**AS PREPARED**
**Remarks of NCC Executive Marcus Henry**
**2027 Budget Address**
**March 24, 2026**

Thank you — and good evening.

Council President, President Pro-Tempore, Members of Council — thank you.

Thank you for your partnership this past year — and for your commitment to this work.

Even with different perspectives, we remain united in our shared responsibility to serve the people of New Castle County.

Thank you to Finance Committee Co-Chairs Councilman Cartier and Councilman Smiley for their careful work on this budget, and their commitment to getting it right.

Sheriff Scott Phillips, Register of Wills Ciro Poppiti, Recorder of Deeds Mike Kozikowski, and Clerk of the Peace Lisa Darrah — thank you for your continued partnership.

Thank you to the union leaders who advocate on our employees' behalf: Local presidents John Spence, Robert Short, Brian Bradford, Mike Begatto, Jr., Frank Gentry, and Jon Yard.

I want to recognize two members of Council who are completing their service to New Castle County.

President Pro-Tem Penrose Hollins — I had the good fortune to join county government in 2011 to run our county Community Services Department.

Penrose quickly became a personal mentor to me.

Throughout his career in public service, he has been a leading voice for affordable housing, and an advocate for economic development and community programs that expand opportunity across the state.

Penrose, thank you for your years of service, your friendship, and your mentorship.

Councilwoman Janet Kilpatrick has been a dedicated public servant to our residents for much of her career.

As co-chair of the Land Use Committee, she has helped guide difficult decisions around growth and development across the county. And before joining Council, she spent years in state government, bringing practical, thoughtful leadership to bear for the people of Delaware.

Janet, thank you for your years of service and your leadership.

And to all of our county employees — thank you. The work of this government depends on you, every day.

From Emergency Communicators answering 9-1-1 calls to Public Works crews maintaining our parks and infrastructure, your work keeps New Castle County running.

Much of it happens quietly and doesn't get the recognition it deserves.

Today, I want to recognize you. We are grateful for all that you do.

A year ago, in my first address in these chambers as County Executive, I presented a budget at a time of tremendous uncertainty.

We inherited fiscal challenges that had been building for years — one-time funding covering permanent expenses; a reassessment process that needed administrative infrastructure built from scratch; and threats to federal funding we depend on.

Families across our county were feeling pressure, too.

Gas prices had spiked. Groceries were costing more. Housing costs kept climbing.

These pressures haven't eased — making the work of this government more important than ever.

Tonight, I will discuss the New Castle County services we depend on — and the real value we get for our tax dollars.

I will be direct about our fiscal challenges — how we got here, what we're doing about it, and yes, what we're asking from you.

This is not an easy conversation. It's an honest one. That's our obligation to one another.

The decisions we make in this room affect real families and livelihoods.

As a father and a business owner, affordability is always on my mind — for my family, for my business, for this county.

I look at every dollar we spend to ensure it's being used efficiently and effectively.

And I am holding my administration to that standard — every decision, every dollar.

Before we get into tonight's budget, I want to talk about a defining moment in our county's history — and why it still matters.

In 1965, New Castle County government faced an inflection point.

That year, county government as we know it was formally established.

Elected leaders had to make real decisions about what services to provide — and how to pay for them.

Specific responsibilities were given to this newly formed government — wastewater infrastructure, public safety, zoning and land use, parks and libraries.

These weren't abstract mandates. They were commitments that shaped what this county would become.

In the decades that followed, we invested in sewer systems. We built treatment capacity. We extended lines into undeveloped areas making growth possible in New Castle County.

We invested in public safety, transforming a small force into a professional police department, capable of serving a rapidly growing population.

We invested in parks and libraries — creating the quality of life that made people want to live here.

In 1965, New Castle County had a population of less than 350,000.

Today, we're nearly 600,000 residents — the most populous county in Delaware.

I say this because we're at another inflection point.

Just as county leaders faced decisions more than 60 years ago about how to serve a growing population, we face decisions today about how to sustain the services our residents depend on.

The truth is straightforward: the cost of providing county services has grown faster than the revenues designed to support them.

That's a structural challenge that developed over time, across several administrations.

We all share responsibility for the path that brought us here.

And I intend to address it in my administration.

Nowhere have the consequences of delay been felt more directly than in the reassessment process.

It's what's on the minds of our neighbors, and I can assure you, it's been a priority for me and my team for the last 441 days.

The core issue is this: for more than forty years, property values in New Castle County went without a comprehensive reassessment.

Waiting that long created an impossible situation.

When values were finally updated, the shifts were dramatic and disorienting for property owners.

