

Fiscal Year 2022 Operating Budget Summary

- Comparative Summary of Sources and Uses of Funds**
- Funding Summaries**
- Program Summaries**



- ✓ **Reader is provided additional data for the current budget year and the prior two fiscal years in the BUDGETARY PROFILES tab.**

New Castle County
Comparative Summary of Sources and Uses of Funds
FY2021/FY2022 Approved Budgets

	FY2021 Approved Budget	FY2022 Approved Budget	FY2022 Over (Under) FY2021	Percent Change
SOURCES:				
Real Estate Taxes	\$ 134,052,000	\$ 135,452,000	\$ 1,400,000	1.0%
Realty Transfer Tax	31,000,000	32,500,000	1,500,000	4.8%
Hotel Tax	2,800,000	2,800,000	-	0.0%
Sewer Charges & Fees	81,398,940	90,598,940	9,200,000	11.3%
Use of Money and Property	7,718,215	8,190,031	471,816	6.1%
Service Charges and Fees	23,807,508	23,855,728	48,220	0.2%
Licenses and Permits	8,179,478	8,083,000	(96,478)	-1.2%
Intergovernmental Revenues	7,833,783	7,721,725	(112,058)	-1.4%
Special Assessments	9,532,060	9,945,528	413,468	4.3%
Uses of Available Cash Balances	3,690,194	548,246	(3,141,948)	-85.1%
Subtotal	\$ 310,012,178	\$ 319,695,198	\$ 9,683,020	3.1%
Interfund Capital Transfer	(6,529,278)	(8,082,961)	(1,553,683)	23.8%
Appropriated Sources of Funds	\$ 303,482,900	\$ 311,612,237	\$ 8,129,337	2.7%
USES:				
Salaries and Wages	\$ 115,618,621	\$ 118,530,966	\$ 2,912,345	2.5%
Employee Benefits	66,471,087	68,147,861	1,676,774	2.5%
Training and Civic	666,550	648,368	(18,182)	-2.7%
Communication and Utilities	33,236,818	33,596,987	360,169	1.1%
Materials and Supplies	7,246,624	7,263,471	16,847	0.2%
Contractual Services	20,654,749	21,576,348	921,599	4.5%
Intergovernmental Service Charges	15,094,871	15,321,023	226,152	1.5%
Equipment	2,087,945	2,323,515	235,570	11.3%
Grants and Fixed Charges	15,388,064	14,417,637	(970,427)	-6.3%
Debt Service	44,928,600	47,558,687	2,630,087	5.9%
Land and Structures	5,000	35,000	30,000	600.0%
Contingencies	2,243,478	1,595,596	(647,882)	-28.9%
Intragovernmental Service Credits	(20,159,507)	(19,403,222)	756,285	-3.8%
Appropriated Uses of Funds	\$ 303,482,900	\$ 311,612,237	\$ 8,129,337	2.7%

How Are Costs and Revenues Estimated?

In order to achieve the most accurate and reasonable projections for anticipated revenues and costs, revenue and expense categories are analyzed using the most appropriate methodology for each category. Forecasters consider all applicable limitations and requirements in projecting each individual revenue and expense source.

One or more of the following factors may play an important role in the development of revenue and expenditure forecasts.

- ◆ **Legal or Mandated Requirements** – Some revenue and expense categories are defined by specific legal requirements or restrictions. For example, the State imposes a limit on the transfer tax charged by the County on real estate transactions of 1.5%; debt service payments are based on agreed upon periodic repayment schedules; salaries and wages are based on negotiated union contracts for most employees, and County Council reviews the recommended budget.
- ◆ **Department Staff Estimates** – Each year the Administration and department management meet to identify future staffing needs, large capital projects or equipment costs, and new one-time or ongoing programs that they think will affect the operating or capital budget over the next five years. The experience and expertise of department managers is also crucial for accurately projecting expected revenues from sources such as permits and fees.
- ◆ **Related Formulas** – Specific County revenues and expenses are directly affected by demographic and economic factors such as population trends and inflation rates. For example, population growth is almost always accompanied by an increase in real estate tax revenue. However, demand for services and additional infrastructure improvements (i.e., expenses) will also rise.
- ◆ **Balanced Budget Requirement** – State and County law and County financial policies require that each annual County budget be a “balanced” budget. This means that County expenditures cannot exceed its revenues.
- ◆ **New Castle County Financial Advisory Council (NCCFAC)** – NCCFAC meets regularly during the fiscal year to review County revenue and expenditure projections. NCCFAC also advises on the revenue projections for the forthcoming fiscal year prior to the final approval of the budget by County Council.

Funding Summaries

Fiscal Year 2022 Revenue Assumptions

Major Revenue Sources

Property Taxes

Property taxes were estimated based on the net assessed value of \$19,611,603,083 as of March 5, 2021, at 81.11 cents per \$100 of assessed value and a 99% collection rate. The resulting estimated property tax revenue for Fiscal Year 2022 is \$135,452,000. The average and median residential bills are based on a tax rate of 81.11 cents per \$100 of assessed value. The average unincorporated residential bill will be \$621 annually. The median residential bill is \$536.

Realty Transfer Tax

The realty transfer tax rate for Fiscal Year 2022 is 1.5% of the selling price of real estate sold. Taxes reflected in the budget are based on transactions in the unincorporated areas of the County. Revenue estimates for Fiscal Year 2022 are based on 95% of the total realty transfer tax estimated to be received in Fiscal Year 2022.

Service Fees

Service fees were estimated based on recent historical information and reflect the current level of real estate transfer activity. Many of the service fees are market sensitive to real estate transactions. Revenues from 911 land line fees are capped at the amount received when the State took over collections.

Licenses and Permits

Licenses and permits were estimated based on recent activity, current revenues and projected Land Use fee increases. The estimate reflects the continuation of the current trend in the construction market.

Interest and Rents

Interest income was estimated using cash flow projections and current interest rates in Fiscal Year 2021 which are expected to remain essentially unchanged in Fiscal Year 2022.

Rent received from the City of Wilmington at the City/County Building is reimbursed at 70% of operating costs of the facility.

