

FY2018 DEPARTMENTAL HIGHLIGHTS

	Total Operating Budget (in Millions)
COUNTY COUNCIL	\$4.0
Legislation Audit	
COUNTY EXECUTIVE	\$2.4
Direction and Control Office of Economic Development Office of Communications	
DEPARTMENT OF ADMINISTRATION	\$22.9
Law Risk Management Administrative Services Finance Human Resources	
ROW OFFICES	\$7.0
Prothonotary, Register in Chancery, Register of Wills, Recorder of Deeds, Sheriff, Clerk of the Peace	
DEPARTMENT OF SPECIAL SERVICES	\$63.5
Administration Internal Services Administration Fleet Operations Facilities Maintenance Property Maintenance Environmental Operations Construction Support Sewer Maintenance Plant Operations Environmental Compliance Engineering	
DEPARTMENT OF LAND USE	\$14.0
Administration Planning Licensing Customer Relations and Enforcement	
DEPARTMENT OF COMMUNITY SERVICES	\$21.4
Administration Community Resources Libraries Community Development and Housing	
DEPARTMENT OF PUBLIC SAFETY	\$104.8
Administration Police Operations School Crossing Guards Emergency Communications Emergency Medical Services Emergency Management Grants to Fire Companies	

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**DEBT SERVICE, CONTINGENCIES,
AND ETHICS COMMISSION**

\$44.6

**Program Summaries -
Debt Service**

■ **Budget Highlights**

The County debt service budget of \$42,913,928 is \$7,444,964 more than the FY2017 appropriations. During Fiscal Year 2018, debt service expenditures will be incurred by the General Fund (\$20,697,518), and Sewer Fund (\$22,216,410) which includes State Revolving Loans (\$227,025).

Debt Management

Bond Ratings: Fitch, Inc. “AAA”, Moody’s “Aaa”, Standard & Poor’s “AAA”

Concentrated efforts have been made to maintain the AAA ratings for the County’s general obligation bonds through innovations in financial and debt administration. In April 2017, all three major rating agencies affirmed New Castle County’s AAA/Aaa credit ratings. Attaining the top bond rating from all three rating agencies reflects the County’s strong financial management and planning capabilities, and the quality of its elected and administrative leadership, as well as its activity, wealth and social characteristics. These high-grade ratings reduce the cost of raising capital for County projects and result in a substantial savings for the County taxpayers. The County will continue to seek ways to maintain these ratings so as to provide the finest quality services at the lowest cost.

Legal Debt Margin

Title 9 of the Delaware Code Section 1163(a)(7) establishes a debt ceiling of three percent of the assessed value of taxable real estate, excluding debt for certain special assessments and enterprise funds.

The County has traditionally made prudent use of its debt authority. Based on the certified April 1, 2017 assessed taxable value, the three percent debt limit would permit \$569,124,462 in debt. The amount of outstanding debt applicable to the three percent debt limit is \$179,696,340. There is an additional \$309,620,801 of Enterprise Fund debt outstanding not subject to the debt limit in accordance with Title 9 of the Delaware Code. This includes the \$2,087,141 Revolving Fund Loan payable to the State of Delaware for Sewer and Stormwater projects.

The following table presents the County’s debt position as a percent of assessed taxable value:

Type	Outstanding Debt	Assessed Taxable Value	Percent	
			Currently	Allowable
Subject to Debt Margin	\$179,696,340	\$19.0 Billion	1.0%	3.0%
All Debt	\$489,317,141	\$19.0 Billion	2.6%	N/A

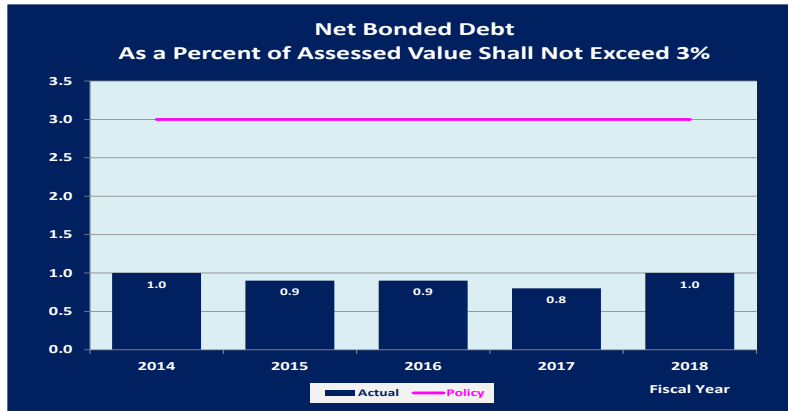
**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

