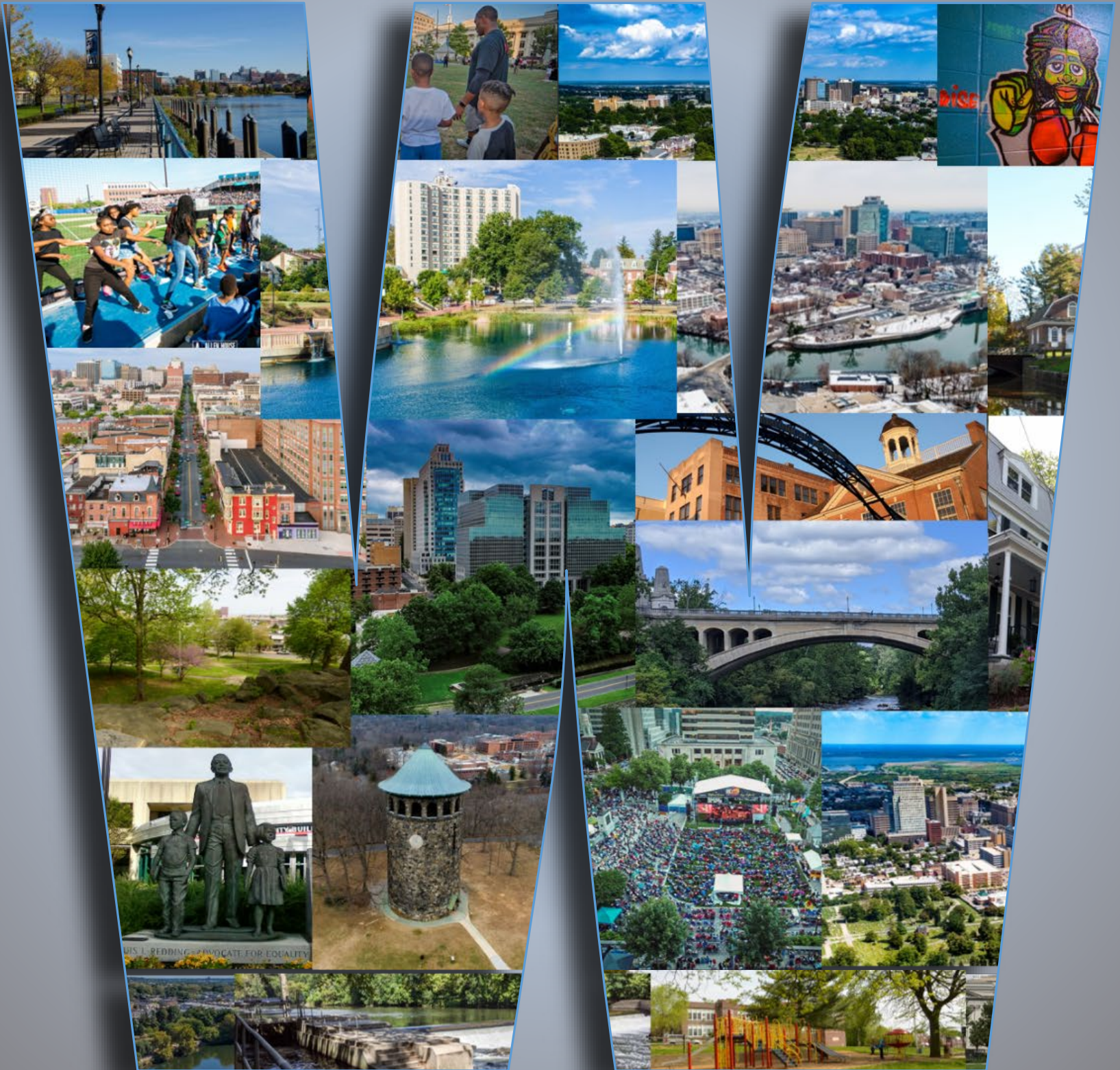


City of Wilmington

Annual Budget Fiscal Year 2022



Michael S. Purzycki, Mayor

City of Wilmington Delaware



Approved Budget FY 2022

Michael S. Purzycki
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2022 • Approved by City Council • May 20, 2021



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**The City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Wilmington, Delaware for its annual budget for the fiscal year beginning July 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

CITY ADMINISTRATION

Mayor – Michael S. Purzycki
Treasurer – DaWayne Sims

THE COUNCIL

President – Ernest Congo, II

1st District	Linda Gray	5th District	Bregetta Fields
2nd District	Shané Darby	6th District	Yolanda McCoy
3rd District	Zanthia Oliver	7th District	Christofer Johnson
4th District	Michelle Harlee	8th District	Nathan Field
At Large	Maria Cabrera	At Large	James Spadola
At Large	Rysheema Dixon	At Large	Loretta Walsh

Maribel Seijo, City Clerk
Daniel Walker, City Council Chief of Staff

CITY OFFICIALS

Tanya Washington

Charlotte B. Barnes

John Looney

Jeffrey C. Flynn

Robert M. Goff

Herb M. Inden

Ian Smith

Willie J. Patrick, Jr.

Jeffrey J. Starkey

J. Brett Taylor

Robert J. Tracy

Robert L. Weir

Kelly A. Williams

Terence J. Williams

Chief of Staff

Director of Human Resources

Chief of Fire

Director of Economic Development Office

City Solicitor

Director of Planning

Director of Parks and Recreation

Director of Emergency Management Office

Commissioner of Licenses & Inspections

Director of Finance

Chief of Police

Director of Real Estate and Housing

Commissioner of Public Works

City Auditor

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Robert G. Winkeler

George G. Hayford

Stephanie L. Mergler

Daniel P. Owens

Budget Director

Assistant Budget Director

Fiscal & Operations Analyst

Fiscal & Operations Analyst

Fiscal & Operations Analyst

TABLE OF CONTENTS

Page Number

Budget Message

Budget Message	i
--------------------------	---

Wilmington Facts & Figures

Wilmington Facts & Figures	1
Economic Development	11

Budget Process and Policies

Citizen's Guide to the Budget Process	15
Budget Process Calendar	19
City-Wide Strategic Plan	20
Statement of Financial Policies	22
Organization Chart	24
Description of Appropriated Funds	25

Budget Summary

Budget Highlights	29
Summary of Combined Statement of Revenues and Expenditures	36
Summary of All Funds Combined	38
Summary of General Fund	40
Summary of Special Funds	42
Summary of Water/Sewer Fund	44
Summary of Internal Service Funds	46
Summary of Departmental Budgets by Fund	47
Summary of Capital Improvements Program	48
Summary of Staffing Levels	49
Actual and Projected Fund Balance & Net Position	52
Actual, Budgeted, and Projected General Fund Revenues & Expenditures	55

Revenue Budgets, Projections and Trends

General Fund Revenues	69
Special Fund Revenues	84
Water/Sewer Fund Revenues	88
Tax Rates	94

Departmental Budgets

Mayor's Office	97
City Council	105
City Treasurer	113
Department of Planning and Development	119
Audit Department	129
Law Department	133
Department of Finance	139

TABLE OF CONTENTS

(continued)

Page Number

Department of Human Resources	151
Department of Licenses and Inspections	163
Department of Parks and Recreation	173
Department of Fire	187
Department of Police	201
Department of Public Works	211
Department of Real Estate and Housing	229
Department of Commerce	245
Department of Information Technologies	247

Capital Program

A Guide to the Capital Improvements Program	251
Impact of Capital Spending on the Operating Budget	255
Capital Budget Allocations	257
Summary of Capital Improvements Program by Department	258
Summary of Capital Improvements Program by Expenditure Category	259
Capital Budgets & Program Requests by Department	260
Capital Budget Project Descriptions by Department	268

Debt Management

Borrowing History	281
Uses of Debt Obligations & Debt Policies	282
Debt Service Schedules by Fund	284
Debt Service Expense by Department and Fund	289
Ratio of Net Bonded Debt to Assessed Value and Debt per Capita	292
Total Debt Balances	293

Glossary

Description of Terms Used in This Book	295
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City of Wilmington



MICHAEL S. PURZYCKI
Mayor

FISCAL YEAR 2022 BUDGET MESSAGE

AN ECONOMIC CRISIS IN THE MIDST OF A PANDEMIC

Perhaps the best place to start this budget message is to acknowledge the extraordinary times in which we find ourselves. This address was not crafted in a vacuum, but rather during an economic crisis in the midst of a pandemic and its many gruesome manifestations - the deaths of over a half-million fellow Americans, millions of job losses, the stresses of social isolation, and a lost school year for many of our children.

Our challenge is not just to balance a budget but to craft one that confronts the many problems our community faces, both caused by and revealed by the pandemic. COVID-19 is not an excuse to hide from the problems we face, but a call to us to better our City and the lives of our citizens as things begin to return to what almost surely will be a new normal.

During the pandemic, a number of our employees worked from home to ensure their safety and to limit the spread of the virus. But many of our employees remained at the helm, performed gallantly while never missing a day and exposing themselves to potential health risks. I want to thank our sanitation workers, water plant operators, many of our office staff, L&I inspectors, and department directors. And in particular, our police and fire personnel deserve our recognition and gratitude.

PROGRESS TO BUILD ON

People are moving into the City. We have projects like the Flats on the West Side and Reach Riverside in the northeast, both holding immense promise for our residents. As we reflect on 2020 and look forward to 2021, there is much to be hopeful about. We have laid a solid foundation for Wilmington's future. Private investment in the city has approached \$1 billion over the past four years, with much more to come. Thousands of apartment units are being built and occupied by new and current residents, stabilizing our crucially important wage tax revenue. New restaurants are opening throughout the city. Three new hotels have opened, and new ones are being proposed. Your city government invested \$40 million in infrastructure. Twenty-six miles of city streets have been paved. Eleven million dollars was invested in parks, community centers, and public spaces.

Moody's improved the status of the city's bond rating by removing a negative outlook. We have not raised taxes in the last three years while our cash balances have improved. And while the pandemic has presented severe challenges to our revenues in the short term, we have laid the foundation for growth if we choose the path forward wisely once the pandemic has passed.

PRIORITIES

As I described earlier, we have many things to be proud of. People are moving into the city. We have projects like the Flats on the West Side and Reach Riverside in the northeast-both holding immense promise for our residents. The Riverfront and downtown are doing well despite also being hurt by the pandemic, but our neighborhoods are suffering, and this is our continuing focus. The housing stock in many of these neighborhoods has been in poor physical condition for years, if not decades. Lower income is at the root of much of this physical decay. It is expensive to repair and maintain older properties. We have long needed a solution to this problem.

Before there was any mention of federal relief, I was prepared to ask City Council to budget \$5 million to improve housing in our neighborhoods. Now I think we have an opportunity to use some of the American Rescue Plan funds to provide even more resources to this effort. Therefore, to the greatest extent possible, I will set aside money as part of our redevelopment effort to help homeowners improve the homes they have lived in for many years and in which they have raised their families. At long last, we may have the resources to demolish many vacant houses that are not salvageable and whose presence ruins neighborhoods. And lastly, we will commit to rebuilding and redeveloping areas of the City that have been without any hope of progress for far too long.

Half of our residential dwellings are owned by investor/landlords, which is in large measure why our neighborhoods are not adequately maintained. Too many investors don't seem to care enough about maintaining their properties or about their tenants. This Council took its first brave step in rewriting our laws governing rental housing. Over the scare tactics and fear mongering of landlords, this Council recognized the importance of giving us the tools to enforce our housing codes and to protect our economically vulnerable citizens. Someday we will all look back on this significant change and wonder what all the opposition was about. Thank you to the Council Members who supported this significant and important protection for tenants. If we are going to transform Wilmington's neighborhoods, however, the landlords must be a part of the solution, so I look forward to engaging with them on how they can assist in strengthening the City.

Of course, the scar on the City's soul is the gun violence that costs lives and devastates families. There is a sense of urgency to reduce it, but this urgency inevitably collides with the dispiriting reality that 31 people lost their lives to gun violence in our City last year, a 35% increase over the year before. One hundred sixty-eight people were shot, a 50% increase over the prior year. We take no solace in the fact that this follows a national trend of worsening violence in most all of America's cities since late 2019. The question for us is, what we do about it? I don't believe this is a policing problem. In fact, our police department has done an outstanding job during a time when the entire criminal justice system has been shut down, criminal trials have ceased, and illegal guns have flooded the streets.

It is an article of faith that if we don't fix the underlying social ills, we will never reduce crime in the long run. Therefore, it will be the theme of this administration to improve the housing and the environment our children are raised in. We will continue to improve our parks beyond the tremendous investment we have already made over our first four years. Our Neighborhood Clean Teams will continue to clean the streets, and our youth career employment programs will now employ our young people not just during the summer, but throughout the year.

Lastly, the City must re-engage with the education community after decades of having little or no say about the ways our children are educated. For over one year, I have been an active part of the Redding Consortium, which is pressing for equity in education that will certainly benefit Wilmington's children. But we must do more. Wilmington must not just join - it must lead. If we are unhappy with the condition of the City, its poverty and its crime, then we must strengthen the only institution standing that can influence the future for Wilmington's children, and in the end, the City itself. I commit to you my dedication to a better education for our youth and a city high school that can serve as the anchor for our young people's healthy identity and self-image - a high school that serves also as a cultural activity center and as a community support system.

BUDGET DISCUSSION

The budget includes no property tax increase. The budget is balanced with a transfer from the Rate Stabilization Reserve. This is the second consecutive year that we have accessed this fund. Obviously, I don't believe this is the time to raise taxes by 14%, which is what we would need to cover the deficit. Nor do I believe it wise to lay off employees when unemployment itself is a problem for the country's economy.

This budget proposal increases spending by 5.6%, or approximately \$9.2 million over FY 2021. Of this increase, much of it is uncontrollable costs. For example, \$3.38 million is a scheduled increase in debt service. Cost-of-living and step increases for employees required by contract or other mandates account for \$2.6 million of the increase. And, as we continue to implement a police body camera program, software and personnel will add \$650,000, leaving a budget increase in controllable costs of about \$2.5 million, or 1.4% of last year's budget.

Looking ahead, we must be mindful that revenue sources we once took for granted may not be available in the future. As we end fiscal year 2021, we are projecting a \$12 million decrease in key revenue lines compared with FY 2019, which was the last full fiscal year before the pandemic took hold. Examples are a \$3 million loss in parking revenue, a \$1.6 million loss in interest income, and an almost \$2 million loss in wage and net profits tax. Empty office space has led to real estate reassessment appeals, which again has resulted in reduced property tax revenue. In fact, Moody's recently estimated that increased office space vacancies nationally will result in office assessments declining by 12.6%.

The federal government will be providing support for states and local governments through the American Rescue Plan. At this time, it appears that Wilmington will be entitled to an allocation of \$55 million to offset COVID-related expenses and to perform specific activities related to the impact of the virus on our city. There are limits to the way these funds may be spent, and we shall remain true to the spirit and to the letter of the law and its regulations as to the use of these funds. As we better understand the regulations as they are promulgated, we will confer with Council where appropriate. But in any case, these funds are one-time revenue only and must therefore only be used with the long-term structural health of the City in mind and not for any ongoing operational programming.

Our structural revenue loss projected for next fiscal year, along with increases resulting from contract negotiations, will make balancing the Fiscal Year 2023 budget that much more difficult, and it will be even worse if we are not cautious about adding unfunded operating programming. Our finances, while stable, are threatened not only by the virus and its impact on our economy, but on the long-term consequences of the changes in our society. For example, working at home and workforce consolidation will necessarily impact our revenues in the long run.

This year's pandemic-induced budget deficit equates to a 14.0% property tax increase or a reduction of as many as 65 positions. While this budget includes the restoration of crucial pre-pandemic funding for critical operations, it avoids permanent programmatic expansion built on promised one-time federal revenues.

Below are the highlights of the FY 2022 General Fund Budget followed by those of the Water/Sewer Fund.

General Fund Highlights

- The FY 2022 General Fund operating budget expenditures total **\$172,702,401** – up \$9,201,352 or 5.6% from FY 2021. There are no increases to taxes or fees. The budget was balanced with use of \$6.17 million from the Tax Stabilization Reserve.
- The budget contains a \$1.9 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$754,200 to the budget.
- Staffing decreased by a net total of 2.92 full-time equivalents (FTE), and includes changes made in the mid-FY 2021 budget amendment, along with the results of the latest biennial employee appeals process. Those changes, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net decrease of \$496,591. The component cost of the appeals process in the General Fund was \$111,374.
- Total Debt Service increased a net \$3.38 million. Last fiscal year's budget was reduced by \$3.81 million to reflect the projected one-time savings from the then-pending refinancing of two older bond issues. The refinancing took place November 2020 and resulted in unexpected additional savings of \$552,000 that carries over into FY 2022. This carryover savings helped offset the increase to FY 2022 caused by the elimination of last fiscal year's \$3.81 million in one-time budgeted savings.
- To meet the requirements of GASB pronouncement #24 (regarding on-behalf payments), annual funding received from the State of Delaware supporting the City's Police and Fire pension trust funds is booked as a pass-through in the General Fund. This means that the State funding is shown as a General Fund revenue source offset by an equal amount budgeted in the State Pension Contribution expenditure accounts in the Police and Fire departments. For FY 2022, the State grant was increased by almost \$586,300, which in turn increased the State Pension Contribution account by the same amount.
- Contracted Maintenance Services increased by almost \$567,000 in the Police Department for a variety of projects and issues. The Department entered into a five-year contract with Axon to supply body camera equipment. The cost of that contract in FY 2022 is \$265,500. The Department is upgrading the security camera system in the Public Safety building at a cost of \$185,000. Finally, the annual contract cost for ShotSpotter (the gunshot detection system) is increasing by \$81,156 because the cost of the expansion in area coverage made last fiscal year was covered by a grant that will not carry over into FY 2022.
- As part of a broad initiative to increase the speed, effectiveness, and return on its collection efforts regarding Wage Tax, Net Profits Tax, and Head Tax, the Finance Department requested \$570,000 in additional funding. \$400,000 will pay for the services of collection specialists, with the remaining \$170,000 to pay for the services of a law firm with expertise in scofflaw issues and debt collection legal proceedings. The \$570,000 increase in expense is projected to result in a three-to- one return of \$1.71 million in additional revenue in FY 2022.

- There were major increases in Consultants in Fire (up \$156,900), Police (up \$125,000), the Mayor's Office (up \$105,900), Finance (up \$100,000), HR (up \$100,000) and Licenses & Inspections (up \$92,000). Police and Fire have biennial employee job promotion processes administered by specialized consultants. Because FY 2022 will be an active year, a large part of the increases in Police and Fire are to cover the fees of those consultants. Fire and Licenses & Inspections each deleted their vacant plans examiner positions and replaced them with one consultant that will split his time between the two departments. The Mayor's Office increase will be used to provide more support for arts and cultural activities and to hire a federal grants consultant. The increase in Finance is to assess the feasibility and implementation of an online wage tax filing system. Finally, in HR the \$100,000 increase will fund two separate items. One is a study regarding the implementation of a new classification and compensation system for \$50,000. The remaining \$50,000 is for what is being called City University, a varied series of employee training and development opportunities provided by consultants.
- The Department of Information Technologies added funding for the migration of the City's on-site computer system (MUNIS) to the cloud. Tyler Tech will provide MUNIS application services over the internet while retaining all data in a cloud environment much like Microsoft Office 365. In addition, funding to purchase Winston Benefits software will provide remote employee benefits onboarding services. Together, these initiatives increased the Computer Software Licenses account by \$455,000.
- Funding of \$350,000 was added to the Mayor's Office for the creation of a Gun Violence Prevention Program (\$300,000) and to institute a Police Citizens Review Board Panel (\$50,000).
- Funding for Wilmington's Beautiful City Initiative was increased by \$300,000 (from \$400,000 to \$700,000) to support the expansion of the highly successful Neighborhood Clean Team program into more neighborhoods. This program, now heading into its fourth year, hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
- The Motor Vehicle Costs account increased by over \$223,000, driven largely by the expansion of specialized equipment in the Parks & Recreation Department.
- Support for the Wilmington Neighborhood Conservancy Land Bank in the form of a \$500,000 grant was put into the budget of the Department of Real Estate & Housing. This is a decrease from the \$1.0 million grant given last fiscal year. The Land Bank was established to acquire, manage, and maintain vacant, abandoned, and foreclosed properties to restore and re-purpose them to productive use. To successfully accomplish its mission, the Land Bank requires periodic infusions of cash from the City as outlined in a memorandum of understanding.
- The Parks & Recreation Department is expanding the summer pool program to run for 10 weeks instead of the usual eight weeks. In addition, all City pools will be open six days per week (closed only on Mondays) and with daily hours expanded to be 12:00 pm to 7:00 pm. The additional temporary personnel cost added to the budget to support the expanded pool program is just under \$123,700.
- There is no increase to the Property Tax rate. The Budget is balanced with the use of \$6.17 million from the Tax Stabilization Reserve.

Water/Sewer Highlights

- The FY 2022 Water/Sewer Fund operating budget expenditures total **\$79,567,575** – up \$1,759,742 or 2.3% from FY 2021. The FY 2022 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.
- The budget contains a \$254,000 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$82,300 to the budget.
- Staffing increased by a net total of 0.80 FTE, and includes the results of the latest biennial employee appeals process. Those changes, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$72,758. The component cost of the appeals process in the Water/Fund was \$17,204.
- The Finance Department added almost \$393,000 in the Consultants account to assist in the replacement of the current water utility billing system. Some of the major tasks expected to be performed would be defining system requirements, assisting in the preparation and issuance of requests-for-proposals, and vetting and selecting the best vendor.
- The Contracted Maintenance Services account increased a net \$353,500. Two items explain nearly all the change in funding in the account. The contract fee to Jacobs to operate and maintain the City's sewage treatment plant and help manage the City’s renewable energy bio-solids facility increased 2.8%. This resulted in an increase of \$550,000. However, this was offset by a reduction of \$200,000 in the water tank painting maintenance program.
- The Repairs to Equipment account in the Water System Division increased by over \$234,000. The projected cost for the replacement of the solar invertors and panels at the Porter Filter Plant and the Turner Building was increased \$100,000 (from \$600,000 to \$700,000). In addition, \$100,000 was added for the replacement of steam and condensate piping at the Porter Filter Plant.
- \$211,000 was added to cover a wide-ranging list of items in the Repairs to Buildings and Structures account in the Water System Division, such as raceway building maintenance, along with repairs and maintenance to parking lots, sidewalks, and driveways at Water System facilities.
- Legal fees were increased 25% (from \$400,000 to \$500,000) to cover arbitration and legal proceedings against New Castle County (wastewater treatment contract), the Army Corps of Engineers (unpaid stormwater bills), and Honeywell (breach of contract regarding the renewable energy bio-solids facility).
- The Repairs to Water Lines account in the Water System Division increased by over \$200,000, reflecting the almost 9.1% increase in the annual contract that covers the replacement of broken water mains and valves.
- Depreciation increased by \$342,023, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City’s water, sewer, and stormwater infrastructure fixed assets.

- Debt service decreased by a net \$250,452. The recent refunding of two older bond issues, along with the issuance of new money for the FY 2018 Capital Budget at record low interest rates combined to lower Interest Payments by \$170,888. The net decrease in the recalculation of the amortized premium and refunding gains reduced the debt service another \$79,564.
- Indirect Costs, which are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of the water, sewer, and stormwater utilities, are budgeted to decline by \$427,349, reflecting the recent revisions to the cost allocation model based on new usage surveys.
- There was a 3.0% increase to water and sewer rates and a 2.0% increase to stormwater rates. The projected fiscal impact of the rate changes is an increase of almost \$1.58 million in revenue (net of bad debt) to the Water/Sewer Fund in FY 2022. The typical residential customer in the City using 4,000 gallons of water per month will see an increase of \$1.75 to their monthly bill.

CONCLUSION

Our mission remains unchanged. For as long as our longest serving Councilmember Walsh has been on Council, we have had to fight poverty, crime, middle class flight to the suburbs, structural limits on our ability to govern ourselves, and a school system that does not serve us well enough. It is our responsibility as elected members of our community to actually make things better by setting aside any differences that divide us, because in the end we all want the same things.

I have asked Council to commit with me that by the end of our term in office we will have done more than any government that has gone before us to increase shared prosperity, to rebuild our neighborhoods, to improve the internal operation of the government, and finally, to do all in our power to see that our children have the same chance at a bountiful life that we have had.

Respectfully,



Michael S. Purzycki
Mayor
City of Wilmington



WILMINGTON

FACTS & FIGURES



LEGEND

- ★ Capital Cities
- State Boundaries

CITY OF WILMINGTON
"The First City of The First State"

Delaware was the first to ratify the U.S. Constitution, thus becoming the "First State" in the new union. The City of Wilmington was founded in 1638 and was the first permanent settlement in what would later become Delaware.

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WILMINGTON FACTS & FIGURES

The City of Wilmington is located on the western bank of the Delaware River in the northeast corner of the State of Delaware, almost at the mid-point between New York City and Washington, D.C. The City is the largest municipality in the State and on the Delmarva Peninsula, and is the regional center of banking, commerce, industry, and the performing arts. The City has excellent access to the various transportation networks of the eastern seaboard. Interstate Highways 95, 295 and 495, as well as Routes 13, 40, 41 and 202 conveniently link the immediate areas with the entire region. Amtrak provides full passenger service, while railroads offer comprehensive freight connections available to all major points. The New Castle County Airport, located four miles from the central business district, offers general aviation access and charter services. The Philadelphia International Airport lies thirty minutes north by car. The Port of Wilmington is a full-service Port, handling cargo for many regional, national, and international firms.

The Greater Wilmington Area includes portions of two states: New Castle County (Delaware) and Cecil County (Maryland). The data below provides a comparative look at the populations, land area, and the density of the Wilmington region.

LAND AREA AND POPULATION DENSITY

	<u>2000 Population</u>	<u>2010 Population</u>	<u>% Change</u>	<u>Land Area (sq. mile)</u>	<u>2010 Population Density (sq. mile)</u>
City	72,664	70,851	-2.5%	10.9	6,530.0
New Castle County	500,265	538,479	7.6%	426.3	1,263.2
Greater Wilmington Area	586,216	639,587	9.1%	774.3	826.0
State of Delaware	783,600	897,934	14.6%	1,955.0	460.8

Population

The 2010 US Census indicates that the City's population decreased by 2.5% from 2000 to 2010, a slight reversal of the growth trend indicated in the 1990 and 2000 Census. New Castle County, the Greater Wilmington Area, and the State have recorded significant increases in population starting from 1970.

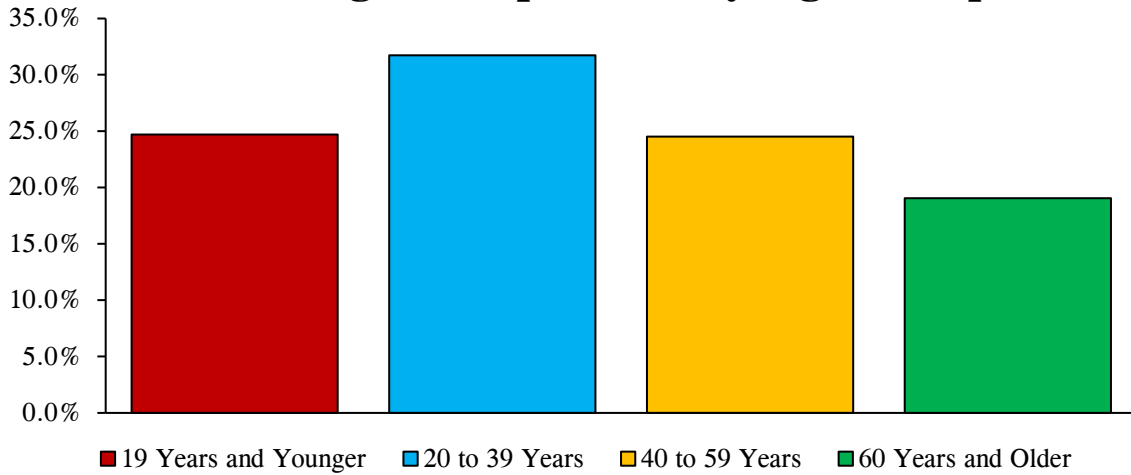
POPULATION TRENDS

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
City of Wilmington	70,195	71,529	72,664	70,851
# of Dwelling Units	30,506	31,244	32,138	32,820
State of Delaware	594,338	666,168	783,600	897,934
Greater Wilmington Area	458,545	513,587	586,216	639,587
New Castle County	398,115	441,946	500,265	538,479

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

Understanding the City’s demographics is important in order to understand the City’s fiscal policies and budgetary priorities. Wilmington’s combination of a large youth population and a higher percentage of incomes under \$25,000 create a greater need for City Parks & Recreation and Public Safety services.

Percentage of Population by Age Group



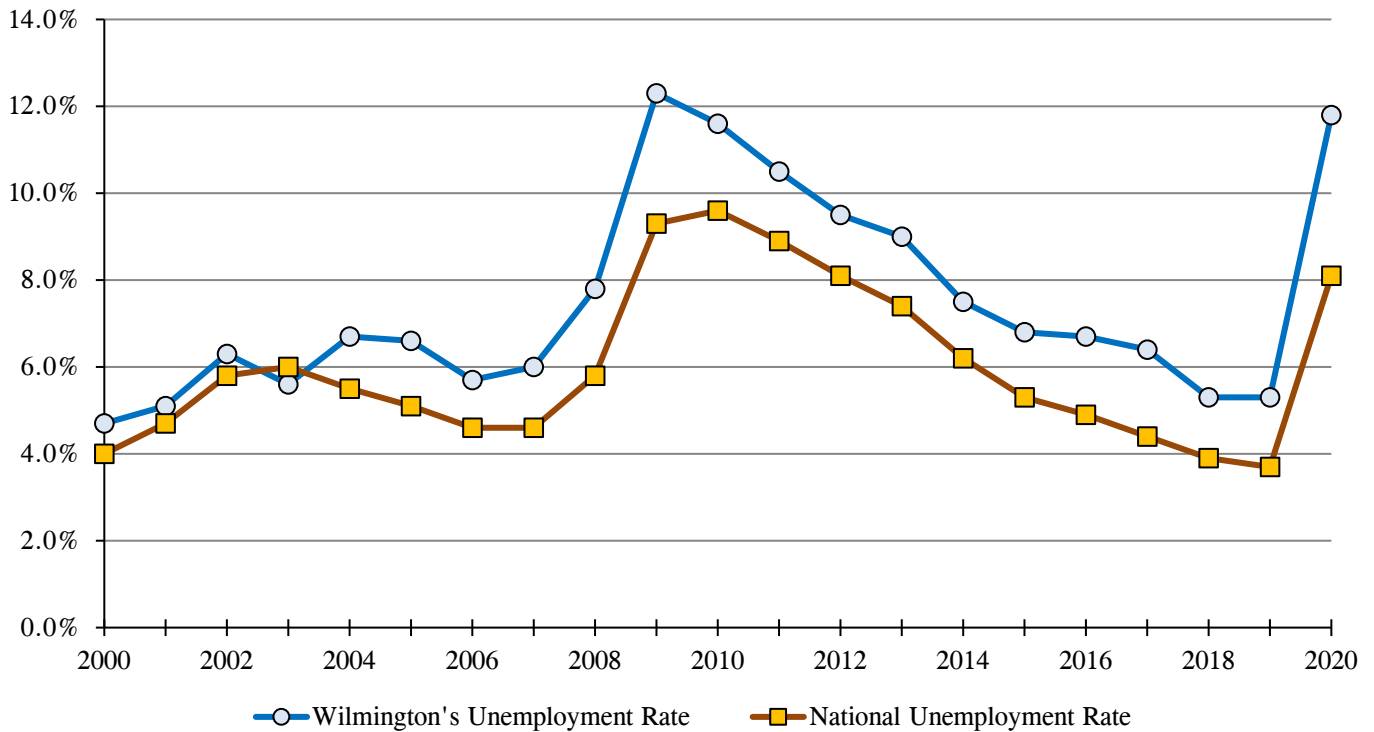
PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2019 inflation adjusted dollars)	
\$0 to \$9,999	13.5%
\$10,000 to \$14,999	6.8%
\$15,000 to \$24,999	11.2%
\$25,000 to \$34,999	11.2%
\$35,000 to \$49,999	11.5%
\$50,000 to \$74,999	15.7%
\$75,000 to \$99,999	10.2%
\$100,000 to \$149,999	10.7%
\$150,000 to \$199,999	4.4%
\$200,000 or more	4.7%
MEDIAN HOUSEHOLD INCOME	\$45,032

Source: U.S. Census Bureau, 2019 American Community Survey, 5-Year Estimates

WILMINGTON EMPLOYMENT TRENDS

Employment is a strong indicator of the City of Wilmington's overall health. Prior to the 2020 job losses due to COVID-19, the City's employment rate had seen annual improvement for over a decade. Historically, City unemployment has been approximately 1.5% above the national trend, reflecting the disproportionate impact of today's economy on Wilmington's predominantly youthful population. Higher unemployment leads to an increase in demand for City Services and resources, such as Summer Youth Employment and Policing.

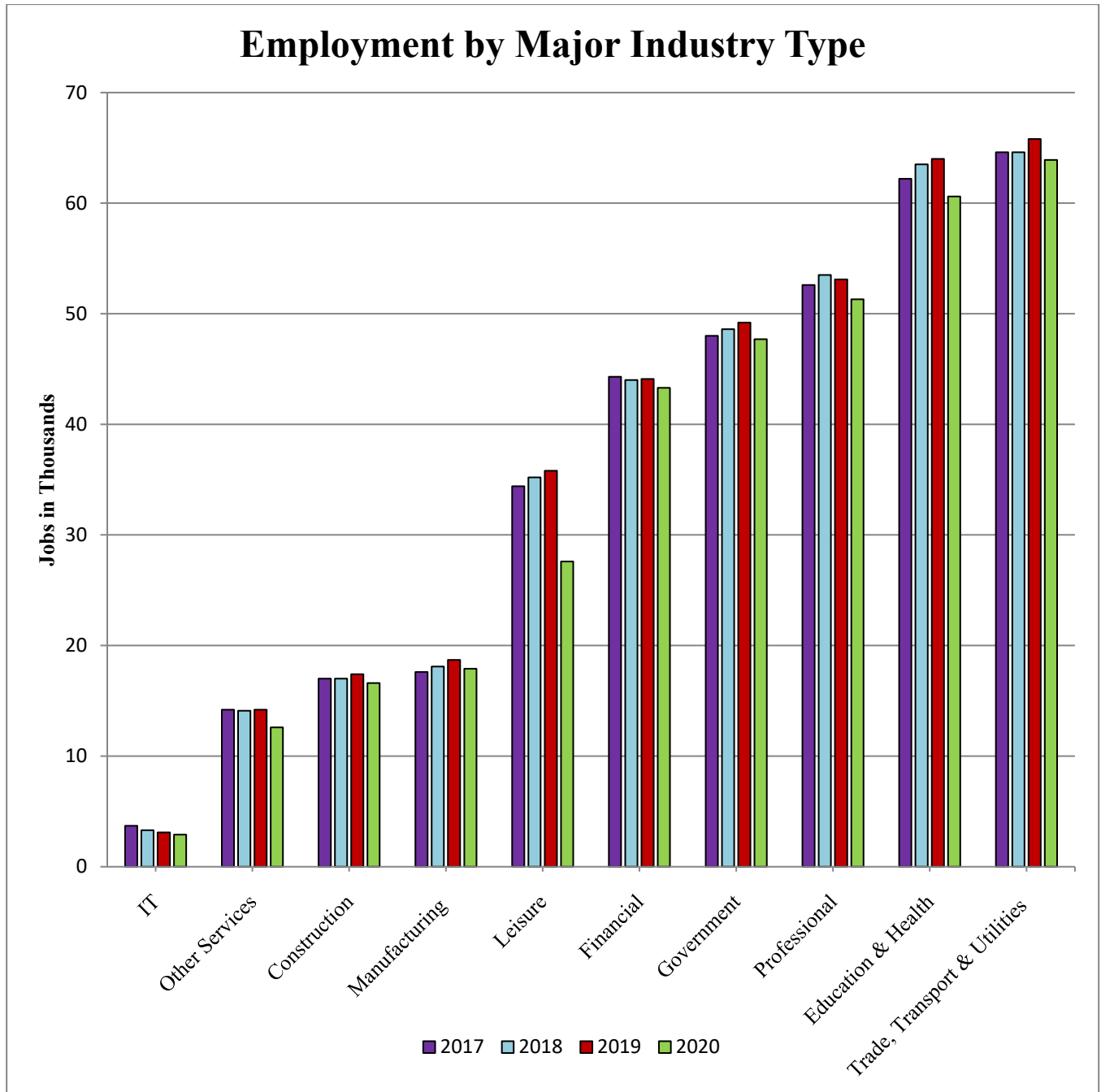
City of Wilmington's Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, June 2021.

WILMINGTON PMSA EMPLOYMENT BY INDUSTRY

Industries located in and around the City of Wilmington promote economic development and job creation, as well as form the basis of the City’s largest revenue source, Wage & Net Profits taxes. As such, the fiscal health of the City is closely connected to the health and stability of its employment base. Below are the major industries and their levels of employment within the Greater Wilmington Area.



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program, June 2021.

WAGE TAX, NET PROFITS TAX, AND HEAD TAX REVENUE

Maintaining the diversity of the City's revenue sources is an important component in assuring stable income. While absolute wage tax withholdings declined in CY 2020, withholdings by the top ten payers as a percent of total withholdings have remained consistent. Conversely, both net profits and head tax saw consolidation, with revenue from the top ten payers increasing while total payments declined (likely driven by COVID-related slowdowns in small business activity, while large employers remained stable or grew).

TOP TEN TAXPAYERS

Wage Tax

Calendar Year	Wage Tax Withholdings by Top Ten Taxpayers	Total Wage Tax Withholdings	Top Ten Wage Tax Withholdings as a % of Total
2020	\$21,994,845	\$59,996,796	36.7%
2019	\$22,646,116	\$61,319,939	36.9%
2018	\$21,288,362	\$60,642,799	35.1%
2017	\$22,315,103	\$60,334,780	37.0%
2016	\$21,043,574	\$57,554,177	36.6%

Net Profits Tax

Calendar Year	Net Profits Tax Payments by Top Ten Taxpayers	Total Net Profits Tax Payments	Top Ten Net Profits Tax Payments as a % of Total
2020	\$3,921,020	\$7,027,882	55.8%
2019	\$3,428,743	\$7,311,220	46.9%
2018	\$3,541,854	\$6,780,410	52.2%
2017	\$2,969,314	\$6,577,048	45.1%
2016	\$2,910,639	\$5,545,183	52.5%

Head Tax

Calendar Year	Head Tax Payments by Top Ten Taxpayers	Total Head Tax Payments	Top Ten Head Tax Payments as a % of Total
2020	\$1,430,130	\$3,231,829	44.3%
2019	\$1,413,915	\$3,507,529	40.3%
2018	\$1,496,160	\$3,758,161	39.8%
2017	\$1,544,280	\$3,853,010	40.1%
2016	\$1,672,275	\$3,926,973	42.6%

Source: City of Wilmington Department of Finance, July 2021.

WAGE TAX, NET PROFITS TAX, AND HEAD TAX REVENUE

TAX REMITS GROUPED BY SIZE

Calendar Year 2020

Wage Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	9	\$20,231,655	33.7%
Between \$100,000 and \$1 million	69	\$17,637,389	29.4%
Between \$10,000 and \$100,000	531	\$14,047,170	23.4%
Less than \$10,000	5729	\$8,080,583	13.5%
Total	6,338	\$59,996,796	100.0%

Net Profits Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	-	-	0.0%
Between \$100,000 and \$1 million	11	\$4,022,768	57.2%
Between \$10,000 and \$100,000	55	\$1,730,225	24.6%
Less than \$10,000	2,879	\$1,274,889	18.1%
Total	2,945	\$7,027,882	100.0%

Head Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	-	-	0.0%
Between \$100,000 and \$1 million	3	\$947,430	29.3%
Between \$10,000 and \$100,000	57	\$1,426,680	44.1%
Less than \$10,000	557	\$857,719	26.5%
Total	617	\$3,231,829	100.0%

Source: City of Wilmington Department of Finance, July 2021.

Largest Real Estate Taxpayers in the City of Wilmington

Property tax is the City's second largest revenue source. Changes in the housing, construction, and building industries directly affect City revenue through the issuance of permits and the levying of property taxes. Below are the largest real estate owners (as of the CY 2020 billings) that, combined, represent more than one-quarter of the total taxable assessment value in the City.

Name	Property Type	Taxable Assessment	Percent of Total Taxable Assessment
Buccini Pollin Group	Office & Residential	\$160,414,200	7.44%
JP Morgan Chase	Office Building	\$54,557,900	2.53%
M&T Bank	Office Building	\$52,722,360	2.44%
Delmarva Power & Light Co.	Electric & Gas Utility	\$49,362,800	2.29%
1313 Owner, LLC	Office Building	\$41,000,000	1.90%
1201 N. Market Street, LLC	Office Building	\$35,000,000	1.62%
Calpine Mid-Atlantic	Electric Generation	\$32,703,400	1.52%
TRC 300 Delaware, LLC	Office Building	\$28,548,300	1.32%
VERIZON Delaware, LLC	Utility	\$23,554,600	1.09%
CCI-Bracebridge	Office Building	\$22,976,500	1.07%
JEMALS 222 Delaware LLC	Office Building	\$22,000,000	1.02%
Oak Street	Office Building	\$20,319,900	0.94%
Bank of America	Office Building	\$15,674,900	0.73%
Total		\$558,834,860	25.91%

Source: City of Wilmington Department of Finance, July 2021.

New Construction Permits Issued

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Single-Family	47	21	20	18	18
Multi-Family	3	2	1	19	2
Non-Residential	5	4	7	4	6
Total	55	27	28	41	26

Total Value of New Construction Activity

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Residential	\$51,556,503	\$16,059,413	\$19,440,646	\$74,528,916	\$47,029,728
Non-Residential	\$877,789	\$50,501,425	\$27,175,173	\$21,009,503	\$5,752,055
Total	\$52,434,292	\$66,560,838	\$46,615,819	\$95,538,419	\$52,781,783

Renovation Construction Permits Issued

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Residential	1,492	1,564	1,720	2,551	2,439
Non-Residential	169	680	465	493	825
Total	1,661	2,244	2,691	3,044	3,264

Total Value of Renovation Construction Activity

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Residential	\$30,537,265	\$50,501,425	\$55,706,339	\$74,528,916	\$20,449,467
Non-Residential	\$84,915,796	\$163,145,846	\$129,610,607	\$215,101,160	\$128,053,645
Total	\$115,453,061	\$213,647,271	\$142,335,744	\$289,630,076	\$148,503,112

Source: City of Wilmington, Department of Licenses & Inspections, June 2021.

ECONOMIC DEVELOPMENT ACTIVITY

Employment

The City of Wilmington continues to make steady progress toward recovery from the economic impacts of COVID-19. As reported by the Delaware Department of Labor, the total number of jobs located within the City, regardless of residency, averaged 46,712 in calendar year 2020 and ended the year at 47,069. Though this number is below the historical average of 50,000, it represents a solid increase from the low of 44,160 reached in April 2020. Similarly, unemployment numbers over the last year show substantial signs of recovery. The unemployment rate for City residents declined from a high of 21.5% in April 2020 to 8.4% by December 2020 and remained steady at that rate as of May 2021. This parallels the national trend and is consistent with the historical trend of being about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 5.9%.

To help mitigate the effects of the economic downturn, the Office of Economic Development has been connecting small businesses with assistance from both the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and private funding sources. These sources have produced great results in Wilmington:

- 1,714 businesses were awarded a total of \$290 million from the Paycheck Protection Program
- 29 businesses received Small Business Relief Grants totaling \$689,000
- 373 businesses were awarded Relief Grants and HELP loans totaling \$10.4 million
- 140 businesses were awarded a total of \$140,000 in grants from the Wilmington Strong Fund

Going forward, the Office of Economic Development will continue to assist businesses with the recently approved American Rescue Plan Act as well as ongoing State funds.

The resilience of small businesses in the hotel, restaurant, entertainment, and personal services sectors has been impressive and inspiring. The Office of Economic Development helped administer the City's Curbside Wilmington Program, assisting 45 businesses in obtaining the permits and fencing necessary to offer outdoor dining. The City's restaurant and entertainment districts have been allowed to open without capacity restrictions as of May 2021, and the State's COVID-19 State of Emergency Order will be officially lifted in July 2021.

Incentive Program

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 45 companies of varying sizes and types. The wage taxes collected from this "index" of 45 companies has remained steady at \$11 million since 2017. The reliable annual wage taxes generated from this program are a key indicator of its efficacy. As incentive contracts expire, participating businesses continue to generate wage tax revenue as they grow. Since the initial creation of the Strategic Fund in 2002, the Program has provided nearly \$16 million in incentive payments to businesses, yielding approximately \$117.6 million in wage tax revenue to the City's General Fund.

Land Acquisition and Infrastructure capital projects received an infusion of \$3 million in fiscal year 2021 from the City's October 2020 bond issuance. These funds can be utilized to incentivize investments in land and infrastructure projects within the City of Wilmington. Additionally, a \$1.25 million transfer to the Economic Strategic Fund from the Tax Stabilization Reserve portion of the General Fund Balance was approved as part of the FY 2021 Annual Operating Budget Ordinance. Of that amount, \$250,000 is set aside for Small & Minority Business Development.

Businesses Development

While the long-term impacts of COVID-19 on the City's Financial Services, Legal, and Government sectors are currently unknown, no major layoffs have been announced as of June 2021. Statewide, Delaware has remained steady with nearly 47,000 jobs in the broad financial activities sector in 2020. Nearly one-fourth of the jobs located in Wilmington are related to financial and technology services, with sub-type specialization in Consumer Lending, Bank Operations, Digital Banking and User Experience, Risk Management, and Predictive Analytics. Hiring in the Finance and Insurance industry has been stable throughout 2020 with roughly 11,500 jobs in Wilmington. The sustained employment in this sector is due in part to the analytical skill set of our workforce, which has its roots in the chemical and engineering industries and was further developed by the growth of the credit card industry. Wilmington also has a strong pipeline of new financial services and technology talent coming from local colleges and universities, as the roughly 6,000 related degrees awarded in 2020 within a 45-minute drive of Wilmington remained steady in 2021. The Wilmington corporate banking community, with national brands like Barclays, Bank of America, Capital One, Citi, Goldman Sachs, J.P. Morgan Chase, Navient, and TD Bank continues to maintain a strong presence in the City.

Additional business development highlights include:

- Goldman Sachs announced plans in October 2020 to hire as many as 150 new employees in the consumer credit and lending division at Wilmington's Riverfront. These full-time jobs will focus on Marcus and Apple Card products as well as any future consumer products.
- Barclays launched a new call center site in Summer 2020 at Wilmington's Riverfront with plans to hire 323 full-time employees.
- Eastern Highway Specialists purchased a four-acre brownfield site in Northeast Wilmington in January 2021 with plans to invest nearly \$4 million into the property to build a 21,000-square-foot headquarters creating 17 new jobs.
- New Jersey-based Advantage Building Supply and Zulu Fire Doors LLC expanded their operations at the former Electric Hose and Rubber Company site in Wilmington's Riverside neighborhood in January 2021. Advantage Building Supply plans to invest over \$8 million and employ 118 people over the next three years in an expansion of its material supply and door manufacturing businesses.
- Delaware Data Innovation Lab opened at Wilmington's Riverfront in November 2020 and hired 10 fellows to research COVID-adjacent projects using data analytics.
- Corporation Services Company (CSC) opened CSC Station located at 112 South French Street in Summer 2021. The redesigned 43,000-square-foot building will serve as an innovation hub for CSC's teams, offer co-working spaces, event space, and a waiting area for Amtrak and SEPTA travelers.
- Dayka & Hackett announced plans in January 2021 to invest \$3.5 million and create 18 new jobs, moving their headquarters, sales office, and packaging operations to the Port of Wilmington.
- Concord Pet Foods and Supplies began converting a 23,000-square-foot building in South Wilmington into a storage and distribution center by October 2021.
- Jerry Deen's LLC opened a new restaurant and added five new jobs in Wilmington's Eastside neighborhood in April 2021 after utilizing an economic development grant with the City of Wilmington and True Access Capital.
- Law firms that announced business expansions in Wilmington during fiscal year 2021 include Armstrong Teasdale LLP; Reid Collins & Tsai LLP; Block & Leviton LLP; Whitbeck Bennett; Saxena White PA; Porzio Bromberg & Newman; Lewis Brisbois Bisgaard & Smith LLP; and Edelstein Martin & Nelson LLP.

