC&D Council
National Association of Counties
Sussex County Association of Towns

The annual dues for these organizations total \$11,654 for FY 2006.

Funding in the amount of \$10,000 will be allocated for each Councilman for distribution from the Councilmanic Grant Program. Councilmanic grants are made available through requests from nonprofit agencies. In order for an organization to receive this funding, they should provide the Finance Department with their 501(c)(3) number at the time of their application.

The Recreation Assistance Program will remain at the same level of funding of \$6,000 per Councilman. Funding from both Councilmanic Grants and the Recreation Assistance Program is encumbered each year if not spent during the current budget year. This funding will be allowed to be carried over for FY 2006.

The Budget Committee is again recommending that funding be made available for the County Council for Community Improvements. In FY 2005, \$200,000 was made available which was distributed \$40,000 by each Councilman in their district. The funding could be used entirely in one Council district or could be leveraged with other Councilmen representing other districts for a project of countywide benefit. The Budget Committee is recommending that \$500,000 from the Appropriated Reserve be allocated for this program this year. The Budget Committee is recommending \$25,000 for the Indian River Senior Center in Millsboro for their building construction program, \$25,000 for Primeros Pasos for their child care facility in Georgetown, and \$25,000 for the Sussex County YMCA building program. If Council is agreeable to funding these projects, there would be \$425,000 remaining to be shared. This would compute to \$85,000 per Councilman. The Budget Committee would recommend that any expenditures paid from this account be limited to one-time contributions. This money is only made available as a result of excess revenues from 2004.

The County Council will contribute to the following activities throughout the County during FY 2006:

Basketball Tournament

Caroling on The Circle

Delaware District III Little League World Series

**Delaware Technical & Community College
Annual Women's Conference**

Delaware Women's Annual Health Conference

Delmarva Chicken Festival

Hispanic Festival

Mildred King Memorial Luncheon

Punkin Chunkin

Senior Citizens' Beach Day

South Bethany Tide Gages

Sussex County Science Fair

University of Delaware Conference on Agriculture

Delaware Youth Opportunities, Inc., a nonprofit 501(c)(3) organization, has requested \$100,000 for the Bay Ball Classic Invitational Basketball Tournament to be held in December at Cape Henlopen High School. This tournament would take the place of the Slam Dunk To The Beach Tournament that was held between the Christmas and New Year holidays. According to an economic study performed by the University of Delaware, the Slam Dunk To The Beach Tournament generated nearly \$3 Million to the economy over the Christmas holidays. This tournament was not held in calendar year 2004, and there were numerous newspaper accounts from merchants in the area stating that they felt the impact. The Budget Committee believes that this is a very worthwhile event. However, we are only recommending \$15,000 at this time. I have met with the organizers and told them that I would be willing to recommend to the County Council an amount equal to the State contribution on a one-time basis to get the program restarted. Should the County Council choose to fund the entire amount, a deduction would have to be made to the Reserve for Contingencies.

The Budget Committee is not recommending any funding in the FY 2006 budget for the Economic Development Stimulus Loan Program. Currently, there is \$1 Million still available from past budgets. The County has only received a request for one application. The Economic Development Stimulus Loan Program is used to assist municipalities in Sussex County with a low interest rate for development of economically- beneficial programs. All Sussex County local governments in good standing with the Sussex County Association of Towns are eligible to apply for \$250,000 per application with an interest rate of one percent for ten years. Any projects using this funding must increase the tax base of the town and create additional employment. Local governments that are interested in acquiring more details on the program should contact the Finance Director at 302-855-7741.

Regularly scheduled County government meetings are as follows:

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

Special meetings and additional meetings are posted on the bulletin board of the Sussex County Council, as well as the Planning and Zoning Office. Those wishing to monitor Council meetings can do so by linking to the County's home page of www.sussexcountyde.gov. In addition to the County Council meetings, Board of Adjustment meetings and Planning and Zoning Commission meetings are also available on the Internet. When this program was first started, there were anywhere from 100 to 150 people monitoring the program. As of the last six months, attendance on the Internet is usually less than 15 per meeting.

The Sussex County Council will accomplish the following objectives during budget year 2006:

- ✓ ***Maintain public availability to all citizens of the County***

- ✓ *Promote pleasant work environment for the employees*
- ✓ *Encourage citizen participation to assist in making informed decisions*
- ✓ *Maintain financial stability*
- ✓ *Guide development to existing infrastructure areas*
- ✓ *Promote Open Space Program*

5. **LEGAL**

The proposed FY 2006 budget will allow for the County to have an expenditure of \$266,100 for all legal services. This is a 10.1 percent increase over FY 2005. The expenditure allows for the County Council to continue to contract with the private sector for legal services. Because of the diversity, complexity, and increased workload, the Budget Committee believes that contracting with the private sector gives us the best representation. If we were to hire four full-time attorneys and support staff, it would be four times what we are projecting to pay in FY 2006.

The County Council will receive legal representation in FY 2006 from the law firm of Griffin & Hackett. Mr. James D. Griffin will represent the County Council and Mr. Vincent G. Robertson will represent the Planning and Zoning Commission. Additionally, the County will receive legal representation from Assistant County Attorneys Ms. Rebecca L. Trifillis and Ms. Alix K. Robinson. Mr. Richard E. Berl, Jr., will continue with his representation of the Board of Adjustment. The legal staff will be responsible for representing the County Council in all legal matters and perform the duties as described in 9 Delaware Code, § 7005.

The Budget Committee is recommending in FY 2006 that we retain the services of Young, Conaway, Stargatt & Taylor in issues regarding personnel and labor matters. Potter Anderson & Corroon will be requested to assist in all financial matters, including bonding.

The Legal Department will accomplish the following objectives during budget year 2006:

- ✓ *Attend all public hearings and meetings as required*
- ✓ *Advise and assist in drafting ordinances as required by the County Council*
- ✓ *Provide legal interpretations in a timely manner for State and Federal legislation*
- ✓ *Assist in the collection of delinquent property taxes and utility fees*
- ✓ *Provide productive legal services to County Council and staff*

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

The Budget Committee is recommending a grant-in-aid contribution for FY 2006 in the amount of \$10,019,758. Contributions will be made as follows:

Delaware State Police	\$1,210,000
Sussex County Volunteer Fire and Ambulance Companies	\$3,170,166
CHEER's Meal Program	\$ 10,000
Small Business Development Center	\$ 7,500
First State Community Action	\$ 10,000
University of Delaware Extension Service	\$ 115,782
Sussex Conservation District	\$ 126,514
Human Service Grants	\$ 110,000
Realty Transfer Tax Revenue Sharing	\$ 105,000
Future Farmers of America	\$ 1,000

The grant to the Small Business Development Center is a \$2,500 increase over FY 2005. The University of Delaware Extension Service increase is two percent. This increase does not include the additional \$100,000 that is budgeted in the Appropriated Reserve for the new facility to be constructed at the Georgetown Campus.

The Sussex Conservation District grant of \$126,514 includes a \$75,000 match to State funding for the Tax Ditch Program. The proposed FY 2006 budget does not include an additional \$100,000 that was awarded in FY 2005. On April 11, 2005, William W. Vanderwende, Chairman of the Sussex Conservation District, wrote to all Sussex County State legislators requesting an additional \$100,000. According to Mr. Vanderwende, poly-pipe has increased 28 percent since November of 2004. The District currently has cost sharing funding requests for \$754,000. Should the General Assembly fund the District with a required \$100,000 match in the Bond Bill, the \$100,000 would have to be reduced from contingency funding.

Funding contributions for FY 2006 will be made to local governments in the following areas:

Town of Georgetown	Payment in lieu of taxes	\$ 6,344
	Treatment of waste from Sussex County Industrial Airpark	\$ 40,000
	Treatment of waste from Ellendale Sanitary Sewer District	\$ 42,000
City of Rehoboth Beach	Acquisition of water for Dewey Beach and treatment of sanitary sewer for Henlopen Acres and Dewey Beach	\$875,000
	Revenue Sharing for 9-1-1 fee for telephone bill	\$ 47,000
City of Seaford	Treatment of sanitary sewer for the Town of Blades and additional capacity	\$ 90,000
	Revenue Sharing for 9-1-1 fee for telephone bill	\$ 39,000

The proposed FY 2006 budget will once again allow for a grant subsidy program to those who need assistance in paying their Sussex County sanitary sewer or water bills. In order to qualify for assistance, an applicant must be a homeowner and a full-time resident of the home. The home must be served by a Sussex County sanitary sewer or water system. The applicant's liquid assets (cash, stocks, bonds, savings, etc.) and real estate, other than the owner-occupied home, must be less than \$15,000. As of April 4, 2005,

409 homeowners have taken advantage of the assistance programs [see Addendum 6].

Programs that are available for FY 2006 are:

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

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

The proposed FY 2006 budget calls for four programs to assist taxpayers in meeting their property tax obligation. These four assistance programs are in addition to the 25 percent across-the-board tax credit for the General Fund portion of the County's property tax. The FY 2006 budget allows for continuation of the County's property tax subsidy for the County portion of the property tax bill. This program was established in FY 2002 and allows any individual whose annual income does not exceed \$15,800 to be eligible for the program. Households having more than one adult cannot have an income exceeding \$20,000. This subsidy is in the form of a grant that can be applied to the County portion of the property tax bill only. Funding cannot be applied to school or ditch taxes. This program does not restrict anyone from applying for the senior citizen or disability programs that give exemption from all property taxes [see Addendum 6].

Property tax assistance programs are:

- **Exemption for Disabled (Filing dates - January 1 through April 30, 2005)**
- **Exemption for Residents Over 65 (Filing dates - January 1 through April 30, 2005)**

- **State Senior Citizen School Property Tax Credit (Filing deadline - September 1, 2005)**
- **Sussex County Property Tax Subsidy**

For additional information, applicants should contact the Sussex County Treasury Division at 302-855-7760. It should be noted that exemptions are not transferable if a property is sold. New property owners are required to reapply for these benefits.

The proposed 2006 budget allows for funding in the amount of \$1,142,209 to be made available for the Sussex County Land Trust. The County Council entered into a partnership with the Sussex County Land Trust in FY 2003. The Sussex County Land Trust is a nonprofit conservation organization dedicated to protecting natural, cultural, agricultural, and recreational resources through land preservation, stewardship, and education for today and tomorrow [see Addendum 4].

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

FY 2003	\$1,000,000
FY 2004	\$ 625,499
FY 2005	\$1,253,166
FY 2006	\$1,142,209

All Council funding pledged to the Land Trust shall only be used for land acquisition, the purchasing of development rights, or the stewardship of land purchased with County funds. Funds are not permitted to be used for general administration of the Trust. County funding contributions to the Land Trust may only be expended for specific purposes that are approved by four affirmative votes of the County Council members at an open meeting. The \$1,142,209 contribution for FY 2006 is ten percent of the surplus that was generated from budget year 2004. Each year's contribution will be limited to excess revenue in the amount of ten percent from the previous audited budget.

The Budget Committee believes that the partnership with the Land Trust has been very successful when you take into consideration that the program is

only in its fourth year of existence. To date, the following activities have taken place:

□ **December 2002 to February 2003**

State of Delaware Department of Agriculture Foundation Matching Grant Program – \$300,000 raised by Sussex County Land Trust, matched by Sussex County Council, matched by State and Federal programs, leveraging \$1.8 Million, preserving 933 acres in Sussex County.

□ **Oyster Rocks Road**

Partnership with The Nature Conservancy – Sussex County Land Trust holds fee simple title to 43 acres along the Great Marsh. The Nature Conservancy holds a conservation easement on the property. We purchased the property for \$600,000 in March 2003.

□ **Bayside Conservation Easement**

June 2003 approved by U.S. Army Corps to hold the conservation easement on approximately 280 acres of wetlands along Drum Creek in the Assawoman Bay area of the Inland Bays. This is a donated easement, with a \$50,000 endowment and use of their Nature Center.

□ **February 10, 2004**

The Sussex County Council authorized the sale of 37.6 acres, more or less, of land purchased by the County Council's part of a 187.8-acre tract known as the Jay Cannon Tract. The County Council authorized the purchase of this land to help with expansion of the Dagsboro- Frankford Sanitary Sewer District. The 37.6 acres is separate from the main tract by a road and is adjacent to Vine's Creek. Because of the road setback requirement, the 37.6 acres were not suitable for spray, especially considering the value of \$35,000 per acre. Settlement for this property is pending at a cost of \$1,316,000.

□ **March 19, 2004**

Announcement by Secretary of Department of Natural Resources and Environmental Control John Hughes of partnership between State of Delaware and Sussex County Land Trust to renovate the Wolfe House, a

historic home situated at the beginning of Junction and Breakwater Trail connecting Rehoboth Beach and Lewes.

□ **March 2005**

The Sussex County Council gave approval of \$750,000 to The Nature Conservancy for the Ponder Tract located northwest of Milton. The property gave an opportunity to protect 908 acres of one of the largest forested areas remaining on the Delmarva Peninsula.

The primary reason for establishing a cooperative agreement between the Sussex County Council and the Sussex County Land Trust is to purchase open space. However, there is nothing prohibiting the use of a portion of these funds to leverage with the State of Delaware Agricultural Lands Preservation Foundation. On April 5, 2005, the County Council gave approval for leveraging funding with the Sussex County Land Trust. The County Council will provide \$410,418, and the Sussex County Land Trust will provide \$250,000. The State of Delaware will match the \$660,418 with State and Federal funding. The Federal government and State contribution will total \$1,320,836. This will allow for a contribution for agricultural preservation of \$1,981,254. The County and Land Trust contributions were made available from past budget funding.

The proposed FY 2006 budget calls for an additional contribution of \$300,000 to be made by the County Council to the Delaware Agricultural Lands Preservation Foundation. All funding will once again be matched by the State of Delaware and the Federal government. As of April 4, 2005, 1,254 acres have been preserved from development from funding made available in FY 2003 and FY 2004. It is anticipated that another 250 acres will be protected in FY 2005. The Budget Committee believes that it is important to continue with this program and to purchase as many development rights as funding will permit, as land prices continue to escalate.

7. **COUNTY ADMINISTRATOR**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$169,488	\$150,550	\$185,805	\$220,908	\$239,879

County Administrator – Robert L. Stickels

1 Administrative Secretary

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

E-mail: rls@sussexcountyde.gov

The County Administrator is required to perform duties as listed in Title 9, Delaware Code, § 7003, that include, but are not limited to, being the Chief Administrative Officer of the County, attending all necessary government meetings, and being responsible for the proper administration of all County affairs. During FY 2006, the County Administrator will represent the County Council on the following committees:

American Planning Association

Delaware Association of Counties

Delaware Emergency Medical Services Oversight Council

Delaware Inland Bays Estuary Program Executive Council

Delaware Sea Grant Advisory Council

Governor's Advisory Council on Planning Coordination

Governor's Advisory Council on Surface Water Management

Livable Delaware Subcommittees

National Association of Counties Economic Development Committee

Sussex County Association of Towns

The County Administrator will continue to be active during FY 2006 with the Sussex County Association of Towns. The Administrator meets with the mayors, council members, and each town manager on a monthly basis. The intergovernmental coordination between the County and local jurisdictions has been beneficial in allowing for the sharing of services. During FY 2006, a new program will be added. The new program is *Revenue Sharing for Local Law Enforcement*.

Intergovernmental cooperation programs for FY 2006 include:

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

Payment in Lieu of Taxes	Town of Georgetown
9-1-1 Revenue Sharing	City of Rehoboth Beach City of Seaford
Purchase of Utility Services	Town of Georgetown City of Rehoboth Beach City of Seaford

Economic Development Stimulus Loan Program

Revenue Sharing for Local Law Enforcement Program

Funding in FY 2006 has been allotted for the County Administrator to meet with congressional representatives and staff annually in Washington, D.C., as well as meet on a quarterly basis with New Castle and Kent County governments.

During FY 2006, the County Administrator will continue to work with the Engineering Department, Planning and Zoning Department, and Economic Development Office in developing long-term comprehensive and capital planning to the year 2025. Expansion of existing wastewater facilities on a countywide basis and Airport expansion will be beneficial in attracting additional employment opportunities in Sussex County. As a result of expansion at the Sussex County Industrial Airpark, payroll for employers at the Park increased over \$2.5 Million in FY 2005.

The County Administrator will accomplish the following objectives during budget year 2006:

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

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

8. **FINANCE – ADMINISTRATION**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$279,735	\$370,984	\$448,203	\$566,385	\$592,330

Finance Director – David B. Baker

1 Finance Coordinator

1 Purchasing Agent

1 Finance Specialist II

1 Administrative Secretary

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

E-mail: dbaker@sussexcountyde.gov

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

The Finance Director will be responsible for ensuring that all idle cash is invested at the highest interest rate while minimizing any risk. During FY 2006, it is projected that the County's General Fund will receive an income of \$800,000 from investments. This is a 33.3 percent increase over FY 2005. Earned interest is up as a result of increased rates over the last few months. Although increased interest rates are beneficial on savings, they could be detrimental if the County gets into a position where we have to

borrow and rates continue to climb. The Finance Director will assist the County Administrator in continuing to monitor these economic indicators.

One of the primary responsibilities of the Finance Director is to maximize the return on all funds available for investments without sacrificing safety or necessary liquidity. The Finance Director will be responsible in FY 2006 to safeguard all deposits. He will work with the lending institutions where we have cash invested to secure collateralization agreements. All funds must be secured by United States government agency collateral in an amount equal to 100 percent of the market value of the funds on deposit.

As the County government continues to develop long-term planning, the Finance Director will be responsible for working closely with the County Administrator and the County Engineer in developing financial resources for all expenditures. The Finance Director will be responsible for recommending sources of funding to allow the County to continue with the pay-as-you-grow Capital Improvements Program. Whenever possible, capital projects will avoid incurring long-term debt that is tax-dependent. The taxpayers of the County have benefited over the years by establishing the policy of paying for capital expenditures and avoiding finance charges. This program allows us to pay for capital costs for the project with the avoidance of paying interest rates that just add to the overall cost of running County government. Future administrations will benefit from the establishment of this program.

