



# New Castle County Revenue Summary

*Fiscal Year 2011  
Recommended Budget*

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# NEW CASTLE COUNTY

## FY 2011 Recommended Operating Budget

### Sources of Funds Summary

SOURCES	General Fund	Sewer Fund	Light Fund	FY 2011 Recommended
Real Estate Taxes	\$110,687,289	\$0	\$0	\$110,687,289
Real Estate Transfer Tax	15,155,000	0	0	15,155,000
Sewer Charges and Fees	0	63,838,283	0	63,838,283
Use of Money & Property	4,981,190	1,903,200	0	6,884,390
Service Charges and Fees	20,508,776	0	0	20,508,776
Licenses and Permits	5,093,679	0	0	5,093,679
Intergovernmental Revenue	4,367,130	0	0	4,367,130
Special Assessments	0	0	4,155,394	4,155,394
Available Cash Balances	7,048,292	0	170,700	7,218,992
<b>Sources of Funds</b>	<b>167,841,356</b>	<b>65,741,483</b>	<b>4,326,094</b>	<b>237,908,933</b>
Interfund Transfer	(2,990,000)	0	0	(2,990,000)
<b>SOURCES OF FUNDS</b>	<b>\$164,851,356</b>	<b>\$65,741,483</b>	<b>\$4,326,094</b>	<b>\$234,918,933</b>

# **Fiscal Year 2011 Revenue Assumptions**

## **Major Revenue Sources**

### **Property Taxes**

Property taxes were estimated based on the net assessed value of \$17,964,819,833 as of March 16, 2010, at 70.18 cents per \$100 and 99% collection rate. The resulting estimated property tax revenue for fiscal year 2011 is \$106,792,504. The average unincorporated residential bill will be \$502 annually.

### **Real Estate Transfer Tax**

The real estate transfer tax rate for fiscal year 2011 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 2011 are based on 90% of the actual real estate transfer tax received in FY 2009.

### **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 and current revenues. 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 2010 which are expected to improve slightly in fiscal year 2011.

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 FY 2011 paramedic budget.

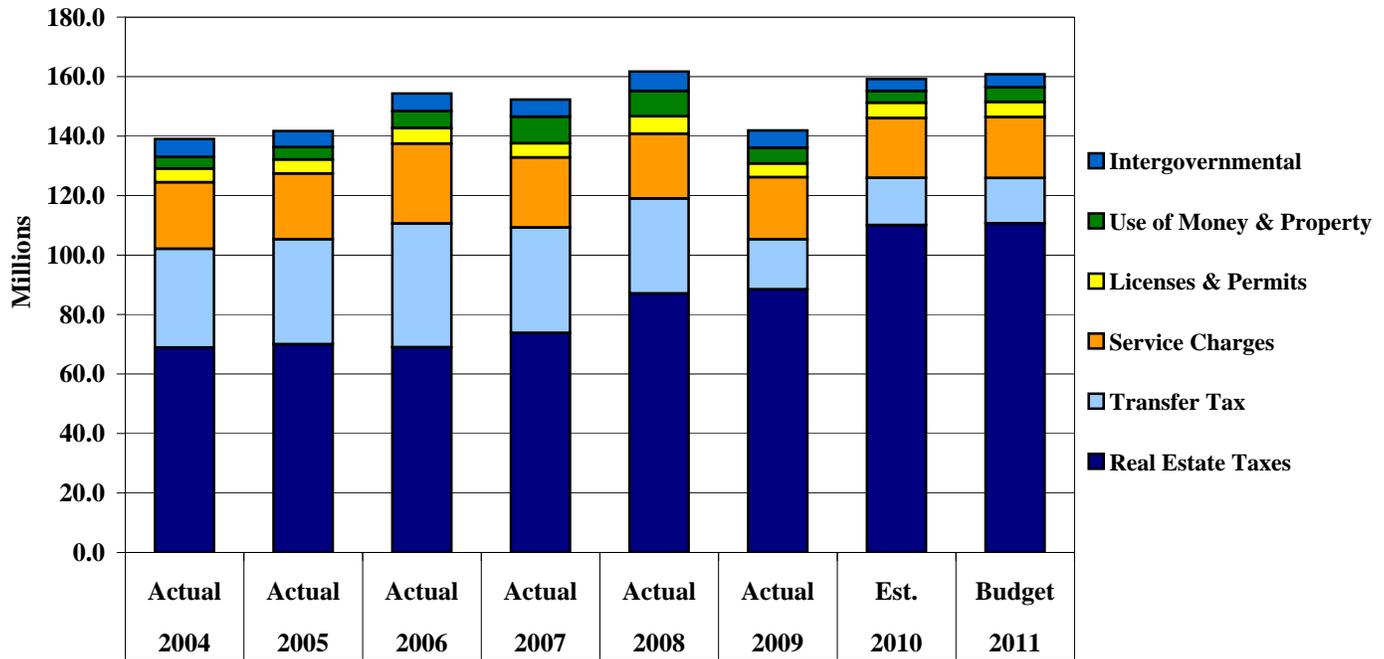
### **Sewer Fees**

Sewer Fees were based on the FY 2010 residential billings (based on water usage) and commercial and industrial activity and a 97% fee collection rate. The average residential sewer bill will go from \$269 to \$279.

# Historical General Fund Revenue Base

2004 Actual to 2011 Recommended

The following tables summarize general fund revenues since 2004.