Intergovernmental Revenues

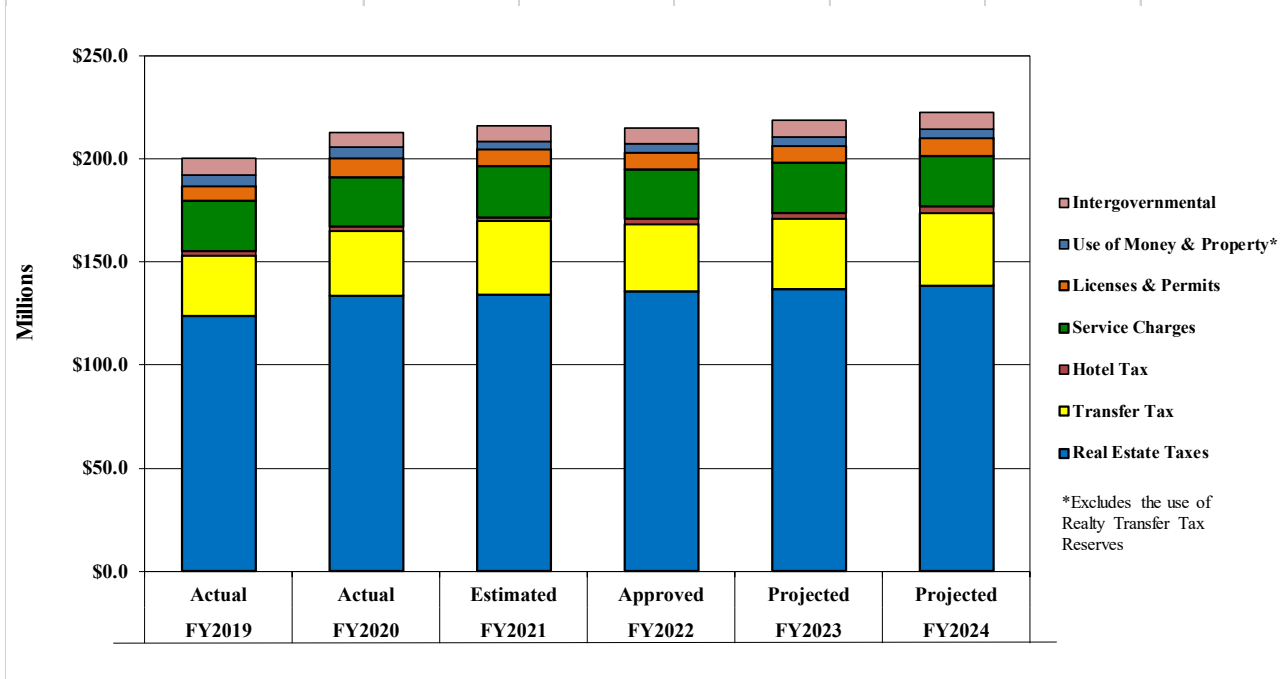
The State reimbursement for Emergency Medical Services was computed at 30% of the Fiscal Year 2021 paramedic budget, including applicable debt service, capital and risk management costs.

Sewer Fees

Sewer Fees were based on the Fiscal Year 2021 residential billings (based on water usage), commercial and industrial activity, an Equivalent Dwelling Unit Charge and a 96% fee collection rate. The average residential sewer bill will be \$323.

Funding Summaries

General Fund Revenue Base 2019 Actual to 2024 Projected

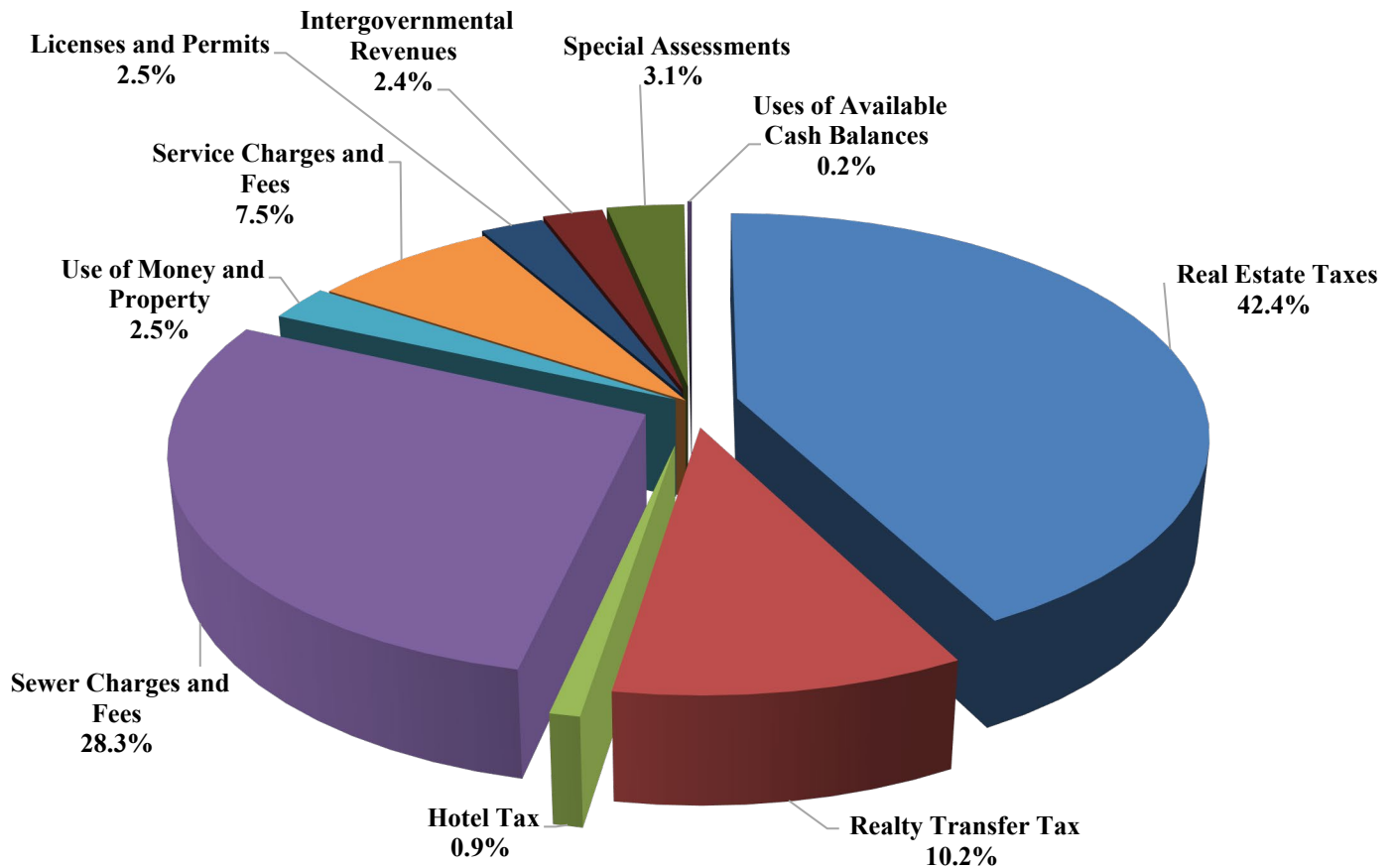


(in Millions)	FY2019 Actual	FY2020 Actual	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected
Real Estate Taxes	\$123.6	\$133.2	\$134.3	\$135.5	\$136.8	\$138.2
Transfer Tax	29.4	31.9	35.7	32.5	34.0	35.5
Hotel Tax	2.3	1.8	1.3	2.8	2.8	2.9
Service Charges	24.1	24.0	25.3	23.8	24.3	24.9
Licenses & Permits	7.2	9.2	7.8	8.1	8.3	8.4
Use of Money & Property*	5.2	5.3	3.7	4.3	4.4	4.5
Intergovernmental	8.4	7.1	7.5	7.7	7.9	8.0
Total	\$200.2	\$212.5	\$215.6	\$214.7	\$218.5	\$222.4

