

**Minutes of the
New Castle County Financial Advisory Council**

New Castle County Government Center - September 15, 2009

Attendance:

Member	Present
Richard F. Davis	Yes
David Blowman	Yes
George Danneman	Yes
Glenn Kocher, Jr.	Yes
Joseph Larotonda	No
Mark Oller	Yes
Richelle Vible	Yes
Jill Floore	Yes

Members in Attendance: 7

Members Absent: 1

Others Present: George Smiley, Rick Gregory, Christy Gleason, Ed Milowicki, David Del Grande, Russ Morris, Steve Cunliffe, Joanna Ewbank

Opening Business:

Chairman Rich Davis called the meeting to order at 3:32 p.m. The minutes from the April meeting were approved as submitted.

Review FY2009 General Fund Final Revenues:

Acting NCC Chief Financial Officer Edward Milowicki introduced NCC Finance Department members David DelGrande and Russ Morris to review the FY2009 Final Revenues.

Mr. Morris presented NCC's General and Sewer Funds Revenues Comparison of FY2009 Estimate to Actual.

Real Estate Taxes

Mr. Morris noted that the FY2009 estimate was \$88,533,700 and the FY2009 actual is \$88,497,800, which represents a decrease of \$35,900.

Real Estate Transfer Tax

Mr. Morris noted that the FY2009 estimate was \$16,600,000 and the FY2009 actual is \$16,838,700, which represents an increase of \$238,700 or 1.4%.

Service Charges & Fees

Mr. Morris noted that the FY2009 estimate was \$17,713,000 and the FY2009 actual is \$19,358,100, which represents an increase of \$1,654,100 or 9.3%.

Recreation

Mr. Morris noted that the FY2009 estimate was \$1,539,100 and the FY2009 actual is \$1,602,700, which represents an increase of \$63,600 or 4.1%.

Licenses and Permits

Mr. Morris noted that the FY2009 estimate was \$4,976,300 and the FY2009 actual is \$4,588.8, which represents a decrease of \$387,500 or 7.8%.

Use of Money & Property

Mr. Morris noted that the FY2009 estimate was \$5,450,800 and the FY2009 actual is \$5,320,100, which represents a decrease of \$130,600 or 2.4%.

Intergovernmental Revenues

Mr. Morris noted that the FY2009 estimate was \$5,779,700 and the FY2009 actual is \$5,777,000, which represents a decrease of \$2,700.

Interfund Transfer

Mr. Morris noted that the FY2009 estimate was -\$4,071,700 and the FY2009 actual is -\$4,631,500, which represents an increase of \$559,800 or 13.7%.

Review FY2009 Sewer Fund Final Revenues:

Sewer Current

Mr. Morris noted that the FY2009 estimate was \$50,645,800 and the FY2009 actual is \$49,745,100, which represents a decrease of \$900,700 or 1.8%.

Mr. Davis asked if there was higher usage. Mr. Morris said there was higher usage and higher delinquent accounts. Mr. Kocher asked if this was on a cash basis. Mr. Morris said the process is based on cash receipts.

Sewer Delinquent

Mr. Morris noted that the FY2009 estimate was \$2,500,000 and the FY2009 actual is \$2,711,200, which represents an increase of \$211,200 or 8.4%.

Other Fees

Mr. Morris noted that the FY2009 estimate was \$4,258,000 and the FY2009 actual is \$4,579,600, which represents an increase of \$321,600 or 7.6%.

Mr. Kocher questioned what are Septic Hauler Fees. Mr. Morris said people bring in septic waste that cannot normally be processed and they are charged based on how much is pumped. Doing this hopefully prevents sewer clogs and will also increase revenues.

Use of Money and Property

Mr. Morris noted that the FY2009 estimate was \$1,282,200 and the FY2009 actual is \$1,344,000, which represents an increase of \$61,800 or 4.8%.

Review FY2009 Year End General Fund Final Expenditures:

Mr. Del Grande presented NCC's General and Sewer Funds Budget Highlights as of June 30, 2009.

Salaries/Wages

Mr. Del Grande noted that FY2009 salaries/wages are \$0.9 million less than FY2008. He noted that NCC achieved salary savings in FY2009 by the implementation of a hiring freeze and the careful control of overtime spending.

Employee Benefits

Mr. Del Grande noted that County medical costs decreased 2.87% and Pension costs decreased 3.72%, when compared to FY2008. He also noted that overall, FY2009 employee benefit costs are \$1.0 million above FY2008.

Mr. Davis questioned what drove the benefit cost number to increase. Mr. Del Grande said that the County is self-insured and as the employees get older their health expenses increase. He noted that the cost was lower than budgeted but higher than FY2008. Ms. Floore questioned the County's OPEB contribution. Mr. Milowicki said the County voluntarily contributes \$5 million annually and that an additional \$5 million should be contributed. He also noted that they are also conducting a liability study. Ms. Floore commented that they are using a pay-as-you-go process. Mr. Oller asked for a reminder on OPEB. Mr. Milowicki stated that OPEB stands for Other Post Employment Benefits and it is regarding health care coverage for retirees.

Communication/Utilities

Mr. Del Grande noted that FY2009 expenditures and encumbrances are \$0.2 million less than FY2008.

Materials and Supplies

Mr. Del Grande noted that FY2009 expenses are \$0.9 million less than FY2008.

Contractual Services

Mr. Del Grande noted that FY2009 expenditures and encumbrances for service contracts and intergovernmental cross charges are \$2.9 million below FY2008 activity. He also noted that an overall savings of \$3.9 million was available at year-end.

Fixed Charges/Grants

Mr. Del Grande noted that FY2009 fixed charges are \$1.3 million above FY2008. He also noted that overall, there was a \$0.3 million savings primarily due to reduction in funding to the contractual libraries in 2009.

Equipment

Mr. Del Grande noted that FY2009 expenditures and encumbrances are \$0.2 million less than FY2008.

Debt Service

Mr. Del Grande noted a savings of \$0.3 million was realized in FY2009 due to the refinancing of existing bonds and lower than expected rates on the new bond issue.

Mr. Del Grande noted that the net expenditure and encumbrance activity for June 2009 is \$165.3 million, which is \$2.3 million more than FY2008. He noted that the increase is due primarily to the increase in debt service spending.

Mr. Oller asked about the lag time on building permits. Mr. Morris said there was a date when the permit must be used or you can apply for an extension but he was not sure of the exact details. Mr. Del Grande said for residential construction, there is a 90 day time frame from when the initial permit is pulled to when a certificate of occupancy is issued. Councilman Smiley stated that a developer has five years to break ground after receiving permits.

Review FY2009 Year End Sewer Fund Final Expenditures:

Mr. Del Grande noted that FY2009 expenditures were \$0.8 million less than FY2008 and \$1.4 million under FY2009's budget. He noted that this savings is due primarily to the hiring freeze which occurred during FY2009.

EPA Mandate

Mr. Del Grande noted that during FY2009, the sewer fund budget was amended by adding \$1.4 million to enable the County to meet current EPA requirements.

Wilmington Wastewater Treatment Plant

Mr. Del Grande noted that FY2009 incurred attorney's fees in the amount of \$0.3 million as a result of treatment plant negotiations with the City of Wilmington. He

noted that retroactive sewer fees to be paid for both FY2008 and FY2009 will occur in FY2010.

Town of Middletown Sewer Agreement

Mr. Del Grande noted that as part of a sewer agreement the County paid Middletown \$0.4 million to purchase existing capacity at the Middletown treatment plant, which the County had previously leased.

Mr. Del Grande noted that overall, expenditures and encumbrances are \$2.0 million over FY2008 due primarily to an increase in debt service spending (\$2.3 million); however, the sewer fund was \$4.0 million under FY2009 budget due to spending reductions that were mandated during FY2009.

Review FY2010 General and Sewer Fund Revenue Activity A/O August

Mr. Morris presented NCC's General and Sewer Funds Revenues Comparison of FY2010 Forecast to Budget.

Ms. Vible clarifies that this information reflects changes to fees and not volume.

Mr. Milowicki notes that a lower Pension rate was authorized by the Pension board after the budget was passed that reduced the reimbursement rate.

Mr. Davis and Mr. Oller questioned the numbers presented in the spreadsheet because the totals of column B and C do not match the difference reflected in column D. Numbers need to be corrected.

Mr. Morris presented FY2010 Revenue Changes as of August 31, 2009.

GENERAL FUND

Real Estate Transfer Tax

Mr. Morris noted that July was higher than the monthly estimate and August was below the monthly estimate.

Mr. Milowicki stated that property taxes are due September 30. Mr. Morris noted that the next report will reflect property tax collection.

Mr. Danneman questioned whether these numbers are annual or based on peak month. Mr. Morris said that he combines the two peak months of July and August and compares them to the same months in the previous year.

Ms. Floore questioned what traditionally has been the County's timeline for changing projections. Mr. Milowicki said that November/December is when adjustments are made. He noted that this year if the State decides to change paramedic reimbursement or RTT then the County would need to make adjustments.

Mr. Milowicki presented a handout on NCC RTT Activity. Councilman Smiley noted that the State exempts first-time homebuyers from paying the County portion. Mr. Gregory questioned the amount the County is losing. Mr. Milowicki noted that the Office of Finance tracks that and it was approximately \$4 million last year. Mr. Morris noted that the \$8,000 federal tax credit for first-time homebuyers will create a ripple effect and that it expires on October 31, 2009, but there has been talk of extending the date. Mr. Milowicki noted they are keeping an eye on BRAC. He also noted that the value of houses has dropped which affects RTT.

Service Charges/Fees

Mr. Morris noted that a single estate settled in August caused a \$300,000 spike in the monthly revenue. Mr. Milowicki noted that these types of estates are few and far between. Mr. Oller mentioned the potential of an estate tax.

Mr. Morris noted that the revenues for subdivision review are down \$200,000 from the budget estimate. He also noted that these are fewer large scale reviews. Ms. Vible asked if there is staff or contractual employees doing reviews. Councilman Smiley commented that in his time on County Council, Land Use employees have always been busy.

Recreation

Mr. Morris noted that the actual year-to-date revenues have already exceeded the FY2010 budget of \$7.0 million.

Licenses & Permits

Mr. Morris noted that Land Use estimates revenues will be down approximately \$254,000 in the permits and licenses category.

Use of Money & Property

Mr. Morris noted that there was a negative adjustment on the interest side for July.

SEWER FUND

Mr. Morris noted that there has been a \$52,500 increase in revenue and a single bill for Groundwater Discharge Fees generated the additional revenue. He also noted that late payments will be received in the month of September. Ms. Vible asked if the County was okay with an overall 30% decrease in sewer and still projecting an increase. There was a discussion on this topic.

Mr. Danneman questioned if the board was voting at this meeting or if this was informational only. Mr. Davis confirmed that the board will vote at the November meeting.

Mr. Morris presented a chart on RTT Revenue. Mr. Milowicki commented that Christiana Care just sold a building. Mr. Del Grande noted that it was an \$8 million transaction. Mr. Danneman asked if that would change the numbers. Mr. Milowicki noted that it will not significantly change the numbers but it is a good sign.

Mr. Morris presented a chart on RTT Actual Collected as Percent of Average Month. He noted that we are showing just below the 51% goal.

Mr. Morris presented a chart on Recorder of Deeds Revenue with No Corporation Fees. He noted that the rise represents increased Real Estate sales and refinancing while the dip represents the slow down in refinancing.

Mr. Morris presented a chart on Sheriff Revenue.

Mr. Morris presented a chart on Register of Wills Revenue. He noted that even though this appears promising, it will not stay this way because the increase is due to one big estate settlement. There was a discussion on the procedure for processing checks. Mr. Oller commented that it may be time to review the current procedure. Mr. Milowicki noted that there is the possibility of an IT upgrade and filling vacant positions in order to help Wills be more efficient. He also reminded the board that the Row Offices are elected and the County continues to work with them to find solutions. He noted that Row Office employees are union and if positions are not filled they are required to pay them overtime for extra time worked. He noted the potential of moving employees between Row Offices for better efficiency but there are union issues involved.

Mr. Morris presented a chart on Subdivision and Zoning Review Revenue. He noted that it shows they are currently below the budget estimate.

Mr. Morris presented a chart on Building Permit Revenue. He noted that commercial building was increasing in 2007 which hid the decline in residential, however, both declined in 2008. Mr. Milowicki noted that this demonstrates how dependant NCC is on RTT and Land Use. Mr. Oller commented that there is a limited amount of land in NCC and the County needs to restructure now before we run out of land in the long-term. Mr. Morris noted that property taxes are a steady and stable growth in revenue. Councilman Smiley commented that the County needs to continue with diversification of revenue sources regardless of real estate boom or they are doomed to repeat this process. He stated that the County cannot build another budget on RTT.

Mr. Morris presented a chart on Business and Contractor Licenses.

Review FY2010 General and Sewer Fund Expenditures A/O August, 31, 2009:

General Fund

Mr. Del Grande noted that net expenditure and encumbrance activity for August is \$46.2 million, which is \$1.9 million less than last fiscal year.

Mr. Milowicki noted that the County went back to vendors and asked to renegotiate contracts and that they were all very cooperative. Mr. Del Grande noted that some projects have been deferred or delayed.

Sewer Fund

Mr. Del Grande noted that net expenditure and encumbrance activity for August is \$13.7 million, which is \$1.6 million more than last fiscal year, due primarily to the increase in debt service payments from August FY2009 vs. FY2010.

Mr. Del Grande presented a chart representing the General Fund versus Tax Rate over a twenty year period.

Mr. Del Grande presented a chart representing the Sewer Fund versus Residential Sewer Rates over a twenty year period. He noted that for ten years the rate being charged covered the cost so the rate was not adjusted.

Mr. Del Grande presented a chart showing Electric Expense from FY2002 to present.

Mr. Del Grande presented a chart showing Gas/Diesel Price Per Gallon from September 2009 through June 2010 Estimated. He noted that the County pays wholesale, approximately \$2.0 per gallon, which is \$0.60 less per gallon than retail.