Performance Measures

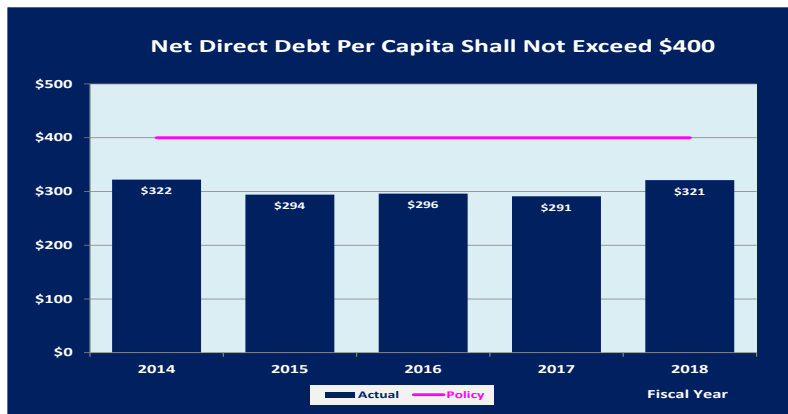
Active debt management provides fiscal advantages to the citizens of the County. Overuse of debt places a burden on the financial resources of the County and its taxpayers. The following legislative fundamentals and administrative guidelines provide a framework and limit on debt utilization.

- (1) Debt subject to legal debt margin shall not exceed 3 percent of taxable assessed valuation (Legislative)...



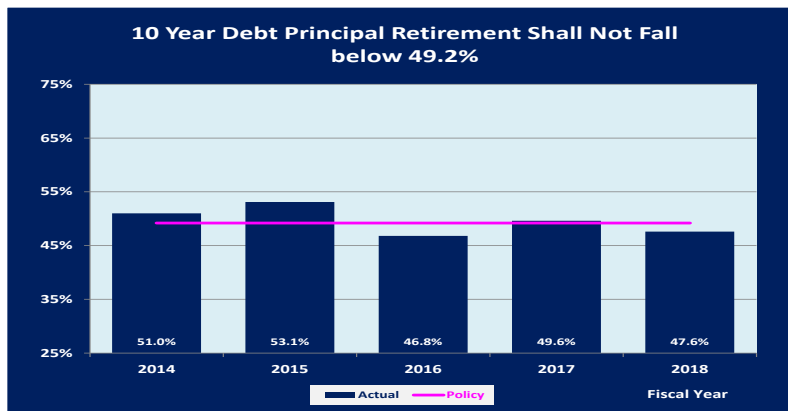
Fiscal 2018 - 1.0%
Fiscal 2017 - 0.8%
Fiscal 2016 - 0.9%

- (2) Net direct debt subject to legal debt margin shall not exceed \$400 per capita (Administrative)...



Fiscal 2018 - \$321
Fiscal 2017 - \$291
Fiscal 2016 - \$296

- (3) General Obligation debt principal to be retired in 10 years shall not fall below 49.2% (Administrative)...



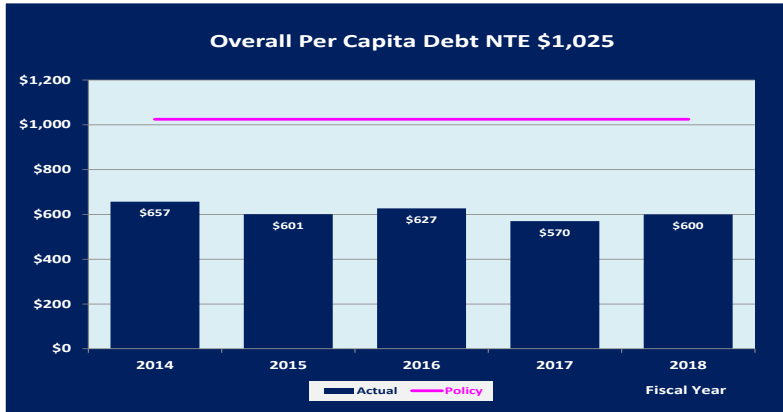
Fiscal 2018 - 47.6%
Fiscal 2017 - 49.6%
Fiscal 2016 - 46.8%

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

Performance Measures *(Continued)*

- (4) Net overall General Fund debt per capita (direct plus overlapping) shall not exceed the \$1,025 median for similar sized counties (Administrative)...