% of base	FY2019 Actual	FY2020 Actual	FY2021 Estimated	FY2022 Approved	FY2023 Projected	FY2024 Projected
Real Estate Taxes	61.7%	62.7%	62.3%	63.1%	62.6%	62.1%
Transfer Tax	14.7%	15.0%	16.6%	15.1%	15.6%	16.0%
Hotel Tax	1.1%	0.8%	0.6%	1.3%	1.3%	1.3%
Service Charges	12.0%	11.3%	11.7%	11.1%	11.1%	11.2%
Licenses & Permits	3.6%	4.3%	3.6%	3.8%	3.8%	3.8%
Use of Money & Property*	2.6%	2.5%	1.7%	2.0%	2.0%	2.0%
Intergovernmental	4.2%	3.3%	3.5%	3.6%	3.6%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Excludes use of Realty Transfer Tax Reserves

**New Castle County
Operating Budget Funding
Fiscal Year 2022**



The County has various revenue sources, each representing a different percentage of total revenues as depicted in the above chart. The total anticipated resources for Fiscal Year 2022 will be \$311,612,237 including available cash balances of \$548,246 and Realty Transfer Tax-Debt Service of \$2,842,977. The County's major revenues are derived from real estate taxes and sewer charges and fees. In addition, \$8,082,961 is allocated to fund equipment purchases in the Capital Budget. The following pages describe each major revenue source, the dollar increase and/or decrease from the Fiscal Year 2022 budget, and the basis for the increase and/or decrease.

Funding Summaries

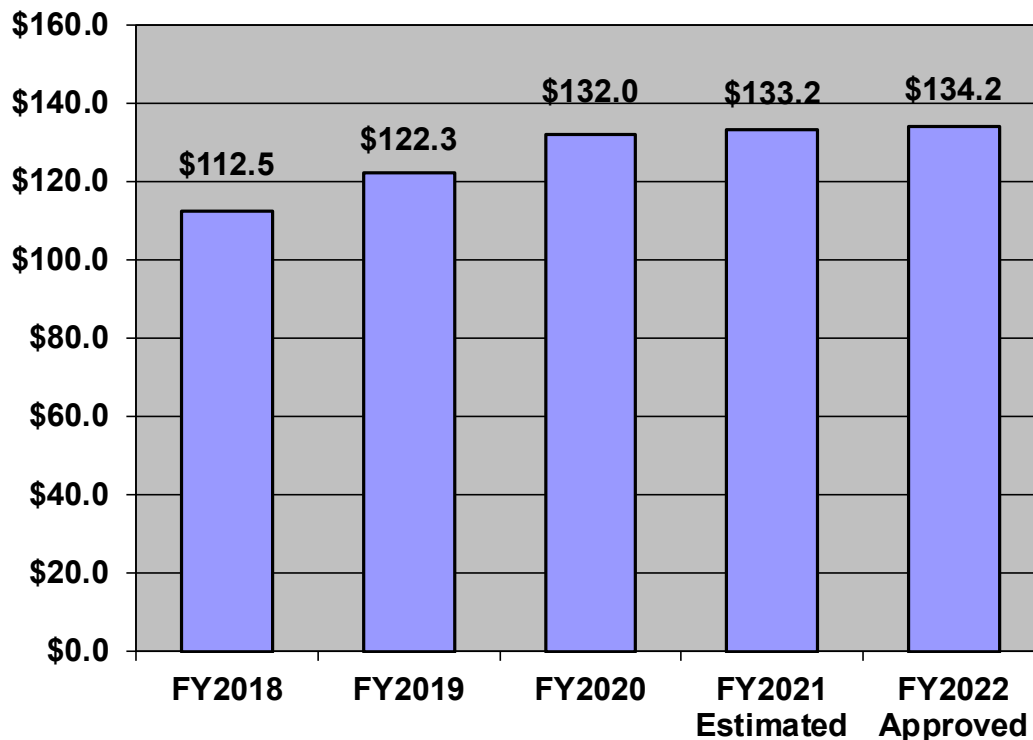
✓ Real Estate Taxes

Fund: General

Real Estate Taxes from the initial annual levy and quarterly additions are estimated to yield a total of \$134,150,000 which is \$1,550,000 more than the 2021 budget. Total revenues from taxes, including delinquencies, are estimated to be \$135,452,000 which is \$1,400,000 more than the 2021 budget. Real Estate Taxes provide the single largest source of funds (62.2%) to the General Fund.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Initial Annual Levy/Additions	\$131,979,181	\$133,192,304	\$134,150,000
Prior Year Taxes/Penalties	1,254,072	1,101,632	1,302,000
Total	\$133,233,253	\$134,293,936	\$135,452,000

**New Castle County
Real Estate Tax Yield
Current Year Only
Fiscal Years 2018-2022**



Taxable real property assessed values (net of exemptions) is \$19.6 billion for the initial tax levy. Net quarterly additions are projected to add \$650,000 in revenue to the tax rolls.

Funding Summaries

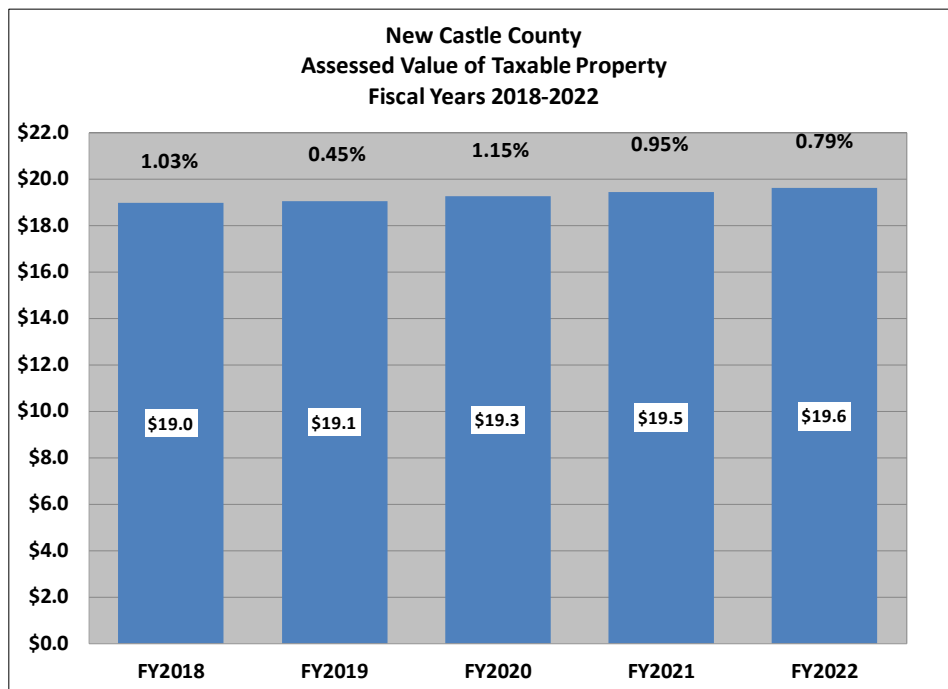
✓ Real Estate Taxes (Continued)