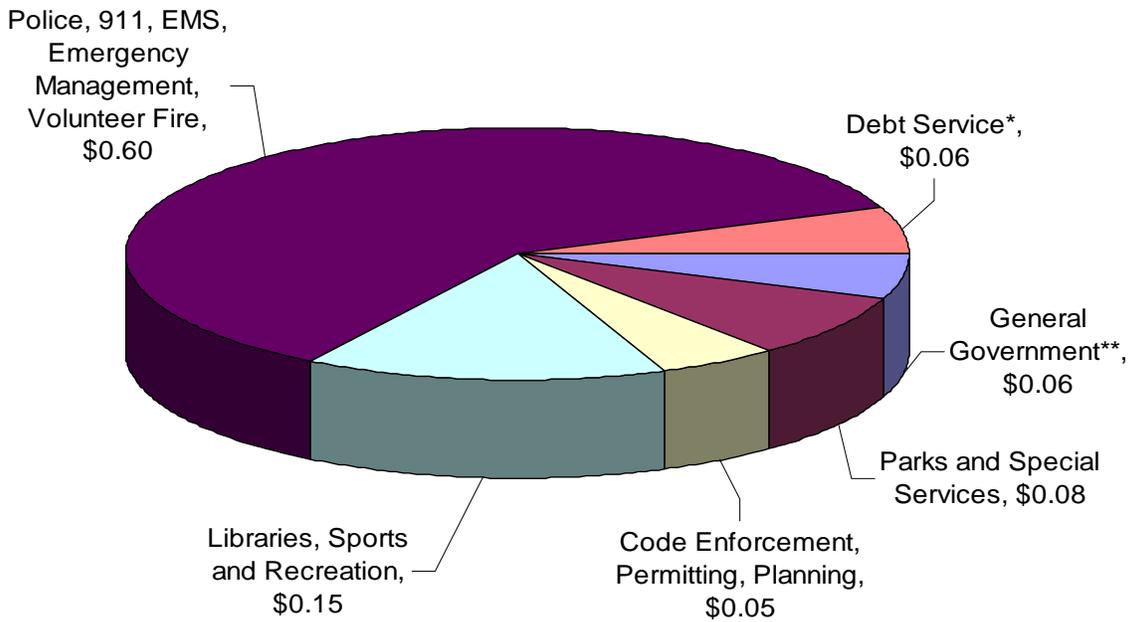
(in Millions)	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Est.	2011 Budget
Real Estate Taxes	68.9	70.0	69.0	73.8	87.1	88.5	110.1	110.7
Transfer Tax	33.2	35.3	41.6	35.5	31.9	16.8	15.9	15.2
Service Charges	22.4	22.1	26.9	23.5	21.8	20.9	20.1	20.5
Licenses & Permits	4.6	4.7	5.2	4.8	5.9	4.6	5.1	5.1
Use of Money & Property	3.9	4.2	5.7	8.9	8.5	5.3	4.0	4.9
Intergovernmental	6.0	5.4	5.9	5.8	6.5	5.8	4.0	4.4
<b>Total*</b>	<b>139.0</b>	<b>141.7</b>	<b>154.3</b>	<b>152.3</b>	<b>161.7</b>	<b>141.9</b>	<b>159.2</b>	<b>160.8</b>

\*Excludes transfers and use of available cash balances.

% of base	2004	2005	2006	2007	2008	2009	2010	2011
Real Estate Taxes	49.6%	49.4%	44.7%	48.5%	53.9%	62.4%	69.2%	68.8%
Transfer Tax	23.9%	24.9%	27.0%	23.3%	19.7%	11.8%	10.0%	9.5%
Service Charges	16.1%	15.6%	17.4%	15.4%	13.5%	14.7%	12.6%	12.7%
Licenses & Permits	3.3%	3.3%	3.4%	3.2%	3.6%	3.2%	3.2%	3.2%
Use of Money & Property	2.8%	3.0%	3.7%	5.8%	5.3%	3.7%	2.5%	3.0%
Intergovernmental	4.3%	3.8%	3.8%	3.8%	4.0%	4.1%	2.5%	2.7%
<b>Total*</b>	<b>100.0%</b>							

\*Excludes transfers and use of available cash balances.

## County Tax Dollar Breakdown FY2011 Recommended



\*Bonds to pay for general facilities - i.e., local parks, non Library/PS buildings, etc.

\*\*Executive Office, County Council, Law, HR, Admin Services, Finance, Ethics

## FY 2011 County Real Property Tax Rates

<u>Location</u>	<u>2011 Tax Rate in Cents Per \$100 of Assessed Valuation</u>
Those portions of New Castle County not within any of the following incorporated	70.18
Arden	58.21
Ardencroft	58.21
Ardentown	58.21
Bellefonte	39.48
Delaware City	25.29
Elsmere	31.93
Middletown	25.29
Newark	24.36
New Castle	25.29
Newport	28.38
Odessa	36.40
Townsend	38.26
Wilmington	24.36
<b><u>Average Unincorporated Bill</u></b>	
Annual	\$502.00
Monthly	\$42.00