Real Estate Development

The City has seen approximately \$525 million dollars of private development activity continue throughout fiscal year 2021, despite a statewide shutdown due to COVID-19. Investment in the multi-family housing market remains an area of focus for the City. The growth in this market allows for new residents to relocate to Wilmington, contributing to additional wage tax revenue and the expansion of the City's professional workforce – a key consideration of business relocation. In total, there are 20 housing projects in development, accounting for over 1,100 new units throughout the City. Additionally, five housing projects accounting for 730 new units were completed in 2020 in the Downtown, Riverfront, and West Side areas. Other real estate development highlights include:

- Washington Place Equities started construction of River House, a \$28 million apartment complex located at 401 A Street, bringing 145 new residential units to South Wilmington with an estimated completion date of Spring 2022.
- Crosby Hill, a \$62 million apartment complex located at 517 Shipley Street, started construction and is set to open in late 2022. The new complex will add 208 units to Wilmington's Downtown area, spread over two four-story buildings and one 11-story building.
- W.T. Partners completed renovations of the historic Warner building located at 927 N. Orange Street, adding six new residential units and renovating two ground floor commercial units in Wilmington's Central Business District.
- The Buccini Pollin Group completed construction of The Cooper, located in 210 North Market Street, in Spring 2021 and started leasing its 92 apartment units. The project also preserved the historic façade of the Cooper Building.
- Yada properties purchased the former Saville building, located at 521 North King Street, in January 2020 and started construction converting the 42,000-square-foot building into 42 residential units in Wilmington's Downtown area.
- Tsionas Management completed construction of 2000 Penn Ave in Summer 2020 and started leasing 208 residential units in Wilmington's West Side.
- Buccini Pollin Group's 101 Dupont Place, located in Downtown Wilmington's Dupont Building, opened for leasing in Summer 2020 and includes 184 luxury residential units, a large ballroom, and rooftop deck.
- Light Action Productions will complete construction of their 150,000-square-foot facility on the 7th Street Peninsula in Summer 2021. The \$15 million project will bring 85 new employees over the next five years and feature a live entertainment production warehouse, video and lighting studios, and a 95-foot-tall sound stage to serve the pre-production needs of live entertainment acts.
- The Challenge Program started construction of their 14,000-square-foot facility at the former Marina property on the 7th Street Peninsula in Summer 2020. The expansion will provide a wood and metal shop for the fabrication of fine quality furniture and create 12 new full-time jobs.
- Whiting-Turner Contractor Company started construction on a \$31 million conversion of an 11-story office building located at 1220 North Market Street into a 134-room Staybridge Suites hotel.
- The Buccini Pollin Group and Method Residential started construction on the former Security Trust & Safe Company Building, located at 519 North Market Street, to renovate the building into a 25-room boutique hotel along with three food and beverage concepts.
- Wilma's, a new recreation hall with an arcade and duckpin bowling, will open at 902 North Market Street in Fall 2021 to offer a new 5,700 square foot entertainment and dining option in Wilmington's Central Business District.
- Abessinio Stadium opened in November 2020, completing a \$25 million reconstruction project of the former Baynard Stadium in Brandywine Park. The renovated stadium is now a part of the state park system and will serve the recreation needs of Salesianum School as well as the general public.

Riverfront Development

In May 2021, the Riverfront Development Corporation revealed comprehensive plans for Riverfront East, a \$100 million, 86.3-acre mixed-use development project along the east bank of the Christina River. The first phase will involve the construction of public infrastructure, such as roadways, stormwater management features, parking facilities, a riverwalk, and a large central green space. This initial phase of work, which is projected to cost \$30 million and create 179 new construction jobs, is expected to be completed by the end of 2023.

Overall, the project will bring the following assets to an underutilized portion of the City:

- 4,291 new residential units
- 1.9 million square feet of commercial office space
- 357,000 square feet of retail space
- Four major green spaces
- 650 on-street parking spaces
- 8,900 spaces in parking garages

Conclusion

Wilmington remains a key component of the \$400 billion Philadelphia-Wilmington-Camden metropolitan economy, enjoying all of the metro-wide area's economic advantages, but with a lower comparable cost-of-living, shorter commutes, and a centralized location that allows easy access to all the major mid-Atlantic metro areas. These fundamental strengths will remain despite the continued economic recovery from the COVID-19 pandemic. Continued investment in, and transformation of, the City's Downtown, Riverfront, and residential neighborhoods will help Wilmington remain regionally and nationally competitive as the economy fully recovers.

CITIZEN'S GUIDE TO THE BUDGET PROCESS

The Budget Process

For a one-page summary of the budget process please see the Budget Process Calendar on [page 19](#).

Step one of the Budget is actually a year round process in which input provided by the public and elected officials is used to help determine the appropriate level of services and to prioritize any initiatives. Community meetings, surveys, and presentations are used to gather information.

The first internal process related to the Budget runs from September through about mid October. Using First Quarter revenue and expenditure results, along with preliminary year-end data from the prior Fiscal Year, the Office of Management and Budget (OMB) and the Finance Department evaluate the City's financial position and prepare forecasts for the next Fiscal Year. At this same time, the Mayor and department heads are developing the strategic plan goals, objectives, and performance measures on which spending decisions and staffing level requests will be based.

During the months of October and November, OMB develops a baseline budget known as the Level I (one) Budget. The Level I Budget is built on a modified zero-based budget process. A zero-based budget process is one in which every single dollar of every single line item must be fully justified and documented. Until that is done, the line item remains zeroed out.

For the City, all discretionary personnel budget line items, such as overtime and temporary salaries are zero-based, as are line items such as travel, registrations, consultants, and office equipment. However, with line items such as Social Security, healthcare benefit costs, pensions, and debt service, in which OMB makes the calculation of cost, no documentation is required by the department and the amounts deemed appropriate by OMB are built into the Level I Budget.

In other limited cases, such as with utilities, office supplies, repairs to equipment, and printing, the current year's budget allotment is reduced 20%, and then this reduced figure is put in as the new Level I amount. For those line items, Departments have to justify only the portion of their request that exceeds the 80% given to them by OMB. Any request by a department above the Level I amount is considered Level II and must be fully justified and documented.

All materials and instructions necessary for Department Heads to craft their budget requests are given to them during the Budget Kick-off meeting, which is held the first week in December. Part of the material they receive includes the Level I Budget developed by OMB. It should be noted that requests for staffing increases or position upgrades go through an additional extended review process that includes the Human Resources Department and Mayor's Office. The deadline for budget submissions by Departments is the second week in January.

From the third week of January through the first two weeks of March, there are two formal rounds of departmental budget meetings. The first round is with OMB and the second round is with the Mayor's Chief of Staff. As necessary, there are often one or more ad hoc follow-up meetings after the formal hearings have occurred. During this process, OMB and the Mayor's Office review and evaluate requests and make final recommendations as to funding. At the same time, the Capital Budget and Program is reviewed, and funding changes are recommended by the Planning Commission. The Planning Commission is a board composed of appointed citizens and City Officials.

After the Proposed Budget has been finalized, the Mayor submits the Budget, revenue projections and tax and fee rates to City Council in the form of the Budget Address and ordinances, usually on the third Thursday in March. At this time a Proposed Budget Book produced by OMB is made available to the public.

The Finance Committee of City Council then holds a series of public hearings with each Department in which funding levels are scrutinized and in-depth question-and-answer sessions are held. The time frame for these hearings is usually the first week of April through the second week of May. The public is invited and encouraged to attend the City Council Finance Committee Budget Hearings that take place during the weeks following the Mayor's Budget Address. Copies of the Proposed Budget Book are made available to the public at all of the budget hearings.

It is also during the time of the hearings that the Wilmington Economic and Financial Advisory Council (WEFAC) meets to certify the City's revenue projections underlying the Budget. WEFAC was created in 1994 and is composed of ten members appointed by the Mayor. Its membership consists of business, academic, and financial leaders with multifaceted expertise and experience. WEFAC's primary functions are to advise the Mayor on revenue projections and trends, and to provide a sounding board on issues of urban economics. It is important to note that, by law, City Council cannot alter the Mayor's revenue budget projections.

After the Finance Committee has completed its hearings, meetings are held in which City Council and the Administration leadership finalize agreement on the Budget. By the third Thursday in May, City Council votes on the Budget. By law, City Council must approve a balanced Budget by June 1st. For the Budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits. Once completed, the Approved Budget Book is accessible on the City's website at <https://bit.ly/WDEBudget>. OMB also provides free hard copies of the Approved Budget Book upon request.

Amending the Budget

After the start of the fiscal year, OMB has the authority to transfer budget allocations between accounts that are within the same Fund, Department, and Account Group. Account Groups are Personal Services; Materials, Supplies & Equipment; Debt Service, etc. Any other type of transfer, such as between Funds, Departments or different Account Groups, requires City Council approval by passage (through a simple majority vote) of an amending budget ordinance. The same holds true for any addition or deletion to the budget.

According to City Charter (Sec. 2-301. Other Appropriations) "*The Council may not make any operating appropriations in addition to those included in the annual operating budget ordinance except:*

- a. *To meet emergencies which could not be anticipated when the operating budget ordinance was passed;*
- b. *To pay the expenses of holding special elections and elections on proposals to amend this Charter;*
- c. *To pay the cost of councilmanic investigations and inquiries and the compensation of attorneys retained by the Council as authorized by this Charter."*

City Council must determine and approve the revenues by which an addition to the budget will be funded.

Capital Program and Capital Budget

Prior to the passage of the annual operating budget ordinance, Council must adopt a capital program and a capital budget. The Capital Program is a six-year plan listing projects for the purchase of property, equipment and public improvements that are of a permanent nature. The Capital Budget enacts spending authority for the first year of projects listed in the six-year Capital Program. Generally, a capital project is fixed in nature, has a relatively long life expectancy, and requires a substantial financial investment. Capital projects traditionally take the form of large-scale physical developments, such as buildings, streets and water mains. However, a wide range of other projects qualify for capital funding consideration, including fire fighting apparatus, street lighting, and computer software. **Please see the [Capital Program](#) section of this document on page 251 for more details.**

The Capital Program is presented by the Mayor with the recommendation of the Planning Commission to City Council for approval. Council may delete projects from the program but may not otherwise amend the Capital Program unless requested through the Mayor and Planning Commission. The majority of the Capital Budget is funded using bond proceeds. Bonds enable the costs of projects with long-term benefits to be spread over many fiscal years. Bonds are usually issued for twenty years and are structured to match the usefulness of projects financed and the fiscal policy of the City.

Due to the planning required and in order to reduce the costs of bond issuance, the City has adopted a procedure of issuing bonds on a biennial basis. Therefore, capital projects are budgeted in only even numbered fiscal years, and ordinances regarding the Capital Program and Budget in odd numbered years are normally insignificant and represent more of a formality than a substantive process.

The Capital Improvement Program (CIP) is designed to coordinate the biannual capital budgeting process with the operating budget process. The process includes: a) the establishment of a twelve-month capital project spending review; b) an inventory and needs assessment of existing capital facilities; c) the publication of a procedures manual; d) the creation of workshops to facilitate participation; and e) a combined review period for the CIP and the operating budget.

Public comment on the Capital Program and Budget is obtained during operating budget hearings and meetings of the Planning Commission.

Accounting and Budgeting Basis

The City's budget is prepared using the same basis of accounting methods and procedures utilized to prepare the [Annual Financial Report \(Annual Report\)](#). The City's Annual Report for FY 2020 was awarded the Certificate of Achievement in financial reporting by the Government Financial Officers Association (GFOA).

The City's financial statements and budget are prepared to conform to the standards of financial reporting set forth by the Government Accounting Standards Board (GASB) in its various Statements and Interpretations. As such, Funds are utilized to segregate the specific purposes and operations of the various activities of the City.

The City utilizes four major funds: The General, Special, Water/Sewer, and Internal Service funds for both budgeting and accounting purposes (**please see [Description of Appropriated Funds on page 25](#)**). Funds can be thought of as being like the subsidiaries of a major conglomerate corporation. Each subsidiary is responsible for its own operational results and strategy, yet is still part of the larger conglomerate corporation when it comes to overall management and financial results.

The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis** in which revenues are recognized when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers General Fund revenues to be available if they are collected within 60 days after the end of the fiscal year.

The Water/Sewer and Internal Service funds are budgeted and operate under the **accrual method** (used by most businesses) in which all revenues and expenses are recorded when recognized (i.e. when earned for revenues and when incurred for expenses), rather than when cash is collected or paid out.

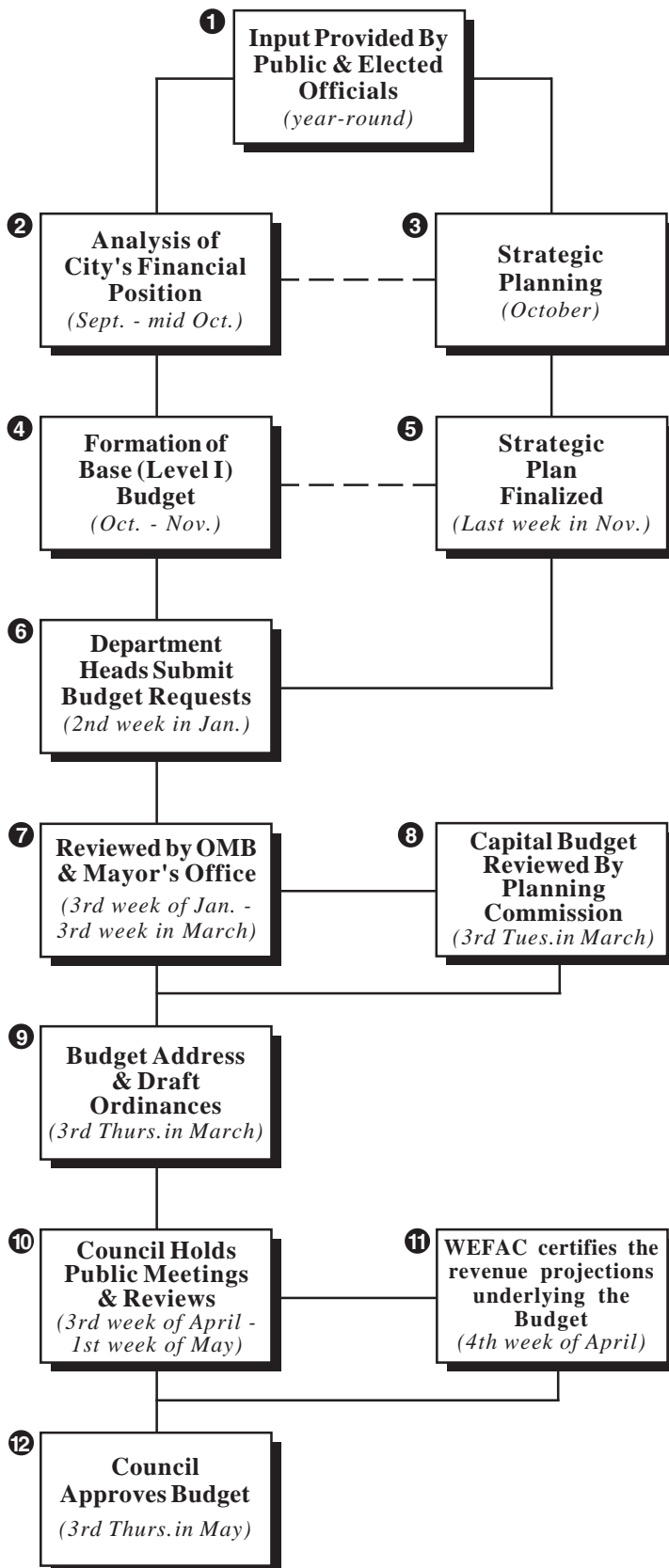
The major differences between the Modified Accrual Basis and Accrual Basis for both budgeting and accounting in the City's major funds are:

- Depreciation of fixed assets is budgeted and expensed in the Water/Sewer and Internal Service funds. In the General Fund, however, no depreciation is budgeted or expensed, rather the *total cost* of fixed asset acquisitions are budgeted and then expensed when purchased.
- The total cost of fixed asset acquisitions in the Water/Sewer and Internal Service Funds are also budgeted, but only to establish an appropriation line item for spending authority. The fixed asset budgeted amounts and actual purchase amounts are reversed through the use of an equal but negative capitalization account. The fixed asset purchases are then expensed over their useful life through the depreciation account.
- Only interest payments are budgeted and expensed for debt service in the Water/Sewer and Internal Service funds; however, both principal and interest payments are budgeted and expensed in the General Fund.

Questions and Feedback About the Budget

The public is welcome and encouraged to provide feedback and ask questions about the annual budget by contacting us at the following link: <https://www.wilmingtonde.gov/about-us/contact-us>.

BUDGET PROCESS CALENDAR



- ① Community meetings, surveys, and presentations are used to gather information regarding services and issues.
- ② The Office of Management and Budget (OMB) evaluates the City's financial position and prepares preliminary forecasts for next fiscal year.
- ③ The Mayor and Dept Heads develop strategic plan goals and objectives.
- ④ OMB develops a baseline or Level I budget from historical data, trends, local economy and strategic plan.
- ⑤ Strategic Plan is finalized.
- ⑥ Based on Strategic Plan results and Level I amounts, departments submit budget requests to OMB.
- ⑦ During departmental meetings, OMB and the Mayor's Office review and evaluate requests, making recommendations as to funding.
- ⑧ The Planning Commission, a board of appointed citizens (5) and City officials (2), reviews and recommends a Capital Budget and Program to City Council.
- ⑨ The Mayor submits budget (operating and capital), revenue projections and tax rates for next fiscal year to City Council.
- ⑩ The Finance Committee of City Council holds public meetings on Mayor's proposed budget for each City Dept.
- ⑪ The Wilmington Economic and Financial Advisory Council (WEFAC) reviews, analyzes and certifies the revenue projections underlying the Budget. WEFAC consists of regional business, financial, and academic leaders appointed by the Mayor.
- ⑫ The City Council must approve a balanced budget by June 1 or 30 days prior to start of fiscal year.

WILMINGTON STRATEGIC PLAN

VISION STATEMENT

To Be a Thriving City, Where Communities Are Safe, Businesses Are Eager to Invest, and People Prefer to Live.

FOCUS AREA

EFFECTIVE CITY GOVERNMENT

To Meet Citizens' Service Needs in a Professional, Caring, and Efficient Manner

- | | |
|--------------------|-------------------------------|
| City-wide goal #1: | Embrace a Culture of Service. |
| City-wide goal #2: | Increase Accountability. |
| City-wide goal #3: | Enhance Fiscal Prudence. |
| City-wide goal #4: | Ensure Transparency. |

FOCUS AREA

PUBLIC SAFETY

To Decrease Crime and Improve Residents' and Visitors' Sense of Security

- | | |
|--------------------|--|
| City-wide goal #5: | Prevent and Deter Violent Crime. |
| City-wide goal #6: | Cultivate Positive Community Relationships. |
| City-wide goal #7: | Promote Professionalism. |
| City-wide goal #8: | Reintegrate Formally Incarcerated Individuals. |

FOCUS AREA

ECONOMIC VITALITY

To Increase Opportunities for Citizens and Businesses to Achieve Economic Success

City-wide goal #9:	Streamline Permitting Process.
City-wide goal #10:	Build a Skilled Workforce.
City-wide goal #11:	Cultivate Entrepreneurship.
City-wide goal #12:	Attract, Retain, and Expand Business.

FOCUS AREA

QUALITY OF LIFE

To Enhance the City's Position as a Desirable Place to Live, Work, and Play

City-wide goal #13:	Offer Enhanced Recreational Opportunities.
City-wide goal #14:	Support Enriching Cultural Experiences.
City-wide goal #15:	Enhance City Services.
City-wide goal #16:	Inspire Young People to Achieve Success.
City-wide goal #17:	Improve Housing Quality.
City-wide goal #18:	Enhance Environmental Sustainability.

MESSAGE ABOUT THE NEW STRATEGIC PLAN PERFORMANCE MEASURES

Because the City of Wilmington is committed to providing the public with detailed information about its finances and operations, it has partnered with OpenGov to develop an interactive platform that provides easy access to a wide variety of data about the City of Wilmington. Users will find information about how the City spends its money on operations and how it allocates funds for infrastructure and other capital projects. In addition, OpenGov will display dynamic performance data pulled from the City's Strategic Plan.

In order to ensure that the Strategic Plan will be accurate, relevant, and meaningful to constituents and other OpenGov users, the City decided to reevaluate the departmental objectives related to the Strategic Plan in order to meet the following criteria:

1. Can the objective be easily and consistently measured over time?
2. Does the objective measure the department's success in serving the public?
3. Does the objective measure the department's success in improving the quality of life of City residents?

The FY 2022 budget document includes annualized Strategic Plan measurements for each participating department. Because many of the departmental objectives are new, data for prior years is not always available. Included with each departmental Strategic Plan is a link to the department's OpenGov page. This page includes dynamic data for each measurement, while also providing up-to-date information about the department's budget and expenditures. A compilation of these pages may be found here: <http://bit.ly/WDeDSOG>.

STATEMENT OF FINANCIAL POLICIES

1. The City Code requires that the operating budget be balanced. Operating expenditures cannot exceed the total sum of projected revenues plus use of prior years' accumulated surplus (as approved by Council). Our financial policy extends the Code to include the following:
 - Enterprise Funds shall be self-sufficient and budgeted with a surplus or break-even operations. Water and Sewer user fees shall be adjusted to provide adequate cash flow to sustain water and sewer operations and the necessary infrastructure.
 - Internal Service Funds shall be budgeted at break-even with internal charges equal to expenditures. The Risk Management Fund shall be an exception in that this fund should, if possible, produce a positive fund balance. The building of a positive fund balance is important in risk management because a catastrophic fund balance reserve must be established. When the catastrophic reserve is established at an actuarially determined level, a balanced budget should be maintained.
 - Prior years' accumulated surpluses can be included in projected revenues with the exception of those funds designated for debt service, encumbrances or the Budget Reserve Account (see Policy #2). This policy limits tax increases because prior years' surplus are used prior to revenue enhancements.

2. Wilmington's financial position shall be managed conservatively. The following strategies shall be deployed:
 - The City shall maintain a Budget Reserve Account or "Rainy Day Account" equal to 10% of the General Fund Operating Budget. The Budget Reserve is to be used only in emergencies as declared by the Mayor and approved by a two-thirds majority vote of City Council.
 - One-time, temporary, or highly volatile sources of funding shall not be used to incur long-term or permanent increases in expenditures.
 - Operating contingencies shall be budgeted annually for general miscellaneous contingencies, snow removal, and contingencies due to new or increased business activity.
 - Appropriations for pensions and retiree healthcare costs shall include amounts for current expenses, along with amounts amortizing prior unfunded liabilities, as actuarially determined and approved by the City Treasurer and the independent Board of Pension and Retirement.
 - The Risk Management Fund or Self-Insurance Fund shall maintain a fund balance reserve for catastrophic losses, in addition to the actuarially-calculated liability.

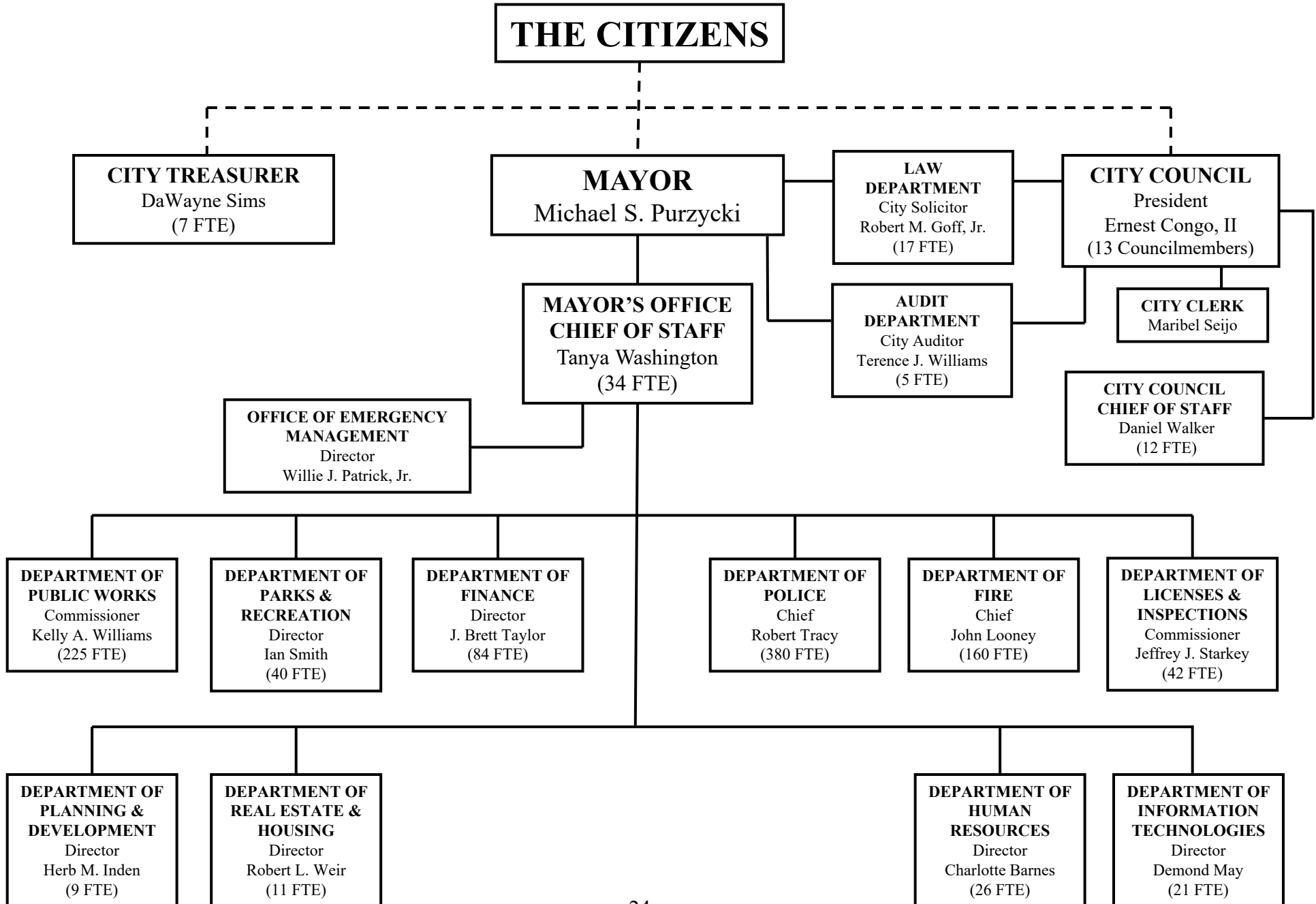
3. A target of 80% or more of the General Fund or operating budget should represent direct essential services deemed as priorities by the citizens, such as Police, Fire, Public Works, Parks & Recreation, and Licenses & Inspections.

4. Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such the Consumer Price Index (CPI) or Producer Price Index (PPI). Cost containment should be achieved without elimination of services or programs. New programs should be implemented only through cost savings from existing programs. Innovation and new technology must be utilized to achieve the most cost-effective service delivery.
5. Revenue generation will be derived from various sources with the primary focus on economic development activities. The broadening of the tax base, rather than increases to tax rates, is the objective; however, real estate tax rates and various user charges should be periodically adjusted to account for inflation. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 98% or greater.
6. All components of Wilmington's infrastructure, including roads, water/wastewater transmission lines, water and sewer treatment plants, traffic signals, parks, public property, bridges, street lighting, reservoirs, and other capital assets shall be reviewed quarterly, and planned maintenance or replacement shall be approved by the Planning Commission and included in the City's Capital Budget and Program. Unexpended funds from previous Capital Budgets shall be reviewed quarterly to determine whether a former project has been temporarily delayed, altered, or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount of new borrowing and subsequent interest charges.
7. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Although total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law, the City shall strive to keep that percentage to below 11%.
8. The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

Policies are reviewed annually for relevance and are the guidelines used during the strategic planning and budgeting processes. Adherence to the policies is checked on a monthly, quarterly, and annual basis through a number of vehicles, such as the Expenditure Review Board, the Capital Review Committee, the Administrative Board, and the Wilmington Economic and Financial Advisory Council (WEFAC). This multifaceted process of review and analysis reveals no deviations from the policies have occurred over the last fiscal review period.

CITY OF WILMINGTON ORGANIZATION CHART

WITH DEPARTMENT STAFFING SHOWN IN FULL TIME EQUIVALENT (FTE) POSITIONS



DESCRIPTION OF APPROPRIATED FUNDS

The General Fund encompasses basic municipal operations and services, such as police and fire protection, residential trash collection, general governmental operations, etc. Revenues are derived from taxes, fees, fines, and interest on investments. The General Fund is designated as a governmental fund.

Special Funds contain specialized activities/services that are funded from specific sources including other governmental units, endowments, trusts, and agencies. Special Funds are designated as governmental funds.

- **State Aid to Local Law Enforcement (SALLE) Funds** are State of Delaware grants to be used for specific policing programs.
- **Parks Trust Fund** reflects contributions to the City from trusts to be used in the maintenance and improvement of specific City-owned parks. Only the contribution from the trusts to the City are appropriated and shown in the budget.
- **Municipal Street Aid Fund** reflects the fiscal activities regarding a special State of Delaware appropriation for street maintenance and lighting.
- **Parks Assistance Fund** represents City activities in summer youth programs, senior programs, and other recreational and meal programs funded through federal and state grants.
- **HUD Section 8 Funds** are used exclusively for rental subsidies for aged and economically disadvantaged persons. Funding is obtained from the U.S. Department of Housing and Urban Development (HUD).
- **Community Development Block Grant (CDBG) Funds** are federally-funded activities administered by City staff and subrecipients for urban renewal and development.
- **Home Partnership Funds** are federal funds that address a variety of housing assistance programs to benefit low-to-moderate income City residents.
- **Pension Administration Funds** shown in the budget reflect the costs related to the administration of the City's five employee pension plans. The pension fiduciary trust funds themselves (including pension payroll and investment income) are not appropriated by City Council, but are controlled by an independent Board of Pensions.
- **Emergency Shelter Grant** is designed to improve the quality of emergency shelters for the homeless. Funding for this program is awarded through HUD.
- **Local Law Enforcement Block Grant (LLEBG)** is awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.
- **New Castle County (NCC) Police Grant; NCC Fire Grant** are grants provided by New Castle County for supporting City policing operations, new Fire apparatus, and ambulance subsidy payments.
- **Delaware State Fire Grant** is provided by the State of Delaware to all fire departments throughout the State to assist them in purchasing specialized gear and equipment and to provide funding for specific safety training programs.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

Special Funds (continued)

- **Byrne Grant** is a federal award to support interdisciplinary activities to prevent and control crime.
- **The Community Oriented Policing Services Office (COPS) Grant** is a federal award to help law enforcement agencies to hire more community policing officers, to acquire new technologies and equipment, and to promote innovative approaches to solving crime.
- **Workforce Investment Board (WIB)** is a U.S. Department of Labor program that provides funding for community occupational training and employment service opportunities.
- **Staffing for Adequate Fire and Emergency Response (SAFER)** is a federal grant providing funding directly to fire departments to help them increase the number of trained “front line” firefighters available in their communities.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program** is a federal grant providing housing assistance and supportive services for low-income people with HIV/AIDS and related diseases and their families.
- **Local Emergency Planning Committees (LEPC)** funding is provided by the U.S. Environmental Protection Agency to help communities work to understand chemical hazards, develop emergency plans in case of an accidental release, and look for ways to prevent chemical accidents.
- **CATV** funding is provided by the annual fee paid by Comcast for its cable franchise in the City of Wilmington. City Council created the CATV fund to support the activities of the City’s Cable channel 22 WITN station which is managed by City Council.
- **CARES Act** is a federal program providing economic stimulus payments to individuals, small business, and state and local governments in response to the effects of the COVID-19 pandemic. Funding is provided to the City of Wilmington via New Castle County.

The Water/Sewer Fund summarizes the City's water production and distribution, sewage treatment and disposal activities, along with stormwater control. Expenditures regarding these activities are funded by water, sewer, and stormwater service charges.

The Commerce Fund (defunct) had reflected the revenues and expenditures of the Port of Wilmington, as well as the administration of the economic development arm of the City. Revenues were primarily derived from Port of Wilmington service charges. The Port of Wilmington was sold to the State of Delaware in Fiscal Year 1996. Revenues received from the State were the sale proceeds (as a mortgage amortized over 30 years) and reimbursement of the previously existing Commerce Fund debt service which remained on the City’s books.

Then in February of 2002, the Port and City entered into an agreement whereby the State would pay the City a lump sum of \$8 million to pay off the remaining mortgage payments owed to the City by the Port. The debt service reimbursement portion of the previous agreement was unaffected by this lump sum prepayment. State law dictated, however, that the remaining fund balance of the Commerce Fund had to be used by the City exclusively for economic development activities.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

Thus, it was the mandated policy that the fund balance of the Commerce fund continue to be drawn down for economic development activities until the fund balance was depleted. Once the fund balance was spent down, as planned, those economic development activities and costs would be merged into the General Fund.

In FY 2009 the Commerce fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt reimbursement revenue from the State, were moved and budgeted in the General Fund.

Internal Services Funds are used to summarize City-wide common expenditures in one area, then to allocate such expenditures to the various departments in the General and Water/Sewer Funds. The funds have been segregated into these categories.

- **Administrative Services:** Communications; Data Processing; Duplication and Reproduction; Mail Services; Mapping and Graphics; Motor Vehicle; Word Processing. In FY 2020, all Administrative Services Funds, except for the Motor Vehicle Fund, were eliminated and their activities transferred into the General Fund as part of the new Department of Information Technologies.
- **Self-Insurance:** Risk Management; Workers' Compensation; Health and Welfare (Employee Healthcare)

Funding Appropriation

The City's Non-Special Funds are appropriated through the Budget Process and approved by City Council through City Ordinance.

Most of the City's Special Funds are also appropriated through the budget process, but there are notable exceptions, such as the Pension and Parks Trust funds. While a small portion of administrative costs related to these two funds is appropriated and shown in the budget, the large majority of activities, revenues, and costs of these funds is controlled by legally independent boards and trusts, and are not appropriated through the budget process.

Only those Funds (or portions of those Funds) in which the City Council can appropriate expenditures are included in the budget document.



BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2022

The General Fund

- The FY 2022 General Fund operating budget expenditures total **\$172,702,401** – up \$9,201,352 or 5.6% from FY 2021. The budget was balanced with use of \$6.17 million from the Tax Stabilization Reserve.
- The budget contains a \$1.9 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$754,200 to the budget.
- Staffing decreased by a net total of 2.92 full-time equivalents (FTE), and includes changes made in the mid-FY 2021 budget amendment, along with the results of the latest biennial employee appeals process. Those changes, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net decrease of \$496,591. The component cost of the appeals process in the General Fund was \$111,374. The appeals are not included in the departmental staffing discussion below.
 - The Policy Analyst in the Mayor’s Office Administration Division was upgraded to the position of Deputy Chief of Staff of Operations at cost of \$16,347.
 - The Finance Department decreased by a net 0.80 FTE. A Parking Regulation Enforcement Officer (PREO) position was eliminated for a savings of \$66,860. The Senior Financial Analyst was upgraded to a Senior Financial Officer at a cost of \$6,564. The Customer Service Representative II was upgraded to a Settlement Clerk and the funding for the position was changed from 50% General Fund and 50% Water/Sewer Fund to 20% General Fund and 80% Water/Sewer Fund, resulting in a 0.30 FTE decrease and a savings of \$22,291. Lastly, a Delinquent Accounts Officer position was upgraded to a Delinquent Accounts Agent and the funding for the position was changed from 100% Water/Sewer Fund to 50% General Fund and 50% Water/Sewer Fund. This added 0.50 FTE to the General Fund at a cost of \$39,193.
 - The vacant Administrative Assistant II position in the Planning Department was eliminated for a savings of \$85,799 and a reduction of 1.00 FTE.
 - The Real Estate & Housing Department increased by a net 0.13 FTE for a cost of \$13,425. The split-funded (50% General Fund and 50% Federal HUD Funds) Acquisition and Disposition Manager was eliminated (saving \$57,874) and replaced with a new split-funded (75% General Fund and 25% Federal HUD Funds) position of Director of Development for a cost of \$83,585. Finally, because of additional federal funding, the split-funded Program Administrator position was changed from being funded 21% General Fund and 79% Federal HUD Funds to 9% General Fund and 91% Federal HUD Funds, saving the General Fund \$12,286 and resulting in a reduction of 0.12 FTE.
 - In the Parks & Recreation Department, a vacant General Laborer I was eliminated for a \$59,205 savings and a reduction of 1.00 FTE.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2022

The General Fund (continued)

- The vacant Building Permit Director position in Licenses & Inspections was downgraded to a Permits Coordinator, saving almost \$11,700.
- The Fire Department has converted two Battalion Chief positions, one Captain position, and eight Lieutenant positions into 11 firefighter positions that will save \$541,314 and increase personnel available to ensure minimum staffing of apparatus is met without incurring excessive overtime. In addition, the vacant Fire Plans Examiner position was deleted, saving \$94,732 and reducing the Department by a net 1.00 FTE.
- The Police Department increased a net 1.00 FTE. The mid-FY 2021 budget amendment added funding for a Police body camera program that included expanding the authorized strength of the Department by adding a Sergeant and three Patrol Officer positions at a cost of \$384,635. For the FY 2022 budget, three vacant civilian positions (a Police Records Specialist, a Communications & Data Specialist, and a Document Management Technician) were eliminated for a total savings of \$198,505. This savings was slightly offset by the \$2,073 increase resulting from the upgrade of two Teleserve Operator positions to Emergency Call Operators.
- Total Debt Service increased a net \$3.38 million. Last fiscal year's budget was reduced by \$3.81 million to reflect the projected one-time savings from the then-pending refinancing of two older bond issues. The refinancing took place November 2020 and resulted in unexpected additional savings of \$552,000 that carries over into FY 2022. This carryover savings helped offset the increase to FY 2022 caused by the elimination of last fiscal year's \$3.81 million in one-time budgeted savings.
- To meet the requirements of GASB pronouncement #24 (regarding on-behalf payments), annual funding received from the State of Delaware supporting the City's Police and Fire pension trust funds is booked as a pass-through in the General Fund. This means that the State funding is shown as a General Fund revenue source offset by an equal amount budgeted in the State Pension Contribution expenditure accounts in the Police and Fire departments. For FY 2022, the State grant was increased by almost \$586,300, which in turn increased the State Pension Contribution account by the same amount.
- Contracted Maintenance Services increased by almost \$567,000 in the Police Department for a variety of projects and issues. The Department entered into a five-year contract with Axon to supply body camera equipment. The cost of that contract in FY 2022 is \$265,500. The Department is upgrading the security camera system in the Public Safety building at a cost of \$185,000. Finally, the annual contract cost for ShotSpotter (the gunshot detection system) is increasing by \$81,156 because the cost of the expansion in area coverage made last fiscal year was covered by a grant that will not carry over into FY 2022.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2022

The General Fund (continued)

- As part of a broad initiative to increase the speed, effectiveness, and return on its collection efforts regarding Wage Tax, Net Profits Tax, and Head Tax, the Finance Department requested \$570,000 in additional funding. \$400,000 will pay for the services of collection specialists, with the remaining \$170,000 to pay for the services of a law firm with expertise in scofflaw issues and debt collection legal proceedings. The \$570,000 increase in expense is projected to result in a three-to-one return of \$1.71 million in additional revenue in FY 2022.
- There were major increases in Consultants in Fire (up \$156,900), Police (up \$125,000), the Mayor's Office (up \$105,900), Finance (up \$100,000), HR (up \$100,000) and Licenses & Inspections (up \$92,000). Police and Fire have biennial employee job promotion processes administered by specialized consultants. Because FY 2022 will be an active year, a large part of the increases in Police and Fire are to cover the fees of those consultants. Fire and Licenses & Inspections each deleted their vacant plans examiner positions and replaced them with one consultant that will split his time between the two departments. The Mayor's Office increase will be used to provide more support for arts and cultural activities and to hire a federal grants consultant. The increase in Finance is to assess the feasibility and implementation of an online wage tax filing system. Finally, in HR the \$100,000 increase will fund two separate items. One is a study regarding the implementation of a new classification and compensation system for \$50,000. The remaining \$50,000 is for what is being called City University, a varied series of employee training and development opportunities provided by consultants.
- The Department of Information Technologies added funding for the migration of the City's on-site computer system (MUNIS) to the cloud. Tyler Tech will provide MUNIS application services over the internet while retaining all data in a cloud environment much like Microsoft Office 365. In addition, funding to purchase Winston Benefits software will provide remote employee benefits on-boarding services. Together, these initiatives increased the Computer Software Licenses account by \$455,000.
- Funding of \$350,000 was added to the Mayor's Office for the creation of a Gun Violence Prevention Program (\$300,000) and to institute a Police Citizens Review Board Panel (\$50,000).
- Funding for Wilmington's Beautiful City Initiative was increased by \$300,000 (from \$400,000 to \$700,000) to support the expansion of the highly successful Neighborhood Clean Team program into more neighborhoods. This program, now heading into its fourth year, hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
- The Motor Vehicle Costs account increased by over \$223,000, driven largely by the expansion of specialized equipment in the Parks & Recreation Department.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2022

The General Fund (continued)

- Support for the Wilmington Neighborhood Conservancy Land Bank in the form of a \$500,000 grant was put into the budget of the Department of Real Estate & Housing. This is a decrease from the \$1.0 million grant given last fiscal year. The Land Bank was established to acquire, manage, and maintain vacant, abandoned, and foreclosed properties to restore and re-purpose them to productive use. To successfully accomplish its mission, the Land Bank requires periodic infusions of cash from the City as outlined in a memorandum of understanding.
- The Parks & Recreation Department is expanding the summer pool program to run for 10 weeks instead of the usual eight weeks. In addition, all City pools will be open six days per week (closed only on Mondays) and with daily hours expanded to be 12:00 pm to 7:00 pm. The additional temporary personnel cost added to the budget to support the expanded pool program is just under \$123,700.
- There is no increase to the Property Tax rate. The Budget is balanced with the use of \$6.17 million from the Tax Stabilization Reserve.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2022

The Water/Sewer Fund

- The FY 2022 Water/Sewer Fund operating budget expenditures total **\$79,567,575** – up \$1,759,742 or 2.3% from FY 2021. The FY 2022 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.
- The budget contains a \$254,000 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added almost \$82,300 to the budget.
- Staffing increased by a net total of 0.80 FTE, and includes the results of the latest biennial employee appeals process. Those changes, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$72,758. The component cost of the appeals process in the Water/Fund was \$17,204. The appeals are not included in the departmental staffing discussion below.
 - The Finance Department increased by a net 0.80 FTE. A Meter Reader position was added for a cost of \$63,376. The Customer Service Representative II was upgraded to a Settlement Clerk and the funding for the position was changed from 50% Water/Sewer Fund and 50% General Fund to 80% Water/Sewer Fund and 20% General Fund, resulting in a 0.30 FTE increase and a cost of \$22,291. Lastly, a Delinquent Accounts Officer position was upgraded to a Delinquent Accounts Agent and the funding for the position was changed from 100% Water/Sewer Fund to 50% Water/Sewer Fund and 50% General Fund. This reduced the Water/Sewer Fund by 0.50 FTE for a savings of \$39,193.
- The Finance Department added almost \$393,000 in the Consultants account to assist in the replacement of the current water utility billing system. Some of the major tasks expected to be performed would be defining system requirements, assisting in the preparation and issuance of requests-for-proposals, and vetting and selecting the best vendor.
- The Contracted Maintenance Services account increased a net \$353,500. Two items explain nearly all the change in funding in the account. The contract fee to Jacobs to operate and maintain the City's sewage treatment plant and help manage the City’s renewable energy bio-solids facility increased 2.8%. This resulted in an increase of \$550,000. However, this was offset by a reduction of \$200,000 in the water tank painting maintenance program.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2022

The Water/Sewer Fund (continued)

- The Repairs to Equipment account in the Water System Division increased by over \$234,000. The projected cost for the replacement of the solar invertors and panels at the Porter Filter Plant and the Turner Building was increased \$100,000 (from \$600,000 to \$700,000). In addition, \$100,000 was added for the replacement of steam and condensate piping at the Porter Filter Plant.
- \$211,000 was added to cover a wide-ranging list of items in the Repairs to Buildings and Structures account in the Water System Division, such as raceway building maintenance, along with repairs and maintenance to parking lots, sidewalks, and driveways at Water System facilities.
- Legal fees were increased 25% (from \$400,000 to \$500,000) to cover arbitration and legal proceedings against New Castle County (wastewater treatment contract), the Army Corps of Engineers (unpaid stormwater bills), and Honeywell (breach of contract regarding the renewable energy bio-solids facility).
- The Repairs to Water Lines account in the Water System Division increased by over \$200,000, reflecting the almost 9.1% increase in the annual contract that covers the replacement of broken water mains and valves.
- Depreciation increased by \$342,023, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.
- Debt service decreased by a net \$250,452. The recent refunding of two older bond issues, along with the issuance of new money for the FY 2018 Capital Budget at record low interest rates combined to lower Interest Payments by \$170,888. The net decrease in the recalculation of the amortized premium and refunding gains reduced the debt service another \$79,564.
- Indirect Costs, which are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of the water, sewer, and stormwater utilities, are budgeted to decline by \$427,349, reflecting the recent revisions to the cost allocation model based on new usage surveys.
- There was a 3.0% increase to water and sewer rates and a 2.0% increase to stormwater rates. The projected fiscal impact of the rate changes is an increase of almost \$1.58 million in revenue (net of bad debt) to the Water/Sewer Fund in FY 2022. The typical residential customer in the City using 4,000 gallons of water per month will see an increase of \$1.75 to their monthly bill.