Fund: General

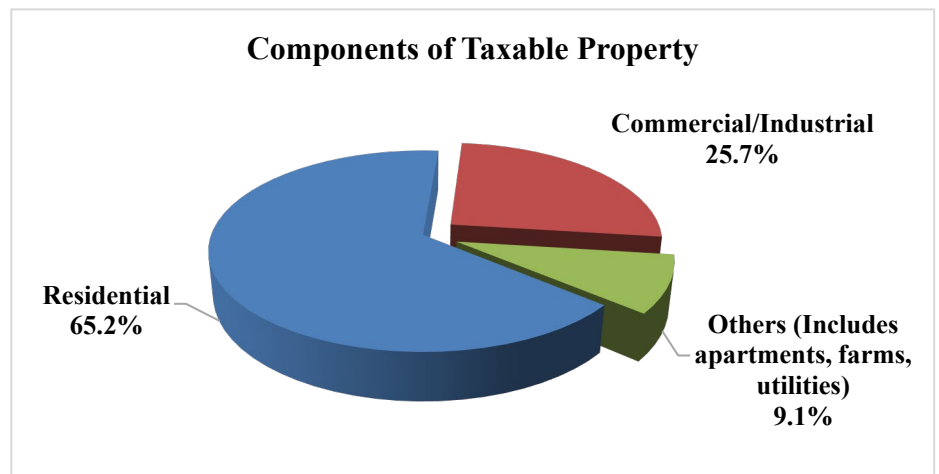
All senior homeowners in New Castle County who applied and qualified for an exemption prior to July 1, 2008 receive an exemption of \$50,000.

This exemption is subtracted from their property's assessed value when calculating a qualified senior's tax bill and calculating the cap on their annual sewer fees. Senior homeowners who applied between July 1, 2008 and June 30, 2019 received an exemption of \$32,000, must have previously been a resident of the State of Delaware for three years and the assessed value of the property cannot exceed \$125,000 in order to qualify for the exemption. Senior homeowners who apply on or after tax year 2019 must have previously been a resident of the State of Delaware for ten years.

Social Security benefits and Railroad Retirement Tier I are not included in the calculation of the income requirements.



Assessed real property values partially or totally exempt from the Real Estate Tax total \$5.1 billion or 20.5% of the gross \$24.7 billion property assessments. The largest component of exempt property is the general exemptions category which is \$4.2 billion, or 83.7% of total exemptions granted of assessed property.



**New Castle County
Taxable Assessment Growth**

	FY2021	FY2022	FY2022 vs. FY2021 % Growth
Unincorporated	\$14,973,909,123	\$15,143,483,165	1.13%
Arden	16,047,800	16,228,300	1.12%
Ardencroft	7,364,500	7,373,700	0.12%
Ardentown	10,338,400	10,469,400	1.27%
Bellefonte	29,872,850	29,807,700	-0.22%
Delaware City	50,400,420	52,449,820	4.07%
Elsmere	114,568,885	114,920,385	0.31%
Middletown	783,221,930	813,666,630	3.89%
New Castle	257,452,079	257,466,239	0.01%
Newark	881,341,922	880,008,522	-0.15%
Newport	55,463,636	55,430,036	-0.06%
Odessa	12,023,750	12,425,450	3.34%
Townsend	77,874,400	80,252,300	3.05%
Wilmington	2,188,375,426	2,137,621,436	-2.32%
TOTAL	\$19,458,255,121	\$19,611,603,083	0.79%