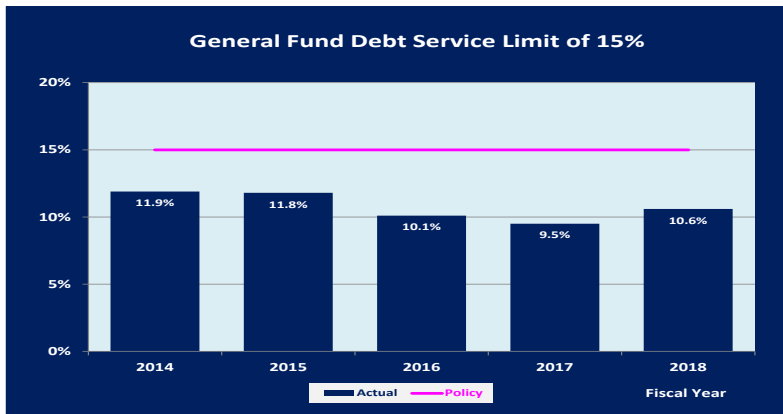


Fiscal 2018 - \$600

Fiscal 2017 - \$570

Fiscal 2016 - \$627

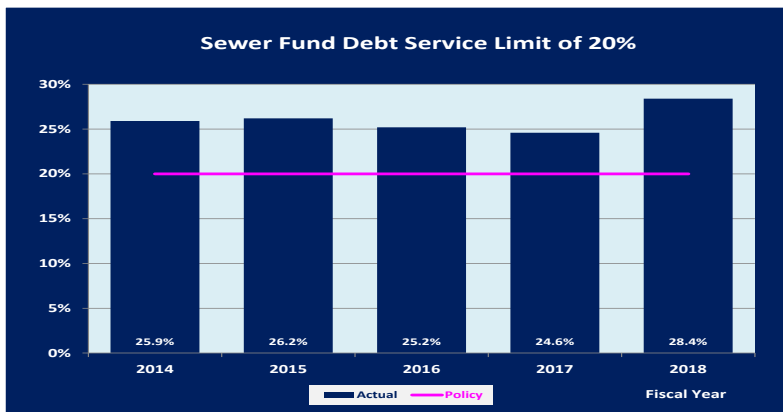
- (5) Annual debt service requirements shall not exceed 15% for the General Fund and 20% for the Sewer Fund (Key Financial Policy #2) limitations (Administrative). Debt service as a percentage of the General and Sewer Funds is as follows for the Fiscal Years 2014 through 2018 Operating Budgets.



Fiscal 2018 - 10.6%

Fiscal 2017 - 9.5%

Fiscal 2016 - 10.1%



Fiscal 2018 - 28.4%*

Fiscal 2017 - 24.6%*

Fiscal 2016 - 25.2%*

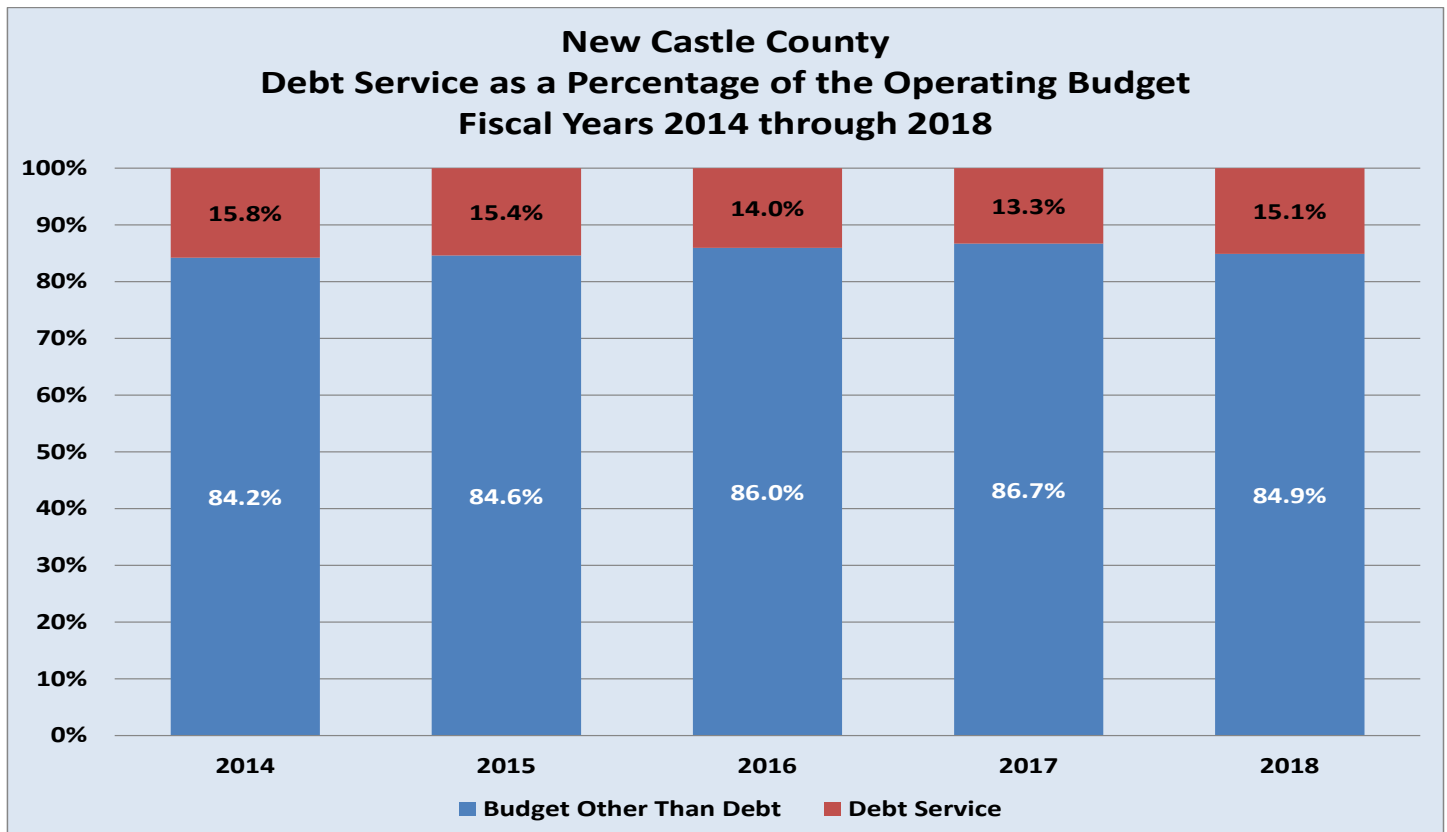
* Includes federal mandated sewer rehabilitation in Brandywine Hundred.

