

Sussex County's Fiscal Year 2015 Budget



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Council Presentation
May 20, 2014

SUPPORTING SERVICES WITH A SUSTAINABLE BUDGET

2015 Budget Highlights

- * No change in County property tax rate
 - * Average County tax for single-family home - \$107.97 or \$0.30 per day
 - * Average County tax for a manufactured home - \$44.66 or \$0.12 per day
- * Reduced staffing levels – 1 less position
- * General Fund is up \$1,808,000
 - * \$3 million from FY2014's anticipated surplus
- * Continue to fund critical public safety grants
 - * Fire and Ambulance services – \$3.4 million
 - * Local Law Enforcement - \$575,000
 - * State Police – \$2.0 million for 44 additional State Troopers
- * Total library funding – \$4.6 million
- * Governmental capital plan without general fund debt - \$7.1 million
 - * 37% for airport projects
 - * Increase funding through Realty Transfer Tax

Total Budget

Expenditures	Fiscal 2014	Fiscal 2015	Percentage Change
General Fund	\$50,136,848	\$51,944,586	3.6%
Capital Projects Governmental Fund	9,873,020	7,095,985	(28.1%)
Enterprise Funds	33,616,598	34,418,057	2.4%
Capital Projects Enterprise Fund	17,911,000	14,335,000	(20.0%)
Fiduciary Funds	6,182,744	9,515,975	53.9%
Total	\$117,720,210	\$117,309,603	(0.3%)