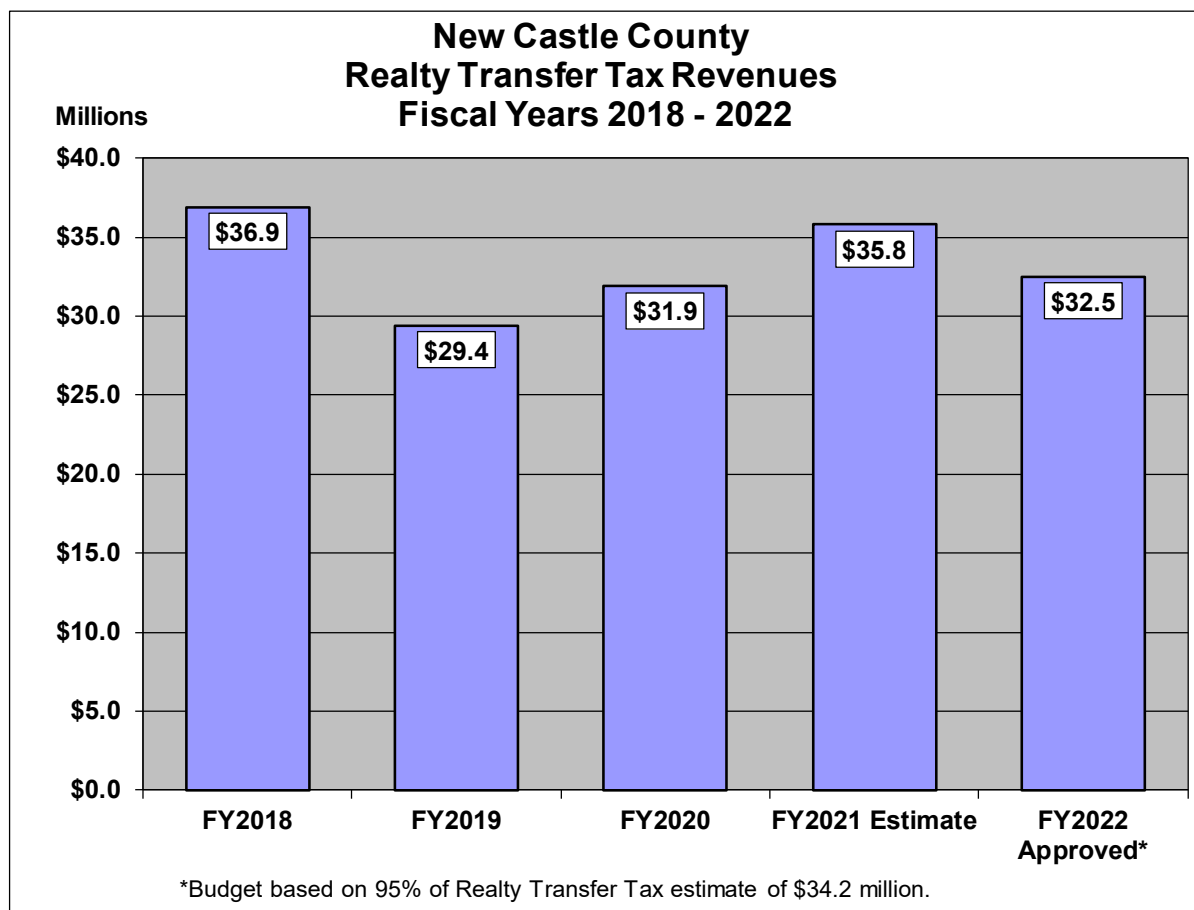
Funding Summaries

✓ Realty Transfer Tax

Fund: General

Pursuant to 67 Del. Laws c. 415, New Castle County Government was granted the power and authority to impose and collect a tax upon the transfer of real property situated within the unincorporated areas of the County. This authority was limited to one percent and exempts first-time home buyers (in addition to other State exemptions). The County enacted the one percent transfer tax by adopting Ordinance 91-030 effective April 10, 1991. In June 1998, the State transferred to the County a portion of the State's realty transfer tax (one-half percent) for a total County transfer tax of one and one-half percent. The County enacted enabling legislation in July 1998.

In May 2018, the County enacted Ordinance 18-052 capping the amount of transfer tax that can be used for budget estimates at 95% of the amount certified by the County Executive for the fiscal year. Any excess over the 95% must be used as specified in the legislation. In Fiscal Year 2022, the Realty Transfer Tax is budgeted at \$32,500,000 (95% of estimate). The chart below shows transfer tax activity for Fiscal Years 2018 - 2022.



Funding Summaries

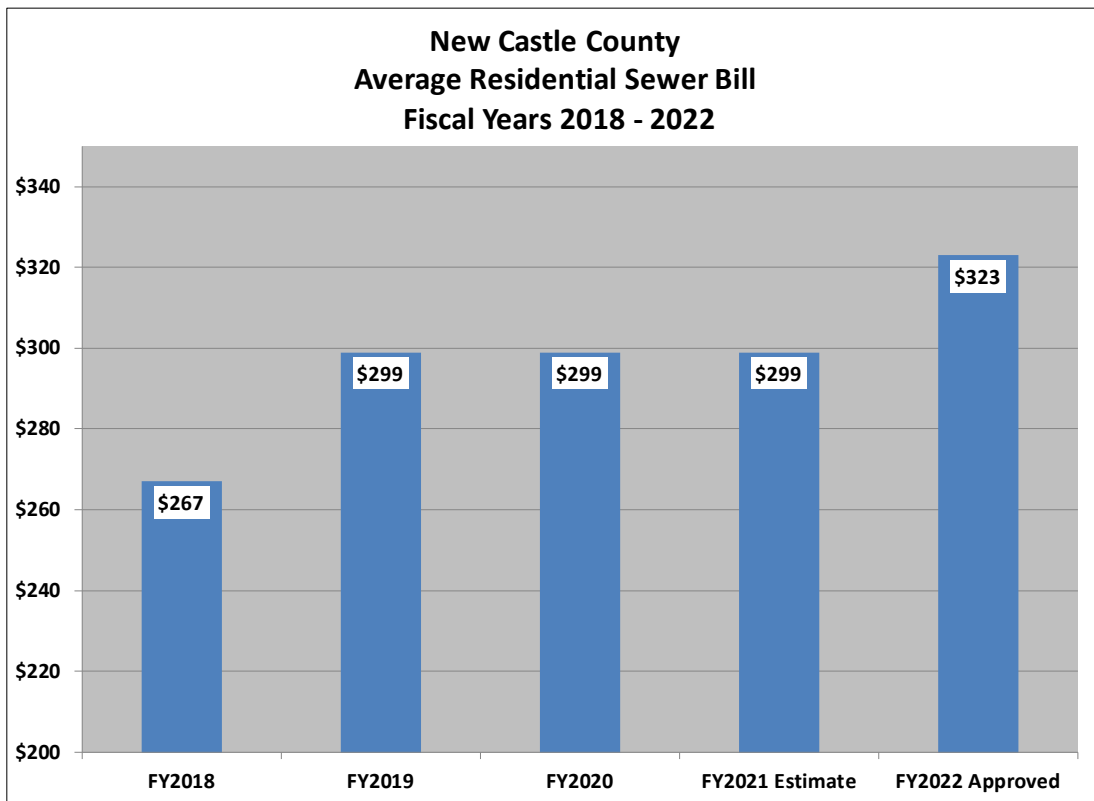
✓ Sewer Charges and Fees

Fund: Sewer

The Sewer Fund is an Enterprise Fund which self-supports wastewater and environmental services within New Castle County. Sewer Service Charges, both current and delinquent total \$80,100,000, Other Service Fees total \$10,498,940 and Interest Earnings total \$1,000,000; for a combined estimated yield of \$91,598,940.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Sewer Services Current	\$64,210,869	\$65,028,944	\$75,800,000
Sewer Services Delinquent	5,722,748	5,675,702	4,300,000
Interest Earnings	1,674,871	700,000	1,000,000
Capital Recovery Fees	6,867,406	7,416,561	6,800,000
Other Service Charges	3,654,508	4,122,608	3,698,940
Available Cash Balance	0	0	0
Capital Recovery Fees - Debt Service	4,107,355	3,124,773	0
Total	\$86,237,757	\$86,068,588	\$91,598,940

The typical residential customer will be billed a composite flow rate of \$6.42917 per 1,000 gallons (average 48,081 gallons) which is estimated to be \$323 or 88 cents per day.