Other Business:

The next meeting will be November 17, 2009 at 3:30 p.m. at the Government Center in the Large Executive Conference Room.

There being no further business, Chairman Davis adjourned the meeting at 5:10 p.m.

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
COMPARISON OF FY2009 ESTIMATE TO ACTUAL

(IN THOUSANDS)	A FY2008 ACTUAL 6/30/2008	B* FY2009 ESTIMATED 6/30/2009	C FY 2009 ACTUAL 6/30/2009	D C over B \$	E C over B %
GENERAL FUND					
Real Estate Taxes	87,115.5	88,533.7	88,497.8	-35.9	0.0%
Real Estate Transfer Tax	31,872.0	16,600.0	16,838.7	238.7	1.4%
Service Charges & Fees	20,063.7	17,713.0	19,358.1	1,645.1	9.3%
Recreation	1,725.1	1,539.1	1,602.7	63.6	4.1%
Licenses and Permits	5,905.4	4,976.3	4,588.8	-387.5	-7.8%
Use of Money & Property	8,467.1	5,450.8	5,320.1	-130.6	-2.4%
Intergovernmental Revenues	6,504.3	5,779.7	5,777.0	-2.7	0.0%
SUBTOTAL: GENERAL FUND	161,653.1	140,592.6	141,983.2	1,390.6	1.0%
LESS: INTERFUND TRANSFER	-5,257.9	-4,071.7	-4,631.5	-559.8	13.7%
TOTAL GENERAL FUND	156,395.2	136,520.9	137,351.7	830.8	0.6%
SEWER FUND					
Sewer Current	51,170.7	50,645.8	49,745.1	-900.7	-1.8%
Sewer Delinquent	3,014.1	2,500.0	2,711.2	211.2	8.4%
Other Fees	4,270.6	4,258.0	4,579.6	321.6	7.6%
Use of Money and Property	2,092.6	1,282.2	1,344.0	61.8	4.8%
TOTAL SEWER FUND RESOURCES	60,548.0	58,686.0	58,379.9	-306.1	-0.5%
TOTAL GENERAL & SEWER FUNDS	216,943.2	195,206.9	195,731.6	524.7	0.3%

* Column B includes the FY 2009 Revenue Estimate approved by NCCFAC in March 2009

FY 2009 REVENUE CHANGES

GENERAL FUND

Property Tax

-35.9

The actual real estate tax collections were very close to the March 2009 Estimates. A decrease in the Current taxes was partially offset by an increase in Prior Year collections.

RTT

+238.7

The actual Real Estate Transfer Tax was slightly higher than the March 2009 Estimate. May and June RTT were strong enough to overcome disappointing revenue for May. The RTT continues to be one of our most closely watched revenue sources.

Service Charges & Fees

+1,645.1

The Sheriff's Office accounted for \$1.1 million of the \$1.6 million increase for this category in the final quarter of FY 2009. The Sheriff's Office continued to see increased activity from foreclosures. The June Revenues for the Sheriff's Office also included a one time transfer of 315,187 from the Sheriff's Legacy Account to County Revenues.

The Recorder of Deeds Office saw continued strong activity related to mortgage refinancing during the fourth quarter. The numbers of mortgage refinances has decreased slightly, but the overall document activity for the Recorder of Deeds has remained high. Despite the fourth quarter increase of \$0.5 million, the FY 2009 Revenues for Deeds was lower than the original budget by \$1.6 million or 19.5%.

The final quarter numbers for the Register of Wills were down, but this is primarily from a delay in the posting of revenues from late June. The actual FY 2009 Revenue for Wills was \$0.2 million less than projected in March 2009.

Recreation

+63.6

The FY 2009 revenue for this category was slightly higher than had been estimated in March 2009. However, the actual revenue was still \$0.2 million below the original budget of \$1.8 million.

Licenses & Permits

-387.5

The FY 2009 Actual Revenue for this category came in \$2.0 million under the original FY 2009 budget of \$6.6 million. The majority of the reduction during the final quarter came from reductions in revenue for building and plumbing permits.

Use of Money & Property

-130.6

The FY 2009 revenue for this category was slightly lower than had been estimated in March 2009. This was caused by end of year corrections to the interest payments from the Row Offices and an adjusted allocation for interest received that decreased interest for the General Fund and increased the interest for the Sewer Fund.

Intergovernmental Revenues

-2.7

The actual FY 2009 revenue were slightly lower than the March 2009 Estimate.

Interfund Transfer

-559.8

Interfund transfers increased during the final quarter of FY 2009 for some additional fleet purchases. There was also a small transfer (64.0) in June as a GF match for the Summer Recreation Camps grant.

SEWER FUND

Sewer Current

Residential	-992.4
Industrial	-443.1
Commercial	+204.7
Apartments	+201.9
Contract	+128.2
	<hr/>
	-900.7

I adjusted the sewer charges line to reflect actual collections in FY 2009. Reductions to the residential and industrial sewer charges were partially offset by increases in commercial, apartment, contract and delinquent sewer charges. In FY 2009, billings for residential sewer were higher than FY 2008, but the actual amount paid was less than expected. 88,075 or 77.818% of residential sewer bills were paid on time in FY 2009 compared to 87,950 (78.163%) in FY 2008. The number of delinquent residential accounts was 13,741 as of the May 2009 billing compared to 12,725 for the May 2008 billing. Current year sewer charges for FY 2009 were \$49.7 million, which was \$2.2 million or 4.2% under the original budget of \$51.9 million.

Sewer Delinquent

+211.2

Delinquent sewer charges totaled \$2.7 million for FY 2009. This was \$1.0 million over the original budget of \$1.7 million.

Other Fees

+321.6

The FY 2009 Actual was higher than the FY 2009 Estimate primarily due to increased revenue from Septic Hauler Fees. The original revenue forecast for this line was \$607,000 for FY 2009. The actual revenue was \$1,281,445.

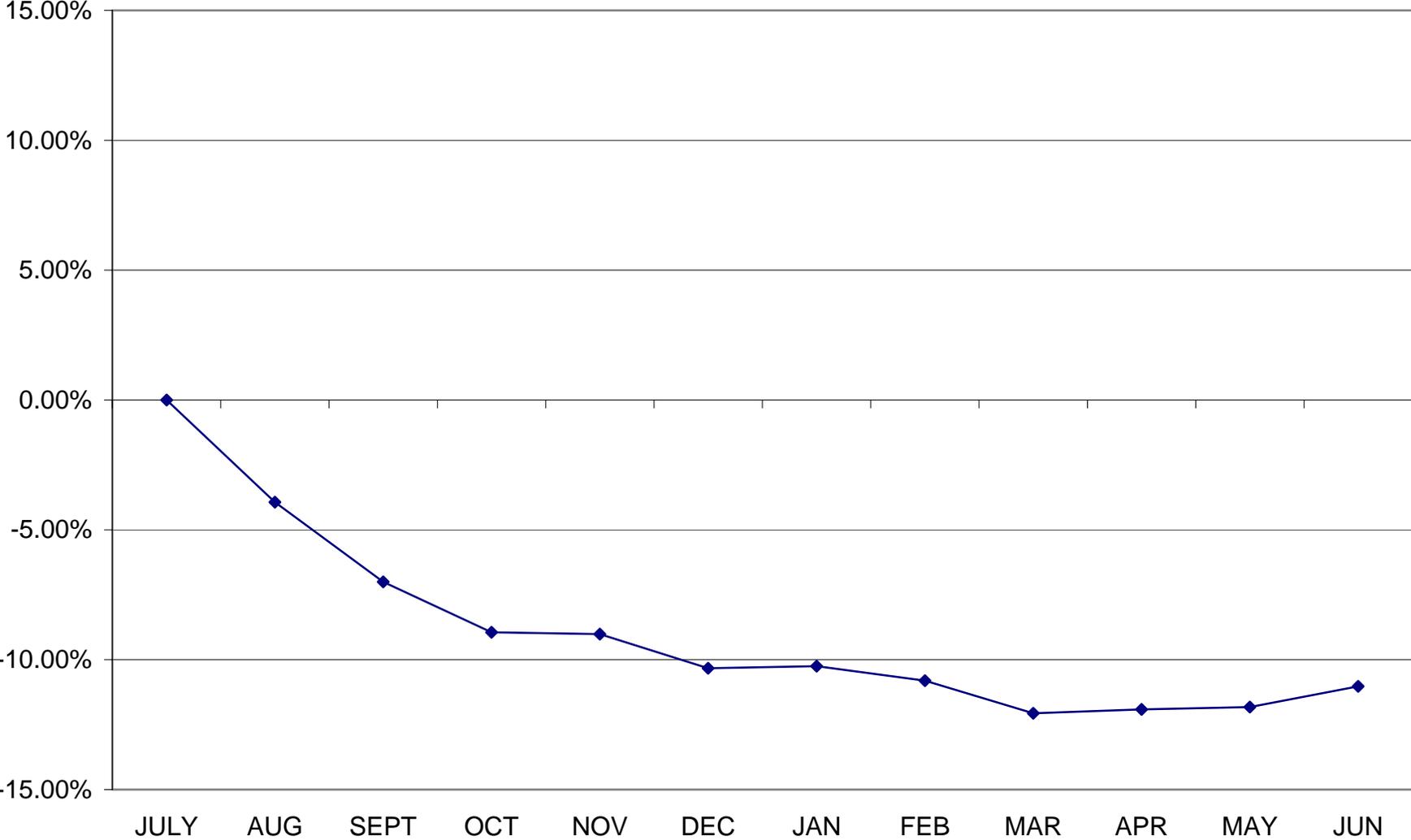
Use of Money & Property

+61.8

As previously mentioned, the allocation of receipts from interest was changed during the final quarter. This decreased the revenue on the GF side and increased the revenue for the Sewer Fund.

New Castle County

FY 2009 GF Revenue Estimate as a % of Budget



NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
COMPARISON OF FY2010 FORECAST TO BUDGET

(IN THOUSANDS)	A FY 2009 ACTUAL 6/30/2009	B* FY2010 FORECAST 6/30/2010	C FY2010 BUDGET 6/30/2010	D C over B \$	E C over B %
GENERAL FUND					
Real Estate Taxes	88,497.8	88,784.7	110,065.9	21,281.1	24.0%
Real Estate Transfer Tax	16,838.7	14,940.0	14,940.0	0.0	0.0%
Service Charges & Fees	19,358.1	16,984.0	17,275.4	291.4	1.7%
Recreation	1,602.7	1,340.3	1,340.2	-0.1	0.0%
Licenses and Permits	4,588.8	4,969.3	5,237.1	267.8	5.4%
Use of Money & Property	5,320.1	4,754.3	4,733.6	-20.7	-0.4%
Intergovernmental Revenues	5,777.0	4,235.1	4,021.1	-214.0	-5.1%
SUBTOTAL: GENERAL FUND	141,983.2	136,007.7	157,613.3	21,605.6	15.9%
LESS: INTERFUND TRANSFER	-4,631.5	-3,325.0	-3,325.0	0.0	0.0%
TOTAL GENERAL FUND	137,351.7	132,682.7	154,288.3	21,605.6	16.3%
SEWER FUND					
Sewer Current	49,745.1	50,901.9	55,947.2	5,045.3	9.9%
Sewer Delinquent	2,711.2	2,800.0	2,800.0	0.0	0.0%
Other Fees	4,579.6	4,335.5	4,552.6	217.0	5.0%
Use of Money and Property	1,344.0	1,539.0	1,539.0	0.0	0.0%
TOTAL SEWER FUND RESOURCES	58,379.9	59,576.4	64,838.7	5,262.3	8.8%
TOTAL GENERAL & SEWER FUNDS	195,731.6	192,259.1	219,127.1	26,867.9	14.0%

* Column B includes the FY 2010 Revenue Forecast approved by NCCFAC in March 2009

FY 2010 REVENUE CHANGES

GENERAL FUND

Property Tax

+21,281.1

The FY 2010 budget as approved included a property tax increase.

Service Charges

+291.4

The FY 2010 Budget includes several fee increases for Land Use.

Licenses & Permits

+267.8

The FY 2010 Budget includes several fee increases for Land Use.

Use of Money & Property

-20.7

The estimated reimbursement from the City of Wilmington for the City County Building was reduced when a lower employee benefit rate was used for the FY 2010 budget. This reduced the estimated expenditures for the building and consequently a lower reimbursement.

Intergovernmental Revenues

-214.0

The estimated reimbursement for the paramedic program was reduced when a lower employee benefit rate was used for the FY 2010 budget. This reduced the estimated expenditures and consequently a lower reimbursement.

SEWER FUND

Sewer Current

+5,045.3

The FY 2010 budget as approved included an increase in sewer rates for New Castle County.

Other Fees

+217.0

The FY 2010 Budget includes several fee increases for Land Use.