## Revenue Summary

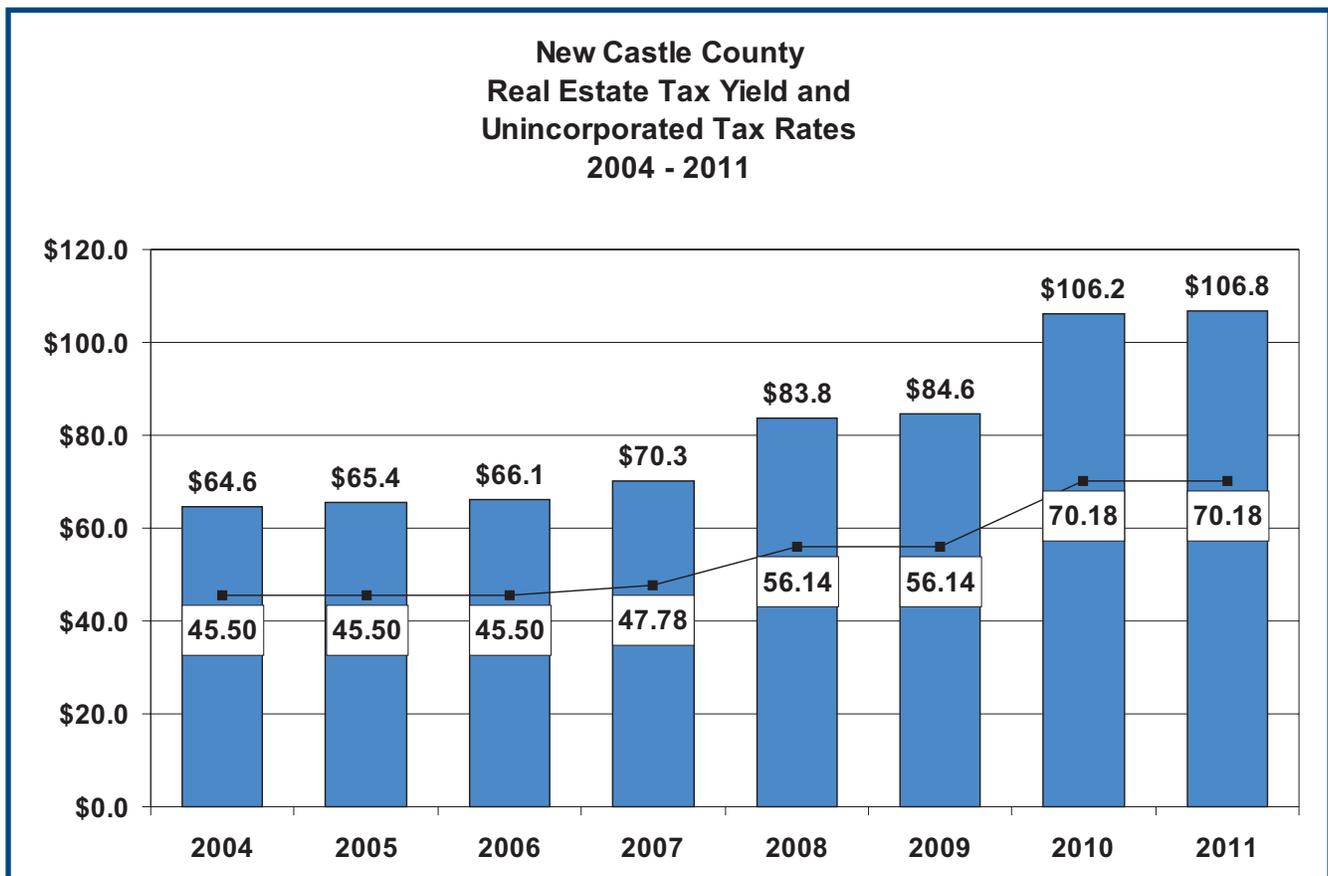
### ✓ Real Estate Taxes

**Fund: General**

Real Estate Taxes from the initial annual levy and quarterly additions are estimated to yield a total of \$106,792,504 which is \$409,464 more than the 2010 budget. Total revenues from taxes, including delinquencies and crossing guards, are estimated to be \$110,687,289 which is \$621,401 more than the 2010 budget. Real Estate Taxes provide the single largest source of funds (66%) to the General Fund.

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Initial Annual Levy/Additions	\$84,097,815	\$106,133,040	\$106,792,504
Prior Year/Penalties	1,059,348	1,080,000	1,069,000
School Crossing Guard Tax	3,340,648	2,932,848	2,825,785
<b>Total</b>	<b>\$88,497,811</b>	<b>\$110,145,888</b>	<b>\$110,687,289</b>

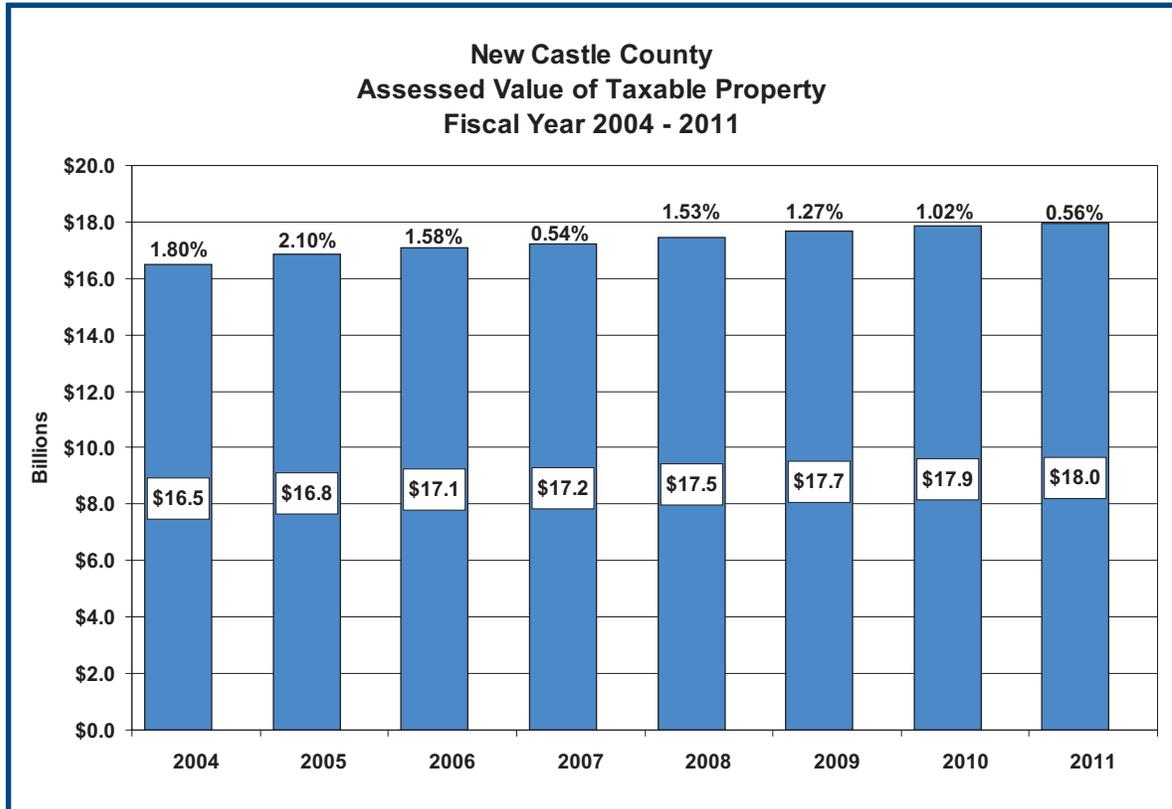
This chart presents the unincorporated tax rates in cents per \$100 of assessed valuation for 2004-2011.



## Revenue Summary

### ✓ Real Estate Taxes (Continued)

Projected annual future growth in the assessment base is estimated at 0.56%. The following chart presents assessment information.



Assessed real property values partially or totally exempt from the real estate property tax total \$5.2 billion or 22.5% of the gross \$23.1 billion property assessments. The largest component of exempt property is the general exemptions category which is \$4.1 billion, or 79.3% of total exemptions granted of assessed property.