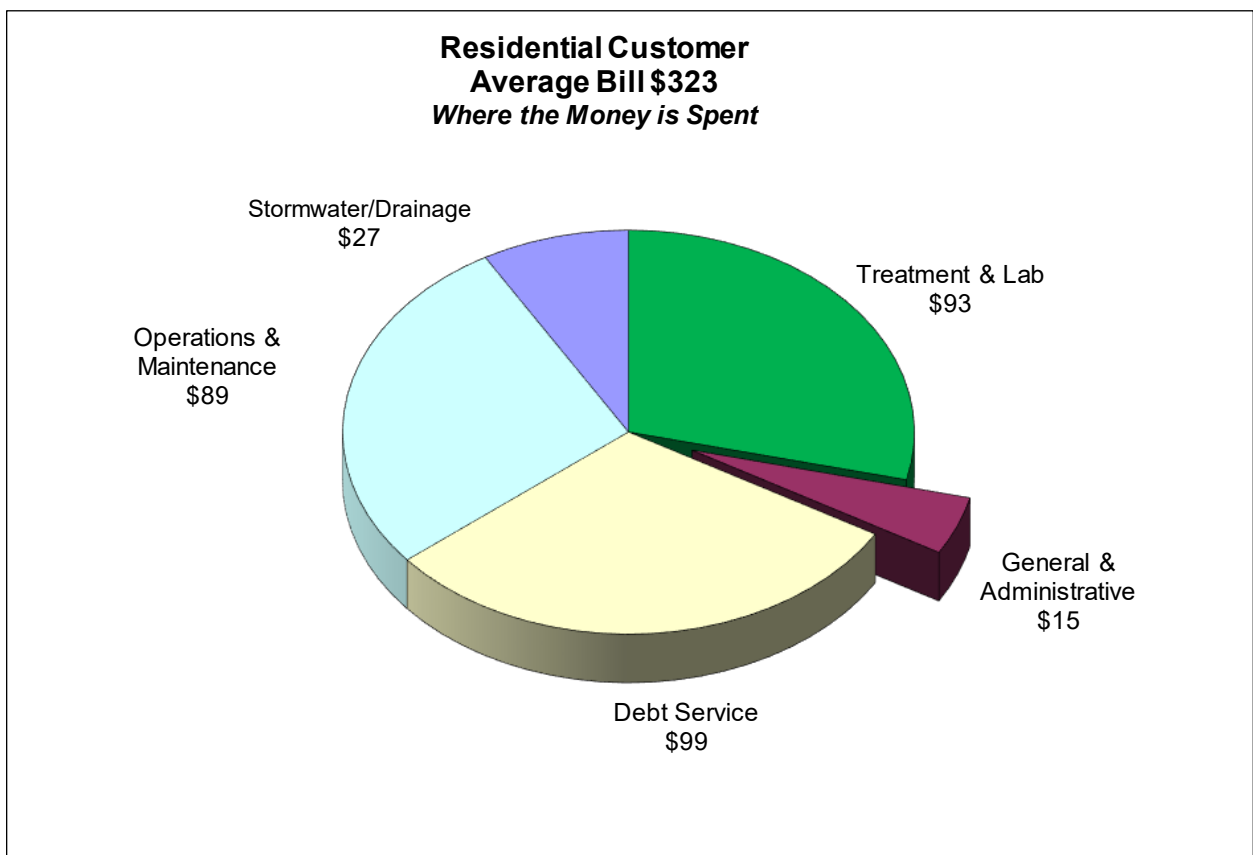
Funding Summaries

✓ **Sewer Charges and Fees** (Continued)

Fund: Sewer

The amount estimated to be received from the Fiscal Year 2022 sewer billing from all users is \$75,800,000. In addition, delinquent collections are anticipated to total \$4,300,000. The display below shows a comparison of the number of accounts by type and the billing estimated for Fiscal Year 2022.

Gross Billing Estimate Fiscal Year 2022		
	# of Accounts	Gross Billing
Residential	123,648	\$37,050,343
Industrial	21	10,214,564
Commercial	3,668	17,405,480
Apartments	228	8,137,532
Contract	5	5,951,898
Gross Billing	127,570	\$78,759,817
Allow for Delinquent Gross Billing		(\$2,959,817)
		\$75,800,000



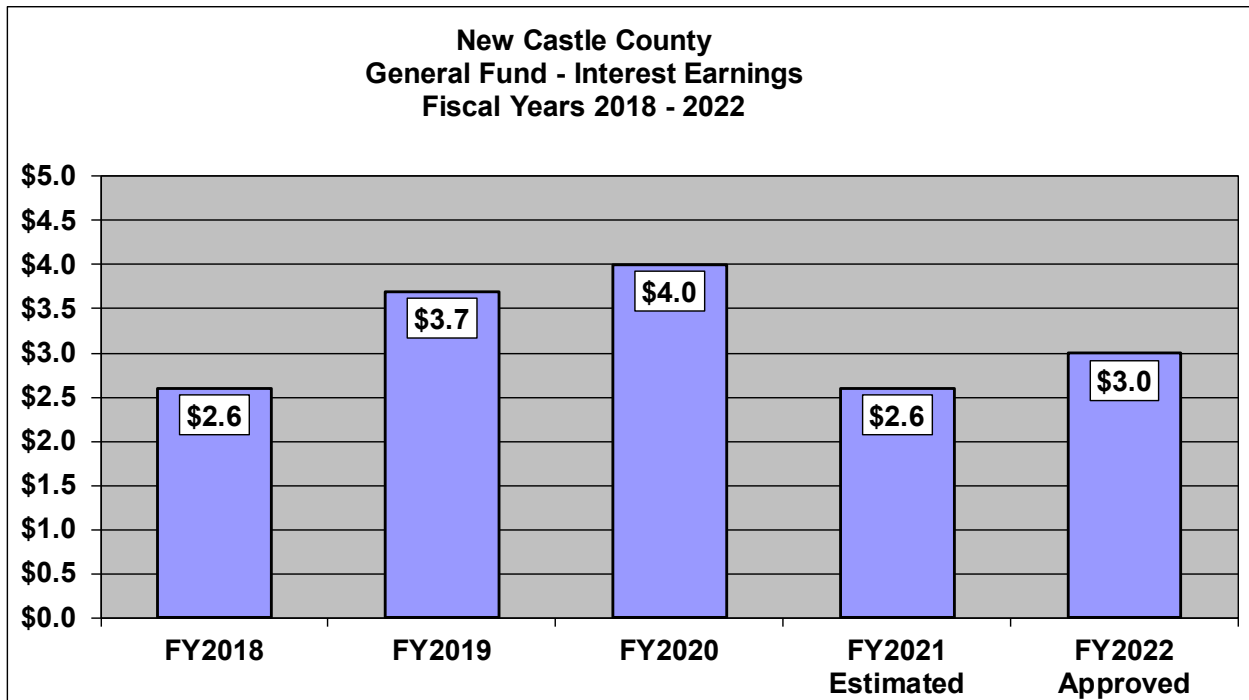
Funding Summaries

✓ **Use of Money and Property**

Fund: General

Use of Money and Property revenues is budgeted at \$7,190,031 and are primarily from interest earnings and Realty Transfer Tax - Debt Service.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Interest Earnings	\$4,003,924	\$2,600,674	\$3,000,500
Impact Fees	400,000	400,000	400,000
RTT - Debt Service	2,031,849	976,343	2,842,977
City of Wilmington C/C Bldg.	519,117	252,799	619,185
Rentals/Sale of Assets	338,685	446,573	327,369
Total	\$7,293,575	\$4,676,389	\$7,190,031