General Fund

Fiscal Year 2015 Budget

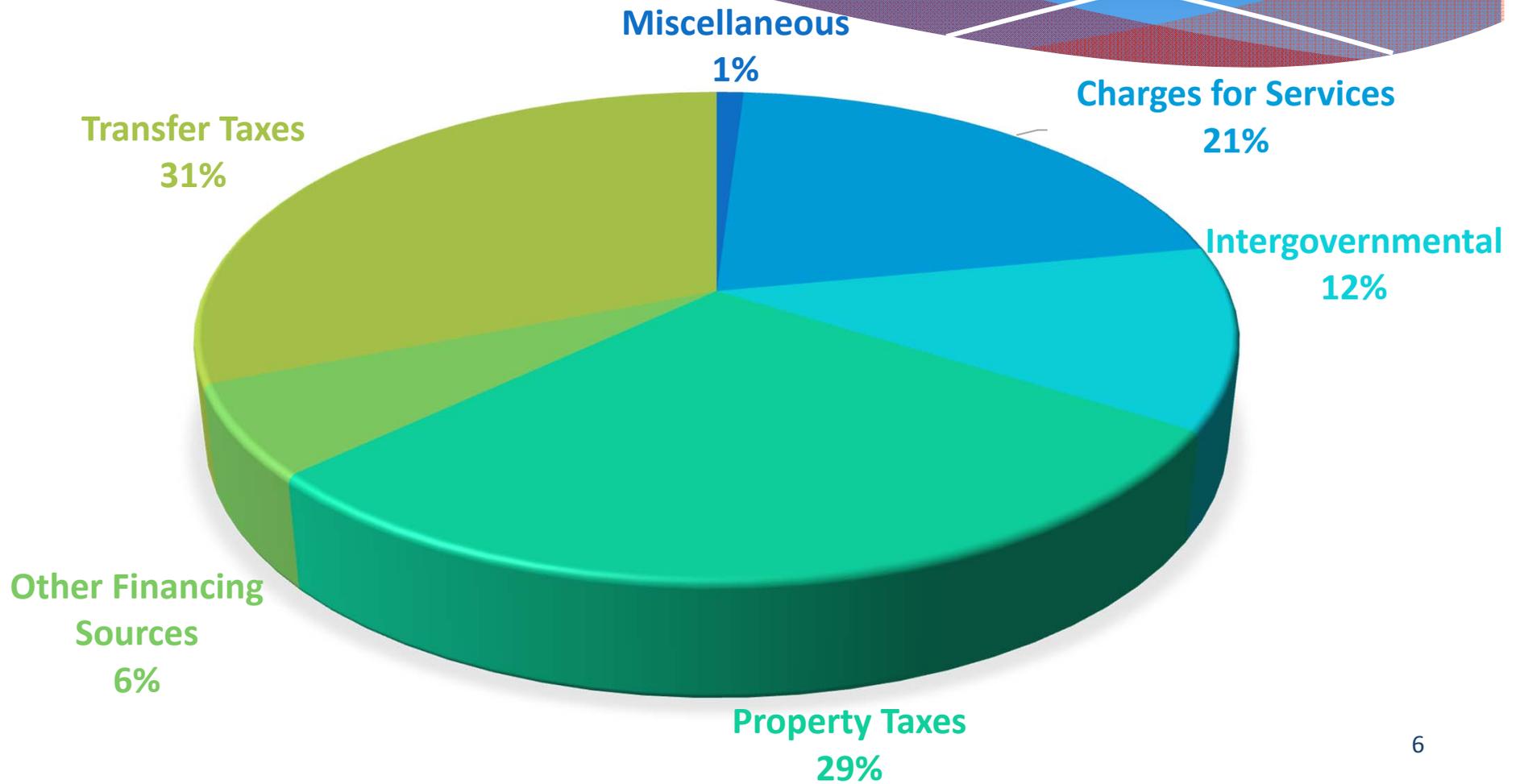


General Fund - Highlights

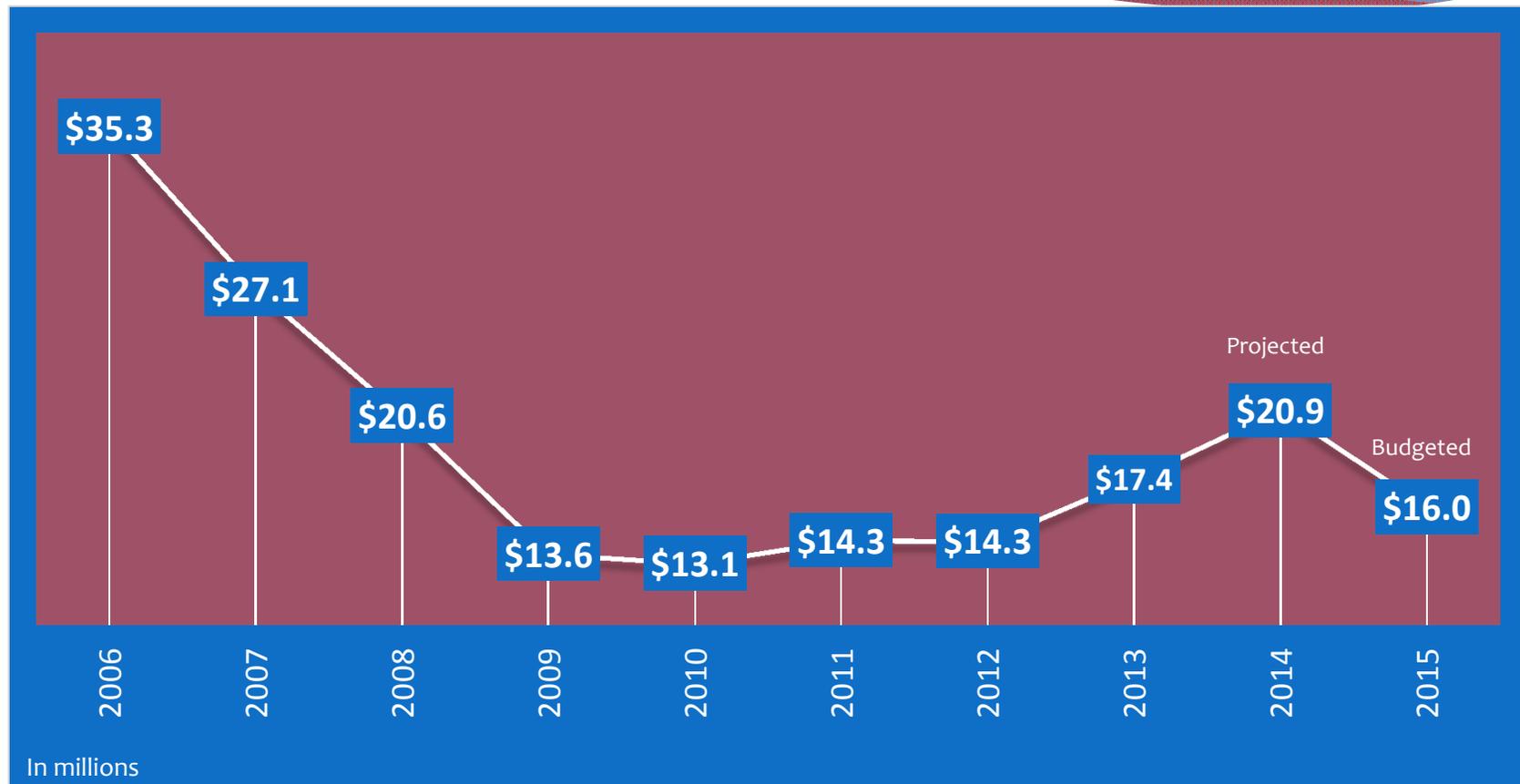
- * No fee or tax increases
- * Total operating budget increased 3.6%
- * Overall budgeted revenues have increased 2.2%, or \$1.1 million
- * No appropriated reserves used to cover operating expenses
- * Taxable assessments increased 1.8%, or \$214,000
- * Investment income increased 135%, or \$230,000
- * Building related revenues set at 80% of expected revenues

Market Indicator	2014 Projected Increase over 2013
Building Inspection Revenue	35%
Building Permit Revenue	18%
Fire Service Fee	22%
Mobile Home Placement Tax	22%
Realty Transfer Tax	20%