Behind the numbers are real concerns for families — uncertainty about what their homes are worth, anxiety about tax bills, and questions about their financial future.

I understand those concerns, and I take them very, very seriously.

To the residents of New Castle County: Thank you for your patience. We know how difficult this has been.

Please know that our staff are working diligently to get this right — and we won't rest until it's done.

From the moment we took office, our team began working to make the reassessment process as clear, fair, and manageable as possible.

We built an appeals process that should have existed from the beginning.

Since taking office, we've processed thousands of appeals and refund requests, returning millions of dollars to taxpayers.

We expanded our efforts to enroll seniors, veterans, and residents with disabilities into our tax relief programs, and helped to get residents on payment plans where needed.

Our staff stepped up — days, nights, and weekends — to help residents navigate a messy, work-in-progress system.

And we're investing in the people and tools to prevent another 40-year delay.

For the first time in decades, current property data gives us the foundation to make regular, fair adjustments going forward.

We're expanding the Assessment Office — adding staff, developing a training pipeline, and building the workforce this function has always needed.

We're also moving forward with an independent review of commercial properties where valuation questions remain.

Residents deserve confidence that the system is being applied consistently and fairly — and we intend to deliver that.

I've also raised a broader question about how property taxes are collected in New Castle County.

School districts receive 81 percent of your property tax bill, while the county receives 19 percent — yet the county handles the billing and collection for the entire amount.

If the school districts determine the rates and manage its funds, it's fair to ask whether there are better ways to structure this process.

So, we will continue working with our school districts and partners in the Delaware General Assembly to explore ideas that could make the system clearer, more efficient, and better for everyone involved.

Reassessment has understandably focused everyone's attention on what they're paying.

So it is important to explain what those dollars buy.

Public safety is the very core of the quality of life that keeps families and businesses wanting to remain in New Castle County.

That's why keeping you safe is my top priority as County Executive.

Sixty-nine cents of every county dollar funds public safety — police, paramedics, 911, fire service, and Emergency Management.

It's the largest portion of our budget. And it should be.

Because behind every budget line are real people — and their families — who make sacrifices to keep us safe.

This past year reminded us of that in the most painful way.

In December, tragedy struck when Delaware State Police Corporal Matthew "Ty" Snook was killed in the line of duty at the DMV in New Castle.

He was just 34 years old — a decorated officer who had served for eight years. A husband, father, son and friend.

The gunman who killed Corporal Snook was targeting law enforcement officers. And when the threat emerged, it was a New Castle County police officer who responded, engaged, and stopped him from hurting anyone else.

Then, in November, during routine patrol, two of our county officers identified and stopped a credible terrorist threat targeting the University of Delaware.

Students went to class that day not knowing how close they came to danger.

That's not luck. That's preparation. That's vigilance. That's what investment in training, staffing, and professional law enforcement delivers.

Please join me in thanking our first responders — and all of our Public Safety Officers — who were on the scene in minutes, and remind us every day why this work matters.

We can never make whole the families who lose a loved one in the line of duty, but we can provide meaningful support.

I recently signed an ordinance providing full county property tax exemption for spouses of certified line-of-duty deaths — a small but tangible measure of relief.

And I want to thank Council for moving quickly on this.

Now, let me put our public safety investments into concrete terms.

As I mentioned, public safety consumes the largest share of our county budget.

Spread across residents, maintaining top-tier safety coverage costs roughly fifty cents per person per year — a fraction of a penny per day — for police, EMS, 9-1-1, fire service, and emergency management.

Because of focused recruitment and training, our police department will be fully staffed for the first time in over a decade.

Roughly 29 officers per shift last year, 33 this year, and about 43 officers per shift after the next police academy graduates.

I want to give a special thanks to Register of Wills, Ciro Poppiti, for working closely with our budget team to make available $2.2 million to help fund the technology needed to keep our residents and our police officers safe.

We’re also expanding paramedic coverage: the FY27 budget funds a full-time powershift unit below the canal, providing seven-day coverage for Southern New Castle County during peak hours.

Make no mistake: These are life-saving investments.

In 2025, our cardiac arrest survival rate was 52 percent — well above the national average — and we intend to keep it that way.

That’s what your 69 cents per dollar buys: 9-1-1 answered in seconds, paramedics with some of the best survival rates in the country, coordinated emergency response, and officers who run toward danger, so you don’t have to.

And while public safety is the core of what we do, it’s only the beginning.

Our libraries are nationally recognized. Fifteen locations welcomed over a million visitors last year — offering free access, programs, and resources serving every age and background.

Our 251 parks cover more than 6,000 acres. Fields, trails, playgrounds, open space — places where communities come together, free of charge.

