



CIVIC LEAGUE
For New Castle County

Informed Citizens for Sound County Growth

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MARCH
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COUNTY COMMENTS

CIVIC LEAGUE FOR NEW CASTLE COUNTY
Informed Citizens for Sound County Growth

Tuesday, March 18, 2008

MEETING

7:30 PM at the Paul Sweeney Public Safety Building
3601 N. duPont Hwy
(Rte 13 South of DMV, North of Gracelawn Cemetery)

AGENDA

Planning Workshop

Reviewing issues relevant to future challenges facing residents of New Castle County

Thinking about School Taxes

Tax time is a good time to quietly lean back and reflect on the fact that school taxes are now five or six times the amount you pay for all other county services combined. Why?

Before you become emotional, recall that not much fuss is made about school taxes except when that dreaded announcement is made – time for another referendum!

Recall too, that much attention is given to the need for money, but less attention is given to transparency in the reporting of how the money is spent. Members of school boards and tax payers alike, are furnished with mind-boggling financial data by school administrators. Few hardy souls have the time, patience or expertise to decipher the numbers in any meaningful way.

Could these financial reports be simplified without losing requisite accountability?

There are those who say, yes, and money could probably be saved in the process.

The present accounting system begins with the assignment of a State mandated Object Code number when a purchase order is prepared. No expenditure will be reimbursed by the State, even on a partial basis, unless

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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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the Object Code number has been used. This system affords the highest degree of transparency since the codes employ common words, and they're same for all school districts – making comparisons a snap.

For their own reasons, school administrators then combine these individual expenditures into groupings designed by individual school districts. It is these groupings that are shared with school board members and taxpayers. The content of a grouping is ascertainable only with considerable effort.

The idea would be to skip the groupings. Just add up expenditures for each Object Code and share the totals with school board members and taxpayers on a regular basis. Money would surely be saved by reduction in accounting workload. Perhaps there would be even more savings if school districts could quickly compare costs for supplies and services.

Only your legislator – and the Delaware General Assembly – can make this happen, but it certainly is something to think about as you write out that tax payment check.

**Check out the New Castle County website at: www.nccde.org
Now in one location, get full information and all your questions answered with their new Neighborhood Association Resource Page.**

Reduce Scope of 301 By-pass Because...

(This is a powerful letter that speaks for itself)

My name is Andye Daley; I am the Chair of the Middletown Corridor Coalition. Representing homeowners in Northern Middletown. Thanks for allowing comments on the very important issue of the Rt 301 Project. We hope to enlighten the council as to the inadequacies of the project as it stands today. And will show why we and thousands of residents of Middletown oppose the Project being placed on the TIP as it stands and why the scope of the project should be changed.

Per DeIDOT's amendment they propose to fund the project with 602 million dollars in Bonds to be paid back through the toll revenue received from the facility itself. However when you look at the spread sheet given by DeIDOT the amount of bonds actually asked for is at 641 million dollars. A 40 million dollar difference.

DeIDOT is requesting approx.\$357 million in 2010 three years later in 2013 asking for approx \$251 million. not to mention the millions in-between and until 2016. Totaling \$641 million. We would like to submit a copy of the current legislation that shows a spending cap of \$50 million that the Department of Transportation can take on in a single year. This is found in Section 95 of Senate Bill 155 provided by the Office of Management and Budget. I have a copy for your records. We expect DeIDOT to explain to the council and Legislators why they intend on ignoring Bill 155.

My husband, a project manager for a major corporation in the area, informs me that it's an old project management trick, that you take credit for interest received on the bond while you ignore the interest accruing on the bond issue. It is unclear to me where the accrual of bond interest is noted on the spreadsheet, but it appears that interest received on the bonds is being considered while the accrual of interest is being ignored. So in other words during the 6-12 year period of construction the bond debt owed is increasing without income. So, assuming that DeIDOT's basic math is correct, once the 1.1 billion in future value is borrowed the pay back on the 1.1 billion over a 35 year period exceeds toll revenue by approximately 25 million a year. Or simply pay back on the bonds is around 50 million while toll revenue is 26 million.