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

Debt Service as a Percentage of the Operating Budget

New Castle County’s Debt Service funding in the Operating Budget for the past four years and the current year as a percentage of the Operating Budget is presented in the following chart:



	Maximum % Per KFP #2	% For FY2018
General Fund	15%	10.6%
Sewer Fund (G.O. Bond)*	20%	28.1%
Sewer Fund (All Debt)*	20%	28.4%

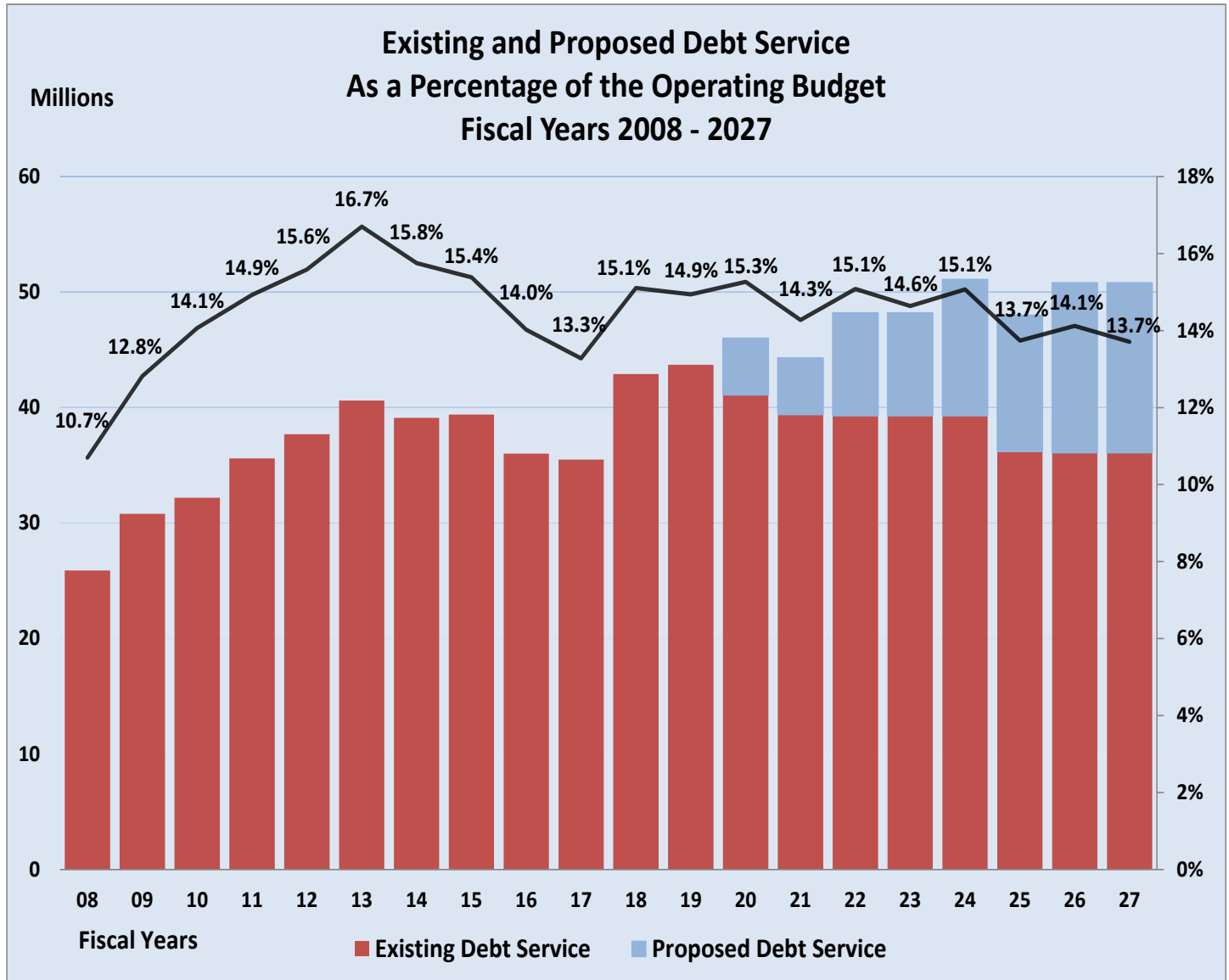
* Includes federal mandated sewer rehabilitation in Brandywine Hundred.