Funding Summaries

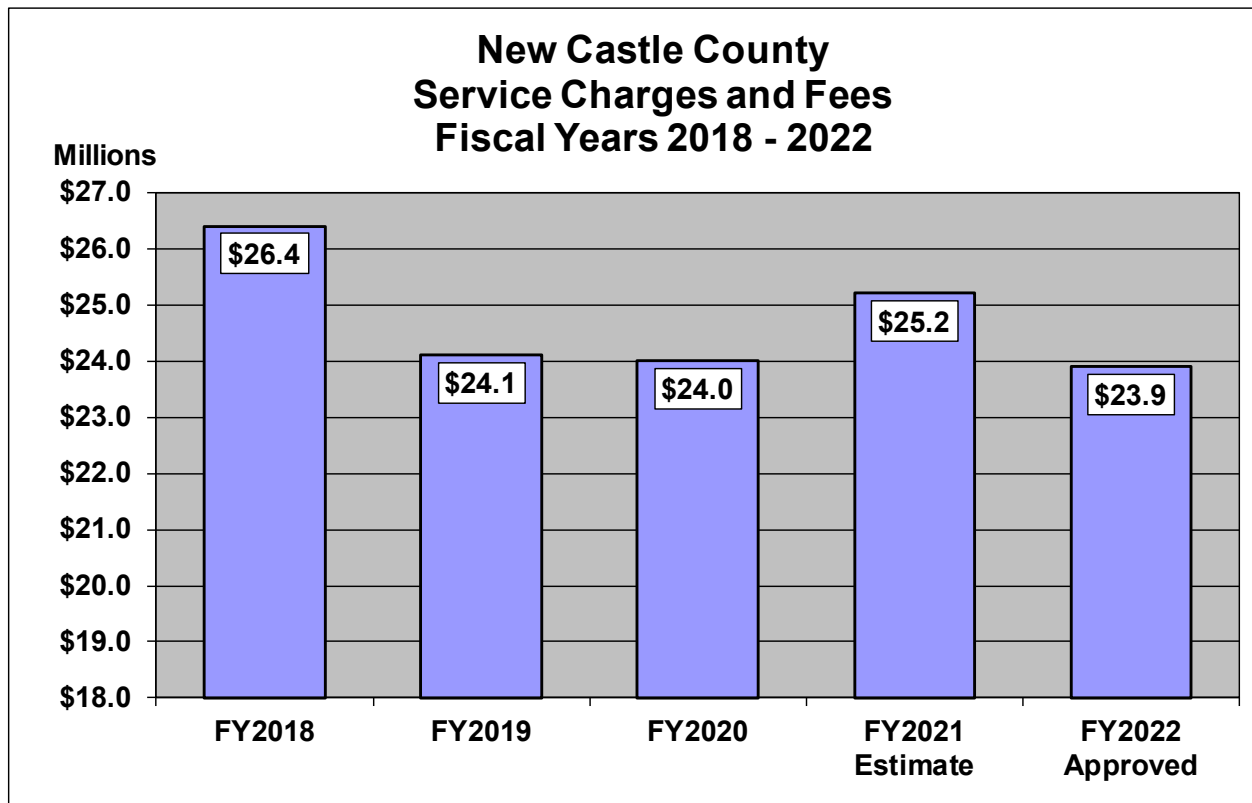
✓ Service Charges and Fees

Fund: General

Service Charges and Fees revenue is projected at \$23,855,728.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Sheriff	\$2,558,085	\$1,100,652	\$3,900,652
Deeds	8,538,998	11,951,931	7,189,433
Wills	2,273,504	3,232,488	3,374,718
Recreation	1,040,493	902,566	1,459,080
Public Safety (911 Fees, Traffic Fines, Emergency Communications)	2,003,454	1,582,465	2,003,605
Zoning Fees	3,101,088	1,929,533	1,647,800
Miscellaneous*	4,505,472	4,558,263	4,280,440
Total	\$24,021,094	\$25,257,898	\$23,855,728

*Includes library fines, property maintenance, and insurance recoveries.



Funding Summaries

✓ Licenses and Permits

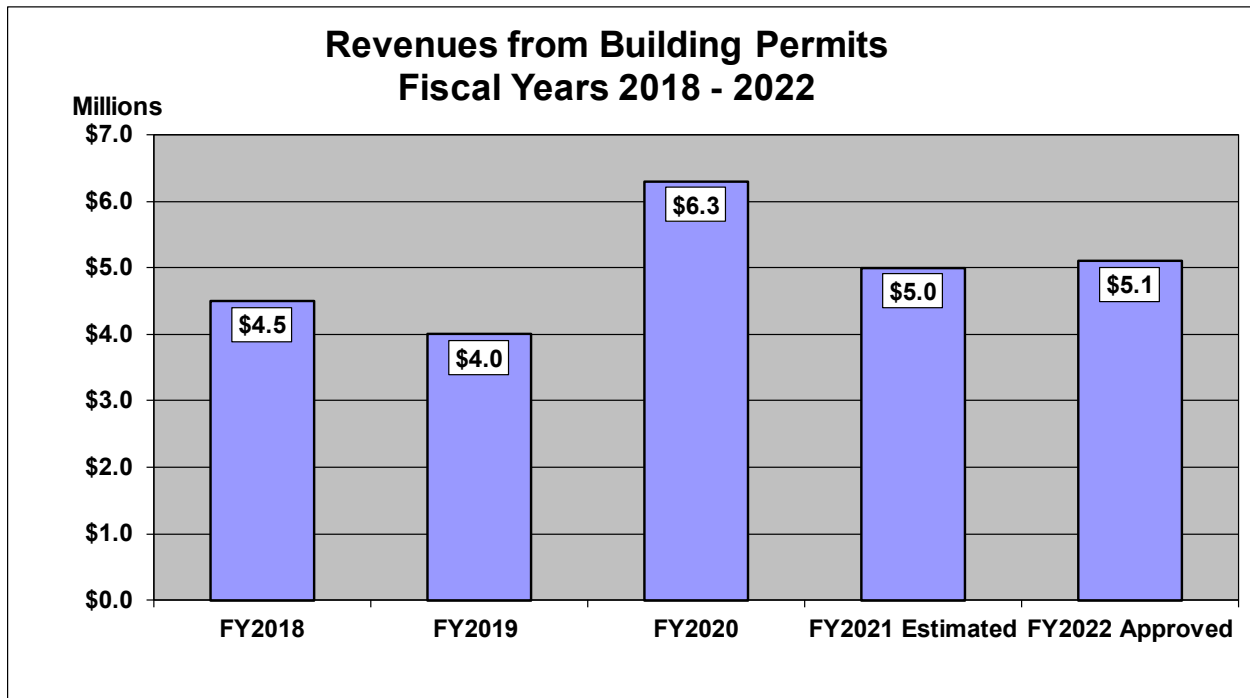
Fund: General

Licenses and Permits revenues are estimated to yield \$8,083,000.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Building Permits	\$6,323,527	\$5,011,566	\$5,080,000
Contractor/Business Licenses	1,095,750	987,100	1,142,000
Other Permits & Licenses	1,805,406	1,763,815	1,861,000
Total	\$9,224,683	\$7,762,481	\$8,083,000

The display below shows a comparison of various building permits activity for the past two calendar years.