**Summary of Combined Statement of Revenues
Fiscal Year 2022**

Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
General Fund						
Taxes	\$119,352,688	\$119,550,903	\$113,960,832	\$120,445,778	\$6,484,946	5.7%
Permits, Fees, and Fines	11,727,418	11,127,335	12,037,613	12,898,806	861,193	7.2%
Task Force Revenues	5,775,578	5,624,656	5,063,006	5,990,845	927,839	18.3%
County Seat Relief	11,547,947	11,640,434	10,876,287	11,520,686	644,399	5.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
Other	10,895,178	13,194,945	10,722,103	9,615,727	(1,106,376)	-10.3%
Transfers In	275,000	275,000	275,000	275,000	0	0.0%
General Fund Total	\$164,772,986	\$167,198,739	\$158,134,018	\$166,532,308	\$8,398,290	5.3%
Water/Sewer Fund						
Water/Sewer Fees	\$61,890,104	\$55,086,653	\$56,239,541	\$60,873,830	\$4,634,289	8.2%
NCC Sewer Services	21,599,273	22,489,162	21,882,000	21,173,439	(708,561)	-3.2%
Other	1,253,701	1,247,796	1,095,000	1,087,000	(8,000)	-0.7%
Water/Sewer Fund Total	\$84,743,078	\$78,823,611	\$79,216,541	\$83,134,269	\$3,917,728	4.9%
Special Funds						
Grants	\$8,264,215	\$8,702,586	\$7,986,292	\$7,808,843	(\$177,449)	-2.2%
Other	6,031,621	6,133,298	6,726,138	6,880,961	154,823	2.3%
Special Funds Total	\$14,295,836	\$14,835,884	\$14,712,430	\$14,689,804	(\$22,626)	-0.2%
Total Revenues						
All Funds Total	\$263,811,900	\$260,858,234	\$252,062,989	\$264,356,381	\$12,293,392	4.9%

Summary of Combined Statement of Expenditures Fiscal Year 2022

Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
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General Fund						
Personal Services	\$102,807,955	\$109,141,271	\$110,038,457	\$112,617,645	\$2,579,188	2.3%
Materials, Supplies, & Equip.	40,758,627	40,186,547	40,401,952	43,635,474	3,233,522	8.0%
Debt Service	12,915,483	14,193,373	12,124,255	15,506,487	3,382,232	27.9%
Other	270,305	265,049	936,385	942,795	6,410	0.7%
General Fund Total	\$156,752,370	\$163,786,240	\$163,501,049	\$172,702,401	\$9,201,352	5.6%

Water/Sewer Fund						
Personal Services	\$11,088,101	\$11,451,635	\$11,754,652	\$11,986,334	\$231,682	2.0%
Materials, Supplies, & Equip.	49,110,954	52,664,935	50,296,647	51,733,136	1,436,489	2.9%
Debt Service	5,028,632	5,748,801	6,601,551	6,351,099	(250,452)	-3.8%
Other	9,154,983	9,497,006	9,154,983	9,497,006	342,023	3.7%
Water/Sewer Fund Total	\$74,382,671	\$79,362,378	\$77,807,833	\$79,567,575	\$1,759,742	2.3%

Special Funds						
Personal Services	4,110,861	4,660,711	4,220,294	3,869,922	(350,372)	-8.3%
Materials, Supplies, & Equip.	4,198,679	3,729,153	3,681,588	3,616,408	(65,180)	-1.8%
Debt Service	101,630	109,059	35,831	33,234	(2,597)	-7.2%
Other	5,928,525	6,449,739	6,761,746	7,053,426	291,680	4.3%
Special Funds Total	\$14,339,695	\$14,948,662	\$14,699,459	\$14,572,990	(\$126,469)	-0.9%

Total Expenditures						
All Funds Total	\$245,474,737	\$258,097,279	\$256,008,341	\$266,842,966	\$10,834,625	4.2%

Income / (Loss) ¹	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
General Fund ²	8,020,616	3,412,499	(5,367,031)	(6,170,093)	(803,062)	15.0%
Water/Sewer Fund	10,360,407	(538,767)	1,408,708	3,566,694	2,157,986	153.2%
Special Funds	(43,859)	(112,778)	12,971	116,814	103,843	800.6%
Total Income / (Loss)	\$18,337,164	\$2,760,955	(\$3,945,352)	(\$2,486,585)	\$1,458,767	-37.0%

1. Before use of reserves or prior year surpluses.

2. The General Fund FY 2021 and FY 2022 budgets were balanced with the use of the Tax Stabilization Reserve (\$5,367,031 in FY 2021 and \$6,170,093 in FY 2022).

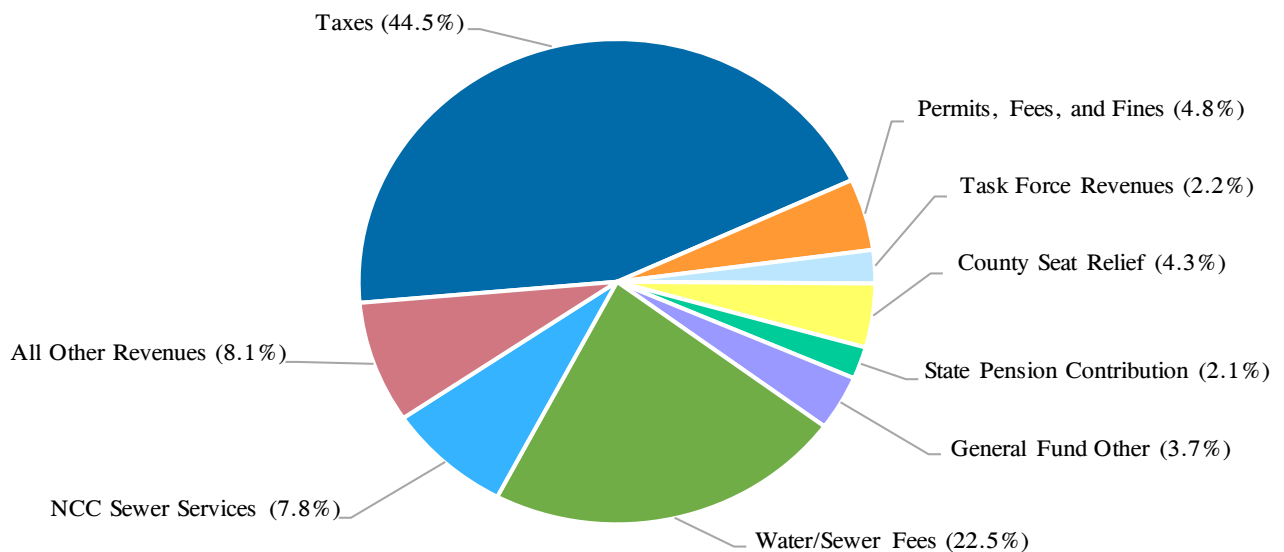
Summary of All Funds Combined Fiscal Year 2022

All Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Taxes	\$119,352,688	\$119,550,903	\$113,960,832	\$120,445,778	\$6,484,946	5.7%
Permits, Fees, and Fines	11,727,418	11,127,335	12,037,613	12,898,806	861,193	7.2%
Task Force Revenues	5,775,578	5,624,656	5,063,006	5,990,845	927,839	18.3%
County Seat Relief	11,547,947	11,640,434	10,876,287	11,520,686	644,399	5.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
General Fund Other	11,170,178	13,469,945	10,997,103	9,890,727	(1,106,376)	-10.1%
Use of Fund Balance*	0	0	5,367,031	6,170,093	803,062	15.0%
Water/Sewer Fees	61,890,104	55,086,653	56,239,541	60,873,830	4,634,289	8.2%
NCC Sewer Services	21,599,273	22,489,162	21,882,000	21,173,439	(708,561)	-3.2%
Water/Sewer Other	1,253,701	1,247,796	1,095,000	1,087,000	(8,000)	-0.7%
Special Funds Grants	8,264,215	8,702,586	7,986,292	7,808,843	(177,449)	-2.2%
Special Funds Other	6,031,621	6,133,298	6,726,138	6,880,961	154,823	2.3%
Total Revenues	\$263,811,900	\$260,858,234	\$257,430,020	\$270,526,474	\$13,096,454	5.1%

* Includes use of General Fund Tax Stabilization Reserve.

Taxes includes Wage Tax, Property Tax, and Other Taxes. State Transfers includes Task Force Revenues, County Seat Relief, and State Pension Contribution. General Fund Other includes Interest, Other Revenues, Port Debt Reimbursement, Transfer In/Out, and Use of Fund Balance. Water/Sewer Fees includes Water/Sewer User Fees and Stormwater Billings. Water/Sewer Other includes Rentals/Misc. and Solar Panels.

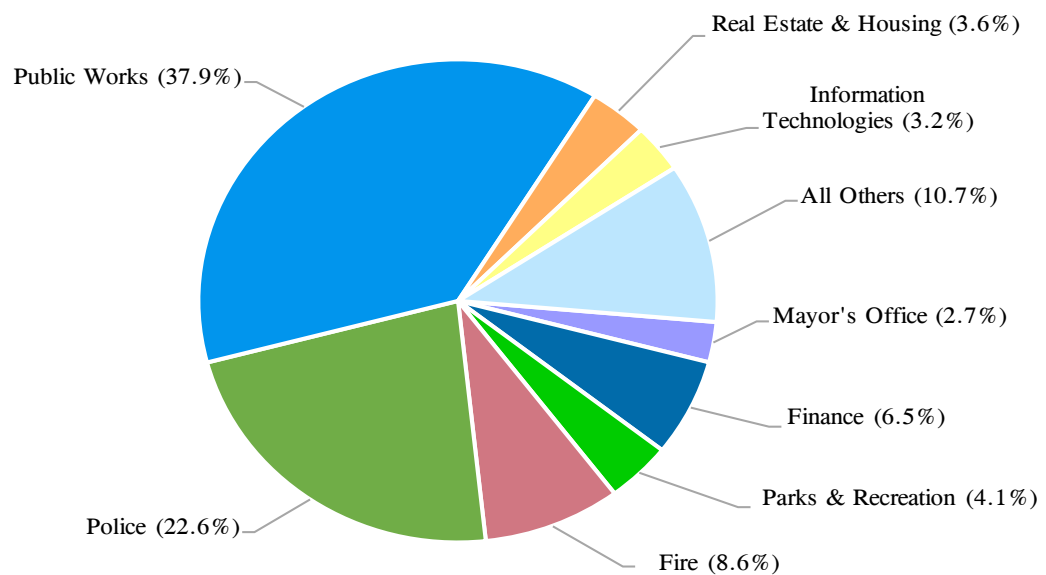
All Funds Revenues Fiscal Year 2022



Summary of All Funds Combined Fiscal Year 2022

All Funds Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Mayor's Office	\$9,960,007	\$9,902,257	\$8,309,243	\$7,210,351	(\$1,098,892)	-13.2%
Council	3,214,036	2,925,259	2,737,212	2,710,623	(26,589)	-1.0%
Treasurer	5,425,879	5,471,153	6,079,689	6,222,796	143,107	2.4%
Planning	1,895,497	1,537,033	1,483,502	1,485,069	1,567	0.1%
Audit	933,300	892,390	956,341	932,814	(23,527)	-2.5%
Law	2,828,029	2,571,510	2,543,255	2,536,273	(6,982)	-0.3%
Finance	15,246,790	15,823,985	16,550,683	17,347,954	797,271	4.8%
Human Resources	2,137,850	1,589,163	2,174,869	2,301,745	126,876	5.8%
Licenses & Inspections	5,398,788	5,227,601	5,469,246	5,678,653	209,407	3.8%
Parks & Recreation	10,292,395	9,584,495	9,684,619	10,938,571	1,253,952	12.9%
Fire	22,556,894	22,984,012	22,039,549	22,936,941	897,392	4.1%
Police	60,163,058	60,835,672	59,033,541	60,326,725	1,293,184	2.2%
Public Works	94,496,129	98,702,240	97,818,981	101,240,237	3,421,256	3.5%
Real Estate & Housing	5,225,246	5,615,576	6,681,522	9,697,426	3,015,904	45.1%
Commerce (Port Debt)	501,661	720,226	73,269	154,941	81,672	111.5%
Information Technologies	0	7,929,242	8,501,643	8,664,381	162,738	1.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
Contingent Reserves	0	0	672,000	672,000	0	0.0%
Total Expenditures	\$245,474,736	\$258,097,280	\$256,008,341	\$266,842,966	\$10,834,625	4.2%

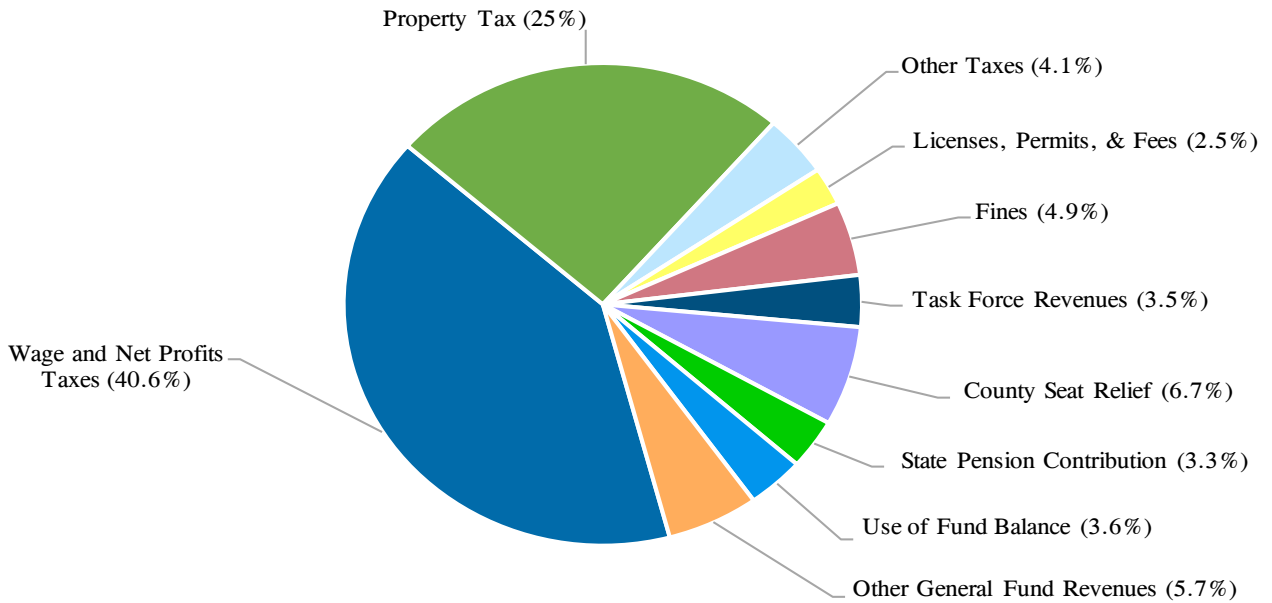
All Funds Expenditures Fiscal Year 2022



Summary of General Fund Fiscal Year 2022

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Wage and Net Profits Taxes	\$68,433,280	\$65,637,184	\$65,840,370	\$70,079,093	\$4,238,723	6.4%
Property Tax	42,747,586	43,698,151	42,142,742	43,256,728	1,113,986	2.6%
Other Taxes	8,171,822	10,215,568	5,977,720	7,109,957	1,132,237	18.9%
Licenses, Permits, & Fees	4,782,091	5,746,733	3,883,472	4,403,653	520,181	13.4%
Fines	6,945,327	5,380,602	8,154,141	8,495,153	341,012	4.2%
Interest	1,947,184	1,301,142	184,500	336,000	151,500	82.1%
Other Revenues	8,551,420	11,324,447	9,666,746	8,725,523	(941,223)	-9.7%
Task Force Revenues	5,775,578	5,624,656	5,063,006	5,990,845	927,839	18.3%
County Seat Relief	11,547,947	11,640,434	10,876,287	11,520,686	644,399	5.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
Port Debt Reimbursement	396,574	569,356	870,857	554,204	(316,653)	-36.4%
Transfers In/(Out)	275,000	275,000	275,000	275,000	0	0.0%
Use of Fund Balance	0	0	5,367,031	6,170,093	803,062	15.0%
Total Revenues	\$164,772,986	\$167,198,739	\$163,501,049	\$172,702,401	\$9,201,352	5.6%

General Fund Revenues Fiscal Year 2022

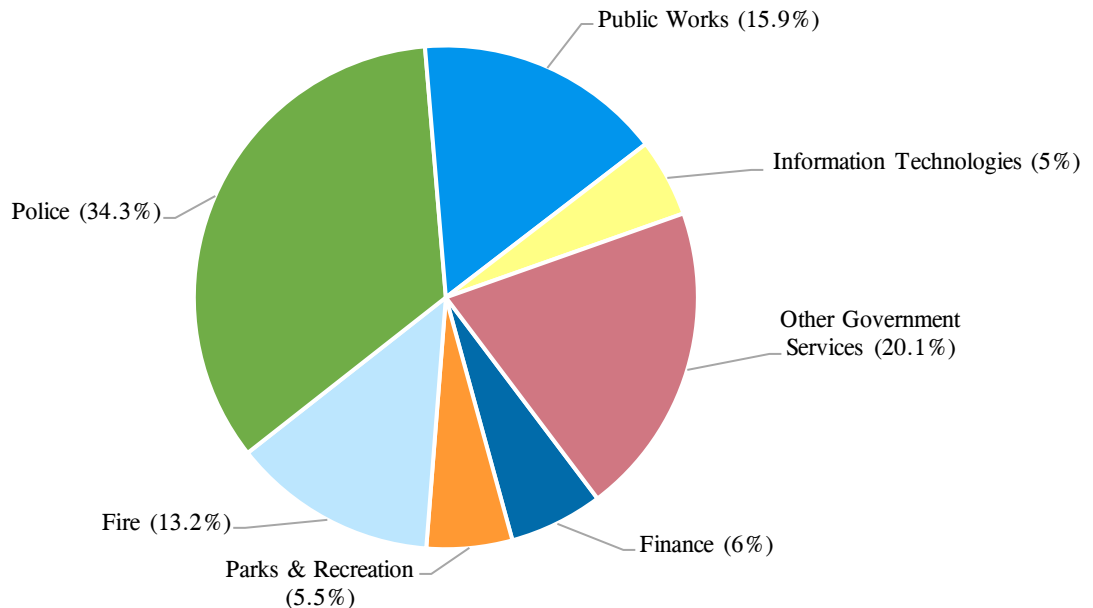


Summary of General Fund Fiscal Year 2022

General Fund Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Mayor's Office	\$9,867,248	\$9,687,144	\$8,232,211	\$7,134,800	(\$1,097,411)	-13.3%
Council	2,093,767	1,785,400	1,750,183	1,827,437	77,254	4.4%
Treasurer	572,683	465,306	460,457	449,510	(10,947)	-2.4%
Planning	1,865,071	1,528,478	1,444,853	1,445,500	647	0.0%
Audit	860,877	807,406	859,261	849,136	(10,125)	-1.2%
Law	2,828,029	2,571,510	2,543,255	2,536,273	(6,982)	-0.3%
Finance	9,544,211	9,392,066	9,635,303	10,409,920	774,617	8.0%
Human Resources	2,137,850	1,589,163	2,174,869	2,301,745	126,876	5.8%
Licenses & Inspections	5,398,788	5,227,601	5,469,246	5,678,653	209,407	3.8%
Parks & Recreation	8,999,086	8,835,988	8,260,687	9,485,864	1,225,177	14.8%
Fire	22,351,362	22,926,745	21,838,180	22,735,572	897,392	4.1%
Police	57,867,770	57,749,937	57,647,747	59,174,883	1,527,136	2.6%
Public Works	24,627,852	24,596,157	25,789,755	27,471,714	1,681,959	6.5%
Real Estate & Housing	2,036,938	2,188,405	2,948,953	5,924,606	2,975,653	100.9%
Commerce (Port Debt)	501,661	720,226	73,269	154,941	81,672	111.5%
Information Technologies	0	7,929,242	8,501,643	8,664,381	162,738	1.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
Contingent Reserves*	0	0	672,000	672,000	0	0.0%
Total Expenditures	\$156,752,370	\$163,786,240	\$163,501,049	\$172,702,401	\$9,201,352	5.6%

* Includes a \$500,000 City-wide Operating Budget Contingency Fund and \$172,000 for snow and weather emergencies.

General Fund Expenditures Fiscal Year 2022

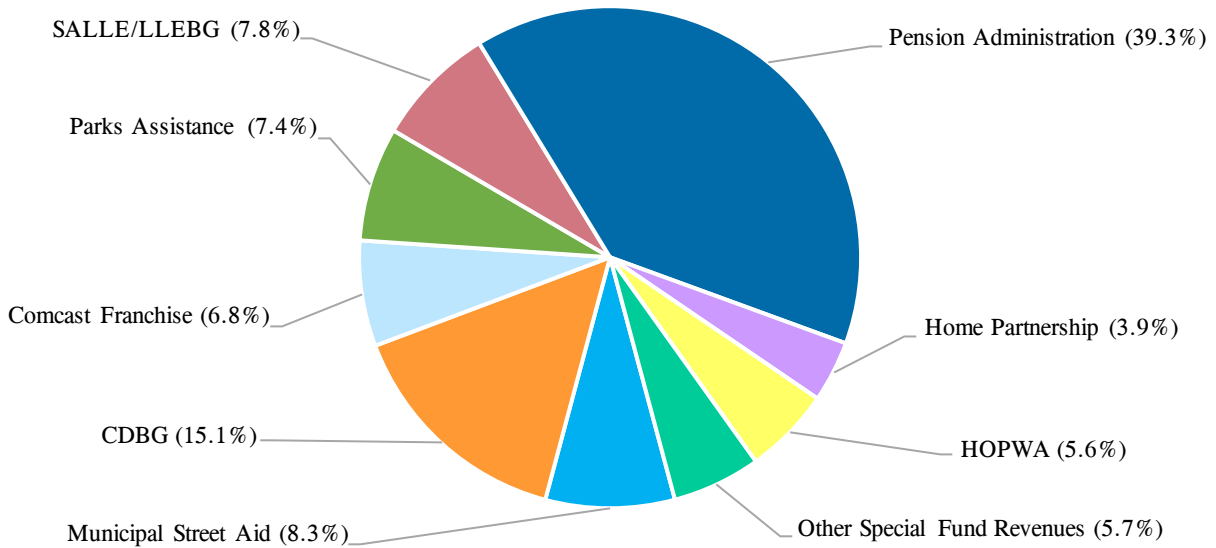


Summary of Special Funds Fiscal Year 2022

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Municipal Street Aid	\$1,260,608	\$1,260,608	\$1,233,853	\$1,222,660	(\$11,193)	-0.9%
CDBG	1,779,279	2,226,313	2,216,928	2,219,237	2,309	0.1%
Comcast Franchise	\$1,076,410	1,027,081	1,000,000	1,000,000	0	0.0%
Emergency Shelter	\$183,844	183,571	187,831	189,070	1,239	0.7%
Workforce Investment	\$255,578	396,700	258,660	263,834	5,174	2.0%
Parks Assistance	\$935,716	251,437	1,058,366	1,081,198	22,832	2.2%
Parks Trust Fund	\$102,015	100,370	106,906	107,675	769	0.7%
SALLE/LLEBG	\$2,295,288	3,085,735	1,385,794	1,151,842	(233,952)	-16.9%
Pension Administration	\$4,853,196	5,005,847	5,619,232	5,773,286	154,054	2.7%
Home Partnership	\$626,205	211,060	564,024	579,619	15,595	2.8%
HOPWA	\$629,406	814,782	802,435	824,463	22,028	2.7%
Miscellaneous Grants	\$298,291	272,380	278,401	276,920	(1,481)	-0.5%
Total Revenues	\$14,295,836	\$14,835,884	\$14,712,430	\$14,689,804	(\$22,626)	-0.2%

Special Funds Revenues consist of supplemental revenues derived from non-taxation sources such as Federal and State grants and endowments. The Comcast Franchise fee is a special exemption related to City Council's CATV Fund.

Special Funds Revenues Fiscal Year 2022

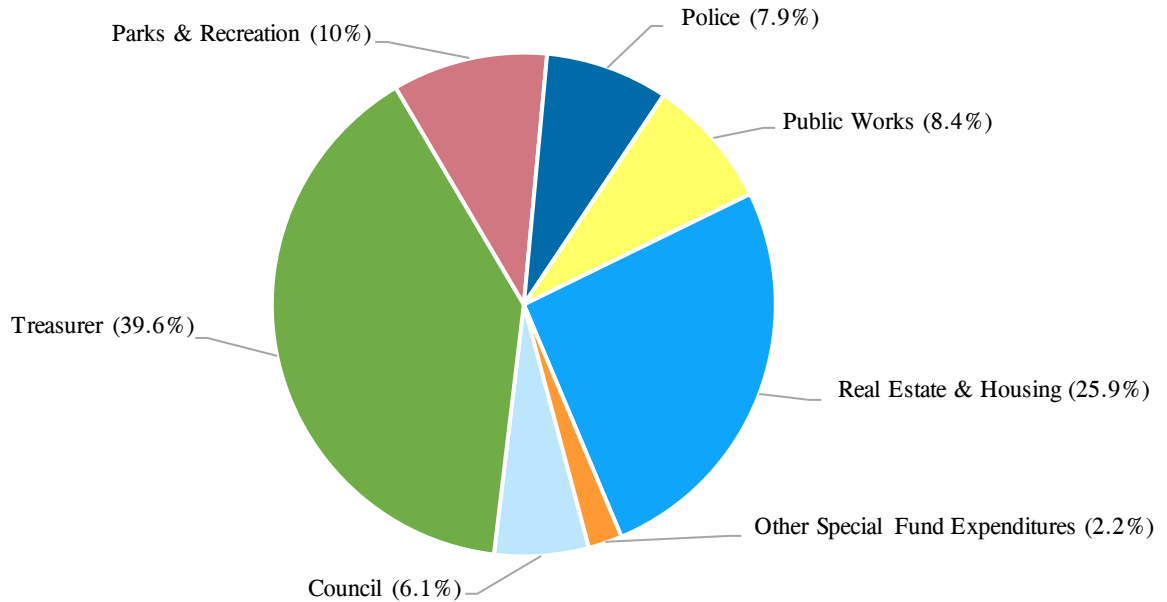


Summary of Special Funds Fiscal Year 2022

Special Funds Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Mayor's Office	\$92,759	\$215,113	\$77,032	\$75,551	(\$1,481)	-1.9%
Council	1,120,269	1,139,859	987,029	883,186	(103,843)	-10.5%
Treasurer	4,853,196	5,005,847	5,619,232	5,773,286	154,054	2.7%
Planning	30,426	8,555	38,649	39,569	920	2.4%
Parks & Recreation	1,293,309	748,507	1,423,932	1,452,707	28,775	2.0%
Fire	205,532	57,267	201,369	201,369	0	0.0%
Police	2,295,288	3,085,735	1,385,794	1,151,842	(233,952)	-16.9%
Public Works	1,260,608	1,260,608	1,233,853	1,222,660	(11,193)	-0.9%
Real Estate & Housing	3,188,308	3,427,171	3,732,569	3,772,820	40,251	1.1%
Total Expenditures	\$14,339,695	\$14,948,662	\$14,699,459	\$14,572,990	(\$126,469)	-0.9%

Except in the special case of the CATV Fund in City Council, for these Special Funds total expenditures are equal to total revenues for purposes of appropriation. Therefore, there is no net income, fund balance, or change in fund balance.

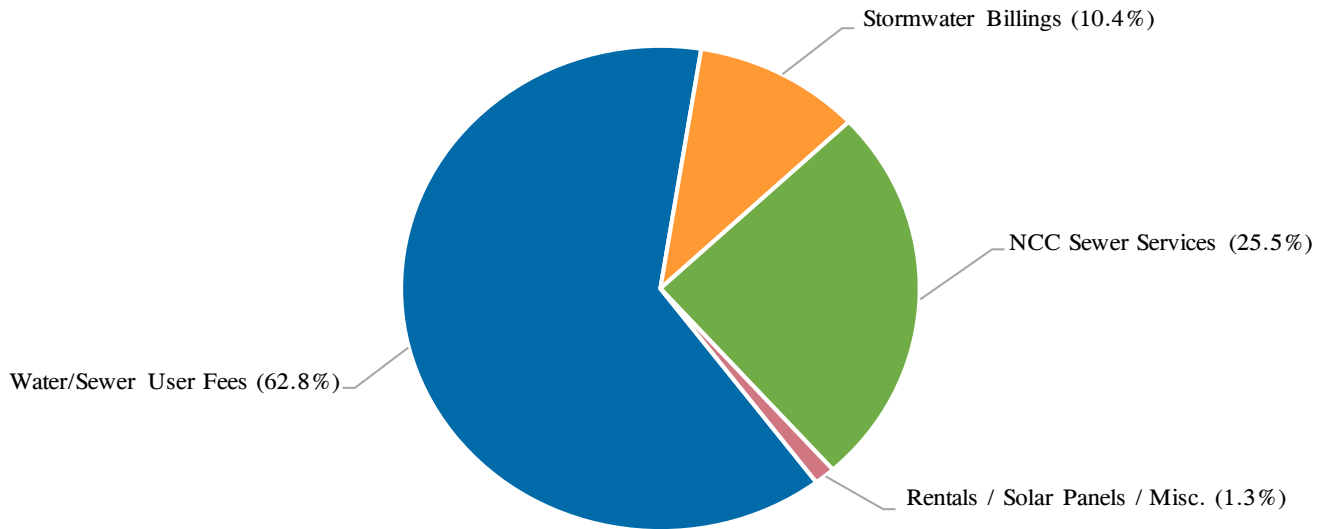
Special Funds Expenditures Fiscal Year 2022



Summary of Water / Sewer Fund Fiscal Year 2022

Water/Sewer Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Water/Sewer User Fees	\$53,337,686	\$46,785,501	\$48,165,541	\$52,209,830	\$4,044,289	8.4%
Stormwater Billings	8,552,418	8,301,152	8,074,000	8,664,000	590,000	7.3%
NCC Sewer Services	21,599,273	22,489,162	21,882,000	21,173,439	(708,561)	-3.2%
Rentals/Miscellaneous	1,218,514	1,209,157	1,065,000	1,050,000	(15,000)	-1.4%
Solar Panel Revenues	35,187	38,639	30,000	37,000	7,000	23.3%
Total Revenues	\$84,743,078	\$78,823,611	\$79,216,541	\$83,134,269	\$3,917,728	4.9%

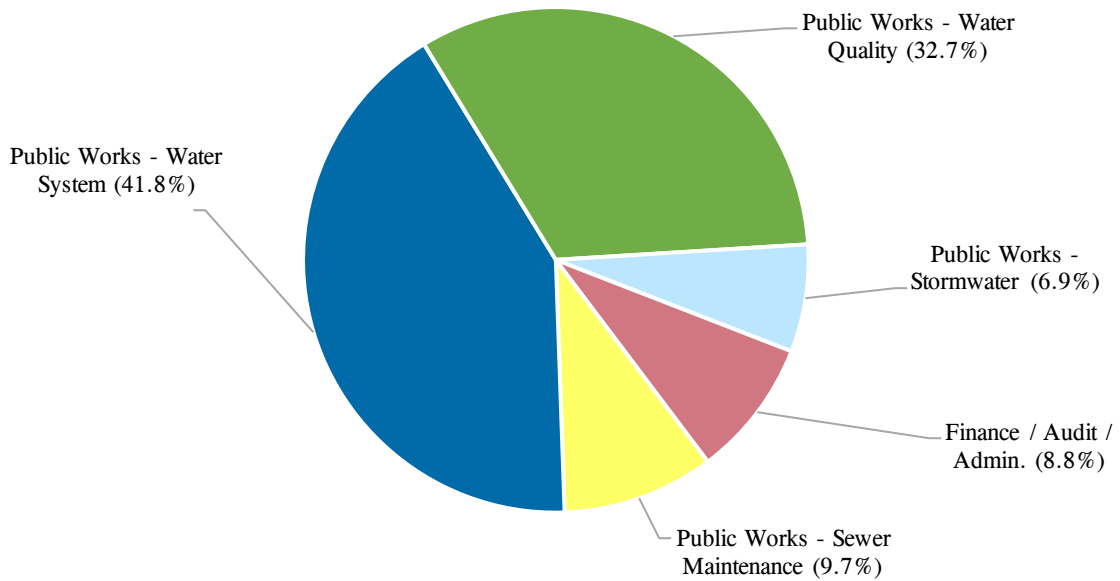
Water/Sewer Revenues Fiscal Year 2022



Summary of Water / Sewer Fund Fiscal Year 2022

Water/Sewer Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Audit	\$72,423	\$84,984	\$97,080	\$83,678	(\$13,402)	-13.8%
Finance	5,702,579	6,431,919	6,915,380	6,938,034	22,654	0.3%
Public Works	68,607,669	72,845,475	70,795,373	72,545,863	1,750,490	2.5%
Total Expenditures	\$74,382,671	\$79,362,378	\$77,807,833	\$79,567,575	\$1,759,742	2.3%

Water/Sewer Expenditures Fiscal Year 2022

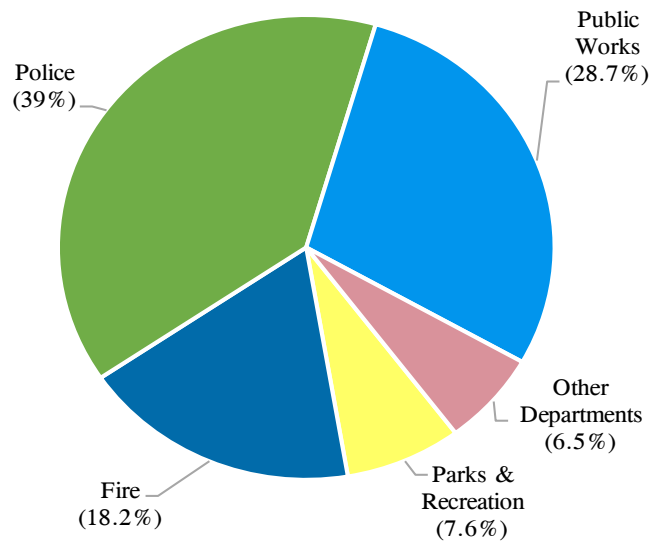


Summary of Internal Service Funds Fiscal Year 2022

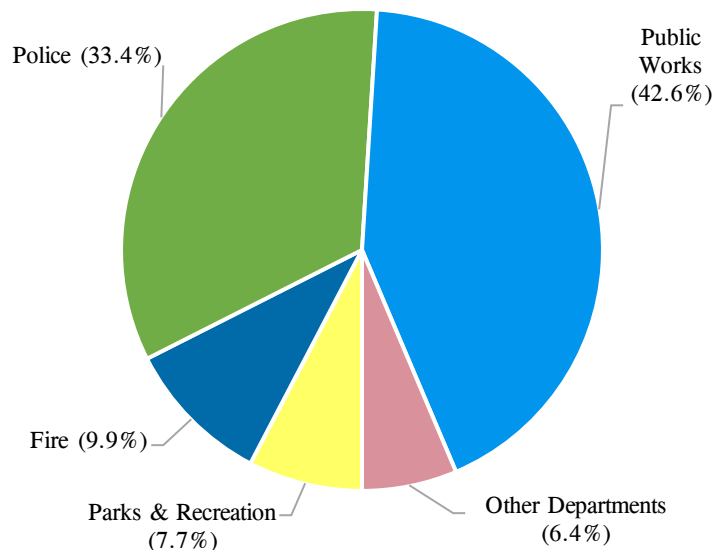
Internal Services Expenditures	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Mayor's Office	\$9,366,561	\$0	\$0	\$0	\$0	0.0%
Human Resources	30,995,321	30,568,614	30,071,373	29,656,028	(415,345)	-1.4%
Public Works	7,810,336	7,948,859	8,083,037	8,269,757	186,720	2.3%
Total Expenditures	\$48,172,218	\$38,517,473	\$38,154,410	\$37,925,785	(\$228,625)	-0.6%

Primary revenues for the Internal Service Funds are derived from changes to the operating budget of the various departments. Revenue changes must meet expenditures at year-end, and therefore no surplus or deficit may result.

HR Self-Insurance
FY' 22 Internal Service Charge Allocations



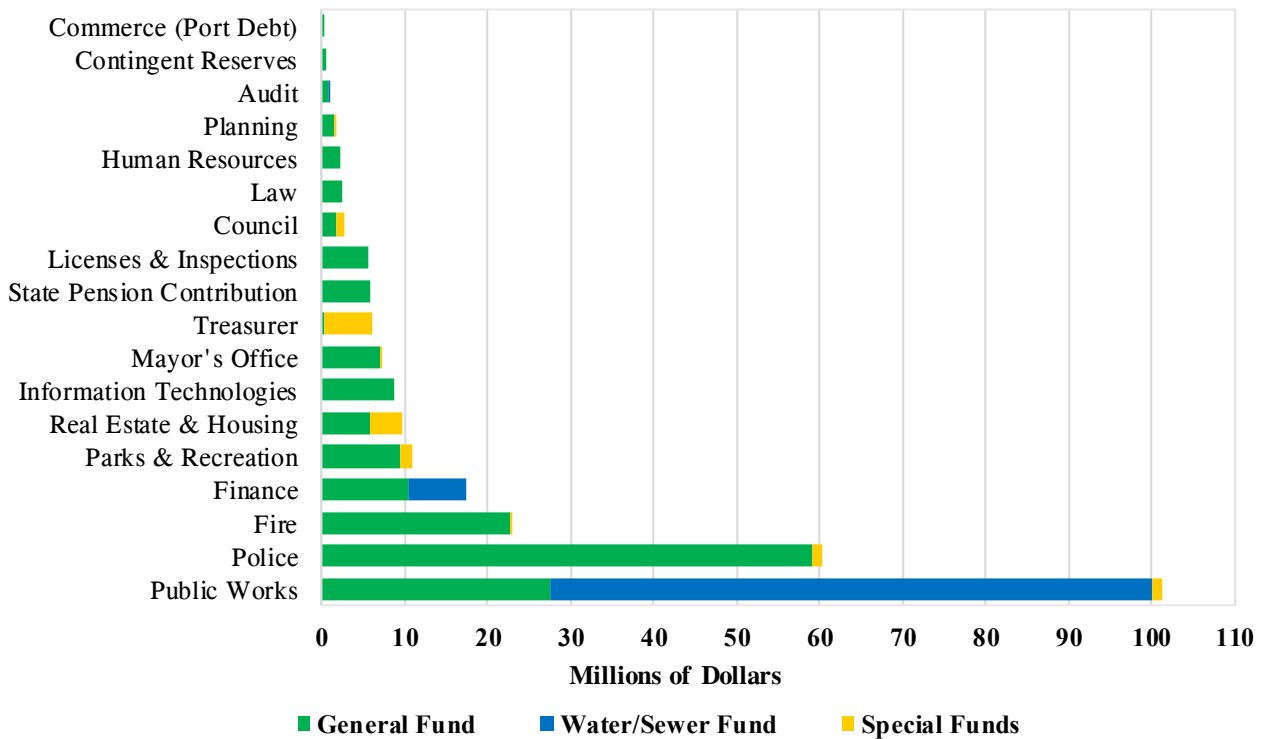
Public Works Motor Vehicle
FY' 22 Internal Service Charge Allocations



Departmental Budgets by Fund Fiscal Year 2022

Departmental Budgets	General Fund Budget FY 2022	Water/Sewer Fund Budget FY 2022	Special Funds Budget FY 2022	Total Budget All Funds FY 2022
Mayor's Office	\$7,134,800	\$0	\$75,551	\$7,210,351
Council	1,827,437	0	883,186	2,710,623
Treasurer	449,510	0	5,773,286	6,222,796
Planning	1,445,500	0	39,569	1,485,069
Audit	849,136	83,678	0	932,814
Law	2,536,273	0	0	2,536,273
Finance	10,409,920	6,938,034	0	17,347,954
Human Resources	2,301,745	0	0	2,301,745
Licenses & Inspections	5,678,653	0	0	5,678,653
Parks & Recreation	9,485,864	0	1,452,707	10,938,571
Fire	22,735,572	0	201,369	22,936,941
Police	59,174,883	0	1,151,842	60,326,725
Public Works	27,471,714	72,545,863	1,222,660	101,240,237
Real Estate & Housing	5,924,606	0	3,772,820	9,697,426
Commerce (Port Debt)	154,941	0	0	154,941
Information Technologies	8,664,381	0	0	8,664,381
State Pension Contribution	5,785,466	0	0	5,785,466
Contingent Reserves	672,000	0	0	672,000
Total Budget	\$172,702,401	\$79,567,575	\$14,572,990	\$266,842,966

FY 2022 Total Departmental Budgets Breakout by Fund



**Capital Improvements Program
Fiscal Years 2022 - 2027**

Summary: Total Funds Recommended by Fiscal Year and Department

Department	Type of Funding	Fiscal Year						Total City Funds	Total City / Matching Funds
		2022	2023	2024	2025	2026	2027		
Finance	G	1,286,880	0	1,905,125	0	287,625	0	3,479,630	3,479,630
	W	6,226,140	0	1,418,905	0	2,810,238	0	10,455,283	10,455,283
Fire	G	4,000,000	0	7,750,000	0	0	0	11,750,000	11,750,000
Mayor's Office	G	2,135,000	0	2,660,000	0	2,510,000	0	7,305,000	7,305,000
Parks	G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Police	G	315,000	0	0	0	0	0	315,000	315,000
Public Works	G	6,000,000	0	11,000,000	0	11,000,000	0	28,000,000	28,000,000
	O	2,000,000		1,000,000		1,000,000		0	4,000,000
	W	59,800,000	0	55,800,000	0	54,800,000	0	170,400,000	170,400,000
Real Estate and Housing	G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Transportation	G	6,500,000	0	6,500,000	0	6,500,000	0	19,500,000	19,500,000
	O	8,000,000	0	8,000,000	0	8,000,000	0	0	24,000,000
Total by Fund	G	23,236,880	0	32,815,125	0	23,297,625	0	79,349,630	79,349,630
	O	10,000,000	0	9,000,000	0	9,000,000	0	0	28,000,000
	W	66,026,140	0	57,218,905	0	57,610,238	0	180,855,283	180,855,283
Grand Total		99,263,020	0	99,034,030	0	89,907,863	0	260,204,913	288,204,913

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

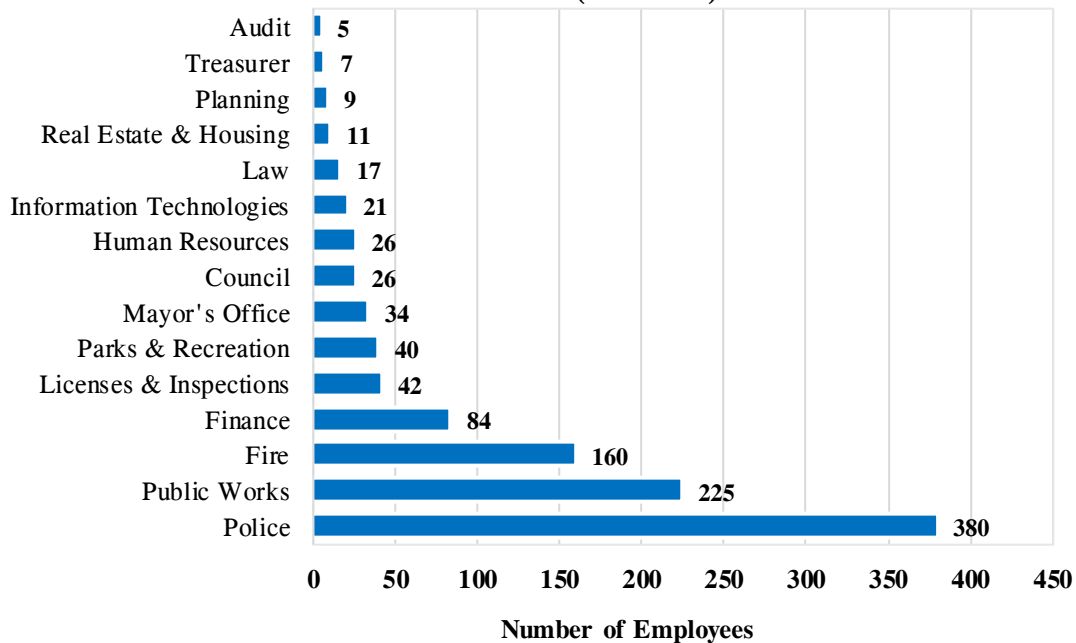
Summary of Staffing Levels Fiscal Year 2022

Total Number of Employees - All Funds Combined

Department	Budget FY 2018	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Net Change FY'22-'21
Mayor's Office	57.00	55.00	34.00	34.00	34.00	0.00
Council	29.00	29.00	28.00	28.00	26.00	(2.00)
Treasurer	7.00	7.00	7.00	7.00	7.00	0.00
Planning	10.00	10.00	10.00	10.00	9.00	(1.00)
Audit	4.00	5.00	5.00	5.00	5.00	0.00
Law	18.00	17.00	17.00	17.00	17.00	0.00
Finance	85.00	84.00	85.00	84.00	84.00	0.00
Human Resources	23.00	24.00	26.00	26.00	26.00	0.00
Licenses & Inspections	38.00	42.00	43.00	42.00	42.00	0.00
Parks & Recreation	40.00	39.00	41.00	41.00	40.00	(1.00)
Fire	161.00	161.00	161.00	161.00	160.00	(1.00)
Police	376.00	378.00	380.00	379.00	380.00	1.00
Public Works	219.00	221.00	223.00	225.00	225.00	0.00
Real Estate & Housing	11.00	11.00	11.00	11.00	11.00	0.00
Information Technologies	0.00	0.00	22.00	21.00	21.00	0.00
Total	1,078.00	1,083.00	1,093.00	1,091.00	1,087.00	(4.00)
Total Employees per 1,000 City Residents	15.22	15.29	15.43	15.40	15.34	

Total Number of Employees by Department

FY 2022 (All Funds)



Just over 74.2% (or 807) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

Summary of Staffing Levels Fiscal Year 2022

Total Number of Employees - General Fund

Department	Budget FY 2018	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Net Change FY'22-'21
Mayor's Office	34.50	33.50	33.50	33.50	33.50	0.00
Council	20.35	20.20	19.20	19.25	19.00	(0.25)
Treasurer	3.00	3.00	3.00	3.00	3.00	0.00
Planning	9.55	9.55	9.55	9.55	8.55	(1.00)
Audit	4.00	5.00	5.00	5.00	5.00	0.00
Law	18.00	17.00	17.00	17.00	17.00	0.00
Finance	60.45	58.65	58.85	58.85	58.05	(0.80)
Human Resources	13.55	14.55	16.60	16.60	16.60	0.00
Licenses & Inspections	38.00	42.00	43.00	42.00	42.00	0.00
Parks & Recreation	40.00	39.00	40.60	40.60	39.60	(1.00)
Fire	161.00	161.00	161.00	161.00	160.00	(1.00)
Police	369.00	371.00	374.57	373.57	374.57	1.00
Public Works	118.15	118.05	119.05	120.05	120.05	0.00
Real Estate & Housing	1.48	1.48	1.48	2.75	2.88	0.13
Information Technologies	0.00	0.00	22.00	21.00	21.00	0.00
Total	891.03	893.98	924.40	923.72	920.80	(2.92)

Total Number of Employees – Water / Sewer Fund

Department	Budget FY 2018	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Net Change FY'22-'21
Finance	24.55	25.35	26.15	25.15	25.95	0.80
Public Works	100.85	102.95	103.95	104.95	104.95	0.00
Total	125.40	128.30	130.10	130.10	130.90	0.80

Total Number of Employees – Special Funds

Department	Budget FY 2018	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Net Change FY'22-'21
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Council	8.65	8.80	8.80	8.75	7.00	(1.75)
Treasurer	4.00	4.00	4.00	4.00	4.00	0.00
Planning	0.45	0.45	0.45	0.45	0.45	0.00
Parks & Recreation	0.00	0.00	0.40	0.40	0.40	0.00
Police	7.00	7.00	5.43	5.43	5.43	0.00
Real Estate & Housing	9.52	9.52	9.52	8.25	8.12	(0.13)
Total	30.12	30.27	29.10	27.78	25.90	(1.88)

**Summary of Staffing Levels
Fiscal Year 2022**

Total Number of Employees – Internal Service Funds

Department	Budget FY 2018	Budget FY 2019	Budget FY 2020	Budget FY 2021	Budget FY 2022	Net Change FY'22-'21
Mayor's Office	22.00	21.00	0.00	0.00	0.00	0.00
Human Resources	9.45	9.45	9.40	9.40	9.40	0.00
Information Tech.	0.00	0.00	0.00	0.00	0.00	0.00
Total	31.45	30.45	9.40	9.40	9.40	0.00

**Fund Balance
General Fund
Fiscal Year 2022**

Fund Balance Activity	Actual FY 2020	Projected FY 2021	Projected FY 2022
Fund Balance as of July 1	\$46,596,816	\$47,945,198	\$53,672,178
Excess of Revenues Over/(Under) Expenditures	3,145,566	6,701,980	(6,445,093)
Other Financing Sources/(Uses):			
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	(2,072,184)	(1,250,000)	0
Total Other Financing Sources/(Uses)	(1,797,184)	(975,000)	275,000
Prior Period Adjustments	0	0	0
Net Change in Fund Balance	\$1,348,382	\$5,726,980	(\$6,170,093)
Total Fund Balance as of June 30	\$47,945,198	\$53,672,178	\$47,502,085

Summary of Fund Balance	Actual FY 2020	Projected FY 2021	Projected FY 2022
Non-spendable	\$2,869,385	\$2,811,997	\$2,755,757
Committed - Budget Reserve ¹	16,350,105	17,270,240	17,813,294
Committed - Tax Stabilization Reserve ²	28,725,708	33,589,941	26,933,034
Total Fund Balance as of June 30	\$47,945,198	\$53,672,178	\$47,502,085

FUND BALANCE

For the General Fund (and other governmental funds), the difference between fund assets and liabilities is labeled as “**Fund Balance**” on the financial statement. Fund Balance is further defined by the following subcategories:

- **Non-spendable** – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account and Tax Stabilization Reserve.
- **Assigned** – Amounts that are allocated for a future use by the Mayor but are not spendable until a budget ordinance appropriating the amounts is passed by City Council.
- **Unassigned** – All amounts not included in other spendable classifications.

