# TOWN MANAGER'S WEEKLY REPORT

UPCOMING MEETINGS & EVENTS …

- ✓ **Sussex County Association of Towns:** Wednesday, February 4th, 6:00 PM, Georgetown CHEER Center, Hosted by Town of Georgetown
- ✓ **Sussex County Association of Towns Steering Committee:** Friday, February 6th, at 9:00 AM, Arena's at the Airport
- ✓ **Town Council Meeting:** Wednesday, February 11th, 7:00 PM, Regular Meeting, Town Hall
- ✓ **Planning Commission:** Wednesday, February 18th, 6:00 PM, Town Hall
    1. Public Hearing
        - Addition to §230-5 Definitions
        - Addition of §230 Article XXX Supportive Housing
        - Revision to §230-167 Signs permitted in UB1 Districts
        - Revision to §230-168 Signs permitted in UB2 Districts

UPDATES FROM DEPARTMENTS …

**Finance**

- As of January 29th, the Town has collected $357,877 (44%) of the January Utility Billing ($814,807)
- Actual v Budget (December 2014) has been prepared (copy attached)
- Forms 1099-MISC and 1099-R completed and mailed

**Wastewater**

- Large Lagoon depth is 12.2 feet and Small Lagoon depth is 6.5 feet
- Finalizing facility yearly report and QA report (both due January 30th)
- Fixed check valve on lagoon feed pump 1 (Stevenson Lane)
- Will be pulling pump 2 and sending it out for seal replacement

**Police**

- Significant Incident Reports and Press Releases distributed as prepared
- Weekly and Year to Date crime statistics (selected crimes) attached

**Planning**

- Sussex Academy Site Plan amendment (Athletic Fields) – engineer comments returned to applicant on January 29th
- Sussex County completed installation of the fencing at their lot between Manlove Auto Parts and the GOP Headquarters (see photo 1)
- 2015 Business License renewal update. As of January 29th, the following has been renewed:
  - In-Town Business: 83% ($27,516)
  - Out of Town Business: 60% ($47,160)
  - Rentals: 89% ($71,550)

**Public Works**

- No report this week

TOWN MANAGER'S UPDATE …

- Provided information on special event permit requirements for Survivors Across Sussex
- Completed and submitted well permit application for Stevenson Lane ground water monitoring
- Worked with Town Engineer on draft site plan for BMX track placement on Layton-Thompson Park lands
- Prepared analysis of the first month of after-hours answering service for the police department – results shared with Town Council
- Completed street light analysis for new light request on West Pine Street
- Worked with Police Department on weekly reporting of selected crimes through CrimeView® - first set of information presented in this report (Gene Dvornick, Laura Givens, Ralph Holm)
- Governor Markell presented his proposed FY 2016 Budget on Thursday, January 29th (copy attached)
- Met will local property owner to discuss annexation process and potential advantages/disadvantages (Gene Dvornick/Jocelyn Godwin)
- Completed registration for 2015 Main Streets Conference

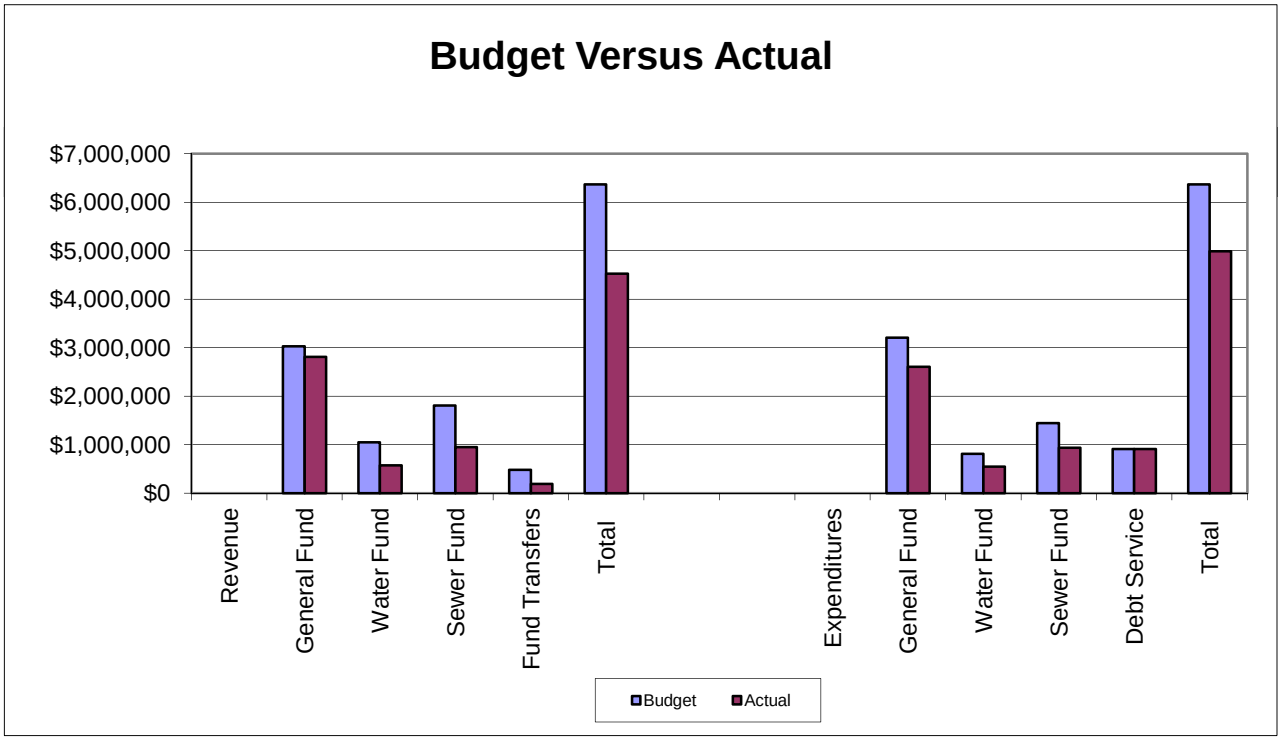
**Photo 1 - Fencing at County Lot (next to Manlove Auto Parts)**