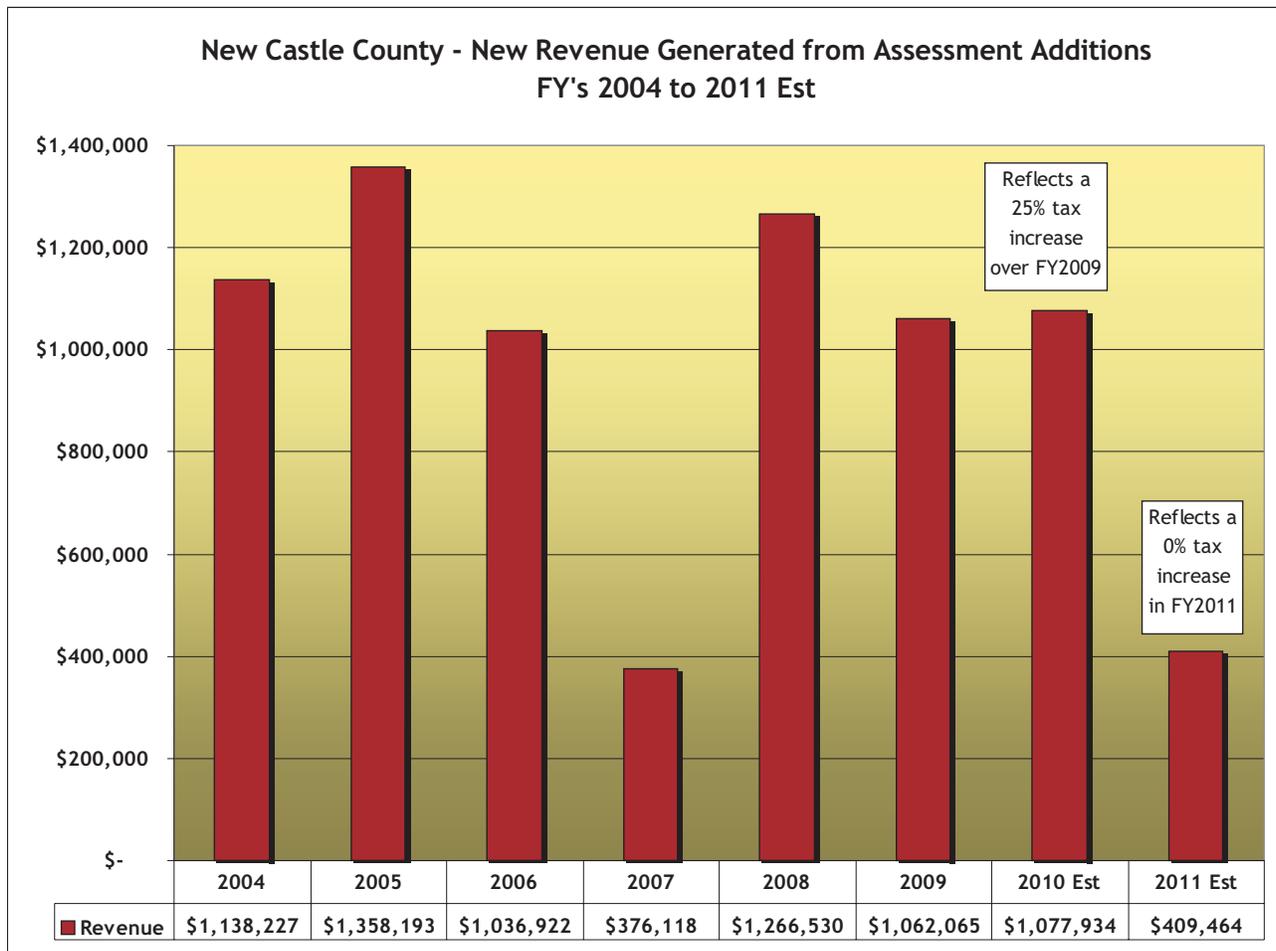
### Tax Lost from Exempt Property

	<u>Assessment</u>	<u>Tax \$ Lost</u>
General*	\$4,120,340,060	\$19,721,812
Residential	\$870,254,476	\$5,337,379
Farm	\$142,268,750	\$976,083
Commercial	\$59,689,507	\$150,528
Industrial	\$821,950	\$5,441
<b>Total</b>	<b>\$5,193,374,743</b>	<b>\$26,191,243</b>

\* General exemptions include government, religious, health, educational, charitable, historical and miscellaneous (civics, volunteer fire, etc.).

**New Castle County  
Taxable Assessment Growth**

	<u>2004</u>	<u>2011</u>	<u>2011 vs. 2004 % Growth</u>
Unincorporated	\$12,887,550,774	\$13,800,773,069	7.1%
Arden	14,492,218	14,828,000	2.3%
Ardencroft	6,527,856	6,799,400	4.2%
Ardentown	9,330,292	9,700,000	4.0%
Bellefonte	25,695,416	26,976,600	5.0%
Delaware City	36,825,390	41,358,050	12.3%
Elsmere	96,169,595	106,570,342	10.8%
Middletown	256,588,566	572,008,754	122.9%
Newark	794,340,526	846,890,518	6.6%
New Castle	196,023,428	239,646,820	22.3%
Newport	52,164,252	55,433,486	6.3%
Odessa	10,375,933	13,246,900	27.7%
Townsend	9,116,514	49,069,519	438.2%
Wilmington	2,098,800,587	2,180,946,336	3.9%
<b>Total</b>	<b>\$16,494,001,347</b>	<b>\$17,964,247,793</b>	<b>8.9%</b>