General Fund Funding Sources

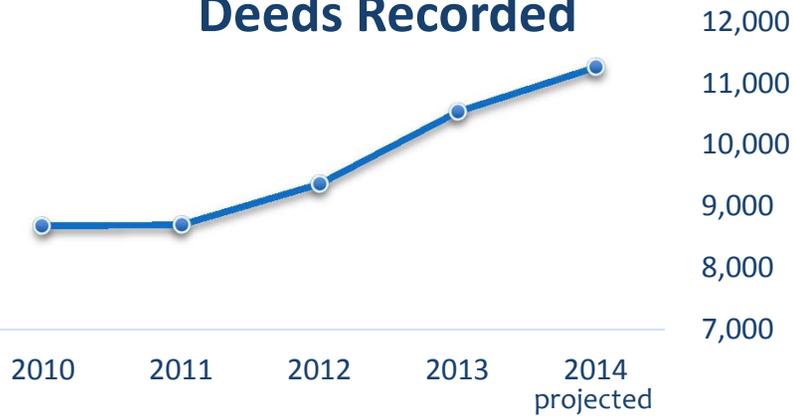


Realty Transfer Tax

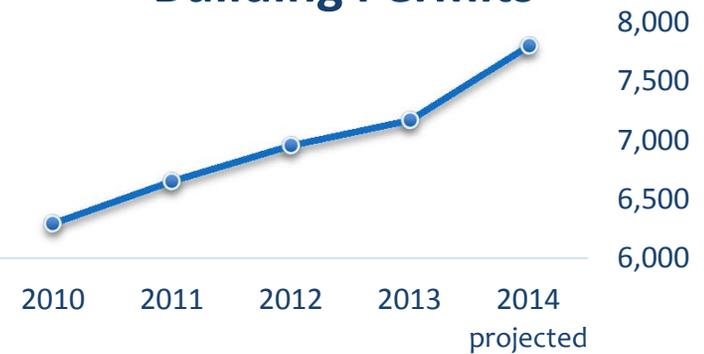


Housing Related Statistics

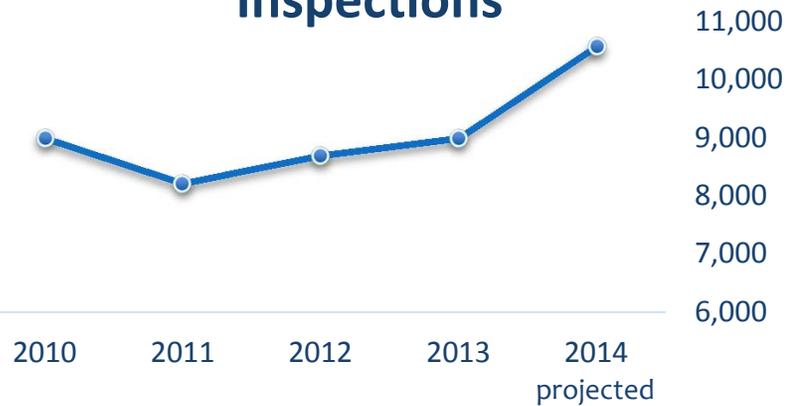
Deeds Recorded



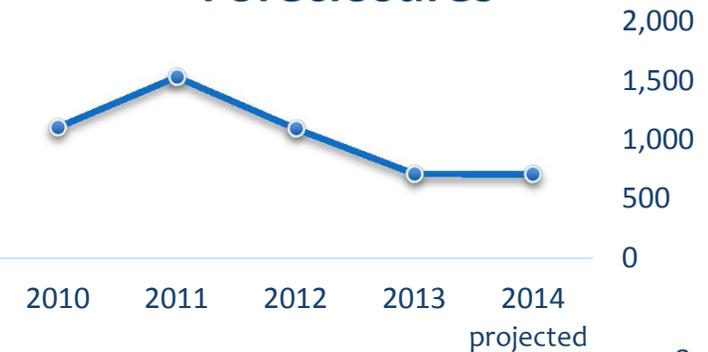
Building Permits



Inspections

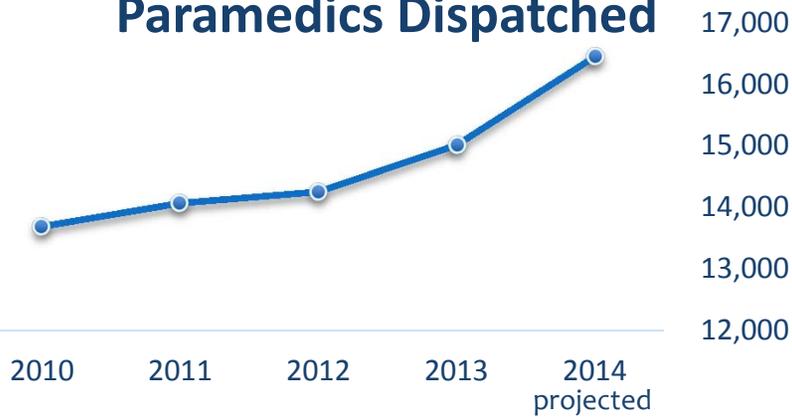


Foreclosures

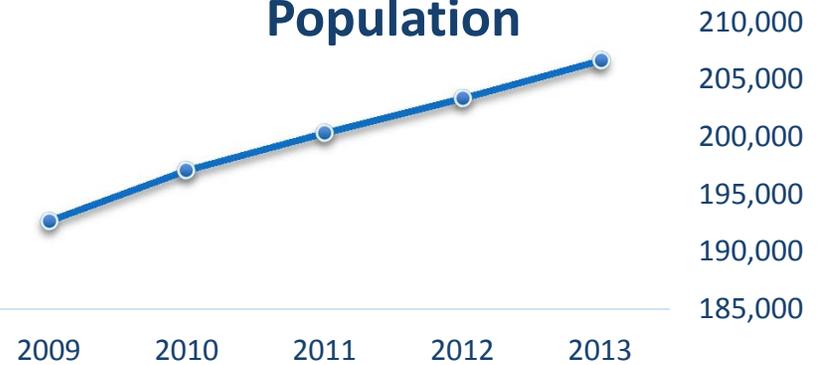


Other Activity

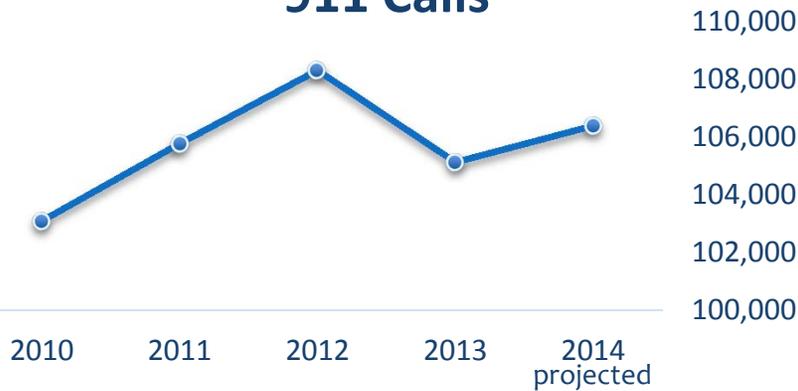
Paramedics Dispatched



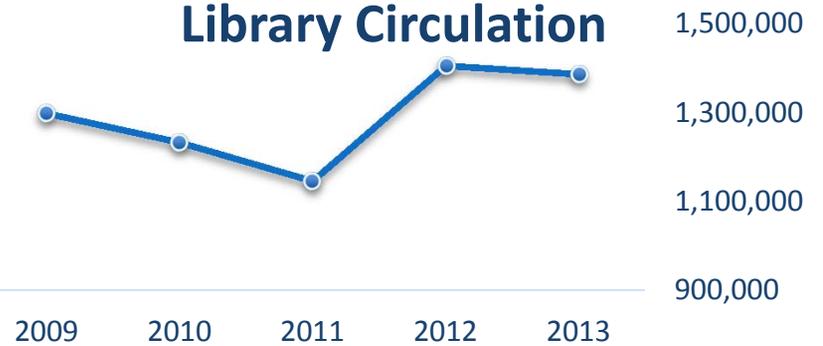