1. The Budget Reserve is set at the end of each fiscal year to be 10% of the next year’s General Fund Budget.
2. Tax Stabilization Reserve is equal to the net unrestricted General Fund balance.

**Fund Net Position
Water/Sewer Fund
Fiscal Year 2022**

Fund Net Assets Activity	Actual FY 2020	Projected FY 2021	Projected FY 2022
Net Assets as of July 1	\$170,477,098	\$176,843,946	\$178,252,654
Excess of Revenues Over/(Under) Expenditures	10,867,853	6,915,259	8,830,793
Non-Operating Revenues/(Expenses)			
Interest Expense	(5,748,801)	(6,601,551)	(6,351,099)
Other	1,247,796	1,095,000	1,087,000
Total Non-Operating Revenues/(Expenses)	(4,501,005)	(5,506,551)	(5,264,099)
Income/(Loss) Before Transfers	6,366,848	1,408,708	3,566,694
Prior Period Adjustment	0	0	0
Change in Net Assets	\$6,366,848	\$1,408,708	\$3,566,694
Total Net Assets as of June 30	\$176,843,946	\$178,252,654	\$181,819,348

Summary of Fund Net Assets	Actual FY 2020	Projected FY 2021	Projected FY 2022
Invested in Capital Assets, Net of Related Debt	\$141,533,806	\$143,533,806	\$145,533,806
Restricted - Operation and Maintenance Reserve ¹	9,409,512	10,810,000	11,080,000
Restricted - Rate Stabilization Reserve ²	25,900,628	23,908,848	25,205,542
Total Fund Net Assets as of June 30	\$176,843,946	\$178,252,654	\$181,819,348

NET POSITION

For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as “**Net Position**” on the financial statement. Net Position is classified as “**Invested in Capital Assets, Net of Related Debt**,” legally “**Restricted**” for a specific purpose or “**Unrestricted**” and available for appropriation for the general purposes of the fund.

1. Operation and Maintenance Reserve is equal to 17% of the following fiscal year’s Water/Sewer Fund operating budget.
2. Rate Stabilization Reserve is equal to the net unrestricted Water/Sewer Fund balance.

Total Fund Balance and Net Position (Memorandum Only)
General and Water/Sewer Funds
Fiscal Year 2022

Fund Balance & Net Position Activity	Actual FY 2020	Projected FY 2021	Projected FY 2022
Fund Balance & Net Position as of July 1	\$217,073,914	\$224,789,144	\$231,924,832
Excess of Revenues Over/(Under) Expenditures	14,013,419	13,617,239	2,385,700
Total Other Financing Sources/(Uses)	(1,797,184)	(975,000)	275,000
Total Non-Operating Revenues/(Expenses)			
Water/Sewer Fund	(4,501,005)	(5,506,551)	(5,264,099)
Prior Period Adjustments	0	0	0
Change in Fund Balance & Net Position	\$7,715,230	\$7,135,688	(\$2,603,399)
Total Fund Balance & Net Position as of June 30	\$224,789,144	\$231,924,832	\$229,321,433

Summary of Fund Balance & Net Position	Actual FY 2020	Projected FY 2021	Projected FY 2022
Non-spendable	\$2,869,385	\$2,811,997	\$2,755,757
Committed - Budget Reserve	16,350,105	17,270,240	17,813,294
Committed - Tax Stabilization Reserve	28,725,708	33,589,941	26,933,034
Invested in Capital Assets, Net of Related Debt	141,533,806	143,533,806	145,533,806
Restricted - Operation and Maintenance Reserve	9,409,512	10,810,000	11,080,000
Restricted - Rate Stabilization Reserve	25,900,628	23,908,848	25,205,542
Total Fund Balance & Net Position as of June 30	\$224,789,144	\$231,924,832	\$229,321,433

City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

(Preliminary)

Revenue Type	Actual FY 2019	Actual FY 2020	Projected FY 2021	Approved FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Wage & Net Profits Tax	\$68,433,281	\$65,637,185	\$66,575,889	\$70,079,093	\$70,017,070	\$71,983,260	\$73,954,785	\$75,931,779
Property Tax	42,747,587	43,698,151	42,511,300	43,256,728	43,671,174	43,443,174	43,215,274	42,999,045
Real Estate Transfer Tax	3,508,035	5,918,475	2,959,107	3,054,389	3,146,021	3,240,401	3,337,613	3,437,742
Head Tax	3,764,224	3,532,970	3,014,335	3,291,445	3,334,234	3,334,234	3,334,234	3,334,234
Franchise Fees	899,562	764,123	764,123	764,123	859,160	859,160	859,160	859,160
Licenses, Permits, Fees	4,782,091	5,746,733	3,944,131	4,403,653	4,543,104	4,687,675	4,837,559	4,992,955
Fines	6,945,327	5,380,602	5,584,929	8,495,153	9,139,055	9,086,104	9,135,242	9,186,447
Interest Income	1,947,184	1,301,142	330,808	336,000	485,866	770,033	1,074,614	1,346,322
Indirect Costs	5,732,305	8,012,028	8,012,027	7,584,678	7,774,295	7,968,652	8,167,869	8,372,065
Other Miscellaneous Revenues	2,819,115	1,439,551	1,282,076	1,140,845	1,331,117	1,331,117	1,331,117	1,331,117
Task Force Revenues	5,775,578	5,624,656	5,604,290	5,990,845	6,305,441	6,479,086	6,658,909	6,845,143
County Seat Relief Package	11,547,946	11,640,434	11,484,414	11,520,686	11,757,936	11,972,393	12,193,874	12,422,639
State Port Debt Reimbursement	396,574	569,356	870,857	554,204	553,829	0	0	0
State Pension Contribution	5,199,177	5,785,466	5,785,466	5,785,466	5,785,466	5,785,466	5,785,466	5,785,466
CARES Act	0	1,872,869	9,115,868	0	0	0	0	0
Total Revenues	\$164,497,986	\$166,923,741	\$167,839,620	\$166,257,308	\$168,703,768	\$170,940,756	\$173,885,715	\$176,844,114
Annual Percentage Change	2.5%	1.5%	0.5%	-0.9%	1.5%	1.3%	1.7%	1.7%

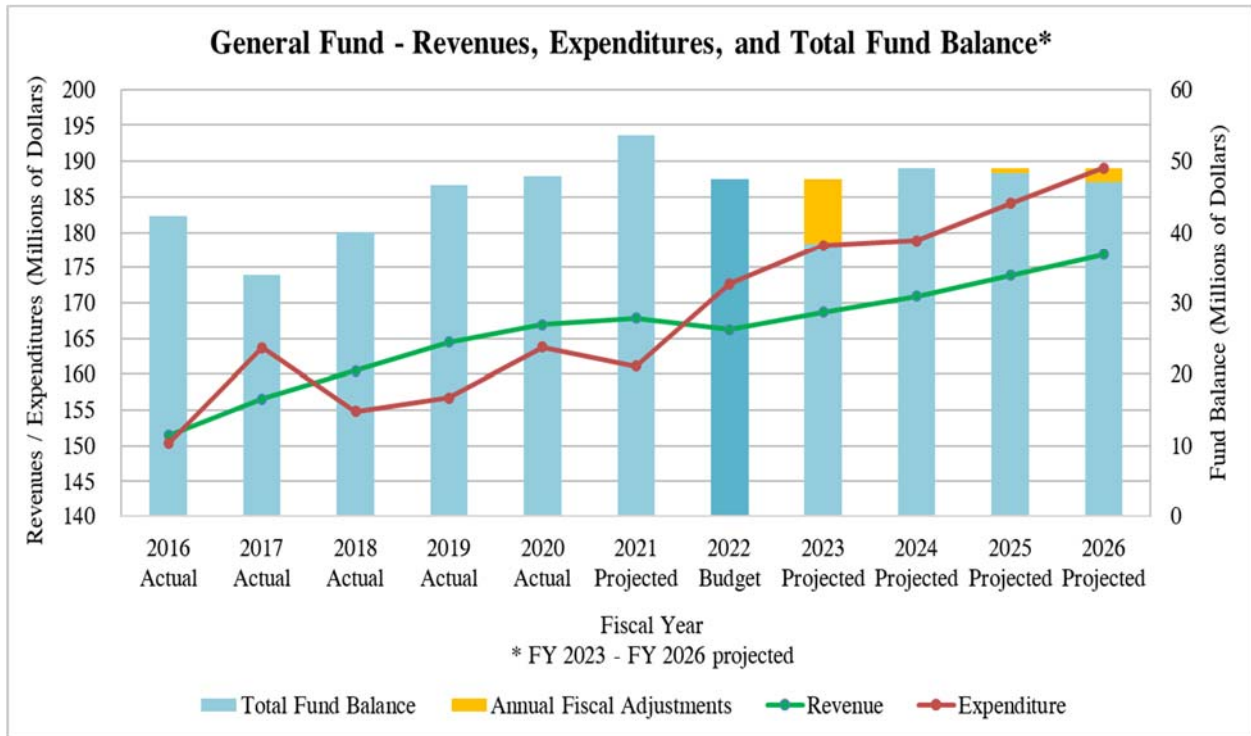
Expenditure Type	Actual FY 2019	Actual FY 2020	Projected FY 2021	Approved FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Salaries and Wages	\$60,929,094	\$64,696,614	\$65,700,764	\$69,147,833	\$71,373,265	\$73,343,860	\$75,364,730	\$77,437,096
Health Benefits	15,291,131	15,609,914	\$15,218,264	\$14,964,675	\$15,918,068	\$17,023,532	\$18,206,085	\$19,471,112
Pension and Retirement	18,885,551	20,357,790	\$20,671,184	\$19,954,292	\$20,787,195	\$18,288,225	\$18,808,661	\$18,750,441
Other Employee Benefits	2,503,002	2,683,422	\$2,724,731	\$2,765,379	\$2,863,264	\$2,942,895	\$3,024,566	\$3,108,327
Equipment & Services	19,344,662	25,711,888	\$28,674,715	\$31,877,145	\$32,659,855	\$33,407,238	\$34,186,161	\$34,974,286
General Liability	2,618,505	2,621,245	\$1,462,622	\$1,499,189	\$1,536,669	\$1,575,085	\$1,614,463	\$1,654,824
Workers' Compensation	5,323,372	5,098,925	\$3,182,004	\$3,271,420	\$3,377,415	\$3,471,345	\$3,567,681	\$3,666,482
Internal Services	13,472,088	6,754,489	\$7,436,620	\$7,659,720	\$7,889,512	\$8,126,197	\$8,369,983	\$8,621,082
Debt Service	12,915,483	14,193,373	\$10,603,173	\$15,506,487	\$15,680,461	\$14,585,602	\$14,889,524	\$15,327,494
Special Purpose	270,305	265,049	\$264,385	\$270,795	\$277,565	\$284,504	\$291,617	\$298,907
State Pension Contribution	5,199,177	5,785,466	\$5,199,177	\$5,785,466	\$5,785,466	\$5,785,466	\$5,785,466	\$5,785,466
Total Expenditures	\$156,752,370	\$163,778,175	\$161,137,640	\$172,702,401	\$178,148,735	\$178,833,950	\$184,108,936	\$189,095,519
Annual Percentage Change	1.3%	4.5%	-1.6%	7.2%	3.2%	0.4%	2.9%	2.7%

Annual Fiscal Adjustments	N/A	N/A	N/A	N/A	\$9,169,966	\$0	\$778,255	\$2,028,183
Cumulative Fiscal Adjustments	N/A	N/A	N/A	N/A	\$9,169,966	\$9,169,966	\$9,948,221	\$11,976,405

Operating Surplus/(Deficit)	\$7,745,616	\$3,145,566	\$6,701,980	(\$6,445,093)	(\$275,000)	\$1,276,772	(\$275,000)	(\$275,000)
Net Adj. & Transfers In/(Out)	(1,222,979)	(1,797,184)	(975,000)	275,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$6,522,637	\$1,348,382	\$5,726,980	(\$6,170,093)	\$0	\$1,551,772	\$0	\$0

Total Fund Balance	\$46,596,816	\$47,945,198	\$53,672,178	\$47,502,085	\$47,502,085	\$49,053,857	\$49,053,857	\$49,053,856
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Assumptions Used in Outyear Revenue and Expenditure Projections



Overview

Each year the Office of Management and Budget develops a five-year General Fund revenue and expenditure projection covering the budget year (FY 2022), as well as the next four outyears (FY 2023 through 2026). For FY 2022, the approved budget is shown and is the base year upon which the FY 2023 through 2026 projections are built. In general, we have sought to use prudent, conservative assumptions when developing these projections. Of course, with every budget line item some risks are present. In areas of particular known risk, we have sought to identify these concerns in the details that follow. FY 2021 embodies projected year-end revenues that have been reviewed by the Wilmington Economic & Financial Advisory Council, as well as expenditure estimates presented to the City's Expenditure Review Board.

The projections included below are for the City's **General Fund**. The City's other major funds – Special Funds, Internal Service Funds, and the Water / Sewer funds – are projected separately, as appropriate:

Special Funds, which consolidates numerous smaller funds, mainly consists of funding from various external sources such as State and Federal grants. In general, the level of Special Fund revenue is not directly controlled by the City. Excluding the special case of the Cable Television Fund (CATV) in City Council, expenditures for these funds match revenues received, resulting in no fund balance at year end. Given this, Special Fund Revenues are projected for the budgeted fiscal year only (which is detailed in the [Summary of Special Funds](#) and [Special Funds Revenues](#) sections).

Internal Service Funds allocate common expenditures such as motor vehicle and self-insurance costs to other funds. Chargebacks for these costs, which in total equal the expenses in the Internal Service funds, are included as part of the General Fund and Water / Sewer fund projections.

Water / Sewer Fund projections are prepared by an outside consulting firm on behalf of the Wilmington Utilities Citizens Advisory Board (UCAB). UCAB is an independent body which reviews water / sewer operations and is tasked with providing recommendations on water and sewer rates. The FY 2022 budget serves as the basis for UCAB’s six-year Water / Sewer financial plan, which can be found at <https://bit.ly/22UCAB>. This projection is on a cashflow basis (as the primary purpose of the plan is to assist in setting rates) while the approved budget is on an accrual basis, matching the Annual Report.

In general, the FY 2023 through FY 2026 General Fund projection shows year-over-year revenue and expenditure growth. However, projected expenditure growth outstrips revenue growth by an annual average of more than 0.7%. In order to avoid deficits, the City will need to implement some combination of *permanent* revenue increases or expenditure decreases, shown in the projection as Annual Fiscal Adjustments. These adjustments are assumed to carry through to each subsequent fiscal year (i.e., the projected \$9.2 million in Annual Fiscal Adjustments included in FY 2023 will recur in each year through FY 2026).

Because budget authority rests with the Mayor and City Council, the outyear projection does not attempt to draw definitive conclusions as to which specific actions, policies, staffing levels, and spending/revenues levels are most appropriate to address these outyear issues. By design, this projection is intended to be a neutral guide as to what will occur if the fiscal course of the City remains unchanged and is not intended to mask the need for the Mayor and City Council to take appropriate action. Very broadly, we can conclude that some mix of operational changes, revenue increases, and spending cuts will be necessary to eliminate the deficits in the outyears, but it is the duty of the Mayor and City Council to debate on and approve the best course of action.

Note that neither the budget, nor the outyear projection, includes any usage of American Rescue Plan funds, as the scope and potential usage of these funds is currently still being determined.

General Inflation Assumptions

The Office of Management and Budget relies on the Survey of Professional Forecasters for its general inflation projections. Conducted by the Federal Reserve Bank of Philadelphia, this survey is the oldest quarterly survey of macroeconomic forecasts in the United States. The May 14, 2021 release projects headline Consumer Price Index (CPI) growth of 3.0% in calendar year 2021, followed by a return to historically normal inflation in FY 2022 as the economy recovers (see table below).

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2021	3.0%
2022	2.3%
2023	2.3%
2024	2.2%
2025	2.2%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 14, 2021

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has trended close to the national cost-of-living growth in recent years. However, as the Implicit Price Deflator for State & Local Government Purchases (S&L IPD) generally exceeds both the national and regional CPI, we have taken a conservative approach and assumed overall City inflationary pressures of 2.5% per year.

However, it should be noted that this is only the default assumption; most cost categories have a variety of calculations and overriding assumptions included.

Outyear Projection Assumptions – General Fund Revenues

The following section details the assumptions used in creating the FY 2023 through FY 2026 outyear General Fund revenue projections. In many cases these assumptions rely on the budgeted revenue for FY 2022 as a starting base; further details on how the FY 2022 revenues were derived can be found in the [Revenues](#) section above.

Wage & Net Profit Taxes (FY 2022 Base Year: \$70,079,093 – 42.2% of total revenues)

Wage and Net Profits Tax revenues for FY 2022 are projected to total nearly \$70.1 million. The majority of this is derived from Wage Taxes, at just under \$64.1 million, or \$4.1 million more than FY 2021. In their May 2021 report, the Delaware Economic and Financial Advisory Council (DEFAC) predicts that Delaware wages and salaries will grow by 3.5% in FY 2023 as economic activity returns. Given that the City has historically lagged somewhat behind broader state growth during economic recoveries, projected Wage Tax growth in FY 2023 and beyond is one percentage point lower, at 2.5% annually, matching expected normal wage inflation. This assumes no job growth beyond a return to the pre-COVID employment levels. Finally, expanded audit collection efforts in FY 2022 are expected to yield an additional \$1.7 million on top of the normal \$1.25 million. During the outyears, total audit collections are projected to decline as the available pool of uncollected revenues diminishes, with audit revenues dropping to \$2.1 million in FY 2023 and \$1.7 million in FY 2024, followed by a return to base collections of \$1.25 million for FY 2025 and beyond.

Note that the outyear projection does not include any potential reduction in revenue associated with employees continuing to work from home in a residence outside the City. As wages from non-resident employees make up almost 75% of the City's Wage Tax base, the effect could be significant if the work-from-home rate is high. While the City has experienced larger-than-normal FY 2021 refunds due to employees temporarily working from home, it is not yet possible to distinguish temporary wage tax reductions from permanent ones. Consequently, any estimate of lost revenue would be speculative at this point.

Net Profits revenues for FY 2022 are projected to be \$6.0 million, or \$1.0 million less than the five-year historical average. As Net Profits is paid on a calendar year basis, revenues received during FY 2022 encompass the latter half of FY 2021 and the first half of FY 2022, and are therefore expected to be impacted by COVID. For FY 2023, revenues are expected to recover to their historical average of \$7.0 million, then grow by 2.5% per year for the remainder of the projection.

Property Tax (FY 2022 Base Year: \$43,256,728 – 26.0% of budgeted revenues)

Total Property Tax revenues, which include real estate taxes along with associated penalty and interest, are projected to total nearly \$43.3 million, an increase of \$1.1 million (or 2.6%) relative to the FY 2021 budget. Given that FY 2021 Property Tax revenues are projected to be largely unaffected by COVID, our estimate for FY 2022 does not include additional COVID effects and represents a return to historical revenue levels. Real estate taxes, net of losses to appeals and adjustments for bad debt, total nearly \$42.0 million in FY 2022, which is up by \$814,000 compared to the FY 2021 budget. In addition, one-time revenue from Penalty and Interest is expected to be \$1.3 million, which is up \$300,000 over the FY 2021 budget and is consistent with pre-COVID revenues.

Because the City relies on New Castle County for its property tax assessments, and no systematic reassessment has been performed since 1983, Property Tax revenue will remain effectively flat unless the City increases the property tax rate. As the long-term average increase in property values is approximately 3%, this means that the City forgoes 3% in additional nominal property tax revenue in years without a rate increase, or nearly \$13.5 million over the outyear projection period. At the same time, the City faces normal inflationary pressures on expenditures, meaning that periodic rate increases have been necessary simply to keep pace with inflation.

For the outyear projection, we have not included any rate increases, with the assumption that some mix of expenditure cuts and revenue enhancements will be implemented as necessary to balance the budget (see the discussion of Annual Fiscal Adjustments in the *Overview* section above). While this may include Property Tax rate increases, no specific rate increases have been proposed by the Administration or Council.

Other outyear projection assumptions include assessment appeals of \$280,000 for FY 2023 and \$250,000 per year for the remainder of the projection. In addition, the cumulative amount added from expiring incentives totals nearly \$331,000 over the period of FY 2023 through FY 2026, with the bulk of the expirations occurring in FY 2023. Lastly, the 2% allowance for uncollectable accounts (approximately \$855,000 annually) and one-time penalty and interest collections (\$1.4 million annually) are expected to remain roughly level for the projection period.

Real Estate Transfer Tax (FY 2022 Base Year: \$3,054,389 – 1.8% of total revenues)

For FY 2022, Real Estate Transfer Tax (which collectively includes Residential and Commercial Transfer Taxes) is expected to increase by over \$1.0 million relative to the FY 2021 budget, representing a return to historically average transfers. For outyears FY 2023 through FY 2026, the City uses a 3.0% annual increase consistent with 30-year average annual growth of property prices in Wilmington.

Head Tax (FY 2022 Base Year: \$3,291,445 - 2.0% of total revenues)

Relative to the FY 2021 budget, Head Tax revenues are projected to increase only modestly in FY 2022. FY 2023 is expected to see additional growth of 1.3% (matching DEFAC employment growth projections), with no net job growth or reduction assumed for the remainder of the projection period.

Franchise Fees (FY 2022 Base Year: \$764,123 - 0.5% of total revenues)

Franchise Fees consists of 2% of the gross revenues from electricity sales in the City and is budgeted to be slightly over \$764,000 in FY 2022, unchanged from the prior year. This is projected to increase by approximately \$95,000 in FY 2023, reflecting additional recurring revenue resulting from an FY 2021 audit of prior-year Delmarva payments. Franchise Fees revenues are expected to stay at this increased level for the remainder of the projection period.

Licenses, Permits, Fees (FY 2022 Base Year: \$4,403,653 – 2.6% of total revenues)

Collectively, Licenses, Permits, and Fees revenue is budgeted to be up \$520,000, in net, relative to the FY 2021 budget. In subsequent years, both Business License and Permits are expected to grow consistent with pre-COVID actual trends, with annual growth rates of nearly 2.9% and 4.1%, respectively. No growth in Fees revenues is expected for the remainder of the projection period.

Fines (FY 2022 Base Year: \$8,495,153 - 5.1% of total revenues)

The Fines category consists of redlight camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Combined revenue is projected to be up more than \$341,000 relative to the FY 2021 budget. The largest portion of Fines is derived from redlight camera citations, at \$5.4 million for FY 2022. This is an increase of \$656,000 compared to the FY 2021 budget, driven by the combined effects of 17 new cameras introduced in FY 2021 and the return of pre-COVID traffic levels. No redlight revenue growth is expected in subsequent years.

Parking revenues are projected to be nearly \$2.7 million in FY 2022, down \$276,000 from the FY 2021 budget, but up by almost \$2.7 million from the Q2 FY 2021 WEFAC projection (which assumes that parking enforcement remains suspended for the entirety of FY 2021). For FY 2022, parking enforcement is assumed to be fully restored by the beginning of the fiscal year, with Parking revenues returning to their historical pre-COVID levels by Q2. For FY 2023 and beyond, new parking kiosks and improved ticketing equipment are expected to result in base citation growth of 2.5% annually. Additional efforts focused on improved collections of new and existing tickets are expected to continue, though write-downs of older uncollectable tickets are projected to result in collections revenues declining from \$300,000 in FY 2023 to \$200,000 in FY 2024 and beyond.

For FY 2022, Instant Ticket revenues are projected to return to historically average levels as Licenses and Inspections resumes normal activities. No changes are expected for the remainder of the projection period. Conversely, Criminal Fines are projected to decrease by \$81,000 relative to the FY 2021 budget, due to ongoing declines in State remittances. These declines are expected to continue into FY 2023 and beyond, with Criminal Fines revenues dropping nearly 8.0% annually, consistent with historical annual reductions.

Interest Income (FY 2022 Base Year: \$336,000 - 0.2% of total revenues)

Interest earnings on the City's cash balances are projected to increase by \$152,000 relative to the prior year budget, though are far below historical levels. Interest rates are projected to begin recovering in the outyears, with the projection assuming an interest rate of 0.15% in FY 2022, followed an increase of 25 basis points each year beyond that. This also includes the following additions to the investment base:

1. FY 2023: a weighted average of \$8.5 million from the unspent portion of the November 2022 capital borrowing, net of the FY 2022 deficit;
2. FY 2024: a weighted average of \$8.5 million from the unspent portion of the November 2022 capital borrowing, net of the FY 2023 deficit;
3. FY 2025: a weighted average of \$7.8 million from the unspent portion of the November 2024 capital borrowing, net of the FY 2024 deficit;
4. FY 2026: a weighted average of \$7.8 million from the unspent portion of the November 2024 capital borrowing, net of the FY 2025 deficit.

Indirect Costs (FY 2022 Base Year: \$7,584,678 - 4.6% of total revenues)

Indirect Costs, which are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of water, sewer, and stormwater utilities, are budgeted to decline by \$427,000 in FY 2022, reflecting revisions to the cost allocation model based on new usage surveys. For FY 2023 and subsequent years, this category is estimated to increase by 2.5% per year.

Other Miscellaneous Revenues (FY 2022 Base Year: \$1,140,845 – 0.7% of total revenues)

Other Miscellaneous Revenues is composed of general government charges, rentals, and other revenues. Collectively, these are expected to decline nearly \$514,000 in FY 2022 relative to the FY 2021 budget, with Rentals declining \$165,000 (due to the sale of the Christina Landing Parking Garage), and General Government Charges declining \$348,000 (mainly driven by slowdowns in vacant property registration fees and limitation of occupancy fees). No change is expected in the outyears.

Task Force Revenues (FY 2022 Base Year: \$5,990,845 - 3.6% of total revenues)

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force. As a result, each county seat in the State (including Wilmington, the county seat of New Castle County) receives the revenue derived from the following:

1. A State corporate filing tax, budgeted at nearly \$1.3 million in FY 2022. Per DEFAC projections, this is expected to increase by 2.2% in FY 2023, then increase by 0.8% annually for the remainder of the projection period.
2. A State Limited Liability Corporation (LLC) filing tax, budgeted at \$3.5 million for FY 2022. Per DEFAC projections, this is expected to increase by 5.0% in FY 2023, followed by 3.9% annually for the remainder of the projection period.
3. A 2% lodging tax on hotels in the City, budgeted at nearly \$731,000 in FY 2022. This is projected to return to the pre-COVID level of \$822,000 in FY 2023, then grow at 2.5% per year, matching normal inflation.
4. A natural gas franchise fee, budgeted at almost \$505,000 in FY 2022. This is projected to remain level for the rest of the projection period.

County Seat Relief Package (FY 2022 Base Year: \$11,520,686 – 6.9% of total revenues)

The County Seat Relief Package is a bundle of escalating revenue enhancements that built on the work of the Governor’s Task Force (see the Task Force Revenues section above) and was intended to provide further diversified revenue support to the three county seats in the State of Delaware. In FY 2022, this totals over \$11.5 million and consists of the following four components:

1. A payment in lieu of taxes (PILOT) on what would otherwise be tax-exempt properties in the City. This is budgeted at \$3.3 million in FY 2022 and is expected to remain at this level for the rest of the projection period.
2. \$1.0 million in Statutory Trust filing fees in FY 2022, which is the capped amount. This is expected to remain flat during the projection period.
3. \$5.6 million in State Uniform Commercial Code (UCC) filing fees in FY 2022. Based on DEFAC projections, this is expected to grow 2.3% annually during the remainder of the projection period.
4. Nearly \$1.6 million in New Castle County Corporate Filing Fees in FY 2022. This is projected to grow nearly 4.9% annually for the remainder of the projection period, based on historical trending.

State Port Debt Reimbursement (FY 2022 Base Year: \$554,204 – 0.3% of total revenues)

The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. Per the sale agreement, the outstanding Port debt remains as a liability on the City's books. Following their long-term lease of the Port, the State provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt reimbursement payments for the remaining life of the associated bonds. The outyear projection is based on the existing port debt service schedule, with the final payment concluding in FY 2023.

State Pension Contribution (FY 2022 Base Year: \$5,785,466 – 3.5% of total revenues)

The State Pension Contribution is a pass-through grant that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. This is budgeted to increase by more than \$586,000 in FY 2022 and remain at that level for the rest of the projection period.

Net Adjustments & Transfers (FY 2022 Base Year: \$275,000)

This category includes transfers between the General Fund and other funds, as well as a variety of year-end adjustments included in the Annual Report. For FY 2022, only the usual \$275,000 transfer from the Wilmington Parking Authority (WPA) is budgeted, with no change anticipated for the outyears.

Outyear Projection Assumptions – General Fund Expenditures

Salaries and Wages (FY 2022 Base Year: \$69,147,542 – 40.0% of total expenditures)

Estimates on the cost of labor agreements with the City's five bargaining units, as well as estimates of non-union employee expenses and assumptions on City-wide staffing levels, form the basis of the Salary and Wage projection. The FY 2022 budget serves as the base year for estimating future costs, and all numbers are reported net of projected attrition.

Both Local 1590 (firefighters) and Local 320 (laborers) are under contract through FY 2023; for subsequent years, a 2% annual COLA is included. For all other remaining City employees and out-of-contract bargaining units, an annual COLA of 2.0% is assumed for FY 2023 through FY 2026. Furthermore, automatic anniversary salary step increases are assumed to continue unaltered throughout the projection period for all eligible employees at a cost of about \$550,000 each year.

Health Benefits, Active Employees (FY 2022 Base Year: \$14,966,470 – 8.7% of total expenditures)

In the Health and Welfare Fund, the Self-Insurance Cost account group includes the cost centers for employee medical claims, prescriptions usage, and dental claims. Prior to 2017, the City had been experiencing healthcare cost increases and employee plan utilization that were well above the national average. As a result, the City developed a three-year strategic plan and assembled the Wilmington Employee Healthcare Task Force to study all aspects of the City's employee healthcare program, with an eye toward substantially containing future cost growth. This led to the identification of key areas ripe for cost efficiencies, as well as programs to help increase the overall level of employee wellness. The Healthcare Task Force issued their report in April of 2017. The Administration continues to work with the labor unions to fully implement the report's recommendations, especially regarding higher employee healthcare contributions.

The Human Resources Department and USI (the City's insurance broker and consultant) project that, on an annual basis, during the period of FY 2023 to FY 2026, medical stop-loss insurance will increase 20.0%; medical costs will increase 6.6%; prescription costs will increase by 8.1%; and dental costs will increase by 5.25%. Taken in total, this equates to an overall weighted-average increase in base Healthcare costs of 7.0% annually through the projection period. In addition, the projection assumes a weighted-average employee contribution rate of 11.0%, which partially offsets the City's healthcare costs.

Pension and Retirement Healthcare (FY 2022 Base Year: \$19,944,761 – 11.6% of total expenditures)

In FY 2012, the City closed the last of its pension plans to new employees. All employees hired since that time participate in a State-sponsored pension program in which the City pays the State of Delaware a set percentage of an employee's salary. For FY 2022, this is 16.03% for police officers and firefighters, and 6.78% for civilian participants. Because the State funding percentages are estimated to increase annually by only 15 basis points for civilians and 25 basis points for police and firefighters, the major driver of cost growth is the number of new employees hired each year that fill vacancies left by former employees that were in one of the older City-sponsored pension plans. It is assumed that an average of 34 civilians, 12 police officers, and 6 firefighters will be hired and added to the State-sponsored pension plans each year. As a result, the \$6.3 million General Fund total cost of the State-sponsored pension plans in FY 2022 is projected to grow to \$8.0 million by FY 2026.

In contrast, the cost of the now-closed City-sponsored pension plans are the actuarially determined dollar amounts derived each year by the City's Actuary. This actuarially required contribution (ARC) for each of

the City's closed plans is calculated to cover ongoing costs, plus provide a contribution to eliminate any unfunded liability within the next 10 years. The Pension Coordinator, working with the City's Actuary, projects a 2.29% increase in the ARC for FY 2023; no change in FY 2024; a 1.14% decrease in FY 2025; and no change in FY 2026. This works out to a weighted-average funding target increase of 0.3% annually for the projection period.

Based on a recent actuarial report, the City is set to realize an average of \$3.36 million in annual savings beginning in FY 2024 and running through the end of the projection period (FY 2026) due to changes in the amortization schedule.

In FY 2000, the City developed and opened to all employees a retiree healthcare program. Since then, the unfunded liability for the program has grown dramatically, forcing ever increasing annual contributions in an attempt to meet the actuarially required funding targets. In FY 2012, the Treasurer's Office implemented expansive revisions to the program to rein in the costs. The revisions to program benefits were prospective, and do not affect employees hired prior to July 1, 2011. Even with these changes, the Treasurer's Office foresees necessary annual increases of about \$210,000 (the General Fund's prorated contribution) for at least the next 5 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2022 is \$3.57 million and will grow to over \$4.41 million by FY 2026.

Other Employee Benefits (FY 2022 Base Year: \$2,773,405 – 1.6% of total expenditures)

This category consists primarily of payroll taxes, as well as other costs, such as life insurance. These costs, in the aggregate, are projected to generally follow salary growth.

Equipment and Services (FY 2022 Base Year: \$31,877,145 – 18.5% of total expenditures)

This is a relatively broad grouping of expenditures that includes costs such as professional services contracts, landfill fees and utilities, as well as basic materials, supplies, and equipment. In general, departmental managers have demonstrated the ability to effectively contain aggregate equipment and services costs while maintaining comparable levels of City services amid unavoidable increases and significant budget reductions over the past several fiscal years.

To more accurately estimate future costs, certain account groups within this category were analyzed separately, such as water utilities, electricity, collection commissions on parking and traffic violations, and community activities.

In FY 2016, the City began a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by departments in the General Fund. The fee was fully implemented in FY 2019. Starting with a base fee of \$1.08 million in FY 2022, the most recent water/sewer utility study projects required rate increases in the outyears that will raise the base fee to roughly \$1.32 million by FY 2026.

The City uses an energy procurement consulting firm (which specializes in designing and maintaining large-scale energy portfolios) to manage City's energy contract purchases. According to the consultant, electricity costs are expected to increase, on average, 2.27% annually from FY 2023 to FY 2026.

The Mayor's Office and City Council each have a budget account group known as Community Activities, which includes expenditures such as grants to non-profit agencies and a scholarship tuition assistance program. For FY 2022, the total budgeted for Community Activities is \$1.1 million (\$893,000 in the

Mayor's Office and \$211,000 in City Council). It is assumed that this funding will remain constant through the projection period.

For this projection, the Contingency Fund and the Snow & Weather Emergencies Fund are included in the Equipment and Services category (although they are budgeted separately in the budget book summaries). The Contingency Fund was budgeted at \$500,000 for FY 2022. It is assumed it will remain at \$500,000 in the outyears of the projection. The Snow and Weather Emergencies Fund was budgeted at \$172,000 in FY 2022 and is projected to remain at that level through the projection period.

Excluding commissions, the Contingency and Weather Emergencies Funds, community activities, electricity, and the water/sewer utilities, the remaining base of the Equipment and Services category is expected to respond to overall inflationary pressures of 2.5% annually.

General Liability (FY 2022 Base Year: \$1,499,189 – 0.9% of total expenditures)

Being self-insured, the City relies heavily on an actuary to annually review claims experience and rate potential liability. Once an accrued liability figure is determined, it is compared to that of the previous fiscal year. Changes in the liability figure on the balance sheet result in changes to the expenses booked under General Liability in the income statement. As a result, this cost category can experience extreme volatility in the short-term. The long-term running average of actual experience was used to derive the FY 2022 budget of \$1.50 million. This figure is projected to increase by 2.5% annually.

Workers' Compensation (FY 2022 Base Year: \$3,271,420 – 1.9% of total expenditures)

The FY 2022 budget, which was actuarially derived, is used as the base for forecasting purposes. Annual growth is projected to parallel the growth in Salaries and Wages.

Internal Services (FY 2022 Base Year: \$7,659,720 – 4.4% of total expenditures)

This category encompasses various expenditures incurred by operating departments but budgeted centrally. Prior to FY 2020, this included charges for motor vehicles, telephone and radio usage, postage, data processing, document management, and mapping and graphics. Beginning in FY 2020, only motor vehicle charges remain in the category. In the Budget Book summaries, Internal Services also includes General Liability and Workers' Compensation; however, for this projection they are analyzed separately.

In recent years, total Motor Vehicle fund costs have shown greater consistency due to better managing of the size of the fleet. Total motor vehicle costs, including fuel costs, are projected to increase 3.0% annually in the outyears, from \$7.66 million in FY 2022 to \$8.62 million in FY 2026.

Debt Service (FY 2022 Base Year: \$15,506,487 – 9.0% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Treasurer's Office, with estimates added for any expected new borrowing or refinancing. To fund future capital budgets, a \$25.4 million bond issuance is assumed in November of 2022 (FY 2023) at an interest rate of 3.5%, and a \$23.5 million bond issuance is assumed in November of 2024 (FY 2025) at an interest rate of 3.75%. It is assumed that the debt service for all bond issues will be structured as level, semi-annual payments over a term of 20 years, with no capitalization of interest.

Because debt service is paid on a semi-annual basis, special consideration is given for the timing of the bond issuances. As such, the second of the equal semi-annual debt service payment on each of the new bond issuances does not occur until the succeeding fiscal year. Consequently, the FY 2023 issuance results in only \$888,000 of new debt service costs in FY 2023, increasing to an annual cost of \$1.8 million in subsequent years. Similarly, the FY 2025 issuance results in \$842,000 in additional debt service costs in FY 2025, increasing to \$1.68 million in FY 2026.

Special Purpose (FY 2022 Base Year: \$270,795 – 0.2% of total expenditures)

This expenditure category largely funds animal control. The City started utilizing the recently established State Office of Animal Welfare for animal control services in FY 2018. The base fee owed to the State Office of Animal Welfare for FY 2022 is nearly \$263,000 and is projected to grow by 2.5% per year through FY 2026.

This category also includes a total of \$8,000 for some smaller specialty items in City Council. The City Council funding is projected to grow annually by 2.5% per year starting in FY 2022.

State Pension Contribution (FY 2022 Base Year: \$5,785,466 – 3.3% of total expenditures)

The State Pension Contribution, a grant from the State that is booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, is almost \$5.8 million for FY 2022. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4.1 million budgeted in Fire and \$1.7 million budgeted in Police. The outyear State pension contribution projection is expected to remain level for the remainder of the projection period.

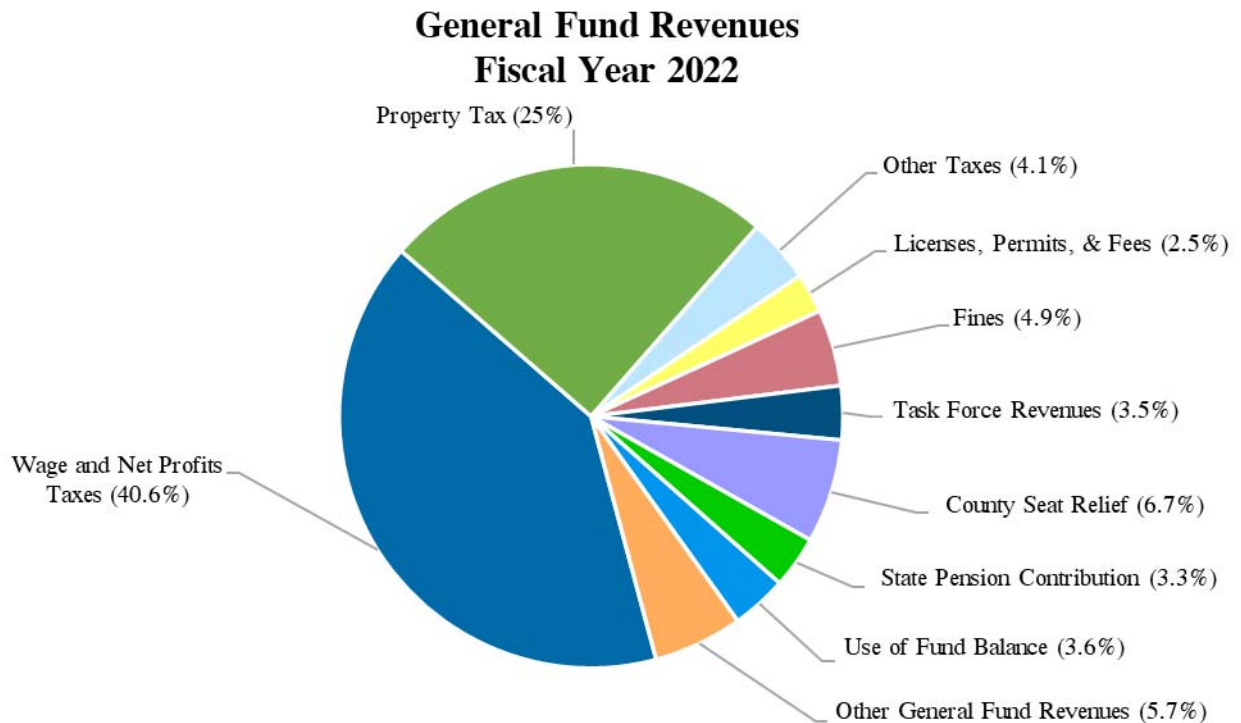


General Fund Revenues Fiscal Year 2022

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Wage and Net Profits Taxes	\$68,433,280	\$65,637,184	\$65,840,370	\$70,079,093	\$4,238,723	6.4%
Property Tax	42,747,586	43,698,151	42,142,742	43,256,728	1,113,986	2.6%
Other Taxes	8,171,822	10,215,568	5,977,720	7,109,957	1,132,237	18.9%
Licenses, Permits, & Fees	4,782,091	5,746,733	3,883,472	4,403,653	520,181	13.4%
Fines	6,945,327	5,380,602	8,154,141	8,495,153	341,012	4.2%
Interest	1,947,184	1,301,142	184,500	336,000	151,500	82.1%
Other Revenues	8,551,420	11,324,447	9,666,746	8,725,523	(941,223)	-9.7%
Task Force Revenues	5,775,578	5,624,656	5,063,006	5,990,845	927,839	18.3%
County Seat Relief	11,547,947	11,640,434	10,876,287	11,520,686	644,399	5.9%
State Pension Contribution	5,199,177	5,785,466	5,199,177	5,785,466	586,289	11.3%
Port Debt Reimbursement	396,574	569,356	870,857	554,204	(316,653)	-36.4%
Transfers In/(Out)	275,000	275,000	275,000	275,000	0	0.0%
Use of Fund Balance	0	0	5,367,031	6,170,093	803,062	15.0%
Total Revenues	\$164,772,986	\$167,198,739	\$163,501,049	\$172,702,401	\$9,201,352	5.6%

Total General Fund revenue before transfers and use of fund balance is budgeted to be **\$166,257,308**, a net increase of \$8.4 million, or 5.3%, above the FY 2021 budget. As the operating budget must be balanced per the City charter, FY 2022 includes a one-time use of \$6.17 million from the General Fund's Tax Stabilization Reserve. This is sufficient to cover the projected revenue shortfall, based on projected revenues net of the approved General Fund expenditures of \$172.7 million. Inclusive of other transfers, this results in a total FY 2022 budget of **\$172,702,401**, for an increase of nearly \$9.2 million or 5.6%.

The net change by revenue category is discussed in detail below.



**General Fund Revenues
Fiscal Year 2022**

WAGE AND NET PROFITS TAXES

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Wage and Net Profits Taxes	\$68,433,280	\$65,637,184	\$65,840,370	\$70,079,093	\$4,238,723	6.4%

* Relative to FY 2021 budget.

Basis: Projected growth of local economy / wage inflation / corporate bonus compensation

Critical Assumptions: Wage and Net Profits Taxes are expected to increase by \$4.2 million to a new total of nearly \$70.1 million.

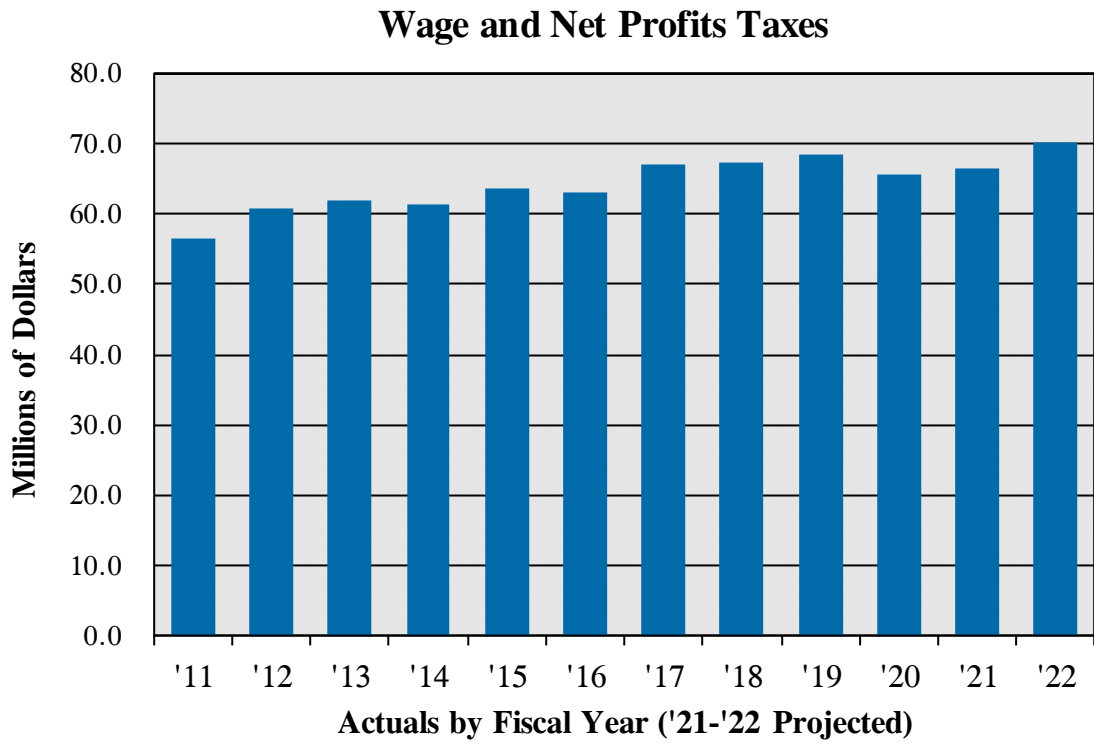
Wage Taxes make up \$64.1 million of this total and are expected to grow by nearly \$4.1 million budget-to-budget in FY 2022. Using the projected FY 2021 year-end total as the basis for the FY 2022 budget results in an adjusted base of \$59.6 million, which includes an approximately \$1.1 million net reduction for projected audit collections. On top of this, increased employee compensation is expected to result in 2.5% growth in taxable wages, further expanding Wage Tax revenues by nearly \$1.5 million. By comparison, in their December 18, 2020 report, the Delaware Economic and Financial Advisory Council (DEFAC) projects Delaware salaries and wages growth to be 7.0% in FY 2022. However, we have chosen to use a more conservative growth rate, largely reflecting underlying economic growth rather than post-COVID recovery. Finally, expanded collection efforts are expected to yield an additional \$1.7 million in audit collections; this is in addition to the \$1.25 million budgeted in FY 2021, for a collections total of nearly \$3.0 million in FY 2022.

Note that we do not include any potential reduction in revenue associated with employees continuing to work from home in a residence outside the City. As wages from non-resident employees make up almost 75% of the City’s Wage Tax base, the effect could be significant if the work-from-home rate is high. While the City has experienced larger-than-normal FY 2021 refunds due to employees temporarily working from home, it is not yet possible to distinguish temporary wage tax reductions from permanent ones. Consequently, any estimate of additional lost revenue would be speculative at this point.