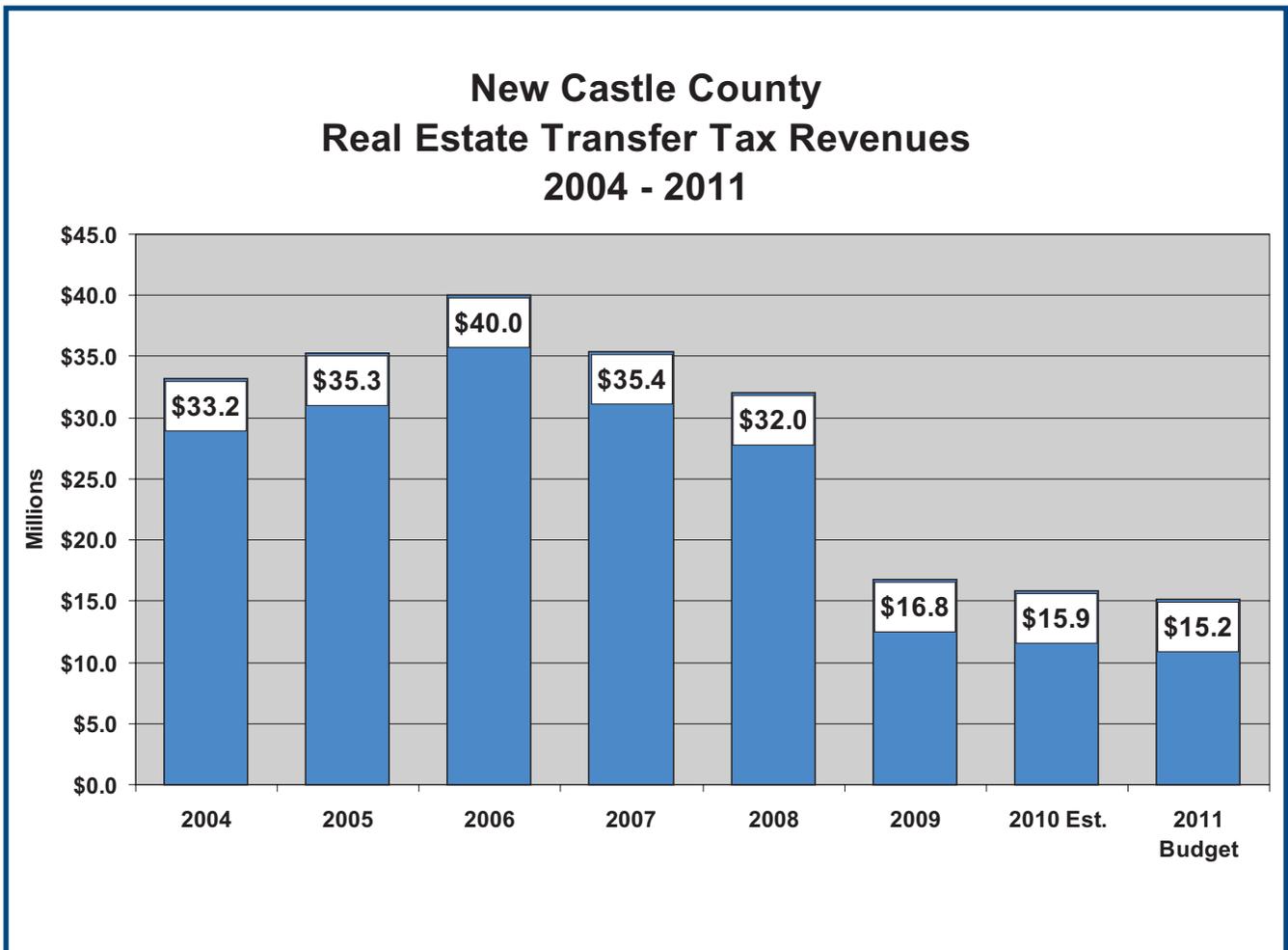


✓ **Real Estate Transfer Tax**

**Fund: General**

The General Assembly of the State of Delaware passed House Bill 727 in 1991 giving New Castle County Government 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 real estate 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 February 2008, the County enacted Ordinance 08-011 capping the amount of transfer tax that can be used for budget estimates at 90% of the most recent completed fiscal year. Any excess over the 90% must be used as specified in the legislation. In Fiscal Year 2011, the Real Estate Transfer Tax is budgeted at \$15,155,000. The chart below shows transfer tax activity for 2000 - 2011.