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

Debt Service as a Percentage of the Operating Budget *(Continued)*

Presented below is the existing and proposed debt service as a percentage of the Operating Budget for Fiscal Years 2008 to 2027. The County anticipates future debt offerings of \$85 million in FY2019, \$70 million in FY2021, \$50 million every other year thereafter. In addition, the Operating Budget is estimated to grow at 3% annually beginning in FY2019.



Program Summaries - Debt Service

■ Debt Management *(Continued)*

General Obligation Bonds

All outstanding bonds are general obligations of the County. The full faith and credit of the County are pledged for the payment of the principal and interest on the bonds. The payment of principal and interest on general obligations of the County is made pursuant to appropriations by the County Council. The County has always paid principal and interest on its debt obligations in a timely manner. The County government is authorized to levy on all real property taxable by the County such ad valorem taxes as may be necessary to pay bonds and the interest thereon without limitation as to rate or amount except that, as provided in Title 9, Delaware Code Section 8002, when any total reassessment of taxable properties within the County becomes effective, the County property tax rate levied for the immediately ensuing fiscal year may not yield property tax revenues greater than 15% in excess of the total County property tax revenues imposed for the immediately preceding fiscal year. The annual debt service payments for the Sewer Fund will be paid by sewer user fees.

The following schedules present the County's debt service requirements:

Schedule #1 - Presents the FY2018 debt service requirements by debt issues;

Schedule #2 - Presents the total debt service requirements for outstanding General Obligation Bonds of the County;

Schedule #3 - Presents the debt service requirements for outstanding General Obligation Bonds regulated by the 3% debt restrictions;

Schedule #4 - Presents the debt service requirements for the Sewer Fund, including the State Revolving Loan, not restricted by the 3% debt limit;

Schedule #5 - Presents the debt service requirements for outstanding General Obligation Bonds for the Sewer Fund not restricted by the 3% debt limit;

Schedule #6 - Presents the debt service requirements for the outstanding State Revolving Loan for the Sewer Fund for Bridleshire Farms/Belltown not restricted by the 3% debt limit;

Schedule #7 - Presents the debt service requirements for the outstanding State Revolving Loan for the Sewer Fund for stormwater basins not restricted by the 3% debt limit.

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #1
FY2018 Debt Service Requirements
By Issue**