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
SUMMARY AS OF
AUGUST 31, 2009

(IN THOUSANDS)	B FY2009 ACTUAL	C FY2010 BUDGET	D FY2010 ESTIMATED	E D over C \$	F D over C %	G FY2009 YTD THRU AUGUST	H FY2010 YTD THRU AUGUST	I FY2010 H over G \$	J FY2010 H over G %
GENERAL FUND									
Real Estate Taxes	88,497.8	110,065.9	110,065.9	0.0	0.0%	8,847.5	11,459.9	2,612.4	29.5%
Real Estate Transfer Tax	17,129.5	14,940.0	14,940.0	0.0	0.0%	4,279.6	2,963.2	-1,316.4	-30.8%
Service Charges & Fees	19,352.5	17,275.4	17,375.4	100.0	0.6%	3,447.4	4,138.6	691.2	20.0%
Recreation	1,602.7	1,340.2	1,345.2	5.0	0.4%	211.4	150.3	-61.1	-28.9%
Licenses and Permits	4,588.8	5,237.1	5,037.1	-200.0	-3.8%	775.9	701.7	-74.2	-9.6%
Use of Money & Property	5,299.8	4,733.6	4,718.1	-15.5	-0.3%	924.9	440.0	-484.9	-52.4%
Intergovernmental Revenues	5,782.6	4,021.1	4,021.1	0.0	0.0%	1,526.5	139.7	-1,386.8	-90.8%
SUBTOTAL: GENERAL FUND	142,253.7	157,613.3	157,502.8	-110.5	-0.1%	20,013.2	19,993.4	-19.8	-0.1%
LESS: INTERFUND TRANSFER	-4,631.5	-3,716.4	-3,716.4	0.0	0.0%	-313.0	-391.4	-78.4	25.0%
TOTAL GENERAL FUND	137,622.2	153,897.0	153,786.5	-110.5	-0.1%	19,700.3	19,602.1	-98.2	-0.5%
SEWER FUND									
Sewer Current	49,745.1	55,947.2	55,947.2	0.0	0.0%	4,747.6	3,954.8	-792.8	-16.7%
Sewer Delinquent	2,711.2	2,800.0	2,800.0	0.0	0.0%	757.7	679.8	-77.9	-10.3%
Other Fees	4,579.6	4,552.6	4,605.1	52.5	1.2%	1,399.9	602.1	-797.7	-57.0%
Use of Money and Property	1,336.0	1,539.0	1,539.0	0.0	0.0%	272.1	-57.0	-329.1	-120.9%
TOTAL SEWER FUND RESOURCES	58,372.0	64,838.7	64,891.2	52.5	0.1%	7,177.2	5,179.7	-1,997.5	-27.8%
TOTAL GENERAL & SEWER FUNDS	195,994.2	218,735.7	218,677.7	-58.0	0.0%	26,877.5	24,781.8	-2,095.7	-7.8%

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
DETAIL AS OF
AUGUST 31, 2009

(IN THOUSANDS)	A FY2009 ACTUAL	B FY2010 BUDGET	C FY2010 ESTIMATED	D C over B \$	E C over B %	F FY2009 YTD THRU AUGUST	G FY2010 YTD THRU AUGUST	H G over F \$	I G over F %
Real Estate Taxes									
Initial Levy & Quarterly Adds	84,097.8	106,383.0	106,383.0	0.0	0.0%	8,370.2	10,977.6	2,607.4	31.2%
Prior Year	690.1	450.0	450.0	0.0	0.0%	131.7	149.7	17.9	13.6%
Tax Penalties	369.2	300.0	300.0	0.0	0.0%	24.9	28.9	4.0	16.0%
Crossing Guard	3,340.6	2,932.8	2,932.8	0.0	0.0%	320.7	303.8	-16.9	-5.3%
Real Estate Taxes	88,497.8	110,065.9	110,065.9	0.0	0.0%	8,847.5	11,459.9	2,612.4	29.5%
Real Estate Transfer Tax	17,129.5	14,940.0	14,940.0	0.0	0.0%	4,279.6	2,963.2	-1,316.4	-30.8%
SERVICE CHARGES/FEEES									
SHERIFF	4,442.3	3,562.0	3,562.0	0.0	0.0%	587.3	874.3	287.0	48.9%
REG WILLS	3,089.1	2,999.0	3,299.0	300.0	10.0%	623.5	1,139.7	516.1	82.8%
REC DEEDS	6,501.0	5,555.0	5,555.0	0.0	0.0%	1,273.9	1,412.4	138.5	10.9%
PROTHONOTARY	40.7	25.0	25.0	0.0	0.0%	6.6	6.7	0.1	1.4%
EMERGENCY COMM.	209.4	209.4	209.4	0.0	0.0%	0.0	0.0	0.0	NA
911 REPORTING FEE	1,090.7	1,095.0	1,095.0	0.0	0.0%	126.3	48.3	-78.1	-61.8%
POLICE REPORTS	42.4	54.0	54.0	0.0	0.0%	10.8	11.4	0.6	5.5%
POLICE TRAFFIC FINES	808.6	700.0	700.0	0.0	0.0%	142.6	144.6	2.1	1.4%
POLICE-WESTOVER HILLS	143.8	144.6	144.6	0.0	0.0%	24.0	24.0	0.0	0.0%
PLAN-MAPS/PUBS	11.7	12.8	12.8	0.0	0.0%	2.0	1.4	-0.7	-33.3%
PHOTOCOPIES	38.6	32.6	32.6	0.0	0.0%	4.8	5.6	0.8	17.0%
SALE OF UDC	4.0	3.2	3.2	0.0	0.0%	0.3	0.0	-0.3	-88.3%
FOIA REQUEST	11.1	16.2	16.2	0.0	0.0%	2.8	0.5	-2.4	-83.2%
WEB SITE SUBSCRIBER FEE	169.8	165.0	165.0	0.0	0.0%	30.2	0.0	-30.2	-100.0%
ZONING FEES	224.1	271.5	271.5	0.0	0.0%	63.8	42.2	-21.6	-33.9%
SUB REVIEW	933.1	1,280.1	1,080.1	-200.0	-15.6%	309.2	142.5	-166.7	-53.9%
ZONING REVIEW	149.5	194.7	194.7	0.0	0.0%	34.8	40.1	5.3	15.2%
PLAN REVIEW	3.4	12.5	12.5	0.0	0.0%	0.0	3.2	3.2	NA
SURVEY & INSPECTION	37.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	NA
TAX CERTIFICATIONS	24.9	30.0	30.0	0.0	0.0%	4.4	2.0	-2.5	-55.7%
MONITION FEES	30.4	33.0	33.0	0.0	0.0%	4.6	7.1	2.5	54.9%
HEARING FEES	13.8	9.4	9.4	0.0	0.0%	1.2	4.8	3.6	300.0%
EXPEDITED PLAN REVIEW FEES	2.5	7.3	7.3	0.0	0.0%	0.0	0.0	0.0	NA
LIBRARY FINES/FEES	379.7	372.7	372.7	0.0	0.0%	70.6	61.5	-9.1	-12.9%
COMPLAINT LIENS	61.0	35.0	35.0	0.0	0.0%	12.5	3.8	-8.6	-69.2%
ADMINISTRATIVE FINES	45.8	10.0	10.0	0.0	0.0%	0.0	2.9	2.9	NA
Miscellaneous Charges/Fees	10.9	20.6	20.6	0.0	0.0%	1.5	2.3	0.8	52.3%
COMMISSION CONDUIT DEBT	45.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	NA
INSTANT TICKET FINES	241.4	125.0	125.0	0.0	0.0%	13.4	44.0	30.6	228.6%
TOTAL	18,805.6	16,975.4	17,075.4	100.0	0.6%	3,351.2	4,025.2	674.1	20.1%

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
DETAIL AS OF
AUGUST 31, 2009

(IN THOUSANDS)	A FY2009 ACTUAL	B FY2010 BUDGET	C FY2010 ESTIMATED	D C over B \$	E C over B %	F FY2009 YTD THRU AUGUST	G FY2010 YTD THRU AUGUST	H G over F \$	I G over F %
RECREATION									
GOLF COURSE	137.5	223.4	223.4	0.0	0.0%	27.8	14.1	-13.7	-49.2%
RECREATION RENTALS	453.2	358.6	358.6	0.0	0.0%	62.3	54.7	-7.6	-12.2%
CAROUSEL	440.9	373.0	373.0	0.0	0.0%	84.8	49.0	-35.7	-42.2%
RECREATION INCOME	65.9	23.6	23.6	0.0	0.0%	10.8	1.9	-8.9	-82.5%
RECREATION-REVOLVING	349.4	339.5	339.5	0.0	0.0%	20.1	16.4	-3.7	-18.6%
LIBRARY-REVOLVING	21.2	15.1	15.1	0.0	0.0%	4.7	4.3	-0.4	-8.3%
DEVELOPMENT REVOLVING	134.6	7.0	12.0	5.0	71.4%	0.8	9.8	9.0	1083.9%
TOTAL	1,602.7	1,340.2	1,345.2	5.0	0.4%	211.4	150.3	-61.1	-28.9%
LICENSES & PERMITS									
BUSINESS LICENSES	561.7	525.0	525.0	0.0	0.0%	30.5	40.1	9.6	31.5%
MARRIAGE LICENSES	150.4	227.0	227.0	0.0	0.0%	30.8	36.4	5.6	18.4%
CONTRACTOR LICENSES	973.3	1,000.0	1,000.0	0.0	0.0%	70.8	54.4	-16.4	-23.2%
CONTRACTOR LICENSE FINE	8.4	3.0	3.0	0.0	0.0%	1.2	1.6	0.4	33.3%
BUILDING PERMITS	1,972.6	2,362.8	2,212.8	-150.0	-6.3%	467.1	374.6	-92.5	-19.8%
OTHER PERMITS	434.1	534.3	534.3	0.0	0.0%	85.2	103.5	18.3	21.5%
PLUMBING PERMITS	488.3	585.0	535.0	-50.0	-8.5%	90.4	91.1	0.7	0.8%
TOTAL	4,588.8	5,237.1	5,037.1	-200.0	-3.8%	775.9	701.7	-74.2	-9.6%
USE OF MONEY & PROPERTY									
INTEREST-INVESTMENTS	3,934.1	3,520.0	3,520.0	0.0	0.0%	683.2	234.6	-448.6	-65.7%
SHERIFF	44.5	55.3	55.3	0.0	0.0%	0.9	1.4	0.4	49.2%
DEEDS	8.8	8.4	8.4	0.0	0.0%	3.4	0.7	-2.6	-78.3%
REGISTER OF WILLS	0.9	2.9	2.9	0.0	0.0%	0.2	0.1	-0.1	-59.0%
CLERK OF THE PEACE	0.2	0.0	0.0	0.0	NA	0.0	0.0	0.0	-32.0%
TOTAL	3,988.5	3,586.5	3,586.5	0.0	0.0%	687.7	236.8	-450.9	-65.6%
RENTALS, CONCESSIONS & SALES									
BLDG RENTAL-WILMINGTON	1,068.3	950.6	950.6	0.0	0.0%	213.1	181.4	-31.7	-14.9%
CITY/COUNTY GARAGE	99.6	100.5	100.5	0.0	0.0%	16.6	16.5	-0.1	-0.6%
LAND RENTAL	7.5	6.0	6.0	0.0	0.0%	1.0	0.5	-0.5	-50.0%
BUILDING RENTALS	20.9	18.0	2.5	-15.5	-86.1%	4.5	2.5	-2.0	-44.4%
XEROX FEES	10.1	7.0	7.0	0.0	0.0%	1.1	1.5	0.3	31.0%
SALE OF ASSETS	100.0	60.0	60.0	0.0	0.0%	0.0	0.0	0.0	NA
STOPYRA TRACT	5.0	5.0	5.0	0.0	0.0%	0.8	0.8	0.0	0.0%
TOTAL	1,311.3	1,147.1	1,131.6	-15.5	-1.4%	237.2	203.2	-33.9	-14.3%

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
DETAIL AS OF
AUGUST 31, 2009

(IN THOUSANDS)	A FY2009 ACTUAL	B FY2010 BUDGET	C FY2010 ESTIMATED	D C over B \$	E C over B %	F FY2009 YTD THRU AUGUST	G FY2010 YTD THRU AUGUST	H G over F \$	I G over F %
INTERGOVERNMENTAL REVENUES									
PAYMENT-IN-LIEU-TAXES	22.4	10.0	10.0	0.0	0.0%	0.0	0.0	0.0	NA
REAL ESTATE TRANSFER FEE	306.5	321.0	321.0	0.0	0.0%	74.2	28.5	-45.7	-61.6%
PARAMEDIC REIMBURSEMENT	5,005.0	3,348.6	3,348.6	0.0	0.0%	1,327.1	0.0	-1,327.1	-100.0%
CHANCERY REIMBURSEMENT	233.4	261.5	261.5	0.0	0.0%	28.5	50.1	21.5	75.4%
STATE LETEF REIMB	91.1	0.0	0.0	0.0	NA	91.1	0.0	-91.1	-100.0%
DEPT OF JUSTICE	3.7	0.0	0.0	0.0	NA	0.0	0.0	0.0	NA
DNREC	5.6	5.0	5.0	0.0	0.0%	5.6	0.0	-5.6	-100.0%
INDIRECT COST RECOVERY	114.9	75.0	75.0	0.0	0.0%	0.0	61.2	61.2	NA
TOTAL	5,782.6	4,021.1	4,021.1	0.0	0.0%	1,526.5	139.7	-1,386.8	-90.8%
MISCELLANEOUS REVENUES									
OTHER INCOME	500.1	300.0	300.0	0.0	0.0%	81.3	112.1	30.8	37.8%
INSURANCE PROCEEDS/SELF INS	46.8	0.0	0.0	0.0	NA	14.9	1.2	-13.7	-91.9%
TOTAL	546.9	300.0	300.0	0.0	0.0%	96.2	113.3	17.1	17.8%
TOTAL GENERAL FUND REVENUES	142,253.7	157,613.3	157,502.8	-110.5	-0.1%	20,013.2	19,993.4	-19.8	-0.1%
TRANSFERS									
ESTIMATED TRANSFERS	-156.0	-391.4	-391.4	0.0	0.0%	-313.0	-391.4	-78.4	25.0%
CAPITAL PAY AS YOU GO	-4,475.5	-3,325.0	-3,325.0	0.0	0.0%	0.0	0.0	0.0	NA
FINAL GENERAL FUND REVENUES	137,622.2	153,897.0	153,786.5	-110.5	-0.1%	19,700.3	19,602.1	-98.2	-0.5%