The Finance Director will accomplish the following objectives during budget year 2006:

- ✓ ***Maintain the County's financial stability and planning efforts***
- ✓ ***Additional emphasis on administration of financial departments, especially with assistance of a Finance Coordinator***
- ✓ ***Continue efforts to collect delinquent taxes and sewer and water charges, including pursuing garnishes and court judgments for manufactured homes, as well as additional tax sales***
- ✓ ***Develop vehicle maintenance schedule procedures through Purchasing Agent***

- ✓ *Review and implement consultant sewer and water rate report*
- ✓ *Review West Rehoboth refinancing options*
- ✓ *Develop a plan for new integrated finance data program, which will include Accounting, Assessment, Treasury, and Utility Billing divisions*
- ✓ *Submit Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2005*
- ✓ *Review investment policies regarding collateral and investment compositions with the goal of increasing returns safely*
- ✓ *Establish a program to accept sewer, water, and property tax payments via the Internet*
- ✓ *Investigate alternative group healthcare coverage while maintaining current benefit levels*

9. **FINANCE – ASSESSMENT DIVISION**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$1,128,731	\$1,252,545	\$1,297,919	\$1,591,073	\$1,690,278

Director – Eddy J. Parker

1 Assistant Director

3 Assessor III

3 Assessor II

2 Assessor I

1 PC Programmer II

2 CAD Mapping Specialists

3 Clerk IV Supervisors

7 Clerk III Technicians

8 Clerk II

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

E-mail: eparker@sussexcountyde.gov

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

During FY 2005, we added a property assessor that works primarily in the coastal areas to deal with additions. This has been very beneficial and we will continue with this program in FY 2006.

The Assessment Division will accomplish the following objectives during budget year 2006:

- ✓ *Provide assistance in obtaining information for the general public, real estate industry, and law community relating to property records*
- ✓ *Maintenance of computerized real estate and parcel database and data entry for transfers, name changes, and legal description of title changes*
- ✓ *Assist in the conversion of the new building code*
- ✓ *Convert paper records into microfilm to reduce storage insufficiencies for records*
- ✓ *Expedite the increasing of the assessment rolls for new construction*
- ✓ *Assure that equity in existing assessment rolls is maintained*
- ✓ *Coordinate efficiency between Building Code, Constables’ Office, Mapping and Addressing, and Planning and Zoning*

10. FINANCE – ACCOUNTING DIVISION

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$520,915	\$536,764	\$661,368	\$757,095	\$811,143

Director – Susan M. Webb, CPA
1 Assistant Director
1 Payroll Accountant
2 Accountant III
3 Accountant II
2 Accountant I
1 Clerk II Data Entry
Telephone: (302) 855-7853 Fax: (302) 855-7722
E-mail: smwebb@sussexcountyde.gov

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

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

For the second consecutive year, the Accounting Division was instrumental in assisting the County Finance Director in being recognized for the County government's financial reporting. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the Fiscal Years Ended June 30, 2002, and June 30, 2003. This is the highest award the Government Finance Officers Association awards a county government for their financial reporting.

The Accounting Division will accomplish the following objectives during budget year 2006:

- ✓ ***Assure that all accounting policies conform to generally accepted accounting principals as applicable to County agencies***

- ✓ *Proprietary and governmental funds of the County will be accounted for on the full accrual basis*
- ✓ *Properly maintain current fixed asset records*
- ✓ *Maximize the efficiency of accounting software*
- ✓ *Assure that funds received are deposited on the day of receipt and invested as soon as they are available in an interest-bearing account*
- ✓ *Efficiently collect all incomes due to the County, including Airport rental income, fuel sales, and Industrial Park rents*
- ✓ *Exercise the County's right to take advantage of any discounts for processing of payments in a timely manner*
- ✓ *Assist in the independent audit, to include closing out year-end records to allow for completion of audited expenses in a timely manner*
- ✓ *Provide the County Administrator and Finance Director with a monthly budget monitoring report*
- ✓ *Submit the 2005 annual audit report for recognition from the Government Finance Officers Association*
- ✓ *Comply with current Governmental Accounting Standards Board (GASB) regulations*
- ✓ *Assist an independent auditor in the review of all County financial records*
- ✓ *Assure that the County's independent audit is publicly available and posted on the Internet*

11. FINANCE – TREASURY DIVISION

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$462,354	\$516,946	\$529,341	\$610,869	\$666,416

Director – Joyce F. Lord
1 Assistant Director
1 Tax Adjustment Specialist
1 Property Tax Address Comptroller
1 Accountant I
1 Clerk III Technician
2 Financial Clerk Teller II
1 Secretary II
Telephone: (302) 855-7760 Fax: (302) 854-5078
E-mail: jlord@sussexcountyde.gov

The Treasury Division is responsible for invoicing and collecting County property taxes, school property taxes, tax ditch assessments, capitation taxes, streetlighting assessments, and front foot assessments for the sanitary sewer districts. The Treasury Division is usually one of the first stops when the taxpayer has a question regarding his property tax bill. The Treasury Division works diligently to provide individual attention to walk-in taxpayers, as well as those who communicate on the telephone. Many of these inquiries regard the school portion of the property tax bill. School taxes make up approximately 83 percent of the property taxes collected in Sussex County [see Addendum 8]. With a growing increase in the senior citizen population, an additional burden has been put on the staff to administrate tax relief programs.

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

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

The Treasury Division receives over 200 requests annually for exemption under the State Senior Citizen School Property Tax Credit. As of April 5, 2005, the following exemptions have been granted:

State Senior Citizen School Property Tax Credit	15,350
Properties	
Residents Over 65	1,098
Properties	

Disability	215
Properties	
Sussex County Property Tax Subsidy	17
Properties	

The Treasury Division will accomplish the following objectives during budget year 2006:

- ✓ *Coordinate efforts with the Addressing Department with an addressing comptroller to supply 9-1-1 addresses*
- ✓ *Coordinate efforts with the Legal Department by submitting delinquent properties for sale, prioritizing the highest amounts owed*
- ✓ *Coordinate with the Assessment Division to implement a workable system to eliminate duplication of capitation tax*
- ✓ *Re-bill all payments received that have not been paid in full as soon as possible*
- ✓ *Enhance information for taxes and exemptions on the Internet*
- ✓ *Expedite the billing and collection of all County and school property taxes*
- ✓ *Provide property tax information in a timely and efficient manner*
- ✓ *Improve taxpayers' knowledge of County government taxes versus State of Delaware school property taxes*

12. BUILDING CODE

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$736,433	\$846,517	\$944,219	\$950,505	\$1,134,795

Chief of Building Code Inspectors – Van W. Milligan
1 Code Enforcement Officer III-Plans Review Specialist
2 Code Enforcement Officer III
1 Code Enforcement Officer I
2 Clerk III Technicians
1 Clerk II
Telephone: (302) 855-7860 Fax: (302) 855-7869
E-mail: vmilligan@sussexcountyde.gov

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

In FY 2005, the County Council gave approval of the adoption of the International Building Code/International Residential Code. The adoption of this Code was beneficial in bringing codes into statewide uniformity. One of the biggest benefits of the new Code is that it upgraded the construction standards in the coastal area for enforcement of properties located east of the established building line to be built to withstand 110-mile-per-hour winds. This line starts at the mouth of the Lewes-Rehoboth Canal and continues south through the Lewes Canal to a point east of Massey's Landing, continuing south to the Assawoman Bay to the Maryland line. The standards for the 110-mile-per-hour winds were endorsed by the coastal municipalities.

Funding has been provided in the FY 2006 budget to allow for continuing education of the staff. In addition to attending the annual International Building Code Conference, four inspectors will participate in the Lower Delaware and Maryland Building Officials Association Seminar.

Funding will be allotted to allow First State Inspection Agency to do plan review if staff is not able to keep up with the turnaround time. Currently, it is policy that single-family homes will be reviewed within five working days and commercial projects within 15 working days. The Budget Committee is pleased that the department has been able to meet these standards. However, it should be noted that there are times when plans are being submitted without all of the necessary information complete, and the time for review does not start until a full set of plans have been made available to the staff.

The Budget Committee believes we will continue to see an increase in construction in the County. There are several single-family developments in the County that may increase the number of homes and commercial and family projects. With the outlook of County development that has been approved, the Budget Committee believes this is a very conservative budget for the Building Code Department.

The Budget Committee believes there will be a 15 to 20 percent increase in inspections during FY 2006 over FY 2005. During FY 2006, it is projected that the Building Code Department will be responsible for providing the following inspections:

	<u>FY 2005</u>	<u>FY 2006</u>
Single-Family Homes	2,000	2,300
Modular Homes	300	360
Additions to Structures	2,000	2,400
Additional Inspections	1,500	1,800
Commercial Projects	300	350
Multi-Family Projects	50	75

The Building Code Department will accomplish the following objectives during budget year 2006:

- ✓ *Complete review and comments on all single-family homes within five working days*

- ✓ *Complete review and comments on all commercial projects within 15 working days*

- ✓ *Continue to coordinate efforts with the State Fire Marshal in regard to commercial structures*

- ✓ *Maintain the current fee structure*

- ✓ *Provide educational opportunities for inspectors to ensure that they receive the necessary training and education for implementation of the International Building Code/International Residential Code*

- ✓ *Continue open lines of communication with the building industry*
- ✓ *Investigate alternative methods of construction*

13. PERSONNEL

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$313,965	\$281,136	\$345,121	\$505,812	\$556,082

Director – Dennis V. Cordrey

1 Assistant Director

1 Payroll Accountant

1 Accountant I

1 Clerk III Technician

1 Clerk II

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

E-mail: personnel@sussexcountyde.gov

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

The Personnel Department will continue the practice of posting all positions on the Internet website, as well as notices being sent to Delaware State University, the University of Delaware, and Delaware Technical & Community College, Jack F. Owens Campus, Georgetown. The posting of these positions with universities and colleges has been beneficial in allowing the department to attract the best qualified applicants for each position that is available.

During FY 2006, the Personnel Department will work with each department head to review and make recommendations, if needed, for changes to the present personnel performance evaluation process. Each department head is responsible for doing an evaluation of their employees on an annual basis. These evaluations are essential in determining if an employee is qualified for a promotion. The Personnel Department will also review all County job descriptions to ensure uniformity in grade and level and equity in compensation.

The Director of the Personnel Department will work with the County Administrator and Finance Director to initiate a review of the County's benefits program. This will be accomplished through the use of a consultant or direct contact with carriers and their agents during FY '06. As benefits continue to increase and add to the cost of operating the County government, it is important that the County government is getting the best return for the benefits that we are paying for the employees.

The Personnel Department will accomplish the following objectives during budget year 2006:

- ✓ ***Assist the County Administrator in assuring that the County maintains a comprehensive compensation and benefits package that is cost-effective***
- ✓ ***Post all employment vacancies***
- ✓ ***Review and evaluate County employees' benefits***
- ✓ ***Process all health, dental, and vision reimbursements in a timely manner***
- ✓ ***Review job classification categories to ensure employees are being compensated for the work that they are performing***
- ✓ ***Coordinate training and education between departments***
- ✓ ***Maintain automated sick, vacation, and compensatory records***
- ✓ ***Identify, develop, and coordinate training opportunities for staff development***

- ✓ *Ensure that all employees receive an annual evaluation*
- ✓ *Maintain lines of communication with pensioners in regard to their pension and benefits*
- ✓ *Complete all reporting documents as needed by State, Federal, or County administrations*
- ✓ *Provide the Accounting Division, for payroll purposes, payroll deductions for time missed and not covered by sick, vacation, or compensatory time*
- ✓ *Comply with all Federal regulations regarding equal opportunity employment*

14. **MANAGEMENT INFORMATION SYSTEMS**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$854,482	\$336,642	\$331,975	\$515,465	\$699,904

Director – Eddie C. Sparpaglione

1 Network Support Specialist

1 Network Technician

2 PC Technician I

1 GIS Technician I

1 Communications Specialist

Telephone: (302) 855-7898 Fax: (302) 853-5889

E-mail: ecs@sussexcountyde.gov

Management Information Systems was separated from the Data Processing Department in FY 2003. Since the reconstruction of the department, services to individual departments have improved and an abundance of work has been accomplished. During FY 2006, the primary goal is to assist various departments in implementing and maintaining various technologies that will allow them to perform their functions more efficiently, with a higher level of customer support and satisfaction.

Management Information Systems will be involved with the following projects during FY 2006:

- ❖ **Reconstruction of the telephone system for the Administrative Building**
- ❖ **Improving network security**
- ❖ **Upgrading the Administrative Building security system**
- ❖ **Improving the operations of instant messaging and e-mail**
- ❖ **Improvement of Internet resources and information for the public**

Currently, Management Information Systems is in the process of writing the purchase orders for the network upgrade portion of the telephone system project, and installation of the equipment should be completed in the first quarter of FY 2006. This funding was made available in FY 2005. The balance of the telephone system equipment and installation services required have been budgeted in FY 2006. Upon the adoption of this budget, the department has a State contract vendor ready to move forward with the project, and it is expected to be completed in the second quarter of 2006.

With the ever-increasing threats to the integrity of the computing infrastructure from Internet viruses or errors that are discovered within the computer operating systems, we must exercise due diligence in security of the information placed on the network and the systems used to access it. The department will spend a great deal of time in FY 2006 with this issue. The department will continue to implement new procedures to help reduce the risk to the County's system of being breached or hacked by persons outside, as well as within, the County facilities.

Funding has been allowed in the FY 2006 budget to allow for Management Information Systems to upgrade the Administrative Building security system that was installed four years ago. This upgrade will allow for the monitoring of the cameras to be done with more robust hardware and better cameras, as well as recording the data to a secure location within the building and not on the computer at the front desk. This will also include the installation of cameras on the exterior of the building on all of the doors and inside as well.

This work will be completed with County electricians from the Engineering Department working in conjunction with an outside contractor.

Each year the users on the network utilizing instant messaging increases and its use has grown on a daily basis. This tool has become an essential part of the way in which County employees do business and it saves a great deal of time. However, there have been a number of issues with the current system that have continually caused problems. At this time the Exchange Server is running out of useable storage space due to limitations and the fact that the County purchased the Standard Edition of the software and not the Enterprise Edition. To resolve this situation, the department will purchase an upgrade to the Exchange Server to the Exchange 2003 Enterprise Edition and purchase a new server. The installation of this equipment will also address a number of issues for logging and storage of communications.

The department has been successful over the last couple of years in greatly improving and reworking the County's website and improving the overall presence the County government has on the Internet. Goals for FY 2006 will be to continue this improvement as the technologies that allow the County to better make services and information that were once only available by coming into the County building and interacting with the County employees available to our constituents on a 24-hour-a-day basis, seven days a week.

Management Information Systems will accomplish the following objectives during budget year 2006:

- ✓ ***Upgrade security cameras for the Administrative Building***
- ✓ ***Manage the Internet-based broadcasting of all Council meetings, Board of Adjustment meetings, Planning and Zoning Commission meetings, and special meetings held in the Council Chambers***
- ✓ ***Maintain hardware and software inventory for all computing infrastructure***
- ✓ ***Assist the County Administrator in producing electronic presentations***
- ✓ ***Installation of a comprehensive network telephone system***

✓ *Improvement of resources and information for the public*

✓ *Improve the operations of instant messaging and e-mail*

15. MAPPING AND ADDRESSING

<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY ' 05</u>	<u>Budget</u> <u>FY '06</u>
\$630,499	\$708,165	\$796,877	\$821,598

Supervisor – Matthew M. Laick
1 GIS Specialist
1 GIS Technician
1 Emergency Communications Specialist
1 CAD Technician
8 Addressing Technician I
Telephone: (302) 855-1176 Fax: (302) 853-5889
E-mail: mlaick@sussexcountyde.gov

Mapping and Addressing will continue to strive toward the completion of an accurate telephone address base. In the first quarter of FY 2006, the Selbyville, Fenwick Island, Bethany Beach, Ocean View, and Millville areas will have their addresses delivered. This will complete the entire County’s addressing delivery. Cleanup will still have to take place in portions of the County, especially around municipalities.

Finishing the delivery of addresses does not ensure that Verizon will reach the 95 percent match that is required for selective routing. To achieve this will require the cooperation of Verizon, the State 9-1-1 Administrator, and the County Council. We must assist Verizon in updating their database, as well as Verizon must be committed to the citizens of Sussex County and help with locating the required information. Reaching the 95 percent match will only be achieved if this cooperation is obtained.

Plans to correct the database for E-9-1-1 have not yet been set. The primary reason for this is because Verizon is still a ways from finishing their portion of the data entry for the County. The Mapping and Addressing Department is currently receiving only 18 to 24 percent of the information that we are looking for. Property owners in the County have not been cooperative in the

readdressing effort. Receiving less than 25 percent of the information that is needed has made this project very difficult. The percent of return that we are currently experiencing will never allow us to achieve 95 percent. It is the Budget Committee's understanding that Verizon is looking into different methods which will allow them to identify the location of telephone lines and increase the accuracy of their database.

The Mapping and Addressing Department will develop a public education program emphasizing the importance of cooperation from the property owners in completing and returning the necessary information to the department. This is a very essential part of the project that is not taking place. The Budget Committee believes that during FY 2006 the County Council should give serious consideration to adopting an addressing ordinance. This type of mechanism would be beneficial in requiring the property owners' return of the necessary information. This would give the department the vehicle it has needed to force residents and businesses to use their 9-1-1 address. By adopting an addressing ordinance, we can assure that the addresses are posted in a manner that allows for easy location for someone in need of emergency care.

Funding in FY 2006 will allow for the continuation of posting of road signs. Currently, the department is installing one sign for each private drive that requires naming. If that sign is stolen or damaged, it is the responsibility of those who reside on the private drive to have it repaired or replaced.

During FY 2006, an employee of the Mapping and Addressing Department will be assigned as the point of contact person for the municipalities to assist in their addressing. The department will only work with the municipalities upon their request. Cooperation with the municipalities will be helpful in portions of the area where we have cross-jurisdiction, in some cases between the County and two municipalities. For example, we have duplications in names of addresses in Rehoboth and Dewey Beach who both have the same zip code. Once again, I would emphasize that we will only assist upon request by the municipality for this service.

The work of this department continues to grow annually. The mapping section of this department is undergoing many changes as well. The tax maps are being updated on a daily basis. Paper maps are only being produced upon request; otherwise, maps are available through the Internet at <http://map.sussexcountyde.gov>. Using the Internet to distribute maps

allows the user to customize the map however they want by viewing only the information they want to see. This makes the map more valuable and more accurate, since the digital data can be updated more frequently and easier than paper maps.

During FY 2006, the Mapping and Addressing staff will start to direct their focus to other data layers that are needed. Some of these layers may be fire hydrants, better road data, tower locations, subdivision locations, and Planning and Zoning classifications.

During FY 2006, Mapping and Addressing will continue to work with the Emergency Operations Center to develop a point-based system to ensure the location of cellular phones. Although admittedly we may be behind in the addressing of properties, the Budget Committee is pleased that we will meet the Federal legislation mandate that cellular phones must be able to be located when calling for 9-1-1 assistance. If someone dials 9-1-1 from a cell phone, they will be located in one of two ways, depending on what the carrier has chosen. The first is by triangulation, which locates the caller by using three or more towers, then the nearest address will be assigned by using geocoding from the road centerline. The second method is by having the GPS transmitter located in the handset of the cell phone. When the caller dials 9-1-1, the latitude and longitude of the caller is displayed. This project in the unincorporated areas will be completed in the first quarter of FY 2006. However, it should be mentioned that this does not include the incorporated areas that have not participated with the County's addressing program. This is why it will be essential to assign an employee as a liaison for this program.

