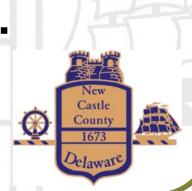
# New Castle County Government Overview

Leadership Delaware, Inc. Friday, August 7, 2009



## New Castle County Mission Statement

 To provide high-quality public services to our residents and employers, in a cost-effective and transparent manner, so that they benefit from a safer, healthier, and more vibrant community.



### Paramedics Police Libraries







# Service Highlights

### Your government at work







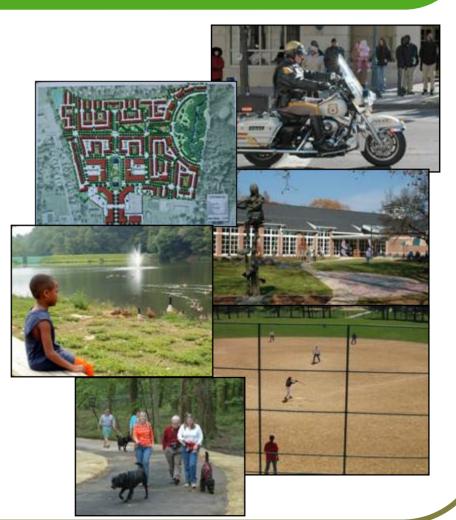
**Parks** 

**Code Enforcement** 

**Sewers** 

## **County Services**

- 24 Hour Police Protection
- 24 Hour Emergency Medical Service
- 24 Hour 911 Service
- 24 Hour Emergency Sewer Service
- 15 Library Facilities
- 260 Park Facilities
- Code Enforcement Services
- Comprehensive Land Use Planning



## **County Services – continued**

 Building Inspections and Permit Services

 Customer Relations and Assistance

 Recreational Programming for all Age Groups

- Senior meals and programs
- Housing Assistance
- School Crossing Guards
- Financial Support for 21
   Volunteer Fire Companies
- Dog Control



- 57¢ of every tax dollar is spent on Public Safety in New Castle County
- Total Public Safety budget is \$76.3 million for FY2010



- \$49 million operating budget for FY2010
- 364 police officers
- Responded to more than 167,000 calls for service last year
- processed more than 3,700 incidents just last week
- Earned national reaccreditation in 2008





### **Paramedics**

- \$12.4 million operating budget for FY2010
- 116 paramedics
- Responded to nearly 35,000 calls last year
- Medics have already responded to more than 16,000 calls so far this year





#### **Emergency Communications**

- \$6.8 million budget for FY2010
- 78 employees
- Processed more than 990,000 calls for emergency service in 2008
- Nationally accredited and recognized as a Center of Excellence

#### **Emergency Management**

- \$310,000 operating budget for FY2010
- 5 employees
- Coordinate emergency planning, mitigation, response and recovery from natural and technological disasters that could affect the citizens of New Castle County







#### Volunteer Fire Service

- \$3.6 million in funding and support to county's 21 volunteer fire companies in FY2010

### School Crossing Guards

- \$2.4 million budget for FY2010
- 145 part-time guards provide service to six school districts in New Castle County





### Libraries

- \$13.1 million budget for FY2010
- 15 library facilities
- 84 full-time employees
- Almost 300,000 residents have library cards
- 2.8 million visits annually
- Circulated more than 6 million materials last year



### **Land Use**

- \$13.7 million budget for FY2010
- 138 employees for assessment, planning, licensing, customer service and code enforcement
- Code Enforcement inspected nearly 26,000 properties last year in response to property maintenance complaints from residents
- Problem Properties Task Force has successfully resolved 88 of the worst community eyesores across New Castle County





# **Special Services**

- \$60.7 million budget for FY 2010
- 427 employees
- Maintain 1,700 miles of sanitary sewer system and 165 pump stations
- Maintain 260 county parks, totaling more than 6,500 acres
- Also includes fleet and facilities maintenance



### Did You Know?

### **Sports Leagues**

 Conducted more than 80 leagues last year with more than 220,000 participants and received \$330,000 in fees