NEW CASTLE COUNTY
GENERAL AND SEWER FUNDS REVENUES
DETAIL AS OF
AUGUST 31, 2009

(IN THOUSANDS)	A FY2009 ACTUAL	B FY2010 BUDGET	C FY2010 ESTIMATED	D C over B \$	E C over B %	F FY2009 YTD THRU AUGUST	G FY2010 YTD THRU AUGUST	H G over F \$	I G over F %
Sewer Fund									
Sewer Service Chgs	49,745.1	55,947.2	55,947.2	0.0	0.0%	4,747.6	3,954.8	-792.8	-16.7%
Delinq. Chgs	2,711.2	2,800.0	2,800.0	0.0	0.0%	757.7	679.8	-77.9	-10.3%
Stormwater/Groundwater	276.7	382.5	426.0	43.5	11.4%	109.1	106.5	-2.5	-2.3%
Plans Review/Expedited Plans Review	311.6	405.0	405.0	0.0	0.0%	67.2	72.6	5.4	8.0%
Septic Waste Hauler fees	1,281.4	975.0	975.0	0.0	0.0%	95.4	211.1	115.7	121.3%
Survey & Inspection fees	59.0	80.0	80.0	0.0	0.0%	37.8	24.3	-13.5	-35.6%
Connection fees	31.5	35.0	35.0	0.0	0.0%	6.1	8.0	1.9	31.7%
Wastewater Discharge fees	256.1	267.5	267.5	0.0	0.0%	78.3	171.1	92.8	118.6%
F.O.G. Program Admin. Fees	85.2	125.0	125.0	0.0	0.0%	1.4	0.1	-1.3	-93.0%
Inspection Fees		0.0	0.0	0.0	NA		0.5	0.5	NA
Administrative Fines	12.2	4.0	4.0	0.0	0.0%	3.0	2.0	-1.0	-33.3%
Floodplain Development Permit		0.0	9.0	9.0	NA		2.0	2.0	NA
Int. Earnings-Operating Funds	1,336.0	1,539.0	1,539.0	0.0	0.0%	272.1	-57.0	-329.1	-120.9%
Treatment Expansion fees	1,198.6	1,198.6	1,198.6	0.0	0.0%	0.0	0.0	0.0	NA
Capital Recovery Fees	1,000.0	1,000.0	1,000.0	0.0	0.0%	1,000.0	0.0	-1,000.0	-100.0%
Misc Fees & Income	67.4	80.0	80.0	0.0	0.0%	1.6	3.8	2.2	139.3%
Subtotal-Sewer Fund	58,372.0	64,838.7	64,891.2	52.5	0.1%	7,177.2	5,179.7	-1,997.5	-27.8%

FY 2010 Revenue Changes
As of August 31, 2009

GF Revenue Estimate	-110.5
SF Revenue Estimate	+52.5

GENERAL FUND

Real Estate Transfer Tax

No Change

So far this year, RTT is 40.0 below the pace needed to attain the budgeted amount of 14.9 million. July was higher than the monthly estimate and August was below the monthly estimate.

Service Charges/Fees

Wills

+300.0

The Register of Wills office has had two very good months of revenue. A single estate settled in August causing a 300.0 spike in the monthly revenue. The annual revenue estimate has been increased to show the effect of this one time increase.

Subdivision Review

-200.0

Land Use estimates that revenues will be down approximately 206.0 in the service charges category. The comparison to last year is skewed by a single large subdivision plan (Glasgow Commons) last July. Land Use revenues in this category may need to be reduced further unless the non-residential building industry improves.

Recreation

Development Revolving

+5.0

There continue to be higher than budgeted sales of the Building Code. The actual year-to-date revenues have already exceeded the FY 2010 budget of \$7.0.

Licenses & Permits

Building Permits & Plumbing Permits

-150.0

-50.0

Land Use estimates that revenues will be down approximately 254.0 in the permits and licenses category. There is a slow improvement in most of the individual revenues. I've reduced the estimate for building permits by 150.0 and the estimate for plumbing permits by 50.0 to reflect the reduced volume of permits.

FY 2010 Revenue Changes
As of August 31, 2009

Use of Money & Property

Building Rentals

-15.5

NCC had been receiving \$1,500 per month as a settlement on space that had been rented in the Gilliam Building. The party paying the settlement has since declared bankruptcy, so no additional payments are expected.

SEWER FUND

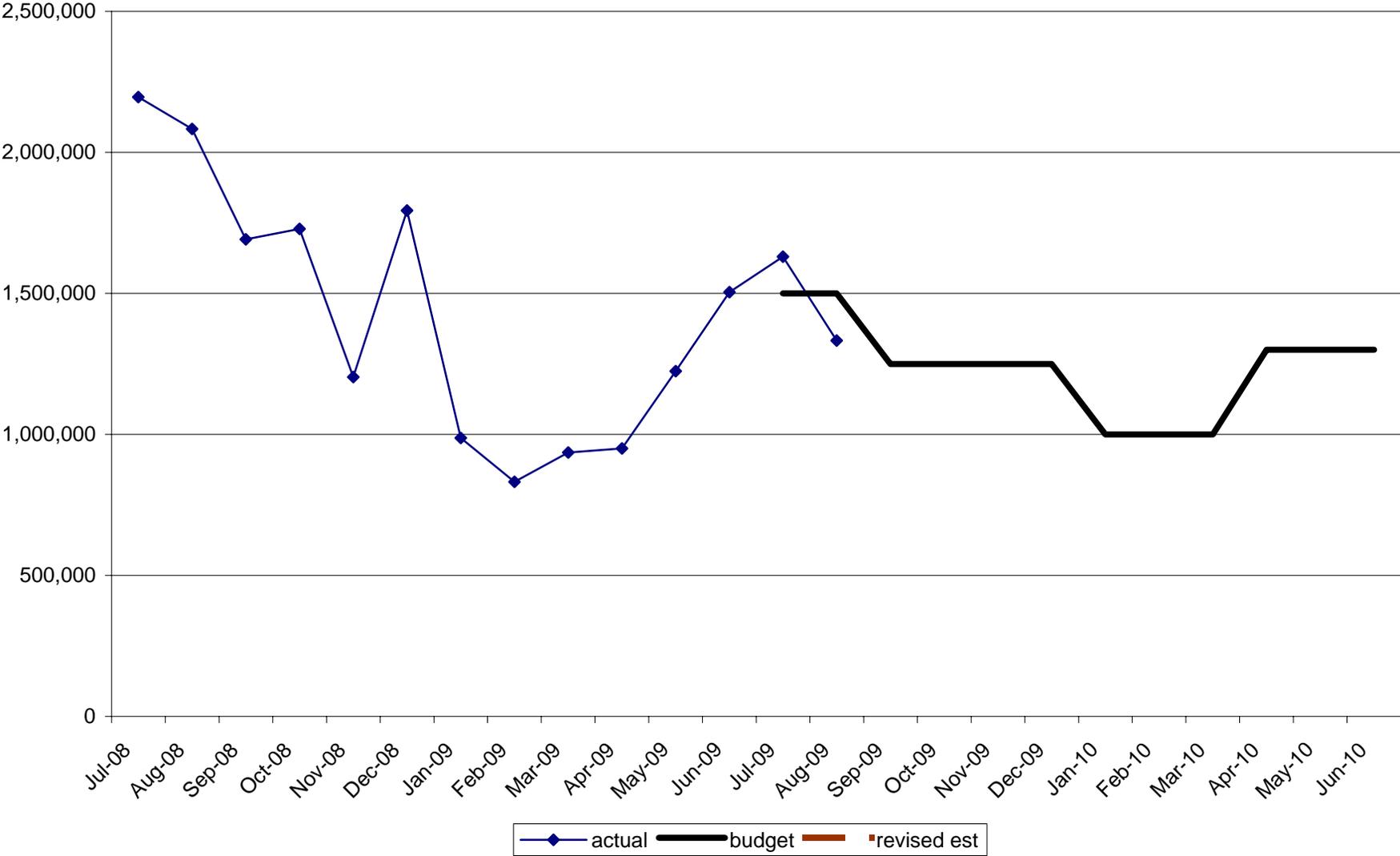
Groundwater Discharge Fees

+52.5

A single bill generated most of the additional revenue. One company had requested an increase flow on their permit resulting in the increased billing. It is not certain whether this will be a recurring increase or a one-time event.