The Mapping and Addressing Department will accomplish the following objectives during budget year 2006:

- ✓ ***Complete the delivery of addresses for the entire County***
- ✓ ***Work cooperatively with Verizon and the State of Delaware to complete the accuracy of addressing***
- ✓ ***Review and approve all road names and addresses for new subdivisions***
- ✓ ***Continue the installation of signs on private roads***

- ✓ *Provide GIS map support for interdepartmental use*
- ✓ *Provide tax parcel mapping for the Assessment Division and the general public*
- ✓ *Assist the Treasury Division in address conversion for the purpose of billing property tax bills*
- ✓ *Complete point-based system for cellular phones*

16.CONSTABLES' OFFICE

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$164,539	\$161,123	\$199,585	\$237,545	\$249,670

County Constable – Robert N. Betts

3 Constables

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

E-mail: rbetts@sussexcountyde.gov

The Constables' Office is responsible for the enforcement of all County codes and the collection of delinquent taxes, sewer and water bills, miscellaneous accounts receivable, and non-sufficiently funded checks. The Constables' Office during FY 2006 will continue to try to prosecute violators through the Justice of the Peace courts. In the past we have been able to use the Attorney General's Office in prosecuting offenders of County regulations. However, during FY 2005 we have been notified by the Attorney General's Office that they no longer have the resources to prosecute County ordinance violations. Coordination of prosecuting offenders will have to become the responsibility of the County Attorney. This will result in increased legal costs for the County.

During FY 2006, ordinances will be reviewed to assure that the fines collected will be able to allow the County to collect its legal costs. In many instances the Justices of the Peace have suspended fines once the violation has been rectified. A review of ordinances by the Legal Department will look to see if it is possible to set minimum limits that cannot be waived.

The policy that was established in FY 2005 requiring that one of the constables remain in the office at all times will continue in FY 2006. This has been beneficial in assuring that there is someone available to handle the general public's complaints in order to respond in a timely manner.

Abandoned and derelict manufactured homes in the County continue to be a problem. The Constables' Office will work with First State Manufactured Housing in locating and identifying homes that need to be removed. First State Manufactured Housing Association has provided a grant in past years, which is matched by the County, to allow for the County Council to establish a program to provide a zero interest loan to property owners who are in need of assistance in cleaning up unsightly and unsafe manufactured homes. As a result of this joint effort, the Constables' Office and First State Manufactured Housing Association have been successful in removing 105 unsafe manufactured homes in the County.

Governor Ruth Ann Minner's proposed FY 2006 budget for the State of Delaware calls for the shifting of responsibility for dog control to the counties. As of April 6, 2005, legislation has not yet been drafted. The County Administrator and Finance Director have met with the State's Budget Director to discuss this possibility. We have made the State aware that it would be very difficult if the State attempts to mandate this program on the County by July 1, 2005. We have recommended to the State that we establish a transition committee to investigate this possibility. The State has estimated that the program the first year will cost the County over \$130,000. Revenues generated from dog licenses are insufficient to cover this cost. It is believed that on a statewide basis the State is losing over \$1 Million a year on this program. Currently, the State of Delaware is contracting with the SPCA for animal control.

The State has agreed to continue dialogue on this subject, but the Budget Committee believes that eventually this responsibility is going to be transferred to the counties. However, the 2006 budget does not include any funds for this project. When and if this should take place in the future, the responsibility will be assigned to the Constables' Office.

The Constables' Office will accomplish the following objectives during budget year 2006:

- ✓ *Continuation of removal of unsightly and unsafe manufactured homes*
- ✓ *Vigorous and aggressive pursuit of collection of back taxes, overdue sewer and water bills, and insufficiently funded check reimbursements*
- ✓ *Assist the Building Code Department in bringing open building permits to a complete finish*
- ✓ *Investigate and resolve complaints from the general public in a timely and professional manner*
- ✓ *Assist the Treasury Division in preparation for tax sales*
- ✓ *Assist the Planning and Zoning Department with correction of zoning violations*

17. PLANNING AND ZONING

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$727,193	\$884,931	\$917,321	\$990,151	\$1,094,915

Director – Lawrence B. Lank

1 Assistant Director

1 Environmental Planner

1 Land Use Planner

1 Chief Zoning Inspector

1 Zoning Inspector III

4 Zoning Inspector II

1 Zoning Inspector I

1 Clerk IV Supervisor

2 Clerk III Technicians

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

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

Adjustment. The Sussex County Planning and Zoning Commission meets the second and fourth Thursday at 7:00 p.m., and the Board of Adjustment meets the first and third Monday at 7:00 p.m.

The activities of the Planning and Zoning Department continue to increase as a result of the growth of the County. With the passage of State law requiring all applications to be submitted to the State Planning Office prior to the County Council accepting application, County staff has to participate in the preliminary review of these projects. The majority of these meetings are being held in Dover. Combined with the additional requirements for the pre-application and the County ordinance requiring all Residential Planned Communities to be reviewed by the Technical Advisory Committee, the Planning and Zoning staff activities have increased considerably. Both of these processes are beneficial in refining applications to make sure they are in compliance with State and County regulations. The Budget Committee believes that the fees that we are currently charging are sufficient to cover the rise in the additional cost of operating the department.

The Budget Committee is proposing funds be made available in FY 2006 to allow for the hiring of special services to draft a Wellhead Protection Ordinance. State law requires the County to have a program in place by December of 2007. The Budget Committee believes it would be best to establish a committee with two appointments from each Councilman to work with an outside consultant in the drafting of this ordinance. It would be best to have this ordinance in place prior to the revising of the Comprehensive Land Use Plan, which must be submitted to the State in October of 2007. A public hearing that was held at Delaware Technical & Community College, Jack F. Owens Campus, in December gave an indication that this ordinance would draw a lot of public attention. The Budget Committee believes that by doing this now we will not hinder the efforts of completing the December 2007 revisions to the Land Use Plan.

Inspectors in the Planning and Zoning Department will continue to work with the Constables' Office in trying to resolve outstanding permits and zoning violations.

As a result of the State Planning Office pre-submittals and the workload of the Planning and Zoning Commission, many applications are not going to public hearing for nine to 12 months from when the applicant first appears in the Planning and Zoning Office. Funding has been allotted in the proposed

FY 2006 budget to allow for the Planning and Zoning Commission to meet 36 times during the year. The Board of Adjustment will have funding budgeted to allow for 30 meetings during the year.

The proposed 2006 budget allows for funding for microfilming. The microfilming will include building permit files and Board of Adjustment files, and will include a request for copies in digital format. We will attempt to do this work with in-house staff.

A new computer will be added to the Planning and Zoning Department with a color printer that will allow inspectors to have access to the AS/400 and property maps that are on-line. This has been beneficial in allowing the inspectors to get the most up-to-date information and not have to rely on out-of-date paper maps.

The Planning and Zoning Department will accomplish the following objectives during budget year 2006:

- ✓ *Recommend changes to the County's land use ordinances*
- ✓ *Coordinate activities between the Sussex County Engineering Department and State of Delaware agencies*
- ✓ *Coordinate technical review of pending applications and process all applications in a timely manner*
- ✓ *Coordinate violation activities with the Constables' Office*
- ✓ *Maintain membership with the American Planning Association*
- ✓ *Assist in providing training seminars for board members and staff*
- ✓ *Maintain all County zoning ordinances on-line for accessibility to County departments and the general public*
- ✓ *Provide a review of all development activities for compliance with adopted ordinances and the Land Use Plan*

18. EMERGENCY OPERATIONS AND PREPAREDNESS

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$1,606,029	\$1,472,323	\$1,728,428	\$1,829,613	\$2,013,966

Director – Joseph L. Thomas

1 Assistant Chief Dispatcher

1 Quality Assurance Supervisor

1 Local Emergency Planning Committee Coordinator

3 Emergency Communications Supervisors

5 Emergency Communications Specialist II

11 Emergency Communications Specialist I

2 Communications Support Tech II

2 Communications Support Tech I

1 Clerk III

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

After Hours: (302) 855-7803

E-mail: jthomas@sussexcountyde.gov

This department consists of Emergency Preparedness, Emergency Operations Center, Local Emergency Planning Committee, and Emergency Operations Communications. This department is responsible for coordinating public safety activities for natural disasters such as snowstorms, floods, hurricanes, and nor'easters. The department also assists in such matters as technical disasters (i.e. chemical spills or hazardous material incidents).

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

The Budget Committee is recommending increasing the starting salary for dispatchers to \$25,000. Even with this increase, starting salaries for

dispatchers with the State, New Castle, and Kent County are \$3,000 to \$5,000 higher. In addition, the Budget Committee is recommending a three percent across-the-board increase for all dispatchers. We continue to have a turnover of three to four dispatchers annually. It is believed that these increases will be beneficial in slowing this loss. There should be some savings in training by retaining the existing employees.

The proposed FY 2006 Emergency Operations Center budget has sufficient funding to allow for staffing for four dispatchers for each shift when necessary. Sixty Thousand Dollars (\$60,000) has also been allotted for overtime. Because of the increased population in permanent and seasonal residents, the workload increases. During calendar year 2004, the Emergency Operations Center dispatched 22,089 basic life support, advanced life support, and fire assistance calls. This is a 5.6 percent increase over calendar year 2003.

The Emergency Operations Center Quality Assurance Supervisor will continue to give regional training for priority dispatch. The Center has been authorized to provide this training. Approximately eight sessions a year are anticipated with students coming from the eastern shore of Maryland, New Castle County, and Kent County, as well as Rehoboth and Seaford.

FY 2006 will be the first year that the Emergency Operations Center (EOC) is Wireless Phase II complete. Over the past four years, the EOC has answered an average of 36,594 9-1-1 calls annually. Of these calls, 45 percent, or 38,967, were wireless or generated from a cell phone. The Federal Communications Commission has mandated that all 9-1-1 centers be capable of meeting their requirements for handling wireless 9-1-1 calls. On March 18, 2005, the final equipment was installed by the State of Delaware to allow the dispatchers to see a displayed associated callback number. This display number will then be cross-referenced with the closest cellular tower to determine where the call is being sent from geographically.

The Mobile Command Center will again be readily available to local fire and ambulance companies on an as-needed basis. This piece of equipment has been very beneficial as an information center and field meeting room facility both in Kent and Sussex County. Funding will be made available to allow for the installation of the necessary equipment to interconnect the Mobile Command Center to the Delaware State Police Mobile Command Unit in the event of a large-scale incident. The Mobile Command Center

will also be utilized during the year for activities such as Punkin Chunkin, the Hispanic Festival, and Fourth of July celebrations.

A major activity that will take place in the Emergency Operations Department will be the final design of a new emergency operations facility. The current facility, which is 6,100 square feet, was constructed in 1978 and is outdated and undersized. The new facility will be located to the south of the current facility, adjacent to the entrance to the Sussex County Airport. It is proposed to be a 21,000-square-foot, single-story facility. The facility will contain two conference rooms, a mechanical room, seven offices, two restrooms, a bunkroom, showers, recreational fitness room, kitchen, operations room, 9-1-1 communications center, reception area, and a computer system server room. The facility will have state-of-the-art communications equipment supported with an alternative power source. In addition to the uninterruptible power supply, the facility will have a multi-zoned heating and air conditioning system, temperature and humidity control, and a building filter air system to prevent against nuclear radiation. The enlarged dispatch area will be shared by State of Delaware and County dispatchers. In addition, accommodations will be made available for the State Police, Delaware National Guard, Red Cross, Department of Natural Resources, and Department of Transportation. The most recent estimates project the complete facility to be at \$12.5 Million. This includes \$4 Million that will be provided by the State of Delaware for their equipment. The State of Delaware is the licensee for all emergency operations communications equipment. The County government is only a user of this equipment.

During the first quarter of FY 2006, the County will put the building specifications out for bid. It is anticipated that the contract will be awarded the first quarter and construction will start. Construction is anticipated to be completed in September of 2006. From September through December 2006, telephones, computers, and radios will be installed in the facility. Starting January 1, 2007, training and relocation from the old facility will take place. It is anticipated that the new Emergency Operations Center will be fully functional by April 1, 2007. Upon completion of the relocation from the old facility, renovation activities will take place for conversion of the existing offices for our Paramedic Department.

The Local Emergency Planning Committee, which is part of the County's Emergency Operations Center, is responsible for instituting safeguards

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

The director of this department will conduct on-site audits for approximately one-third of the facilities in Sussex County during FY 2006. Staff will be made available upon request to assist businesses with proper reporting procedures. The director will participate in activities with other agencies to include the State Emergency Response Commission, Seaford Mutual Assistance Group, Technical and Public Outreach Committee, and the Planning and Training Committee of the State Emergency Response Commission. The director will be available to assist in full field exercise activities, as well as utilizing tabletop education as required by the Federal statute. With continued growth of businesses in the County, the director will also be required to continue to locate and include new facilities in the chemical reporting program for Sussex County and the State of Delaware.

Emergency Operations and Preparedness will accomplish the following objectives during budget year 2006:

- ✓ ***Provide regional training for emergency medical dispatch priority***
- ✓ ***Maintain the mobile command office to offer public safety with intergovernmental agencies***
- ✓ ***Assure that there are open lines of communication with the fire service on issues relating to dispatch, communications, and emergency preparedness***
- ✓ ***Maintain the UHF paging system for the Sussex County volunteer fire service***
- ✓ ***Upgrade siren equipment for the fire and ambulance service***

- ✓ *Provide insight, planning recommendations, and construction overview for the new 9-1-1 Center*
- ✓ *Conduct audits on existing facilities and investigate new facilities in the chemical reporting program for the Local Emergency Planning Committee*
- ✓ *Provide an annual workshop for the Sussex County Association of Towns to provide information to local officials relating to emergency management*
- ✓ *Provide emergency assistance for local towns and school districts with emergency management needs, as well as provide prompt, accurate, up-to-date information during emergency events*
- ✓ *Provide a high level of maintenance and monitoring of the five County-owned tower sites*

19. EMERGENCY MEDICAL SERVICES

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$5,656,071	\$6,153,005	\$6,884,569	\$8,625,469	\$10,041,898

Director – Glenn H. Luedtke

1 Deputy Director

3 Division Managers

1 Information Systems Administrator

1 Training Coordinator

1 Special Operations Coordinator

8 Paramedic Field Supervisors

80 Full-Time Field Paramedics

6 Part-Time Field Paramedics

1 Office Manager

1 Clerk Technician III

1 Clerk Technician I

1 Technical Services Assistant

9 Paramedic Students

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

Website: www.sussexcountye.gov/scems

E-mail: gluedtke@sussexcountye.gov

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

The proposed FY 2006 Sussex County Emergency Medical Services budget supports seven full-time paramedic units, one part-time paramedic unit, and two supervisor units providing advanced life support services to all of Sussex County and a portion of Kent County (primarily Milford). The system operates out of ten facilities with a staff of 106 paramedics, administrators, students, and support personnel, with a fleet of 29 vehicles. Emergency Medical Services is probably one of the best illustrations of why the cost of operating County government has gone up. The proposed FY 2006 budget is \$10,041,898. For comparison purposes, the FY '88 General Fund entire budget was \$7,740,444. The population growth of the County being year-round and seasonal impacts this department more than any other County service.

Cost sharing of this department will continue on the basis of Sussex County paying 60 percent, \$6,025,139, and the State of Delaware paying 40 percent, \$4,016,759. This is a 16.4 percent increase over FY 2005. The Paramedic Program is the largest single department expenditure in the FY 2006 budget. The County's entire share of \$6,025,139 is paid solely from the realty transfer tax. The County's share of this tax is only collected in the unincorporated areas of the County.

During FY 2006, we will start phasing in a new Unit 108. This unit will be referred to as a power unit and will not be assigned to one particular district. This unit will give the director the flexibility of staffing the unit during the hours that it would be most beneficial. For example, during the spring and summer the unit may be staffed in the coastal areas, and in the fall and winter relocated to the central to western part of the County. It is projected that this unit will become a full-time unit in FY 2007. The addition of four new employees to staff the part-time paramedic response unit will be required.

A new position will be added to the Paramedic Program this year, a Special Operations Coordinator. This person will be responsible for coordinating and recruiting, hazardous materials, special events, bicycle teams, weapons of mass destruction, Delaware Emergency Management Agency interface, and public information education programs. The Budget Committee is recommending that five students be added to the program in FY 2006. This initiative is intended to provide replacement personnel for an anticipated annual attrition rate of an estimated six paramedics. Currently, the County is supporting four students in the Paramedic Program. It is anticipated they will graduate in the first quarter of FY 2006. The implementation of sponsoring paramedic students to be employed upon completion of their training is beneficial in increasing opportunities for Sussex County residents.

The EMS Department continues to aggressively recruit new paramedics to meet our staffing goals. Between July 1, 2004, and March 2005, the County has hired nine new paramedics. During this same period, five paramedics left the department, resulting in an overall gain of four. As of April 7, 2005, the Paramedic Department is short eight authorized staffing level positions in the FY 2005 budget. In an attempt to help recruiting and become competitive in hiring trained paramedics, the Budget Committee is recommending a \$400.00 across-the-board pay increase for all paramedics, in addition to the cost of living increase. Additionally, all paramedics who successfully complete an evaluation can increase their annual salary \$600.00.

The Budget Committee is not recommending an across-the-board pay increase for division managers higher than what was recommended for the field paramedics. The Budget Committee realizes that there are field paramedics who may have an annual salary higher than the division managers, but this is not a result of the base salary. Field paramedics who are paid overtime have an opportunity to earn more money than a division manager's base salary. However, there isn't anything prohibiting the division managers from also working overtime and being compensated if they choose to work in the field.

Construction on the combined Delaware State Police/Sussex County Emergency Medical Services Public Safety Center in Bridgeville will be complete in the fourth quarter of 2006. Paramedic Unit 107 will be housed at this station starting in FY 2006. The County will maintain the Seaford/

Blades facility that housed Unit 107 as a station for the western district supervisor. The western corridor of the County will then be served by Unit 102 which is located in Laurel, Unit 107 in Bridgeville, and Supervisory Unit 200 located in Seaford/Blades. When necessary, the western corridor will also be served by the 108 power unit when it is determined by the Emergency Medical Services Director.