Existing Debt

	Original Issue	Outstanding 7/1/2017	FY 2018 Principal	FY 2018 Interest	FY 2018 Total P/I
GENERAL FUND:					
2007A General Obligation	\$ 55,086,875.00	\$ 3,275,000.00	\$ 3,275,000.00	\$ 65,500.30	\$ 3,340,500.30
2009A General Obligation	31,687,682.50	5,416,339.50	2,474,761.50	179,555.31	2,654,316.81
2010A General Obligation	15,580,000.00	7,755,000.00	1,730,000.00	344,500.00	2,074,500.00
2010B RZEDB General Obligation	7,500,000.00	7,500,000.00	120,000.00	312,627.80	432,627.80
2012A General Obligation	11,260,000.00	9,590,000.00	450,000.00	325,600.00	775,600.00
2012B General Obligation	45,195,000.00	43,125,000.00	3,910,000.00	1,707,400.00	5,617,400.00
2015 General Obligation	63,395,000.00	63,395,000.00	-	3,072,700.00	3,072,700.00
2017 General Obligation	39,640,000.00	39,640,000.00	1,375,000.00	1,354,871.85	2,729,871.85
TOTAL General Fund	\$ 269,344,557.50	\$ 179,696,339.50	\$ 13,334,761.50	\$ 7,362,755.26	\$ 20,697,516.76
SEWER FUND					
2007A General Obligation	\$ 38,478,125.00	\$ 3,055,000.00	\$ 3,055,000.00	\$ 61,100.00	\$ 3,116,100.00
2009A General Obligation	75,417,317.50	2,683,660.50	995,238.50	92,394.39	1,087,632.89
2010A General Obligation	24,440,000.00	13,875,000.00	2,455,000.00	622,625.00	3,077,625.00
2010B RZEDB General Obligation	43,410,000.00	43,410,000.00	-	2,086,282.30	2,086,282.30
2012A General Obligation	48,455,000.00	44,525,000.00	1,060,000.00	1,556,400.00	2,616,400.00
2012B General Obligation	2,660,000.00	2,570,000.00	-	89,700.00	89,700.00
2015 General Obligation	126,295,000.00	126,295,000.00	-	6,049,650.00	6,049,650.00
2017 General Obligation	71,120,000.00	71,120,000.00	1,490,000.00	2,375,993.31	3,865,993.31
SUB-TOTAL Sewer Fund	\$ 430,275,442.50	\$ 307,533,660.50	\$ 9,055,238.50	\$ 12,934,145.00	\$ 21,989,383.50
State Revolving Loan (Sewer Fund)					
Bridleshire Farms & Belltown Sewer Upgrade	\$ 2,121,233.07	\$ 1,588,328.88	\$ 99,366.04	\$ 31,272.22	\$ 130,638.26
Stormwater Basin	750,000.00	498,811.92	86,842.88	9,544.20	96,387.08
TOTAL Sewer Fund incl. SRF	\$ 433,146,675.57	\$ 309,620,801.30	\$ 9,241,447.42	\$ 12,974,961.42	\$ 22,216,408.84
TOTAL ALL FUNDS	\$ 702,491,233.07	\$ 489,317,140.80	\$ 22,576,208.92	\$ 20,337,716.68	\$ 42,913,925.60

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #2
Debt Service Requirements
TOTAL ALL FUNDS**

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2018	\$ 22,576,208.92	\$ 20,337,716.68	\$ 42,913,925.60
2019	23,859,951.73	19,889,841.33	43,749,793.06
2020	22,328,769.76	18,815,208.15	41,143,977.91
2021	21,721,318.73	17,677,260.28	39,398,579.01
2022	22,748,152.98	16,598,461.53	39,346,614.51
2023	23,856,130.86	15,489,390.20	39,345,521.06
2024	24,929,168.59	14,402,280.12	39,331,448.71
2025	22,802,267.38	13,379,724.28	36,181,991.66
2026	23,731,514.49	12,371,728.84	36,103,243.33
2027	24,793,856.44	11,275,194.44	36,069,050.88
2028	21,201,245.45	10,180,896.23	31,382,141.68
2029	15,843,682.48	9,398,289.60	25,241,972.08
2030	16,401,168.50	8,785,829.98	25,186,998.48
2031	15,433,704.49	8,194,366.39	23,628,070.88
2032	15,150,000.00	7,628,768.47	22,778,768.47
2033	15,665,000.00	7,060,797.37	22,725,797.37
2034	15,450,000.00	6,449,406.27	21,899,406.27
2035	16,050,000.00	5,790,820.07	21,840,820.07
2036	16,695,000.00	5,091,794.96	21,786,794.96
2037	15,580,000.00	4,395,168.46	19,975,168.46
2038	13,565,000.00	3,708,284.30	17,273,284.30
2039	14,125,000.00	3,091,204.95	17,216,204.95
2040	14,685,000.00	2,475,999.05	17,160,999.05
2041	10,720,000.00	1,948,691.60	12,668,691.60
2042	8,120,000.00	1,566,700.00	9,686,700.00
2043	8,445,000.00	1,244,750.00	9,689,750.00
2044	6,140,000.00	933,000.00	7,073,000.00
2045	6,415,000.00	654,050.00	7,069,050.00
2046	6,710,000.00	362,350.00	7,072,350.00
2047	3,575,000.00	143,000.00	3,718,000.00
TOTAL	\$ 489,317,140.80	\$ 249,340,973.55	\$ 738,658,114.35
FUND			
General	\$ 179,696,339.50	\$ 56,364,811.06	\$ 236,061,150.56
Sewer	309,620,801.30	192,976,162.49	502,596,963.79
TOTAL	\$ 489,317,140.80	\$ 249,340,973.55	\$ 738,658,114.35

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #3
Debt Service Requirements
GENERAL FUND
APPLICABLE TO 3% DEBT LIMIT**