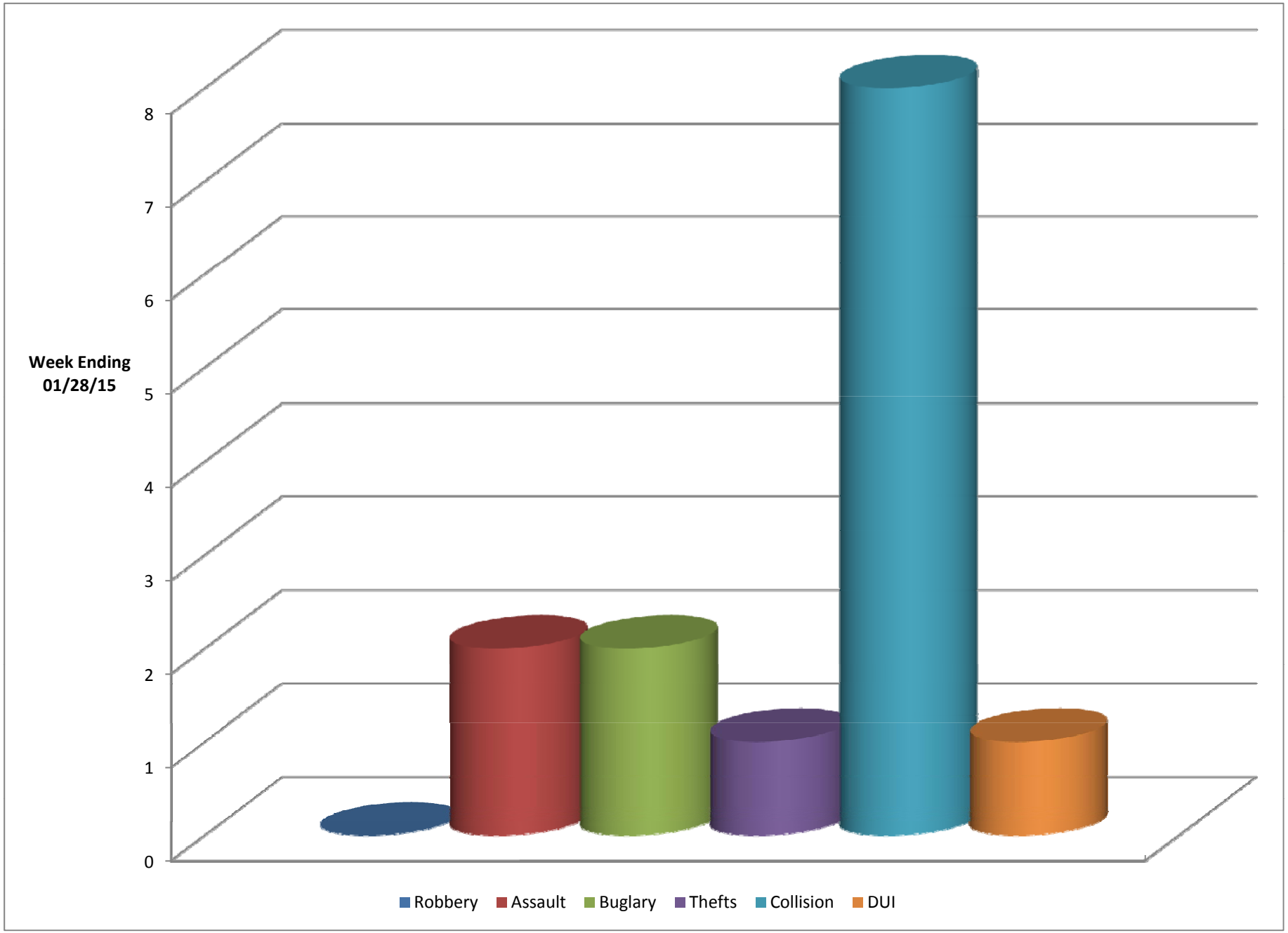
***THIS REPORT AND ANY ATTACHMENTS ARE ONLY BEING SENT ELECTRONICALLY UNLESS OTHERWISE REQUESTED***

# Town of Georgetown
## Budget Versus Actual (Operating)
### As of December 31, 2014

| | | Budget | Actual | Variance | 0.67% Percent of Budget |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| General Fund | | $3,031,627 | $2,808,526 | $223,101 | 93% |
| Water Fund | | $1,047,796 | $575,257 | $472,540 | 55% |
| Sewer Fund | | $1,810,002 | $952,023 | $857,979 | 53% |
| Fund Transfers | | $478,618 | $189,820 | $288,798 | 40% |
| | Total | $6,368,043 | $4,525,626 | $1,842,417 | 71% |
| **Expenditures** | | | | | |
| General Fund | | $3,204,431 | $2,603,746 | $600,685 | 81% |
| Water Fund | | $808,539 | $545,970 | $262,569 | 68% |
| Sewer Fund | | $1,445,684 | $933,086 | $512,598 | 65% |
| Debt Service | | $909,389 | $908,680 | $709 | 100% |
| | Total | $6,368,043 | $4,991,483 | $1,376,560 | 78% |

*** Line item detail available upon request.**

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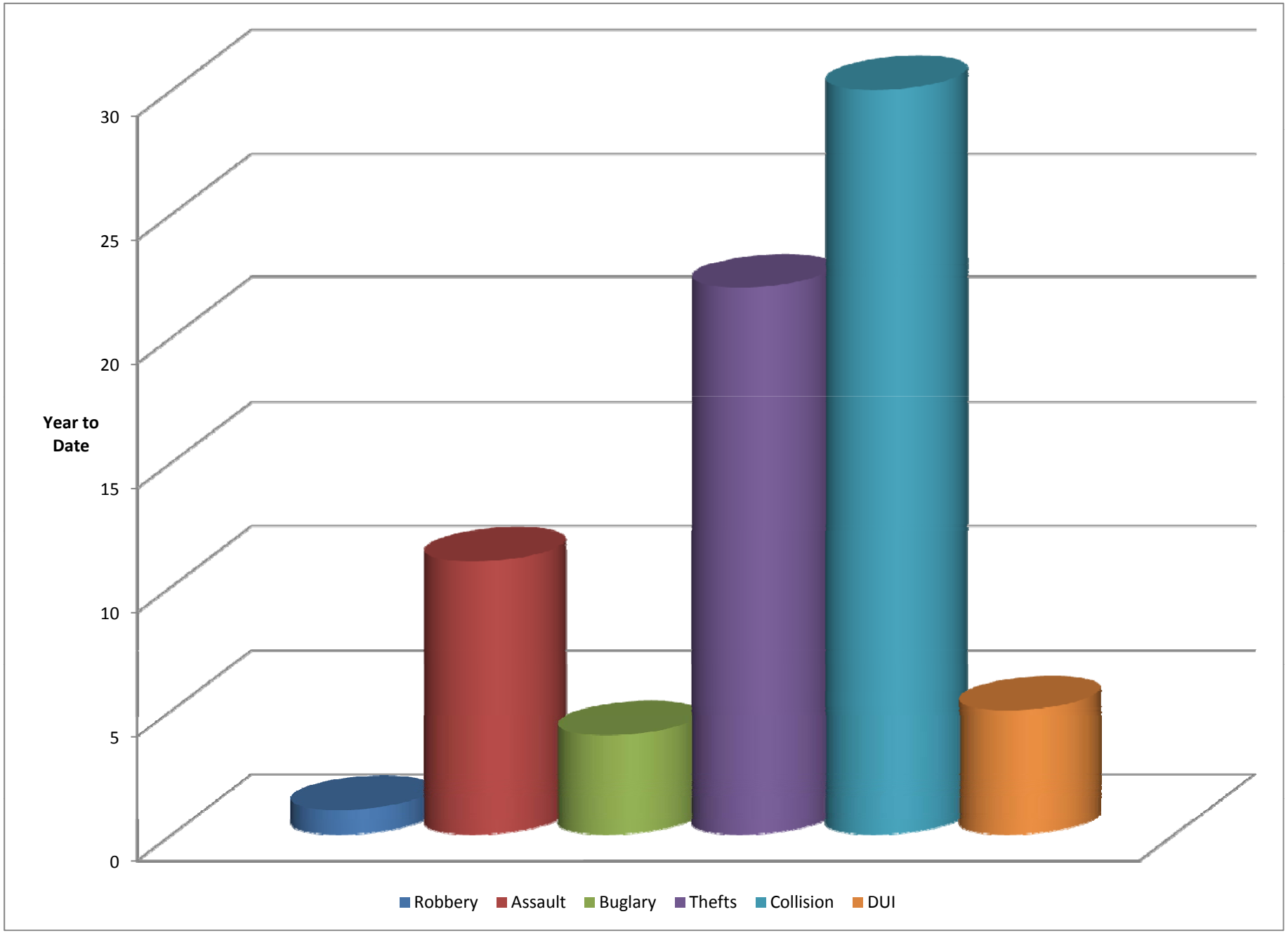
Robbery
Assault
Buglary
Thefts
Collision
DUI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Year to Date
Robbery
Assault
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Thefts
Collision
DUI