Net Profits revenue, which is remitted by business partnerships, professional associations, and limited liability corporations, is projected to improve slightly relative to FY 2021, to a new total of \$6.0 million. However, as Net Profits is paid on a calendar year basis, revenues received during FY 2022 encompass the latter half of FY 2021 and the first half of FY 2022. Consequently, we have projected Net Profits to continue to be roughly \$500,000 off historical normal levels due to the effects of COVID.

**General Fund Revenues
Fiscal Year 2022**

WAGE AND NET PROFITS TAXES (Continued)



General Fund Revenues Fiscal Year 2022

PROPERTY TAX

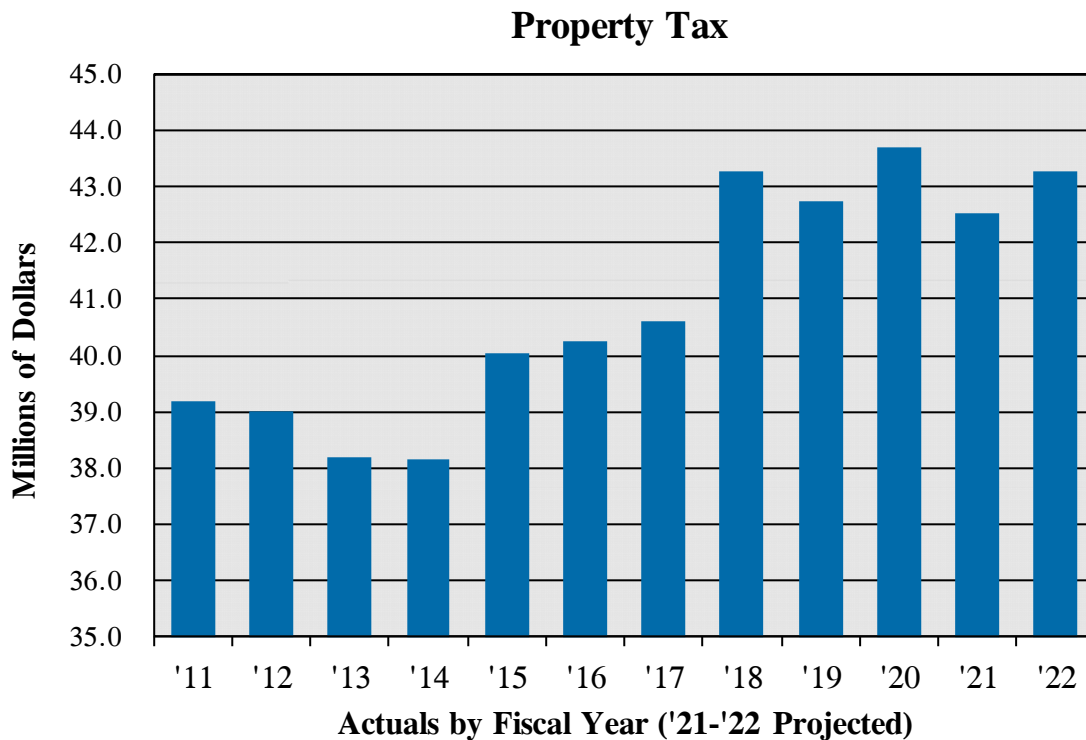
General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Property Tax	\$42,747,586	\$43,698,151	\$42,142,742	\$43,256,728	\$1,113,986	2.6%

* Relative to FY 2021 budget.

Basis: Assessment rolls

Critical Assumptions: Property Tax revenues are projected to total nearly \$43.3 million, an increase of \$1.1 million, or 2.6%, relative to the FY 2021 budget. Given that FY 2021 Property Tax revenues are projected to be largely unaffected by COVID, our estimate for FY 2022 does not include additional COVID effects and represents a return to historical revenue levels. Projected base billings for FY 2022 are \$43.0 million. This base is reduced by \$250,000 in projected reassessment appeals, though this is partially offset by a combined \$26,000 in additional revenue due to expiring tax incentives and projected property improvements. The usual 2.0% allowance for doubtful accounts (similar to pre-COVID estimates) further reduces revenue by \$856,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.3 million, which is up \$300,000 over the FY 2021 budget and is consistent with pre-COVID revenues.

There is no Property Tax rate increase included in the FY 2022 budget.



**General Fund Revenues
Fiscal Year 2022**

Other Taxes

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Other Taxes	\$8,171,822	\$10,215,568	\$5,977,720	\$7,109,957	\$1,132,237	18.9%

* Relative to FY 2021 budget.

Basis: Trend analysis / growth of local economy

Critical Assumptions: Other Taxes are projected to increase by \$1.1 million in FY 2022 relative to the prior-year budget. This includes the following:

Franchise Fees consists of 2% of the gross revenues from Delmarva Power electricity sales in the City (as Delmarva is the sole electricity distributor). This is projected to be \$764,000 in FY 2022, unchanged from the prior year.

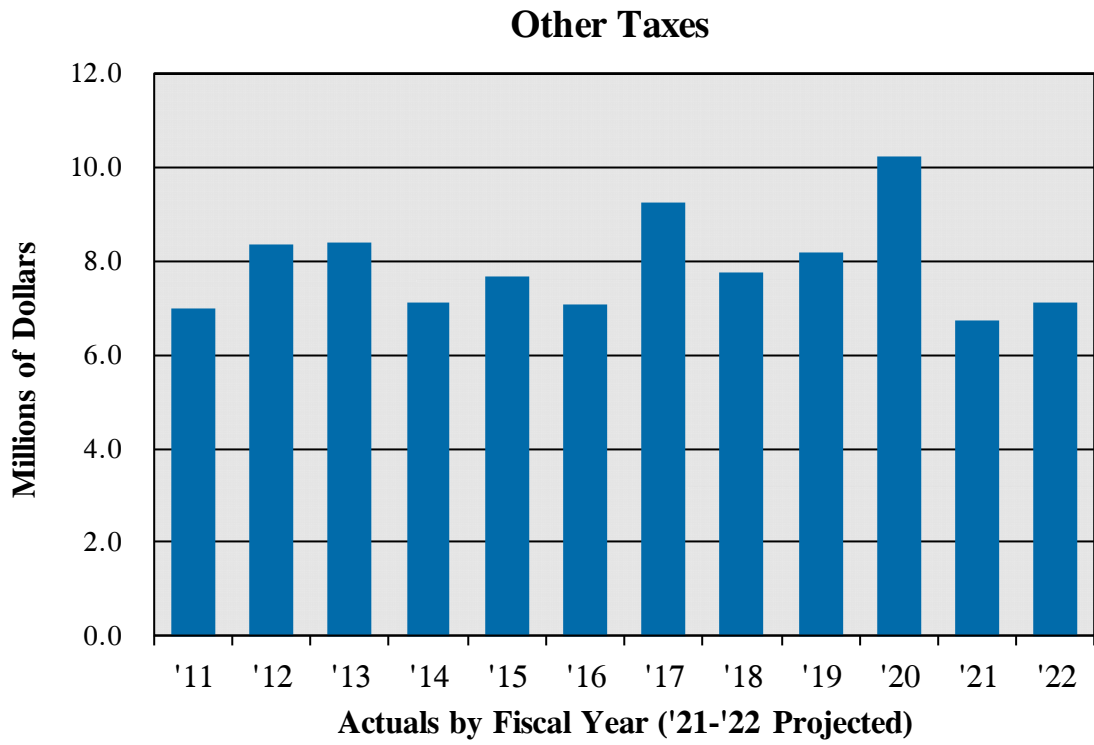
Real Estate Transfer Tax (Residential) revenues are projected to increase by \$781,000 relative to the FY 2021 budget; however, relative to the Q2 FY 2021 WEFAC year-end projection, this is down \$579,000. Contrary to the projections in the FY 2021 budget, Residential transfers did not fall off due to COVID but were instead boosted by historically low interest rates. As we do not expect this level of residential activity to continue permanently, our FY 2022 projection is conservatively based on the historical average of residential transfers, net of one downside standard deviation.

Real Estate Transfer (Commercial) revenues are projected to increase by nearly \$267,000 relative to the FY 2021 budget. Commercial transfers have slowed during FY 2021, though not outside the bounds of a normal year (as commercial transfer activity tends to be unpredictable even in normal economic environments). For FY 2022, we have assumed a return to historically average commercial transfers, net of one downside standard deviation.

Head Tax revenues are projected to increase only modestly, to a new total of \$3.3 million. While some recovery is expected, we have chosen to be conservative regarding the strength of post-COVID growth in FY 2022. This is driven not only by concerns over employees potentially continuing to work from home, but also uncertainty regarding when low-wage employment will return to pre-COVID levels. In addition, reductions to the Head Tax base due to the effects of the Barclays relocation and the Chemours exemption, which were included in the FY 2021 budget, further reduce Head Tax from its historical norm.

General Fund Revenues
Fiscal Year 2022

OTHER TAXES (Continued)



**General Fund Revenues
Fiscal Year 2022**

LICENSES, PERMITS, AND FEES

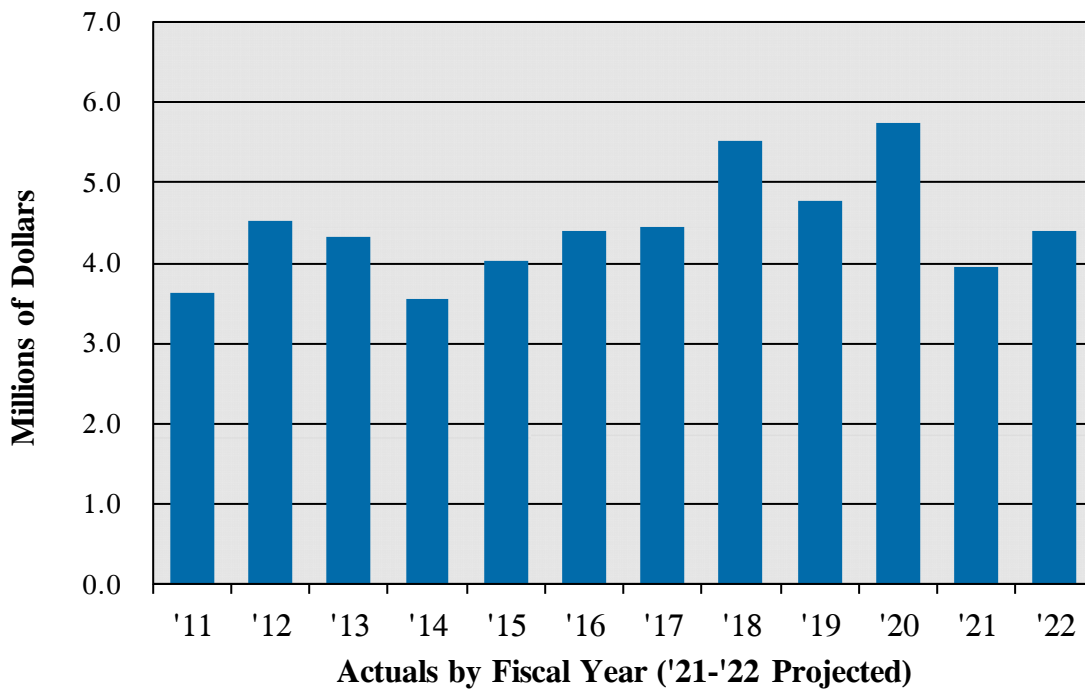
General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Licenses, Permits, & Fees	\$4,782,091	\$5,746,733	\$3,883,472	\$4,403,653	\$520,181	13.4%

* Relative to FY 2021 budget.

Basis: Trend analysis / growth of local economy

Critical Assumptions: Licenses, Permits, & Fees revenues are up \$520,000, in net, compared to FY 2021. Business License revenues are projected to be down only slightly from FY 2021, consistent with historical trends. Conversely, Permits, which were less impacted by COVID than originally budgeted, are projected to be up by \$506,000 as they return to historically average levels, net of one downside standard deviation. Finally, Fees are expected to modestly increase, again based on pre-COVID historical actuals.

Licenses, Permits, & Fees



General Fund Revenues Fiscal Year 2022

FINES

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Fines	\$6,945,327	\$5,380,602	\$8,154,141	\$8,495,153	\$341,012	4.2%

* Relative to FY 2021 budget.

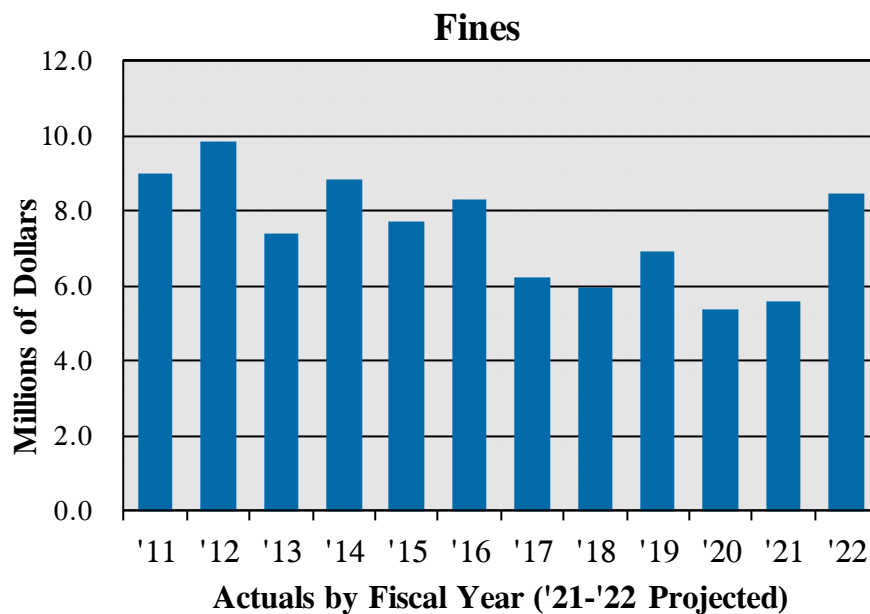
Basis: Trend analysis

Critical Assumptions: Fines are projected to be up by a net \$341,000, to a new total of \$8.5 million. This consists of the following:

Criminal / Instant Ticket revenues are composed of Criminal Fines remitted by the State and the L&I Instant Ticketing Program. Criminal Fines are projected to decrease by \$81,000 due to the ongoing declines in State remittances, which are projected to continue. Conversely, Instant Ticket revenues are projected to increase by \$42,000, with Instant Ticketing activity returning to historically average levels as Licenses and Inspections resumes normal activities.

Red Light revenues, in total, are projected to be \$5.4 million, an increase of \$656,000 relative to the FY 2021 budget and \$132,000 relative to the Q2 FY 2021 WEFAC projection. Net of the combined effects of COVID and the implementation of 17 new Red Light cameras, FY 2021 has seen stronger than expected Red Light revenues. We expect this to continue into FY 2022 and improve slightly as COVID-related losses abate.

Parking revenues are projected to be nearly \$2.7 million, down \$276,000 from the FY 2021 budget, but up by almost \$2.7 million from the Q2 FY 2021 WEFAC projection (which assumes that parking enforcement remains suspended for the entirety of FY 2021). For FY 2022, we assume that parking enforcement is fully restored by the beginning of the fiscal year, with some slowdown in traffic activity for Q1. For Q2 and beyond, we assume that Parking revenues return to their historical, pre-COVID levels.



General Fund Revenues Fiscal Year 2022

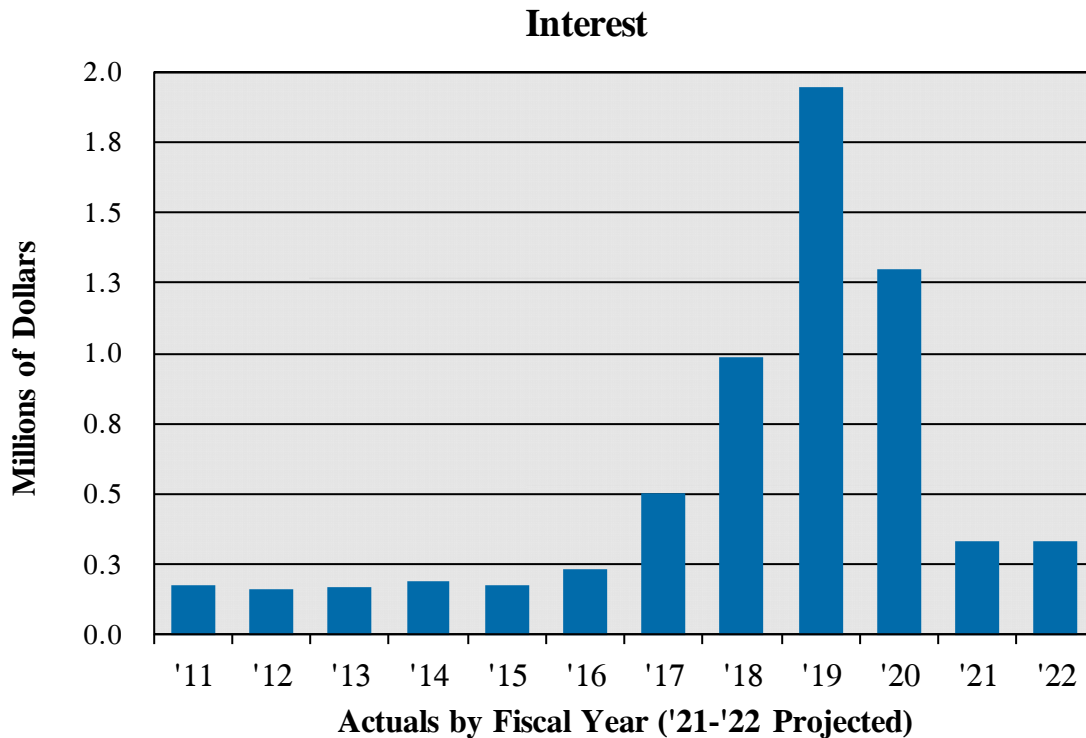
INTEREST

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Interest	\$1,947,184	\$1,301,142	\$184,500	\$336,000	\$151,500	82.1%

* Relative to FY 2021 budget.

Basis: Trend analysis / interest rate projections / bond issuance

Critical Assumptions: Interest earnings on the City’s cash balances are projected to increase by \$152,000 relative to the prior year budget. This is consistent with the modest interest revenues seen in FY 2021, with the City earning 0.15% or less on its investments. For FY 2022, we have assumed no change in rates, with the additional earnings largely due to a projected FY 2021 General Fund surplus, combined with additional earnings on the unspent portion of the FY 2021 bond issuance.



**General Fund Revenues
Fiscal Year 2022**

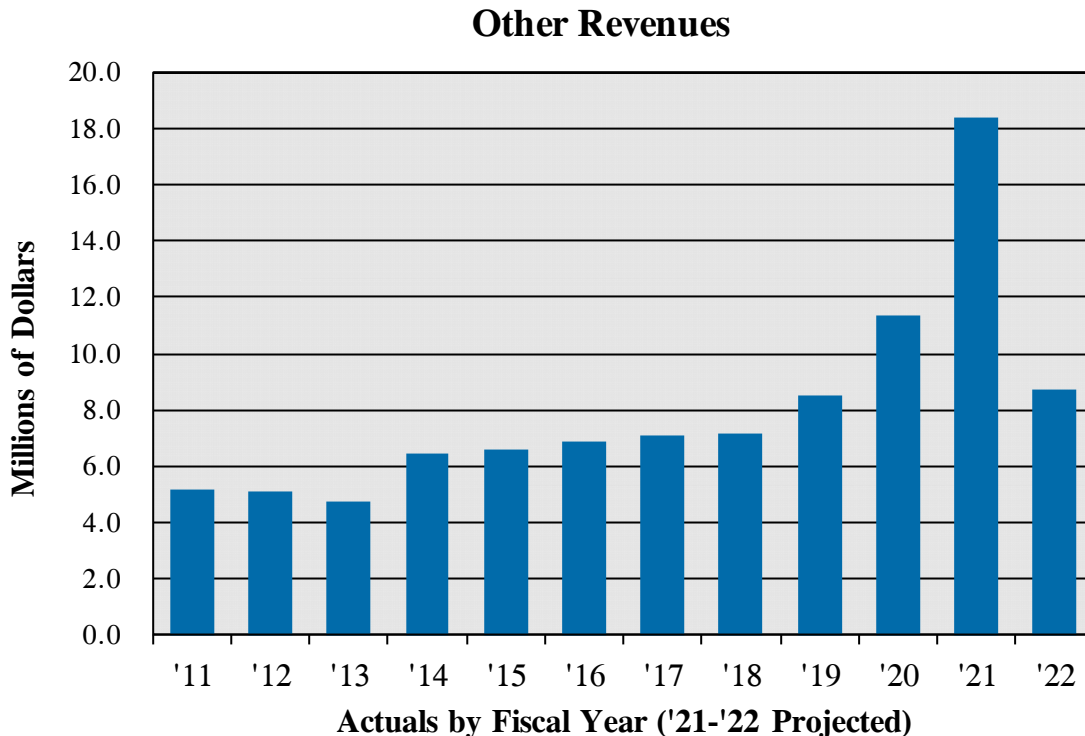
OTHER REVENUES

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Other Revenues	\$8,551,420	\$11,324,447	\$9,666,746	\$8,725,523	(\$941,223)	-9.7%

* Relative to FY 2021 budget.

Basis: Trend analysis / contracts

Critical Assumptions: Other Revenues is comprised of Indirect Costs, General Government Charges, Rentals, and other miscellaneous revenues. In total, this category is projected to be more than \$941,000 below the FY 2021 budget. Rentals are expected to decline by \$165,000 as the City will no longer receive rental fees for the Christina Landing Parking Garage, which is expected to be sold at the beginning of FY 2022. Similarly, General Government Charges are projected to decline by \$348,000, mainly driven by slowdowns in vacant property registration fees and limitation of occupancy fees. Finally, Indirect Costs, which are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of water, sewer, and stormwater utilities, are budgeted to decline by \$427,000, reflecting revisions to the cost allocation model based on new usage surveys.



Actuals include one-time unbudgeted CARES Act revenues of nearly \$1.9 million in FY 2020 and \$9.1 million in FY 2021. No additional CARES Act revenues are included in FY 2022.

General Fund Revenues Fiscal Year 2022

TASK FORCE REVENUES

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Task Force Revenues	\$5,775,578	\$5,624,656	\$5,063,006	\$5,990,845	\$927,839	18.3%

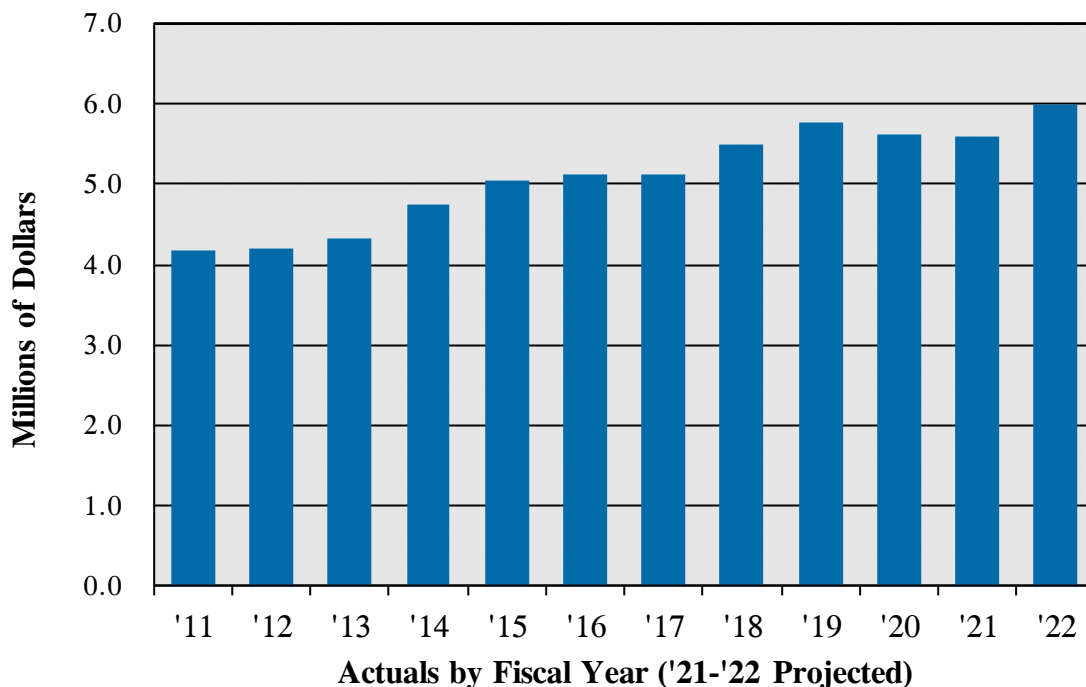
* Relative to FY 2021 budget.

Basis: Estimates from State of Delaware / trend analysis / State agreements

Critical Assumptions: Task Force Revenues are the revenue sources that were created as a result of the Governor’s Task Force, which took effect in FY 2004. As a result, each county seat in the state (which includes Wilmington, as the county seat of New Castle County) receives the revenue derived from the State filing fee for corporations and limited liability companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be up almost \$928,000 compared to the FY 2021 budget and \$387,000 compared to the Q2 FY 2021 WEFAC projection. The largest components of this increase are the Corporate Filing Tax and the LLC Filing Tax, which (per DEFAC growth estimates) are projected to increase by \$226,000 and \$537,000, respectively. These increases are consistent with strong FY 2021 revenues, as neither category appears to have been materially impacted by COVID. Lodging Tax is expected to see a smaller increase, at \$93,000 above the FY 2021 budget, but is still well below historical highs. This assumes a continued slowdown in lodging during Q1, followed by subsequent recovery. Finally, Natural Gas Tax is projected to increase by nearly \$72,000, consistent with historical trends.

Task Force Revenues



**General Fund Revenues
Fiscal Year 2022**

COUNTY SEAT RELIEF PACKAGE

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
County Seat Relief	\$11,547,947	\$11,640,434	\$10,876,287	\$11,520,686	\$644,399	5.9%

* Relative to FY 2021 budget.

Basis: Estimates from State of Delaware / trend analysis

Critical Assumptions: The County Seat Relief Package is a bundle of escalating revenue enhancements built upon the Governor’s Task Force and intended to provide further diversification to support the three county seats in the State of Delaware. The FY 2022 projection totals a combined \$11.5 million, up a net \$644,000 from FY 2021. This is composed of the following:

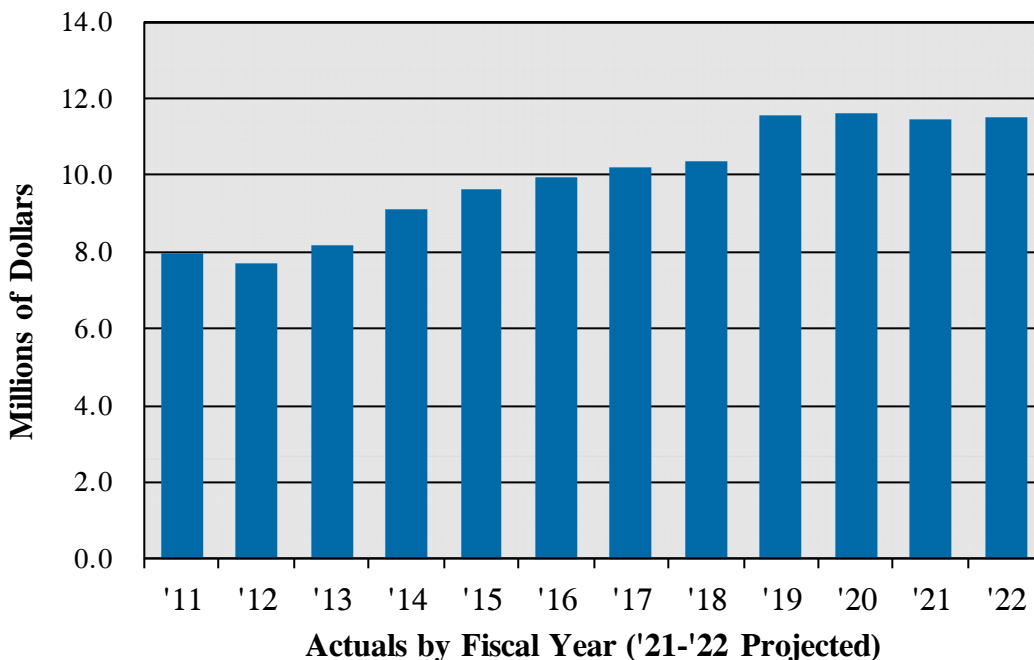
Statutory Trust Filing Fees, which are capped at \$1.0 million, are unchanged from prior years.

New Castle County Corporate Filing Fees are projected to be up over \$411,000, based on DEFAC growth estimates. This is consistent with FY 2021 revenues, which did not appear to be impacted by COVID.

Uniform Commercial Code (UCC) Filing Fees are projected to be down \$600,000, also based on DEFAC estimates. This follows the ongoing slowdown in UCC revenues seen in FY 2021, due to a combination of reduced overall UCC filings and the transition to electronic filing.

The **Payment in Lieu of Taxes (PILOT)** on what would usually be tax-exempt properties in the City is budgeted to increase by \$833,000, to a new total of \$3.3 million. This is nearly equal to the PILOT payment the City received in FY 2021, which was greater than budgeted.

County Seat Relief



**General Fund Revenues
Fiscal Year 2022**

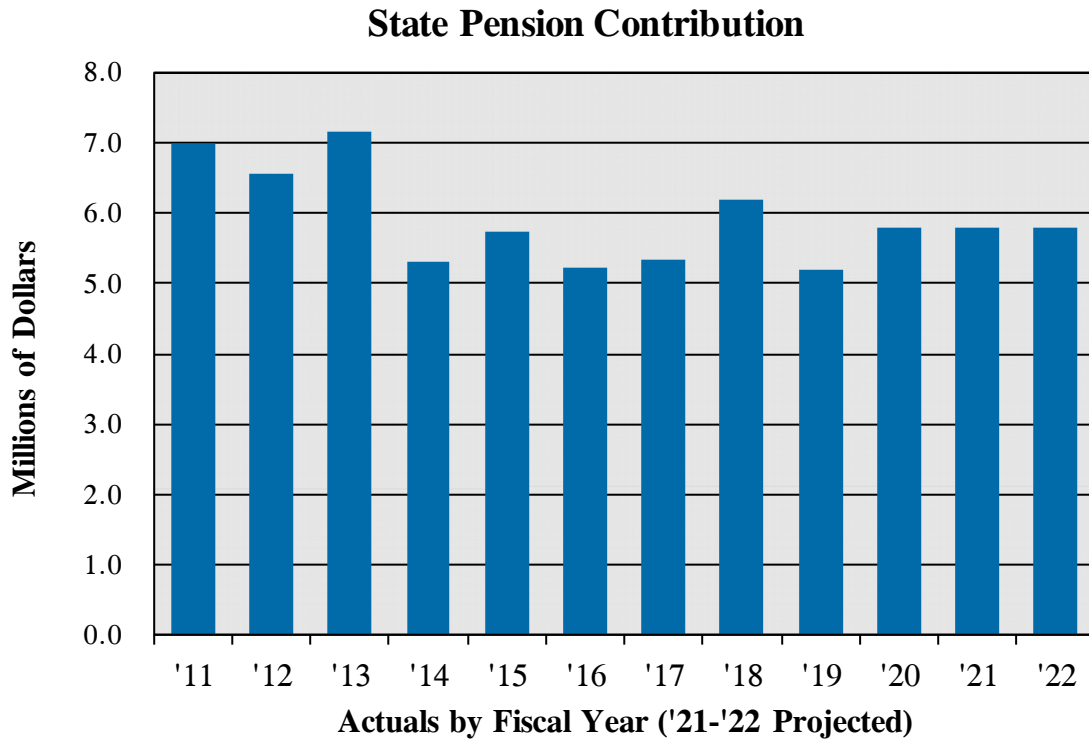
STATE PENSION CONTRIBUTION

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
State Pension Contribution	\$5,199,177	\$5,785,466	\$5,199,177	\$5,785,466	\$586,289	11.3%

* Relative to FY 2021 budget.

Basis: Estimates from State of Delaware

Critical Assumptions: The State Pension Contribution is a pass-through grant that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. This is projected to increase by almost \$586,300 in FY 2022. The City had previously expected to receive a reduced contribution amount due to a miscalculation by the State Insurance Commissioner’s Office and had lowered the budget in FY 2021 to reflect this; however, this decrease did not occur. Consequently, we have increased the FY 2022 projection to match the FY 2020 actual and FY 2021 projected amount, which we expect to receive going forward.



**General Fund Revenues
Fiscal Year 2022**

STATE PORT DEBT REIMBURSEMENT

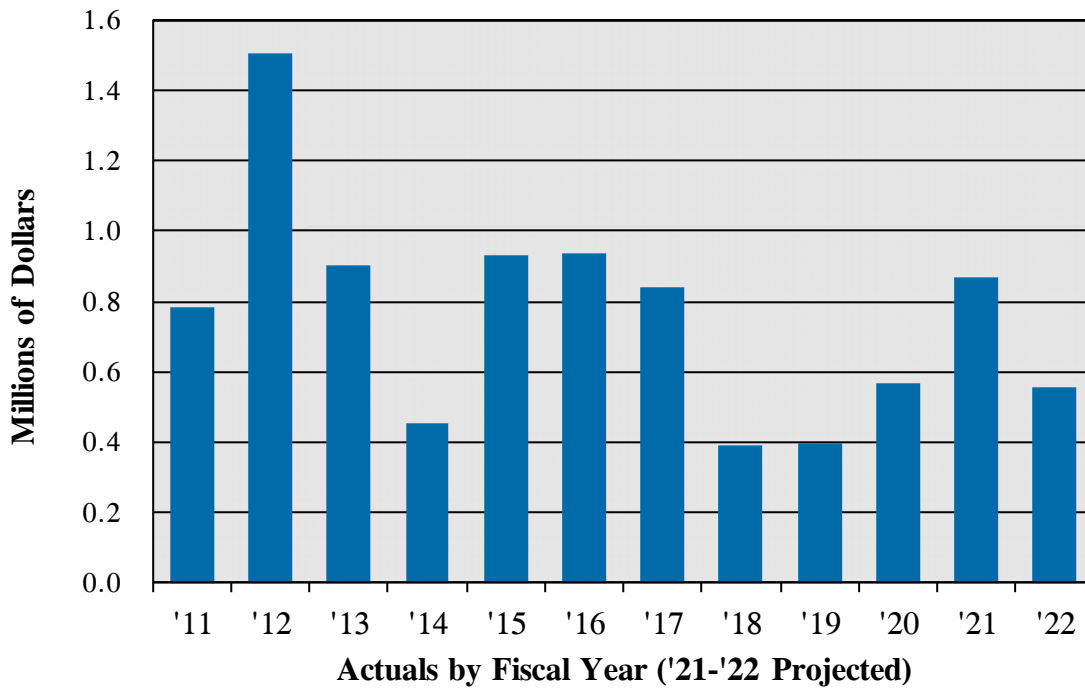
General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Port Debt Reimbursement	\$396,574	\$569,356	\$870,857	\$554,204	(\$316,653)	-36.4%

* Relative to FY 2021 budget.

Basis: Current debt schedules

Critical Assumptions: The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. Per the sale agreement, the outstanding Port debt remains as a liability on the City’s books. In 2018, the State entered into a long-term lease of the Port, and subsequently provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt payments for the remaining life of the associated bonds, which will be fully paid down in FY 2023. For FY 2022, the reimbursement is down nearly \$317,000, as per the existing debt service schedule.

Port Debt Reimbursement



**General Fund Revenues
Fiscal Year 2022**

TRANSFERS AND USE OF FUND BALANCE

General Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Transfers and Use of Fund Balance	\$275,000	\$275,000	\$5,642,031	\$6,445,093	\$803,062	14.2%

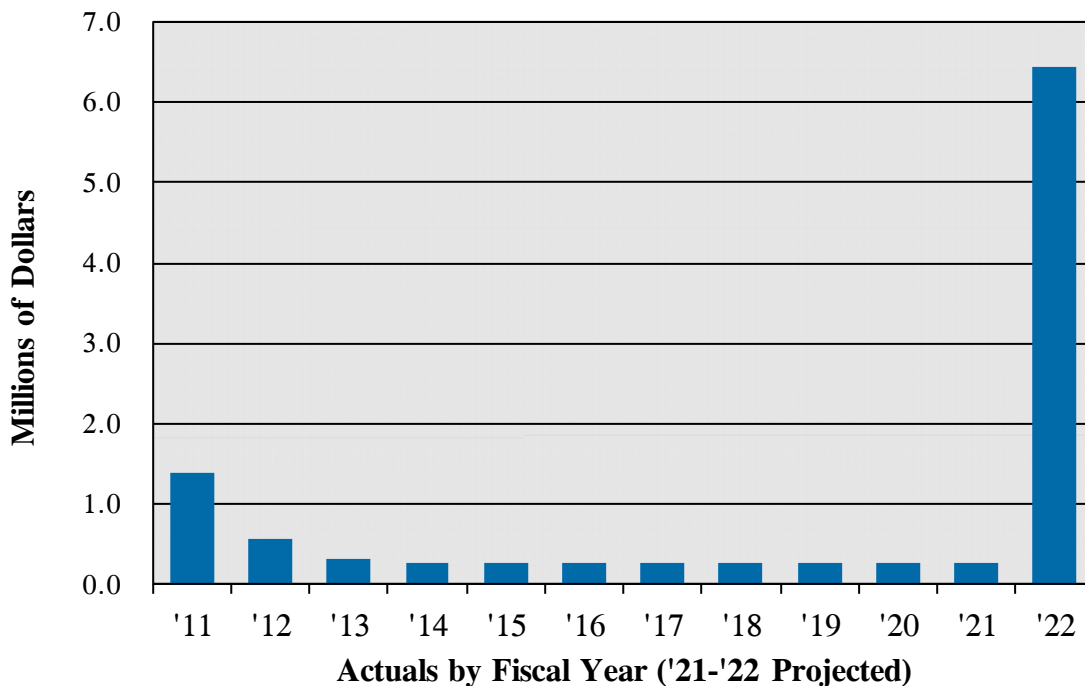
* Relative to FY 2021 budget.

Basis: Authorized transfers from other funds / budgeted expenditures minus projected revenues

Critical Assumptions: As the operating budget must be balanced per the City charter, FY 2022 includes a one-time use of nearly \$6.17 million from the General Fund’s Tax Stabilization Reserve. This is sufficient to cover the projected revenue shortfall based on projected revenues net of the approved General Fund expenditures of \$172.7 million.

In addition, the projection includes the usual \$275,000 transfer from the Wilmington Parking Authority (WPA).

Transfers and Use of Fund Balance



While nearly \$5.4 million in Tax Stabilization Reserve was budgeted in FY 2021, no Tax Stabilization Reserve usage is now projected given the availability of CARES Act funding (see *Other Revenues* above).

**Special Fund Revenues
Fiscal Year 2022**

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Municipal Street Aid	\$1,260,608	\$1,260,608	\$1,233,853	\$1,222,660	(\$11,193)	-0.9%
CDBG	1,779,279	2,226,313	2,216,928	2,219,237	2,309	0.1%
Comcast Franchise	1,076,410	1,027,081	1,000,000	1,000,000	0	0.0%
Emergency Shelter	183,844	183,571	187,831	189,070	1,239	0.7%
Workforce Investment	255,578	396,700	258,660	263,834	5,174	2.0%
Parks Assistance	935,716	251,437	1,058,366	1,081,198	22,832	2.2%
Parks Trust Fund	102,015	100,370	106,906	107,675	769	0.7%
SALLE/LLEBG	2,295,288	3,085,735	1,385,794	1,151,842	(233,952)	-16.9%
Pension Administration	4,853,196	5,005,847	5,619,232	5,773,286	154,054	2.7%
Home Partnership	626,205	211,060	564,024	579,619	15,595	2.8%
HOPWA	629,406	814,782	802,435	824,463	22,028	2.7%
Miscellaneous Grants	298,291	272,380	278,401	276,920	(1,481)	-0.5%
Total Revenues	\$14,295,836	\$14,835,884	\$14,712,430	\$14,689,804	(\$22,626)	-0.2%

Special Funds Revenues consist of supplemental revenues derived from non-taxation sources such as Federal and State grants and endowments, as well as the City's Comcast franchise fee. For FY 2022, total Special Funds revenue is budgeted to be **\$14,689,604**, a net decrease of \$22,826, or -0.2%, below the FY 2021 budget.

MUNICIPAL STREET AID

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Municipal Street Aid	\$1,260,608	\$1,260,608	\$1,233,853	\$1,222,660	(\$11,193)	-0.9%

Basis: State of Delaware grant award letter

Critical Assumption: This grant is used to offset electricity costs for street lighting and is anticipated to decrease a bit more than \$11,000 compared to the FY 2021 level.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
CDBG	\$1,779,279	\$2,226,313	\$2,216,928	\$2,219,237	\$2,309	0.1%

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to increase by a modest \$2,100 compared to the FY 2021 award.

* Relative to FY 2021 budget.

**Special Fund Revenues
Fiscal Year 2022**

COMCAST FRANCHISE FEES

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Comcast Franchise	\$1,076,410	\$1,027,081	\$1,000,000	\$1,000,000	\$0	0.0%

Basis: Trend analysis and growth of local economy

Critical Assumption: Comcast Franchise Fees revenue consists of 5.0% of gross revenues from cable television service sales in the City. In Wilmington, Comcast is currently the only provider of cable TV service. In FY 2014, for the first time, Franchise Fees were budgeted as a special revenue fund, a result of City Council transferring the Comcast franchise revenue into the CATV Fund. For FY 2022, this revenue source is expected to remain level, at \$1.0 million.

EMERGENCY SHELTER GRANTS (ESG)

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Emergency Shelter	\$183,844	\$183,571	\$187,831	\$189,070	\$1,239	0.7%

Basis: Estimate from Federal Government (HUD)

Critical Assumption: This ESG program is intended to assist in the operation and rehabilitation of emergency and transitional shelters. It is expected to increase slightly in FY 2022.

WORKFORCE INVESTMENT BOARD GRANT

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Workforce Investment	\$255,578	\$396,700	\$258,660	\$263,834	\$5,174	2.0%

Basis: Estimate from State of Delaware

Critical Assumption: The Workforce Investment Board Grant provides funding for the City's Youth Career Development Program. Revenues are expected to increase slightly in FY 2022.

PARKS ASSISTANCE

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Parks Assistance	\$935,716	\$251,437	\$1,058,366	\$1,081,198	\$22,832	2.2%

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs. Funding is currently projected to increase by nearly \$23,000 compared to the FY 2021 budget.

* Relative to FY 2021 budget.

**Special Fund Revenues
Fiscal Year 2022**

PARKS TRUST FUND

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Parks Trust Fund	\$102,015	\$100,370	\$106,906	\$107,675	\$769	0.7%

Basis: Trust Administrator / trust guidelines

Critical Assumption: Fund revenues are derived from a private trust and are based on qualified expenditures.

**STATE AID TO LOCAL LAW ENFORCEMENT (SALLE)/LOCAL LAW ENFORCEMENT
BLOCK GRANT (LLEBG)**

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
SALLE/LLEBG	\$2,295,288	\$3,085,735	\$1,385,794	\$1,151,842	(\$233,952)	-16.9%

Basis: State of Delaware and U.S. Department of Justice awards based on committee recommendations

Critical Assumption: These grants are anticipated to decrease by \$234,000 from FY 2021 relative to budget.

PENSION ADMINISTRATION

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Pension Administration	\$4,853,196	\$5,005,847	\$5,619,232	\$5,773,286	\$154,054	2.7%

Basis: Estimates from Pension Coordinator

Critical Assumption: Funding represents amounts equal to the expected administrative costs of the various pension plans of the City, along with the medical costs incurred for eligible retirees, and is derived from the income of the pooled pension assets.

HOME PARTNERSHIP FUND

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Home Partnership	\$626,205	\$211,060	\$564,024	\$579,619	\$15,595	2.8%

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to increase by more than \$15,000 in FY 2022.

* Relative to FY 2021 budget.

**Special Fund Revenues
Fiscal Year 2022**

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANT (HOPWA)

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
HOPWA	\$629,406	\$814,782	\$802,435	\$824,463	\$22,028	2.7%

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Housing Opportunities for Persons With AIDS is a Federal program dedicated to the housing needs of people living with HIV/AIDS and their families. The budget is expected to increase by \$22,000 for FY 2022.

MISCELLANEOUS GRANTS

Special Funds Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Miscellaneous Grants	\$298,291	\$272,380	\$278,401	\$276,920	(\$1,481)	-0.5%

Basis: State of Delaware award letters

Critical Assumption: Miscellaneous Grants consists of the combined total of two State grants: the Local Emergency Planning Committee Grant (\$75,551 in FY 2022) and the State Fire Grant (\$201,369 in FY 2022).

* Relative to FY 2021 budget.

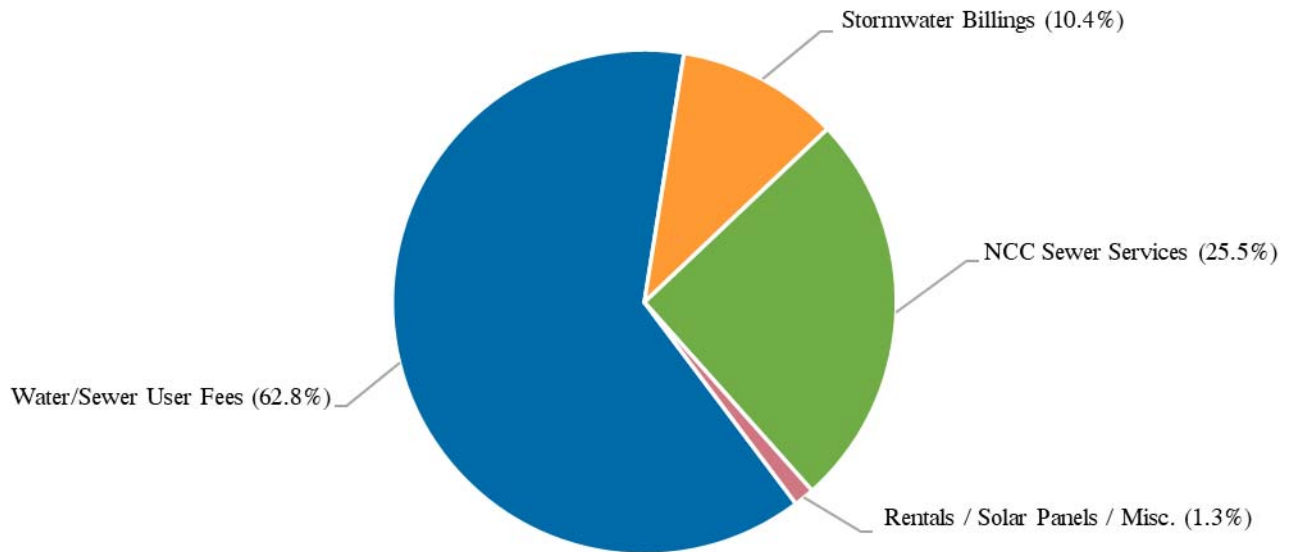
**Water / Sewer Fund Revenues
Fiscal Year 2022**

WATER / SEWER FUND

Water/Sewer Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change FY'22-'21	Percent Change FY'22-'21
Water/Sewer User Fees	\$53,337,686	\$46,785,501	\$48,165,541	\$52,209,830	\$4,044,289	8.4%
Stormwater Billings	8,552,418	8,301,152	8,074,000	8,664,000	590,000	7.3%
NCC Sewer Services	21,599,273	22,489,162	21,882,000	21,173,439	(708,561)	-3.2%
Rentals/Miscellaneous	1,218,514	1,209,157	1,065,000	1,050,000	(15,000)	-1.4%
Solar Panel Revenues	35,187	38,639	30,000	37,000	7,000	23.3%
Total Revenues	\$84,743,078	\$78,823,611	\$79,216,541	\$83,134,269	\$3,917,728	4.9%

Total Water / Sewer Fund revenue is budgeted to be **\$83,134,269**, a net increase of \$3.9 million, or 4.9%, above the FY 2021 budget. The net change by revenue category is discussed in detail below.