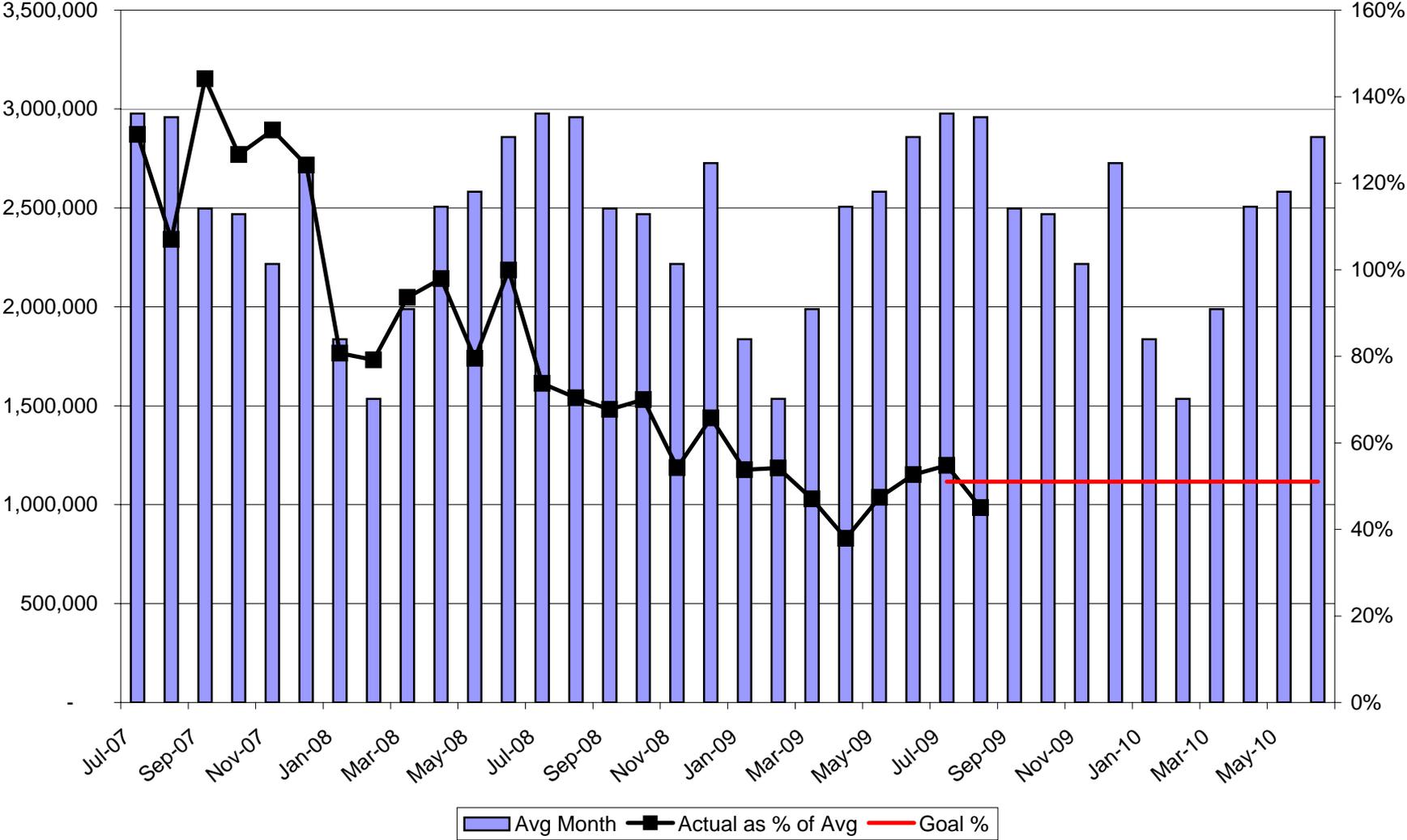
New Castle County

RTT Revenue



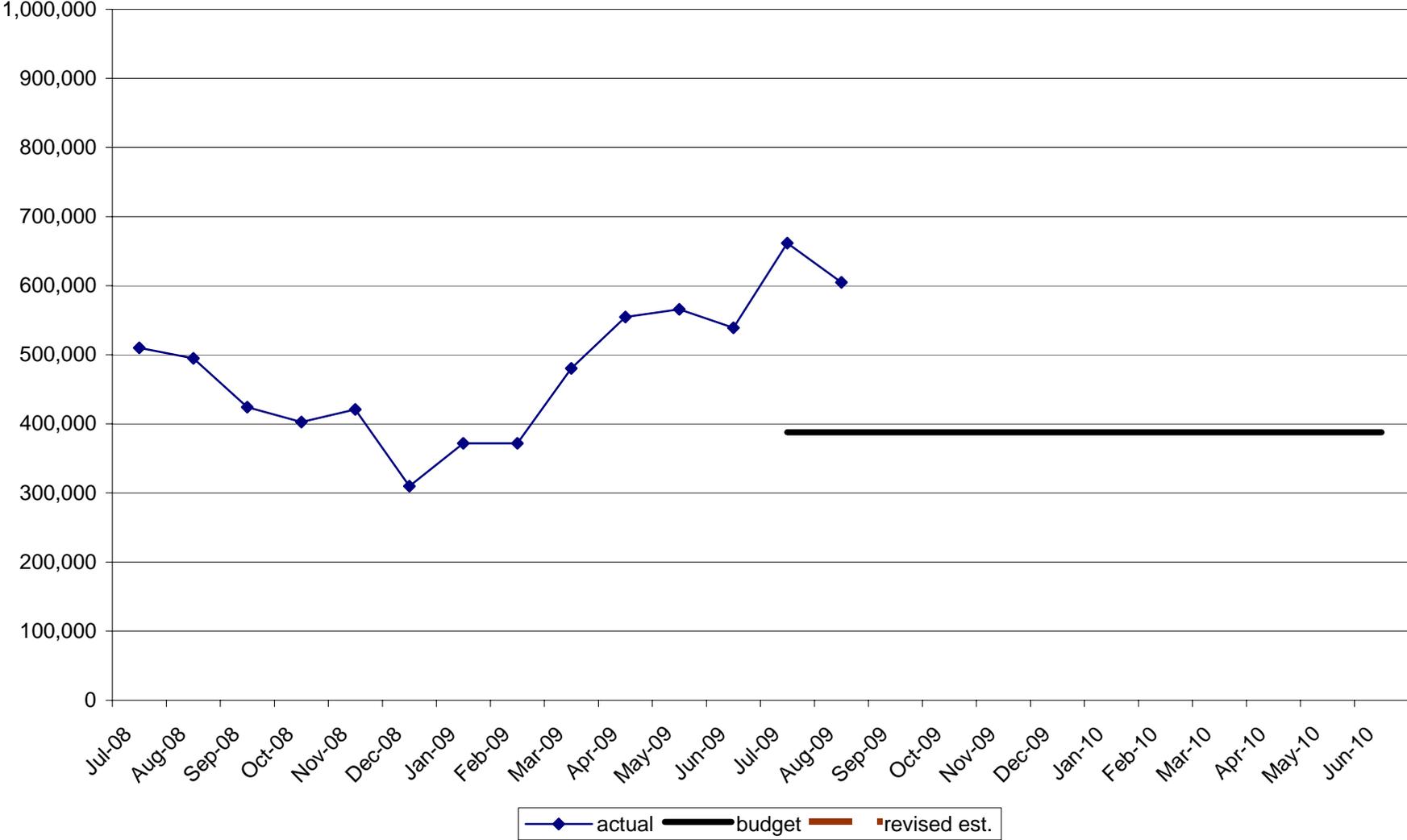
New Castle County

RTT Actual Collected as % of Average Month



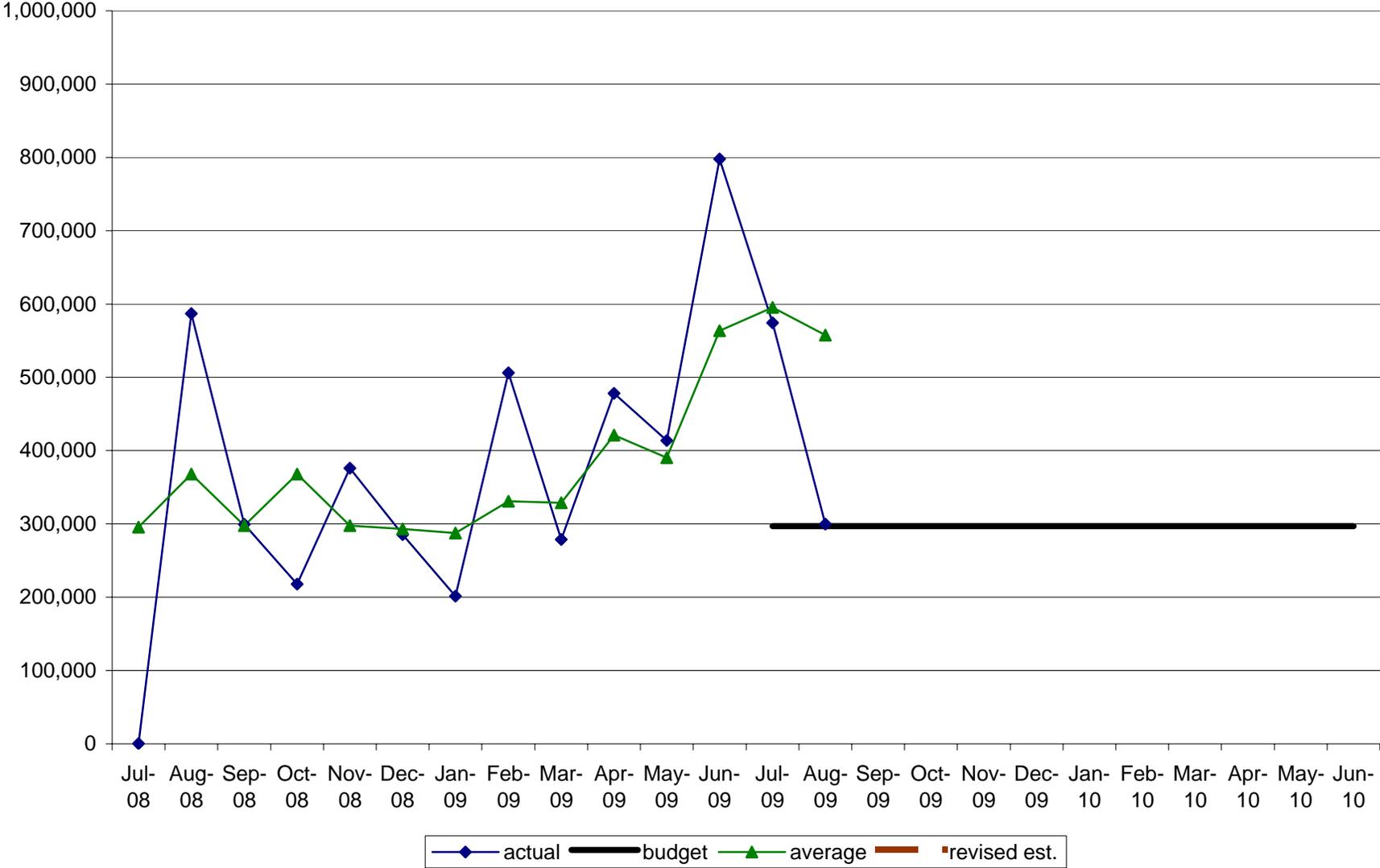
New Castle County

Recorder of Deeds Revenue No Corporation Fees



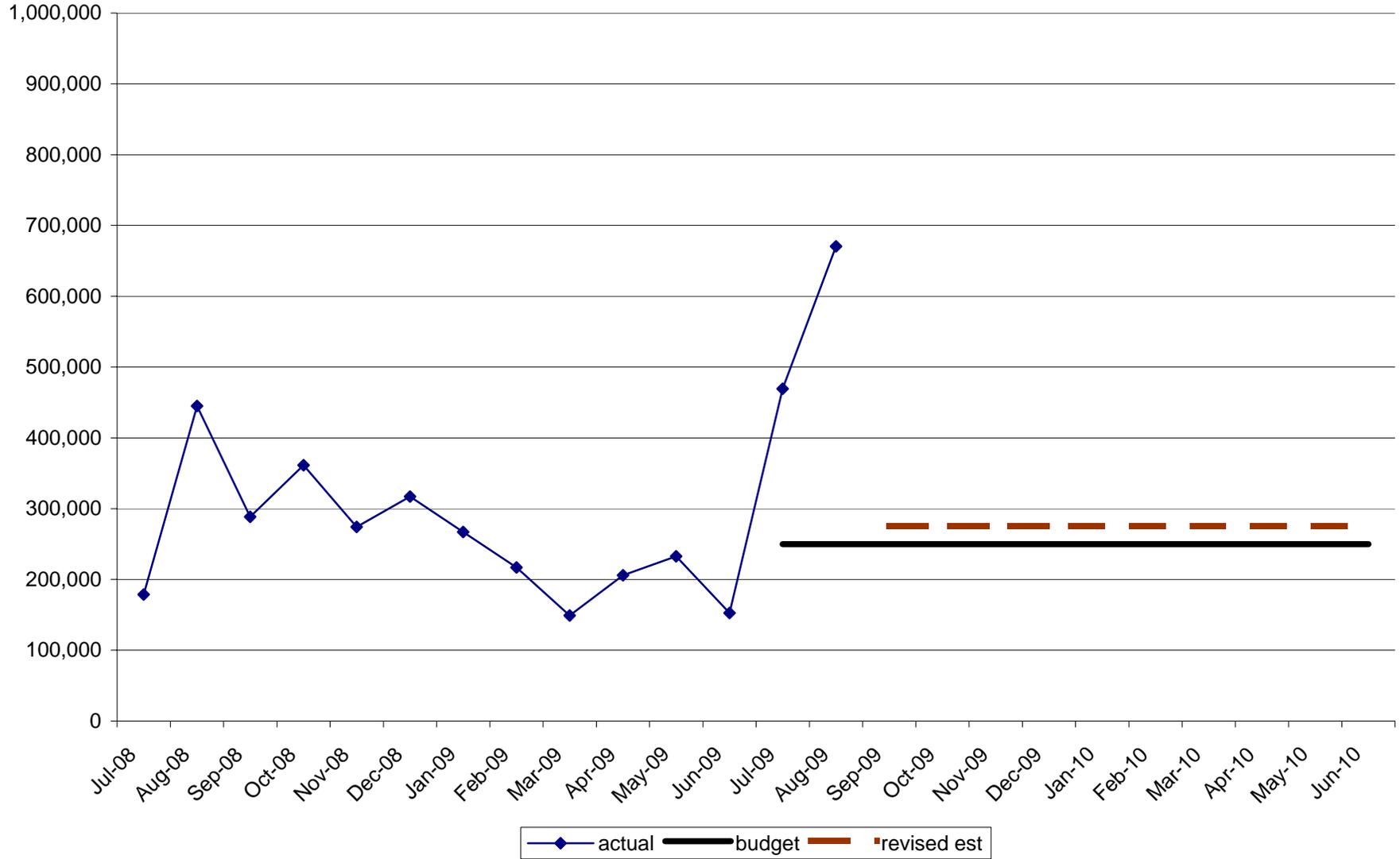
New Castle County

Sheriff Revenue



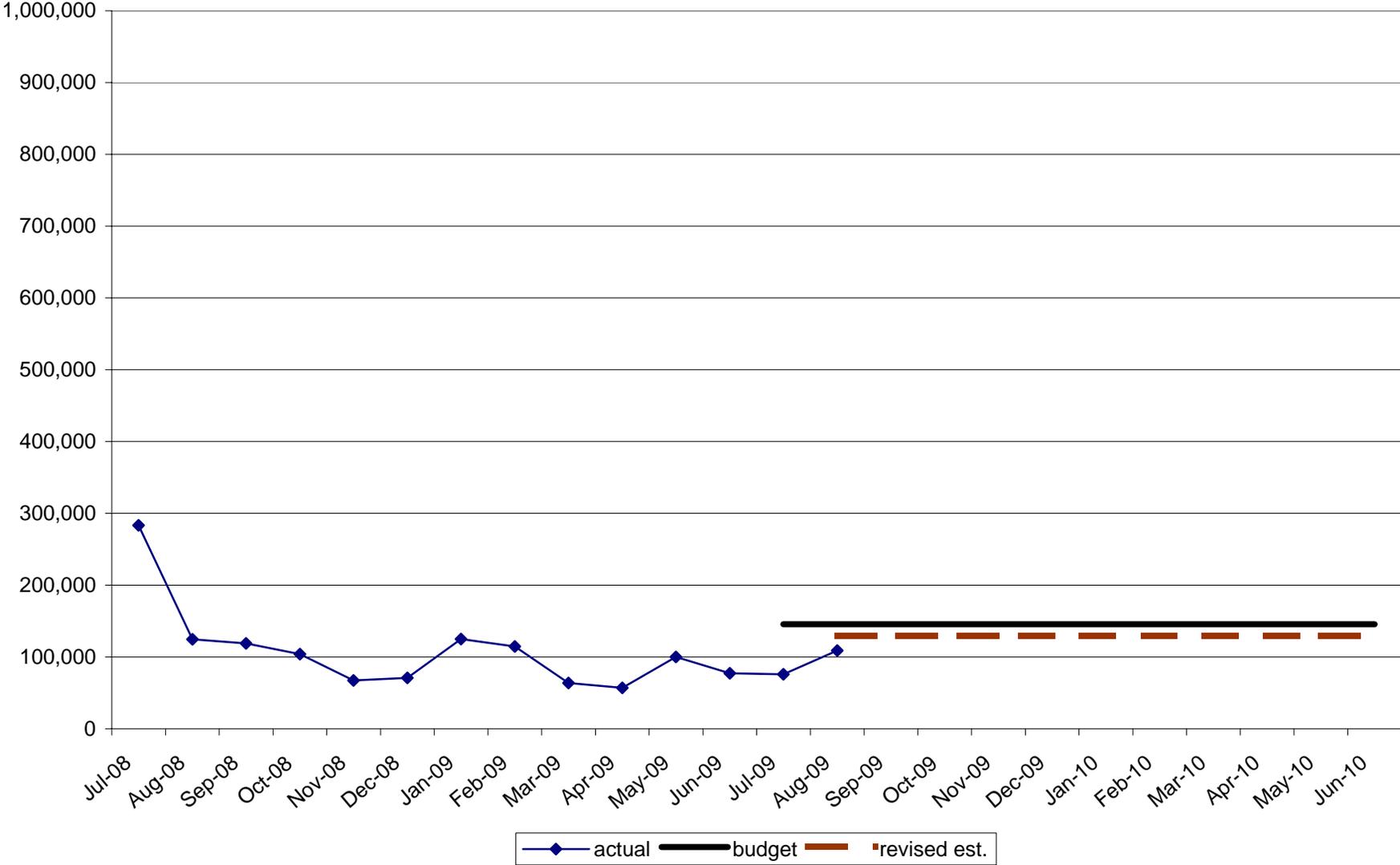
New Castle County

Register of Wills Revenue



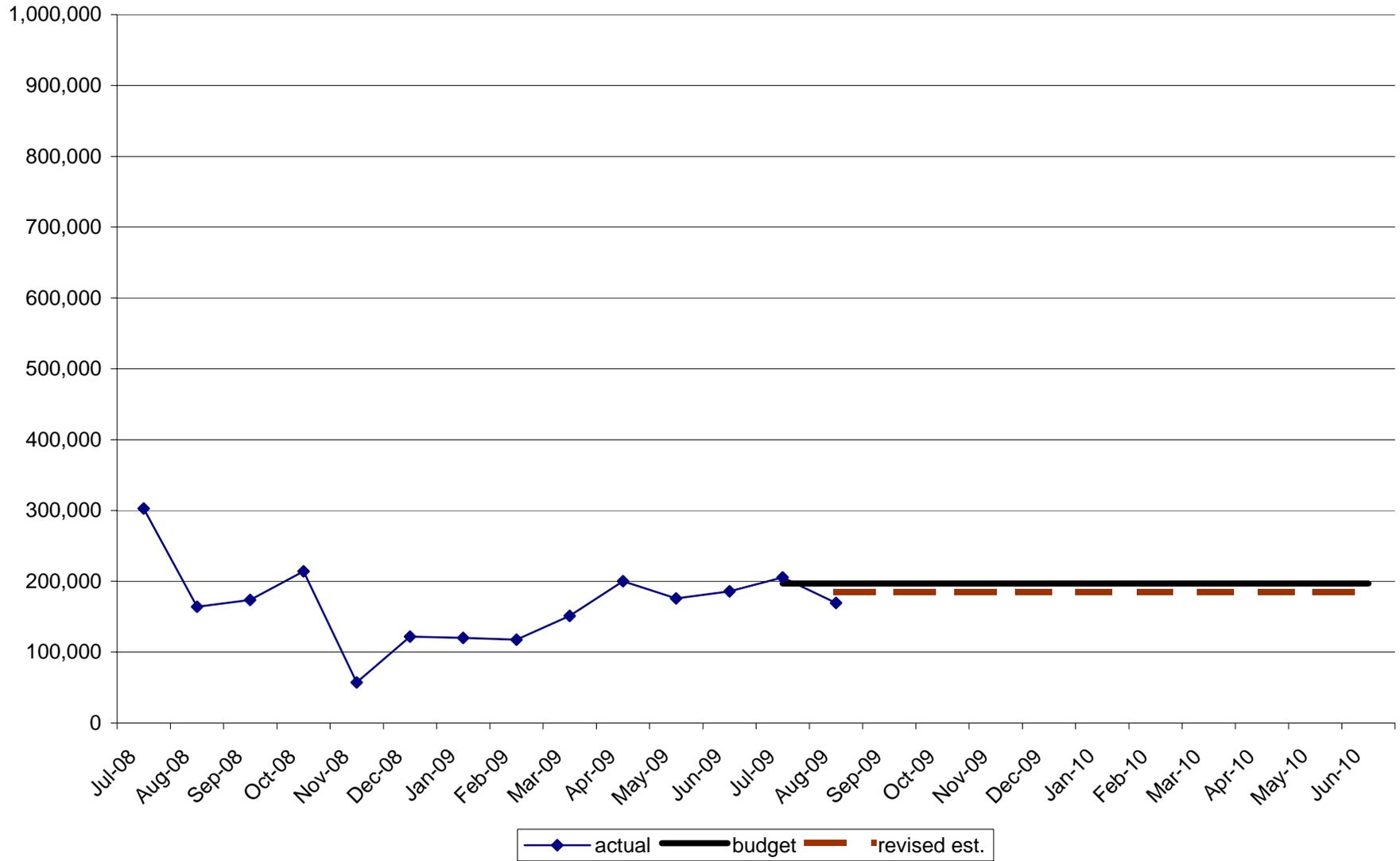
New Castle County

Subdivision & Zoning Review Revenue



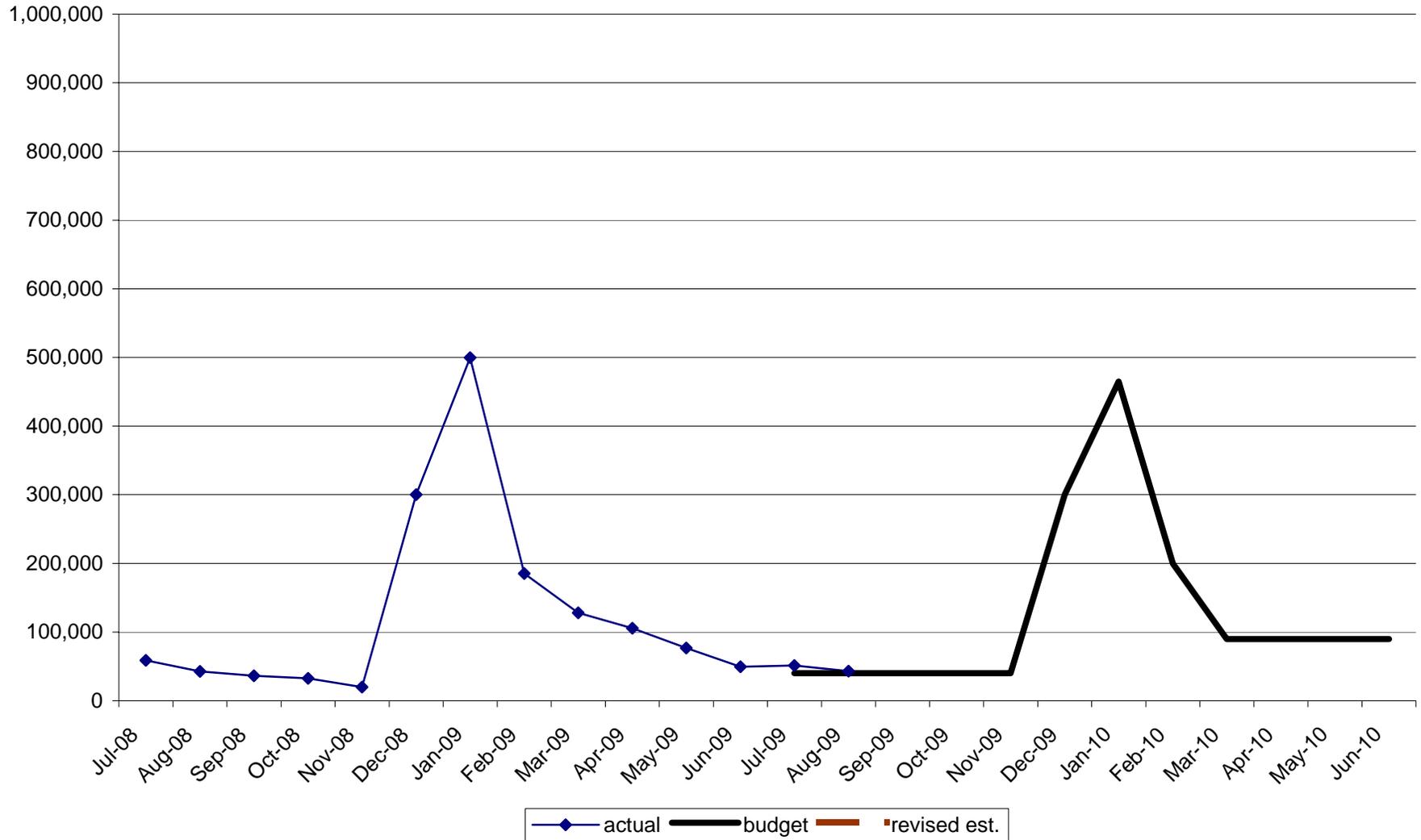
New Castle County

Building Permit Revenue



New Castle County

Licenses Business & Contractor



**New Castle County
General Fund - Budget Highlights
As of June 30, 2009**

EXPENDITURE HIGHLIGHTS

June year-to-date expenditure and encumbrance activity is a net \$165.3 million, or 95.4% of budget (\$173.3 million).

SALARIES/WAGES:

Salaries/wages appropriations (\$89.3), incurred charges of \$85.4 million or 95.5% of budget. Salaries/wages are \$0.9 million less than FY2008. The salary savings at year-end can be broken down into the following categories:

Salary Expended (Millions-Rounded)

Salary Type	Budget	Actual	Balance at 6/30/09
Permanent-Full Time	\$78.9	\$74.0	\$4.9
Part-Time	2.1	1.8	0.3
Shift Differential	0.9	0.9	0.0
Holiday	1.1	1.3	(0.1)
Severance Payments	0.0	1.7	(1.7)
Crossing Guard Salary	1.9	1.7	0.2
Board Members	0.1	0.1	0.0
Overtime	4.3	3.9	0.4
Total:	\$89.2	\$85.4	\$3.9

New Castle County achieved salary savings in FY2009 by the implementation of a hiring freeze; for which there were 156 vacant positions, or 9.7% of the 1614 authorized full-time positions at June 30. The departments, who incurred the severance payments to 99 positions (\$1.7 million), absorbed the unbudgeted expense through salary savings generated due to the freeze.

Overtime spending provided a budgeted savings of \$0.4 million when compared to the FY2009 budget. However, overtime costs are \$0.7 million below FY2008 expenditures due to the careful control of overtime spending.

EMPLOYEE BENEFITS:

Employee benefits appropriations, (\$38.9), which includes charges for medical insurance, pension contributions, and social security costs, incurred \$37.7 million in charges.

**New Castle County
General Fund - Budget Highlights
As of June 30, 2009**

EXPENDITURE HIGHLIGHTS- CONT'D

For *both* the General and Sewer Funds, healthcare expenditures incurred \$19.5 million and pension costs were \$10.0 million. County medical costs decreased 2.87% (from \$20.1 million) and Pension costs decreased 3.72% (from \$10.4 million) respectively, when compared to FY2008. Overall, employee benefit costs are \$1.0 million above FY2008.

COMMUNICATIONS/UTILITIES:

Communications and utilities appropriations (\$4.7) were charged \$4.1 million, or 87.8% of budget. The savings of \$0.6 million is primarily attributed to electric (\$0.2 million) telephones (\$0.2 million), and gas heat (\$0.1 million). Expenditures and encumbrances are \$0.2 million less than FY2008.

MATERIALS AND SUPPLIES:

Materials and supplies appropriations (\$5.7) are for gasoline, auto parts, central stores supplies, uniforms, mineral aggregate, books, etc. Expenditures and encumbrances for the year are \$4.8 million or 83.3% of budget. Expenses are \$0.9 million less than FY2008. The savings of \$0.9 million is due to the freeze on spending for library books (\$0.4 million), gasoline (\$0.1 million), and general supplies (\$0.4 million).

CONTRACTUAL SERVICES:

Contractual service appropriations (\$32.1), which include \$18.3 million in intragovernmental service charges (IGS), absorbed charges of \$28.2 million or 87.7% of budget. Expenditures and encumbrances are for service contracts and intergovernmental cross charges, and are \$2.9 million below FY2008 activity. An overall savings of \$3.9 million was available at year-end. This savings is due from a \$2.4 million balance in IGS charges and \$1.5 million savings from professional services.