# State of Delaware

# Office of the Governor

## Fiscal Year 2016

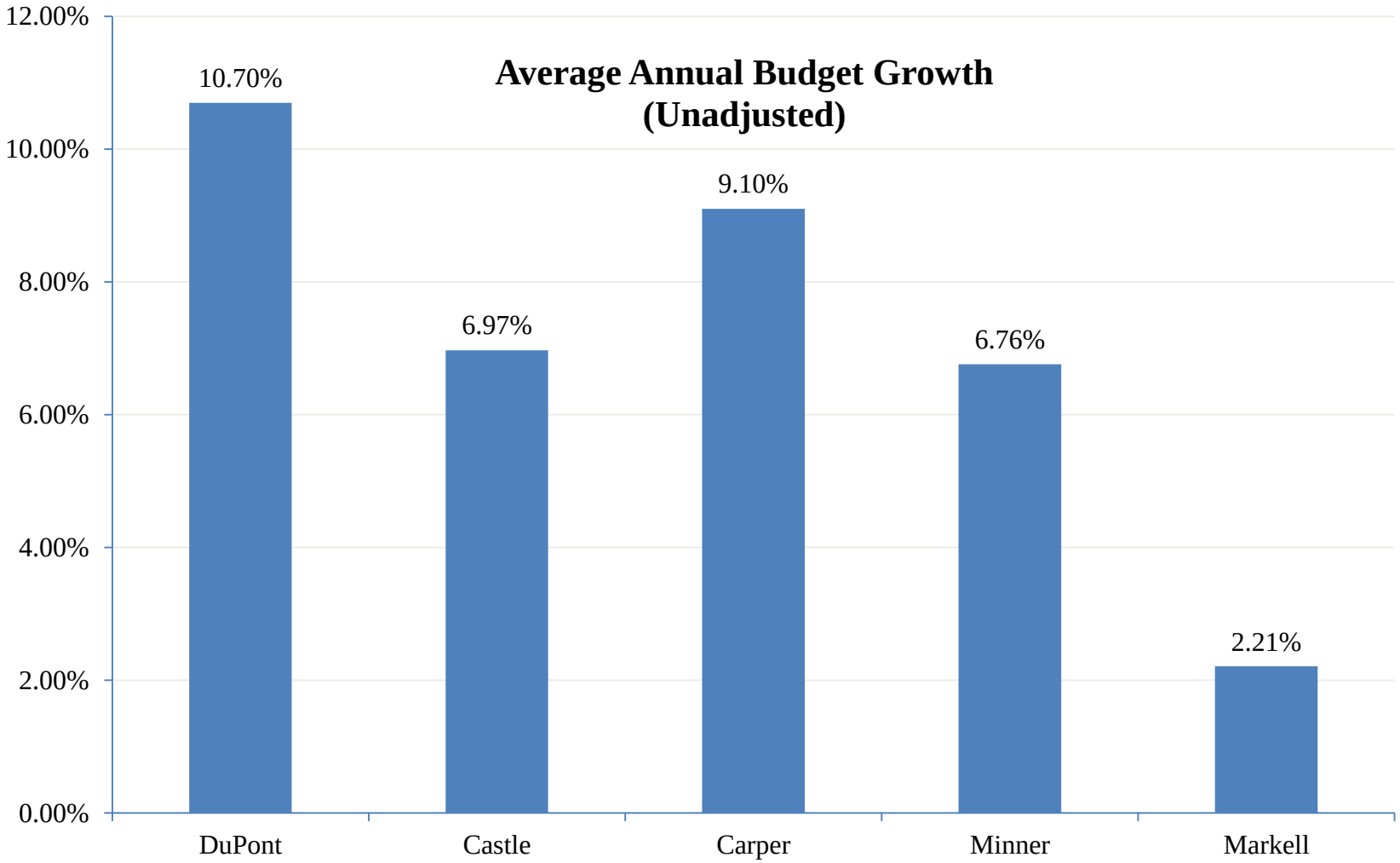
## Financial Overview

**January 29, 2015**

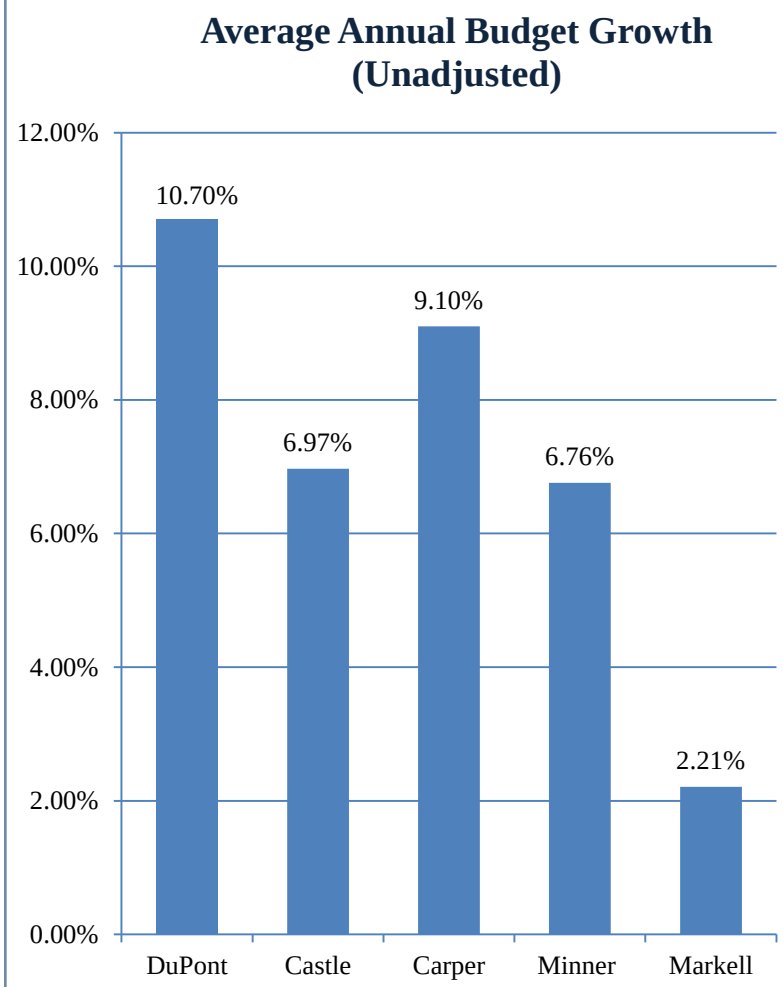
# Budgeting Principles

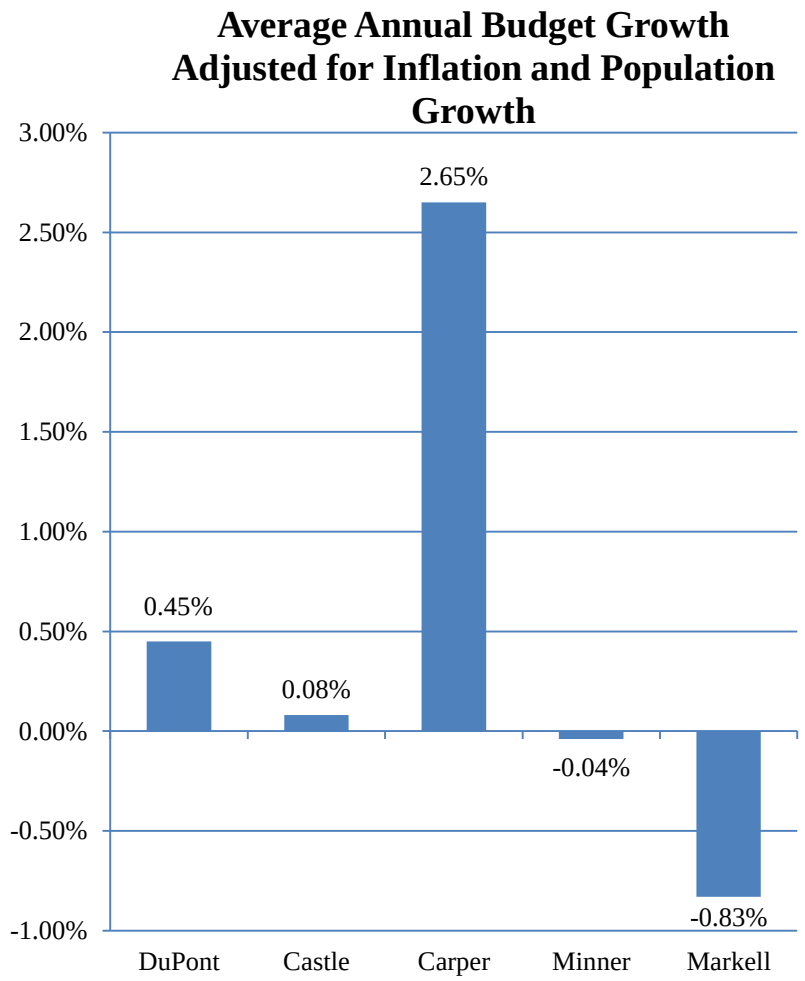
- **Invest in Priorities:**
  - Job Growth.
  - Stronger Schools.
  - Governing Responsibly.
- **Keep Core Commitments:**
  - K-12 and Higher Education.
  - Public Safety.
  - Healthcare.
  - Quality of Life.
- **Ensure Fiscal Responsibility:**
  - Creating a balanced budget despite fiscal challenges.
  - Maintaining AAA-bond rating.
  - Fully funding Rainy Day Fund.
  - Only appropriating 98 percent of revenue.
  - Adhering to three-part debt limit.

# Historical Budget Growth



# Historical Budget Growth



# Moving Delaware Forward

## Investing in Priorities and Keeping Core Commitments

## Job Growth

- Set an all-time high jobs record in November with 443,700 jobs reported.
- Delaware's job growth rate is increasing three times faster than neighboring states and has outpaced the national rate for the last 24 months.
- More than $7.3 million provided in training funds to 237 businesses who have in turn trained more than 5,000 employees.
- Opened Job Centers at four Delaware libraries to provide valuable information resources, technologies, and training services to Delaware's unemployed and underemployed.
- Partnering with five financial companies and others to test new approaches to workforce development, including the fulfillment of 1,200 IT positions.
- Created a program with Delaware Technical and Community College to train entry-level healthcare workers for some of Delaware's major hospitals and nursing homes.
  - *The first training program for nursing assistantships will begin this spring, and students, selected from the Jobs for Delaware Graduates program, will be working in the field within months.*
- Assisted 229 businesses in expanding or locating in Delaware through the Strategic Fund.
- Provided three months of rent-free commercial space to businesses up and down the State through the Project Pop-Up program.
  - *The program has grown from three participating businesses in 2012 to 24 in 2015, including a nine business incubator in Wilmington.*
- Established a Manufacturing Training Center to provide essential tools and services to meet the growing need for highly skilled mechanics and technicians in Kent and Sussex counties.