These are not amenities. They're investments in public health, in community, in quality of life.

And underneath all of it — largely invisible to most residents — is the infrastructure that makes growth possible.

Every home built, every business opened — sewer capacity has to come first.

That’s why we’re investing hundreds of millions of dollars in our wastewater system.

This year alone, we completed critical repairs to the Christina River Force Main and expanded capacity in Southern New Castle County.

We’re also making sure our permitting and land use processes keep pace.

Tonight, I’m announcing SPUR — Streamlined Planning and Unified Review — an initiative that will accelerate review for projects that grow our economy and expand housing opportunities.

SPUR will prioritize redevelopment and investment in commercial corridors, helping us grow smarter by building where infrastructure already exists.

Please know: This will not hinder or curtail public input. It will increase collaboration among stakeholders — including the public — and help to identify areas for improvement.

Residents' voices and concerns about how we develop — and re-develop — their communities will always remain a priority for my administration.

Best-in-class public safety. Free libraries and parks. Infrastructure that enables growth.

The county's share — under 20 percent of the average property tax bill — pays for these essentials.

Put another way: county services deliver far more value than most monthly discretionary subscriptions.

Now the hard truth.

For years, New Castle County has been able to spend beyond its operating means.

And our stopgap measures have run out. Let me explain.

First and foremost, local governments are not immune to rising costs.

In fact, inflation for local government operations — the cost of goods, services, construction, and healthcare — has outpaced the inflation many residents feel.

What a dollar could buy in government services in 2019 simply does not go as far today.

Second, the county relied heavily on temporary federal relief funding during — and after — the pandemic.

New Castle County received about $108 million through the American Rescue Plan.

Roughly half of that federal money supported ongoing operations — salaries, programs, and services that residents rely on every day.

That was appropriate during a crisis. But those dollars were temporary — the expenses were not.

ARPA is gone. The costs remain.

Third, some ongoing obligations were funded with one-time resources.

In 2024, the county increased compensation for our police force — a well-deserved investment in the men and women who protect our communities.

But those increases were funded using draws from our tax stabilization reserves.

Responsible governments should not fund permanent costs with one-time money.

So when I took office in January 2025, I knew we faced a deficit.

What I didn't know was that it exceeded $36 million: the amount needed to balance this current year's budget.

At the same time, despite reassessment, New Castle County maintained revenue neutrality.

It's important I stress this: New Castle County did not collect additional revenue from the reassessment process.

Meanwhile, it costs roughly $1 million per day to operate county government. And health care premiums alone are increasing by 15 percent this year.

Yet, property taxes have only been increased twice in the last two decades — once in 2011 and once in 2019.

Putting off adjustments for that long doesn't eliminate the costs. It only delays the decisions.

Today, we're confronting that reality.

For the FY2027 budget, I asked department leaders to present what they truly need to operate effectively. Their initial requests totaled $425.5 million — a nine percent increase over last year's budget.

That level of growth simply isn't feasible.

Even after reductions and internal savings, we are still facing a general fund deficit of over $42 million for FY2027.

I do want to be clear though: this is not yet a crisis.

New Castle County currently maintains a AAA bond rating and very sound financial management.

However, our once strong reserve levels are beginning to fall below the level we should maintain for a county of our size.

This is a structural challenge — one we have the ability, and the responsibility, to address now before it becomes a crisis.

Before I ask anything of you, let me tell you what we're doing inside County Government to address this deficit.

We've instituted a hiring pause on non-essential positions.

We have 56 unfunded positions in the FY27 operating budget, totaling approximately $5.7 million. Those positions will remain unfunded until circumstances change.

We reduced the part-time salary budget by $1 million.

That reduction includes pauses to some community services programs and reductions to library operating hours — visible services and events that residents will notice.

We're reopening and renegotiating contracts for better terms and more competitive pricing with our vendors.

We've put non-priority maintenance on hold, eliminated non-essential travel, and reduced discretionary programming.

We've asked every department to find efficiencies and look for savings in every corner of this operation.

And we are working to identify new revenue sources, so that we're not reliant on temporary solutions in the future.

All told, we were able to cut $18.5 million from the operating budget, but it wasn't enough to close the $42 million deficit we're facing as a county.

Here's the bottom line. After exhausting internal savings and every alternative, we must ask for a managed tax increase to protect core county services.

I wish I could tell you otherwise.

Like families sitting around the kitchen table balancing their household budgets, we've reviewed every expense, made difficult choices, and cut where we can.

But there comes a point when the numbers don't add up.

And that's where we are today.