## Revenue Summary

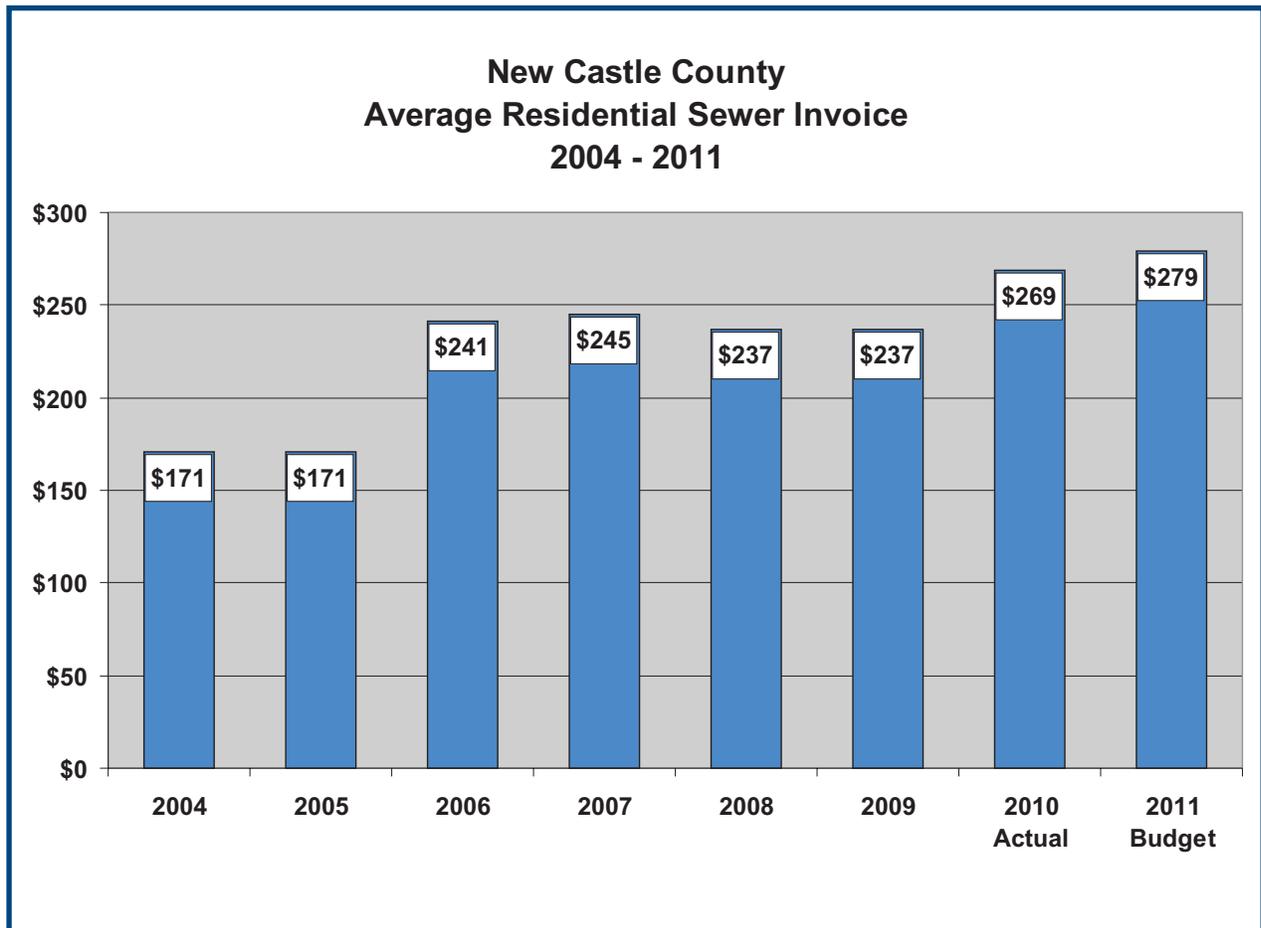
### ✓ Sewer Charges and Fees

Fund: Sewer

The Sewer Fund is an enterprise fund which self-supports wastewater and environmental services within New Castle County. Sewer Charges, both current and delinquent, (\$59,042,223) and Other Fees (\$6,699,260) are projected to yield \$65,741,483.

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Sewer Service Current	\$49,745,059	\$53,747,170	\$56,142,223
Sewer Service Delinquent	2,711,244	2,800,000	2,900,000
Other Service Charges	5,915,724	5,828,960	6,699,260
<b>Total</b>	<b>\$58,372,027</b>	<b>\$62,376,130</b>	<b>\$65,741,483</b>

The typical residential customer will be billed a composite flow rate of \$5.31748 per 1,000 gallons (average 52,479 gallons) which is estimated to be \$279 or 76 cents per day.



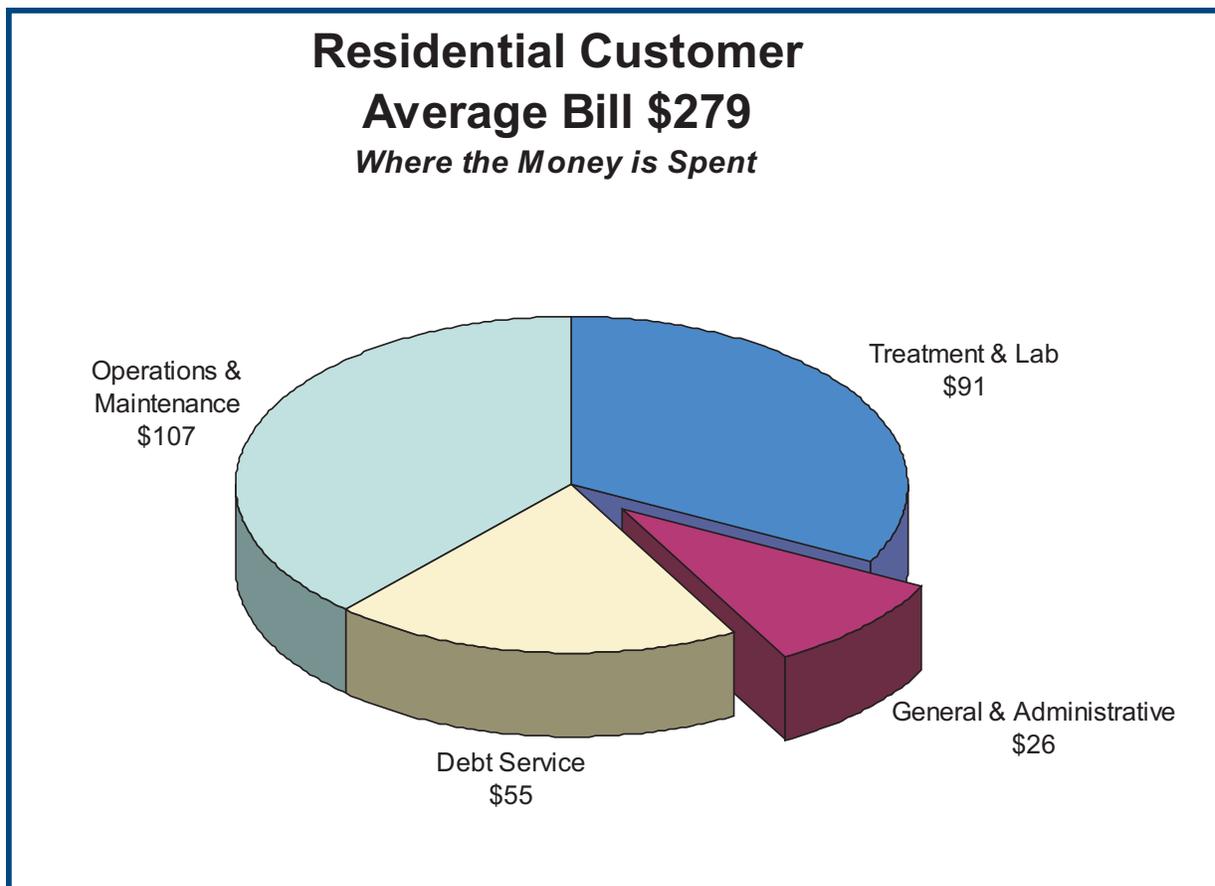
## Revenue Summary

### ✓ Sewer Charges and Fees (Continued)

Fund: Sewer

The amount estimated to be received from the Fiscal Year 2011 sewer billing from all users is \$56,142,223. In addition, delinquent collections are anticipated to total \$2,900,000. The display below shows a comparison of the number of accounts by type and the billing estimated for 2011.

Gross Billing Estimate		
Fiscal 2011		
	No. of Accts.	Gross Billing
Residential	113,877	\$27,718,902
Industrial	23	7,354,105
Commercial	3,118	11,433,284
Apartments	211	7,481,809
Contract	5	4,183,544
<b>Gross Billing</b>	<b>117,234</b>	<b>\$58,171,644</b>
Allow for Delinquent		(\$2,029,421)
<b>Net Billing</b>		<b>\$56,142,223</b>