#### **Senior Services**

 County operates 14 nutrition sites that served more than 67,000 meals in 2008



#### **Customer Relations**

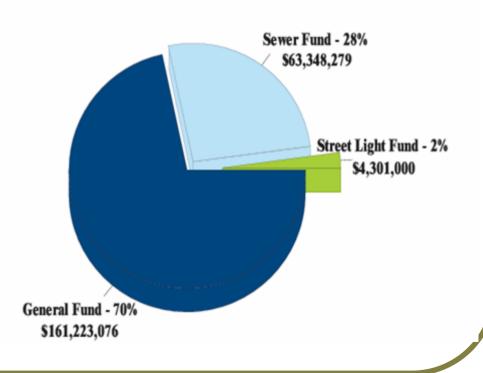
 Answered 33,000 calls on county information line: 395-555



# What is the cost of providing these services?

- FY2010 Grand Total Budget is \$228.8 million
- FY2009 was \$240.3 million
- 1,453 full-time employees are responsible for delivering these services
- County also employs 218 part-time employees and 387 seasonal employees

New Castle County
FY 2010 Approved Operating Budget
Percentage of Budget by Fund

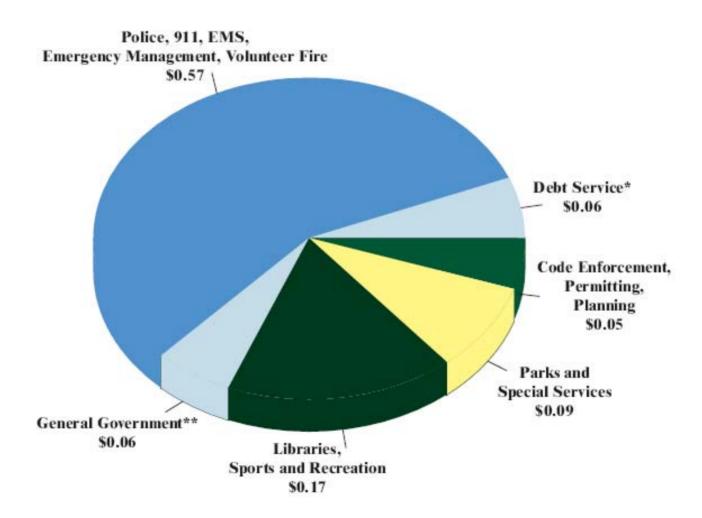


# What Do You Pay for These Services?



- The average homeowner in New Castle County (\$205,000 market value) pays \$503 in <u>County</u> property taxes annually, or about \$42 a month.
- In comparison, the average cable TV bill is \$930 annually, or \$77 a month.
- The average annual cell phone bill is \$876, or \$73 a month (J.D. Power Report)

### FY2010 Tax Dollar Allocation New Castle County's Value Proposition: What You Get



<sup>\*</sup>Bonds to pay for general facilities - i.e., parks, buildings, etc.

### **Primary County Revenue Sources**

- Property Taxes
- Real Estate Transfer Tax
- Building Permits and Fees
- Sewer Charges
- New Castle County collects 99.2% of owed taxes each year, and 99.9% of taxes over 5 years

## Transparency & Public Involvement

- Starting in 2005, monthly checkbook of County finances presented to Council and posted on website for first time
- Created Financial Future Task Force to perform top to bottom review of County finances
- Two 12-stop Countywide Listening Campaigns to solicit public input
- Created New Castle County Financial Advisory Committee to review County financial forecasts
- Launch of NCC TV, a free web-based County information channel that is available on Comcast channel 22 and Verizon channel 29

# Controlling Budget Growth

- My first General Fund proposed budget (FY2006) was \$153.9 million
- The FY2010 General Fund budget is \$165 million
- This represents growth of only \$11.1 million, mostly due to increases in personnel costs and debt service payments
- Total General Fund growth over 5 years is just
   7.2% or 1.8% annually