Fiscal Year	Principal	Interest	Total Principal and Interest
2018	\$ 13,334,761.50	\$ 7,362,755.26	\$ 20,697,516.76
2019	14,031,578.00	6,962,823.22	20,994,401.22
2020	12,360,000.00	6,354,101.51	18,714,101.51
2021	11,855,000.00	5,737,048.41	17,592,048.41
2022	12,435,000.00	5,144,204.71	17,579,204.71
2023	13,055,000.00	4,523,972.76	17,578,972.76
2024	13,675,000.00	3,918,765.06	17,593,765.06
2025	12,440,000.00	3,370,741.76	15,810,741.76
2026	12,975,000.00	2,840,317.71	15,815,317.71
2027	13,560,000.00	2,257,303.06	15,817,303.06
2028	9,455,000.00	1,714,117.86	11,169,117.86
2029	5,970,000.00	1,389,701.86	7,359,701.86
2030	6,185,000.00	1,165,908.26	7,350,908.26
2031	4,870,000.00	968,162.06	5,838,162.06
2032	4,355,000.00	810,706.26	5,165,706.26
2033	4,505,000.00	664,281.26	5,169,281.26
2034	3,875,000.00	516,781.26	4,391,781.26
2035	4,025,000.00	367,631.26	4,392,631.26
2036	4,180,000.00	209,256.26	4,389,256.26
2037	2,555,000.00	86,231.26	2,641,231.26
TOTAL	\$ 179,696,339.50	\$ 56,364,811.06	\$ 236,061,150.56

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #4
Debt Service Requirements
All Sewer Fund
NOT APPLICABLE TO 3% DEBT LIMIT**

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2018	\$ 9,241,447.42	\$ 12,974,961.42	\$ 22,216,408.84
2019	9,828,373.73	12,927,018.11	22,755,391.84
2020	9,968,769.76	12,461,106.64	22,429,876.40
2021	9,866,318.73	11,940,211.87	21,806,530.60
2022	10,313,152.98	11,454,256.82	21,767,409.80
2023	10,801,130.86	10,965,417.44	21,766,548.30
2024	11,254,168.59	10,483,515.06	21,737,683.65
2025	10,362,267.38	10,008,982.52	20,371,249.90
2026	10,756,514.49	9,531,411.13	20,287,925.62
2027	11,233,856.44	9,017,891.38	20,251,747.82
2028	11,746,245.45	8,466,778.37	20,213,023.82
2029	9,873,682.48	8,008,587.74	17,882,270.22
2030	10,216,168.50	7,619,921.72	17,836,090.22
2031	10,563,704.49	7,226,204.33	17,789,908.82
2032	10,795,000.00	6,818,062.21	17,613,062.21
2033	11,160,000.00	6,396,516.11	17,556,516.11
2034	11,575,000.00	5,932,625.01	17,507,625.01
2035	12,025,000.00	5,423,188.81	17,448,188.81
2036	12,515,000.00	4,882,538.70	17,397,538.70
2037	13,025,000.00	4,308,937.20	17,333,937.20
2038	13,565,000.00	3,708,284.30	17,273,284.30
2039	14,125,000.00	3,091,204.95	17,216,204.95
2040	14,685,000.00	2,475,999.05	17,160,999.05
2041	10,720,000.00	1,948,691.60	12,668,691.60
2042	8,120,000.00	1,566,700.00	9,686,700.00
2043	8,445,000.00	1,244,750.00	9,689,750.00
2044	6,140,000.00	933,000.00	7,073,000.00
2045	6,415,000.00	654,050.00	7,069,050.00
2046	6,710,000.00	362,350.00	7,072,350.00
2047	3,575,000.00	143,000.00	3,718,000.00
TOTAL	\$ 309,620,801.30	\$ 192,976,162.49	\$ 502,596,963.79

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #5
Debt Service Requirements
Sewer Fund Bonds
NOT APPLICABLE TO 3% DEBT LIMIT**

Fiscal Year	Principal	Interest	Total Principal and Interest
2018	\$ 9,055,238.50	\$ 12,934,145.00	\$ 21,989,383.50
2019	9,638,422.00	12,889,944.50	22,528,366.50
2020	9,775,000.00	12,427,851.06	22,202,851.06
2021	9,695,000.00	11,910,851.06	21,605,851.06
2022	10,165,000.00	11,428,076.06	21,593,076.06
2023	10,650,000.00	10,942,214.56	21,592,214.56
2024	11,100,000.00	10,463,349.91	21,563,349.91
2025	10,205,000.00	9,991,916.16	20,196,916.16
2026	10,640,000.00	9,517,287.36	20,157,287.36
2027	11,115,000.00	9,006,109.56	20,121,109.56
2028	11,625,000.00	8,457,385.56	20,082,385.56
2029	9,750,000.00	8,001,631.96	17,751,631.96
2030	10,090,000.00	7,615,451.96	17,705,451.96
2031	10,435,000.00	7,224,270.56	17,659,270.56
2032	10,795,000.00	6,818,062.21	17,613,062.21
2033	11,160,000.00	6,396,516.11	17,556,516.11
2034	11,575,000.00	5,932,625.01	17,507,625.01
2035	12,025,000.00	5,423,188.81	17,448,188.81
2036	12,515,000.00	4,882,538.70	17,397,538.70
2037	13,025,000.00	4,308,937.20	17,333,937.20
2038	13,565,000.00	3,708,284.30	17,273,284.30
2039	14,125,000.00	3,091,204.95	17,216,204.95
2040	14,685,000.00	2,475,999.05	17,160,999.05
2041	10,720,000.00	1,948,691.60	12,668,691.60
2042	8,120,000.00	1,566,700.00	9,686,700.00
2043	8,445,000.00	1,244,750.00	9,689,750.00
2044	6,140,000.00	933,000.00	7,073,000.00
2045	6,415,000.00	654,050.00	7,069,050.00
2046	6,710,000.00	362,350.00	7,072,350.00
2047	3,575,000.00	143,000.00	3,718,000.00
TOTAL	\$ 307,533,660.50	\$ 192,700,383.21	\$ 500,234,043.71