FIXED CHARGES/GRANTS:

Fixed charges/grant appropriations (\$13.1), absorbed \$12.7 million in charges. This line item includes volunteer fire, ambulance, and rescue grants; auto insurance costs; contractual libraries; workers' compensation claims and insurance; general insurance and pass-through grants. Fixed charges are \$1.3 million above FY2008 due primarily to a 3.8% increase in the grants to volunteer fire companies (\$0.1 million), Enron settlement (\$0.5 million) and increased funding for the Dog Control contract (\$0.4 million). Overall, there was a \$0.3 million savings primarily due to reduction in funding to the contractual libraries in 2009.

**New Castle County
General Fund - Budget Highlights
As of June 30, 2009**

EXPENDITURE HIGHLIGHTS- CONT'D

EQUIPMENT:

Equipment appropriations for Fiscal 2009 were \$1.1 million. Expenditures and encumbrances were \$0.9 million for FY2009 and \$0.2 million less than FY2008. A savings of \$0.2 million was available at year-end.

DEBT SERVICE:

Debt service budget for Fiscal 2009 was \$20.9 million. Funding is based on debt service schedules. A savings of \$0.3 million was realized due to the refinancing of existing bonds and lower than expected rates on the new bond issue.

IGS CREDITS:

The IGS credit (chargebacks) appropriations, which represent \$24.2 million in internal service charge-backs, earned \$21.9 million in credits or 90.2% of budget. The internal services are primarily for motor vehicle usage and information systems costs.

GENERAL AND ADMINISTRATIVE COSTS:

Reimbursements for general and administrative costs primarily to the Sewer Fund of \$7.6 million will offset General Fund expenditure activity at year-end.

In summary, net expenditure and encumbrance activity for June is \$165.3 million, which is \$2.3 million more than last fiscal year. The increase is due primarily to the increase in debt service spending.

New Castle County Sewer Fund - Budget Highlights

As of June 30, 2009

EXPENDITURE HIGHLIGHTS

Expenditures and encumbrances for June are \$61.5 million or 93.8% of budget. Salaries and Wages appropriations (\$12.8 million), incurred charges of \$11.4 million or 88.9% of the budget. Expenditures were \$0.8 million less than FY2008 and \$1.4 million under FY2009's budget. This savings is due primarily to the hiring freeze which occurred during FY2009, resulting in 30 vacant sewer-funded positions at June 30th (13.8% vacancy rate).

Communication and Utilities budget of \$20.3 million includes City of Wilmington sewer treatment costs of \$16.7 million.

SEWER FUND ADDITIONAL ITEMS:

EPA Mandate - During FY2009, sewer fund's budget was amended by adding \$1.4 million to enable New Castle County to meet current EPA requirements. These requirements included: reducing sewer backups and overflows, performing regular preventive maintenance to sanitary sewer trunk lines, improving the Grease Abatement Program, and providing Chemical Root Control treatments to parts of the New Castle County sanitary sewer system:

FY2009 Budget Additions	FY2009
Trunk Line Preventive Maintenance	\$ 200,000
Chemical Root Control	\$ 400,000
CCTV System Investigation	\$ 200,000
Fats, Oils, and Grease Program	\$ 202,000
Corrosion Control Program	\$ 450,000
Total:	\$1,452,000

Wilmington Wastewater Treatment Plant - FY2009 also incurred attorney's fees as a result of treatment plant negotiations with the City of Wilmington. Fees amounted to \$0.3 million for negotiation and arbitration fees. An arbitration ruling was rendered in July of 2009, resulting in retroactive sewer fees to be paid for both FY2008 and FY2009. These transactions resulting from the arbitration will occur in FY2010.