# Moving Delaware Forward

## Investing in Priorities and Keeping Core Commitments

### Stronger Schools

- More than 7,400 high needs children are now enrolled in a high quality early learning and development program.
  - *This number has increased by 82 percent since 2012.*
- Delaware's high school dropout rate hit a 30-year low of 2.9 percent.
- More than doubled the number of high school students taking and passing AP courses, earning them college credits and saving Delaware families almost $7 million per year.
- Implemented full-day kindergarten in every school district in the State.
- In previous years, between 82 and 86 percent of college-ready students applied to college. Last year, for the first time, 100 percent applied and were on track to enroll.
- 1,500 high school students took classes that can count toward college credit this school year, more than double the number from the previous school year.
  - *25 high schools across the State are offering more than 100 dual-enrollment courses.*
- Launched world language immersion programs in Mandarin and Spanish, preparing Delaware students with the language skills to compete in an ever-changing global economy.
  - *More than 1,500 students will now be fluent in a foreign language as a result of these programs.*

# Moving Delaware Forward

## Investing in Priorities and Keeping Core Commitments

### Quality of Life

- Increased by ten-fold the number of mental health professionals in Delaware middle schools from three to 30.
- Provided 4,982 children after-school and summer activities, giving them exposure to the arts, nature, and physical activity.
  - *Nearly doubled the original goal for the program of serving 2,500 children.*
- Supported more than 500 individuals and families in finding and maintaining housing through the State Rental Assistance Program.
- Assisted more than 200 youth aging out of foster care, with an additional 95 eligible to receive assistance in the upcoming fiscal year.
- Expanded the Nurse Family Partnership for first-time mothers to assist an additional 500 families, making Delaware number one in the country for this program.
- Preserved thousands of acres of land across Delaware, including:
  - More than 5,750 acres of key shore, watershed and forest land using Open Space funds and other federal and private resources.
  - Nearly 2,000 acres of additional strategic lands to protect habitat, enhance wildlife-viewing, and create public trails.
  - 304 farms totaling 27,700 acres under the Delaware Farmland Preservation Program, with a total of 115,000 acres permanently preserved.

# Moving Delaware Forward

## Investing in Priorities and Keeping Core Commitments

### Quality of Life

- Provided ongoing day programming and supported employment services for 1,107 individuals with disabilities through the Special School Graduates Program and provided crisis assistance for 502 individuals with disabilities through the Community Placements Program.
- Supported by a first-of-its-kind federal innovation grant, Delaware will embark on an ambitious effort to improve patient care, support the health of all Delawareans, and reduce the costs of care.
- Provided more funding for improvements and upgrades to public libraries than any other administration.
- Invested in library technologies, bringing a statewide library catalog, high-speed broadband and wireless access to every library in the state and offering e-collections (e-books, e-audiobooks, video streaming) directly to library patrons.
- Implemented a multifaceted recycling program that has increased the recycling rate to well over 41 percent across the State, placing Delaware above the EPA national standard of 34.5 percent.
- Expanded the number of biking and walking trails in the State by more than 25 miles, with an additional 34 trail miles in various stages of development.
  - *More than 350,000 residents and visitors used the trails recreationally or to commute in 2014.*

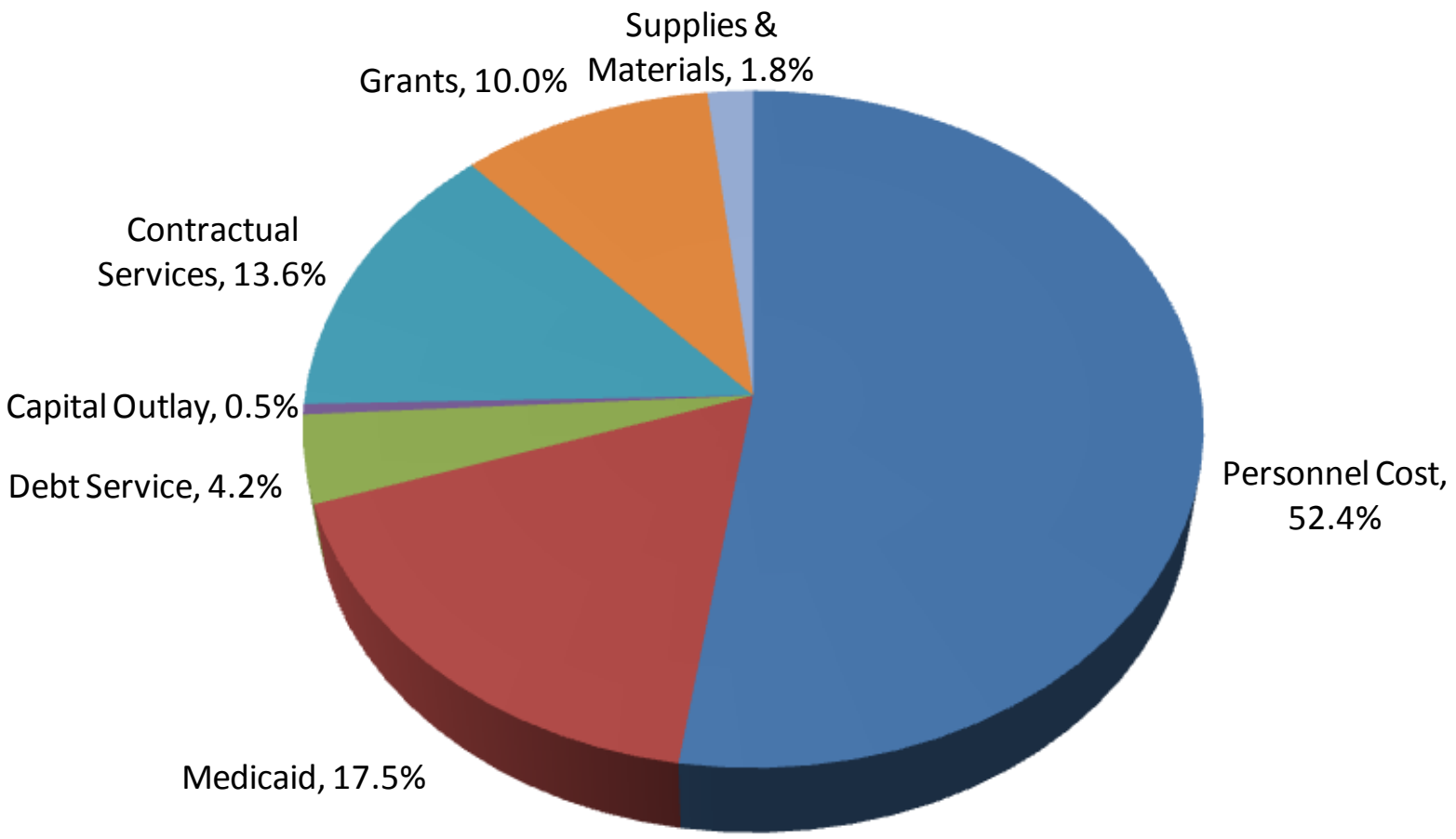
# Efficiencies and Reductions During the Markell Administration

- Eliminated 1,021 state employee positions from FY 2009 to FY 2015, while addressing increased demand for state services.
  - *More than 100 additional positions will be eliminated in FY 2016.*
- There are 629 fewer full-time state employees working in cabinet agencies.
- Enacted state employee health and pension reform.
  - *$9.7 million savings in FY 2014.*
  - *More than $480 million in savings over a 15-year period.*
- Reduced State's energy costs through electricity reverse auction.
  - *Estimated $3.0 million savings per year, while meeting the EO 18 goal of 35 percent renewables.*
- Eliminated state-owned vehicles for cabinet members.
- Reduced the size of state fleet by more than 20 percent.
- Implemented prescription program for Medicare eligible state retirees.
  - *Estimated savings of over $12 million per year.*
- Revised the Medicaid reimbursement process for prescription drugs, lowering costs to the State.
- Reduced the number of residents living in DHSS Long Term Care Facilities.
  - *Estimated savings of $3 million.*
- Implemented Medicaid Managed Long Term Care.

