



CIVIC LEAGUE
For New Castle County

Informed Citizens for Sound County Growth

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APRIL
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STATEMENT
OF
PRINCIPLE

Monitor and selectively evaluate government actions including laws, regulations and policy.

Provide appropriate forums for informing as well as soliciting input from the public.

Establish positions based on responsible studies and consistent with the aims and purpose of the organization.

Advocate these positions.

Founded in 1962, the Civic League is non-profit volunteer organization, which studies and illuminates County and State government actions concerning comprehensive developments and the quality of life and is a vocal advocate of relevant positions.

County Comments is the official publication of the Civic League for New Castle County.

Dan Bockover,
President

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COUNTY COMMENTS

CIVIC LEAGUE FOR NEW CASTLE COUNTY
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MEETING

Tuesday, April 21, 2009

7:00 PM at the Paul Sweeney Public Safety Building
3601 N. duPont Hwy
(Rte 13 South of DMV, North of Gracelawn Cemetery)

AGENDA

Tracy Searles, Chief Administrative Officer
"Confronting Oncoming Budgetary Challenges"

Edward Milowicki, Acting Chief Financial Officer
"Behind Those Budget Summaries"

County Needs \$40 Million

When New Castle County Executive Chris Coons presented his proposed 2010 county budgets, he said it has been a hard year. There is now a \$40 million shortfall between expected revenues and what is needed for 2010. He called for shared sacrifice - cuts in programs, concessions from county employees, and a significant rise in property and sewer taxes.

He said budgets have been cut during 2009. The Operating Budget, which covers most county spending, is currently 2.5% below the 2009 budget of \$240 million. County employees have been asked to take unpaid holidays and furlough days to reduce salary costs. Negotiations are ongoing.

The property tax rate would jump about 25%. Mr. Coons said the county residents would see a rise of \$8 a month or \$100 a year in property taxes and \$12 a year in sewer taxes.

The proposed 2010 Capital budget has a \$1.2 million reduction. This is to be accomplished by cutting some previously authorized projects, substituting new lower cost ones - and by eliminating \$17 million - essentially all capital spending for parks.

[from front page]

Cuts in service will be a necessary part of the proposed budget. Some seem improbable, such as eliminating \$35,000 which goes to WILMAPCO, an agency necessary if Delaware is to receive Federal highway funds, and in which the county is an essential participant. The Water Resources Agency funding is also to be cut, Mr. Coons said, along with grants to community agencies. Library funding has already been reduced, and is slated to continue in 2010.

The County has understandably been severely affected by the collapse of the real estate market. Real estate transfer taxes were the County's third largest source of revenues - and they are down severely. Aid from the state was unsuccessfully sought last year, with prospects seemingly not bright for this year.

The actual task of passing a balanced budget by June 1 falls to the 13 members of County Council. They are holding budget hearings each Monday afternoon at the City-County building, 800 N. French Street. Citizens are encouraged to attend and voice their ideas on how to handle the currently projected \$40 million budget shortfall.

Contact Your County Councilperson!

Mrs. Marion C. Stewart
County Budget Study Committee
Civic League for New Castle County

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\$27 Million School Savings for NCC Residents

Right now when homeowners are eager for ways to avoid any tax increase, there is one area yet to be explored that could produce a tax decrease! There is a potential for a \$45 million state-wide tax savings if Delaware's 19 school districts were consolidate into only four. The four districts would be one regular district for each county, and one state-wide vo-tech district. New Castle County's pro rated share of the savings would be \$27 million.

This substantial savings would be achieved by reducing the number of costly district administrators, other support personnel, and headquarters facilities. Greater responsibility would be placed on school principals, the school staff, and yes, even the school parents.

Supporting this possibility for savings is a study sponsored by the LEAD Committee (Leadership for Education Achievement in Delaware), and conducted by the Boston Consulting Group. Their charge was to look for efficiency in Delaware education. Among their findings was a suggestion that a start be made by consolidating functions now, leading to consolidating districts later. Their work was tied in with Vision 2015.

This consolidation idea has actually been put to work in North Carolina's Charlotte-Mecklenburg School District. They have over 124,000 students, more than in all of Delaware, and have them combined into a single district. In a report issued by NAEP (National Assessment of Educational Progress), on urban districts, Charlotte had the highest score in all categories, except eighth grade math, where it tied with Austin, Texas. (See Wall St. Journal, Dec. 2, 2005). Several states have county-wide districts, including Florida and Maryland.

Delaware has already taken a small step toward making consolidation of districts possible. It is incorporated in the site-based management law, Title 14, Chapter 8: School Shared Decision-Making. Many hurdles remain to be overcome - much like the ones faced back when New Castle County went through desegregation. Many of the issues, however, can be resolved over a period of time that would do little harm to individual employees. The prospect of \$27 million annual savings should give impetus.

SCHOOL BOARD REFORM PROPOSALS

1. Elect board members from within their respective nominating districts.
2. Elect board members concurrent with the November biennial General Election.
3. Reduce terms of board members from 5 years to 2 years maximum.
4. Compensate all board members at the same rate as regular state commission or committee members.

Jerry Martin,
contributing correspondent.

Throwaway Houses, Throwaway Schools.

So that's what the current Workforce Housing ordinance can lead to.

It works like this. Mr. Developer acquires a piece of land below the C & D Canal and is normally allowed to build a hundred houses on it. At current market prices, he can do this and make a profit. But if he can put 50 - 100% more houses on it, he can divide the cost of his piece of land among more houses, making a lot more money.

The Workforce Housing ordinance allows Mr. Developer to do this provided does a few special things. First, he must make the extra houses look similar to the other houses, but build them cheaper to sell for less. Then he can only sell them to people of limited means. And the buyers must live in the houses for several years before they can sell them - and even then the lower income owners cannot sell their homes for a profit. Can this be price fixing?

The County wants Mr. Developer to succeed, and with no cash outlay, helps by skipping the need for several fees and forgives much of the payment for new streets and sewers needed to serve the new houses. The money forgiven by the County is, of course, to be made up by other taxpayers, or the market rate buyers in these new developments. But we can find no where in the County ordinance where the market rate buyers are advised of the incentives, or the (15) year term for price limitation.

Now who will buy all the houses? Many of the regular priced houses will sell to out-of-staters who can buy a large house for much less - and retire or commute elsewhere. This is a small state. It has been envisioned that the lower priced new houses will be acquired lower salaried workers like county employees, nurses, teachers, and policemen - jumping at the chance to own a NEW home. At least this was the sales pitch tossed out by New Castle County.

Difficult to understand is the County's push - including financial incentives - for lower salaried workers to have new house when outstanding EXISTING homes are readily available in Brandywine Hundred and throughout the county, along with an already in-place infrastructure of schools, streets and sewers.

One thing for sure, Developers see a great profit opportunity with the Workforce Housing Ordinance. They have rushed in and filed plans for over 4,500 new units. Though we currently see a slow housing market today, Developers will be ready on day one of market recovery - to resume cashing in on County incentives - and continue to pile the extra load onto the Sate and local taxpayers for the roads and schools.

Can the taxpayers afford Throwaway houses and Throwaway schools? Can the State afford to continue to close existing schools and build new ones as the population is shifted through such County ordinances?

Chuck Mulholland,
President, Southern New Castle County Alliance