## Revenue Summary

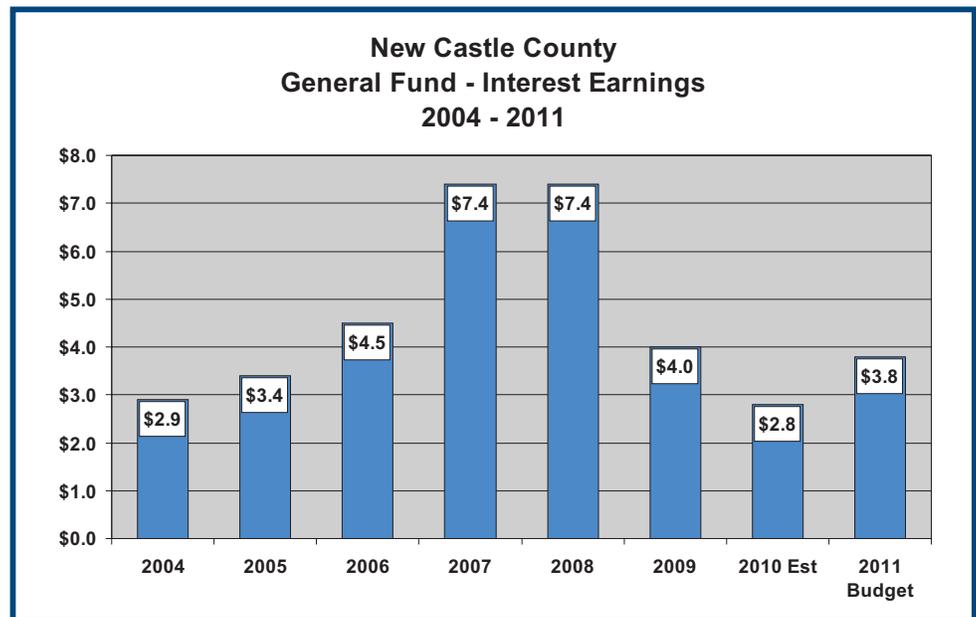
### ✓ Use of Money and Property

Fund: General and Sewer

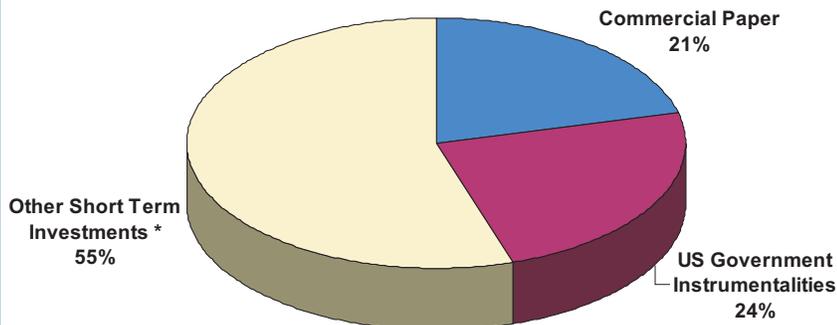
Use of Money and Property revenues (\$6,884,390) are primarily from interest earnings.

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Interest Earnings	\$5,324,515	\$3,959,300	\$5,733,850
City of Wilmington C/C Bldg.	1,068,270	950,600	950,000
Rentals	243,045	196,140	200,540
<b>Total</b>	<b>\$6,635,830</b>	<b>\$5,106,040</b>	<b>\$6,884,390</b>

This chart presents  
General Fund - Interest Earnings  
for Fiscal Years 2004-2011.



### NEW CASTLE COUNTY Working Capital Funds Asset Allocation



\* Can include any combination of collateralized CDs, checking with interest, money market funds, etc.

New Castle County's Investment Program is professionally managed. This chart typifies working capital asset allocations.

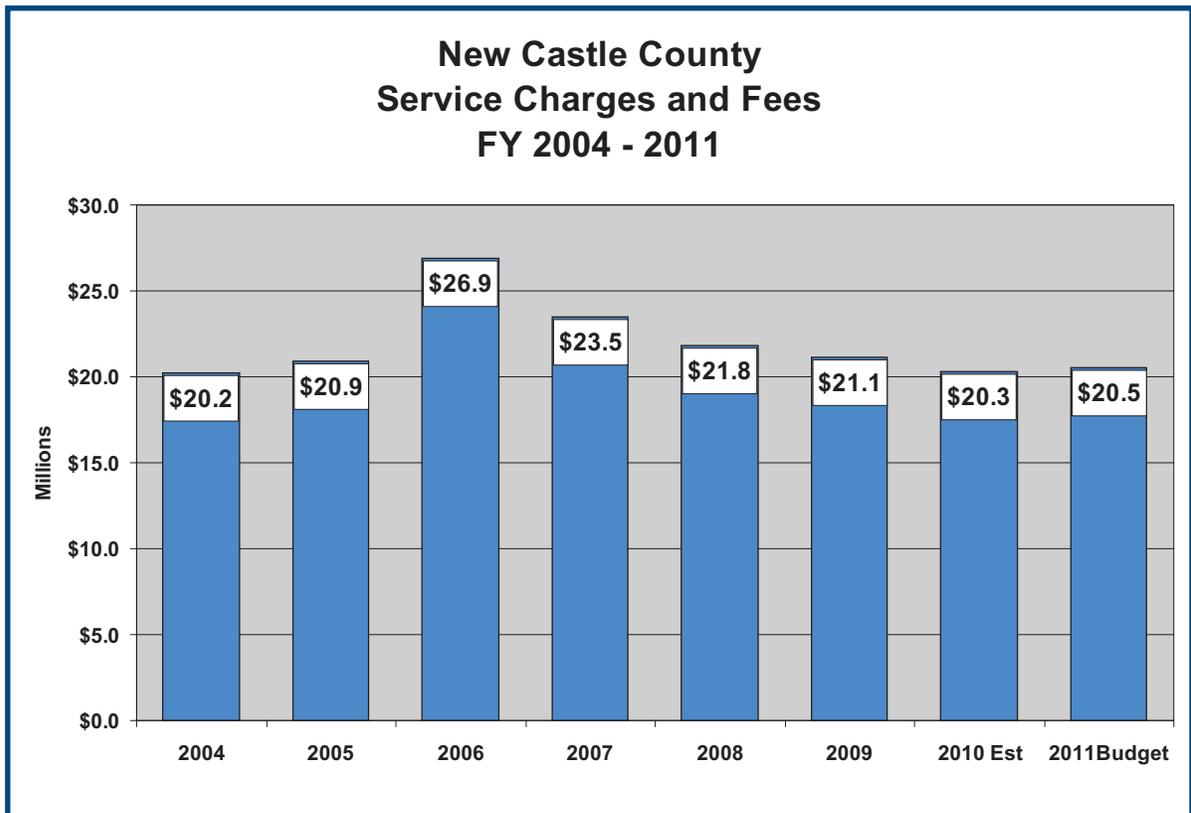
## Revenue Summary

### ✓ Service Charges and Fees

Fund: General

Service charges and fees are projected at \$20,508,776.