Population



911 Calls



Library Circulation



Personnel by the Numbers

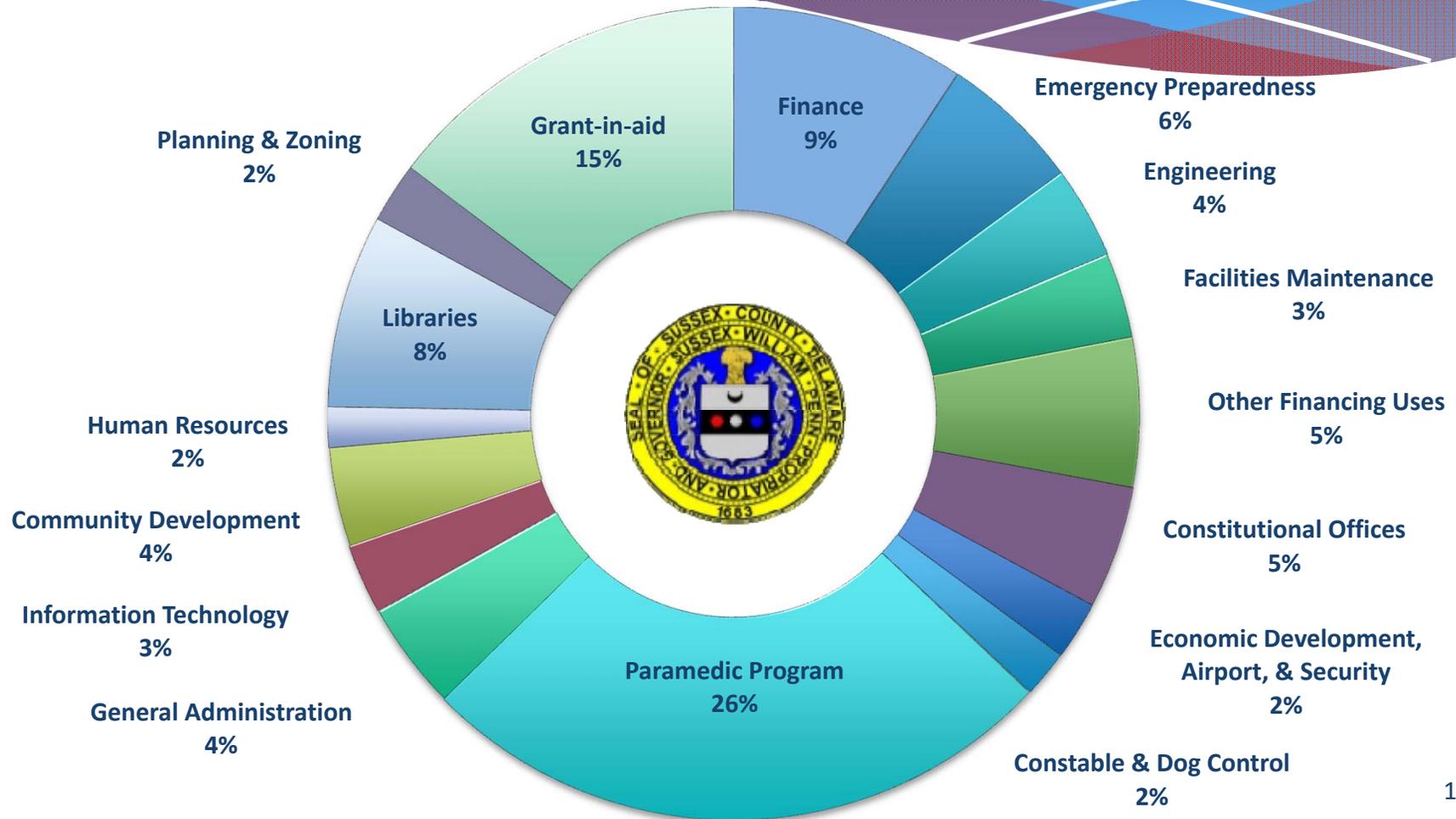


- * Since 2009, the County has reduced its workforce by 10 percent, or 56 positions
- * Since 2009, the County's total employee costs (excluding water, sewer and paramedics) has decreased \$1.5 million
- * 5 new full-time and 6 new part-time employees are proposed
- * Even with these new positions, this budget proposes to decrease the workforce by one additional position, bringing total staff levels to 498