During calendar year 2004, the Emergency Medical Services Department responded to 14,097 calls. This is a 12.3 percent increase over calendar year 2003. Medic Unit 104, which serves the Milford area, has replaced Medic Unit 102 as the busiest unit. Unit responses for calendar year 2004 are as follows:

<u>Calendar Year 2004 Unit Responses</u>	
Milford – Medic Unit 104	2,317 Responses
Stockley – Medic Unit 103	2,150 Responses
Seaford – Medic Unit 107	2,023 Responses
Lewes – Medic Unit 101	1,750 Responses
Millville – Medic Unit 105	1,711 Responses
Laurel – Medic Unit 102	1,603 Responses
Lincoln – Medic Unit 106	1,452 Responses
Supervisor – EMS 100	625 Responses
Other	273 Responses
Supervisor – EMS 200	228 Responses

FY 2006 will be the first full year of a second supervisor. This addition has already been beneficial in reducing the areas of control for the single supervisor and reduced the response area, allowing the supervisor to assist in more calls.

The fleet management program allows for continued scheduled replacement of existing units to maximize benefits of manufactured warranty programs and to ensure safe and effective vehicles are available at all times. Four new

vehicles will be purchased during the new budget year to replace older equipment and to support special operations and other functions. One suburban vehicle, one van-type vehicle, and two squad body vehicles will be purchased in the new year. All vehicles will be competitively bid if they are not available on State contract.

The Emergency Medical Services system will receive a new telephone system to increase their capabilities in both voice and electronic telecommunications. To comply with the requirements of the State of Delaware Emergency Management Agency Medical Director, six new Lifepak 12 monitoring defibrillators will be purchased to provide equipment from a new power unit and to replace the outdated Lifepak 10 units. The department will begin a replacement program for the mobile data terminals in the paramedic units. They will purchase new software to manage personnel scheduling, payroll functions, and to support mobile data terminal functions.

The Budget Committee realizes that the County's Emergency Medical Services is a high maintenance and expensive program. However, the taxpayers of Sussex County should be pleased with the fact that this program is a nationally recognized leader in mobile healthcare services, committed to improving their quality of life.

Emergency Medical Services will accomplish the following objectives during budget year 2006:

- ✓ ***Provide staffing for seven full-time units, two supervisor units, and one part-time unit, 24 hours a day, 365 days a year***
- ✓ ***Recruit four additional paramedics***
- ✓ ***Continue to support students currently enrolled in the Delaware Technical & Community College Paramedic Training Program***
- ✓ ***Recruit five new paramedic students***
- ✓ ***Develop a proactive plan in reducing response times***
- ✓ ***Provide comprehensive education and training for paramedics, both externally and internally***

- ✓ *Conduct annual employee evaluations in a timely manner*
- ✓ *Develop cost-saving procedures without jeopardizing the quality of service being provided*

20. DATA PROCESSING

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$346,288	\$437,386	\$392,498	\$497,177	\$531,007

Director – Bonnie O. Smith

1 Assistant Director

2 Programmer II

2 Computer Operator II

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During budget year 2006, Data Processing will continue to work together to provide the most up-to-date technology for individual County departments. The services that Data Processing provides have been beneficial in moving the County forward with the ever-changing landscape of technology. The department's primary goal is to assist the various departments in the implementation and maintenance of various technologies that allow them to perform their respective functions more effectively and with a higher level of customer/constituent support and satisfaction.

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

Development of new procedures and applications to allow departments to perform tasks, maintenance, and reports now generated within Data Processing will alleviate any lack of communication between the requestor and staff of Data Processing. By giving the user the ability to manage duties

pertaining to their department, they will have more control in this process, which will result in time savings for both them and the Data Processing Department.

Data Processing will develop a program to assist the Treasury Division, including an electronic file of tax records. This program will be able to allow us to archive tax records before any adjustments may be made. This will allow for an accurate timeline of any changes that are made that would affect the value of the taxes. The program will be beneficial to assist the Treasury Division in balancing books and answering taxpayer questions as to why changes were made to their tax record.

Due to several changes during the past year in the Treasury Division billing process, it is necessary to revamp programs that have just tax records. Existing programs will be revamped and enhanced.

The Utility Billing Division will work with Data Processing in creating procedures to post records paid during evening hours. This will eliminate any interruption in work flow during the day for the Utility Billing Division. This procedure has been utilized by the Treasury Division and has been successful in providing timely and accurate satisfaction of tax bills. Additional procedures will be set up to remove the responsibility of sewer and water overage deposits to the Utility Billing Division. This will give the control to the Utility Billing Division and eliminate delays that might occur as a result of waiting for Data Processing.

Data Processing will continue with redesigning a version of the County's present database. During FY 2006, the department will develop a name file. This file will allow for numerous owners to be attached to a property. Use of the new file will enhance the ability to search all properties owned by an individual. During FY 2005, an address file was created to allow for better mailing addresses. Also, a 9-1-1 address file was created that contains information from the Addressing Department that matches the County property file.

Planning and Zoning will benefit as a result of Data Processing creating a computerized file of proposed new subdivisions so that County employees can provide information to the public as requested. Presently, this is being done manually.

The described activities that will take place in the Data Processing Department in FY 2006 is another example of the impact growth is having on the operating of County government.

The Data Processing Department will accomplish the following objectives during budget year 2006:

- ✓ *Develop an audit trail of County tax record adjustments*
- ✓ *Assist the Utility Billing Division in creating procedures to post records paid during evening hours*
- ✓ *Assist various departments in the implementation and maintenance of various technologies that allow the departments to perform their own respective functions*
- ✓ *Generate income to the General Fund by processing public information requests from various sources in a timely manner*
- ✓ *Assist the Planning and Zoning Department in computerizing subdivision data*

21. **ENGINEERING – ADMINISTRATION**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$726,119	\$664,771	\$584,515	\$1,429,248	\$1,501,239

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

1 Assistant County Engineer

1 Director of Engineering Accounting

1 Director of Utility Engineering

1 Contract Administrator

6 Project Engineers

1 Historical Planner

1 Office Manager

1 Accountant II

2 Accountant I

1 Permit Technician I

1 Clerk IV Supervisor

1 Clerk III Technician

1 Clerk II Data Entry

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The primary responsibility for Engineering Administration is the design, construction, and operation and maintenance of public utilities. This responsibility includes wastewater treatment and disposal plants, public water systems, and the Sussex County Airport and Industrial Park. The County Engineer is also responsible for the oversight and administration of the Planning and Permits Division, Utility Construction Division, and Public Works Division. Currently, Engineering Administration is involved with over **100** working projects. During the next five years, the department will be involved with \$194,195,600 in Capital Improvements Projects. This includes \$54,104,100 for FY 2006 [see Addendum 11].

As the growth of the County continues, the Engineering Department understandably needs additional staff. The proposed FY 2006 budget allows for the hiring of an additional Project Engineer and a Contract Administrator. The Personnel Department has advertised in the Washington Post and the Delaware State News with little or no success. It has been very difficult to compete with the private sector. The Budget Committee is pessimistic that the slight increase in salaries that we are offering, plus the benefits and working conditions will allow us to attract someone in the new budget year.

If we would be successful in attracting additional employees, the problem may be compounded by the availability of space. In preparation of hiring additional staff, the Economic Development Office will relocate to the Sussex County Airport Terminal Building. This will allow for the relocation of the Public Works Division to the West Complex in the facility currently housing the Economic Development Office. We will talk more about the Economic Development Office in that particular section of this letter.

Of all of the divisions of Engineering Administration, the Public Works Division has the least amount of walk-up traffic. Additional space that will be made available will allow us to hire additional staff and give us some room for records retention.

Engineering Administration will continue with the oversight of regional wastewater sewer projects. Four contracts for construction of the Oak

Orchard Sanitary Sewer District will be complete during FY 2006. As of April 9, 2004, there is a concern regarding a portion of one of the contracts. There are archaeological and historical concerns regarding the possibility of graves being located at the west end of the project. The County's Historic Planner is trying to negotiate with the Delaware Department of Transportation (DelDOT) to allow DelDOT to mitigate the concerns. If DelDOT is unwilling to assume the historical investigation, this portion of the project will have to be deleted. As of this writing, it is anticipated that contracts will be completed in the second quarter of FY 2006 and properties will start connecting in the third quarter. This project will result in an additional 1,000 equivalent dwelling units. Many of the properties that will connect to this new system are currently on holding tanks or failing septic systems. This project will be very beneficial to the Indian River, as many of these properties are adjacent to the waterway.

Bay View Estates/Sea Country Estates Sanitary Sewer District is currently under construction. Completion is anticipated in the second quarter of FY 2006, and approximately 250 homes will start connecting in the third quarter of FY 2006.

Two developer-funded projects are underway in the Millville Expansion of the Bethany Beach Sanitary Sewer District. A third project will start in May of 2005. The regional pump station (MPS No. 1) and related facilities to serve the Holts Landing and Millville areas are currently under construction. This pump station will be completed in the second quarter of FY 2006. A major interceptor, County Road 349, in the pump station (MPS No. 2) and pipelines that will serve portions of County Road 350 are under design at this time by Whitman, Requardt & Associates. This project also includes the design of a collection system that will serve Whites Creek Manor, an existing subdivision. The design of this facility is expected to be completed in the second quarter of FY 2006 and will be put to bid shortly after the completion of design. In conjunction with both of these projects, design of an interceptor for Route 26 will begin the first quarter of FY 2006.

The Miller Creek and South Ocean View Sanitary Sewer Districts' design for the collection system started on March 16, 2005. It is anticipated that the design will be complete and construction contracts will be awarded in the fall of 2006. The Miller Creek Sanitary Sewer District project will serve an area along Miller Creek, north of Little Assawoman Bay. It will serve the various Plantation Park subdivisions and the George C. Moore, Malcolm's

Manor, Chevy Chase, Ocean Air, and the Lands of Raymond Banks subdivisions. Homes in these subdivisions currently use on-site wastewater systems, which are septic tanks or holding tanks, to dispose of their wastewater. Construction of central sewer for this area will eliminate approximately 483 on-site systems. It is believed that many of these systems are contributing nitrates to the groundwater and the Inland Bays. The current projected cost for this project as of April 10, 2005, is \$9,747,500. The Finance Department, working in conjunction with the Engineering Department, was successful in obtaining \$3.9 Million in State and Federal grants.

The South Ocean View Sanitary Sewer District will serve Shady Dell Park and Quaint Acres subdivisions, as well as scattered parcels along Parker House Road and Muddy Neck Road. Homes in these areas are currently using on-site wastewater systems, such as septic tanks and holding tanks, to dispose of their wastewater. Construction of central sewer in this area will eliminate 296 on-site systems. As is true with the Bay View Estates project, it is believed that many of these systems are contributing nitrates to the groundwater and the Inland Bays. As of April 10, 2005, the estimated cost for this project is \$8 Million. This project was awarded a \$2,850,000 grant from the State of Delaware 21st Century Fund. In FY 2005, the County Council awarded a grant of \$350,000 for the project.

Engineering Administration will continue with their involvement with several projects at the Sussex County Industrial Airpark. Runway 4/22 extension was authorized by the County Council in FY 2003. The Engineering Department will complete the environmental assessment portion of this project in FY 2006. The County Council will be asked to select alternative road alignments. Recommendations have been made to the Engineering Department by the Town Council of Georgetown and the Delaware Department of Transportation. To date, the County government has acquired four properties needed for this project. During FY 2006, the County will be required to finish the acquisition of seven additional properties.

Other projects that Engineering Administration will be involved with during budget year 2006 include assisting in the selection of an engineer for the South Coastal Library Expansion, initiating plans and design for the completion of the second floor of the expanded Milton Library, and oversight of construction of the Emergency Operations Center.

Engineering Administration will accomplish the following objectives during budget year 2006:

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

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

Costs for this division are included with Engineering Administration.

2 Planning Technicians

6 Permit Technicians

1 Clerk II Data Entry

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The Planning and Permits Division's workload is another illustration of the growth of the County. The Planning and Permits Division technicians are assigned specific sewer districts to manage so there will be one individual with an ultimate understanding of the new districts. The division prides itself on its hands-on quality approach to meeting the needs of the property owners. But based on the amount of growth, it is becoming increasingly difficult to provide a level of service to the property owners and sewer service customers in the time period that they have grown accustomed to. Every effort is made to review plans in a timely manner; however, because of the amount of work, reviews have slowed. The Budget Committee believes it would be better to slow the review process than to expedite the process with the result of possible errors. It is much better to have review

and oversight done correctly than to have to go back and correct mistakes that will eventually cost everyone more money. As we look forward, we do not see any evidence of the workload decreasing.

Numerous projects are currently being processed which will result in new hookups, system connection charges being paid, and hookup permits being issued. The deadline for hookups in the Ellendale Sanitary Sewer District was December 31, 2004. However, property owners did not react in a timely manner and a number of these hookups must still be completed. Hookups in the Cedar Neck Sanitary Sewer District will continue through July 2005. The Bay View Estates, Sea Country Estates, and Oak Orchard Sanitary Sewer Districts are currently under construction with hookups anticipated to begin the second quarter of FY 2006, while design of the Miller Creek and South Ocean View Sanitary Sewer Districts will begin the last quarter of FY 2005. This will require the development of billing data for both Miller Creek and Ocean View during FY 2006. New sanitary sewer districts tend to be especially problematic because the department is dealing with property owners who have never previously received a sanitary sewer bill. Further, all homes must be issued a permit and the connection inspected.

Another area of concern that has significantly affected the Planning and Permits Division's workload in the last several months is the revision of the procedures that require this office to approve conceptual plans in existing sewer districts and planning areas prior to construction plans being submitted for review. This has put much more pressure on the division to provide a complete and thorough review of plans and resolve major issues prior to the sanitary sewer plans being reviewed by Cabe Associates. This is an important part of the process, but it has added significantly to the workload, resulting in diverting the division's attention from the day-to-day activities. The Budget Committee realizes that this delays the approval process. However, this process is more efficient and benefits the Sussex County Engineering Department in the long run.

The proposed FY 2006 budget allows for the hiring of additional staff for the Planning and Permits Division. This division, as others, continues to have difficulty with trying to attract qualified employees.

The Budget Committee is recommending \$100,000 to pay for the cost of a comprehensive review of the County's current rate structure. There has

been, on occasion, a request to create a uniform service charge for the South Coastal area. A uniform service charge would be beneficial in reducing administrative costs. This study will examine the possibility of a single system connection charge for commercial properties in the sanitary sewer districts. This would simplify administrative procedures, assure adequate payment of fees, and reduce property owners' concerns and confusion regarding the fees.

Additional projects that the Planning and Permits Division will be involved with in FY 2006 are:

- **Fenwick Island Sanitary Sewer District Route 54 Flow Study**
- **Dagsboro-Frankford Sanitary Sewer District Planning Study**
- **Piney Neck Regional Wastewater Facility Preliminary Engineering Report**
- **Blades Sanitary Sewer District Expansion Study**

I will elaborate more on these projects with a narrative description of each of the sewer districts further in this letter.

Comparing the activities of the Planning and Permits Division between FY 2003 and FY 2004 will give an indication of the growth of the County.

<u>Comparison 2003 v. 2004</u>			
	<u>2003</u>	<u>2004</u>	<u>Percent Increase</u>
System Con. Chg. Forms	676	1,485	120
Permits	1,700	2,810	65
Change Slips	7,133	10,164	42
Building Permit Approvals	1,788	1,986	11
Inspections Scheduled	1,610	2,350	46

The Planning and Permits Division will accomplish the following objectives during budget year 2006:

- ✓ *Finalize the assessments and create billing accounts for the South Ocean View Sanitary Sewer District and Miller Creek Sanitary Sewer District*
- ✓ *Assist the County Administrator and Finance Director in the selection of a rate consultant to perform a review of water and sewer rates to include a uniform service charge and uniform system connection charge*
- ✓ *Verify billing records and assessments for the Oak Orchard Sanitary Sewer District*
- ✓ *Conduct a flow monitoring study for the Fenwick Island Sanitary Sewer District Route 54 corridor*
- ✓ *Commence a study for expansion of the Dagsboro-Frankford Sanitary Sewer District*
- ✓ *Commence a study for expansion of the Blades Sanitary Sewer District*
- ✓ *Complete the North Coastal Planning Area study*
- ✓ *Complete a computer program and implement a computer system for the calculation and storing of equivalent dwelling unit assessment information for commercial accounts and processing change slips*
- ✓ *Provide up-to-date newsletters for all ongoing projects*
- ✓ *Attend State of Delaware Wastewater Advisory Council meetings*

23. **UTILITY BILLING DIVISION**

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$459,049	\$704,175	\$541,522	\$643,151	\$700,900

Director – Leon Collins
1 Assistant Director

1 Accountant II

8 Clerk III Technicians

1 Clerk II Data Entry

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The Utility Billing Division is responsible for the billing and collection of sanitary sewer and water district charges and administrating the grant programs to assist low-income residents in obtaining funding to help toward their sanitary sewer utility cost [see Addendum 6].

Another indication that growth continues is in the Utility Billing Division's responsibilities. As of March 2005, the Utility Billing Division is responsible for 50,028 equivalent dwelling units (EDU's). This is an increase of 54 percent in a ten-year period, when in FY 1996 the Utility Billing Division administrated 32,431 EDU's. The Utility Billing Division processes 38,979 bills on a quarterly basis. This computes to 155,916 bills annually. As we continue to add more sanitary sewer districts, the growth demand of this division will continue.

In an effort to expedite the collection of utility bills, this division has been working with the Finance Department in establishing an electronic payment system. This will allow for direct electronic payment of County water and sewer bills. This is the most requested service by our customers. A contract will be finalized in FY 2006, and this program will be administrated by Citizens Bank.

An additional staff position was allocated in FY 2005 to allow for the dedication of an employee to concentrate on the collection of delinquencies. The division has developed a program that includes a telephone and letter-writing campaign aimed at boosting water and sewer collections. All delinquent accounts that are more than two years old will have liens placed on them and may be subject to Sheriff's Sale. With the amount of turnover in the coastal area and the reduced interest rates on mortgages, lenders are requiring that all utilities be satisfied prior to transfer. This has been beneficial in allowing us to keep our delinquent amounts low. In a one-year period, we have seen a reduction of 36 percent in the number of properties that have liens placed on them because of outstanding utility bills. In March 2004, 469 accounts had delinquent liens. As of March 2005, there are only 300 properties with delinquent liens.

The Utility Billing Division will accomplish the following objectives during budget year 2006:

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

24. **ENGINEERING – UTILITY CONSTRUCTION DIVISION**

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

Director – Robert C. Green

1 Construction Coordinator

2 Planning Technician III

2 Utility Construction Technician III

8 Utility Construction Technician II

8 Utility Construction Technician I

1 Permits Technician II

1 CAD Technician II

1 CAD Technician I

1 Secretary II

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The Utility Construction Division is responsible for working with the Planning and Permits Division and Engineering Administration in the

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

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

The proposed FY 2006 budget allows funding for 26 employees for this division. This is an increase of 50 percent over FY 2003.