Tonight, I am presenting the FY27 proposal to Council: an Operating Budget of $387.6 million and a Capital Budget of $75.7 million.

To responsibly balance this budget, I am proposing a property tax increase for FY2027 of 17.2 percent.

I want to break down what this means for you.

For the median homeowner with a property value of $378,000, that increase equals approximately $102 per year — that's $8.50 a month.

A row home on Wilmington's east side, valued at $150,000 would pay roughly $16 more per year — an additional $1.34 per month.

A $680,000 home in Hockessin Greene would pay roughly $184 more per year — about $15.35 more per month.

A house in Hyett's Crossing, Middletown valued at $450,000 would be about $122 per year — an additional $10.16 a month.

Every home is different. But these figures show the scale.

To our seniors, we know this hits you especially hard. Please don't forget, if you are over the age of 65 you may be eligible for various credits and exemptions.

We're always hearing from people who are eligible and have not applied.

The deadline is June 1st, and my team is standing by, ready to assist you.

Remember: These increases only apply to 19 percent of your property tax.

This is not applicable to the 81 percent that goes to our school districts.

Now, it is not my intention to stand up here and tell you "this is an amount that everyone should be able to afford."

- For many, this is a shock that will be hard to navigate. I hear that and commit to doing everything I can to mitigate the pain.

- For others — much like reassessment was — this feels never-ending, one thing after another. Trust me, I understand that.

- For some, it's a matter of principle: giving the government more of your money. I get that too.

All of those perspectives — and everything in-between — matter to me.

I am on your side.

I ran for office because I know county government — what we do well, where we've fallen short, and what it takes to fix it.

This proposal is about maintaining the core services our residents rely on.

It will allow us to maintain full police staffing, keep paramedic response times among the best in the country, and continue supporting our fire service.

It will provide the resources needed to complete the reassessment work responsibly, including additional staff in the Assessment Office.

And it ensures we can continue operating the infrastructure and services that keep this county running.

In addition to property taxes, we must address the sewer system's funding reality. We have not adjusted the sewer consumption rate since 2019.

The costs of maintaining and operating wastewater infrastructure — along with state and federal compliance requirements — have risen substantially since then.

So tonight, I am also proposing a 5 percent consumption rate adjustment to the sewer charge.

This increase will help cover operating and capital needs for sewer maintenance and required upgrades to keep the system functioning.

I'll say it again… a tax increase is the last thing I want to do. But there are real costs to providing the services residents depend on.

I wouldn't make these recommendations if I didn't believe they were both necessary and responsible.

And I ask the Council to consider these proposals not as an end, but as a responsible step to stabilize our finances while we pursue long-term structural revenue improvements.

Despite these fiscal challenges, I remain optimistic about New Castle County's future.

The work we've done this year — guided by our priorities of Economic Development, Affordable Housing, Youth Services, Public Safety, and responsible Land Use — has laid a practical foundation.

These priorities don't go away because we're facing a budget deficit.

If anything, they become more important. They are interdependent with the hard fiscal decisions before us.

We will keep delivering tangible results.

Our libraries remain vibrant community hubs — and major new library facilities are on the way in Newark and Glasgow.

We're doubling down on practical steps to expand affordable housing — from preparing the county land around the Route 9 Library for mixed-use, mixed-income development, to convening a Housing Council Working Group that will align public, nonprofit, and private partners.

We're expanding down-payment assistance, prioritizing transitional housing, and targeting small-scale projects that leverage state tax credits to turn plans into real homes.

Park upgrades — including the Glasgow playground, the Markell Trailhead, and new trail miles — show we can improve quality of life even as we tighten our belts.

So…

In 1965, county leaders made investments that we are still benefitting from today. They built foundations instead of taking shortcuts.

Tonight, we are doing the same thing: making difficult but necessary decisions that protect core services and set a stable course for future growth.

This budget is about maintaining what works and fixing what's broken.

Being honest about costs and transparent about our choices.

It's about refusing to pass structural problems on to the next administration, the next council, the next generation.

We will continue to pursue opportunities to expand our tax base, leverage outside funding, and improve efficiency so that taxpayers feel less burdened over time.

We will steward every dollar with care — and look for innovative, fair ways to diversify revenue and cut waste.

I want to thank our CFO Dave Del Grande, Joanna Finnigan, and our entire budget team. Thank you for your hard work in preparing a responsible path forward.

Thank you to Council for the partnership ahead as we work through this budget season together.

And thank you to the residents of New Castle County. I'm honored to serve you.

I'm committed to being honest with you.

And I’m confident that, together, we’re going to address these challenges and come out stronger for it.

Thank you and God bless.