

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

New Castle County Government Center - September 21, 2010

Attendance:

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

Members in Attendance: 6

Members Absent: 2

Others Present: Bob Wasserbach, Lynne McIntosh, Russell Morris, Ed Milowicki, Steve Cunliffe, Rick Gregory, George Smiley, Lynne Howard, Jim Boyle, Joe Oddo, Joe Szczechowski

Opening Business:

Chairman Rich Davis called the meeting to order at 3:32 p.m. The minutes from the April 20, 2010 meeting were approved as submitted.

Review FY2010 General Fund Final Revenues and FY2011 Revenue Estimates:

Acting NCC Chief Financial Officer Edward Milowicki introduced NCC Finance Department member Russell Morris to review the FY2010 Year End General and Sewer Fund Final Revenues and Expenditures.

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

Real Estate Taxes

Mr. Morris noted that the FY2010 budget was \$110,065,900 and the FY2010 actual is \$10,304,100, which represents an increase of \$238,200.

Real Estate Transfer Tax

Mr. Morris noted that the FY2010 actual includes several one-time occurrences, including the sale of the Valero Oil Refinery, 15 Exxon gas stations and a first-time homebuyer incentive program.

For FY 2011, RTT estimates will not be increased because the year to date increase is due to several one-time large transactions.

Service Charges & Fees

Mr. Morris noted that the FY2010 budget was \$17,275,400 and the FY2010 actual is \$21,529,000, which represents an increase of \$4,253,700 or 24.6%.

For FY 2011, Mr. Morris noted that the number of Sheriff's sales has increased to the point that the Sheriff's department was unable to keep up with the demand and placed an administrative cap on the number of sales per month. The department will no longer be responsible for transporting prisoners, which will free up two additional deputies to assist in serving and processing Sheriff's sales paperwork. The FY 2011 Revenue Estimate for the Sheriff's Office has been raised by \$500,000 because of the high volume of Sheriff Sales.

Licenses and Permits

Mr. Milowicki noted that the number of building permits issued in lower New Castle County has slowly increased in recent months.

Use of Money and Property

Mr. Morris noted that the FY 2011 Revenue Estimates for Interest were reduced by \$371,500 for the General Fund and \$192,200 for the Sewer Fund. When the FY 2011 Revenue Budget was developed in the spring, NCC expected interest rates to improve. However, interest rates remain at near record lows.

Ordinance No. 08-011

Mr. Milowicki reviewed and explained existing Ord. 08-011, regarding setting the transfer tax estimates at 90% of the actual tax received in the prior fiscal year. He presented the draft of a new ordinance for the Board's input and review. Under the draft ordinance, the NCCFAC Board would recommend the revenue estimate.

After much discussion, it was decided that the new ordinance will be rewritten and presented for discussion and review at the November 2010 NCCFAC meeting.

Chairman Davis called for a motion to adopt the revenue numbers as presented. Mr. Larotonda made the motion to accept the FY 2011 Revenue Estimate of

\$157,287,900 for the General Fund and \$65,549,300 for the Sewer Fund. The motion was seconded by Mr. Otto and passed unanimously.

Review FY2010 General and Sewer Fund Budget vs. Actual:

Mr. Milowicki reviewed the General and Sewer Fund Budget vs. Actual as of 6/30/10, noting no major changes.

Mr. Milowicki noted that New Castle County's AAA Bond Rating was affirmed last week by the three top rating agencies. He acknowledged and thanked County Executive Coons, Chief Administrative Officer Gregory, and Council members Smiley and Tansey for their roles in attaining the AAA ratings.

Review FY2011 General and Sewer Fund Revenue Activity A/O August

Mr. Morris presented NCC's General and Sewer Funds Revenues Comparison of FY2011 Forecast to Budget.

Meeting Schedule for 2011:

Chairman Davis proposed that the Board follow last year's schedule and meet on the third Tuesday in November, February, and April. After some discussion, it was decided that the meeting time be moved up to 3:00 p.m. The next meeting will be November 16, 2010 at 3:00 p.m. at the Government Center in the Large Executive Conference Room.

There being no further business, Chairman Davis adjourned the meeting at 5:25 p.m.