In addition to the County expansion to existing sewer districts and the new sewer districts that are being built, the division is responsible for Ordinance No. 38 oversight, as well as Ordinance No. 657. We have received no requests for subdivisions being built outside of existing sewer districts which require compliance with Ordinance No. 657. The division is also averaging over 1,700 requests per month for utility locations as part of the Miss Utility program. This service will continue to expand as we construct more utility lines.

Funding will be allocated in FY 2006 for the purchasing of four new vehicles. These vehicles will replace older models that are constantly in need of repair. The retirement of higher mileage vehicles will result in maintenance savings and will be safer for the employees.

The Utility Construction Division will accomplish the following objectives during budget year 2006:

- ✓ ***Maintain a line of communication with the public during construction projects***
- ✓ ***Maintain as-built records***
- ✓ ***Assist in Miss Utility locations***

- ✓ *Provide value engineering recommendations for construction cost reductions*
- ✓ *Provide plan review and inspection of construction for Ordinance No. 38 projects and Ordinance No. 657 projects*
- ✓ *Assist in land acquisition for Airport expansion*
- ✓ *Assist in acquisition of easements and rights of way for utility construction*

25. ENGINEERING – PUBLIC WORKS DIVISION

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$549,068	\$731,917	\$489,486	\$726,172	\$1,611,917

These costs do not include Solid Waste.

Director – I. Thomas Baker III

1 Assistant Director

1 Construction Coordinator

1 Private Roads Coordinator

5 Public Works Technician II

1 Public Works Technician I

1 Secretary II

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

As a result of the amount of plans that we are receiving under Ordinance No. 99 and Ordinance No. 110, it is necessary for this division to outsource plan reviews with a private contractor. This review time is also being impacted because of the number of applications. The director of this division, the County Engineer, and the County Administrator have met with developers to

explain our situation. The developers understand that we will do review as quickly as possible, but because of the workload there may be time delays.

During FY 2006, the Public Works Division will implement suburban community improvements for three projects. Staff has recently met with the communities to prioritize the construction improvements. These communities are Bayside Hamlet, Holly Oak, and Lochwood.

Public Works Division employees are responsible for performing maintenance and assisting the County engineering consultant with the sampling of groundwater and central water system facilities located adjacent to the County's Bridgeville, Anderson Crossroads, Omar, Angola, Laurel, and Stockley landfills. These sites are owned by the County government and were operated as household waste landfills during the '70's and '80's. Although these landfills have been inactive for over 17 years, they still remain a large potential financial liability to the Sussex County government. County staff is required to constantly monitor the closed sites in an attempt to reduce illegal dumping and trespassing that takes place on the sites. Funding has been appropriated in FY 2006 to allow for the consulting firm of Roy F. Weston to provide technical support and assistance in developing site remedial work. The consultant and staff will work closely with the Department of Natural Resources and Environmental Control (DNREC) to ensure compliance with the Memorandum of Understanding for the Comprehensive Landfill Closure Project.

In response to DNREC's letter of February 9, 2005, Sussex County must now perform landfill gas investigations at the five landfills regulated under Memorandum of Understanding No. 2. This will require the compilation of a work plan for DNREC's review and approval. It is expected that the perimeter of each landfill must be tested using a landfill gas analyzer to determine that no landfill gas is migrating off of the property. Various points will be sampled over an eight-hour period. Each air sample will be tested for the presence of volatile organic compounds. It is anticipated that the testing program will indicate no significant impacts are occurring from landfill gas. The estimated cost is \$50,000.

At the recommendation of Roy F. Weston, the Public Works Division will complete the acquisition of property adjacent to the Anderson Crossroads Landfill and the Stockley Landfill. The County Council had previously given approval of acquiring this property. Funding has been appropriated in FY 2006 to allow for the purchase of land adjacent to the Angola Landfill.

It should be mentioned, however, that the County has not been immune to increased land costs. Every effort will be made to purchase this land at a reasonable cost.

Currently, there are 15 communities that have participated in the Streetlighting Program as permitted under Sussex County Code, Section 95. It is anticipated that one additional community will be added to this program in FY 2006. The Public Works Division will be reviewing this process to see if there is any possibility of streamlining. The current billing process will also be reviewed to investigate the possibility of including cost sharing for all properties, not just those that are developed.

The proposed FY 2006 budget allows for the hiring of two additional staff members to help ease the workload for this division.

The Public Works Division will accomplish the following objectives during budget year 2006:

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

26. LIBRARY SERVICES

Library services in Sussex County consist of 11 independent libraries and three County-managed libraries, a bookmobile service, book delivery service, Literacy Program, and Library Administration [see Addendum 12]. The total expenditure for library services in Sussex County for both independent and County libraries totals \$4,133,967 for FY 2006.

The proposed FY 2006 budget allows for the capitation tax that is collected by the County's Treasury Division to be allocated as an expenditure for the 11 independent libraries. The County Council voted unanimously at a public meeting in January 2005 to direct the Budget Committee to channel these resources to the independent libraries for the next five budget years. By authorizing this income to be directed to the independent libraries over multiple years, it will allow the independent libraries to do long-range planning. Every full-time Sussex County resident over the age of 21 is required to pay \$3.00 annually as part of the capitation tax. It is projected in FY 2006 this income will generate \$225,750 for the local libraries.

The capitation tax is one of four sources of funding awarded to the local libraries. The Budget Committee is pleased that all of these funding resources will increase during FY 2006. The library tax income will increase five percent, General Fund grant-in-aid will increase five percent, and the mobile home placement tax will increase five percent. The County Council should take pride in the fact that library funding has increased over 200 percent in the last ten years.

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

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

Library Administration

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$530,039	\$597,376	\$605,017	\$951,671	\$714,631

County Librarian – Carol H. Fitzgerald

1 Assistant County Librarian

1 Librarian III

1 Systems Administrator

1 PC Technician II

1 PC Technician I

1 Cataloger-Librarian I

1 Library Assistant III

1 Library Assistant II

1 Librarian

1 Accountant

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

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

The Sussex County Librarian is responsible for general administration and overseeing the budgeting, accounting, and consulting for the County-operated libraries. The Sussex County Librarian exercises general direction over the County libraries and the bookmobile. The librarian is responsible for administering the County library system that provides every resident free and equal access to services and resources and guidance in their use. The County-operated libraries, in addition to the bookmobile, include the South Coastal Library located in Bethany Beach, Greenwood Library, and Milton Library.

The Budget Committee believes the key factor in accomplishing the department's mission is its personnel. Library work requires professional training and expertise in much the same way as other specialized departments. To continue to upgrade the salaries and recruit and retain qualified personnel, a two percent across-the-board salary increase is recommended, in addition to the annual cost of living increase. Job descriptions have been revised to reflect the responsibility and tasks required of staff. These descriptions reflect the impact of technology on job functions.

The proposed FY 2006 budget allows for funding for the Library Department to improve its technical efficiency. Tools and computer software that will be purchased during FY 2006 will allow the department to do work remotely, as well as provide staff with the tools that will make them more effective in troubleshooting and managing the more than 200 personal computers that are spread between the local and County libraries.

As a result of the expansion of the Milton Library, it will be necessary to assign a full-time custodian to that location. In addition, there is going to be a need for more custodial service for the Greenwood Library. Although they may not need a full-time custodian, it appears that we may be able to share a custodian with Library Administration and the Greenwood Library.

The Delaware Department of State is funding the startup of a new automated system that will integrate the automated systems of Sussex County, Kent County, and Delaware Technical & Community College libraries. The Delaware Archives will also participate in the automated system. SIRSI has been selected as the vendor, with an anticipated startup date in the second quarter of FY 2006. This new system will require changes in the procedures and new standards for cataloging and database management.

During FY 2006, the Department of Libraries will work with the Engineering Department in developing a plan to finish the meeting facilities on the second floor and reorganize staff room areas on the first floor of the Milton Library. Additionally, there will be a need to rehabilitate and remodel a portion of the original building.

Once the Engineering Department has received a draft of the South Coastal Library building program, they will work with the Department of Libraries to select an architect for building expansion. Funds for the design phase of the project have been proposed in the Governor's FY 2006 Bond Bill.

During FY 2006, we will begin holding planning workshops for the expansion of the Greenwood Library. It does not appear at this time that the existing facility will have adequate room for expansion. Investigations will have to take place to look for a suitable location if we are going to relocate the facility. One Hundred Fifty Thousand Dollars (\$150,000) has been allocated in the FY 2006 budget toward this project.

Bookmobile

<u>Actual FY '02</u>	<u>Actual FY '03</u>	<u>Actual FY '04</u>	<u>Budget FY '05</u>	<u>Budget FY '06</u>
\$106,038	\$118,298	\$136,505	\$152,076	\$160,930

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

The Sussex County Bookmobile continues to be an excellent cost-effective outreach vehicle for the Sussex County government that currently has 71 stops. These stops include senior centers and day care centers that would not have library service without the bookmobile.

Circulation of materials is another illustration of the growth of the County. Patron visits have increased continually for the last five years. The Hollinet database access that was developed for the bookmobile in FY 2005 will again be funded in the current year. The installation of this service has been beneficial to patrons in obtaining materials in a timely manner.

The bookmobile collection of popular and recently published materials in a variety of formats is equal to that of the stationary libraries. During FY 2006, library staff will identify additional locations to expand services to. The staff will engage in community activities and form partnerships with other community organizations.

Milton Library

<u>Actual FY '02</u>	<u>Actual FY '03</u>	<u>Actual FY '04</u>	<u>Budget FY '05</u>	<u>Budget FY '06</u>
\$399,647	\$440,617	\$330,393	\$444,993	\$470,757

Director – Mary C. Hopkins
1 Library Assistant III
4 Library Assistant II
1 Part-Time Library Page
Telephone: (302) 684-8856 Fax: (302) 684-8956
E-mail: mhopkins@hollinet.lib.de.us

FY 2006 will be the first full year of operation of the newly expanded local library. The Budget Committee believes that the Milton Library will be a focal point for revitalization of the entire downtown area of Milton. The library is a busy hub of activities for adults and children. This facility gives patrons access to information in both printed form and on the Internet, services for local library needs, community activities, and tutoring, as well as a learning library for reading for pleasure.

During FY 2006, Milton Library staff will provide cultural and educational programs for all ages. Staff will continue to build and maintain collections in subject areas of local interest and develop orientation materials for new patrons.

The Budget Committee is concerned that \$35,000 has to be budgeted for insurance. Because of the building being located adjacent to the Broadkill River, it is important that the County purchase flood insurance. This cost makes up 7.4 percent of the library's total spending.

As I stated earlier, the Engineering Department will assist in developing plans for finishing the second floor to allow for a community meeting room.

South Coastal Library

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$393,330	\$462,787	\$447,211	\$488,734	\$546,223

Director – June E. Moran
2 Librarian I
2 Library Assistant II
1 Library Assistant I
6 Part-Time Library Assistants
1 Building Maintenance Supervisor
Telephone: (302) 539-5231 Fax: (302) 537-9106
E-mail: jmoran@hollinet.lib.de.us

The South Coastal Library, which is located in Bethany Beach, remains the most active of all libraries in Sussex County based on the lending of materials. The South Coastal Library will continue to provide materials and

serve in a variety of formats to fulfill strategic plan objectives for lifelong learning and general information. Reference materials will be continuously updated. Funding has been allotted to allow for the purchase of young adult and children computer programs to improve skills. It is the goal of the staff of the South Coastal Library to expand adult programming and establish a Young Adult Advisory Board. Cultural and educational programs will be provided for patrons of all ages.

As stated earlier, the Engineering Department will assist in the selection of an architect to start the design of the expansion of the South Coastal Library facility during the new budget year.

Greenwood Library

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$188,444	\$242,765	\$279,218	\$317,644	\$355,318

Director – Patricia L. Brown
1 Library Assistant III
3 Library Assistant II
1 Part-Time Library Page
Telephone: (302) 349-5309 Fax: (302) 349-5284
E-mail: pbrown@hollinet.lib.de.us

The Greenwood Library experienced a 35 percent increase in materials circulation in FY 2004 over 2003. Although much is said about the growth of eastern Sussex County, percentage-wise western Sussex County is starting to feel the impact. The staff of the Greenwood Library provides a very meaningful cultural and educational program center for the community.

The staff will hold planning workshops with the general public to assist in developing an expansion program for the building facility. It is important that during FY 2006 a decision is made on site location for the new project. Currently, \$375,000 is available in the Capital Improvements Program from the County Council. The State of Delaware will be asked to match this amount. The Budget Committee believes every effort should be made to try to keep the facility as close to the center of town as possible.

Literacy Program

Costs for the Literacy Program are included in Library Administration.

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

The Literacy Coordinator has been assisting in staff education and has provided outreach services to the Crisis House and Northport.

Library Delivery Service

Costs for this program are included in Library Administration.

The proposed FY 2006 budget allows for the County Council to contract with Brooks Courier, Inc., to continue to provide delivery services. The cost of this program is increasing approximately two percent annually. However, when you consider the cost of gasoline and increased benefits, this has become a very cost-effective program. By contracting with the private sector, delivery days are not missed as a result of sick or vacation time, and there is even a savings since the County does not have to buy a replacement vehicle every three years. The cost of this service is paid entirely by the County's General Fund and is another example of a service being provided to the independent libraries without charging for the service.

Library Services will accomplish the following objectives during budget year 2006:

- ✓ ***Provide library services for all Sussex County residents and visitors***
- ✓ ***Maintain the automated system and monitor for security issues***

- ✓ *Provide consulting services for independent libraries and boards by Library Administration*
- ✓ *Provide training opportunities for staff through appropriate classes, workshops, and conferences*
- ✓ *Work cooperatively with the State to complete the Statewide Standards Plan*
- ✓ *Provide delivery services to all libraries*
- ✓ *Provide meaningful cultural and educational programs*
- ✓ *Expand the user base of the County's literacy programs*
- ✓ *Develop plans for expansion of the South Coastal and Greenwood libraries*
- ✓ *Develop plans for completing the second floor addition to the Milton Library*
- ✓ *Staff will maintain membership in appropriate State and national organizations*
- ✓ *Expand youth and adult programs*

27. ECONOMIC DEVELOPMENT AND INDUSTRIAL AIRPARK

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$387,747	\$383,265	\$391,173	\$429,194	\$481,313

Director – Stephen T. Masten, Sr.
1 Development Planner
1 Clerk III Technician
Telephone: (302) 855-7770 Fax: (302) 855-7773
E-mail: smasten@sussexcountyde.gov

The responsibilities of the Economic Development Office include the promoting and development of new and existing businesses in Sussex

County, and expanding and diversifying the economy and employment base of the County. The department is responsible for recruiting businesses on a countywide basis, to include tenants for the industrial parks. Industrial park recruitment includes the Seaford and Selbyville industrial parks, in addition to the Sussex County Industrial Airpark located in Georgetown.

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

American Association of Airport Executives
American Planning Association
Caroling on The Circle
Charles Mills Boulevard Initiative
Core Net Global Summit
Delaware Aviation Hall of Fame
Delaware Economic Development Council
Delaware Population Consortium
Delmarva Advisory Council
Delmarva Economic Development Association
Delmarva Water Transport Committee
Greater Georgetown Chamber of Commerce
Greater Seaford Chamber of Commerce
Historic Georgetown Association
Northeastern Economic Developers Association
Southern Delaware Tourism Commission
Sussex County Today and Tomorrow Conference

Funding will be provided in the FY 2006 budget to allow the Economic Development Office to continue to disseminate demographic information to businesses, individuals, and communities as requested. This information is very beneficial in allowing the private sector to make decisions on expansion and relocation, as well as being beneficial to local governments in obtaining the necessary information to provide for grant funding.

The Sussex County Airport will once again be a focal point for business activities in the County. During FY 2005, the County government was successful in attracting expansion of an existing business—PATS Aircraft, LLC. PATS Aircraft, LLC, relocated their corporate office from Columbia, Maryland, to the Industrial Airpark. This resulted in 40 new jobs with an annual payroll over \$2 Million. This relocation is a result of the County Council agreeing to purchase an existing building and establishing a lease/purchase agreement with the occupant. The Budget Committee believes we would be able to attract more employment to the area if the County had existing facilities. The FY 2006 budget allows for the building of a major hangar if we should be able to attract a new business or encourage existing businesses to expand.

Activities at the Airport with additional users are increasing on an everyday basis. The Economic Development Office will continue to promote the Airport and utilization of the Terminal Building to attract more users.

The Budget Committee is pleased that the County is experiencing steady diversified growth in other industries. Significant other businesses located in the County include the Invista Nylon Plant in Seaford, Vlastic Foods, Inc., in Millsboro, and M & T Bank in Millsboro. M & T Bank operates a call and consumer loan processing center employing approximately 400 employees. Other food processing companies include Sea Watch International in Milford, Eastern Shore Poultry in Georgetown, and Burriss Foods, Inc., in Milford. Barcroft Company, a pharmaceutical producer, is located in Lewes, Caulk Dentsply is a manufacturer of dental products in Milford, Intervet produces poultry vaccine in Millsboro, and Shoffner Industries manufactures roof trusses at the Sussex County Industrial Airpark.

A more recent fastgrowing industry in Sussex County is retail outlets. Along a two-mile stretch of Route 1 between Lewes and Rehoboth Beach there are approximately 140 outlet stores offering products such as clothing, tools, shoes, books, stereo equipment, food, kitchen supplies, camping equipment, restaurants, and even cooking spices and hot peppers. These outlets have become a year-round attraction for out-of-state residents, especially those who are attracted by reasonable prices and tax-free shopping. The outlet center is the largest on the Delmarva Peninsula and is the sixth largest in the nation.

Tourism is also an important industry in Sussex County. Tourism is responsible for employing over 7,700 people in Sussex County, according to the Sussex County Tourism Office. Tourism has an economic impact of \$420 Million annually.

During FY 2006, the Economic Development Office will relocate from their current facility at the West Complex on North DuPont Highway in Georgetown to the Airport Terminal. The Budget Committee believes it would be advantageous to have the Economic Development Office located at the Airport and would be beneficial as a point of contact for potential businesses that may be passing through the Air Terminal.

The Economic Development Office will work closely with the Engineering Department in attempting to provide a good Airport/neighbor program with the residents that live in the vicinity of the Airport. With expansion of the runways and acquisition of land in the vicinity of the Airport, it would be very beneficial for the Economic Development Office to give up-to-date information to the Georgetown community as the County government continues to prepare its expansion program for the Airport.