**Water/Sewer Revenues
Fiscal Year 2022**



Water / Sewer Fund Revenues Fiscal Year 2022

WATER/SEWER USER FEES

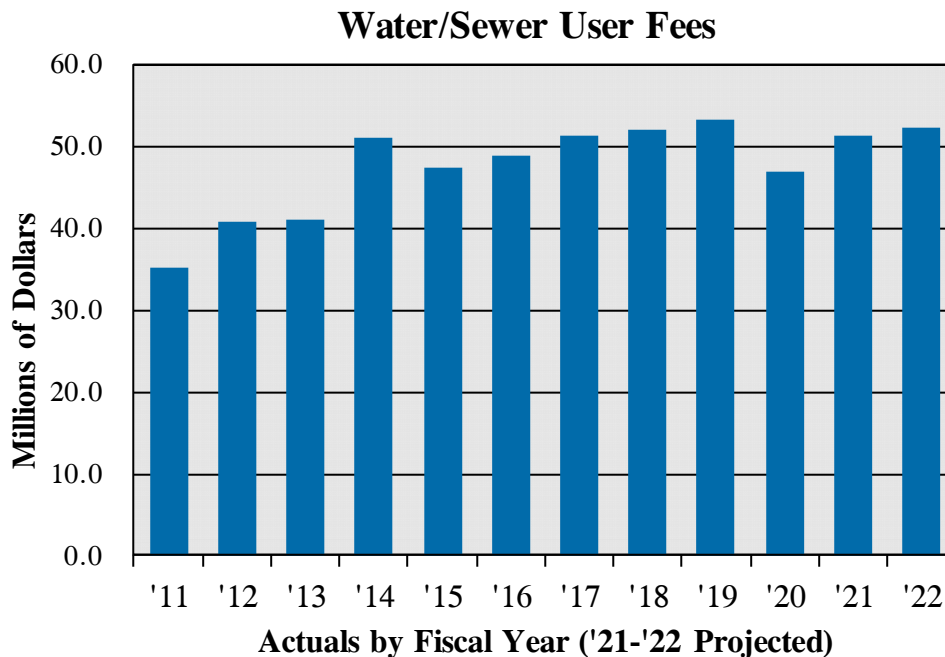
Water / Sewer Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Water/Sewer User Fees	\$53,337,686	\$46,785,501	\$48,165,541	\$52,209,830	\$4,044,289	8.4%

* Relative to FY 2021 budget.

Basis: Trend analysis / management initiatives

Critical Assumptions: Water/Sewer Fees are projected to total \$52.2 million, an increase of \$4.0 million from the FY 2021 budget and \$866,000 from the Q2 FY 2021 WEFAC projection. Excluding year-end accruals (which can vary significantly from year to year) FY 2021 appears to be consistent with prior years, with limited net impacts from COVID. We project that FY 2022 will be similar to this, with a starting base of \$48.7 million (up \$594,000 from the FY 2021 budgeted base). Added to this is the projected impact of a 3.0% rate increase on Inside City water and sewer fees along with a 3.0% rate increase on Outside City water fees. Combined, these rate increases yield nearly \$1.5 million in additional revenue, net of bad debt. For the typical Inside City residential customer, these increases are equivalent to \$1.65 per month.

In addition, special sewer fees are projected to provide nearly \$2.2 million (down by \$256,000 from FY 2021), and penalty and interest will provide nearly \$1.9 million (up \$558,000 from FY 2021). Finally, the projection includes a greater than \$1.9 million offset for bad debt, an improvement of almost \$2.1 million from FY 2021's budgeted bad debt of over \$4.0 million. For the FY 2021 budget, the City had used a bad debt rate of 7.5%, conservatively assuming that COVID would heavily impact collections. As this largely has not occurred in FY 2021, for FY 2022 we have chosen to use a bad debt rate of 3.0% for direct user fees and 5.0% for stormwater (as the bad debt for stormwater is included here, rather than in its own category).



**Water / Sewer Fund Revenues
Fiscal Year 2022**

STORMWATER BILLINGS

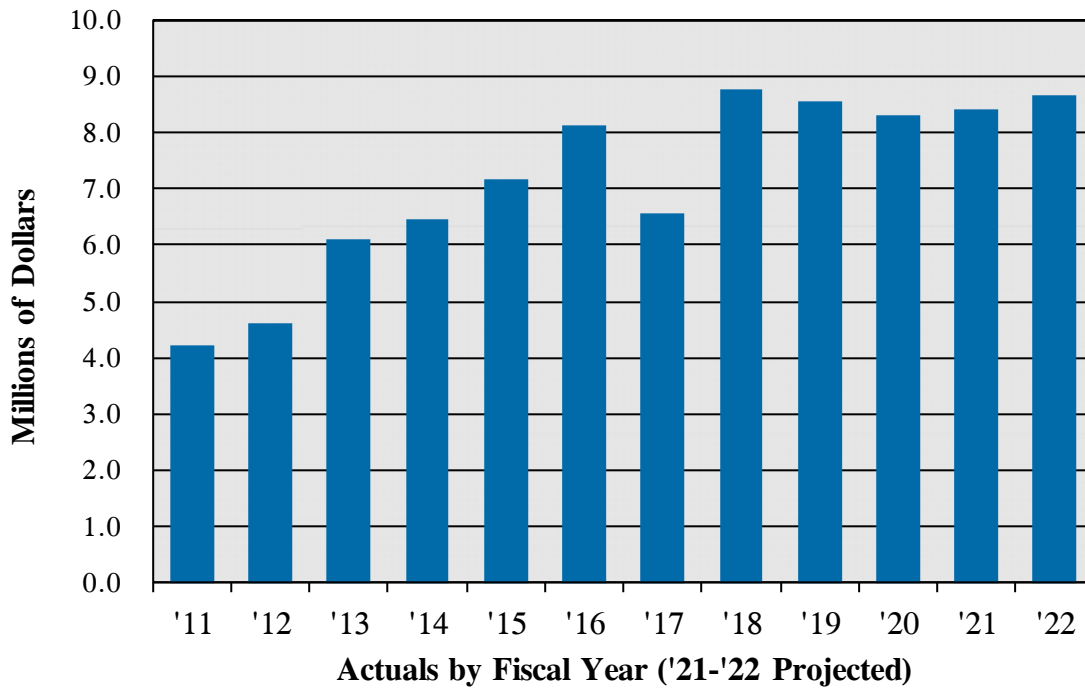
Water / Sewer Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Stormwater Billings	\$8,552,418	\$8,301,152	\$8,074,000	\$8,664,000	\$590,000	7.3%

* Relative to FY 2021 budget.

Basis: Trend analysis / management initiatives

Critical Assumptions: Stormwater Billings are the revenues derived from the Stormwater Property Fee, which is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of property and the characteristics of associated land and buildings as they relate to the generation of stormwater runoff. The Stormwater Billings base for FY 2022 is nearly \$8.5 million. A 2.0% increase to the Stormwater rate is expected to yield an additional \$170,000, for a total of nearly \$8.7 million. For the typical residential customer, this increase is equivalent to \$0.10 per month.

Stormwater Billings



**Water / Sewer Fund Revenues
Fiscal Year 2022**

NEW CASTLE COUNTY SEWER SERVICES

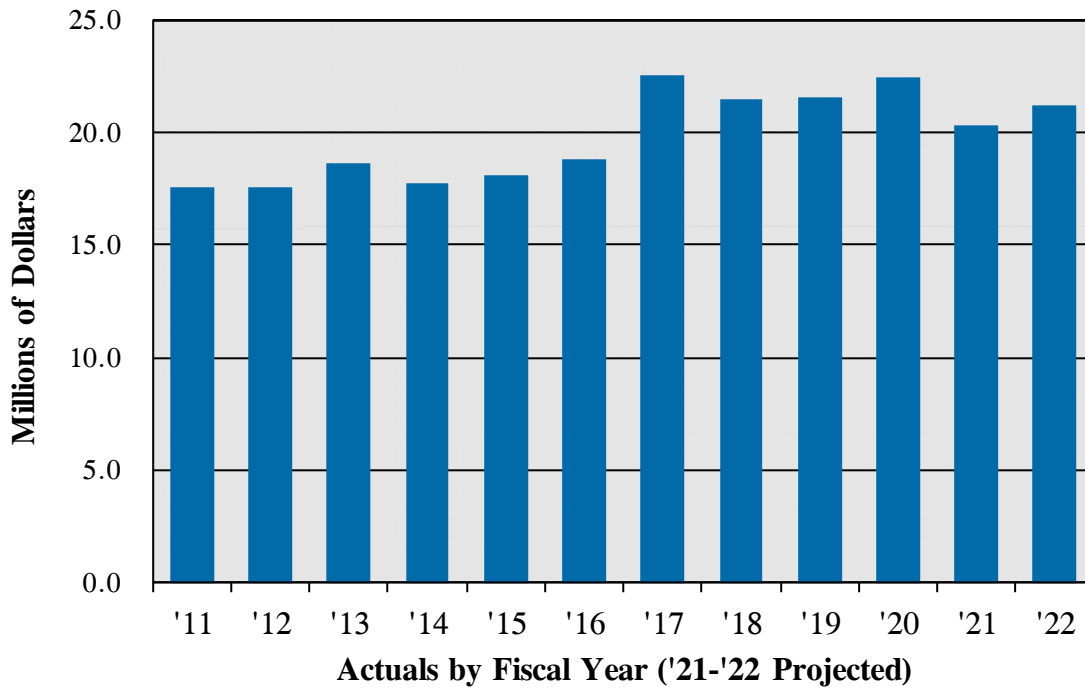
Water / Sewer Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
NCC Sewer Services	\$21,599,273	\$22,489,162	\$21,882,000	\$21,173,439	(\$708,561)	-3.2%

* Relative to FY 2021 budget.

Basis: Contract with New Castle County

Critical Assumptions: New Castle County Sewer is the revenue associated with the City’s treatment of sewage from New Castle County. Efforts to resolve the dispute between the City and County and finalize a new sewer contract are expected to continue into FY 2022. While the County had previously begun providing a higher payment in FY 2020 (which served as a basis for the FY 2021 budget) it subsequently reduced this payment during FY 2021. Net of a \$233,000 increase for debt reimbursement, this lower payment results in a reduction to projected FY 2022 revenues of nearly \$709,000, for a new total of \$21.2 million.

NCC Sewer Services



**Water / Sewer Fund Revenues
Fiscal Year 2022**

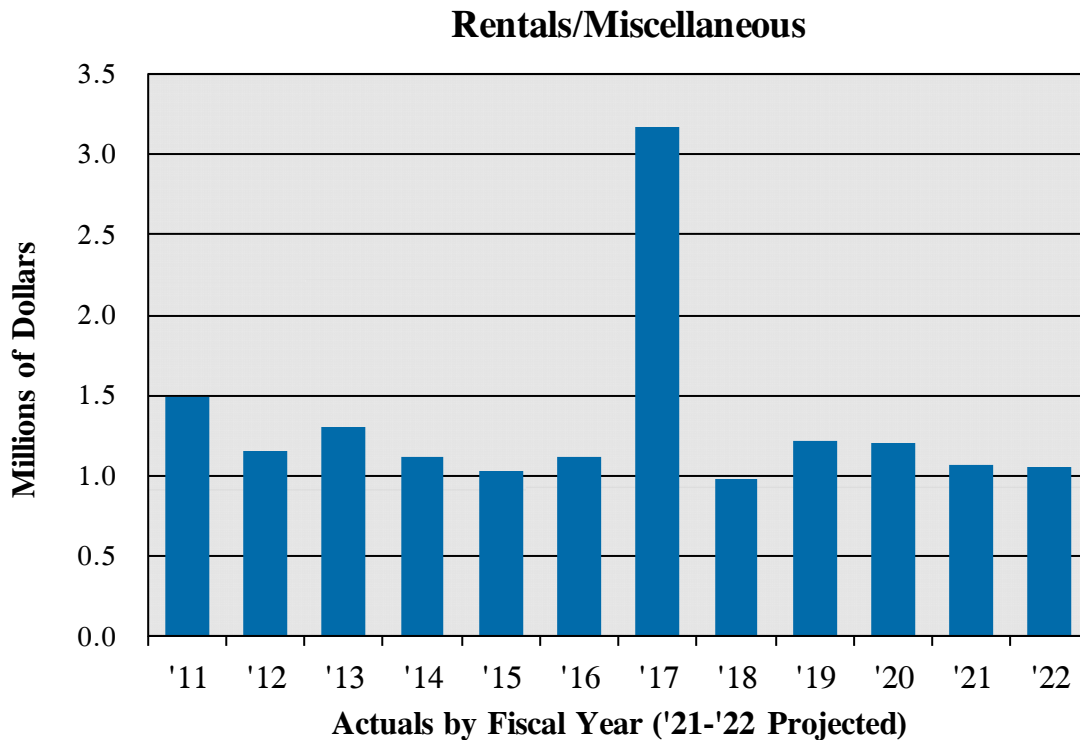
RENTALS / MISCELLANEOUS

Water / Sewer Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Rentals/Miscellaneous	\$1,218,514	\$1,209,157	\$1,065,000	\$1,050,000	(\$15,000)	-1.4%

* Relative to FY 2021 budget.

Basis: Leases / contracts

Critical Assumptions: Rentals / Miscellaneous revenues are the fees charged to telecommunication companies that rent space on the City’s water tanks for antennae and transmitters, as well as other miscellaneous minor revenues. This category is expected to decrease by \$15,000, to a new total of almost \$1.1 million.



Actuals in FY 2017 reflect the one-time \$2.2 million EPA fine of the International Petroleum Corporation for Clean Water Act violations.

**Water / Sewer Fund Revenues
Fiscal Year 2022**

SOLAR PANEL REVENUE

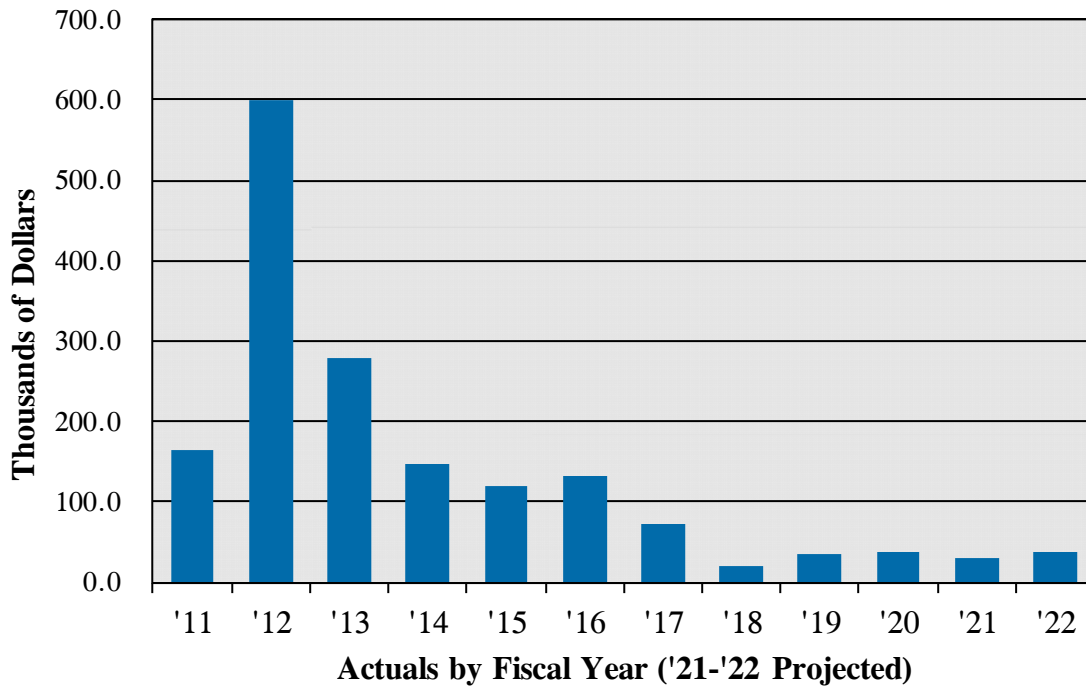
Water / Sewer Fund Revenues	Actual FY 2019	Actual FY 2020	Budget FY 2021	Budget FY 2022	Dollar Change*	Percent Change*
Solar Panel Revenues	\$35,187	\$38,639	\$30,000	\$37,000	\$7,000	23.3%

* Relative to FY 2021 budget.

Basis: Leases / contracts

Critical Assumptions: Solar Panel Revenue is derived from the sale of Solar Renewable Energy Credits (SRECs) earned by the solar arrays located at various municipal sites, most notably the Porter Filter Plant. The projected revenue for FY 2022 is up \$7,000, to a new total of \$37,000.

Solar Panel Revenues



City of Wilmington
Tax Rates for Fiscal Year 2022

WAGE TAX

Base: Individual gross earned income of City residents.
Individual gross earned income of non-City residents working within the City limits.

Rate: 1.25%.

NET PROFIT TAX

Base: Net profit of sole proprietors and partnerships within the City limits.

Rate: 1.25%.

PROPERTY TAX

Base: 100% of the assessed value of land and buildings within City limits. Because the last systematic County-wide reassessment was done based on 1983 market value dollars, all present-day assessments are calculated and reported using 1983 dollar values.

Rate: \$1.995 per one-hundred dollars of assessed value.

HEAD TAX

Base: Number of employees per month for businesses with 6 or more employees.

Rate: \$15.00 per employee per month on the total number of employees minus 5 (e.g., business with 20 employees is assessed on 15 employees).

REAL ESTATE TRANSFER TAX

Base: Selling price of Real Estate assessed at time of settlement.

Rate: 1.50%.

FRANCHISE TAX

Base: Gross receipts from sales of electricity and cable television service within the City.

Rate: 2.0% on electrical service.
5.0% on cable television service.

**City of Wilmington
Tax Rates for Fiscal Year 2022**

NATURAL GAS TAX

Base: Gross receipts from sales of natural gas within the City.

Rate: 2.0% on natural gas.

LODGING TAX

Base: Rent collected for any room or rooms in a hotel, motel, or tourist home (as defined by Title 30 of the Delaware Code) that are within the City limits.

Rate: 2.0% of rent.



MAYOR'S OFFICE

The mission of the Mayor's Office is to provide the executive and administrative management necessary for the coordination and direction of overall City activities and policies. In addition to the executive function, the Mayor's Office houses the Offices of Emergency Management, Constituent Services, Cultural Affairs, Management and Budget, and Economic Development.

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	5,495,144	3,785,583	3,761,178	3,961,886
Materials, Supplies & Equipment	7,453,104	2,088,102	1,448,377	1,920,284
Internal Services	1,262,796	210,411	105,348	132,093
Debt Service	3,806,940	3,818,161	2,994,340	1,196,088
Special Purpose	0	0	0	0
Contingent Reserves	0	0	672,000	672,000
Depreciation	1,308,584	0	0	0
TOTAL	19,326,568	9,902,257	8,981,243	7,882,351
STAFFING LEVELS	55.00	34.00	34.00	34.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	3,532,327	3,710,927	3,684,146	3,886,335
Materials, Supplies & Equipment	1,646,257	1,947,645	1,448,377	1,920,284
Internal Services	922,988	210,411	105,348	132,093
Debt Service	3,765,676	3,818,161	2,994,340	1,196,088
Special Purpose	0	0	0	0
TOTAL	9,867,248	9,687,144	8,232,211	7,134,800
STAFFING LEVELS	33.50	33.50	33.50	33.50

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
CONTINGENT RESERVES	FY 2019	FY 2020	FY 2021	FY 2022
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
TOTAL	0	0	672,000	672,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

* Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to Internal Service Funds and Contingent Reserve expenses being listed separately.

EMPG GRANT FUND MAYOR'S OFFICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	56,629	74,656	77,032	75,551
Materials, Supplies & Equipment	36,130	140,457	0	0
TOTAL	92,759	215,113	77,032	75,551
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUND MAYOR'S OFFICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,906,188	0	0	0
Materials, Supplies & Equipment	5,770,717	0	0	0
Internal Services	339,808	0	0	0
Debt Service	41,264	0	0	0
Depreciation	1,308,584	0	0	0
TOTAL	9,366,561	0	0	0
STAFFING LEVELS	21.00	0.00	0.00	0.00

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Personal Services increased by \$202,189, or 5.5%, due to the following changes:
 - Regular Salaries increased by \$37,213, largely because of a citywide 2% cost of living adjustment for eligible employees.
 - A Policy Analyst position was converted to a Deputy Chief of Staff of Operations position at a total cost of \$16,347.
 - In FY 2021, approximately \$124,000 was included in Attrition to offset funds budgeted for a vacant Deputy Director of Economic Development position, which was not filled in FY 2021 as part of the City’s fiscal response to the COVID-19 pandemic. This offset has been removed from Attrition in FY 2022 to allow for the hiring of this position.
- MS&E increased by a net \$106,907, or 7.4%, largely due to a \$105,900 increase to Consultants. Of that amount, \$75,000 will be used to fund a grants liaison in the Administrative Division in relation to the American Rescue Plan stimulus bill. In addition, a \$28,400 increase in Cultural Affairs reflects an expanded events schedule in comparison to FY 2021, including programming at the newly completed Urban Artists Exchange (UAE).
- Funding of \$350,000 was added to the Mayor’s Office for the creation of a Gun Violence Prevention Program (\$300,000) and to institute a Police Citizens Review Board Panel (\$50,000).
- Debt Service costs decreased by a net \$1,798,252 per the existing debt service schedule.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	2,399,907	2,553,624	2,675,028	2,712,241
Temporary Salaries	15,867	0	0	0
Acting Out of Class	1,432	2,745	0	0
Sick Leave Bonus	1,100	900	0	0
Overtime/Special Events	0	256	0	0
Meal Allowance	0	0	0	0
Health Cash Back	4,800	4,800	4,800	4,800
Pension Contribution	200,346	224,598	235,400	253,997
Social Security	144,746	153,302	161,747	164,082
Medicare Tax	33,852	35,853	37,879	38,372
Hospitalization	493,819	485,960	474,115	488,995
Life Insurance	8,228	8,205	8,037	8,040
Pension Healthcare	108,687	115,376	122,476	129,913
State Pension Plan - Civilian	119,543	125,309	129,694	127,190
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(165,030)	(41,295)
TOTAL PERSONAL SERVICES	3,532,327	3,710,927	3,684,146	3,886,335

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	180,267	147,263	143,148	137,390
Communications & Utilities	2,326	19,531	18,802	18,582
Transportation	19,884	42,043	19,875	18,600
Rentals	62,573	40,457	46,480	47,260
Contracted Maintenance Repairs	722	(351)	2,150	1,980
Professional Fees	441,270	408,580	333,600	439,000
Memberships & Registrations	41,599	44,048	54,350	54,450
Miscellaneous Services	109,277	227,062	276,200	237,700
Office & General Supplies	17,601	10,219	10,272	9,272
Miscellaneous Parts	35,491	70,124	70,000	59,700
Construction and Repairs	0	0	1,000	1,000
Equipment	2,148	567	0	0
Fixed Assets	0	0	500	2,000
Miscellaneous Projects	372,046	509,233	167,000	541,000
Community Activities	361,053	428,867	305,000	352,350
TOTAL M., S. & E.	1,646,257	1,947,645	1,448,377	1,920,284

DEPARTMENT: MAYOR'S OFFICE**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	797,842	86,187	34,836	59,770
Self-Insurance	125,146	124,224	70,512	72,323
TOTAL INTERNAL SERVICES	922,988	210,411	105,348	132,093

DEBT SERVICE

Principal Payments	3,183,097	3,343,912	2,657,534	769,381
Interest Payments	582,579	474,248	336,806	426,707
TOTAL DEBT SERVICE	3,765,676	3,818,161	2,994,340	1,196,088

SPECIAL PURPOSE

Other Special Purpose	0	0	0	0
TOTAL SPECIAL PURPOSE	0	0	0	0

DEPARTMENT: CONTINGENT RESERVES**FUND: GENERAL**

CONTINGENT RESERVES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
TOTAL CONTINGENT RESERVES	0	0	672,000	672,000

GENERAL FUND TOTAL

GENERAL FUND TOTAL	9,867,248	9,687,144	8,904,211	7,806,800
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DEPARTMENT: MAYOR'S OFFICE**FUND: EMPG**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	41,945	55,937	56,763	56,763
Pension Contribution	2,877	4,067	4,007	3,849
Social Security	2,492	3,351	3,433	3,430
Medicare Tax	583	783	803	802
Hospitalization	7,501	8,866	10,078	8,648
Life Insurance	43	123	120	120
Pension Healthcare	1,188	1,529	1,828	1,939
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	56,629	74,656	77,032	75,551
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,359	9,281	0	0
Transportation	1,574	294	0	0
Contracted Maintenance	0	0	0	0
Professional Fees	0	15,288	0	0
Memberships & Registrations	350	50	0	0
Miscellaneous Services	32,307	105,880	0	0
Office & General Supplies	540	0	0	0
Wearing Apparel and Safety	0	0	0	0
Miscellaneous Parts	0	0	0	0
Equipment	0	0	0	0
Fixed Assets	0	9,665	0	0
Community Activities	0	0	0	0
TOTAL M., S. & E.	36,130	140,457	0	0
 EMPG FUND TOTAL	 92,759	 215,114	 77,032	 75,551

DEPARTMENT: MAYOR'S OFFICE

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	1,149,310	0	0	0
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	900	0	0	0
Overtime	1,062	0	0	0
Meal Allowance	0	0	0	0
Health Cash Back	2,160	0	0	0
Pension Contribution	273,687	0	0	0
Social Security	68,346	0	0	0
Medicare Tax	15,984	0	0	0
Hospitalization	298,543	0	0	0
Life Insurance	4,534	0	0	0
Pension Healthcare	68,250	0	0	0
State Pension Plan - Civilian	13,307	0	0	0
Accrued Sick/Vacation	10,105	0	0	0
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	1,906,188	0	0	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	67,962	0	0	0
Communications & Utilities	1,469,184	0	0	0
Transportation	4,090	0	0	0
Rentals of Office Equipment	103,707	0	0	0
Contracted Maintenance Repairs	440,691	0	0	0
Professional Fees	1,572,688	0	0	0
Memberships & Registrations	24,918	0	0	0
Miscellaneous Services	37,013	0	0	0
Office & General Supplies	162,517	0	0	0
Uniforms & Related Equipment	1,947	0	0	0
Miscellaneous Parts	68,896	0	0	0
Equipment	1,847,467	0	0	0
Fixed Assets	205,196	0	0	0
Capitalized Exps - Op.	(235,559)	0	0	0
TOTAL M., S. & E.	5,770,717	0	0	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	325,215	0	0	0
Self-Insurance	14,593	0	0	0
TOTAL INTERNAL SERVICES	339,808	0	0	0

DEPARTMENT: MAYOR'S OFFICE**FUND: INTERNAL SERVICES**

DEBT SERVICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Amortization	3,434	0	0	0
Interest Payment	37,830	0	0	0
TOTAL DEBT SERVICE	41,264	0	0	0
DEPRECIATION				
Depreciation	1,308,584	0	0	0
TOTAL DEPRECIATION	1,308,584	0	0	0
INTERNAL SERVICES FUND TOTAL	9,366,561	0	0	0



CITY COUNCIL

City Council is the legislative branch and seat of the City of Wilmington's Government. Council's responsibilities include enacting ordinances, rules, and regulations, which are necessary and required for the execution of those expressed and implied powers of local self-government granted to the City by the State General assembly pursuant to the Constitution of the State of Delaware. By function, Council is also responsible to the Citizens of Wilmington whom they represent.

Coming under the auspices of City Council are WITN Channel 22 and the City Clerk's Office. The City Clerk is the official keeper of the City legislative records. In addition, the Office is responsible for the receipt and transmission of all official communications of Council and for maintaining precise records of all laws passed by Council. Furthermore, staff in the Clerk's Office provides support to Council, drafts legislation, develops City policy, conducts research, and develops legislative strategy. WITN (Wilmington Information Television Network) is the City's governmental television channel, which is under the purview of the CVT Commission.

PRIORITIES FOR FISCAL YEAR 2022

- Carry out the mission of City Council:
 - Provide visionary leadership in policymaking on quality-of-life matters.
 - Develop well-researched legislation that will enable Wilmington government to provide its residents, visitors, and businesses with the highest quality of public services in a fiscally responsible manner through cooperative decision-making, strong ethical leadership, open communications, and transparency with the public.
 - Fulfill the critical responsibility of providing a check on the executive branch of City government, both through individual City Council Committees and legislative measures, to enhance transparency, accountability, and adherence to stated and collectively agreed upon goals for City operations.
 - Connect with constituents to identify needs in the community and to devise strategies to address those needs, both through legislation and through collaboration with the executive branch of City government.
- Review the City's Operating, Water/Sewer, and Capital Budgets as proposed annually by the Executive Branch of City government and justify the appropriation of funds to support the annual operations of the City's departments, offices, boards, and commissions.
- Work to help mitigate the cost and size of City government, alleviating the need – to the greatest extent practicable – for additional taxes and fees, and through periodic reviews of departmental operations, structures, expenditures, and priorities.
- Further develop and promote the City's governmental television station, WITN-22, as a platform for the dissemination of news and information of importance and interest to residents, with the provision of more original programming and the integration of social media platforms to help leverage the station's capacity to connect Wilmingtonians.
- Provide oversight for the Public, Educational, and Government (PEG) television channels in Wilmington.

PRIORITIES FOR FISCAL YEAR 2022 (Continued)

- Give a voice to the City and its residents regarding the education of its children and help create an education system whereby children are taught in a properly-funded environment that accounts for the unique and individualized needs of children raised in an urban setting.
- Advocate, when appropriate, for a resolution of issues or concerns that arise between members of the public and their government.
- Advocate for issues and values that are important to City Council and its constituents, such as safe and vibrant neighborhoods, increased housing opportunities, an effective education system, a results-oriented gun violence prevention program, and economic lifelines to help lift citizens out of poverty.
- Develop a Strategic Plan that outlines the priorities of the 108th Session of Council, which will be used as guide for the legislative agenda of City Council.
- Per City Charter, it is the mandatory duty of the City Council to redistrict the City into eight Councilmanic districts within six months after the date of publication by the United States Census Bureau of the population at each decennial census, so that each of the Council districts shall contain as nearly practicable a population derived by dividing the population of the City by a factor of eight.
- Prioritize efforts that help the City rebound from the COVID-19 pandemic.
- Prepare the City of Wilmington for the best telecommunications outcomes to be outlined in a new Cable Franchise Agreement, which will occur in 2024 but will take two years to negotiate.
- Ensure Resolution #21-018, to Conduct a Disparity Study Regarding Economic Development and Healthcare Access and Opportunity in Wilmington, is implemented.
- Advocate to leverage the American Rescue Plan Act to set the City on a trajectory of long-term financial sustainability.

SUMMARY OF FUNDING FOR CITY COUNCIL

TOTAL ALL FUNDS CITY COUNCIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	2,020,891	2,093,203	2,135,033	2,061,368
Materials, Supplies & Equipment	804,759	674,123	539,348	589,778
Internal Services	267,089	39,175	17,780	18,243
Debt Service	102,350	110,093	37,051	33,234
Special Purpose	18,947	8,665	8,000	8,000
TOTAL	3,214,036	2,925,259	2,737,212	2,710,623
STAFFING LEVELS	29.00	28.00	28.00	26.00

GENERAL FUND CITY COUNCIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,323,931	1,299,342	1,361,187	1,378,348
Materials, Supplies & Equipment	495,442	437,184	361,996	422,846
Internal Services	254,727	39,175	17,780	18,243
Debt Service	720	1,034	1,220	0
Special Purpose	18,947	8,665	8,000	8,000
TOTAL	2,093,767	1,785,400	1,750,183	1,827,437
STAFFING LEVELS	20.20	19.20	19.25	19.00

CATV FUND CITY COUNCIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	696,960	793,861	773,846	683,020
Materials, Supplies & Equipment	309,317	236,939	177,352	166,932
Internal Services	12,362	0	0	0
Debt Service	101,630	109,059	35,831	33,234
TOTAL	1,120,269	1,139,859	987,029	883,186
STAFFING LEVELS	8.80	8.80	8.75	7.00

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Personal Services increased by a net \$17,161, or 1.3%, largely due to a \$22,670 increase to Temporary Salaries. This line was reduced in FY 2021 in response to the COVID-19 pandemic and is now being restored its normal level.
- In MS&E, a Legal fees line was added at a cost of \$75,000 to fund an attorney dedicated to City Council for legislative matters.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
CATV FUND**

- Personal Services decreased by a net \$90,697, or -11.7%, primarily due to the deletion of a vacant Digital Media & Web Content Creator position (savings of \$71,792) and one vacant Producer position (savings of \$67,857). These savings were somewhat offset by a change in split funding: the Strategy & Policy Director (100% General Fund) was converted into a split-funded Senior Legislative Advisor & Chief Financial Officer (75% General Fund and 25% CATV Fund), leading to an increase of \$48,952.
- In MS&E, an Accounting fees line was added at a cost of \$18,500 to fund a Franchise Fee audit, and a Legal fees line was added at a cost of \$20,000 for legal services in relation to the upcoming renewal of the franchise agreement.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
	FY 2019	FY 2020	FY 2021	FY 2022
PERSONAL SERVICES				
Regular Salaries	773,478	777,572	832,959	817,837
Temporary Salaries	51,909	71,079	37,530	60,200
Sick Leave Bonus	300	0	900	900
Overtime	9	88	0	0
Health Cash Back	5,840	6,480	6,480	9,360
Pension Contribution	65,988	69,374	65,351	66,089
Social Security	48,957	50,525	53,514	53,219
Medicare Tax	11,450	11,816	12,516	12,448
Hospitalization	262,936	211,026	227,987	226,118
Life Insurance	3,588	3,663	3,703	3,661
Pension Healthcare	65,649	66,394	70,378	73,682
State Pension Plan - Civilian	33,827	31,326	34,369	39,334
Personal Services Adjustment	0	0	15,500	15,500
TOTAL PERSONAL SERVICES	1,323,931	1,299,342	1,361,187	1,378,348
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing and Advertising	21,147	16,803	16,500	16,500
Transportation	14,405	6,329	10,000	9,000
Rentals	0	0	1,000	500
Contracted Maintenance Repairs	186	0	1,500	1,500
Professional Fees	77,723	61,333	141,000	149,000
Memberships & Registrations	18,222	13,779	12,750	15,200
Miscellaneous Services	2,045	1,275	3,000	2,000
Office & General Supplies	6,588	4,348	6,600	6,000
Miscellaneous Parts	18,071	9,731	10,646	11,146
Equipment	0	0	1,000	1,000
Community Activities	337,055	323,586	158,000	211,000
TOTAL M., S. & E.	495,442	437,184	361,996	422,846
 INTERNAL SERVICES				
Administrative Services	221,506	8,319	0	0
Self-Insurance	33,221	30,856	17,780	18,243
TOTAL INTERNAL SERVICES	254,727	39,175	17,780	18,243

DEPARTMENT: CITY COUNCIL**FUND: GENERAL**

DEBT SERVICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Principal Payments	497	845	1,118	0
Interest Payments	223	189	102	0
TOTAL DEBT SERVICE	720	1,034	1,220	0
SPECIAL PURPOSE				
Other	18,947	8,665	8,000	8,000
TOTAL SPECIAL PURPOSE	18,947	8,665	8,000	8,000
GENERAL FUND TOTAL	2,093,767	1,785,400	1,750,183	1,827,437

DEPARTMENT: CITY COUNCIL

FUND: CATV

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	429,432	515,737	489,628	440,408
Temporary Salaries	19,013	34,270	15,000	15,000
Sick Leave Bonus	0	300	400	400
Overtime	999	339	0	0
Pension Contribution	43,526	24,517	27,675	7,927
Social Security	26,720	32,946	30,327	27,256
Medicare Tax	6,249	7,705	7,091	6,375
Hospitalization	118,317	115,837	126,646	113,246
Life Insurance	1,976	2,139	2,100	1,680
Pension Healthcare	28,601	30,368	31,990	27,146
State Pension Plan - Civilian	22,127	29,704	27,489	28,082
Personal Services Adjustment	0	0	15,500	15,500
TOTAL PERSONAL SERVICES	696,960	793,861	773,846	683,020
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	6,851	8,082	3,000	5,000
Rentals	13,561	12,965	15,720	15,720
Contracted Maintenance Repairs	3,961	9,695	20,000	20,000
Professional Fees	128,970	99,455	60,000	38,500
Memberships & Registrations	24,490	22,000	27,632	26,712
Miscellaneous Services	18,000	28,571	18,000	28,000
Office & General Supplies	4,042	3,190	4,500	4,500
Wearing Apparel & Safety	3,106	400	3,500	3,500
Miscellaneous Parts	4,361	13,994	19,500	19,500
Equipment	15,121	10,951	5,500	5,500
Fixed Assets	0	0	0	0
Projects	86,854	27,635	0	0
TOTAL M., S. & E.	309,317	236,939	177,352	166,932

DEPARTMENT: CITY COUNCIL**FUND: CATV**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	12,362	0	0	0
Self-Insurance	0	0	0	0
TOTAL INTERNAL SERVICES	12,362	0	0	0
DEBT SERVICE				
Principal Payments	19,087	28,000	25,759	24,201
Interest Payments	12,443	11,084	10,072	9,033
TPO Lease Payments	70,100	69,975	0	0
TOTAL DEBT SERVICE	101,630	109,059	35,831	33,234
CATV FUND TOTAL	1,120,269	1,139,859	987,029	883,186



CITY TREASURER

The City Treasurer has been entrusted to serve as the custodian of all City funds on deposit in various operating accounts. To meet these custodial duties the Treasurer must actively and effectively manage the funds in a prudent manner. This involves the management of the City’s cash and debt and the administration of the City’s pension program. Related duties include check issuance, account reconciliation, wage attachments, and control over the Deferred Compensation Program and other employee payroll deductions.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Governance: Cultivating and reinforce a culture of good governance, strong compliance, and sound stewardship by leveraging relationships with internal and external auditors, as well as trusted advisors, to ensure 100% compliance with all statutes and regulations guiding Office operations. • Modernization: Creating a 21st century operation equipped to respond to the challenges and opportunities of today’s financial, political, and regulatory environment, through facility improvements, updating internal policies and controls, and maintaining a conservative and low risk approach while positioning the Office to benefit from fiscal opportunities both in the near and long term. • Efficiency: Improving the efficacy and productivity of the Office by evaluating internal operations, procedures, and processes, and making enhancements to drive results. Ensuring the proper alignment of resources and staffing with core functions of the office. • Outreach: Engaging in strategic partnerships to promote enhanced financial literacy and education for city employees and the greater Wilmington community.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	840,197	856,843	863,091	805,309
Materials, Supplies & Equipment	889,406	845,175	1,198,302	1,148,661
Internal Services	196,276	19,135	18,296	18,826
Other	3,500,000	3,750,000	4,000,000	4,250,000
TOTAL	5,425,879	5,471,153	6,079,689	6,222,796
STAFFING LEVELS	7.00	7.00	7.00	7.00

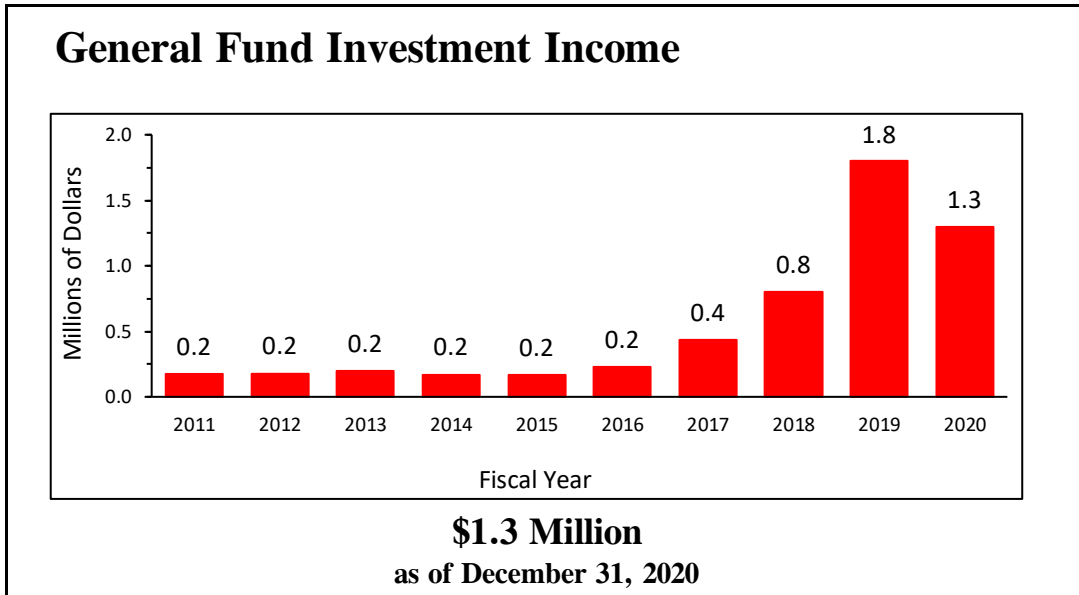
GENERAL FUND CITY TREASURER	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	349,313	370,803	354,811	343,417
Materials, Supplies & Equipment	60,385	76,585	88,600	88,550
Internal Services	162,985	17,918	17,046	17,543
TOTAL	572,683	465,306	460,457	449,510
STAFFING LEVELS	3.00	3.00	3.00	3.00

PENSION ADMIN. FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
CITY TREASURER	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	490,884	486,040	508,280	461,892
Materials, Supplies & Equipment	829,021	768,590	1,109,702	1,060,111
Internal Services	33,291	1,217	1,250	1,283
Other	3,500,000	3,750,000	4,000,000	4,250,000
TOTAL	4,853,196	5,005,847	5,619,232	5,773,286
STAFFING LEVELS	4.00	4.00	4.00	4.00

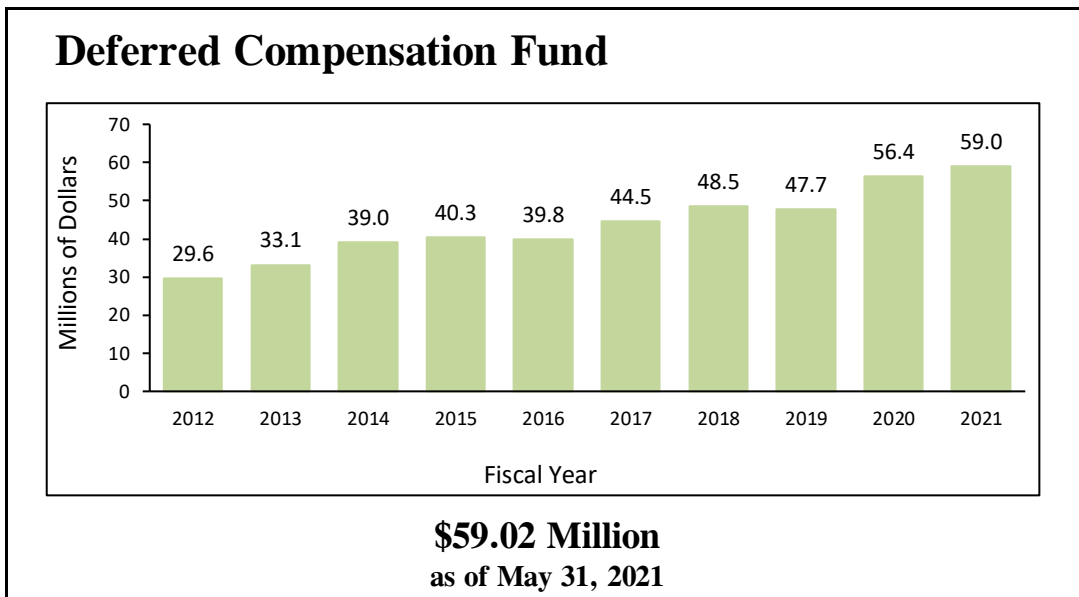
MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services across all funds decreased in total by \$57,782, or 6.7%.
- Regular Salaries across all funds rose by \$8,119, largely due to an increase to the City Treasurer’s salary as well as employee anniversary step increases and a proposed 2% COLA for non-appointed positions.
- Pension Contribution decreased by \$24,200 as a result of lower actuarial targets on the now-closed City pension plans for civilians.
- Temporary Salaries funding was eliminated in all funds, leading to a reduction of \$39,000 in Personal Services. However, of that amount, \$18,000 was moved to Temporary Agencies in MS&E to hire a temporary worker to cover the duties of the vacant Pension Coordinator.
- Travel and Subsistence decreased by \$14,000 in recognition that the number and location of conferences will continue to be limited due to the COVID-19 pandemic.
- The annual self-insurance funding target for retiree Medical Costs in the Pension-Healthcare Fund was increased by \$250,000, bringing the total funding for the program to \$4.25 million for FY 2022.

CITY TREASURER PERFORMANCE TRENDS

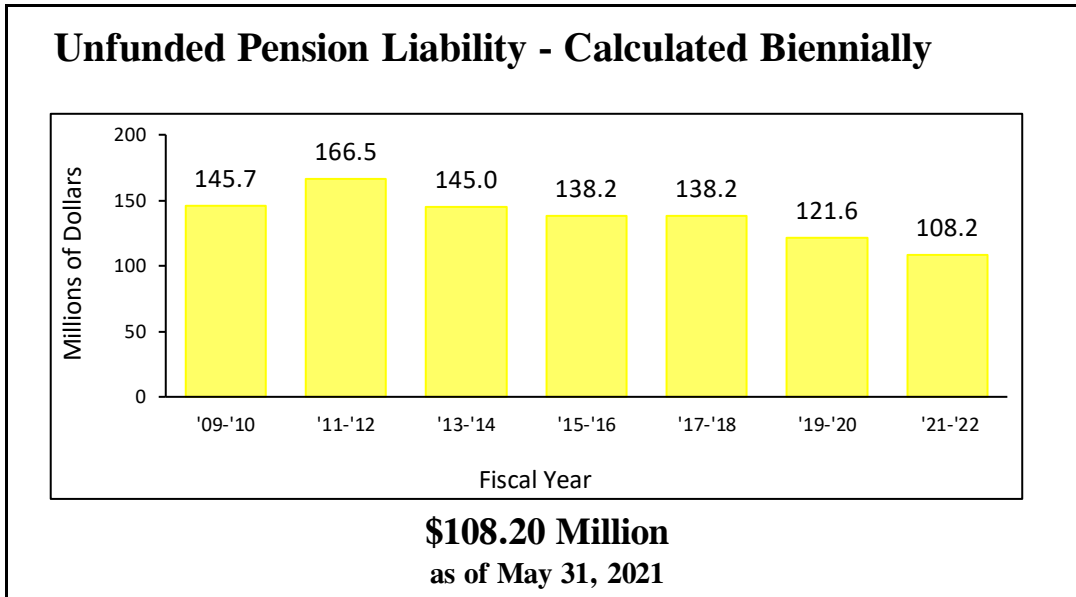


Prudent cash management and investment policies dictate the investment vehicles permitted to change daily cash balances. Interest rates have been slowly increasing over the past two years, as reflected in the investment revenue realized.