Looking closely at the revenue for 301 ,starting in 2017, starting at \$24.7 million and then add up all the revenue to the year 2030, the total produced is \$625 million. This amount does not cover the bond amount of \$641 million let alone the interest on the bonds at approx. 4%. Where is the debt service interim explained? How will that be paid back?

This does not even cover the maintenance on the Road.

Again, assuming that DeIDOT's math is accurate, toll revenues on the project assumes a 100% usage rate, which is unreasonable. The minimum toll revenue suggested by DeIDOT assumes that all of the current traffic on 301/896 will immediately jump on to the toll road. Considering that the traffic problem on 301/896 is due to toll evasion incentives in the first place, this seems unreasonable. All 15,000 vehicles per day would need to utilize the new road to meet the 26 million dollar first year revenue prediction. A realistic number would be 40 – 60 percent or approximately 10 to 15 million. We can substantiate that the predicted toll revenue has been over estimated by at least 40%. For your records, I have an E-mail from DeIDOT's own consultant at RK and K Engineers who is "frightened" by the study, showing over 26 states have over estimated their toll revenues. I have a portion of that study to submit as well. Along with DeIDOT's own spread sheet on toll revenue and toll amounts that goes to the year 2034.

We suggest a 40 – 60% reduction in project scope is necessary to make this project successful. And for legislators of the State of Delaware to be willing to re-write current legislation and allow a 300% increase in the allowable bond cap.

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One easy way to reduce the scope of the project by approx. 20% would be to entirely remove the "Spur Road" from the 301 project. This would be an immediate savings of approx. 200 million dollars.

The Middletown Corridor Coalition feels the 301 Project should not be included in the Transportation Improvement Plan until the Scope of the project is reduced by 40-60% to make the project fiscally realistic. In addition, we request that DeIDOT presents this plan to the State Legislature for approval before any amendment is made to the TIP. We have found it troubling that our organization, as well as the residents of Middletown and our Legislators, has been kept in the dark about this monumental change in the project. As a matter of fact our Legislators were not contacted about this funding change until 30 minutes after last weeks workshop actually took place. For your records, I have the E-mail from Project Manager Mark Tudor to our Representatives, dated Monday February 25, at 4:29pm. Just 10 minutes after I asked, Drew Boyce of DeIDOT (here), why the legislators were not contacted.

We further feel that the residents of New Castle County should be presented with this new proposal of funding for the project that has gone from 80% federal funding to a drastic 3%. Thereby, placing the majority of the financing solely on those who live in Delaware.

Slow Growth Ahead

Keep this slow growth information handy.

When you hear proposals for spending your tax money, evaluate the need and size while keeping these minimal growth projections in mind. Additional data on - www.civicleaguefornc.org

How much do we expect to grow until 2030?

(Numbers rounded, may not add)

When	What	New Castle	Kent	Sussex	State
2008	Here now	534,000	152,000	187,000	874,000
	Adding yearly	4,000	2,500	3,500	10,000
2010	Expected here	541,000	152,000	194,000	893,000
	Adding yearly	3,400	1,800	3,300	8,400
2020	Expected here	575,000	176,000	227,000	978,000
	Adding yearly	2,400	1,400	2,600	6,500
2030	Expected here	600,000	189,000	253,000	1,042,000
	Total 22 years	66,000	37,000	66,000	169,000

What percent growth do we expect until 2030? (numbers rounded)

2008	Annual, next 2 yrs	0.6	1.6	1.9	1.1
2010	Annual, next 10 yrs	0.6	1.1	1.7	0.9
2020	Annual, next 10 yrs	0.4	0.8	1.1	0.7
2030	Total previous 22 yrs	12.0	24.0	35.0	19.0

This data compiled courtesy: Civic League for New Castle County. Summarizes projected annual growth by county for next 22 years, plus percentage growth annually, based on 2007 Delaware population projections summary table, by Delaware population consortium annual population projections, October 23, 2007, version 2007.0.