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #6
Debt Service Requirements
State Revolving Loan - Bridleshire Farms/Belltown
NOT APPLICABLE TO 3% DEBT LIMIT**

Fiscal Year	Principal	Interest	Total Principal and Interest
2018	\$ 99,366.04	\$ 31,272.22	\$ 130,638.26
2019	101,363.30	29,274.96	130,638.26
2020	103,400.70	27,237.56	130,638.26
2021	105,479.05	25,159.21	130,638.26
2022	107,599.18	23,039.08	130,638.26
2023	109,761.92	20,876.34	130,638.26
2024	111,968.14	18,670.12	130,638.26
2025	114,218.70	16,419.56	130,638.26
2026	116,514.49	14,123.77	130,638.26
2027	118,856.44	11,781.82	130,638.26
2028	121,245.45	9,392.81	130,638.26
2029	123,682.48	6,955.78	130,638.26
2030	126,168.50	4,469.76	130,638.26
2031	128,704.49	1,933.77	130,638.26
TOTAL	\$ 1,588,328.88	\$ 240,606.76	\$ 1,828,935.64

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

**Schedule #7
Debt Service Requirements
State Revolving Loan - Stormwater Basins
NOT APPLICABLE TO 3% DEBT LIMIT**

Fiscal Year Ending June 30	Principal	Interest	Total Principal and Interest
2018	\$ 86,842.88	\$ 9,544.20	\$ 96,387.08
2019	88,588.43	7,798.65	96,387.08
2020	90,369.06	6,018.02	96,387.08
2021	65,839.68	4,201.60	70,041.28
2022	40,553.80	3,141.68	43,695.48
2023	41,368.94	2,326.54	43,695.48
2024	42,200.45	1,495.03	43,695.48
2025	43,048.68	646.80	43,695.48
TOTAL	\$ 498,811.92	\$ 35,172.52	\$ 533,984.44

**Program Summaries -
Debt Service**

■ **Debt Management** *(Continued)*

Authorizations

Future issuance of debt based on available **bond authorizations** as of July 1, 2017, is limited to **\$103.7 million** for the following:

Special Services	
Sewer/Stormwater	\$55,824,105
Facilities/Equipment	6,332,197
Parks	22,531,427
Total Special Services	84,687,729
Community Services	8,479,410
Public Safety	5,780,289
Administration	4,166,464
County Executive	634,000
TOTAL BOND AUTHORIZATIONS	<u>\$103,747,892</u>

Investment Policy

The investment of capital funds is incorporated into the County's cash management program. All unexpended bond proceeds are deposited in custodial accounts for arbitrage tracking. Interest earned on unexpended bond proceeds is credited to the General and Enterprise Funds responsible for the payment of debt service. All other funds are deposited into a consolidated treasurer's account and invested with other funds in order to obtain maximum earnings. The segregation of each project's equity is preserved in the accounting system.

**Program Summaries -
Contingencies (Non-Departmental)**

■ **Budget Highlights**

Contingencies (non-departmental) are provided to fund anticipated programs and/or cost adjustments during the fiscal year. The following sets forth those non-departmental contingencies:

Type	Amount	Need
Council	\$200,000	Discretionary use.
Executive	400,000	Discretionary use.
Severance	300,000	Reimburses departments for a portion of separation costs (accrued sick and vacation).
Salary Adjustments	426,000	Reimburses departments for salary increases for employee adjustments.
Total Non-Departmental Contingencies	\$1,326,000	

√ **Ethics Commission**

The New Castle County Ethics Commission, created by the Ethics Code, is responsible for administering and enforcing the Code. It has been operational since late 1990. The Commission’s duties include issuing advisory opinions, conducting preliminary inquiries, investigations and hearings concerning alleged Code violations, imposing sanctions if appropriate, and administering the financial interests disclosure process.

The Ethics Commission FY2018 budget is \$362,341, or \$64,338 over the FY2017 authorization.