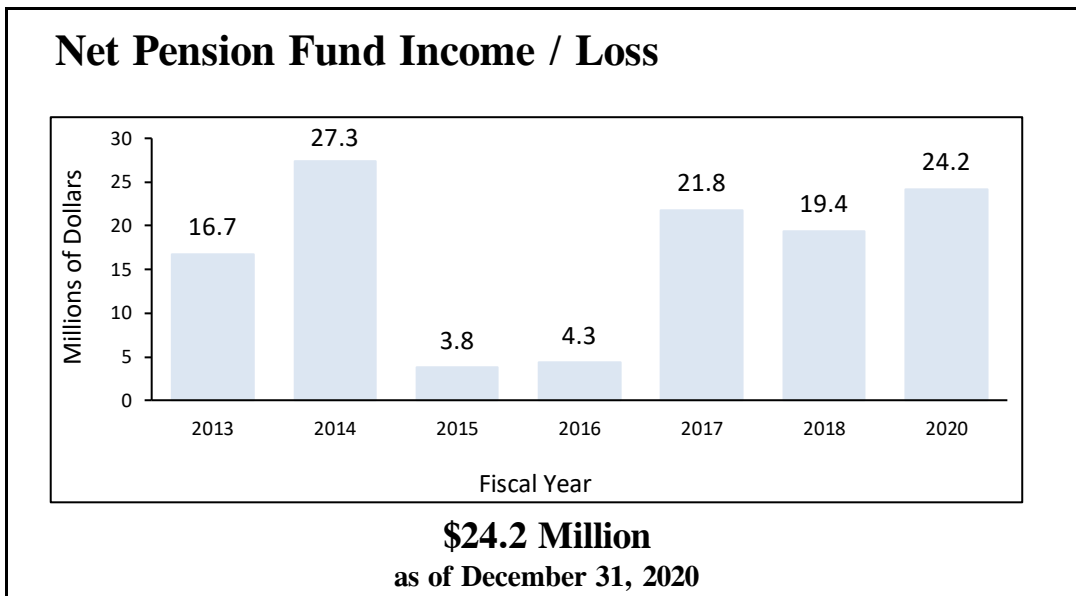


The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax-deferred basis.

CITY TREASURER PERFORMANCE TRENDS



The level of Unfunded Pension Liability and the City’s record of paying the actuarially determined Annual Required Contribution (ARC) are two measures of the relative strength or weakness of a particular pension fund. The Unfunded Liability declined in the most recent valuation, reflecting strong stock market returns. In addition, the City is unwavering in its ability and willingness to fund 100% of the ARC.



Strict adherence to prudent investment guidelines enable the City’s pension fund to earn high income levels when the stock market is performing well and minimize losses when the market is performing poorly.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	231,505	249,813	240,238	244,299
Temporary Salaries	0	0	6,000	0
Sick Leave Bonus	600	900	0	0
Pension Contribution	48,537	50,894	49,415	39,475
Social Security	13,854	15,004	14,939	14,779
Medicare Tax	3,239	3,509	3,490	3,456
Hospitalization	41,109	39,574	38,018	38,279
Life Insurance	723	735	720	720
Pension Healthcare	9,746	10,374	10,964	11,634
Personal Services Adjustment	0	0	(8,973)	(9,225)
TOTAL PERSONAL SERVICES	349,313	370,803	354,811	343,417
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	318	0	5,350	1,350
Transportation	5,011	39	8,000	2,000
Rentals	300	300	1,050	0
Professional Fees	19,376	33,900	33,000	69,500
Other Fees	809	10,195	4,000	500
Memberships & Registrations	4,899	3,105	7,000	5,000
Miscellaneous Services	0	64	500	500
Office & General Supplies	2,341	1,592	1,500	1,500
Misc. Mat. Supp., & Parts	387	251	700	700
Equipment	299	1,125	1,500	1,500
Fixed Assets	460	0	0	0
Community Activities	26,185	26,014	26,000	6,000
TOTAL M., S. & E.	60,385	76,585	88,600	88,550
 <u>INTERNAL SERVICES</u>				
Administrative Services	152,593	7,871	10,929	11,257
Self-Insurance	10,392	10,047	6,117	6,286
TOTAL INTERNAL SERVICES	162,985	17,918	17,046	17,543
 GENERAL FUND TOTAL	 572,683	 465,306	 460,457	 449,510

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	303,357	309,262	317,238	321,296
Temporary Salaries	10,598	21,141	33,000	0
Acting Out Of Classification	271	0	0	0
Accrued Vacation Pay	(196)	8,071	0	0
Pension Contribution	77,069	51,928	52,545	44,700
Social Security	18,772	19,818	21,191	19,396
Medicare Tax	4,391	4,635	4,960	4,537
Hospitalization	62,639	56,376	66,138	57,938
Life Insurance	979	978	960	960
Pension Healthcare	13,004	13,831	14,628	15,512
Personal Services Adjustment	0	0	(2,380)	(2,447)
TOTAL PERSONAL SERVICES	490,884	486,040	508,280	461,892
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	251	251
Transportation	6,699	512	10,000	2,000
Rentals	35	300	1,800	299
Contracted Maintenance	0	0	0	0
Professional Fees	811,704	760,944	1,083,800	1,043,710
Other Fees	2,432	2,892	3,000	3,000
Memberships & Registrations	5,355	1,513	6,751	6,751
Office & General Supplies	887	1,122	1,500	1,500
Miscellaneous Parts	577	182	600	600
Equipment	1,332	1,125	2,000	2,000
TOTAL M., S. & E.	829,021	768,590	1,109,702	1,060,111
 <u>INTERNAL SERVICES</u>				
Administrative Services	32,107	0	0	0
Self-Insurance	1,184	1,217	1,250	1,283
TOTAL INTERNAL SERVICES	33,291	1,217	1,250	1,283
 <u>OTHER</u>				
Self-Insurance Costs	3,500,000	3,750,000	4,000,000	4,250,000
TOTAL OTHER	3,500,000	3,750,000	4,000,000	4,250,000
 PENSION ADMIN. FUNDS TOTAL	 4,853,196	 5,005,847	 5,619,232	 5,773,286

DEPARTMENT OF PLANNING AND DEVELOPMENT

The mission of the Department of Planning and Development is to improve the quality of life for City residents by ensuring that physical, social, and economic development in the City occurs in a rational and comprehensive manner that addresses community needs and governmental priorities.

The Department of Planning and Development is responsible for preparing, modifying, and maintaining items like the City's comprehensive development plan, the Bicycle Plan, land use regulations, economic development strategies, and demographic data and social impact studies. In addition, the Department serves as the principal liaison between City government and community organizations, business interests, and planning councils, working in partnership with these groups on the development of neighborhood plans and economic development strategies. The Department assists in the identification of community needs, and the determination of governmental priorities and the design of programs to address those needs.

PRIORITIES FOR FISCAL YEAR 2022

- Continue to provide high quality planning services, including site plan review activities (subdivision, environmental/historical preservation, curb cut, waterfront development, parking lot landscaping and demolition); and staff support to City Planning Commission and the Design Review and Preservation Commission.
- Implement recommended improvements from both the recently certified Wilmington 2028 Comprehensive Plan and the recently updated City of Wilmington Bike Plan.
- Continued membership in WILMAPCO, the regional metropolitan planning organization, as a member of the Technical Advisory Committee and the Council to review and make recommendations on Federally- and State-funded transportation projects and programs and to promote the City's interest for obtaining DelDOT project funding.
- Promote a well-balanced multi-modal transportation system by planning and implementing city-wide transportation improvements through the efforts of the Wilmington Initiatives Partnership (City, Delaware Department of Transportation, Delaware Transit Corporation, and WILMAPCO).
- Continue to support the Neighborhood Planning Council (NPC) Leadership Committee and coordinate the NPC Capital Grant application process.
- Process HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Work with OMB to prepare the annual Capital Budget, Capital Improvement Program, and any necessary amendments.

PRIORITIES FOR FISCAL YEAR 2022 (Continued)

- Represent the City on various boards and commissions, including the Wilmington Neighborhood Conservancy Land Bank, the Wilmington UDAG Corporation, Access Wilmington, and the Rodney Square Conservancy.
- Work with Licenses & Inspections, Real Estate & Housing, and other Departments on the Mayor's Neighborhood Stabilization Initiative.
- Undertake research projects addressing areas of interest for the Planning Department, the Mayor's Office, and City Council including requests for rezoning analyses, land use studies, and other planning related projects.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING AND DEVELOPMENT

TOTAL ALL FUNDS PLANNING DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,049,888	1,101,026	1,144,696	1,082,416
Materials, Supplies & Equipment	189,195	165,553	165,477	107,309
Internal Services	440,508	94,896	52,247	53,566
Debt Service	215,906	175,557	121,082	241,778
TOTAL	1,895,497	1,537,033	1,483,502	1,485,069
STAFFING LEVELS	10.00	10.00	10.00	9.00

GENERAL FUND PLANNING DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,019,462	1,092,471	1,106,047	1,042,847
Materials, Supplies & Equipment	189,195	165,553	165,477	107,309
Internal Services	440,508	94,896	52,247	53,566
Debt Service	215,906	175,557	121,082	241,778
TOTAL	1,865,071	1,528,478	1,444,853	1,445,500
STAFFING LEVELS	9.55	9.55	9.55	8.55

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	30,426	8,555	38,649	39,569
TOTAL	30,426	8,555	38,649	39,569
STAFFING LEVELS	0.45	0.45	0.45	0.45

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased by \$63,200, or 5.7%. The deletion of a vacant Administrative Assistant II position led to a savings of \$85,799. This savings is offset by an allowance for a citywide 2% cost of living adjustment for eligible employees and mandatory step increases for non-union classified employees.
- In MS&E, Consultants decreased by a net \$60,000, reflecting completion of the first two phases of a citywide Americans with Disabilities Act (ADA) self-assessment of buildings, parks, streets and sidewalks. The next phase, which will involve assessing streets and sidewalks, is not likely to begin until FY 2023, leading to a savings of \$100,000 in FY 2022. This savings is offset by the addition of \$40,000 for a consultant to provide support to the City's Neighborhood Planning Councils.
- Debt Service increased by \$120,696, per the existing debt service schedule.

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Current data for the goals and objectives listed below may be found on the Planning & Development OpenGov story page at <http://bit.ly/WDe18OG>.

All Planning & Development goals and objectives will help support the implementation of the adopted [2028 Comprehensive Plan](#). This plan, which was certified by the Governor in December of 2019, will help guide the Department of Planning & Development, as well as other City departments, in creating a City responsive to all resident and business needs. The corresponding Comprehensive Plan Goal for each Objective is listed and linked below.

Focus Area: Effective City Government

CITY-WIDE GOAL #9: Streamline Permitting Process.

[Goal 1.5: Support Neighborhood Character, Cohesion, and Pride](#)

[Goal 5.1: Provide High Quality City Services, Facilities, and Infrastructure for Existing and Future Residents and Businesses](#)

Objective 1: Make efficiency modifications to several Planning Department permitting processes.

The Planning Department will focus on the following areas in the coming fiscal year:

- Subdivision regulations
- The Landscape review processes
- Historic district modifications to the Eastside district
- Update the zoning code/map as required by state code with a focus on the following items:
 - The M-1 area off Maryland Avenue (known as the NVF property) needs to reflect a zone that will allow mixed use development that the current M-1 zone does not. In FY 2020, the City Planning Commission approved a rezoning of this area to C-2, which permits mixed-use development. In FY 2021, the Department will seek approval of the C-2 zoning by City Council.
 - The parcels of land in the western portion of the waterfront area east of the railroad line are zoned as W-2. The Department will pursue a rezoning to W-4 in order to permit mixed-use development as recommended in the Comprehensive Plan.

DEPARTMENT OF PLANNING AND DEVELOPMENT

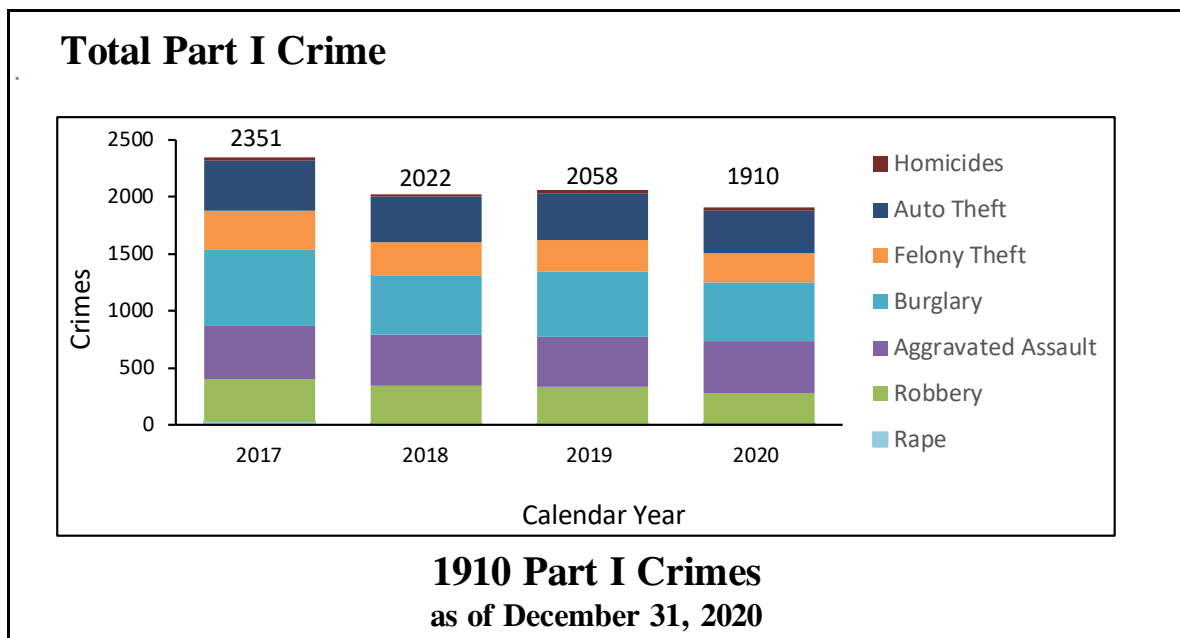
STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance City Services.

[Goal 1.3: Reduce Neighborhood Blight and Crime](#)

Objective 1: Improve neighborhood quality of life through the Neighborhood Stabilization Program (NSP) by coordinating efforts by the Departments of Licenses & Inspections, Real Estate & Housing, Public Works, and Police. The NSP, piloted in the West Center City neighborhood, targets crime and blight reduction in “tipping point areas” by focusing the City’s resources to preserve and stabilize neighborhoods at risk of deterioration and rehabilitate areas with high levels of vacancy and crime. Success will be determined by reductions in crime and code violations.



Note: Part I Crime data is derived from the Police Department’s weekly CompStat reports.

DEPARTMENT OF PLANNING AND DEVELOPMENT

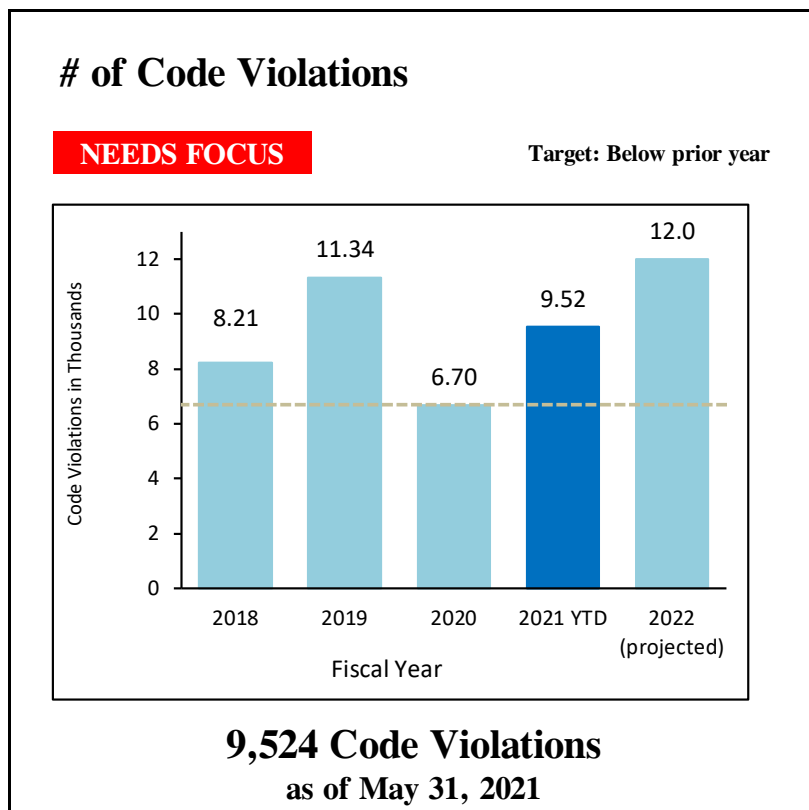
STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance City Services. (Cont'd)

Goal 1.3: Reduce Neighborhood Blight and Crime

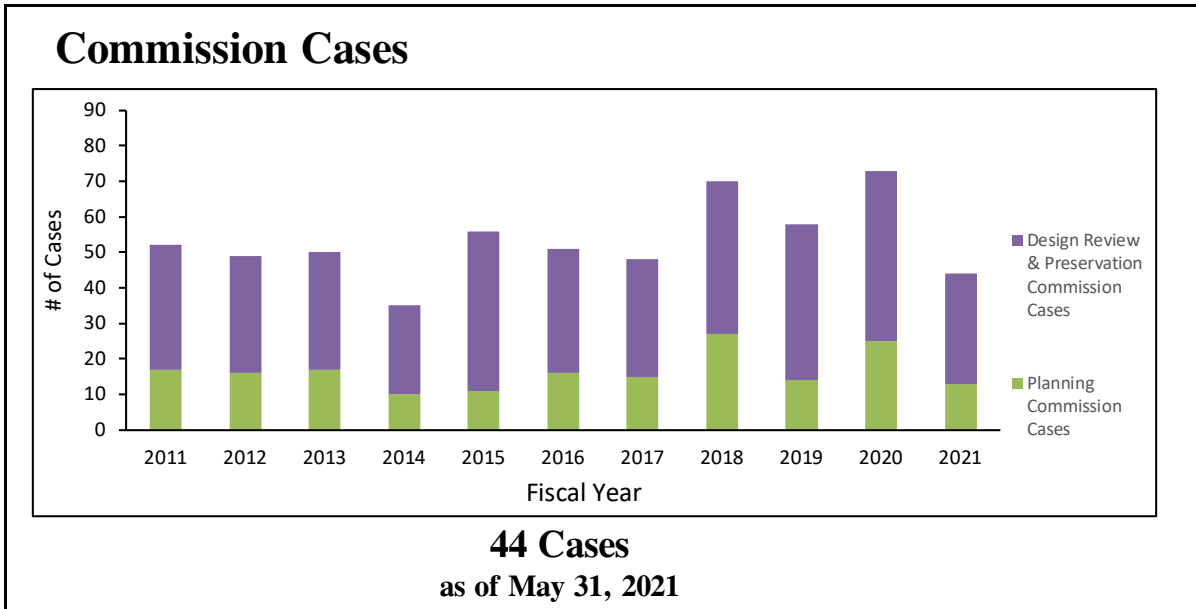
Objective 1 (Cont'd): Improve neighborhood quality of life through the Neighborhood Stabilization Program (NSP) by coordinating efforts by the Departments of Licenses & Inspections, Real Estate & Housing, Public Works, and Police. The NSP, piloted in the West Center City neighborhood, targets crime and blight reduction in “tipping point areas” by focusing the City’s resources to preserve and stabilize neighborhoods at risk of deterioration and rehabilitate areas with high levels of vacancy and crime. Success will be determined by reductions in crime and code violations.



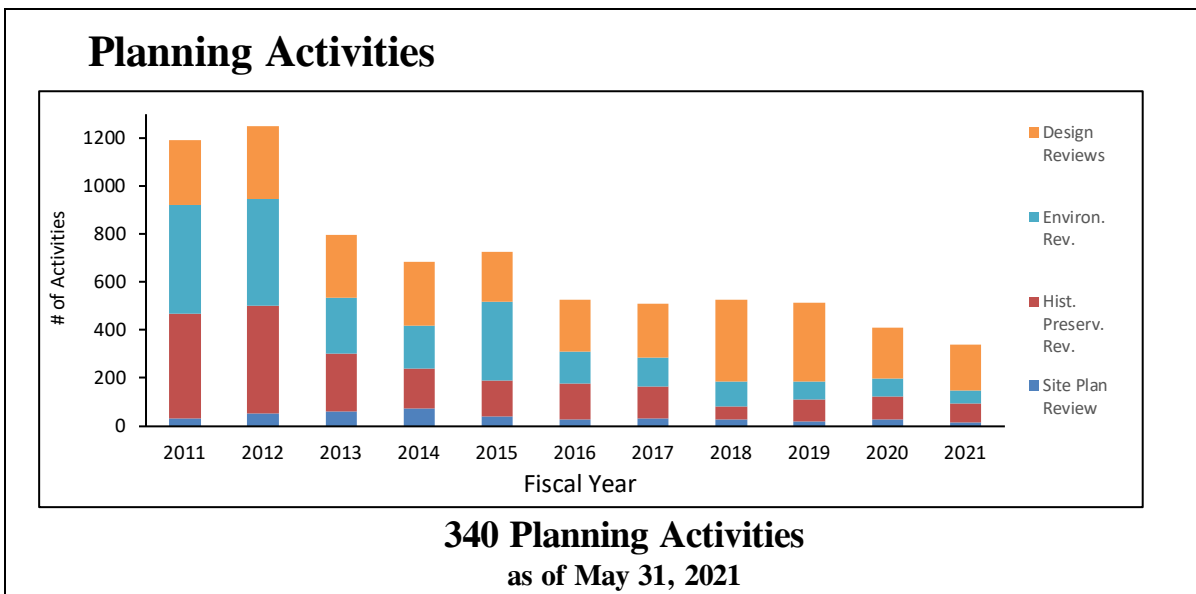
Note: This code violation data is provided by the Department of Licenses & Inspections (L&I). To help reduce blight and better enforce the housing code, L&I is actively working to increase the number of code violations issued in the City. The above number is therefore expected to increase in the next year but eventually decrease as neighborhoods improve.

DEPARTMENT OF PLANNING AND DEVELOPMENT

PERFORMANCE TRENDS



The Department of Planning & Development provides staff support, analyses, and project monitoring for the City’s Design Review & Preservation Commission and the Planning Commission.



The Department ensures that land use and planning policies address the social, cultural, and economic needs of City residents by conducting design reviews, environmental reviews, historical preservation reviews, and site plan reviews.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PLANNING AND DEVELOPMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	643,592	681,361	706,614	667,024
Temporary Salaries	40,627	47,063	46,574	46,574
Sick Leave Bonus	0	600	0	0
Health Cash Back	2,400	2,400	2,400	2,400
Pension Contribution	115,911	133,207	125,072	134,039
Social Security	41,635	44,100	45,811	43,357
Medicare Tax	9,723	10,322	10,712	10,139
Hospitalization	114,813	116,964	123,630	100,444
Life Insurance	2,221	2,082	2,292	2,052
Pension Healthcare	31,195	34,280	34,915	33,157
State Pension Plan - Civilian	17,345	20,093	19,343	15,295
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(11,316)	(11,634)
TOTAL PERSONAL SERVICES	1,019,462	1,092,471	1,106,047	1,042,847
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,068	1,200	1,200	2,400
Transportation	1,802	0	700	700
Professional Fees	167,635	152,500	150,000	90,000
Memberships & Registrations	2,425	2,916	2,681	3,863
Office & General Supplies	1,006	676	2,000	1,200
Miscellaneous Parts	1,122	436	1,600	1,600
Equipment	2,341	1,030	500	750
Community Activities	11,796	6,796	6,796	6,796
TOTAL M., S. & E.	189,195	165,553	165,477	107,309
<u>INTERNAL SERVICES</u>				
Administrative Services	346,903	1,474	0	0
Self-Insurance	93,605	93,422	52,247	53,566
TOTAL INTERNAL SERVICES	440,508	94,896	52,247	53,566
<u>DEBT SERVICE</u>				
Principal Payments	124,977	88,437	56,250	142,898
Interest Payments	90,929	87,120	64,832	98,880
TOTAL DEBT SERVICE	215,906	175,557	121,082	241,778
GENERAL FUND TOTAL	1,865,071	1,528,478	1,444,853	1,445,500

DEPARTMENT: PLANNING AND DEVELOPMENT**FUND: CDBG**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	22,615	6,206	28,800	30,049
Pension Contribution	1,603	517	2,032	2,037
Social Security	1,382	513	1,760	1,836
Medicare Tax	323	109	412	429
Hospitalization	3,132	901	3,891	3,365
Life Insurance	99	10	108	108
Pension Healthcare	1,272	300	1,645	1,745
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	30,426	8,555	38,649	39,569
CDBG FUND TOTAL	30,426	8,555	38,649	39,569



AUDIT DEPARTMENT

The mission of the Audit Department is to promote honest, effective and fully accountable City government. The primary objective of the Audit Department is to assist the Mayor, members of the City Council, and City management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations, counsel and information concerning the activities reviewed. The Audit Department helps to improve City government performance and accountability by:

- Assessing the reliability of financial and operating information
- Evaluating the efficiency and effectiveness of departments
- Testing the adequacy of controls for preventing waste and safeguarding assets
- Verifying compliance with policies, procedures, and regulations
- Providing City employees with ways to increase internal control knowledge and awareness and improve assessment capabilities

The Audit Department is committed to providing independent and objective assurance and management advisory services in accordance with the Institute of Internal Auditor’s Standards for the Practices of Internal Auditing and relevant governmental auditing standards. It seeks to proactively identify risks, evaluate controls, and make recommendations that will strengthen City operations.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none">• Conduct scheduled audits using sound methods, professionalism, integrity, objectivity and confidentiality.• Evaluate controls, note commendable practices, and recommend feasible process improvements.• Assist the external auditors with the annual audits of the Annual Report and Federal Funds.• Continue to aid in the development of a strong internal control environment within the City of Wilmington.• Conduct quarterly follow-ups to ensure effective implementation of agreed-upon recommendations.• Advise and consult with City management regarding improvements in operating efficiencies, effectiveness, and results.• Continue to develop the knowledge, skills, and effectiveness of departmental staff.

SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	550,435	601,832	628,718	644,715
Materials, Supplies & Equipment	240,307	284,719	324,146	284,528
Internal Services	142,558	5,839	3,477	3,571
TOTAL	933,300	892,390	956,341	932,814
STAFFING LEVELS	5.00	5.00	5.00	5.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	550,435	601,832	628,718	644,715
Materials, Supplies & Equipment	167,884	199,735	227,066	200,850
Internal Services	142,558	5,839	3,477	3,571
TOTAL	860,877	807,406	859,261	849,136
STAFFING LEVELS	5.00	5.00	5.00	5.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Materials, Supplies & Equipment	72,423	84,984	97,080	83,678
TOTAL	72,423	84,984	97,080	83,678
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR
<ul style="list-style-type: none"> • Personal Services increased by \$15,997, or 2.5%. The increase was mainly driven by increases in Regular Salaries and Pension Contribution, up \$12,045 and \$5,392, respectively. • Total MS&E costs are down \$26,216, or 11.5%. This is primarily due to a \$25,704 decrease in Accounting costs.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	366,986	398,454	408,200	420,245
Acting Out Of Classification	0	0	0	0
Temporary Salaries	0	0	0	0
Sick Leave Bonus	0	0	0	0
Overtime	0	0	0	0
Pension Contribution	22,473	23,339	42,665	48,057
Social Security	21,456	22,810	24,365	25,081
Medicare Tax	5,018	5,335	5,698	5,867
Hospitalization	96,537	114,398	110,405	107,171
Life Insurance	1,166	1,247	1,200	1,200
Pension Healthcare	16,250	17,290	18,280	19,390
State Pension Plan - Civilian	20,549	18,959	17,905	17,704
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	550,435	601,832	628,718	644,715
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	481	394	512	0
Transportation	3,955	4,985	0	0
Professional Fees	126,960	169,688	200,024	174,320
Memberships & Registrations	20,658	22,432	24,880	24,880
Office & General Supplies	5,317	1,000	700	700
Misc. Mat. Supp. & Parts	226	687	950	950
Equipment	10,287	549	0	0
TOTAL M., S. & E.	167,884	199,735	227,066	200,850
 <u>INTERNAL SERVICES</u>				
Administrative Services	136,570	0	0	0
Self-Insurance	5,988	5,839	3,477	3,571
TOTAL INTERNAL SERVICES	142,558	5,839	3,477	3,571
 GENERAL FUND TOTAL	 860,877	 807,406	 859,261	 849,136

DEPARTMENT: AUDIT DEPARTMENT

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Professional Fees	59,000	71,680	83,776	71,680
Supporting Services	13,423	13,304	13,304	11,998
TOTAL M., S. & E.	72,423	84,984	97,080	83,678
WATER SEWER FUND TOTAL	72,423	84,984	97,080	83,678

LAW DEPARTMENT

The Law Department provides counsel and representation to the Mayor, City Council, all City departments, as well as certain boards and commissions.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Continue to provide effective and efficient legal advice to the City, generally, as appropriate. • Aggressively defend and prosecute litigation. • Assist in and prosecute code enforcement and collection actions. • Provide actionable legal advice on various employment matters. • Provide strategic and legal support in the negotiations of collective bargaining agreements. • Deliver necessary and appropriate legal support to City Council. • Meet budget targets.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,869,793	2,023,154	2,085,756	2,085,217
Materials, Supplies & Equipment	678,315	507,658	433,195	426,095
Internal Services	279,921	40,698	24,304	24,961
TOTAL	2,828,029	2,571,510	2,543,255	2,536,273
STAFFING LEVELS	17.00	17.00	17.00	17.00

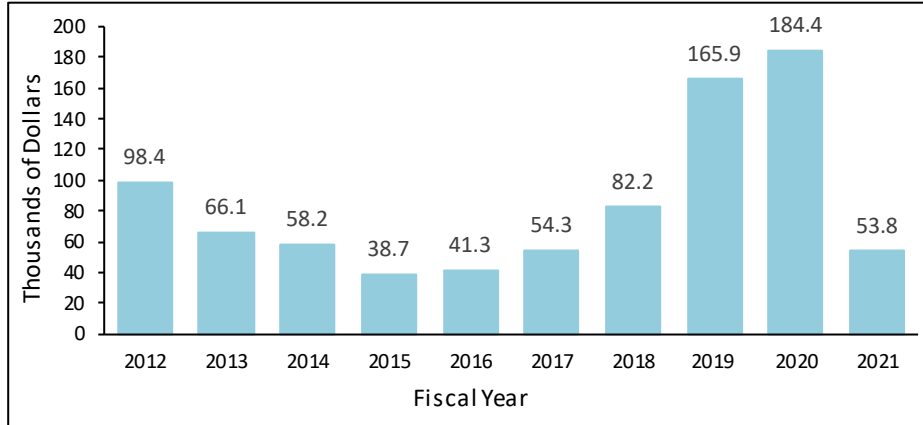
GENERAL FUND LAW DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,869,793	2,023,154	2,085,756	2,085,217
Materials, Supplies & Equipment	678,315	507,658	433,195	426,095
Internal Services	279,921	40,698	24,304	24,961
TOTAL	2,828,029	2,571,510	2,543,255	2,536,273
STAFFING LEVELS	17.00	17.00	17.00	17.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services remained nearly flat in FY 2022, decreasing only \$539. A large decrease in Hospitalization (\$20,775, or 7.1%) was at least partially offset by an increase in Regular Salaries, up \$14,381, or 1.0%.
- Both Legal Assistant I positions were upgraded during the biennial appeals process (from NUC-M to NUC-N). The total cost of these upgrades to the General Fund is \$2,932.
- MS&E decreased \$7,100, or 1.6%. The most significant decreases were in Travel & Subsistence, down \$2,300, and Furniture, Fixtures, & Office Equipment, down \$2,000 from FY 2021.

LAW DEPARTMENT PERFORMANCE TRENDS

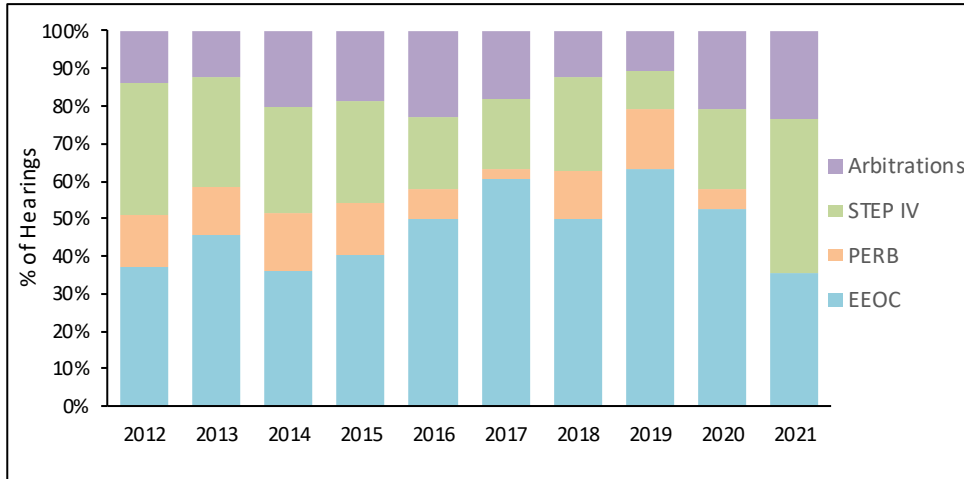
Housing Code Prosecution Fines



**\$53,800 Fines Issued
as of May 31, 2021**

An increase in high profile cases involving properties with a substantial number of violations led to an increase in fines in FY 2019 and FY 2020.

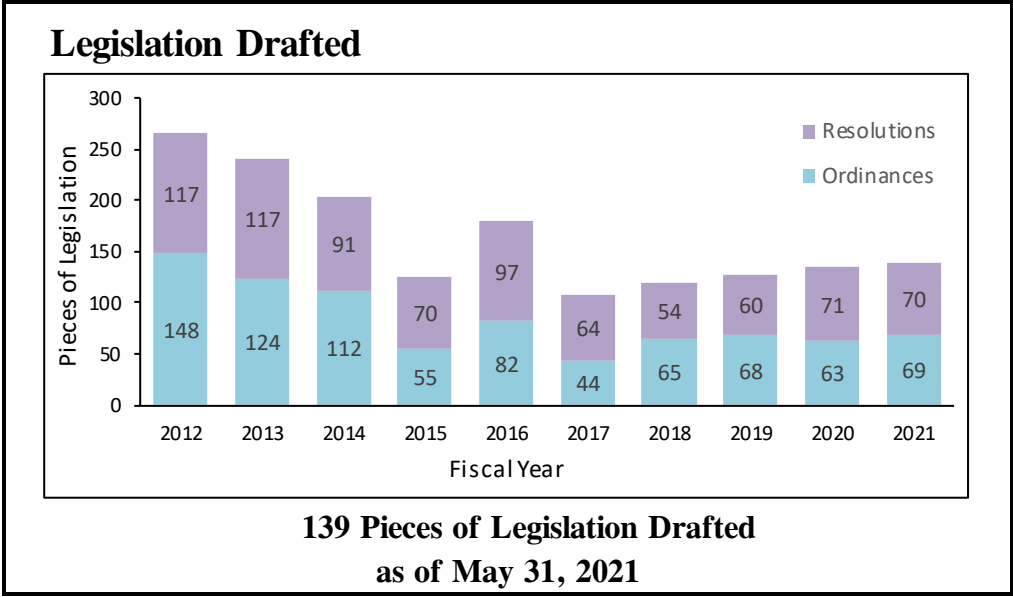
Employment & Labor Administrative Hearings



as of May 31, 2021

The area of employment and labor law continues to place great demand upon Department resources. The City is represented by Department staff attorneys at the majority of administrative hearings conducted at various stages of the adjudication process.

LAW DEPARTMENT PERFORMANCE TRENDS



The demand for legislative drafting services is reflected above. Although the demand for these services increased from FY 2015 to FY 2016, demand since then has remained relatively stable.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY 2019	FY 2020	FY 2021	FY 2022
Regular Salaries	1,239,678	1,357,922	1,417,483	1,431,864
Temporary Salaries	2,180	1,473	0	0
Acting Out Of Classification	536	0	0	0
Sick Leave Bonus	0	300	300	0
Health Cash Back	3,400	3,200	2,400	2,400
Pension Contribution	151,255	157,381	166,755	166,115
Social Security	74,662	81,559	85,654	86,547
Medicare Tax	17,461	19,074	20,034	20,241
Hospitalization	272,138	283,502	291,172	270,397
Life Insurance	4,390	4,447	4,080	4,080
Pension Healthcare	55,250	58,786	62,152	65,926
State Pension Plan - Civilian	48,843	55,510	57,418	59,949
Personal Services Adjustment	0	0	(21,692)	(22,302)
TOTAL PERSONAL SERVICES	1,869,793	2,023,154	2,085,756	2,085,217
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	183	595	150	150
Communications & Utilities	47	0	105	105
Transportation	442	800	2,500	200
Contracted Maintenance Repairs	397	0	262	262
Professional Fees	566,881	396,414	295,000	295,000
Other Fees	48,970	49,459	60,000	60,000
Memberships & Registrations	19,811	17,850	29,638	29,638
Miscellaneous Services	33,425	38,317	38,540	36,740
Office & General Supplies	5,072	3,548	5,000	4,000
Equipment	3,087	675	2,000	0
TOTAL M., S. & E.	678,315	507,658	433,195	426,095
 <u>INTERNAL SERVICES</u>				
Administrative Services	238,137	0	0	0
Self-Insurance	41,784	40,698	24,304	24,961
TOTAL INTERNAL SERVICES	279,921	40,698	24,304	24,961
 GENERAL FUND TOTAL	 2,828,029	 2,571,510	 2,543,255	 2,536,273



DEPARTMENT OF FINANCE

The mission of the Department of Finance is to manage the fiscal activities of the City to maintain and improve the City’s financial position. The Department completes its mission by billing and collecting revenues, providing water meter-reading service, maintaining the City’s accounting system, preparing the annual financial statements, coordinating City procurement and purchasing, and providing excellent customer service.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Provide a positive customer experience for constituents who do business with the City of Wilmington. • Ensure highly reliable accounting practices and quality control/quality assurance. • Optimize internal collection processes and improve revenue. • Cultivate best practices through improved business processes, enhanced data management and relevant technology.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS FINANCE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	7,360,271	7,793,093	7,833,675	7,882,403
Materials, Supplies & Equipment	5,918,523	7,550,919	8,250,480	9,017,583
Internal Services	1,889,057	378,450	322,280	331,351
Debt Service	78,939	101,523	144,248	116,617
TOTAL	15,246,790	15,823,985	16,550,683	17,347,954
STAFFING LEVELS	84.00	85.00	84.00	84.00

GENERAL FUND FINANCE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	4,951,713	5,297,476	5,337,111	5,320,917
Materials, Supplies & Equipment	3,443,954	3,799,568	4,051,930	4,837,120
Internal Services	1,099,918	241,932	181,843	186,889
Debt Service	48,626	53,090	64,419	64,994
TOTAL	9,544,211	9,392,066	9,635,303	10,409,920
STAFFING LEVELS	58.65	58.85	58.85	58.05

WATER/SEWER FUND FINANCE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	2,408,558	2,495,617	2,496,564	2,561,486
Materials, Supplies & Equipment	2,474,569	3,751,351	4,198,550	4,180,463
Internal Services	789,139	136,518	140,437	144,462
Debt Service	30,313	48,433	79,829	51,623
TOTAL	5,702,579	6,431,919	6,915,380	6,938,034
STAFFING LEVELS	25.35	26.15	25.15	25.95

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- A vacant Parking Regulation Enforcement Officer (1.00 FTE) was deleted for a savings of \$66,860. Offsetting this savings, five split-funded positions were upgraded through the Biennial Classification Appeal Process in FY 2021 at a cost of \$12,603. Additionally, the Senior Financial Analyst position was upgraded to a Senior Financial Officer position at a total cost of \$6,564 to the General Fund.
- Regular salaries rose by a net \$56,778, or 1.7%, due to a citywide 2% COLA and mandatory step increases for non-union classified employees.
- Overtime decreased by \$20,000 due to reduced need for staffing during the Wage Tax filing season.
- Consultants increased by \$100,000 to assess the feasibility and implementation of an online Wage Tax filing system and to assist with the preparation of the Annual Financial Statement and other initiatives, including projects related to outside auditing services.
- Temporary Agencies decreased by \$38,000 as the Department will rely more on its internal resources during Wage Tax filing season and for the preparation of the Annual Financial Statement.
- Collection Expense-Parking Citation Commissions increased by \$29,070 to cover the cost of fees associated with the Padlock digital parking permit application, validation, enforcement system (based on license plate scanning) and the parking citations contract, which increased 2.5%.
- Collection Expense-Red Light Camera Commissions increased by \$89,220 to capture costs associated with the red-light ticket and video enforcement program.
- As part of a broad initiative to increase the speed, effectiveness, and return on collection efforts, Wage and Head Audit was increased \$570,000. Of that amount, \$400,000 will pay for the services of collection specialists, while the remaining \$170,000 will pay for the services of a law firm with expertise in scofflaw issues and debt collection legal proceedings. The \$570,000 increase in expense is projected to result in a three-to-one return of \$1.71 million in additional revenue in FY 2022.
- Due to an increased number of customers using a credit card for payments, Collection Expense-Credit Cards Fees increased by \$30,000.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
WATER/SEWER FUND**

- A Meter Reader position funded 100% by the Water/Sewer Fund was added at cost of \$63,376. Regular Salaries rose by a net \$62,353, or 4.0%, due to a citywide 2% COLA and mandatory step increases for non-union classified employees.
- Printing and Advertising decreased by \$22,700 based on FY 2020 actuals and FY 2021 actuals-to-date.
- Consultant costs increased by \$392,500 to assist in the replacement of the current water utility billing system. Some of the major tasks expected to be performed by the consultant would be defining system requirements, assisting in the preparation and issuance of requests-for-proposals, and vetting and selecting the best vendor.
- Miscellaneous Charges decreased by \$170,000 because the number of calls handled by the 311-call center has trended downward.
- To support increased sheriff sale activity, Collection Expense–Legal and Sheriff Sale was increased by \$30,000.
- Due to an increased number of customers using a credit card for payments, Collection Expense–Credit Cards Fees increased by \$20,000.
- Indirect Costs decreased by \$243,037, reflecting recent revisions of the cost allocation model based on new usage surveys.
- Debt Service decreased by \$28,206 per the existing debt service schedule.

DEPARTMENT OF FINANCE

STRATEGIC PLAN

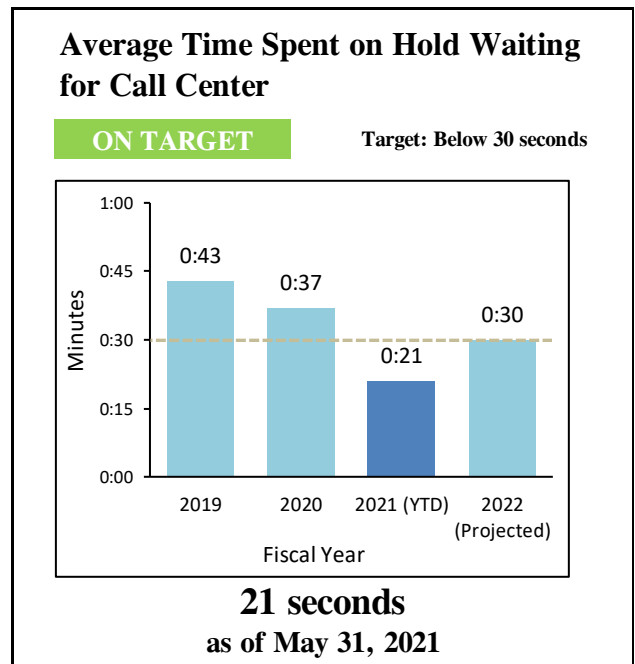
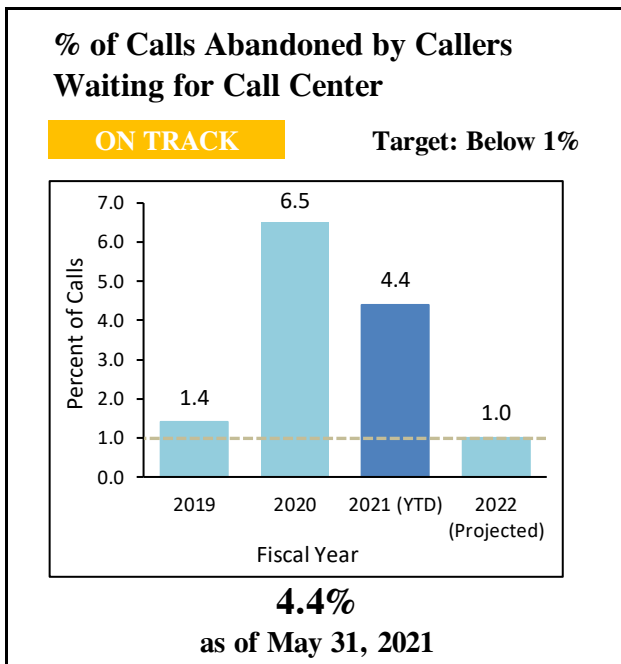
The mission of the Department of Finance is to manage the fiscal activities of the City to maintain and improve the City's financial position. The Department completes its mission by billing and collecting revenues, providing water meter-reading service, maintaining the City's accounting system, preparing the annual financial statements, coordinating City procurement and purchasing, and providing excellent customer service.

Current data for the goals and objectives listed below can be found on the Finance OpenGov story page at <http://bit.ly/WDe150G>.

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Improve Customer Service Provided by the Finance Department.



All calls to the Finance Department are initially routed to a customer service call center. Call center staff are trained to help with routine inquiries and common customer concerns. More complex issues that cannot be resolved by the call center are routed to Finance Department staff.

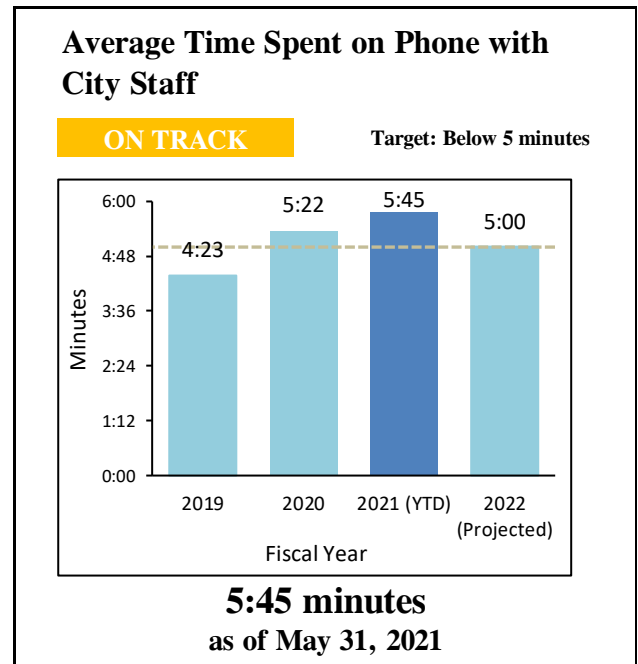
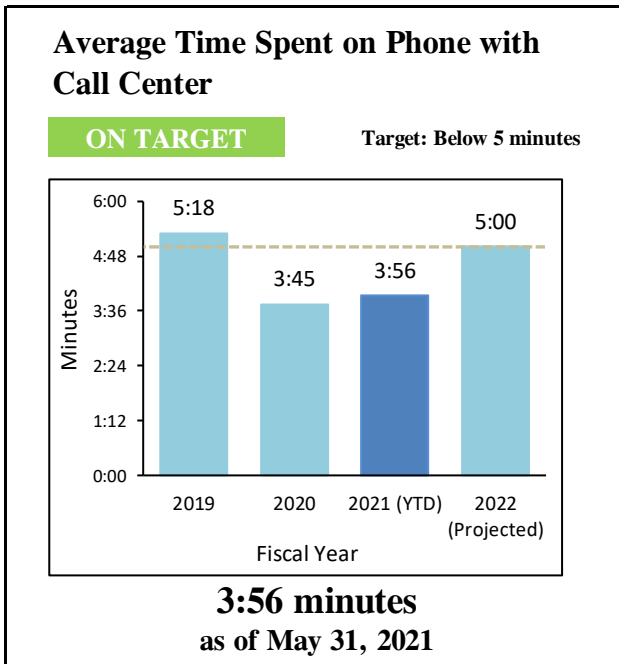
DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Improve Customer Service Provided by the Finance Department.