#### General Fund Cash Flow Scenario

#### June 2009

Projections based on 2010 Approved Budget

	Projections										
General Fund (in millions)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Comments
Available Financial Reserves,	112.4	86.8	85.0	76.1	73.5	48.4	41.7	25.2	6.4	(14.3)	
beginning of period*											
Revenues											
Total Property Tax Revenue	67.0	68.3	70.0	83.4	84.4	106.4	107.5	108.5	109.6	110.7	1.0% Annual Growth
Total Other Taxes	2.9	3.2	3.7	3.9	4.1	3.6	3.6	3.7	3.7	3.7	1.0% Annual Growth
Total Transfer Tax Revenue	35.3	40.5	35.5	32.0	16.9	14.9	15.6	17.2	18.9	20.8	Growth in 2011
Total Other Revenues	37.5	43.1	44.6	44.7	38.7	32.9	33.9	35.6	37.4	39.2	Growth in 2011
Total Revenue	142.7	155.1	153.8	164.0	144.1	157.8	160.6	165.0	169.6	174.5	•
Expenditures											
Personnel Costs (A)	110.0	114.9	122.2	122.8	123.0	119.1	127.9	133.0	138.3	143.9	4.0% Annual Growth
Non-Personnel Costs	26.2	25.2	21.3	23.0	21.7	21.0	21.8	22.7	23.6	24.6	4.0% Annual Growth
Debt Service	11.4	12.4	13.5	16.8	20.6	21.1	22.7	23.3	23.4	21.4	
Transfers Out	20.7	4.4	5.7	4.0	3.9	3.3	4.7	4.8	4.9	5.0	_
Total Expenditures	168.3	156.9	162.7	166.6	169.2	164.5	177.1	183.8	190.3	194.8	
Revenue over Exp./Transfers	(25.6)	(1.8)	(8.9)	(2.6)	(25.1)	(6.7)	(16.5)	(18.8)	(20.6)	(20.4)	\$76.3 million shortfall
% of Budget Shortfall	, ,			` ′	14.8%	4.1%	9.3%	10.2%	10.9%	10.5%	from 2011 through 2014
Available Financial Reserves,	86.8	85.0	76.1	73.5	48.4	41.7	25.2	6.4	-14.3	-34.7	•

(A) FY 2011-FY 2014 assumes return of employee givebacks.