# Efficiencies and Reductions During the Markell Administration

- Reduced costs by renegotiating leases, resulting in a total savings of $5 million.
- Consolidated the following areas within the Department of State:
  - Merit Employee Relations Board into Public Employment Relations Board;
  - The Commission for Women and the Office of Human Relations;
  - The Delaware State Historic Preservation Office and Delaware State Museums into the Office of the Director; and
  - Delaware Veterans Memorial Cemetery and Veterans Cemetery Georgetown into Delaware Commission of Veterans Affairs.
- Consolidated DNREC from six divisions to three offices.
- Consolidated the Division of State Service Centers from four units to one unit in the Department of Health and Social Services.
- Consolidated Department of Education from four branches to three.
- Moved state tax filing systems from paper-based to online.
- Maximized in-house resources and services at the Department of Services for Children, Youth and Their Families.
- Reduced state agency printing and advertising expenditures.
- Reduced E-ZPass Customer Service Center hours and automated 24/7 support services.

# FY 2014 Expenditures at a Glance



# Operating Budget Demands

| | | |
|---|---|---|
| FY 2016 Costs | | |
| Personnel | | (68,711.1) |
| Employee Health | (37,600.0) | |
| Salary Annualizations | (12,320.8) | |
| Public Education Steps | (9,751.6) | |
| Post-Retirement Increase Amortization | (1,978.1) | |
| Paraprofessional Pay Plan | (1,890.2) | |
| Other Personnel | (5,170.4) | |
| Education | | (37,129.4) |
| Public Education - Unit Count | (15,321.2) | |
| Commitment to Public Education | (10,500.0) | |
| Response to Intervention | | |
| English Language Learners | | |
| Student Safety | | |
| High-Need Schools | | |
| Recruiting and Supporting Teachers | | |
| Tracking Student Progress | | |
| College and Career Readiness | | |
| Pupil Transportation | (2,948.2) | |
| Academic Excellence Growth | (2,084.2) | |
| Early Childhood Education | (4,100.0) | |
| Other Education Items | (2,175.8) | |
| Debt Service | | (13,715.6) |

# Operating Budget Demands

| | | |
|---|---|---|
| Health and Social Services | | (17,782.7) |
| Developmental Disabilities Services New Placements and Annualization of Special School Graduates | (5,236.4) | |
| Substance Use Disorder Programs | (4,500.0) | |
| Community-Based Services for Individuals with Serious and Persistent Mental Illness | (3,214.0) | |
| Eligibility Modernization System Maintenance and Operations | (2,358.3) | |
| Annualize Rebasing of Rates to Direct Service Professionals for Individuals with Disabilities | (1,169.9) | |
| Annualize DSAAPD Community Services Waiting List Reduction | (910.0) | |
| Other Health Items | (394.1) | |
| Medicaid | | 0.0 |
| Operations | | (15,963.9) |
| Correctional Healthcare Services Contract | (5,862.1) | |
| FACTS II - Maintenance and Operations | (1,866.8) | |
| Elder Tax Subsidy | (1,647.5) | |
| Presidential Primary | (1,313.7) | |
| Youth Aging Out Stipends | (1,030.0) | |
| Other Operational Items | (4,243.8) | |
| FY 2016 Cost Drivers | | (153,302.7) |

# Fully Funding Prior Year Initiatives

| | | |
|---|---|---|
| **Personnel Costs Annualizations from FY 2015** | | |
| **$500 Salary Increase** | **$** | **7,825.1** |
| **Pension Post-Retirement Increase** | | **3,128.0** |
| **Paraprofessional Salary Increase** | | **945.1** |
| **Other** | | **422.6** |
| **Community-Based Services for Individuals with Serious and Persistent Mental Illness** | | **3,214.0** |
| **Correctional Healthcare Services Contract** | | **3,123.3** |
| **Special School Graduates/Community Placements** | | **2,124.8** |
| **Annualize Rebasing of Rates to Direct Service Professionals for Individuals with Disabilities** | | **1,169.9** |
| **Div. of Services for Aging and Adults with Physical Disabilities Waiting List Reduction** | | **910.0** |
| **TOTAL - Funding Prior Year Initiatives** | **$** | **22,862.8** |

# Supporting Our Students

- **Student Intervention and Response**
- **English Language Learners**
- **School Safety**
- **Resources for High-Need Schools**
  - *Provide support most valuable for neediest students.*
  - *Examples include: extended school year and after-school programs.*
- **Recruiting and Supporting Teachers and Leaders**
  - *Training, professional development, and recruitment of great teachers and leaders.*
- **Tracking Student Progress and Identifying Student Needs**
  - *Connect student information from early childhood through college and workforce to ensure they receive individualized support.*
- **College and Career Readiness**
  - *Resources and training for Common Core, support college access efforts, continued expansion of AP and dual enrollment courses.*

# Substance Use Disorder Programs

## Facing an Epidemic

- There were 185 suspected overdose deaths in Delaware last year.
- Delaware ranked 10th in the nation for death by overdose.

## Increased Demand for Services Available

- 9,897 adults sought public treatment for addiction in 2014.
- 3,182 of these adults indicated heroin as their primary drug at the time of admission, an increase of 108 percent since 2010.
- The number of heroin incidents reported by police has increased by more than 96 percent since 2008, and admissions for heroin treatment have more than doubled.

## Proposed Improvements

- Withdrawal Management.
- Sober Living Residential Beds.
- Young Adult Opiate Residential Treatment.
- Residential Treatment.