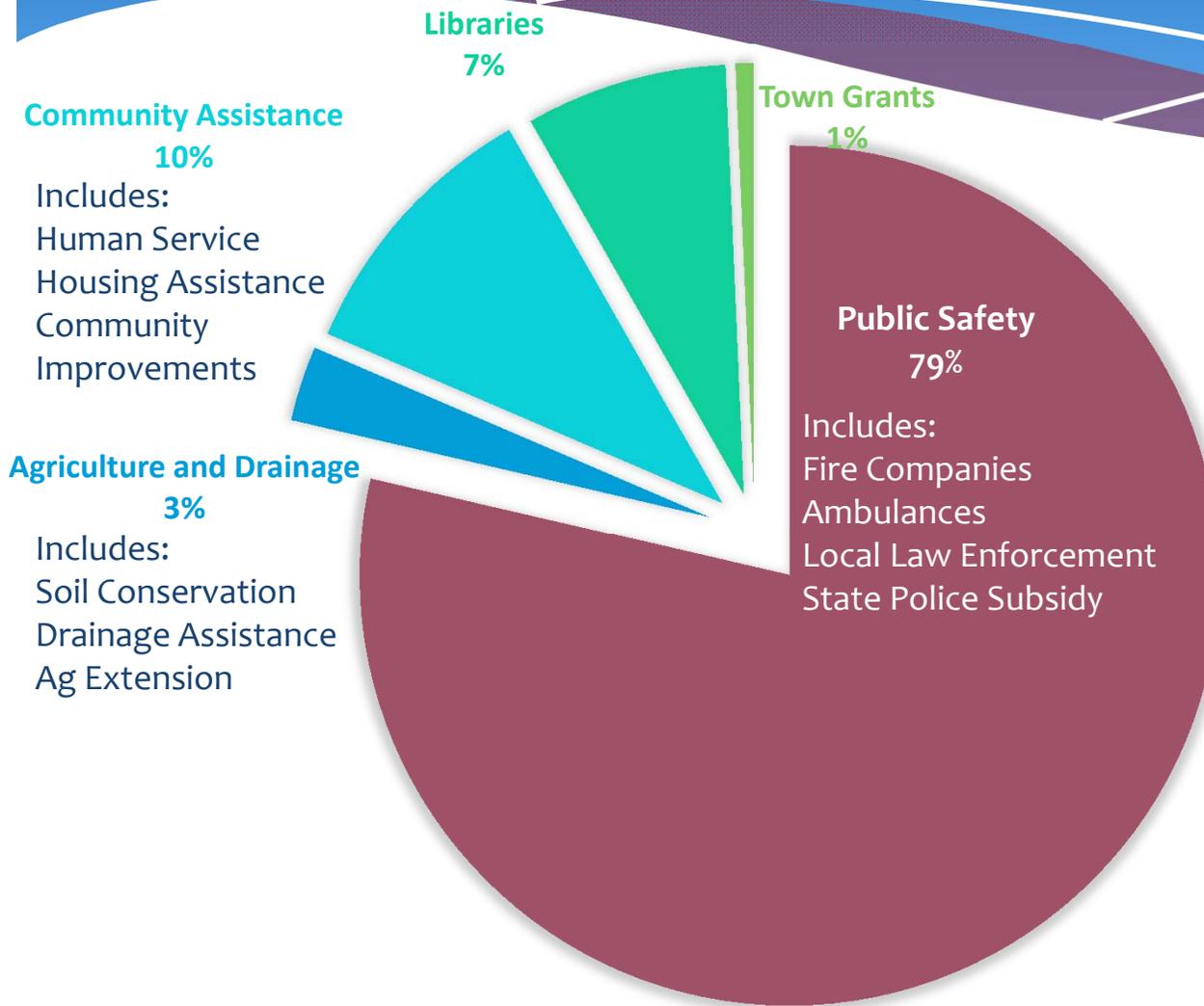
Personnel Highlights

- * Health insurance contributions and coverage
 - * No change for the employees
 - * \$7.6 million
- * Pension
 - * \$5.3 million contribution
 - * 3 percent contribution continues for new hires
- * 2 percent COLA
- * Merit and bonus increases
- * Continue health insurance opt-out incentives
- * Continue dental and vision insurance
- * Continue tuition reimbursements
- * 13 paid holidays with 2 floating holidays

General Fund Expenditures



Grants



Community Assistance

10%

- Includes:
 Human Service
 Housing Assistance
 Community Improvements

Agriculture and Drainage

3%

- Includes:
 Soil Conservation
 Drainage Assistance
 Ag Extension

Libraries

7%

Town Grants

1%

Public Safety

79%

- Includes:
 Fire Companies
 Ambulances
 Local Law Enforcement
 State Police Subsidy

Type of Grant	Amount
Public Safety	\$5,975,786
Community Assistance	\$781,965
Libraries	\$576,651
Agriculture & Drainage	\$214,244
Town Grants	\$51,715

County Tax \$ Breakdown



Code
Enforcement,
P&Z, Permitting,
Addressing
9¢

Public Safety
54¢

Libraries
14¢

General
Government
12¢

Special
Services
7¢

Housing
Rehabilitation
and Community
Support
4¢

General Government includes: County Council, Administration, Legal, Finance, & Constitutional Offices

Special Services includes: Economic Development, Airport, Engineering Administration, & Public Works

Public Safety



Paramedics

Incidents dispatched have increased 36% in the last 10 years

2013 Actual	2014 Budget	2015 Budget
\$12,426,866	\$13,100,000	\$13,300,000



Emergency Operations

911 calls have increased 15% in the last 10 years

2013 Actual	2014 Budget	2015 Budget
\$2,900,000	\$3,000,000	\$2,900,000

Public Safety

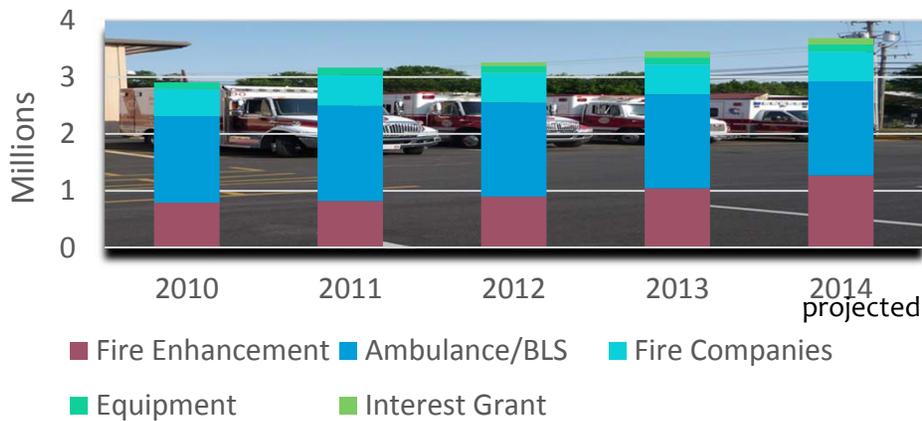
Grants



\$38.9 million has been given to the fire and ambulance service in the last 10 years

	2013 Actual	2014 Budget	2015 Budget
Delaware State Police	1,938,465	1,892,650	1,990,848
Local Law Enforcement	577,609	575,000	575,000
Fire/BLS	3,439,828	3,308,365	3,409,938
Total	\$5,955,902	\$5,776,015	\$5,975,786