### **Basic Checkbook**

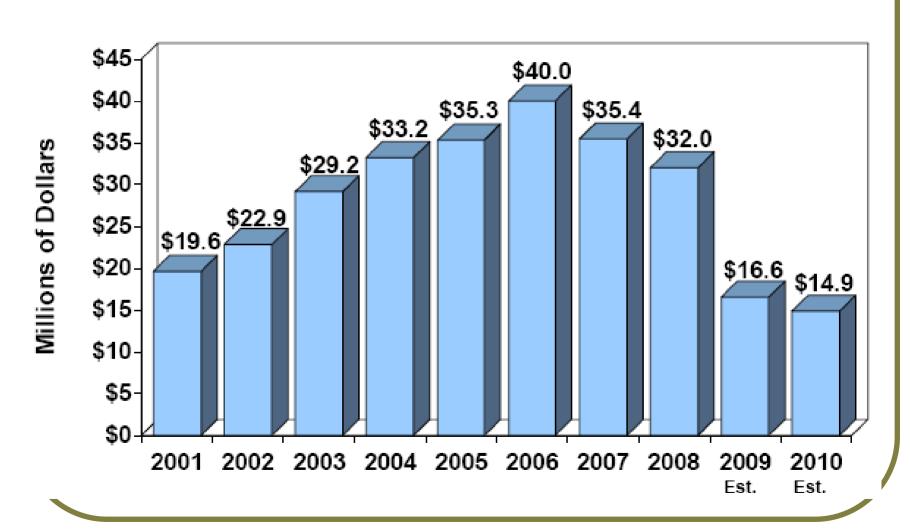
#### General Fund Cash Flow Scenario

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Revenues	142.7	155.1	153.8	164.0	144.1	157.8	160.6	165.0	169.6	174.5 1.0% Annual Growth
Expenditures	168.3	156.9	162.7	166.6	169.2	164.5	177.1	183.8	190.3	194.8 4.0% Annual Growth
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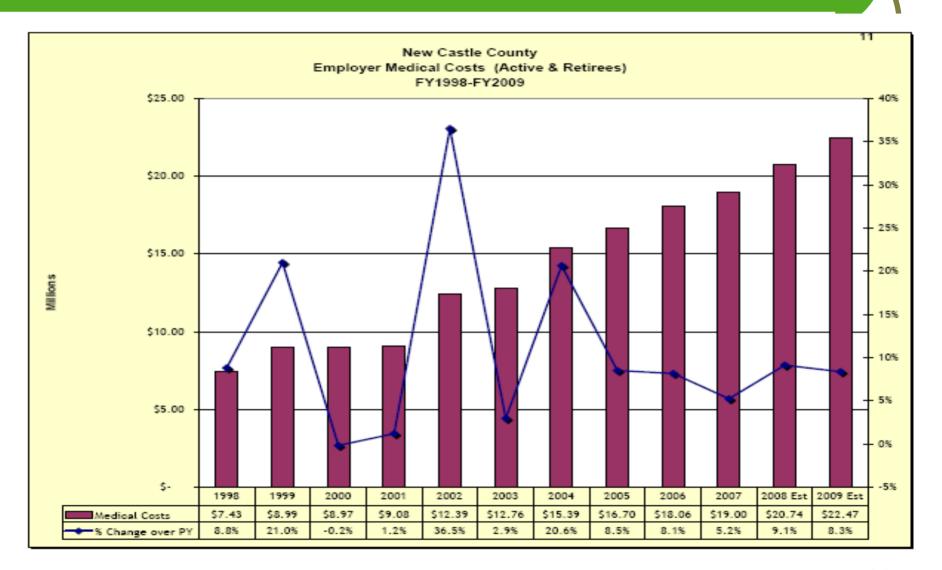
### Real Estate Transfer Tax Decline



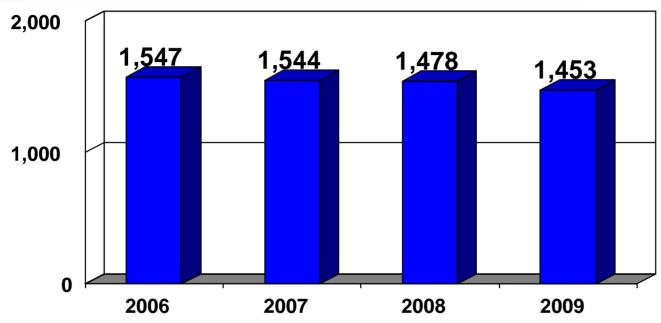
## Personnel Cost Driver Challenges

- Roughly 85% of our workforce is unionized: AFSCME 459, 1607, 3109, 3911, IBEW 2270, and FOP 5
- Unlike state, I cannot amend contract structures without union approval
- Medical and Pension double-digit percentage increases over next 5 years