# The State of the State's Finances
# Addressing the FY 2016 Gap

| | | | |
|---|---|---|---|
| **FY 2016 Cost Drivers** | | **$** | **(153.3)** |
| **FY 2016 DEFAC Available Resources** | | | |
| ***December DEFAC FY 2016 Resources @ 98%*** | ***$ 3,896.7*** | | |
| ***Less: FY 2015 Appropriations*** | ***(3,878.7)*** | | **18.0** |
| **Targeted Collection Efforts** | | | **5.9** |
| **Agency and Program Cuts** | | | **57.8** |
| **Reductions/Reallocations/Special Funds** | | | **71.6** |
| **Total: Appropriation Surplus/(Deficit)** | | **$** | **0.0** |

Figures above expressed in millions.

# Agency and Program Cuts

| | | |
|---|---|---|
| Transportation Trust Fund | $ | 39,200.0 |
| Open Space | | 6,850.0 |
| Farmland Preservation | | 6,850.0 |
| Energy Efficiency Fund | | 4,900.0 |
| Total: Agency and Program Cuts | $ | 57,800.0 |

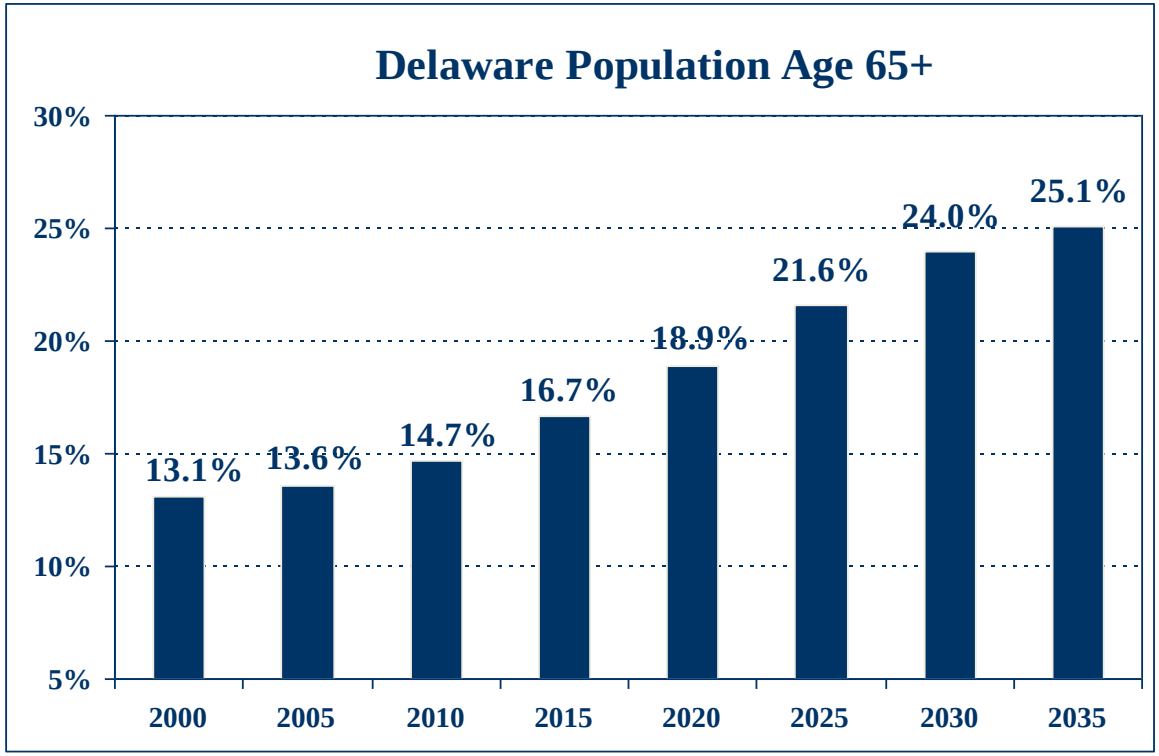
Revenue reflected at 98 percent.

# Reductions/Reallocations/Special Funds

| | |
|---|---|
| FY 2015 One-Time Items | $ 2,342.3 |
| Personnel Costs | 17,202.2 |
| Paraprofessional Pay Plan | 945.1 |
| RTTT Sustainability | 1,000.0 |
| Lt. Governor's Office | 610.3 |
| Gasoline Price Adjustment | 1,029.7 |
| Non Public School Transportation | 1,374.2 |
| Cash to Bond Bill Reduction/Strategic Fund | 8,743.8 |
| Elder Tax Subsidy | 12,591.9 |
| Medicaid | 4,500.0 |
| Child Care Reallocation | 1,000.0 |
| Debt Service | 11,770.8 |
| Self Insurance | 5,300.0 |
| Legal Fees | 2,000.0 |
| Other Operations | 1,192.5 |
| | $ 71,602.8 |

# Long-term fiscal challenges: Aging Demographics

- Ensuring fiscal responsibility
  - Pension and healthcare reform
- Challenges are not going away



# Senior Tax Subsidies

## Costs doubled in past 10 years

| **Income Tax Provisions** | Fiscal 2004 | Fiscal 2014 |
|---|---|---|
| Retirement Income Exclusion (Age 60+ $12,500 per individual) | $29.5 | $51.9 |
| Social Security (Exclusion of federally taxable portion) | 16.0 | 42.0 |
| Additional Standard Deduction (Age 65+ $2,500) | 2.5 | 4.0 |
| Additional Personal Credit (Age 60+ $110) | 5.5 | 10.0 |
| **Elder Tax Subsidy** | 10.8 | 22.2 |
| Total | $64.3 | $130.1 |

Figures above expressed in millions.