In addition to the Capital Improvements Program allowing for the possibility of a spec building facility, funding will also be appropriated for repaving of the roads at the Industrial Park. This phase of repaving the main thoroughfare will begin in the first quarter of FY 2006.

The Economic Development Office will accomplish the following objectives during budget year 2006:

- ✓ *Develop alternative funding for the Airport and Industrial Park expansion*
- ✓ *Provide demographic inquiries in a prompt manner to both the public and private sector*
- ✓ *Continue to assist existing businesses to assure business retention*
- ✓ *Provide potential businesses with information regarding educational opportunities, as well as availability of suitable sites*
- ✓ *Update and audit all existing leases at the Industrial Airpark*

- ✓ *Promote the Economic Development Stimulus Loan Program with local governments*
- ✓ *Maintain regular lines of communication with local municipalities and the State of Delaware Economic Development Office as to the latest economic development trends*
- ✓ *Serve as a point of contact for residents who may be impacted by the Airport expansion*

28.FACILITIES MANAGEMENT

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$1,396,384	\$1,478,771	\$1,444,302	\$1,753,467	\$1,900,279

Facilities Manager – Ray W. Webb

- 1 Carpenter III**
- 1 Electrician II**
- 1 Heating and Air Conditioning Mechanic**
- 1 Mechanic III**
- 2 Mechanic II**
- 1 Maintenance Worker III**
- 4 Maintenance Worker II**
- 1 Maintenance Worker I**
- 1 Custodial Supervisor**
- 1 Painter II**
- 6 Security Guards**
- 2 Part-Time Security Guards**
- 4 Custodians**
- 1 Clerk III**
- Telephone: (302) 855-7840 Fax: (302) 855-7749**
- Airport Maintenance: (302) 855-7837**

The Facilities Management Department is responsible for maintaining all County buildings and grounds, including the Industrial Park, County libraries, County West Complex, and County Administrative Building. Additionally, the staff of Facilities Management is responsible for making

sure that all facilities are safe and accessible during inclement weather such as snowstorms.

During FY 2006, the Facilities Management Department will be responsible for the relocation of the County's Economic Development Office to the Airport Terminal and relocating the Public Works Division to the West Complex. Funding in the capital budget will allow for the paving of an additional parking area south of Pine Street.

The FY 2006 budget will mark the tenth anniversary of the County government's move from the Courthouse to the current facility. With hundreds of visitors a day using the facility, it is important that the Facilities Management staff allow the facility to maintain a high level of user-friendliness. Funding will be allowed in the capital budget for the replacement of carpet and major painting and upgrading of restroom facilities. For many people this facility provides them with their first encounter of County government and it is important that we maintain this facility properly.

Facilities Management will accomplish the following objectives during budget year 2006:

- ✓ ***Continue to maintain all County facilities in a neat, clean, and safe manner***
- ✓ ***Upkeep and maintenance of all grounds and roads for the Airport/Industrial Park***
- ✓ ***Provide custodial services for all three County-operated libraries***
- ✓ ***Completion of expansion of the parking lot for the Administrative Building on The Circle in Georgetown***
- ✓ ***Resurfacing of roads for the Industrial Airpark***
- ✓ ***Maintain 205 County-owned vehicles in a safe and efficient manner***

29.CONSTITUTIONAL OFFICES

Constitutional offices include the Clerk of the Peace, Recorder of Deeds, Register of Wills, and Sheriff. All of these offices are managed by an

elected official, although the County government is responsible for their financial accountability. It is essential that the elected officeholders coordinate the management of these offices with the County Administrator. Expenditures for these offices for FY 2006 are projected to total \$2,419,376. This is an increase in expenditures for these offices over the FY 2005 budget of 6.25 percent.

Clerk of the Peace

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$93,285	\$122,380	\$104,994	\$122,172	\$134,425

Clerk of the Peace – George S. Parish

1 Deputy

1 Clerk III Technician

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

E-mail: abesche@sussexcountyde.gov

The Clerk of the Peace is responsible for issuing **State marriage licenses**, the performance of civil ceremony marriages when requested, and providing the general public with copies of marriage certificates. The Clerk of the Peace is one of the constitutional offices that must seek County government subsidies to operate. Projected FY 2006 expenses are \$134,425, with income projected at \$42,000. To make up for the \$90,000+ shortfall, wedding licenses would have to be increased to approximately \$108 each. The Budget Committee is not currently recommending that we increase the cost for this State license.

It should be noted that the Sussex County Clerk of the Peace is not the only Clerk of the Peace that runs a deficit. For example, the proposed FY 2006 New Castle County budget projects their department to have costs of \$423,116, with an income of \$141,500. Kent County's proposed budget calls for a cost of \$179,400 for the Clerk of the Peace, with projected income of only \$34,000.

During FY 2006, the Budget Committee will work with the Clerk of the Peace in investigating other alternative charges. For example, New Castle and Kent County both charge a \$20.00 fee for the utilization of their

facilities for weddings. Any changes that would be made in the fee structure of the Clerk of the Peace would have to be in the form of an ordinance revision, with the County Council voting after a public hearing has been held.

Funding has been appropriated in the FY 2006 budget to allow for reimbursement of travel expenses for the Clerk of the Peace. In the past, the Clerk of the Peace has not been reimbursed for mileage. The Clerk was responsible for this cost, which at times may have been offset by donations that were given to him for performing ceremonies. In FY 2006, the incomes will be given to the County's General Fund and the Clerk will be compensated as other County employees for his expenses.

The Clerk of the Peace will accomplish the following objectives during budget year 2006:

- ✓ *Maintain a 24-hour telephone hotline for information*
- ✓ *Perform civil ceremony marriages*
- ✓ *Provide ceremonial wedding certificates upon request*
- ✓ *Maintain all records in a computerized system*
- ✓ *Schedule wedding ceremonies at the County facility when available*
- ✓ *Review the fee structure for the department*

Recorder of Deeds

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$823,391	\$943,167	\$1,194,925	\$1,308,739	\$1,370,958

Recorder of Deeds – John F. Brady

1 Deputy

1 Operations Manager

1 Clerk IV Supervisor

1 Financial Clerk Teller III

7 Clerk III Technicians

3 Clerk II Data Entry

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

E-mail: pfausnaught@sussexcountyde.gov

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

The Recorder of Deeds provides an excellent service to the State of Delaware in collection of the realty transfer tax. The Deeds Office collected \$39.7 Million for the State during FY '04. This is a 152 percent increase in income for the State of Delaware since FY 2001 when the State collected \$15.8 Million.

The growth of the County is also evident in the Recorder of Deeds Office. The number of documents handled is increasing weekly. The Recorder of Deeds will attempt in FY 2006 to return all documents within six weeks of filing. Forty Thousand Dollars (\$40,000) will be appropriated in FY 2006 to allow the staff of the Recorder of Deeds Office to work overtime during the week and on weekends to keep up with the high demand of increased property transfers. Although the real estate industry may not be happy with this turnaround time, the Budget Committee believes, once again, it would be better to be accurate than to rush and have errors.

Currently, the Recorder of Deeds Office leases computer equipment to include monitors and laser printers. During FY 2006, funding will be made available to hire a consultant to develop a bid document that would allow this department to purchase their equipment. Although the cost of the purchase may exceed \$250,000, long-term there would be a cost savings for the County government. The County Council will be made aware of any plans to view the equipment and the purchase will require Council approval.

The Recorder of Deeds will accomplish the following objectives during budget year 2006:

✓ ***Assist the general public with requests for information***

- ✓ *Timely and efficient recording and indexing of documents*
- ✓ *Proficiently accounting and distributing appropriate fees and taxes to the proper organizations*
- ✓ *Reduce the amount of time in returning filed documents*
- ✓ *Provide training assistance to the general public in the use of new monitors and laser printers*
- ✓ *Investigate the possibility of terminating the lease on equipment, resulting in purchase*

Register of Wills

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$194,903	\$227,563	\$284,496	\$300,569	\$355,356

Register of Wills – Howard A. Clendaniel

1 Chief Deputy

1 Deputy

2 Clerk II Data Entry

2 Clerk II

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

E-mail: hwilkins@sussexcountyde.gov

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

During FY 2005, an additional employee was added to the department to assist in the refileing of documents that were being taken out by the general public. It is important that these documents be refiled properly. The misplacing of these documents during public handling could cause problems for researchers.

The Register of Wills will accomplish the following objectives during budget year 2006:

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

Sheriff's Office

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$351,499	\$383,827	\$409,623	\$545,626	\$558,637

Sheriff – Robert L. Reed

6 Deputies

1 Deputy Dispatcher

1 Office Manager

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

E-mail: sheriff@sussexsheriff.com

The Sheriff's Office is located in the County's West Complex on North DuPont Highway in Georgetown. The office is responsible for the serving of legal notices, the transporting of State prisoners, and the sale of real estate.

During FY 2006, the Sheriff's Department will implement the second phase of their computer system upgrade project for continued enhanced performance to ensure quality control. It is the goal of this project to save manpower/time in keeping updated records more efficiently and accurately. The Budget Committee is concerned that as activities for the Sheriff's Department increase, so do the costs.

Although the Sheriff's Department salaries are based on a 40-hour workweek, it has been necessary for them to work overtime. The Sheriff's Department has been made aware that all record-keeping of personal time must be submitted to the Personnel Department, and overtime and compensatory time will not be recognized if it is not submitted to the Personnel Department.

Additionally, the Sheriff has been made aware that he can purchase vehicles and equipment through the State bidding process. The Budget Committee

has not included funding for FY 2006 for purchasing an additional vehicle. Funding that was made available in 2005 will be encumbered to allow for this expenditure. If the Sheriff chooses not to purchase a vehicle that is on State contract, a formal bid process must take place and the County Council must approve the authorization.

The Sheriff's Office will accomplish the following objectives during budget year 2006:

- ✓ *Complete implementation of computer system to assist in reducing manpower and time in updating records efficiently and accurately*
- ✓ *Ensure the proper processing of all court related documents*

- ✓ *Transport of State prisoners safely and efficiently*

- ✓ *Cross-train deputies to assist with clerical office functions*

- ✓ *Process all sales in a timely and professional manner*

30. COMMUNITY DEVELOPMENT AND HOUSING

County Contribution

<u>Actual</u> <u>FY '02</u>	<u>Actual</u> <u>FY '03</u>	<u>Actual</u> <u>FY '04</u>	<u>Budget</u> <u>FY '05</u>	<u>Budget</u> <u>FY '06</u>
\$101,532	\$146,899	\$145,595	\$183,557	\$212,856

Director – William C. Lecates

1 Rehabilitation Specialist II

3 Rehabilitation Specialist I

1 Secretary II

Telephone: (302) 855-7777 Fax: (302) 854-5397

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The primary responsibility of the Community Development and Housing Division is to provide annual grants and loans to finance housing rehabilitation, community facilities, and public works improvements that serve low- to moderate-income residents in Sussex County. The proposed FY 2006 budget indicates that the department will manage \$1,643,000 in

housing assistance from five sources of loans and grants: (1) Community Development Block Grant for FY 2006 - \$1,168,000; (2) FmHA Housing Preservation Grant - \$25,000; (3) Delaware State Housing Loan Program - \$150,000; (4) Sussex County Government Community Development Funding - \$200,000; and (5) HUD HOME Program - \$100,000.

The Budget Committee is quite concerned that President George W. Bush's proposed Federal budget calls for the elimination of Community Development Block Grants. This would be very devastating to the low- to moderate-income residents of Sussex County. In addition to letters being sent to our congressional representatives, letters have also been sent to The White House in support of this program. As of March 1, 2005, 58 senators have signed on to a letter sponsored by the Delaware Association of Counties asking that this program be reinstated. Loss of Federal funds for this program would require a total reorganization of this department.

For the second consecutive year, the Budget Committee is recommending that funding be made available to assist the Community Development and Housing Division to allow for emergency assistance. One Hundred Thousand Dollars (\$100,000) will be made available for this program. This will be beneficial in helping those who are not on the three-year waiting list who have severely inadequate housing conditions.

The Budget Committee is also recommending \$100,000 be awarded to the Department that would be in the form of grants to help community organizations that assist in housing acquisition. For example, in FY 2005 \$50,000 was made available to Habitat for Humanity. As a result of this funding being awarded by the County Council, a house is currently under construction for a low-income family in the Town of Milton.

In FY 2006, the Director of Community Development will continue to investigate a program to help develop an affordable housing concept. The director will be meet with both the private and public sector to try to develop a much-needed program.

During FY 2006, Community Development and Housing staff will again assist municipalities in obtaining Community Development Block Grant funding. Current funding for FY 2006 public hearings have already taken place. The cost of administrating the grants for the towns will be absorbed by the County government and with administrative costs that are eligible

under the grant program. Towns requesting assistance from the County in FY 2006 are:

Bridgeville – Housing Rehab (5)
Coverdale Crossroads – Housing Rehab (8)
Dagsboro – Water Hookups (100)
Frankford – Housing Rehab (5)
Georgetown – Housing Rehab (5)
Laurel – Housing Rehab (5)
Milford – Housing Rehab (8)
Milton – Housing Rehab (5)
Rural Ellendale – Housing Rehab (5)
Countywide – Housing Rehab (28)
Countywide – Wastewater Hookups (16)

The Community Development and Housing Division will accomplish the following objectives during budget year 2006:

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

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

31. APPROPRIATED RESERVE

The proposed FY 2006 budget has a funding recommendation from the Budget Committee in the amount of \$11.4 Million for the Appropriated Reserve account. This funding is made available from revenue expenditure savings from the FY 2004 budget. The Budget Committee is recommending the following contributions:

Airport Clear Zone Project	\$ 1,200,000
CHEER Capital Programs	50,000
Community Improvements	425,000
Community Development Fund Projects	200,000
Easter Seals	250,000
Emergency Operations Center Capital Costs	1,200,000
Indian River Senior Center (Millsboro)	25,000
North Coastal Sewer Planning Study	682,000
Landfill Closure Costs	350,000
Library Expansion Projects – Greenwood & South Coastal	300,000
Open Space – Land Trust & Agriculture Preservation Funding	1,442,209
Pension Fund Contributions	850,000
Primeros Pasos	25,000
Property Tax Credit	2,000,000
Revenue Sharing – Local Law Enforcement	525,000
Sewer Project Grants	1,772,881
University of Delaware Agriculture Extension Service	100,000
YMCA	<u>25,000</u>
TOTAL	<u>\$11,422,090</u>

The Budget Committee would caution the dependency of receiving funding under this program. The FY 2006 contribution is an eight percent reduction over FY 2005. This funding is only made available as long as the County continues to finish in a positive cash position. Under existing County ordinances, the only commitment that is required is ten percent of the fund to the Sussex County Land Trust. The Budget Committee does believe that this program is an excellent way of returning funding back to the taxpayers. This funding should not be used for continuing costs, such as salaries or operating of the County government on a daily basis. The Budget Committee believes that as long as we do not fund salaries and operations, taxes would not have to be raised if this funding source is reduced or eliminated in the future.

32. CAPITAL IMPROVEMENTS

The proposed FY 2006 Capital Improvements Budget is very important in dealing with the growth and the environment of Sussex County. As the population continues to increase and we see more intense development, it is vital that the County government has an achievable and dependable Capital Improvements Budget. During FY 2006, it is projected that expenditures for the Capital Improvements Budget will be \$54,104,100. The five-year projection indicates spending to be \$194,195,600 [see Addendum 11].

Capital Improvements Projects for FY 2006 include the following:

- **Airport Expansion**
- **Wastewater Expansion and Upgrading**
- **Library Expansion**
- **Emergency Operations Center**
- **Building Expansion**

Funding for Capital Improvements Projects will be provided from the following sources of incomes:

- **Capital Improvements Property Tax**
- **Realty Transfer Tax**
- **State Grants**

- **State Loans (SRF)**
- **Federal Grants**
- **Appropriated Reserve Grants**
- **System Connection Fees**
- **Developer Contributions**
- **User Fees**

The proposed FY 2006 Capital Improvements Budget addresses not only the demand of growth, but must also monitor the need for continuing to upgrade existing infrastructure. The expansion and upgrading of the wastewater infrastructure will be discussed in the “Water and Sewer Districts” section of this letter.

The Budget Committee would remind the County Council to keep in mind that the 2006 Capital Improvements Program cost projections are based on 2005 dollar values. The Budget Committee has found that it is difficult to make usable expense and revenue projections for five years because of outside influences. Fuel increases, material increases, and lack of available contractors and workforce all influence the final cost. The County Administrator and Finance Director meet with the Engineering Department on a monthly basis to monitor the need to revise cost projections. When necessary, the County Council is updated in public meetings. It has been the Budget Committee’s experience that delaying projects because current bids exceed projected estimates may not always be cost-effective or possible.

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

33. WATER AND SEWER DISTRICTS

The County’s water and sewer facilities consist of Inland Bays, Piney Neck, South Coastal, and Wolfe Neck. They are staffed as follows:

- 1 Director of Operations**
- 1 Director of Maintenance**

5 Pump Technicians
15 Equipment Operators
8 Electricians
13 Maintenance Workers
6 Wastewater Operators
1 Purchasing Agent
15 Mechanics
1 Water and Sewer Communications Specialist
3 Secretaries
3 SCADA Technicians
1 Safety Coordinator
8 District Managers
1 Purchasing Supervisor
2 Project Engineers
1 Contract Technician

Inland Bays Regional Wastewater Facility

District Manager, 1st in Charge – Al Goepel
Telephone: (302) 947-0864 Fax: 947-0115
E-mail: agoepel@sussexcountyde.gov

Piney Neck Wastewater Facility

District Manager – Holly Webb
Telephone: (302) 732-9540
E-mail: hwebb@sussexcountyde.gov

South Coastal Regional Wastewater Facility

Director of Operations – Heather L. Sheridan
Director of Maintenance – Steve Hudson
Telephone: (302) 855-7730 Fax: (302) 539-0981
E-mail: hsheridan@sussexcountyde.gov

Wolfe Neck Regional Wastewater Facility

District Manager, 1st in Charge – Karlyn Cate

Telephone: (302) 644-2761 Fax: 644-2763
E-mail: kcate@sussexcountyde.gov

The Budget Committee is once again recommending subsidies for the sewer districts. The Budget Committee believes that much of the additional revenue that the County is receiving primarily from the realty transfer tax is a result of new development, and that providing additional funding for the sewer districts would be beneficial in making the projects affordable, acceptable, and provide a level of protection for the environment. The proposed FY 2006 subsidies for the sewer districts total \$5,922,881. It is recommended that \$1,772,881 will be from the Appropriated Reserve, which, as stated earlier, is a result of revenue savings from the FY 2004 budget [see Addendum 5], and \$4,150,000 will be appropriated in the new FY 2006 budget from the realty transfer tax. The funding will be made in the form of grants and zero interest loans. This funding has been instrumental in allowing the County government to deal reasonably with the rate of growth that we are currently experiencing. Without funding assistance from the County government, many of these projects would either have to be abandoned or increased.