## Example of Rising Personnel Costs

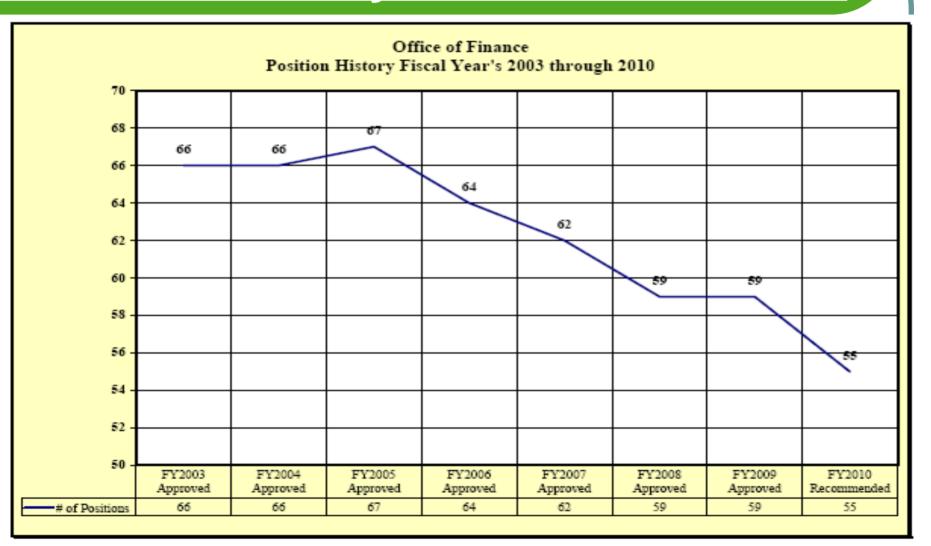


## Number of F/T County Employees



- Despite increased demand for services, our workforce has shrunk over the past four years, and we continue to do more with less
- Many departments have seen a 20% reduction in head count over past four budgets

# Department of Finance Position History



# When I Became County Executive....

- FY2005: More than \$31 million in spending over actual revenues
- Major one-time expenditures for example: \$15 million to City of Wilmington, \$15 million to other groups, and \$3.3 million in additional promises to outside organizations
- Between 2000 and 2005, the County's expenditures increased 33% while revenue only increased 8%
- Between 2000 and 2005 size of County workforce grew by 12% to 1,686 employees
- Personnel cost growth at 8% annually
- More than \$2 million in legal fees as a result of litigation against previous administration

## Budget Reductions 2005 - 2008

- Elimination of costly special events -- the Ice Cream Festival and Sleep Under the Stars
- Cancelled \$72 million in capital projects
- Increased employee healthcare contributions
- Reduced employee personnel cost growth from 8% to 4%
- Reduced number of take home cars in all departments
- Eliminated Department of Community Governing
- 147 positions cut or defunded
- Increased energy efficiency of county facilities to lower energy costs
- Rebid major service contracts (banking, health services, life insurance) to achieve savings

# What We Have Done Since December 2008

- Implemented a hiring freeze for non-essential positions
- Reduction of library hours/days and new book purchases
- Overtime spending only for approved critical needs
- 5% salary reductions for all County employees through givebacks or layoffs
- Reductions in capital project spending
- Limits on all training, contractual services, and equipment purchases

# What We Have Done Since December 2008 continued

- Discontinue mowing of 8 county parks and carry in/carry out policy for trash at 73 county parks
- Reductions in Adult Activity Centers
- Reducing athletic field maintenance
- Reducing Special Services part time and seasonal staffing by 18 positions
- Eliminate 19 take home vehicles
- Total Savings for FY2009: \$7.5 million

# Challenge Ahead

- In January, County was facing a nearly \$40 million budget deficit for this fiscal year
- Through a balanced approach of making significant cuts internally and asking residents to contribute \$100 more on average annually, that deficit for FY2010 has been reduced to less than \$7 million.
- However, County still faces a \$76 million budget deficit over the next 5 years
- We cannot tax our way out of this deficit
- With no new revenue streams, further reductions in service will be necessary
- Must negotiate new employee contracts that further reduces our personnel costs

# Looking to the Future - Advances in Economic Development

- Created office of Economic Redevelopment
- Partnerships with state and county chambers and DEDO
- Over \$100 million investment in sewer infrastructure
- Active participation in BRAC
- Revisions to the UDC
  - redevelopment incentives
  - village hamlet
  - enhanced review process
  - small business incentives
- Relocation and expansion of companies in New Castle County: Barclays, Honeywell, Dassault Falcon, Sallie Mae, Voigt & Schweitzer creating hundreds of new jobs

### **End of Presentation**

Questions and Discussion

- Want more information?
  - www.nccde.org
  - NCC TV, Comcast Channel 22, Verizon Channel 29
- 395-5101, Office of County Executive
  - 395-8383, County Council