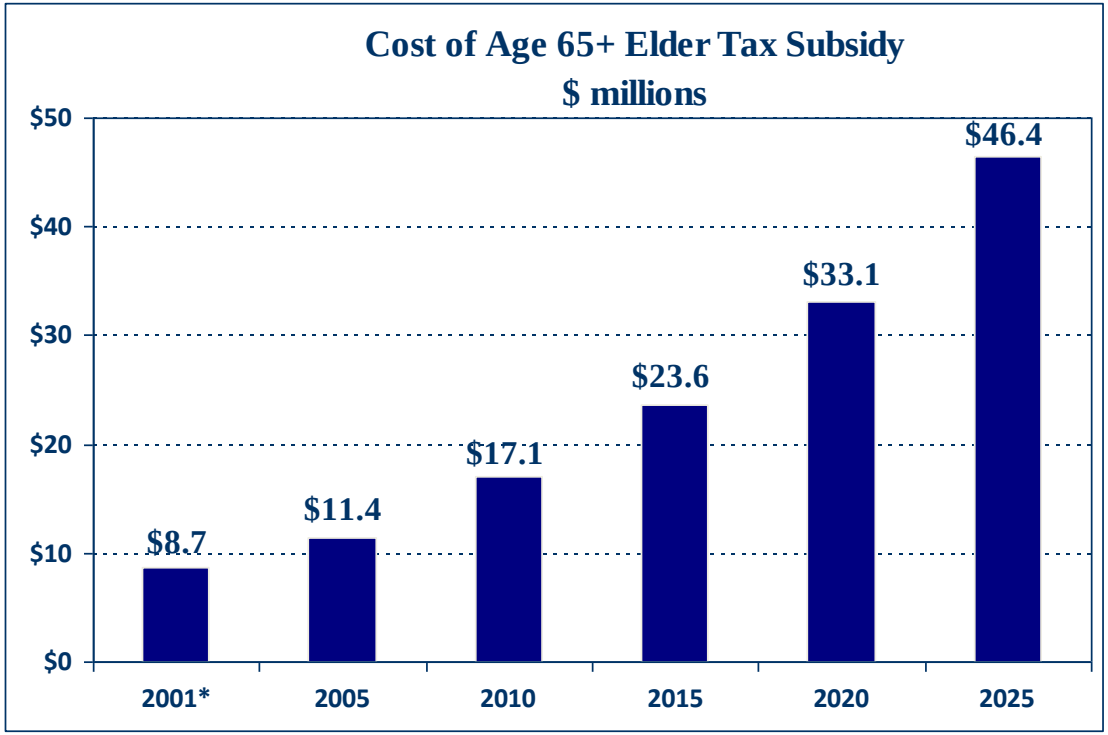
# Senior Tax Subsidies: Income Taxes

**Personal Income Tax Liability Comparison: Two $80,000 Income Households**

| | Working-Age Family of Four | | Retired Couple | |
|---|---|---|---|---|
| | First Spouse | Second Spouse | First Spouse | Second Spouse |
| Wages | $39,750 | $39,750 | $0 | $0 |
| Interest | 250 | 250 | 750 | 750 |
| Retirement Income (Age 60) | - | - | 25,250 | 25,250 |
| Social Security | - | - | 14,000 | 14,000 |
| Total Income | $40,000 | $40,000 | $40,000 | $40,000 |
| | | | | |
| Exclusions | | | | |
| *Retirement Income (Age 60+) | - | - | (12,500) | (12,500) |
| *Social Security (Age 62) | - | - | (14,000) | (14,000) |
| | | | | |
| Delaware AGI | $40,000 | $40,000 | $13,500 | $13,500 |
| | | | | |
| Standard Deduction | (3,250) | (3,250) | (3,250) | (3,250) |
| *Additional Std Deduction (Age 65+) | - | - | (2,500) | (2,500) |
| Taxable Income | $36,750 | $36,750 | $7,750 | $7,750 |
| | | | | |
| Gross Tax Liability (Before Credits) | $1,653 | $1,653 | $173 | $173 |
| Personal Credits ($110 per person) | (330) | (110) | (110) | (110) |
| *Additional Personal Credit (Age 60+) | - | - | (110) | (110) |
| Child Care Credit | - | (250) | - | - |
| Net Liability | $1,323 | $1,293 | $0 | $0 |
| | | | | |
| **Total Household Liability** | **$2,616** | | **$0** | |

# Senior Tax Subsidies: Property Tax Subsidy

- Expenditures
- Elder tax subsidy
  - Inescapable demographic trend
  - Rising costs




**Program began in 2001.*

# Elder Tax Subsidy

Reduce growth in elder tax subsidy

- Currently
  - State pays lesser of 50 percent or $500 of property owners' school taxes
- Proposed
  - State pays lesser of 25 percent or $250 of property owners' school taxes
- Fiscal Impact
  - $12.6 million in budget savings

# FY 2016 Recommended Capital Budget
## Economic Development

Spurs job creation, retention and economic growth.

Meets agency core needs and provides continued funding for ongoing state projects.

**$10.0 million for Strategic Fund Investments.**

**Previous Strategic Fund Investments:**

- Chase Bank USA
- NAES Corporation
- EMCO Properties, LLC.
- Navient
- SLM Corporation
- 21st Century North America Insurance
- Lumilant, Inc.
- Weitron
- IPR International
- B&E Farms, LLC.
- Perdue Foods
- Bayhealth Medical Center
- PhysiHome Technologies
- Kuraray America

# FY 2016 Recommended Capital Budget

## Economic Development

$10.0 million for a container crane and infrastructure improvements at the Diamond State Port Corporation.

$3.15 million for the Riverfront Development Corporation.

$1.0 million for the Delaware Cyber Initiative.

$1.0 million for the Federal Research and Development Matching Grant Program.

# FY 2016 Recommended Capital Budget

## Education

$89.0 million for Public Education projects.

- Funding for Minor Capital Improvements.
- Funding for major capital projects in the Caesar Rodney, Cape Henlopen, Delmar, Lake Forest, Milford, NCC Vo-Tech, Polytech, Red Clay, and Smyrna school districts.

$21.0 million for Higher Education projects.

- Funding for projects at Delaware State University, Delaware Technical and Community College and the University of Delaware.

# FY 2016 Recommended Capital Budget

## Quality of Life

$7.0 million to promote rehabilitation and construction in Downtown Development Districts.

*Wilmington, Dover, and Seaford are the first three downtowns designated for the program.*

$6.0 million for DSHA's Housing Development Fund - Affordable Rental Housing Program.

*Between FY 2009 and FY 2015, $56.8 million was dedicated to this fund, leveraging over $200.1 million in federal and private funds and retaining or creating an estimated 1,527 jobs.*

$5.0 million for libraries, including Delmar, Lewes, Route 9/13 and Harrington.

*Since FY 2010, $28.8 million has been dedicated to library construction.*

$3.5 million for redevelopment of strategic sites, including NVF and Fort DuPont.

$3.0 million for Statewide Trails and Pathways.

# FY 2016 Recommended Capital Budget

## Ensuring Public Safety

$3.6 million for replacement of the Delaware State Police Live Scan Fingerprinting Equipment and Firing Range Improvements.

$1.1 million for the renovations to the Delaware National Guard Readiness Center in Georgetown.

$1.5 million for the James T. Vaughn Correctional Center Automotive Skills Facility.

$1.2 million to renovate the cafeteria at the James T. Vaughn Correctional Center for the Culinary Arts Program.

# FY 2016 Recommended Financial Plan

| | |
|---|---|
| **General Fund Operating Budget** | **$3,900.0 million** |
| **Transportation Trust Fund Budget** | **$346.7 million** |
| **Grants-in-Aid** | **$45.4 million** |
| **Bond and Capital Improvements Act** | **$385.8 million** |

- **State Capital Projects……..$246.8 million**
- **Transportation Projects……..$139.0 million**

*FY 2016 Operating Budget reflects 2.37 percent growth.*

# End of Presentation