Town of Middletown Sewer Agreement – New Castle County entered into a sewer agreement with the Town of Middletown for sewer service for a portion of the area south of the C&D Canal. As part of this agreement, NCC paid Middletown

**New Castle County
Sewer Fund - Budget Highlights**

As of June 30, 2009

EXPENDITURE HIGHLIGHTS- CONT'D

\$0.4 million to purchase existing capacity at the Middletown treatment plant, which the County had previously leased. This contract allows New Castle County to purchase capacity up to 1.5 million gallons per day to meet its sewer service needs in Southern New Castle County.

Overall, expenditures and encumbrances are \$2.0 million over FY2008 due primarily to an increase in debt service spending (\$2.3 million). However, the sewer fund was \$4.0 million under FY2009 budget due to spending reductions that were mandated during FY2009.

New Castle County
General Fund - Budget Highlights – FY2010
As of August 31, 2009

EXPENDITURE HIGHLIGHTS

August expenditure and encumbrance activity is a net \$46.2 million, or 28.7% of budget (\$161.2 million).

Salaries/wages appropriations (\$81.2), incurred charges of \$11.3 million or 14% of budget. Salaries/wages are \$1.1 million less than FY2009, due primarily to the 5% salary rollback for most employees and the soft hiring freeze.

Employee benefits appropriations, (\$37.7), which includes charges for medical insurance, pension contributions, and social security costs, incurred \$9.6 million in charges. The fulltime employee benefit rate for FY 2010 is 46.8% compared to 41.2% in FY2009. Expenses are \$0.9 million over FY2009 due primarily to increased healthcare and pension costs.

Communications and utilities appropriations (\$4.4) was charged \$0.6 million, or 14.7% of budget. Appropriations are primarily for electric, telephone, and postage. Expenditures and encumbrances are comparable to last fiscal year.

Materials and supplies appropriations (\$5.0) are for gasoline, auto parts, central stores supplies, uniforms, mineral aggregate, books, etc. Expenditures and encumbrances for the year are \$4.3 million or 85.4% of budget. Expenses are \$0.1 million more than FY2009. Gasoline expenses are estimated to be \$0.2 million under budget, and will be monitored closely as the fiscal year progresses.

Contractual service appropriations (\$26.5), which includes \$16.0 million in intragovernmental service charges (IGS), absorbed charges of \$8.8 million or 33.2% of budget. Expenditures and encumbrances are for service contracts and intergovernmental cross charges, and are \$2.8 million below FY2009 activity.

Fixed charges/grant appropriations (\$10.8), absorbed \$7.8 million in charges. This line item includes volunteer fire, ambulance, and rescue grants; auto insurance costs; contractual libraries; workers' compensation claims and insurance; general insurance and pass-through grants. Fixed charges are \$0.3 million below FY2009 spending. Overall, the budget for this category is \$0.6 million less than FY 2009 due primarily to a 6.7% decrease in the grants to volunteer fire companies (\$0.3 million), the elimination of grants for County Council (\$0.2 million) and a reduction in pass thru grants for libraries (\$0.2 million).

Equipment appropriations for Fiscal 2010 are \$0.8 million. Spending through August is \$0.2 million, and \$0.3 million below FY2009 activity.

New Castle County
General Fund - Budget Highlights – FY2010
As of August 31, 2009

EXPENDITURE HIGHLIGHTS – CONT'D

Debt service budget for Fiscal 2010 is \$21.1 million. Funding is based on debt service schedules.

The IGS credit (chargebacks) appropriations, which represent \$21.2 million in internal service charge-backs, earned \$3.3 million in credits or 15.6% of budget. The internal services are primarily for motor vehicle usage and information systems costs.

Reimbursements for general and administrative costs primarily to the Sewer Fund of \$7.0 million will offset General Fund expenditure activity at year-end. G&A costs are \$0.6 million less than FY2009 when comparing budget to budget.

In summary, net expenditure and encumbrance activity for August is \$46.2 million, which is \$1.9 million less than last fiscal year.

New Castle County
Sewer Fund - Budget Highlights – FY2010
As of August 31, 2009

EXPENDITURE HIGHLIGHTS

Expenditures and encumbrances for August are \$13.7 million or 21.6% of budget (\$63.3 million).

Salaries and Wages appropriations (\$10.9 million), incurred charges of \$1.5 million or 13.7% of the budget. It is estimated that there will be a salary savings of \$0.5 million at the end of the fiscal year. When compared to FY2009, spending is \$0.2 million less in FY2010 (\$1.5 million) vs. FY2009 (\$1.7 million).

Employee benefits appropriations, (\$5.4), which includes charges for medical insurance, pension contributions, and social security costs, incurred \$0.7 million in charges. The fulltime employee benefit rate for FY 2010 is 46.8% compared to 41.2% in FY2009. Expenses are comparable to FY2009.

Communication and Utilities budget of \$20.0 million includes City of Wilmington sewer treatment costs of \$17.9 million. It is estimated that there will be a budget deficit of \$2.1 million at the end of the fiscal year due to: the estimated “true-up payments for fiscal years’ 2008 through 2010 to the City of Wilmington for wastewater treatment; the estimated additional funds needed to pay the Town of Middletown for the purchase of sewer capacity for FY2010; and the estimated payment of \$500,000 to the State of Delaware for the Fox Point Park settlement. When comparing August 2009 to August 2008, spending has increased \$0.6 million, due primarily to the “true-up” payment already made to the City for FY2008 per an arbitration ruling.

Contractual service appropriations (\$7.2), which includes \$2.5 million in intragovernmental service charges (IGS), absorbed charges of \$2.1 million or 29.2% of budget. Expenditures and encumbrances are for service contracts and intergovernmental cross charges, and are \$0.4 million below FY2009 activity.

Equipment appropriations for Fiscal 2010 are \$0.8 million. There has been no significant spending through August, and is \$0.1 million below FY2009 activity. It is estimated that there will not be any equipment funding available at the end of the fiscal year.

Debt Service costs for this year are \$11.1 million. Expenditures and encumbrances are \$1.7 million over the same time period last fiscal year due to a debt service payment of \$3.6 million. The Debt Service budget is anticipated to be fully expended by June 2010, since it is based upon debt service schedules and is \$1.2 million more than FY2009.

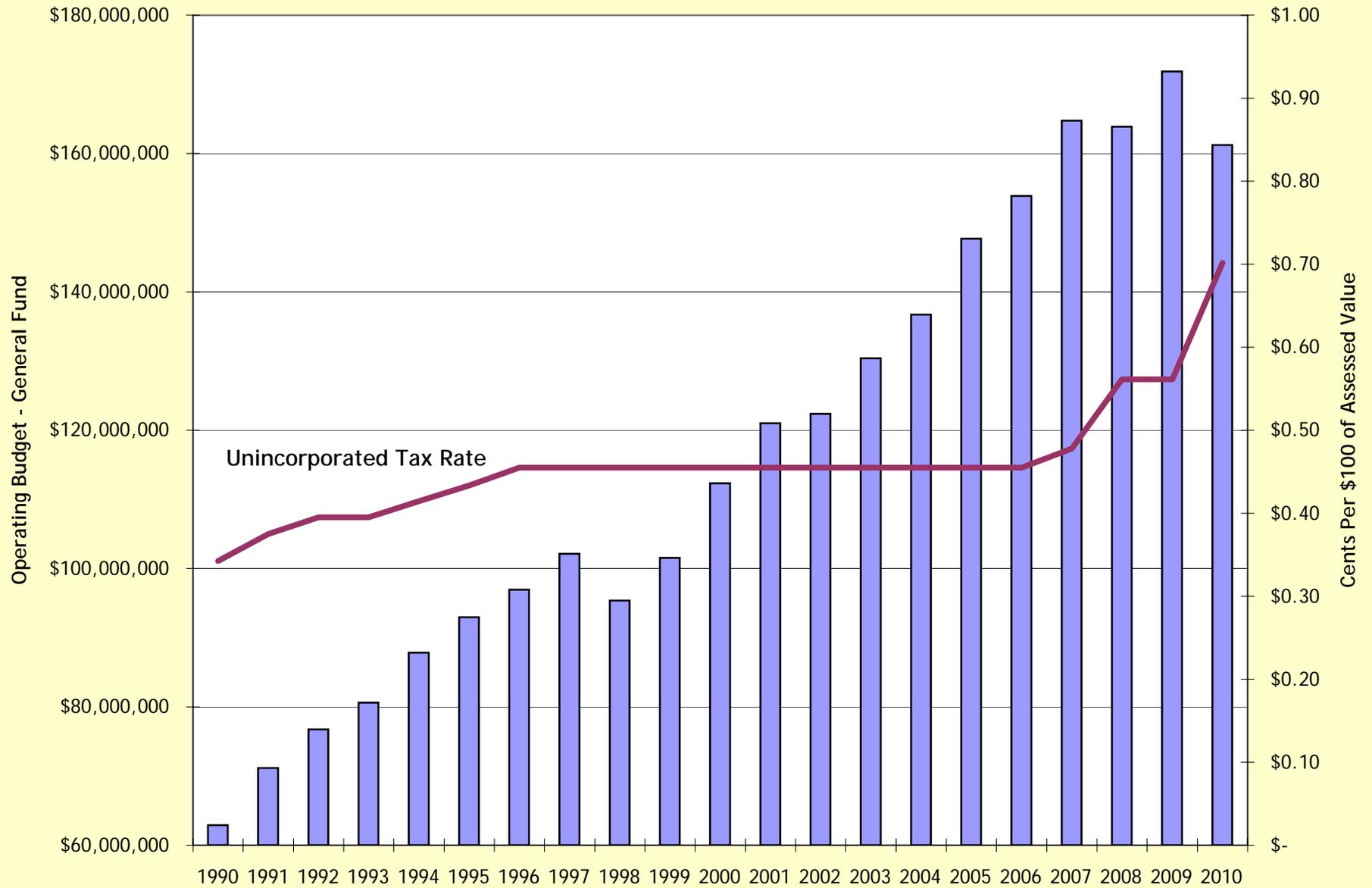
New Castle County
Sewer Fund - Budget Highlights – FY2010
As of August 31, 2009

EXPENDITURE HIGHLIGHTS – CONT'D

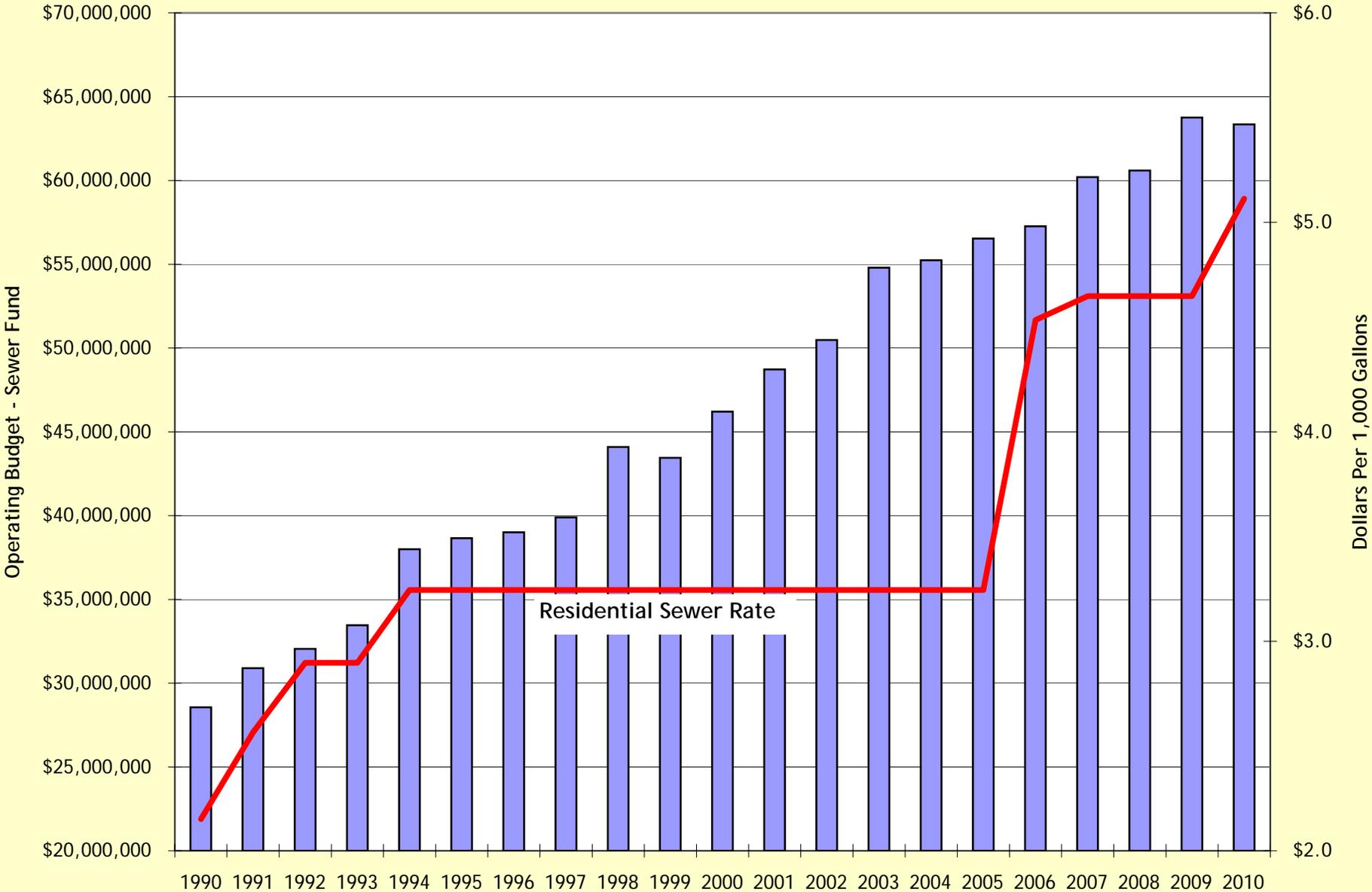
General and Administrative costs of \$7.0 million represent the support general funded operations provide to the sewer fund (i.e. – Administration, Engineering, etc). G&A costs are \$0.6 million less than FY2009 when comparing budget to budget.