For the first time in many years, the Budget Committee is recommending an increase in the wastewater bills for the operations and maintenance portion of the sanitary sewer bill. The wastewater utility user's bill is comprised of an operations and maintenance portion and a front foot assessment portion. The service charge for the operations and maintenance portion will increase from a low of \$7.88 annually for the Long Neck Sanitary Sewer District to a high of \$18.83 annually for the Henlopen Acres Sanitary Sewer District. With increasing costs for fuel and chemicals, it is necessary to increase these rates. For comparison purposes, it is my understanding that Kent County is raising their wastewater rates 15 percent and New Castle County is raising their rates an average of 36 percent. Long Neck users will see an average increase of 1.7 percent, with Henlopen Acres at a high of 3.8 percent annually.

The proposed 2006 budget does allow for the continuation of a uniform operations and maintenance cost for the water and sewer districts utilizing the South Coastal Regional Wastewater Facility. The uniform rate for FY 2006 for operations and maintenance will be \$204.86. This is a \$9.76 increase over FY 2005. The wastewater districts utilizing the South Coastal Regional Wastewater Facility are:

Bethany **South Bethany** **Fenwick Island**
Holts Landing **Miller Creek**

The Engineering Department's Operations and Maintenance Division, consisting of 85 employees, is responsible for the operation of the Inland Bays Regional Wastewater Facility, South Coastal Regional Wastewater Facility, Wolfe Neck Regional Wastewater Facility, and the Piney Neck Wastewater Facility. Staff is required to maintain 591 miles of collection and transmission lines valued at \$161,298,096, 276 pump stations, and 103 grinder pump stations. The annual operating budget that is required for Operations and Maintenance, including debt service, for the sanitary sewer districts totals \$27,682,537. This is a 12.4 percent increase over the operating and debt service costs for FY 2005, another example of the growth.

In March of 2004, the County was providing service to 47,703 equivalent dwelling units. As of March 2005, this number totals 50,066 equivalent dwelling units. This is a 4.9 percent increase in just one year.

FUTURE SERVICE AREAS

- | | |
|------------------------------|-----------------------------|
| - Angola | - Pinetown |
| - Bay View Estates | - Sea Country Estates |
| - The Greens of Indian River | - South Ocean View |
| - Miller Creek | - Delaware Avenue |
| Extension/ | |
| - Millville | Dagsboro-Frankford Sanitary |
| - Oak Orchard | Sewer District |

The proposed **Angola Sanitary Sewer District** is located in the North Coastal Planning Area. The Engineering Department is currently studying the sewer needs of the area, with the assistance of Whitman, Requardt & Associates, a private consulting firm. The Angola area is located in the Inland Bays Watershed that is recognized as an environmentally sensitive development area in the Sussex County 2002 Land Use Plan. Existing developments in the service area are experiencing trouble with on-site wastewater systems. Additionally, there is development pressure on other parts of the proposed district.

It is projected that wastewater from the Angola area will be treated at the Inland Bays Wastewater Facility. The sewer plan study is expected to be completed in the first quarter of FY 2007.

The **Bay View Estates Sanitary Sewer District** boundaries only include the Delaware portion of the Bay View Estates subdivision. The Bay View Estates subdivision is divided by the Delaware and Maryland state line. Engineering Department plans allow for the connection of homes that are located in Worcester County. However, at this time the Worcester County government is not ready to create a sewer district. Upon completion of an agreement to service this area as developed, it will be presented for County Council approval.

Wastewater from the area will be pumped from the subdivision to an existing regional pump station at the intersection of County Road 381 and State Route 54. It will then be pumped to the South Coastal Regional Wastewater Facility where it will be treated.

The Bay View Estates project has been combined with the Sea Country Estates project. A construction contract was awarded on June 15, 2004, to E.D.W. McGinn, general contractor of West Chester, Pennsylvania, for this work. Construction is anticipated to be completed in the second quarter of FY 2006.

The Bay View Estates portion of this project is currently estimated at \$4.1 Million, which includes legal, administrative, engineering, and all related costs. The Sussex County Council approved a grant in the amount of \$100,000 to be shared with Sea Country Estates in the FY 2005 budget. The County Council may grant additional consideration in FY 2006 from the Wastewater Contingency Fund that has been established. The County Administrator and Finance Director will monitor the cost of the expense of construction during FY 2006.

The Greens of Indian River subdivision will be incorporated into the expansion of the Holts Landing Sanitary Sewer District. The developer of the adjacent subdivision, Ellis Point, contacted the homeowners of The Greens of Indian River about routing their wastewater connection through The Greens subdivision. In return for this easement, Ellis Point would build and pay for pipelines that pass through The Greens. Ellis Point will be required to build the remaining pipelines in The Greens so that all property

owners will have access to sewer service by being provided the individual connection at each home at the street right of way.

The Greens of Indian River subdivision cost for this project has been financed through a loan approved by the County Council in the FY 2005 budget. Property owners will repay the County Council for this loan through front foot assessment charges. All pipelines will be designed and constructed to County specifications, and the County will be responsible for maintenance upon completion.

The total estimate for this project is currently projected at \$1,822,000. The developer of Ellis Point will be responsible for paying \$422,000 and the County will provide the balance from the loan that has been approved of \$1,400,000. The final rates for this project will not be determined until all construction costs have been received. The Budget Committee believes that by contracting with the private sector in constructing the infrastructure for The Greens of Indian River, the cost for the property owners will be kept at a minimum. Over 70 percent of the homeowners in this subdivision will benefit from the 100-front-foot assessment cap.

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

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

Current project costs are estimated at \$9,747,500. During FY 2006, the Engineering Department will work with Whitman, Requardt & Associates,

LLP, on the design of the project. It is anticipated construction will start the second quarter of FY 2006.

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

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

During budget year 2006, the Engineering Department will combine working with the private developers to construct a portion of the system. It is the goal of the Engineering Department to work with the private developers in reducing the construction cost of this system, which will result in a savings for the homeowners in the district. Two major developer-funded projects are underway in the Millville Expansion area, with a third to be started in May of 2005. The status of these projects is as follows:

Pump Station No. 1 – Construction of a regional pump station and related facilities that will serve the Holts Landing and Millville areas is underway. Completion is expected in the second quarter of FY 2006.

Pump Station No. 2 – The major interceptor in County Road 349 and the pumping station and pipelines that will serve portions of County Road 350 are under design by Whitman, Requardt & Associates. This project also includes the design of the collection system which will serve Whites Creek Manor, an existing subdivision. The Engineering Department is contemplating bidding this work as a separate project. Design of all of the facilities is expected to be completed in the second quarter of FY 2006.

Route 26 – The design of the interceptor for Route 26 will be started by Whitman, Requardt & Associates in the first quarter of FY 2006.

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

The original estimate that was used to calculate the cost for the district in December of 2002 was \$8,383,507. To date, four contracts have been awarded for this project. Current engineer estimates project construction costs to be \$9.2 Million. There is still a portion of the project that must be bid. A portion on the south side of Road 312 had been delayed because of potential historic artifacts. The Engineering Department is working with the State of Delaware Historic Planner to try to mitigate this situation. Because of the potential cost for removing the artifacts, the project may be scaled back.

During FY 2005, the County Council approved a zero interest loan in the amount of \$800,000 to the district. The Budget Committee is recommending an additional \$200,000 be made available if needed. The Budget Committee believes it is important that this project be delivered to the users at the rate that they were quoted at the time of the referendum.

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

An early engineer's estimate for this project was \$429,275. Bids were received in the second quarter of FY 2004 that were 111 percent above the engineer's estimate. In view of the fact that only two bids were received and their amounts were excessively high, the County Council rejected all bids. The Engineering Department is performing value engineering on the design in an attempt to reduce costs.

The Engineering Department is currently working with the developer of an adjacent property to provide a convenient connection for the Pinetown system to the existing West Rehoboth Expansion system, which will eliminate a proposed pumping station and force main. This should result in

a cost savings to the users. The Engineering Department will continue to work on this project when the adjacent infrastructure has progressed far enough to provide a connection for the pipelines for Pinetown. It is estimated that the connection may be available the third quarter of FY 2006.

The proposed FY 2006 budget does not propose that any additional funding be granted at this time. The County Council has approved \$425,000 in the form of a grant from past budgets.

The **Sea Country Estates Sanitary Sewer District** boundaries include the Sea Country Estates subdivision and the adjacent single-family home. Originally, wastewater from the area was to be pumped from a subdivision to the existing regional pump station at the intersection of County Road 381 and State Route 54. A connection, however, was provided through the new Americana Bayside subdivision that eliminated a pump station. It was estimated that the result is a savings of \$375,000. Wastewater from the area will be treated at the South Coastal Regional Wastewater Facility.

The construction work for this project was bid at the same time as the Bay View Estates Sanitary Sewer District construction. It is anticipated that the Sea Country Estates portion of this project will be \$684,000. Currently, it is anticipated that the construction will be completed in the second quarter of FY 2006.

The Budget Committee is recommending an additional \$300,000 be awarded in the form of a grant to help with the cost for both Sea Country Estates and Bay View Estates.

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

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

collected at a new regional pumping station at Bear Trap Dunes and pumped to the County's existing South Coastal Regional Wastewater Facility for treatment.

Currently, the project is estimated to cost \$8 Million. During FY 2006, the Engineering Department will work with the engineering consultant, Whitman, Requardt & Associates, LLP, in designing the system. Construction is anticipated to start in FY 2007.

A new project for FY 2006 is the **Delaware Avenue Extension for the Dagsboro-Frankford Sanitary Sewer District**. This project is south of the Town of Frankford on County Road 54A. The County will be extending sewer to 13 properties. The project includes a railroad crossing, 930 feet of gravity pipeline, and 520 feet of small diameter force main with five grinder pumps. The cost of this project is currently estimated at \$298,000.

The new sewer service areas illustrate the continued growth of the County. These projects total \$54.6 Million.

In preparation of providing for the growth of wastewater services through the year 2025, Engineering Administration will be involved with nine planning studies. These studies are:

- (a) **Expansion of the Blades Sanitary Sewer District**
- (b) **Fenwick Island Sanitary Sewer District Route 54 Capacity Study**
- (c) **Wolfe Neck Plant Expansion – Ocean Outfall**
- (d) **Wolfe Neck Plant Expansion – Land Acquisition**
- (e) **Piney Neck Plant Expansion – Land Acquisition**
- (f) **Inland Bays Plant Expansion – Land Acquisition**
- (g) **South Coastal Area Planning Study Update**
- (h) **Town of Dagsboro Internal Collection Review**
- (i) **North Coastal Planning Area**

The Budget Committee believes it is important that the County continue with a vigorous Capital Improvements Program and planning studies. Not only must the Engineering Department allow for expanded users, they must

also maintain the current 13 service areas. Currently, there are 11 vacancies that must be filled during FY 2006 in the Operations and Maintenance portion of Engineering-Water and Sewer. Those vacancies are:

<i>1 Project Engineer</i>	<i>1 Electrician</i>
<i>1 District Manager</i>	<i>1 Electrical Technician</i>
<i>1 Contract Technician</i>	<i>2 Equipment Operators</i>
<i>1 Wastewater Operator</i>	<i>3 Mechanics</i>

The Budget Committee is also proposing to add nine new positions in FY 2006. Those positions are:

- 1 Contract Administrator*
- 1 Accountant*
- 2 Project Engineers*
- 1 Planning and Permits Assistant Director*
- 2 Public Works Technicians*
- 1 Planning and Permits Technician*
- 1 Planning and Permits Technician Coordinator*

As a result of having a strong financial position, the Budget Committee is pleased that we continue to provide assistance in funding studies, capital expansion, and operations. The proposed FY 2006 budget calls for a contribution of \$5,922,881 to the sewer districts; \$4,150,000 will be made available from the grants budget and \$1,772,881 from the Appropriated Reserve. The program that was established to provide assistance has been beneficial in making projects more affordable. Since the implementation of this program in FY '99, the County Council has awarded \$29,098,381. It will be very beneficial to users, future Councils, and the environment if the County Council continues to provide some additional funding.

The development of central sewer for Sussex County should be looked at as a marathon and not a sprint. This is best illustrated by the fact that our facilities and employees have received State, national, and international recognition in maintaining and operating our wastewater facilities.

The proposed FY 2006 budget allows for the County to continue to provide wastewater service for ten municipalities in Sussex County. Not only are we providing the administration and operations and maintenance, we are also planning for expansion as we see additional growth in the municipalities.

The municipalities that are receiving wastewater service from Sussex County are:

Bethany Beach	Fenwick Island
Blades	Frankford
Dagsboro	Henlopen Acres
Dewey Beach	Ocean View
Ellendale	South Bethany

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

The **Dewey Beach Water District** annual bill will increase to \$266.61. This is an increase of 2.83 percent for FY 2006. This is the first time in ten years that this rate has been increased.

The County government is responsible for maintaining the water tower and service lines to the users of the Dewey Beach Water District. Because of increased contracts for water service that the district purchases from the City of Rehoboth, each user will see an increase of \$7.34 annually. The proposed budget does not anticipate any new users to the district.

The Budget Committee is recommending a grant of \$115,000 to help pay for the purchase of water from the City of Rehoboth. During FY 2006, it is anticipated that the water district will pay the City of Rehoboth \$350,000 for water supply.

The **Dewey Beach Sanitary Sewer District** average annual bill will increase to \$308.43 for FY 2006. This is a four percent increase over FY 2005, which reflects a \$12.16 cost annually.

County employees are responsible for the collection and transmission of wastewater for the Dewey Beach Sanitary Sewer District to the City of Rehoboth treatment plant. During FY 2006, the Dewey Beach District will pay the City of Rehoboth \$470,000 for wastewater treatment services.

Funding has been allowed in the FY 2006 budget for the upgrading of the communications system to a spread spectrum radio for Pump Station 6. This will allow the Maintenance Division greater freedom and reliability in interfacing with the pump station. Funding has also been appropriated to

allow for installing generator transfer switches and standardizing portable generator electrical plugs and receptacles. By standardizing these connections, this will allow for a quicker and safer response by the O&M Division during long power outages.

The **Blades Sanitary Sewer District** will have an annual charge of \$327.76 for FY 2006. The \$11.58 increase is a 3.66 percent increase over FY 2005.

The Operations and Maintenance staff of the County is responsible for collection and transmission of wastewater for this district. The City of Seaford, through a contractual agreement with the County, provides treatment. The district's contribution to the City of Seaford during FY 2006 will be \$90,000.

The City of Seaford continues to receive numerous requests for expanded services. The Budget Committee is recommending a grant of \$100,000 under the Appropriated Reserve for a planning study. The County's \$100,000 will be matched by the State of Delaware. This \$200,000 will allow for a study to look at upgrading the existing service area, as well as expansion to allow for new users. Additional users to this district will be beneficial in helping to maintain reasonable sewer service charges.

Funding has been appropriated in the new budget to allow for fencing of Pump Station 64.

The **Dagsboro-Frankford Sanitary Sewer District** will have an average annual bill of \$415.82 for FY 2006. This is a 2.71 percent increase. This calculates to \$10.97 annually. This is the first time that the service charge for the Dagsboro-Frankford Sanitary Sewer District has increased since 1996.

During FY 2006, the Engineering Department will conduct two studies for the Dagsboro-Frankford Sanitary Sewer District. A large-scale development has been proposed for the Dagsboro-Frankford area. The proposed number of units will overwhelm the existing wastewater system if constructed. Additionally, the Piney Neck area east of the Town of Dagsboro is coming under development pressure. This is one of the few remaining unsewered areas along the Indian River shoreline. There is also existing development in the area. No previous studies have reviewed the development growth or the environmental needs of the area. A study should be prepared to assess

the existing and future needs of the sewer district and the surrounding region. This will be beneficial in allowing the Engineering Department to develop a long-range plan for addressing those needs.

In addition to studying the sewer district areas, it is also pertinent that we evaluate the Piney Neck Regional Wastewater Facility. A complete review of the wastewater facility is necessary to identify potential expansion options, which includes evaluating the land that the County Council approved for purchase in FY 2005.

The Budget Committee is recommending \$450,000 be awarded for the wastewater treatment plant study and the sewer district planning study. The State of Delaware will provide \$100,000 through the Wastewater Facilities Advisory Council Regional Planning Grant Program.

The proposed FY 2006 budget allows for the purchasing of chemical feed pumps and uniforming the electrical connection for the generators for five pumping stations.

The **Bethany Beach Sanitary Sewer District** will have an average annual bill for wastewater service for FY 2006 of \$249.02. This is a 4.08 percent increase over FY 2005. The average annual bill will increase \$9.76. The Bethany Beach Sanitary Sewer District operations and maintenance rate is \$204.86. This is a uniform rate for all of the districts and sub-districts that utilize the South Coastal Regional Wastewater Facility.

Funding has been recommended by the Budget Committee for upgrading the communications system to a spread spectrum radio for Station 48 which will allow the Maintenance Division greater freedom and reliability in interfacing with the pump station.

Funding has been appropriated to allow for the rehabilitation of 1,875 feet of 24-inch sewer pipe along Route 26 and into Bethany West. This is the second phase of this project. The initial phase of the project repaired eight-inch sewer line in the South Bethany Sanitary Sewer District and 1,170 feet of 24-inch concrete line in Bethany Beach.

The **South Bethany Sanitary Sewer District** will have an annual cost for wastewater service for FY 2006 of \$246.11. The service charge for

operations and maintenance increased \$9.76. This is a 4.13 percent increase over FY 2005.

Funding has been appropriated by the Budget Committee to allow for upgrading the communications system to a spread spectrum radio for Pump Stations 49 and 59. As was true with the other districts, this will give the Maintenance Division greater freedom and reliability in interfacing with these pump stations.

The **North Bethany Sanitary Sewer Sub-District** will have an average annual charge for FY 2006 of \$1,044.16. This is less than a one percent (0.94) increase for the district over FY 2005. The new service charge for FY 2006 will be \$9.76 annually.

Because there is very little growth to this district, the cost of operating and maintaining sewer service continues to increase. The Budget Committee has chosen not to recommend a subsidy to the district in FY 2006. Only 28 percent of these homes are primary residences.

The **Fenwick Island Sanitary Sewer District** will have an average annual cost of \$300.76 for FY 2006. The 3.35 percent increase will result in a cost of \$9.76 annually.