Type of Permit	CY2019 # Permits Issued	CY2020 # Permits Issued
Residential	1,061	1,073
Alterations/Additions	2,377	2,426
Commercial/Industrial	634	497



Funding Summaries

✓ Intergovernmental Revenue

Fund: General

Intergovernmental Revenue is estimated at \$7,721,725 and is primarily from the State of Delaware for reimbursement of the County's paramedic. The numbers below do not include the State contribution to Police Pension that is received during the year and appropriated in June.

Category	FY2020 Actual	FY2021 Estimated	FY2022 Approved
Paramedic Reimbursement	\$5,771,365	\$6,063,136	\$6,433,159
Realty Transfer Tax Fee	813,631	939,678	800,000
Chancery Reimbursement	278,439	226,807	180,048
Indirect Cost Plan	88,000	88,000	90,000
Other Reimbursement	153,869	157,172	218,518
Total	\$7,105,304	\$7,474,793	\$7,721,725

✓ Special Assessments

Fund: Light Tax

Special Assessment revenues for the Light Fund consist of \$6,608,258 in tax revenue and \$268,246 in use of available resources. Monthly billings are received from Delmarva Power for electric. These assessments are for street lighting installation and operation in new and existing communities. Approximately 60% of all unincorporated improved parcels benefit from street lighting.

The following are the Street Light Tax rates for Fiscal Year 2022:

	Tax Rate in Cents Per \$100 of Assessed Valuation
Wood Incandescent	1.000
Wood Mercury	7.950
Metal Mercury	13.550
Ornamental Mercury	11.450
Turn of Century	13.800
Limited Installation	5.250

Funding Summaries

✓ Special Assessments

Fund: Crossing Guard

Special Assessment revenues for the Crossing Guard Fund consist of \$3,337,270 in tax revenues and \$280,000 in use of available cash balances. A separate rate is established each year through County ordinance for five school districts (Brandywine, Red Clay, Christina, Colonial, and Appoquinimink) to support school crossing guard services.

The following are the school crossing guard tax rates for each school district for Fiscal Year 2022:

	Tax Rate in Cents Per \$100 of Assessed Valuation
Brandywine	1.815
Red Clay	1.941
Christina	2.007
Colonial	1.702
Appoquinimink	1.718

✓ Use of Available Cash Balances

The use of available cash balances for Fiscal Year 2022 are as follows:

Light Fund	\$268,246
Crossing Guards	\$280,000
TOTAL	\$548,246

✓ Reserves

Fund: General and Sewer

The following legislated reserves are enacted by County Council as of March 31, 2021:

Tax Stabilization Reserve Account (NCC Code, Sec. 14.01.014)	\$49,742,985
Sewer Rate Stabilization Reserve Account (NCC Code, Sec. 14.01.015)	20,414,476
General Fund Budget Reserve Account (NCC Code, Sec. 14.01.013)	42,543,328
Sewer Fund Budget Reserve Account (NCC Code, Sec. 14.01.013)	16,619,388
TOTAL	\$129,320,177

Funding Summaries

✓ Estimated Grants for Fiscal Year 2022

Fund: Grants

In addition to the General and Special Operating funds, New Castle County anticipates the following grants for Fiscal Year 2022.

Administration

American Rescue Plan Act	\$54,000,000
Total Administration	\$54,000,000

Community Services

Section 8 Housing Choice Vouchers	\$17,692,000
Community Dev Block Grant	2,846,000
State Aid - Libraries	2,247,000
Home Program	1,113,000
Summer Youth Employment Program	327,000
State Aid - Senior Centers	205,000
Emergency Solutions Grant	207,000
Total Community Services	\$24,637,000

Public Safety

Ed Byrne JAG program	\$170,000
Emergency Management - Federal	340,000
Emergency Management - PSEG	72,000
Special Law Enforcement Assistance Funds (SLEAF)	75,000
State Aide to Local Law Enforcement (SALLE)	70,000
Emergency Illegal Drug Enforcement (E.I.D.E.)	38,000
State of Delaware - Office of Highway Safety	60,000
Criminal Justice Council	194,000
Combat Violent Crime	530,000
Total Public Safety	\$1,549,000

TOTAL ESTIMATED GRANTS **\$80,186,000**

Program Summaries – Operating Budget (ALL FUNDS)

Summary by Fund				
Fund	FY2021	FY2022	\$ Change	% Change
General Fund	\$209.1	\$214.3	\$5.2	2.49%
Sewer Fund	84.3	86.8	2.5	2.97%
Street Light Fund	6.4	6.9	0.5	7.81%
Crossing Guard Fund	3.7	3.6	(0.1)	-2.70%
	\$303.5	\$311.6	\$8.1	2.67%

✓ **Highlights of Appropriation Changes in Fiscal Year 2022**

General Fund		
Purpose	Millions	Description
Salary/Benefits	\$4.8	Step and negotiated wage increases; 23 new positions; health care and pensions
Contractual	0.9	Expansion of Community Intervention Team; opening of Appoquinimink Library; inflation for building and software maintenance contracts

Sewer Fund		
Purpose	Millions	Description
Contractual	0.3	Professional Svcs. and IGS Charges
Debt Service	2.5	Debt Service schedule

Street Light Fund		
Purpose	Millions	Description
Communications	\$0.5	Utility costs

Crossing Guard Fund		
Purpose	Millions	Description
Salary/Benefits	-\$0.1	Small decrease in estimated costs

Program Summaries – Operating Budget (ALL FUNDS)

Program Summaries Description

✓ **Mission**

Provides a description of the department's or unit's mission (organization).

✓ **Core Services**

Provides a description of the department's or unit's scope of service(s).

✓ **Major Service Level Accomplishments**

Presents major service level accomplishments performed by each organizational unit.

✓ **Major Service Level Goals/Objectives**

Presents major service level goals to be accomplished by the organization for the year. Most service level goals are referenced to the long-term Programmatic and Financial policies in the **Policy Initiatives** tab. Examples of linkage of departmental/programmatic service level goals to countywide policy goals and objectives (**Policy Initiatives** tab) are parenthetically highlighted throughout the program summaries.

✓ **Performance Measures**

Presents selected quantitative and/or qualitative performance measurements of the organization and programs. Information is presented for prior year actual, current year estimate and budget year.

✓ **Budget Highlights**

Provides highlights of the Fiscal Year 2022 budget and a discussion of the changes to the Fiscal Year 2021 budget. Significant budget increases or decreases by line item are explained.

✓ **Expenditure and Position Summary**

Presents expenditures and positions for prior year actual, current year estimate and budget year. Complete list of position changes is presented in the **Appendix** tab.

✓ **Position Changes**

Presents position changes by Department/Division from Fiscal Year 2021 to Fiscal Year 2022. Complete list of position changes is presented in the **Appendix** tab.