In summary, net expenditure and encumbrance activity for August is \$13.7 million, which is \$1.6 million more than last fiscal year, due primarily to the increase in debt service payments from August FY2009 vs. FY2010.

New Castle County - General Fund vs. Tax Rate
 FY's 1990-2010
 Tax Rate - In Cents per \$100 of Assessed Value



New Castle County - Sewer Fund vs. Residential Sewer Rates
 FY's 1990 - 2010



New Castle County
 General Fund Budget vs. Estimate (in Millions)
 As of August 31, 2009

	A	B	C	D	E	F	
	FY2008	FY2009	FY2010	FY2010	D over C	D over C	
	ACTUAL	ACTUAL	BUDGET	ESTIMATED	\$	%	Comments
				AT			
				8/31/2009			
<u>Expenditures/Encumbrances</u>							
Salaries & Wages	\$ 86.3	\$ 85.4	\$ 81.3	\$ 80.3	\$ (1.0)	-1%	Est. savings of \$1.0M at year-end
Employee Benefits	\$ 35.0	\$ 37.7	\$ 37.8	\$ 37.8	\$ -	0%	
Training/Travel	\$ 0.6	\$ 0.4	\$ 0.4	\$ 0.4	\$ -	0%	
Communications/Utilities	\$ 4.2	\$ 4.1	\$ 4.4	\$ 4.4	\$ -	0%	
Materials/Supplies	\$ 5.7	\$ 4.8	\$ 5.0	\$ 4.8	\$ (0.2)	-4%	Gasoline is anticipated to be \$0.2M under budget
Contractual Services	\$ 12.9	\$ 12.3	\$ 10.5	\$ 10.5	\$ -	0%	
Contractual-Cross Charges	\$ 17.7	\$ 15.9	\$ 16.2	\$ 16.2	\$ -	0%	
Grants/Fixed Charges	\$ 11.5	\$ 12.7	\$ 10.8	\$ 10.8	\$ -	0%	
Equipment	\$ 1.2	\$ 0.9	\$ 0.8	\$ 0.8	\$ -	0%	
Debt Service	\$ 16.8	\$ 20.6	\$ 21.1	\$ 21.1	\$ -	0%	
Contingencies	\$ -	\$ -	\$ 1.1	\$ 1.1	\$ -		
IGS Credit	\$ (22.9)	\$ (21.9)	\$ (21.2)	\$ (21.2)	\$ -	0%	
General and Admin Credit	\$ (7.6)	\$ (7.6)	\$ (7.0)	\$ (7.0)	\$ -	0%	
Total	\$ 161.4	\$ 165.3	\$ 161.2	\$ 160.0	\$ (1.2)	-1%	

New Castle County
General Fund Activity (in Millions)
As of August 31, 2009

	A	B	C	D	E	F	G	H	I
	FY2008	FY2009	FY2010 ESTIMATED AT 8/31/2009	C over B \$	C over B %	FY2009 YTD Through Aug	FY2010 YTD Through Aug	G over F \$	G over F %
	ACTUAL	ACTUAL							
<u>Expenditures/Encumbrances</u>									
Salaries & Wages	\$ 86.3	\$ 85.4	\$ 80.3	\$ (5.1)	-6%	\$ 12.4	\$ 11.3	\$ (1.1)	-9%
Employee Benefits	\$ 35.0	\$ 37.7	\$ 37.8	\$ 0.1	0%	\$ 8.7	\$ 9.6	\$ 0.9	10%
Training/Travel	\$ 0.6	\$ 0.4	\$ 0.4	\$ -	0%	\$ 0.2	\$ 0.1	\$ (0.1)	-50%
Communications/Utilities	\$ 4.2	\$ 4.1	\$ 4.4	\$ 0.3	7%	\$ 0.8	\$ 0.6	\$ (0.2)	-25%
Materials/Supplies	\$ 5.7	\$ 4.8	\$ 4.8	\$ -	0%	\$ 4.2	\$ 4.3	\$ 0.1	2%
Contractual Services	\$ 12.9	\$ 12.3	\$ 10.5	\$ (1.8)	-15%	\$ 8.6	\$ 6.1	\$ (2.5)	-29%
Contractual-Cross Charges	\$ 17.7	\$ 15.9	\$ 16.2	\$ 0.3	2%	\$ 3.0	\$ 2.7	\$ (0.3)	-10%
Grants/Fixed Charges	\$ 11.5	\$ 12.7	\$ 10.8	\$ (1.9)	-15%	\$ 8.1	\$ 7.8	\$ (0.3)	-4%
Equipment	\$ 1.2	\$ 0.9	\$ 0.8	\$ (0.1)	-11%	\$ 0.5	\$ 0.2	\$ (0.3)	-60%
Debt Service	\$ 16.8	\$ 20.6	\$ 21.1	\$ 0.5	2%	\$ 6.9	\$ 8.0	\$ 1.1	16%
Contingencies	\$ -	\$ -	\$ 1.1	\$ 1.1		\$ -	\$ -	\$ -	
IGS Credit	\$ (22.9)	\$ (21.9)	\$ (21.2)	\$ 0.7	-3%	\$ (4.0)	\$ (3.3)	\$ 0.7	-18%
General and Admin Credit	\$ (7.6)	\$ (7.6)	\$ (7.0)	\$ 0.6	-8%	\$ (1.3)	\$ (1.2)	\$ 0.1	-8%
Total	\$ 161.4	\$ 165.3	\$ 160.0	\$ (5.3)	-3%	\$ 48.1	\$ 46.2	\$ (1.9)	-4%

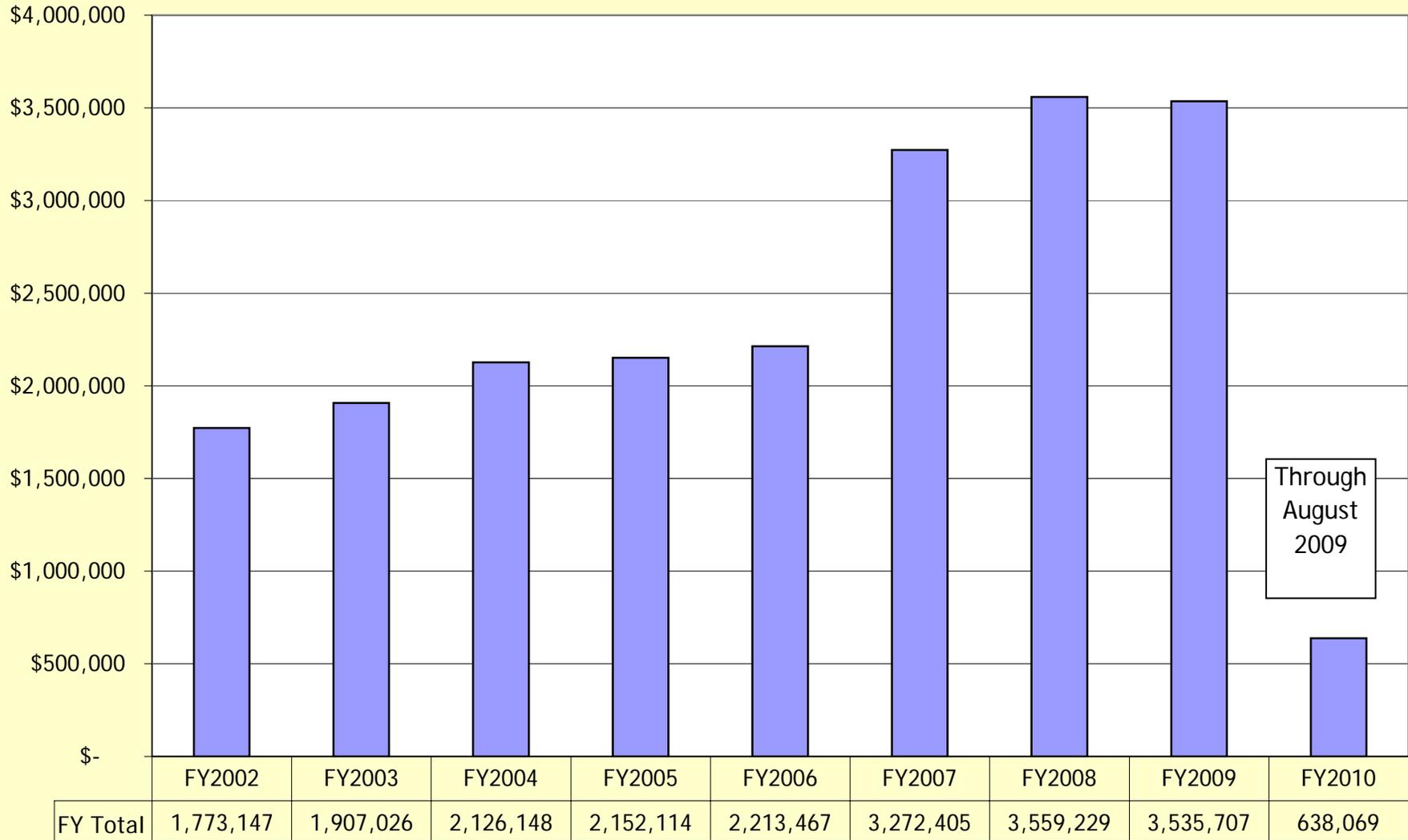
New Castle County
Sewer Fund Budget vs. Estimate (in Millions)
As of August 31, 2009

	A	B	C	D	E	F	
	FY2008	FY2009	FY2010	FY2010	D over C	D over C	
	ACTUAL	ACTUAL	BUDGET	ESTIMATED AT 8/31/2009	\$	%	Comments
<u>Expenditures/Encumbrances</u>							
Salaries & Wages	\$ 12.2	\$ 11.4	\$ 10.9	\$ 10.4	\$ (0.5)	-4%	Est. savings of \$0.5M at year-end
Employee Benefits	\$ 5.1	\$ 4.9	\$ 5.4	\$ 5.4	\$ -	0%	
Training/Travel	\$ -	\$ -	\$ -	\$ -	\$ -		
Communications/Utilities	\$ 18.8	\$ 19.6	\$ 20.0	\$ 22.1	\$ 2.1	11%	Est FY08-10 "true-up" to Wilmington \$1.4M. Est. CRF to Middletown \$0.2M, Fox Pointe \$0.5M
Materials/Supplies	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.0	\$ -	0%	
Contractual Services	\$ 3.2	\$ 3.7	\$ 4.7	\$ 4.7	\$ -	0%	
Contractual-Cross Charges	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.5	\$ -	0%	
Grants/Fixed Charges	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ -	0%	
Equipment	\$ 1.6	\$ 0.8	\$ 0.8	\$ 0.8	\$ -	0%	
Debt Service	\$ 7.6	\$ 9.9	\$ 11.1	\$ 11.1	\$ -	0%	
Contingencies	\$ -	\$ -	\$ 0.1	\$ 0.1	\$ -		
IGS Credit	\$ -	\$ -	\$ -	\$ -	\$ -		
General and Admin	\$ 7.2	\$ 7.3	\$ 6.6	\$ 6.6	\$ -	0%	
Total	\$ 59.4	\$ 61.4	\$ 63.3	\$ 64.9	\$ 1.6	3%	

New Castle County
Sewer Fund Activity (in Millions)
As of August 31, 2009

	A	B	C	D	E	F	G	H	I
	FY2008 ACTUAL	FY2009 ACTUAL	FY2010 ESTIMATED AT 8/31/2009	C over B \$	C over B %	FY2009 YTD Through Aug	FY2010 YTD Through Aug	G over F \$	G over F %
<u>Expenditures/Encumbrances</u>									
Salaries & Wages	\$ 12.2	\$ 11.4	\$ 10.4	\$ (1.0)	-9%	\$ 1.7	\$ 1.5	\$ (0.2)	-12%
Employee Benefits	\$ 5.1	\$ 4.9	\$ 5.4	\$ 0.5	10%	\$ 0.7	\$ 0.7	\$ -	0%
Training/Travel	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Communications/Utilities	\$ 18.8	\$ 19.6	\$ 22.1	\$ 2.5	13%	\$ 3.1	\$ 3.7	\$ 0.6	19%
Materials/Supplies	\$ 1.0	\$ 1.1	\$ 1.0	\$ (0.1)	-9%	\$ 0.8	\$ 0.8	\$ -	0%
Contractual Services	\$ 3.2	\$ 3.7	\$ 4.7	\$ 1.0	27%	\$ 2.0	\$ 1.7	\$ (0.3)	-15%
Contractual-Cross Charges	\$ 2.4	\$ 2.4	\$ 2.5	\$ 0.1	4%	\$ 0.5	\$ 0.4	\$ (0.1)	-20%
Grants/Fixed Charges	\$ 0.3	\$ 0.3	\$ 0.2	\$ (0.1)	-33%	\$ 0.1	\$ 0.2	\$ 0.1	100%
Equipment	\$ 1.6	\$ 0.8	\$ 0.8	\$ -	0%	\$ 0.1	\$ -	\$ (0.1)	
Debt Service	\$ 7.6	\$ 9.9	\$ 11.1	\$ 1.2	12%	\$ 1.9	\$ 3.6	\$ 1.7	89%
Contingencies	\$ -	\$ -	\$ 0.1	\$ 0.1		\$ -	\$ -	\$ -	
IGS Credit	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
General and Admin	\$ 7.2	\$ 7.3	\$ 6.6	\$ (0.7)	-10%	\$ 1.2	\$ 1.1	\$ (0.1)	-8%
Total	\$ 59.4	\$ 61.4	\$ 64.9	\$ 3.5	6%	\$ 12.1	\$ 13.7	\$ 1.6	13%

**New Castle County
Electric Expense FY2002 to FY2010(August)**



Electric when comparing August 2009 to August 2010 is comparable (\$0.6M).

New Castle County - Gas/Diesel Price Per Gallon
September 2009 through June 2010 Estimated