Fire/BLS Funding



Community Development



Before



After

FUNDING

- * CDBG – \$1,050,000
- * Neighborhood Stabilization Program - \$200,000
- * HUD HOME Program – \$500,000
- * County Council Emergency Grant Assistance – \$100,000
- * Housing Preservation Grant - \$25,000

Serve approximately 130-150 Sussex County Households

- * All assisted households - income below 80% of AMI
- * Half of the assisted homes - income below 50% of AMI

Governmental Capital Projects



Airpark

- Taxiway A and B Improvements
- Expand Apron on Terminal Side
- Land Acquisition

2015 Budget

\$2,656,000

Public Safety

- Two Paramedic Stations
- Mobile Command Unit

2015 Budget

\$2,250,000



County Buildings

- Administration Building Improvements
- Maintenance Pole Barn
- Digitalization of Maps

2015 Budget

\$1,440,000

Other

- Landfill Land
- Library Improvements
- Woodland Park

2015 Budget

\$750,000



Enterprise Funds

Fiscal Year 2015 Budget



Enterprise Funds - Highlights

- * Service Charges – continue to work toward a uniform sewer rate
- * 1.3% increase in EDUs
- * 2.4% increase in the operating budget
- * 36% increase in capital expenditures
- * Proposed hauler rate (septage treatment) increase
- * System connection charges
 - * Completed rate study
 - * Moving toward a uniform rate
- * Assessment charges
 - * Will continue 100 foot cap

Hauler Rate Increase

- * Last rate increase was 15 years ago
- * Sussex County currently has the lowest rate
 - * 4 cents per gallon during working hours
 - * 6 cents per gallon on weekends and holidays
- * Accepting septage increases the cost to operate the plant
 - * Pump wear and screen clogging
 - * Dissolved oxygen levels in treatment process
 - * Excessive odors at the facility
 - * Increased lime, polymer usage due to increased solids
 - * Increased final disposal costs due to increased solids
- * Proposed to be 6.5 cents per gallon
- * Pump station where haulers discharge has increased pump wear and repair
- * Transmission line that carries septage has been repaired twice in recent years due to high grit content
- * Increased electric usage is a result of more blowers running and more hours of sludge drying

Facility Owner	Rate per gallon
Town of Laurel	7 cents
City of Seaford	6.5 cents
New Castle County	7.1 cents

Facility Owner	Rate per gallon
Kent County, MD	7.0 cents
Kent County, DE	5.7 cents increasing to 8.0 cents

Connection Fees

- * Connection Fees pay for the growth required in the treatment plant and in the regional sewer infrastructure (major pump stations and pipelines) to serve new customers. Simply, it pays for the “impact” that the new customers have on the system.
- * If a treatment plant or pump station needs to be expanded to support the growth, these fees should pay for this growth. This prevents future debt that gets spread over the entire district.

Connection Fees

- * Study was completed by independent consultant NBS
- * Costs and future growth projections were obtained by the Sussex County Engineering Department
- * Facts and Figures
 - * Cost basis after cash reserves for new development is \$216,000,000
 - * Projected increase in connections to the sewer system is 29,051 over the next 20 years
 - * Cost per connection is \$7,400

Connection Fees Recommendation

District/Plant	Current Rate	Proposed Rate
Dewey Sewer – Rehoboth	\$3,705	\$4,100
Henlopen Sewer – Rehoboth	\$3,705	\$4,100
Angola Sewer – IBRWF	\$3,724	\$4,100
Oak Orchard – IBRWF	\$3,727	\$4,100
Long Neck Sewer – IBRWF	\$3,795	\$4,100

Connection Fees Recommendation

District/Plant	Current Rate	Proposed Rate
West Rehoboth – Wolfe Neck	\$4,822	\$5,500
Bethany Area – SCRWF	\$4,934	\$5,500
Johnson’s Corner – SCRWF	\$5,107	\$5,500
Fenwick – SCRWF	\$5,268	\$5,500
Miller Creek – SCRWF	\$5,268	\$5,500
Sea Country Estates – SCRWF	\$5,268	\$5,500
South Ocean View – SCRWF	\$6,193	\$5,500
Millville Expansion – SCRWF	\$6,304	\$5,500
Holt’s Landing - SCRWF	\$6,364	\$5,500
Bayview Estates – SCRWF	\$6,489	\$5,500

Connection Fees Recommendation

District/Plant	Current Rate	Proposed Rate
Dagsboro/Frankford – Piney Neck	\$6,800	\$6,800
Ellendale – Georgetown	\$7,991	\$8,000
Blades – Seaford	\$3,322	\$3,400

Sewer Expense Summary

- * Administrative and General Expenses – increased 7.1%, \$394,000
- * Operations Expenses - increased 2.2%, \$231,000
 - * Emergency lighting on vehicles
 - * Chemicals
 - * Electrical safety uniforms
 - * Engineering for pumping system improvements
- * Capital Expense - increased 36.8%, \$977,000
 - * Pumping Equipment - \$1,862,000
 - * Class A Sludge Handling at IBRWF - \$955,000
 - * Machinery & Equipment Tools - \$364,000
- * Debt Expense – decreased 5.9%, \$819,000