The Budget Committee is recommending funding to allow for the replacement of generators at Pump Stations 31 and 32. This will allow for the Maintenance Division to replace generators that were installed in 1980 and have become very difficult and costly to maintain.

The Maintenance Division will install generator transfer switches and standardize the portable generator plugs and receptacles for Pump Stations 34, 35, 36, 37, 55, and 56.

Funding has also been allowed in the amount of \$60,000 for the rebuilding of Pump Station 31 and the purchase of an additional spare pump.

The Budget Committee is recommending a \$250,000 grant from the Appropriated Reserve for two studies. The County has recently received a draft report that was prepared for the Route 54 corridor. This study identifies concerns regarding capacity along Route 54 from Route 1 to County Road 381. It was determined that some improvements may be

required in the next three to five years. To verify the findings of the study, the report recommends that we perform flow monitoring during the summer season to verify the estimated flow data. The Engineering Department believes this is essential to accurately depict when and if improvements are necessary.

In addition to the flow study, a second study will provide for the selection and design of additional transmission facilities to accommodate ultimate flows from the Derrickson Creek area. This work will be done under two contracts—planning and design. The first contract will be completed in the first quarter of FY 2006. This information will be helpful with the completion of the Route 54 design study to determine exactly what will be necessary for the district.

The **Henlopen Acres Sanitary Sewer District** will have an annual charge of \$517.51 for FY 2006. The 3.78 percent increase will cost the users \$18.83 annually.

The Operations and Maintenance staff of the County is responsible for maintaining the collection and transmission lines for this district. The City of Rehoboth is responsible for the treatment of the wastewater and its discharge. During FY 2006, the district will pay the City of Rehoboth \$55,000.

It will be necessary during FY 2006 to allow for the Engineering Department to replace the digital controls and upgrade the communications system to a spread spectrum radio for Pump Station 50.

The **West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District** will have an annual cost of \$621.30. The 1.65 percent increase for the average user will cost \$10.10 annually.

The West Rehoboth Expansion District will be the biggest beneficiary from the reduction of front footage with a cap of 100 feet. In FY 2005, 637 users benefited from this program. The Council agrees that with a cap of 100 feet, 1,340 users will benefit. This is 45 percent of the residential users that will benefit in having a front foot cap of 100 feet.

The Budget Committee is recommending funding to allow for replacing the digital controls and upgrading the communications system to a spread spectrum radio for Pump Stations 228, 229, 231, 232, and 233. Pump Station

201 will have a reserve pump purchased and the station will be rebuilt, along with the rebuilding of the No. 2 Pump at Pump Station 210. Treatment and disposal equipment will have to be purchased to allow for the replacement of irrigation rig tires, irrigation rig center drive motors and gearbox motors, along with the rebuilding of the aerator. The equipment storage building that had been funded through previous budgets will have electrical power installed during FY 2006.

The Engineering Department will work with County Administration to continue to investigate the expansion of the Wolfe Neck Facility. Funding under the Appropriated Reserve has been allocated as part of the North Coastal Planning Area Study. Additionally, the County will be meeting with the City of Rehoboth as the City investigates their expansion needs.

The **Long Neck Sanitary Sewer District** will have an annual average cost for FY 2006 of \$480.71. The 1.67 percent increase will cost the users \$7.88 annually.

During FY 2006, the Operations and Maintenance Division will purchase three 5-horsepower pumps, rebuild three 3-horsepower grinders and three 5-horsepower grinders, replace pumps and controls at Pump Stations 147 and 151, eight generators will be converted for uniform electrical connections, and check valves will be replaced for Pump Station 80.

During FY 2006, work will continue into the investigation of the expansion of the Inland Bays Regional Wastewater Facility. The Inland Bays Regional Wastewater Facility was originally designed to serve the Long Neck Sanitary Sewer District. With the creation of the Oak Orchard Sanitary Sewer District, the facility will be expanded. The Budget Committee is recommending a grant of \$233,500 to help toward the debt service for the land that was purchased to allow for the expansion. Whitman, Requardt & Associates will provide a preliminary report to include a planning study and environmental assessment.

The **Sussex Shores Sanitary Sewer Sub-District**, which is part of the Bethany Beach Sanitary Sewer District, will have an annual bill for FY 2006 of \$476.18. This is a 2.09 percent increase over FY 2005. The increase will cost the users \$9.76 annually.

The **Ocean Way Estates Sanitary Sewer Sub-District** of the Bethany Beach Sanitary Sewer District will have an annual rate of \$478.76. This is a 2.08 percent increase over FY 2005. The additional cost to the users will be \$9.76 annually.

The **Holts Landing Sanitary Sewer District** will have an annual bill for FY 2006 of \$594.16. This is a 1.67 percent increase over FY 2005. This increase will cost the users \$9.76 annually.

During FY 2006, the Engineering Department will continue to upgrade the collection system. This system was installed by a private utility company prior to the County Council assisting the users in the purchase of this system from the private utility company. During FY 2005, pumping stations were upgraded. County staff during FY 2006 will continue to improve the septic tanks that are part of the collection system.

The **Cedar Neck Sanitary Sewer District** will have an annual cost of \$552.62 for FY 2006. This is a 1.8 percent increase over FY 2005. The users will have an increase of \$9.76 annually.

One hundred twenty (120) residential homes will benefit from the County Council's approval of capping the front footage at 100 feet. This is an increase of 43 users who were capped at 125 feet in FY 2005.

The **Ellendale Sanitary Sewer District** will have an annual cost of \$428.70. Sewer service for the Ellendale Sanitary Sewer District is the only rate that did not increase during FY 2006. The Budget Committee is recommending continuation of a grant of \$175,000 from the Appropriated Reserve. The New Market Village manufactured home park, which is a sub-district, annual rate will also remain at its current cost. The average annual user will pay \$557.84.

The primary reason that the rates are not increasing in the Ellendale Sanitary Sewer District is because of a commitment from the County Council at the time the referendum was approved for the district of \$175,000 annually for a ten-year period. This will be the third year of the commitment. Eighty-Five Thousand Dollars (\$85,000) of the \$175,000 will be used toward the operations and maintenance of the district. The balance of the funding (\$90,000) will be used toward debt service.

As part of the County Council's commitment to provide wastewater service to the year 2025, the **South Coastal Regional Wastewater Facility** (SCRWF) will continue with expansion during FY 2006. The first phase of the expansion has been completed. The biosolids that are a byproduct of the treatment service have been converted from that of land applied liquid Class B biosolids to that of a Class A distributable biosolids product. The County has been recognized by the Department of Natural Resources in that this conversion is a proactive step in migrating toward a program that will allow for the movement of a phosphorous rich soil amendment away from farm tracts that have excesses of phosphorous to those that can accept this vital nutrient. The biosolids have been classified by the commercial name of "South Coastal Blend." This product can effectively be used as a liming material for renovating pastures, athletic fields, golf courses, and other grassy areas. The South Coastal Blend can be an excellent material used for establishment of new lawns. It should be applied at recommended rates, based on soil texture and ph, and incorporated into the soil approximately two to three inches. Other uses for the product include liming material for hay crops and field crops such as corn, soybeans, wheat, and barley.

During FY 2006, the SCRWF Ocean Outfall will have to be inspected by an outside consultant. The ocean outfall was constructed in 1997. The outfall consists of 30-inch coated steel pipe, 6,670 feet long, and extends one-and-one-quarter miles into the Atlantic Ocean. The entire pipeline will be videoed to ensure that there are no flaws in the outfall.

The second portion of the expansion is currently underway. In January of 2005, the County Council awarded a contract to C. O. Falter Construction Company of Syracuse, New York, in the amount of \$15,201,101.

During FY 2006, the third phase of the expansion will include the construction of new offices and work area and upgrading of the existing facility. It is projected to cost \$2.5 Million. The Budget Committee is recommending \$1,265,000 be awarded as a grant from the Appropriated Reserve. This is half of the cost of construction for a new facility. Additional consideration for funding will be given in FY 2007.

The Capital Improvements Program projects that the total expansion for SCRWF will be \$22.6 Million.

For the second consecutive year, the Budget Committee is recommending a grant from the Appropriated Reserve to the South Coastal Utility Distribution Account for the purchasing of vehicles. The FY 2006 contribution will be \$728,000. This funding will be used toward the purchasing of transportation equipment for all of the sewer districts' benefit. This equipment includes:

1 - 1-Ton Van for Electricians

1 - 4x4 Extended Cab Pickup with Utility Body for Operations and Maintenance Mechanics

2 - 4x4 Extended Cab Pickups for Operations and Maintenance

1 - 4x4 Extended Cab Pickup for Wastewater Plant Operators

1 - Extended Cab Pickup for Maintenance Workers for Operations and Maintenance

1 - 4x4 Crew Cab Pickup with Utility Body for Equipment Operators

1 - Dump Truck

1 - Backhoe

1 - Sewer Line Maintenance Vacuum Truck

4 - Pickup Trucks for Utility Construction

The system connection charges for FY 2006 are recommended by the Budget Committee to increase approximately five percent, except for the Ellendale Sanitary Sewer District and the Blades Sanitary Sewer District, which will have a greater system connection charge increase.

Miller Creek will remain at \$1,559 for all structures currently in the district. At the time the district was approved, Council gave a commitment to leave the system connection charge for existing facilities until June 30, 2003. However, any new improvements that currently do not exist in the district will have a connection fee of \$2,589 per equivalent dwelling unit.

New improvements built within the Ellendale Sanitary Sewer District will have a system connection charge of \$6,307 effective July 1. This is an

increase from FY 2005 when the system connection charge was \$4,377. The primary reason for this increase is because the Town Council of Georgetown has increased the fee that the district has to pay for capacity. The Town of Georgetown provides treatment for the waste that is transmitted to their treatment plant from Ellendale to Georgetown. The Town is imposing a fee of \$2,945 in FY 2006 compared to \$1,177 in FY 2005.

The Blades Sanitary Sewer District system connection charge will increase from \$2,252 per equivalent dwelling unit (EDU) to \$2,542 per EDU effective July 1. The wastewater from the Blades Sanitary Sewer District is treated by the City of Seaford. The City of Seaford has imposed a fee of \$1,749 for new EDU's. The new fee is \$990.00 for an impact fee and \$759.00 for a capacity fee. The County has no alternative but to pass this charge along to new users in the district.

It should be kept in mind that the system connection charges are required to allow us to continue to expand to deal with the growth. These fees are not paid by existing users. The people who are requiring the need for expansion are the ones who must absorb the cost. An article that appeared in Engineering News Record in March of 2005 stated, **“Oil prices near record levels are helping inflation spread from steel and other commodities to petroleum based products.”** The article went on to say, **“Higher oil prices are just starting to show up in some construction materials. BLS [Bureau of Labor Statistics] reported a 1.5% increase in asphalt paving prices in January, with prices now 6.2% higher than a year ago. Plastic construction products now cost 7.6% more while insulation prices rose 10% during the same period.”** All of these factors are outside the control of the County's finances. It is important that we maintain a system connection charge that will allow us to continue to expand and upgrade our current facilities. If we do not continue with this program, the burden may have to be carried by existing users.

The Budget Committee would recommend that the County Council allow for an increase in the system connection charges as follows:

**SUMMARY OF SYSTEM CONNECTION CHARGES
JULY 1, 2005 – JUNE 30, 2006**

FY '05 Total System	Proposed FY '06 Total System
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Charge/ <u>District</u>	Connection Charge/ <u>EDU</u>	Connection <u>EDU</u>
	Dewey Beach Water	\$ 755
793 Dewey Beach Sewer	\$2,718	
\$2,855		
Bethany Beach Sewer	\$3,219	\$3,382
	FY '05	Proposed FY '06
	Total System	Total System
	Connection Charge/	Connection
Charge/ <u>District</u>	<u>EDU</u>	<u>EDU</u>
South Bethany Sewer	\$3,219	\$3,382
Fenwick Island Sewer	\$3,464	\$3,640
Blades Sewer	\$2,252	
\$2,542		
Henlopen Acres Sewer	\$2,718	\$2,856
Long Neck Sewer	\$2,783	\$2,924
Dagsboro-Frankford Sewer	\$4,990	
\$5,242		
West Rehoboth Sewer	\$3,537	\$3,716
Holts Landing Sewer (Existing)	\$2,464	
\$2,589		
Holts Landing Sewer (Extensions)	\$4,268	
\$4,484		
Holts Landing Sewer (Septic)	\$1,884	\$1,979
Ocean View Expansion	\$3,219	\$3,382
Miller Creek Sewer (Existing Imp. 6/30/03)	\$1,559	\$1,559
Miller Creek Sewer (New Imp. After 6/30/03)	\$2,464	\$2,589
Ellendale Sewer	\$4,377	\$6,307

(New Imp. After 1/1/05- Extensions After 6/30/04)		
Cedar Neck Sewer (New Imp. After 6/30/03)	\$3,219	\$3,382
Cedar Neck Sewer (Existing Imp. Until 7/22/05)	\$2,159	\$2,159
North Millville Expansion (New Imp. After 6/30/03)	\$4,224	\$4,438
North Millville Sewer (Existing Imp. 6/30/03)	\$2,300	\$2,300
Oak Orchard Sewer \$1,540 (Long Neck Treatment/ New Imp. After 2/1/01)	\$1,466	
	FY '05 Total System Connection Charge/ <u>District</u>	Proposed FY '06 Total System Connection <u>EDU</u>
Bay View Estates (Existing Imp. 6/30/05)	-0-	\$1,650
Bay View Estates (Extension to District)	-0-	\$4,582
Sea Country Estates \$1,650 (Existing Imp. 6/30/05)	-0-	
Sea Country Estates \$3,640 (Extension to District)	-0-	

(Note: EDU means "Equivalent Dwelling Unit")

I believe that the FY 2006 budget will allow for the County government to continue to deal with the growth in population that we are continuing to experience. The proposed budget allows for increased funding for wastewater infrastructure, public safety, and library services while not increasing the property tax. The budget has been formulated to allow for the County Council to provide a

25 percent reduction in property taxes for the County Council's portion of the General Fund operations.

The \$5.9 Million that the County Council is providing will be beneficial in allowing for the continued upgrade and expansion of wastewater services. This funding is beneficial in minimizing any increases that the users may experience. The proposed funding is not only beneficial for the current budget, but will be beneficial for future Councils and wastewater users. A large portion of the general population of the County gives little thought to the service that the County employees provide. I can only describe it as similar to your digestive system—as long as it's working, you don't give it a second thought.

The proposed Capital Improvements Budget will once again have projects that will not be dependent on property taxes for support. To the greatest extent possible, all new private development activity costs should be self-supporting so that they impact the least on the existing residents of the County.

Public safety continues to be an area of concern. With \$17.5 Million being provided in FY 2006, this allows for expanded funding to the fire service, an additional paramedic unit, and four more additional state police. The proposed 2006 budget requires the hiring of 16 additional employees—two for the general operations of the County, nine for Engineering, and five for the Paramedic Program. There is a concern, however, that currently we have 21 vacancies. It is important that these vacancies also be filled. One of those positions is in Finance Administration, one in Emergency Communications, 11 in Engineering, and eight paramedics.

The Budget Committee would encourage the County Council to continue to maintain a Rainy Day Fund of \$10.2 Million. Although the Budget Committee believes that the proposed budget will adequately address the financial needs for the new year, I would be remiss if I did not mention the fact that there are other programs that we may soon have to take into consideration, the first being dog control. Governor Ruth Ann Minner's FY 2006 State Budget calls for the start of the transfer of those responsibilities to the County. This could have an impact of almost \$500,000 over the next two years. The second program that is being proposed at the State level is stormwater utility. Although the program would call for utility user fees, there could be administrative costs and startup fees in excess of six figures. Additionally, as the population continues to grow, residents may look to the County for other services such as parks and recreation programs. Land

acquisition and recreational management costs could also affect the County's operating expenditures.

The County's total grant-in-aid package for FY 2006 is \$10 Million. The funding each year continues to grow. I would offer caution to the County Council to realize that we cannot cure all of the short-funding ills in this State. The recommendations that have been made for funding are primarily for capital expenditures. I would caution against funding other organizations' operations unless they are for public safety services. Funding for annual costs will eventually impact the County's finances and cause ill will when funding has to be reduced or eliminated for nonprofit agencies.

The Budget Committee believes that the personnel package that is being offered for FY 2006 is adequate. The employees will receive a two-and-a-half percent cost of living adjustment July 1 and two percent January 1, 2006. The second increase is contingent on revenues and expenditures staying within projected estimates. The total four-and-a-half percent adjustment should allow employees to keep ahead of inflation. An article printed in The News Journal, Business Section, on April 4, 2005, stated the United States inflation rate, as measured by the Consumer Price Index, over the last 12 months, ending February 2005, was three percent. This compares to the same time period last year of 1.7 percent. The Budget Committee would like to remind employees that the County government offers excellent pension and health benefits. Both of these programs are provided without any employee match. Most businesses and many private sector employers offer minimum health benefits, with the employee paying for increased services, and most employers require an employee to contribute toward their pension. The Budget Committee's recommendation for both the pension and healthcare benefits will ensure that both of these programs will remain solvent.

As I stated at the beginning of this letter, the theme of the FY 2006 budget is **Growth Continues** . . . I foresee this growth continuing at least for another five years. We really do not have any indicators to show that there will be a slowing. An article that was published by Kiplinger News Service on March 22, 2005, recognized Delaware as the most affordable state for retirees. Currently, there isn't any level of government that is discouraging this growth from continuing. Many towns in Sussex County comprehensive land use plans include annexation and expanded town boundaries and services to allow for higher densities. The State of Delaware encourages retirees to relocate by offering a 50 percent reduction up to \$500.00 in school taxes for residents over the age of 65. There are also State income tax benefits for retirees. I believe these are all

indicators of why the County must continue with an aggressive Capital Improvements Budget, a sufficient Rainy Day Fund, and an austere Grant-in-Aid Program.

The Budget Committee believes that the Capital Improvements Program is as important as the General Fund budget. The long-term planning and financing of the infrastructure is going to be necessary to sustain the growth of the County. During FY 2006, \$54.1 Million of programs will take place. It is important that we obtain the necessary staff, consultant assistance, and funding to allow this program to continue through 2010, totaling \$194,195,600.

I would be naïve to think that there will not be critics of the FY 2006 budget. There will be those who will say that we are not doing enough, and on the other hand there will be those who will say we are giving too much away. However, with all of the statues that have been placed in Washington, D.C., I take satisfaction in knowing that no one has ever erected a statue for a critic.

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 that is scheduled to be held the evening of Tuesday, June 14, 2005.

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

Sincerely,

Robert L. Stickels
County Administrator

RLS/sww