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Sheriff	\$4,442,263	\$4,100,000	\$4,131,883
Deeds	6,670,778	5,920,000	6,132,000
Wills	3,089,062	3,299,000	3,405,000
Recreation	1,602,682	1,188,232	1,310,990
Public Safety (911 Fees, Traffic Fines, Emgcy.Comm.)	2,294,869	2,303,000	2,336,700
Zoning Fees	1,306,758	2,416,200	1,579,300
Miscellaneous	1,652,136	1,120,068	1,612,903
<b>Total</b>	<b>\$21,058,548</b>	<b>\$20,346,500</b>	<b>\$20,508,776</b>



## Revenue Summary

### ✓ Licenses and Permits

Fund: General

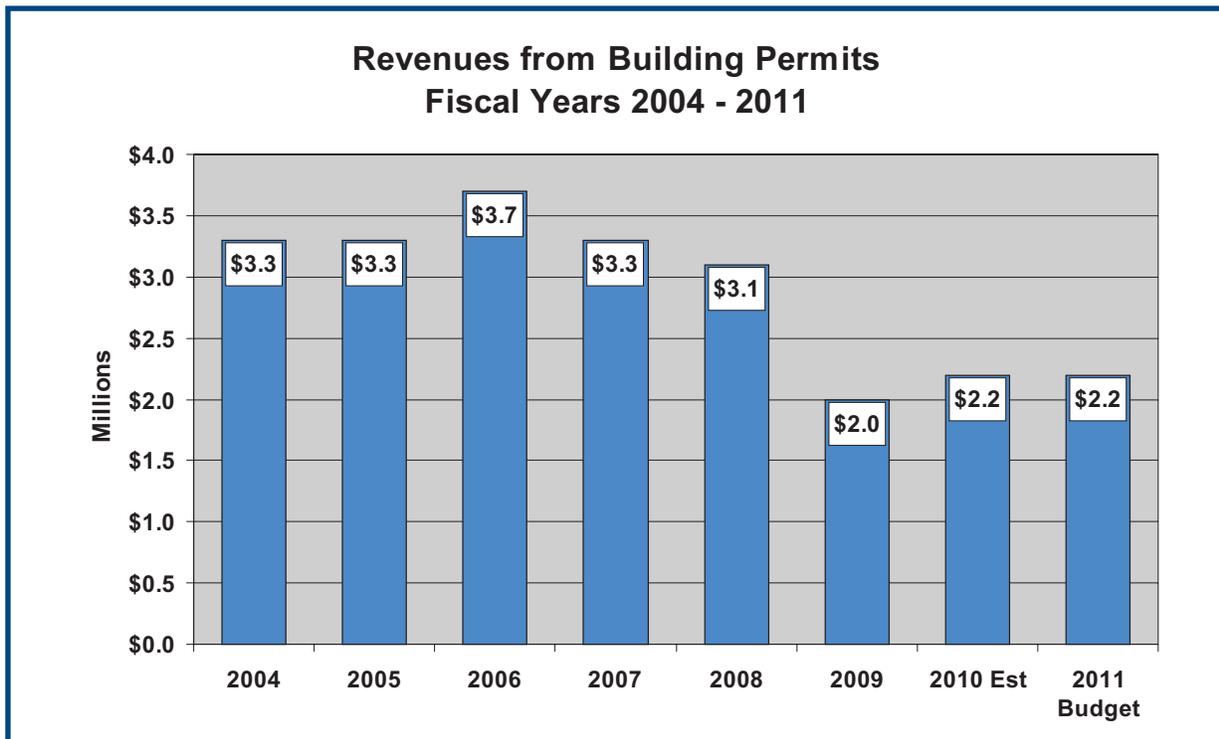
Licenses and Permits revenues are estimated to yield \$5,093,679.

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Building Permits	\$1,972,579	\$2,212,800	\$2,156,050
Contractor/Business Licenses	1,543,367	1,539,000	1,580,000
Other Permits & Licenses	1,072,827	1,331,250	1,357,629
<b>Total</b>	<b>\$4,588,773</b>	<b>\$5,083,050</b>	<b>\$5,093,679</b>

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

### Building Permits

Type Type of Permit	CY2008 #Permits Issued	CY2009 #Permits Issued	Valuation CY 2008 (Millions)	Valuation CY 2009 (Millions)
Residential	405	455	\$40	\$50
Alterations/Additions	2,037	1,755	\$21	\$16
Commercial/Industrial	723	543	\$249	\$132



## Revenue Summary

### ✓ Intergovernmental Revenue

**Fund: General**

Intergovernmental Revenue (\$4,367,130) is primarily from the State of Delaware for reimbursement of the County's paramedic program (\$3,642,030). Paramedic reimbursement in FY 2011 by the State of Delaware is at 30%. In addition, the County will receive State reimbursement (\$264,100) for Office of Chancery costs. Other revenue includes real estate transfer tax collection fees from the State and other incorporated municipalities (\$336,000), indirect cost recoveries from federal/state grant programs (\$115,000) and payment in lieu of taxes (\$10,000).

Category	FY 2009 Actual	FY 2010 Estimate	FY 2011 Recommended
Paramedic Reimbursement	\$5,004,992	\$3,348,600	\$3,642,030
Real Estate Transfer Tax Fee	306,476	275,000	336,000
Chancery Reimbursement	233,409	261,530	264,100
Technology Reimbursement	91,070	0	0
Other Reimbursement	146,615	115,000	125,000
<b>Total</b>	<b>\$5,782,562</b>	<b>\$4,000,130</b>	<b>\$4,367,130</b>

### ✓ Special Assessments

**Fund: Light Tax**

Special Assessments revenues consist of \$4,155,394 in tax revenue and \$170,700 in use of available cash balances. Monthly billings are received from Delmarva Power for electric. These assessments are for street lighting installation and operation in new and existing communities. Approximately 58% of all unincorporated improved parcels benefit from street lighting.

### ✓ Use of Available Cash Balances

**Fund: General & Light**

The use of available cash balances for FY 2011 are as follows:

General Fund	\$7,048,292
Light	<u>170,700</u>
	<b><u>\$7,218,992</u></b>