Annual Charges

	1 EDU 2014 Service Charge	1 EDU 2015 Service Charge	Average Annual 2014 Rate	Average Annual 2015 Rate	\$ change
Angola	\$270.00	\$278.00	\$835.88	\$843.88	\$8.00
Bayview Estates	270.00	278.00	858.76	866.76	8.00
Cedar Neck	270.00	278.00	568.32	576.32	8.00
Millville	270.00	278.00	689.58	697.58	8.00
North Bethany	270.00	278.00	1035.90	278.00	(757.90)
Ocean View	270.00	278.00	608.56	616.56	8.00
Ocean Way Estates	270.00	278.00	460.07	468.07	8.00
Bethany – Proper	270.00	278.00	270.00	278.00	8.00
Sussex Shores	270.00	278.00	462.44	470.44	8.00
Blades	281.82	281.82	281.82	281.82	-
Dagsboro-Frankford	270.00	278.00	330.00	338.00	8.00
DF-Prince Georges	270.00	278.00	691.95	699.95	8.00
Dewey Sewer	298.14	298.14	345.71	345.71	-
DS-West Rehoboth	270.00	278.00	500.85	508.85	8.00

Annual Charges

	1 EDU 2014 Service Charge	1 EDU 2015 Service Charge	Average Annual 2014 Rate	Average Annual 2015 Rate	\$ change
Ellendale	270.00	278.00	458.00	466.00	8.00
ED-New Market	270.00	278.00	592.74	600.74	8.00
Fenwick	270.00	278.00	292.72	300.72	8.00
Golf Village	-	-	147.00	147.00	-
Henlopen	487.15	487.15	487.15	487.15	-
Holt's Landing -Greens	270.00	278.00	1051.00	1059.00	8.00
Holt's Landing	270.00	278.00	586.22	594.22	8.00
Johnsons Corner	270.00	278.00	725.00	733.00	8.00
Long Neck	258.43	273.43	519.04	534.04	15.00
Miller Creek	270.00	278.00	892.80	900.80	8.00
Oak Orchard	270.00	278.00	574.50	582.50	8.00
Oak Orchard - Expansion	270.00	278.00	689.00	697.00	8.00
Sea Country	270.00	278.00	753.00	761.00	8.00
South Bethany	270.00	278.00	270.00	278.00	8.00
South Ocean View	270.00	278.00	811.53	819.53	8.00
Woodlands of Millsboro	808.00	808.00	850.00	850.00	-

Water Fund

- * Expenses are relatively flat with a 1.6% increase
- * Revenues increased \$19,601
- * No change in rate

	Average Annual 2014 Rate	Average Annual 2015 Rate
Dewey Water	\$305.76	\$305.76

Enterprise Capital Projects

EXPENSES	Various Pump Station and Connection Rehabilitations	\$	3,760,000
	Inland Bays Solids Handling	\$	3,200,000
	Route 26 – Phase III	\$	1,750,000
	Angola Sewer District & North Expansion	\$	1,400,000
	Herring Creek Water & Sewer District	\$	1,330,000
	Goslee Creek Regional Pump Station	\$	800,000
	Dewey/Henlopen Treatment Contribution	\$	500,000
	Delaware Avenue Water Extension	\$	450,000
	Concord Road Expansion	\$	400,000
	Oak Orchard Expansion	\$	350,000
	Fenwick Island – RT 54 Extension	\$	200,000
	Long Neck Branch & Autumn Roads Sewer	\$	80,000
	West Rehoboth Treatment Expansion	\$	75,000
	Bethel Sewer	\$	40,000
	Total	\$	14,335,000

5-Year Capital Projects

General Fund	2015	2016	2017	2018	2019
Appropriated Reserves	\$1,763,485	\$1,883,600	\$1,671,050	\$2,555,300	\$2,427,000
Federal Aviation Grant	270,000	1,440,000	2,803,500	1,215,000	450,000
Investment Income	20,000	15,000	15,000	15,000	15,000
Realty Transfer Tax	4,000,000	-	-	-	-
State of Delaware Grants	1,042,500	380,000	155,750	67,500	25,000
Total Funding Sources	\$7,095,985	\$3,718,600	\$4,645,300	\$3,852,800	\$2,917,000

Enterprise Fund	2015	2016	2017	2018	2019
Connection Fees	\$ 7,535,000	\$14,965,000	\$8,900,000	\$6,500,000	\$4,000,000
Federal/State Financing	6,800,000	24,630,000	14,639,000	15,552,000	21,024,083
Total Funding Sources	\$14,335,000	\$39,595,000	\$23,539,000	\$22,052,000	\$25,024,083

Non-Water & Sewer Capital Projects	\$22,229,685
Water & Sewer Capital Projects	\$124,545,083
Total 5-Year Capital Improvements Funding	\$146,774,768

Fiscal Year 2015 Budget

Budget and presentation available online: www.sussexcountyde.gov

Budget comments can be sent to:

budget@sussexcountyde.gov