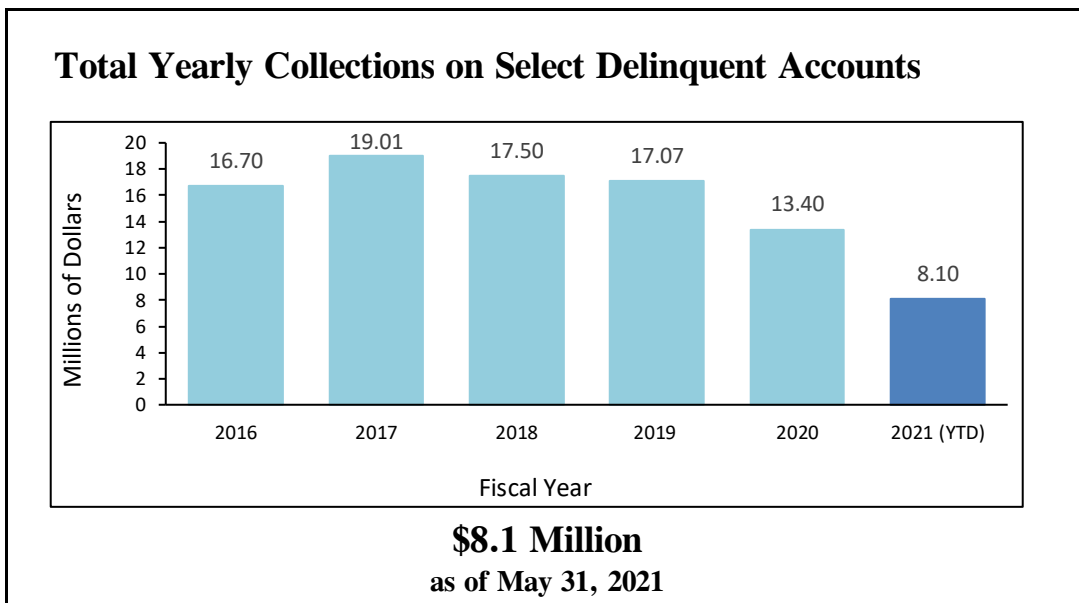
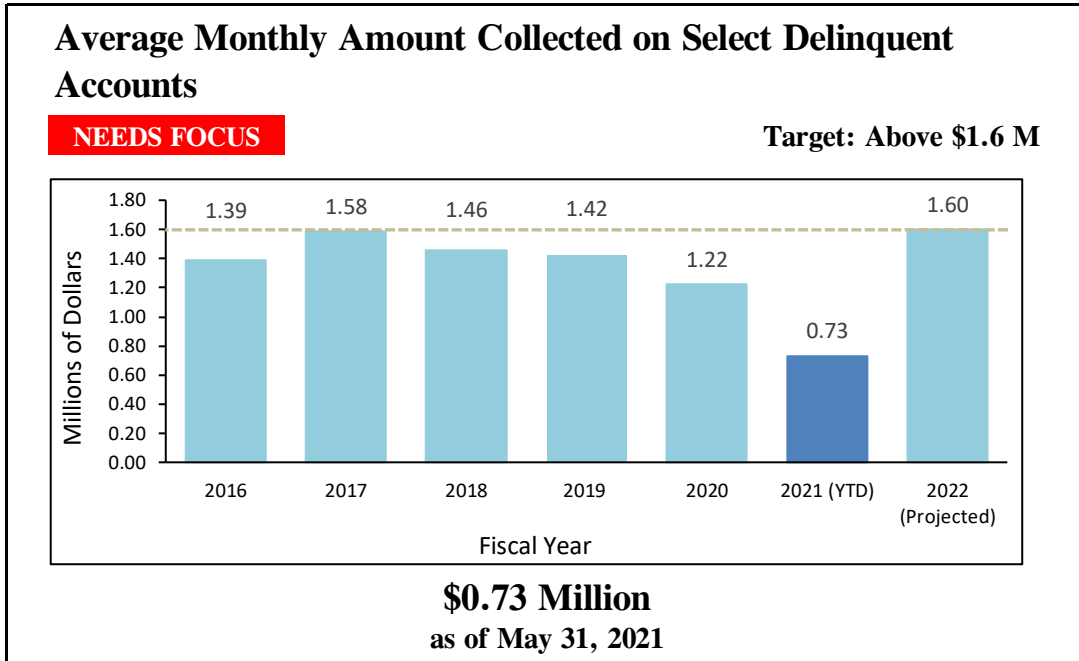
DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

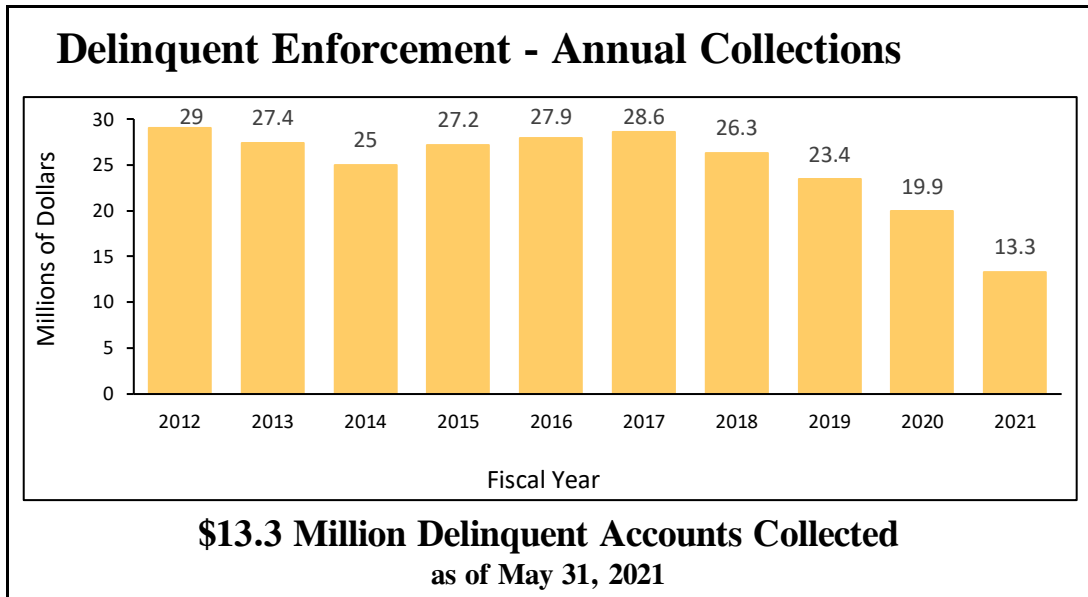
CITY-WIDE GOAL #3: Enhance Fiscal Prudence

Objective 1: Improve Delinquent Account Collections.



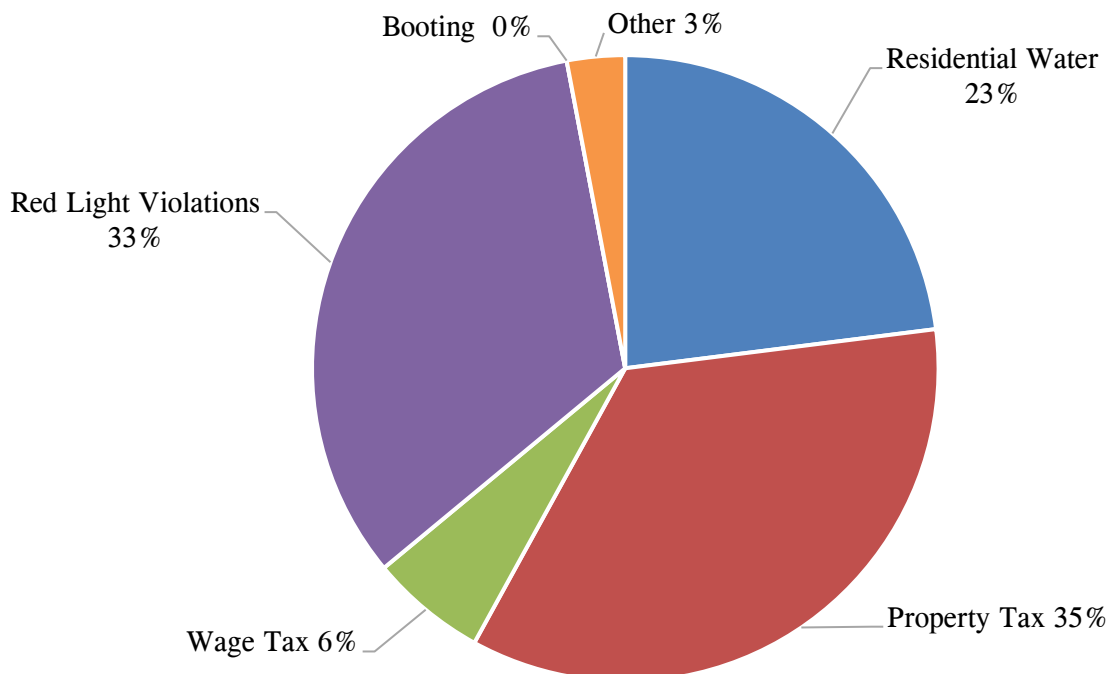
DEPARTMENT OF FINANCE

PERFORMANCE TRENDS



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees and water bills.

Delinquent Collections by Revenue Type FY 2021



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	2,854,386	3,164,401	3,267,604	3,324,382
Temporary Salaries	0	0	8,000	0
Acting Out of Class	3,048	534	0	0
Sick Leave Bonus	1,300	2,200	7,000	6,500
Overtime	92,849	32,467	71,000	51,000
Meal Allowance	4,366	988	7,100	7,100
Clothing Allowance	3,771	3,979	4,000	4,000
Health Cash Back	2,400	632	1,296	1,296
Pension Contribution	578,970	552,608	514,434	534,675
Social Security	175,244	189,371	200,633	202,514
Medicare Tax	41,039	44,288	46,922	47,363
Hospitalization	912,073	989,911	980,352	902,327
Life Insurance	12,562	12,010	13,959	13,748
Pension healthcare	190,610	203,505	213,631	225,519
State Pension Plan - Civilian	79,095	100,582	103,000	105,174
Personal Services Adjustment	0	0	(101,820)	(104,681)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	4,951,713	5,297,476	5,337,111	5,320,917
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	60,335	33,456	66,050	64,050
Communications & Utilities	15,162	6,903	15,400	15,300
Transportation	10,979	9,079	22,550	22,550
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	339	400	400
Professional Fees	419,624	347,662	269,000	331,000
Memberships & Registrations	36,938	38,886	45,050	50,050
Miscellaneous Services	2,856,189	3,277,326	3,607,280	4,325,570
Office & General supplies	12,965	14,236	15,600	15,600
Wearing Apparel and Safety	9,190	8,220	8,000	8,000
Miscellaneous Parts	637	747	600	600
Equipment	21,935	62,714	2,000	4,000
Miscellaneous Projects	0	0	0	0
MSE-Budget Control Account	0	0	0	0
TOTAL M. S. & E.	3,443,954	3,799,568	4,051,930	4,837,120

DEPARTMENT: FINANCE**FUND: GENERAL**

	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
INTERNAL SERVICES				
Administrative Services	923,505	65,606	80,622	83,041
Self-Insurance	176,413	176,326	101,221	103,848
TOTAL INTERNAL SERVICES	1,099,918	241,932	181,843	186,889
DEBT SERVICE				
Principal Payments	19,702	25,011	27,823	39,015
Interest Payments	28,924	28,079	36,596	25,979
TOTAL DEBT SERVICE	48,626	53,090	64,419	64,994
GENERAL FUND TOTAL	9,544,211	9,392,066	9,635,303	10,409,920

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	1,362,942	1,452,179	1,572,145	1,634,498
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	400	400	2,500	2,500
Overtime	41,594	25,335	35,500	30,000
Meal Allowance	642	351	3,550	3,650
Clothing Allowance	750	500	750	500
Health Cash Back	0	288	864	864
Accrued Sick/Vacation	(11,911)	28,438	0	0
Pension Contribution	357,801	353,421	210,882	205,251
Social Security	82,576	87,214	96,787	100,458
Medicare Tax	19,363	20,397	22,636	23,494
Hospitalization	425,100	378,154	393,391	388,428
Life Insurance	5,828	5,761	6,025	6,302
Pension healthcare	82,390	90,425	91,950	100,899
State Pension Plan - Civilian	41,083	52,754	59,584	64,642
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	2,408,558	2,495,617	2,496,564	2,561,486

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	81,404	38,037	96,200	73,500
Communications & Utilities	0	259,554	265,000	265,000
Transportation	6,714	3,412	17,000	10,000
Contracted Maintenance Repairs	230	0	1,500	700
Professional Fees	265,230	167,966	165,000	567,500
Memberships & Registrations	15,407	33,043	43,800	43,500
Miscellaneous Services	782,161	1,154,668	1,481,000	1,330,500
Office & General supplies	7,146	7,447	12,700	11,100
Wearing Apparel and Safety	821	965	2,950	1,300
Miscellaneous Parts	3,606	2,716	3,000	3,000
Supporting Services	1,303,825	2,055,400	2,055,400	1,812,363
Equipment	8,025	28,143	55,000	62,000
TOTAL M. S. & E.	2,474,569	3,751,351	4,198,550	4,180,463

DEPARTMENT: FINANCE**FUND: WATER/SEWER**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	699,063	47,931	88,876	91,542
Self-Insurance	90,076	88,587	51,561	52,920
TOTAL INTERNAL SERVICES	789,139	136,518	140,437	144,462
DEBT SERVICE				
Interest Payments	30,313	48,433	79,829	51,623
TOTAL OTHER	30,313	48,433	79,829	51,623
WATER/SEWER FUND TOTAL	5,702,579	6,431,919	6,915,380	6,938,034



DEPARTMENT OF HUMAN RESOURCES

The mission of the Department of Human Resources (HR) is to provide the necessary human resources to City Departments in order to promote the highest quality workforce and a productive work environment and maintain the city’s operational and fiscal stability through the utilization of effective risk management techniques.

The Department provides a complete spectrum of human resources programs and personnel administrative services and administers the City’s Risk Management and Employee Benefits Programs. Additionally, it serves as the focal point for interaction with the City’s collective bargaining units.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Implement a new city-wide training, learning and career development platform (“City University”). • Identify and implement new Classification and Compensation System. • Ensure prompt and thorough investigation of workplace complaints. • Continue developing strategic processes to promote compliance with ADA, FMLA and City Code §40-54. • Expand the portfolio of population health programs for employees and retirees while delivering exemplary customer service. • Manage risk by implementing more effective claims management practice and programs.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	2,204,890	2,470,519	2,956,444	2,949,115
Materials, Supplies & Equipment	4,938,113	5,048,195	5,656,728	5,494,146
Internal Services	754,409	26,977	21,739	22,359
Debt Service	28,551	40,280	25,791	33,624
Depreciation	587	391	12,554	12,554
Special Purpose	25,206,621	24,571,415	23,572,986	23,445,975
TOTAL	33,133,171	32,157,777	32,246,242	31,957,773
STAFFING LEVELS	24.00	26.00	26.00	26.00

*Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to inclusion of Internal Service Funds.

GENERAL FUND HUMAN RESOURCES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,155,154	1,364,985	1,816,275	1,819,045
Materials, Supplies & Equipment	243,156	169,847	321,429	437,381
Internal Services	710,989	14,051	11,374	11,695
Debt Service	28,551	40,280	25,791	33,624
TOTAL	2,137,850	1,589,163	2,174,869	2,301,745
STAFFING LEVELS	14.55	16.60	16.60	16.60

RISK MANAGEMENT FUND HUMAN RESOURCES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	207,001	195,455	192,478	192,339
Materials, Supplies & Equipment	3,664,632	4,089,169	4,033,987	3,723,530
Internal Services	27,682	10,464	7,329	7,545
Depreciation	0	0	12,554	12,554
Special Purpose	327,282	(293,048)	0	0
TOTAL	4,226,597	4,002,040	4,246,348	3,935,968
STAFFING LEVELS	1.75	1.30	1.30	1.30

WORKERS' COMPENSATION FUND HUMAN RESOURCES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	495,800	519,048	541,099	538,832
Materials, Supplies & Equipment	771,497	562,250	976,845	980,170
Internal Services	12,903	1,719	2,273	2,335
Depreciation	587	391	0	0
Special Purpose	5,064,286	4,995,538	3,461,998	3,610,061
TOTAL	6,345,073	6,078,946	4,982,215	5,131,398
STAFFING LEVELS	4.65	4.30	4.30	4.30

HEALTH AND WELFARE FUND HUMAN RESOURCES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	346,935	391,031	406,592	398,899
Materials, Supplies & Equipment	258,828	226,929	324,467	353,065
Internal Services	2,835	743	763	784
Special Purpose	19,815,053	19,868,925	20,110,988	19,835,914
TOTAL	20,423,651	20,487,628	20,842,810	20,588,662
STAFFING LEVELS	3.05	3.80	3.80	3.80

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Personal Services remained relatively flat, increasing only by \$2,770, or 0.2%. Largely due to a 2% COLA budgeted for all employees, Regular Salaries increased by over \$37,000. However, this was largely offset by decreases in Temporary Salaries and Pension Contribution, which are down \$9,450 and \$28,560, respectively.
- During the biennial appeals process, the Compliance Specialist and HR Leave Administrator positions were both upgraded. The Compliance Specialist was upgraded from an NUC-P to and NUC-Q, while the HR Leave Administrator was upgraded from an NUC-L to an NUC-N. The total financial impact of these changes is \$5,581.
- MS&E increased \$115,952, primarily due to a \$100,000 increase in Consultants. Of that amount, \$50,000 will be used for a Compensation Study, while the other \$50,000 will be used to implement City University, a varied series of employee training and development opportunities provided by consultants. Workshop/Seminars-Training also increased, up \$15,477 above FY 2021. This is primarily due to \$14,250 in additional funds being added to fund sexual harassment training for new hires and promotions.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
INTERNAL SERVICE FUNDS**

- Personal Services in the Risk Management Fund remained relatively flat, only decreasing by \$139, or 0.1%.
- MS&E in the Risk Management Fund decreased \$310,457, or 7.7%. Primarily driving this decrease was a reduction in Insurance Claims-Legal Defense, which is down \$450,000 from FY 2021. Insurance Claims for the Motor Vehicle Fund are also down \$40,000 from FY 2021 and are budgeted at \$90,000 in FY 2022. These decreases were partially offset by an increase in Liability, which is up \$134,974 over FY 2021. This increase is primarily due to a 15% increase in general liability excess and a 90% increase in the City's cyber policy.
- Personal Services in the Workers' Compensation Fund remained relatively flat, decreasing only \$2,267, or 0.4%. A substantial decrease of \$18,203 in Hospitalization was partially offset by an increase in Regular Salaries, which are up \$7,336, or 2.5%
- MS&E in the Workers' Compensation Fund remained nearly flat, only increasing \$3,225, or 0.3%.
- The Workers' Compensation Fund's Self Insurance costs increased \$148,063, or 4.3%. Decreases in Medical Costs (down \$188,621) and W/C- Other Costs (down \$30,892) were more than offset by a substantial increase in W/C- Indemnity (up \$360,155). All of these account lines are derived from an actuarial study.
- Personal Services in the Health & Welfare fund decreased \$7,693, or 1.9%. An \$8,877 increase in Regular Salaries was more than offset by a \$18,060 reduction in Hospitalization.
- MS&E in the Health & Welfare Fund increased \$28,598, or 8.8%, almost entirely due to an increase in Consultants, which rose \$27,898 from FY 2021. These additional funds will be used to bolster the City's Teledoc Teletherapy program.
- The Self Insurance accounts in the Health & Welfare Fund decreased \$275,074, or 1.4%, to an FY 2022 total of \$19.84 million. Nearly all items remained unchanged, including Medical and Prescription costs, which are budgeted at \$13,352,869 and \$2,932,598, respectively. Dental Costs rose only slightly, up \$17,526, or 1.6%. The only substantial change was in Medical Stop Loss, which decreased \$292,600, or 22.2%. This is due to a change in the policy itself, which will move the attachment point from \$325,000 to \$200,000.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: HUMAN RESOURCES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	611,556	827,784	1,155,580	1,192,903
Temporary Salaries	53,680	34,708	21,450	12,000
Acting Out of Classification	5,958	0	1,500	300
Sick Leave Bonus	0	0	600	600
Overtime	1,158	84	1,000	2,000
Meal Allowance	187	94	102	145
Health Cash Back	0	450	0	1,080
Pension Contribution	217,476	168,617	173,244	144,684
Social Security	44,975	53,550	70,921	72,694
Medicare Tax	9,960	11,976	16,588	17,003
Hospitalization	156,336	190,925	279,362	266,188
Life Insurance	2,207	2,795	3,981	3,984
Pension Healthcare	47,286	57,401	60,692	64,373
State Pension Plan - Civilian	4,375	16,601	38,432	48,470
Personal Services Adjustment	0	0	(7,177)	(7,379)
TOTAL PERSONAL SERVICES	1,155,154	1,364,985	1,816,275	1,819,045
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	3,772	5,334	10,175	10,175
Communications & Utilities	0	0	200	200
Transportation	6,596	3,826	10,259	11,895
Contracted Maintenance	458	472	650	650
Professional Fees	108,348	34,703	20,075	120,075
Other Fees	3,989	5,388	4,589	4,589
Memberships & Registrations	18,130	67,294	89,366	105,582
Miscellaneous Services	66,775	19,071	137,515	136,115
Office & General Supplies	6,173	3,901	8,500	8,000
Wearing Apparel & Safety Supplies	279	1,301	1,100	1,100
Miscellaneous Parts	27,817	23,717	33,500	33,500
Equipment	819	4,840	5,500	5,500
TOTAL M., S. & E.	243,156	169,847	321,429	437,381

DEPARTMENT: HUMAN RESOURCES**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	698,925	0	0	0
Self-Insurance	12,064	14,051	11,374	11,695
TOTAL INTERNAL SERVICES	710,989	14,051	11,374	11,695
DEBT SERVICE				
Principal Payments	13,030	25,657	15,238	20,931
Interest Payments	15,521	14,623	10,553	12,693
TOTAL DEBT SERVICE	28,551	40,280	25,791	33,624
GENERAL FUND TOTAL	2,137,850	1,589,163	2,174,869	2,301,745

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	97,875	101,343	99,835	102,657
Temporary Salaries	41,364	31,063	34,500	33,840
Overtime	27	0	0	0
Meal Allowance	43	0	0	0
Compensated Absences	4,214	2,718	0	0
Pension Contribution	26,334	27,755	26,052	25,689
Social Security	8,426	8,688	8,208	8,338
Medicare Tax	1,971	2,032	1,919	1,950
Hospitalization	19,614	15,835	16,939	14,524
Life Insurance	307	323	312	312
Pension Healthcare	5,932	4,496	4,752	5,042
State Pension Plan - Civilian	894	1,202	1,134	1,193
Personal Services Adjustment	0	0	(1,173)	(1,206)
TOTAL PERSONAL SERVICES	207,001	195,455	192,478	192,339
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	0	70	0
Transportation	3,645	4,206	2,150	4,540
Insurance	3,493,602	3,879,401	3,805,627	3,486,300
Professional Fees	162,958	201,612	220,650	227,400
Memberships & Registrations	1,980	1,405	2,490	2,790
Office & General Supplies	2,447	2,545	3,000	2,500
Equipment	0	0	0	0
TOTAL M., S. & E.	3,664,632	4,089,169	4,033,987	3,723,530

DEPARTMENT: HUMAN RESOURCES**FUND: RISK MANAGEMENT**

INTERNAL SERVICES	FY 2019	FY 2020	FY 2021	FY 2022
Administrative Services	26,583	9,336	6,171	6,356
Self-Insurance	1,099	1,128	1,158	1,189
TOTAL INTERNAL SERVICES	27,682	10,464	7,329	7,545
OTHER				
Depreciation	0	0	12,554	12,554
TOTAL DEBT SERVICE	0	0	12,554	12,554
SPECIAL PURPOSE				
Claims Expense	327,282	(293,048)	0	0
TOTAL SPECIAL PURPOSE	327,282	(293,048)	0	0
RISK MANAGEMENT FUND TOTAL	4,226,597	4,002,040	4,246,348	3,935,968

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	264,517	286,120	291,578	298,914
Temporary Salaries	35,918	31,064	45,390	45,890
Acting Out of Classification	0	1,920	0	0
Overtime	592	3,860	4,840	4,840
Meal Allowance	170	247	200	200
Compensated Absences	6,742	4,251	0	0
Pension Contribution	57,522	60,641	63,712	70,161
Social Security	17,886	19,204	20,569	21,087
Medicare Tax	4,183	4,491	4,810	4,931
Hospitalization	88,412	86,568	88,789	70,586
Life Insurance	1,014	1,056	1,032	1,032
Pension Healthcare	15,357	14,870	15,720	16,676
State Pension Plan - Civilian	3,487	4,756	4,459	4,515
TOTAL PERSONAL SERVICES	495,800	519,048	541,099	538,832
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	692	0	660	660
Transportation	1,447	754	4,200	6,600
Insurance	419,278	241,665	515,000	517,250
Rentals	34	0	200	200
Contracted Maintenance	1,723	270	1,400	1,400
Professional Fees	327,263	301,994	404,400	404,400
Memberships & Registrations	5,751	2,608	12,485	11,160
Office & General Supplies	1,722	1,063	2,300	2,300
Wearing Apparel & Safety	2,085	1,363	2,100	2,100
Miscellaneous Parts	11,502	12,533	32,500	32,500
Equipment	0	0	1,600	1,600
TOTAL M., S. & E.	771,497	562,250	976,845	980,170

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
INTERNAL SERVICES				
Administrative Services	10,750	(495)	0	0
Self-Insurance	2,153	2,214	2,273	2,335
TOTAL INTERNAL SERVICES	12,903	1,719	2,273	2,335
SPECIAL PURPOSE				
Workers' Compensation	5,064,286	4,995,538	3,461,998	3,610,061
TOTAL SPECIAL PURPOSE	5,064,286	4,995,538	3,461,998	3,610,061
OTHER				
Depreciation	587	391	0	0
TOTAL DEBT SERVICE	587	391	0	0
WORKERS' COMPENSATION FUND TOTAL	6,345,073	6,078,946	4,982,215	5,131,398

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	223,370	255,955	279,447	288,324
Temporary Salaries	14,886	14,018	10,000	10,000
Acting Out Of Classification	0	1,305	2,000	2,000
Health Cash Back	0	270	0	1,080
Overtime	41	0	1,000	0
Compensated Absences	4,164	5,403	0	0
Pension Contribution	25,855	27,849	5,947	5,776
Social Security	13,868	16,131	17,761	18,401
Medicare Tax	3,244	3,765	4,154	4,303
Hospitalization	39,227	35,969	53,100	35,040
Life Insurance	740	938	912	912
Pension Healthcare	10,970	13,141	13,892	14,737
State Pension Plan - Civilian	10,570	16,287	18,379	18,326
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	346,935	391,031	406,592	398,899
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	500	500
Communications & Utilities	0	0	500	500
Transportation	5,010	230	4,500	4,500
Professional Fees	200,806	197,315	269,242	297,140
Memberships & Registrations	49,368	27,186	42,725	44,925
Office & General Supplies	2,559	1,733	4,000	2,500
Wearing Apparel and Safety	0	0	600	600
Miscellaneous Parts	0	0	1,150	1,150
Equipment	1,085	465	1,250	1,250
TOTAL M., S. & E.	258,828	226,929	324,467	353,065
<u>INTERNAL SERVICES</u>				
Administrative Services	2,112	0	0	0
Self-Insurance	723	743	763	784
TOTAL INTERNAL SERVICES	2,835	743	763	784
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	19,815,053	19,868,925	20,110,988	19,835,914
TOTAL SPECIAL PURPOSE	19,815,053	19,868,925	20,110,988	19,835,914
HEALTH & WELFARE FUND TOTAL	20,423,651	20,487,628	20,842,810	20,588,662



DEPARTMENT OF LICENSES & INSPECTIONS

The Department of Licenses and Inspections (L&I) is responsible for promoting the general welfare and protecting the life, health, and safety of all citizens of Wilmington by monitoring the City’s building stock through code enforcement and abatement of code violations. This is achieved by regulating various activities through the issuance of permits, licenses, certificates, and the appropriate inspections to assure compliance with all laws and ordinances this Department is empowered to enforce.

The Department performs mandated activities and conducts inspections on rental properties, issues Notifications and Certificates of Use and Occupancy, registers vacant properties, performs inspections, and reviews plans/specifications for renovations and new construction.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Implement new Salesforce software for the Department. • Implementation and monitoring of new civil penalties for rental properties. • Enforcement and demolition of blighted vacant properties. • Schedule and complete 500 rental inspections. • Continue to explore converting all housing violations from criminal to civil penalties. • Identify non-licensed rental property owners.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS LICENSES & INSPECTIONS	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	3,822,446	4,030,410	4,206,365	4,300,967
Materials, Supplies & Equipment	587,553	698,172	732,210	839,710
Internal Services	732,378	235,379	265,728	273,622
Debt Service	5,053	7,255	8,558	1,559
Special Purpose	251,358	256,385	256,385	262,795
TOTAL	5,398,788	5,227,601	5,469,246	5,678,653
STAFFING LEVELS	42.00	43.00	42.00	42.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LICENSES & INSPECTIONS	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	3,822,446	4,030,410	4,206,365	4,300,967
Materials, Supplies & Equipment	587,553	698,172	732,210	839,710
Internal Services	732,378	235,379	265,728	273,622
Debt Service	5,053	7,255	8,558	1,559
Special Purpose	251,358	256,385	256,385	262,795
TOTAL	5,398,788	5,227,601	5,469,246	5,678,653
STAFFING LEVELS	42.00	43.00	42.00	42.00

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Personal Services increased \$94,602, or 2.2%. This includes a 2% COLA for eligible employees. Regular Salaries increased \$82,666, or 3.2%, while Pension Contribution increased \$20,355, or 4.0%. These increases were partially offset by decreases in Overtime, down \$10,000, and Hospitalization, down \$13,379.
- Through the biennial appeals process, one Administrative Clerk I position was upgraded to a Permits Coordinator (from 1102-G to 1102-H) at a total cost of \$4,283. The Building Compliance Officer position was also upgraded through the biennial appeals process (from 1102-M to 1102-O) at a total cost of \$838. Offsetting these increases, the Building Permit Director position (1102-M) was downgraded to a Permits Coordinator position, saving \$11,666.
- MS&E increased \$107,500, or 14.7%. Furniture, Fixtures, & Office Equipment decreased by \$12,000 to a new FY 2022 total of \$10,000. This decrease was more than offset by a \$92,000 increase in Consultants, which will be used to hire a consultant to cover the duties performed by a previously deleted Plans Examiner position. In addition, \$30,000 was added to Advertising to fund a marketing effort to explain the Housing Stabilization Ordinance code changes and its effects on citizens and landlords.
- L&I's Internal Service chargebacks increased a total of \$7,894, or 3.0%. In addition to a nearly \$948 increase in the self-insurance costs, \$6,946 was added to Motor Vehicle Costs.
- The contractual amount the City pays to the Delaware Office of Animal Welfare for Animal Control Services is budgeted in the L&I Department. In FY 2022, \$262,795 is being budgeted, a 2.5% increase.

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

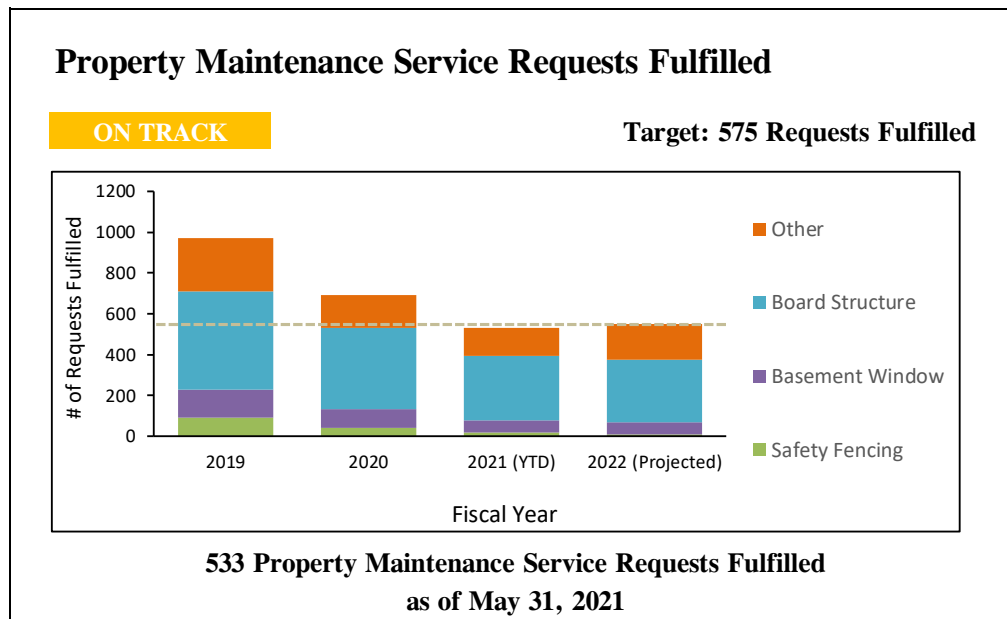
The Department of Licenses and Inspections (L&I) strives to promote and protect a safe living and working environment for all citizens of the City of Wilmington. This is achieved by enforcing and implementing the Wilmington City Code in a fair and unbiased manner. Our goal is to facilitate voluntary compliance by working in partnership with our constituents.

Current data for the goals and objectives listed below can be found on the Licenses & Inspections OpevGov story page at <http://bit.ly/WDe21OG>.

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 1: Effectively and Efficiently Address Structurally Deficient Properties through Property Maintenance.



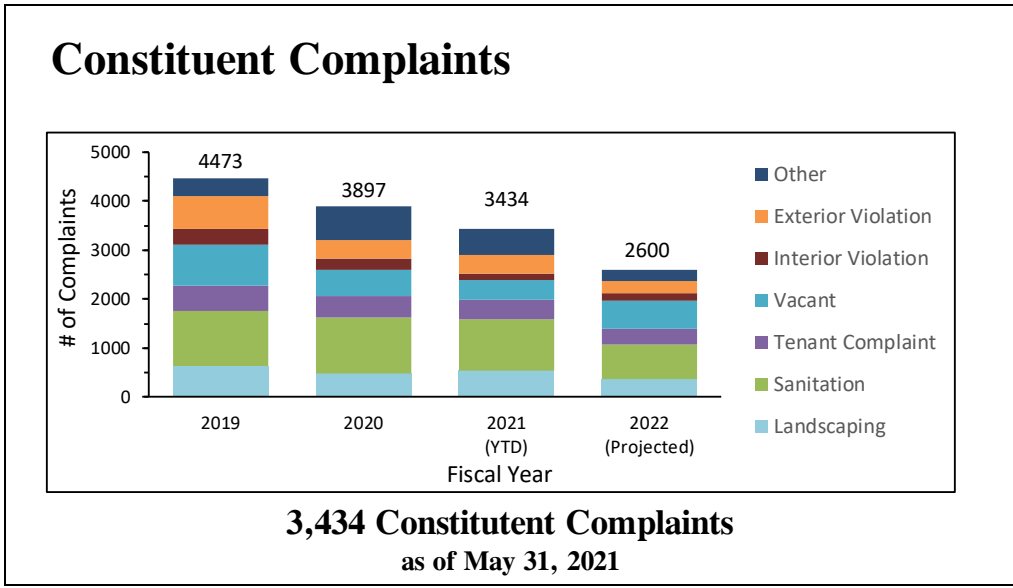
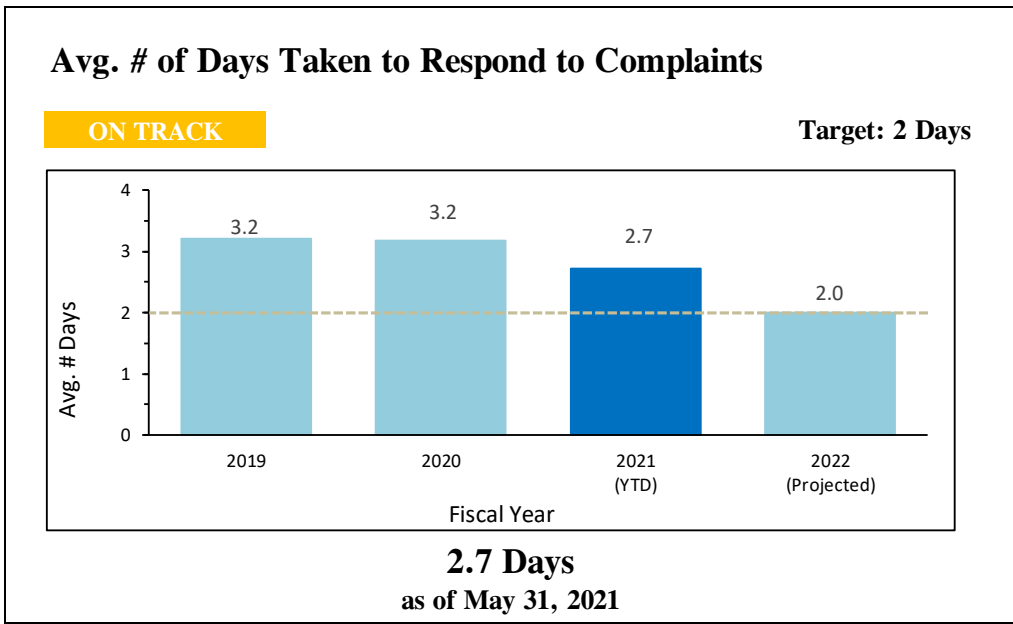
DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 2: Respond to All Constituent Complaints within Two Business Days



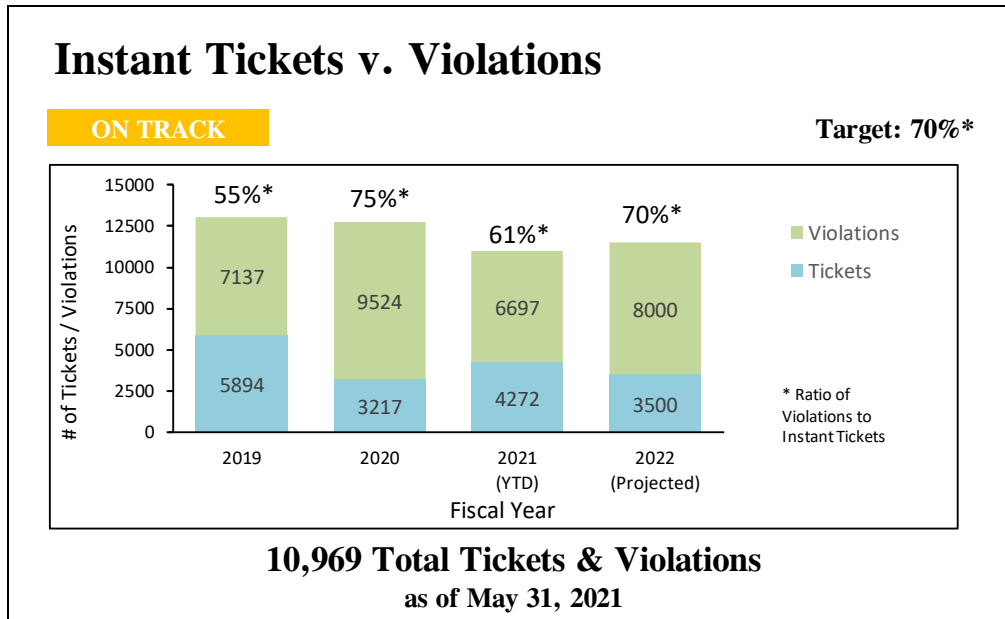
DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

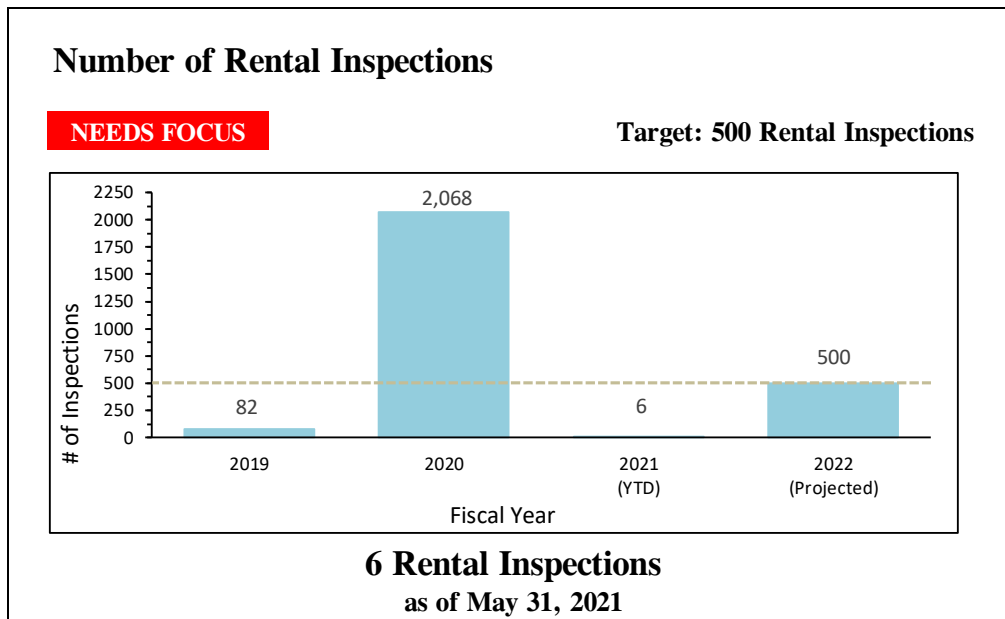
Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 3: Better Utilize Limited Resources by Focusing on Code Violations Rather than Instant Tickets

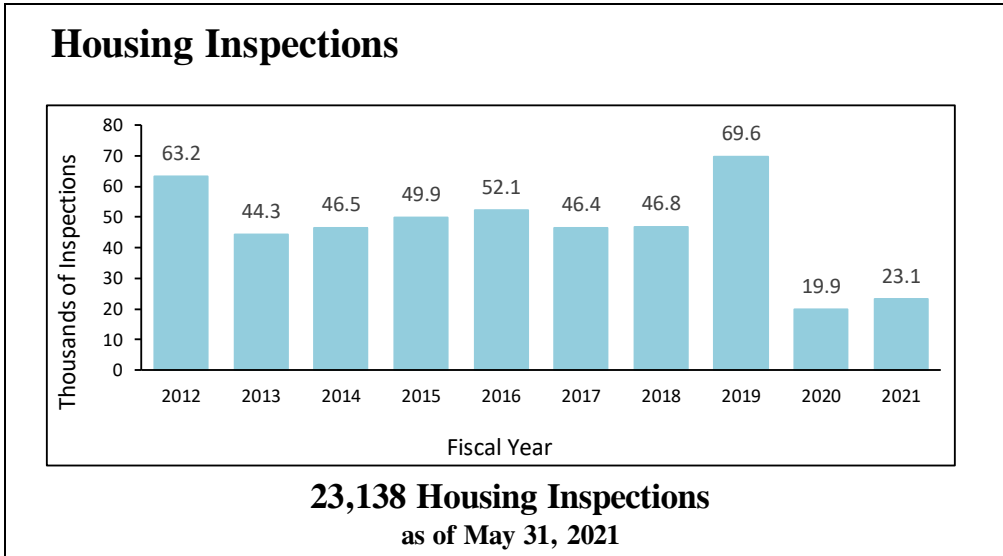


Objective 4: Increase the Number of Rental Inspections to Improve the Quality of Rental Housing

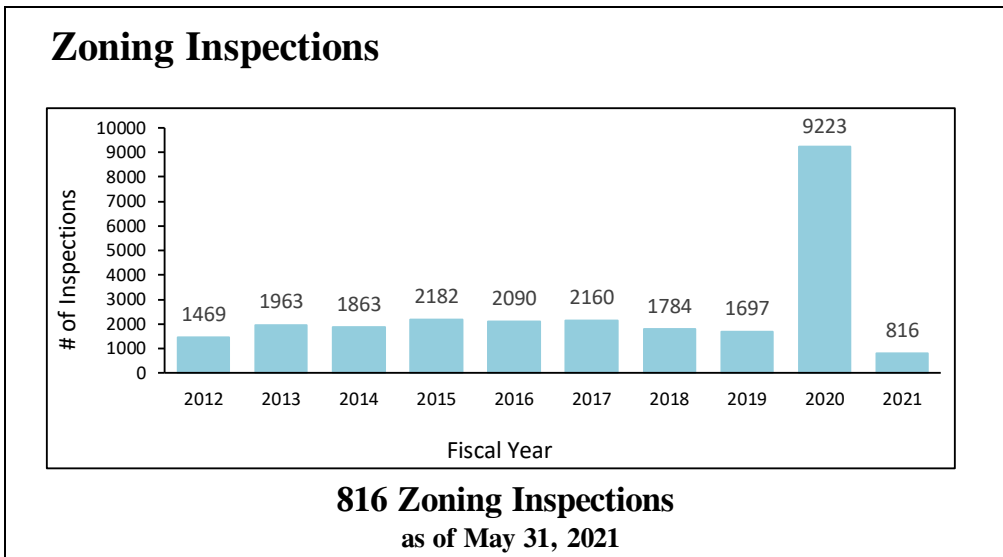


DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE TRENDS



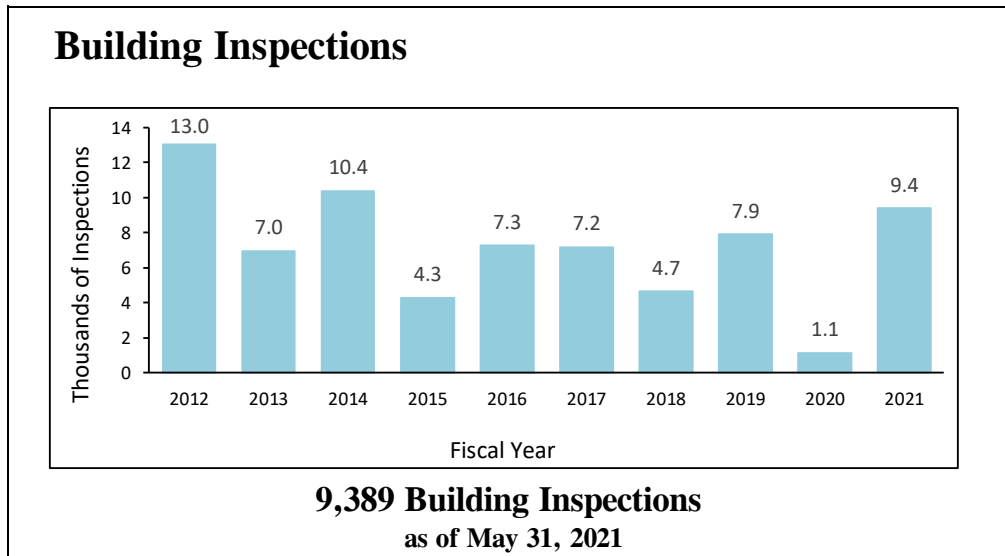
Housing inspections performed include rentals, tenant complaints, sanitation, graffiti, and neighborhood stabilization inspections.



This reflects Licenses & Inspections efforts to enforce zoning codes and regulations. A license must be obtained to operate a business, and all businesses must be properly zoned to obtain a license.

DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE TRENDS



The number of comprehensive building inspections is largely based on market demand.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	2,224,485	2,381,149	2,545,656	2,628,322
Acting Out of Classification	552	0	1,000	1,000
Sick Leave Bonus	2,700	3,400	4,200	4,200
Overtime	47,620	39,121	50,000	40,000
Meal Allowance	359	350	300	0
Clothing Allowance	8,281	8,292	8,750	8,300
Standby Pay	23,202	20,919	27,840	27,840
Health Cash Back	11,160	8,460	9,360	4,800
Pension Contribution	499,496	505,587	512,711	533,066
Social Security	140,428	148,017	158,647	162,476
Medicare Tax	32,842	34,617	37,104	37,995
Hospitalization	632,930	661,896	676,341	662,962
Life Insurance	9,602	9,538	10,019	10,039
Pension Healthcare	136,500	148,694	153,552	162,876
State Pension Plan - Civilian	41,639	49,648	51,481	58,828
Personal Services Adjustment	10,650	10,722	(40,596)	(41,737)
TOTAL PERSONAL SERVICES	3,822,446	4,030,410	4,206,365	4,300,967
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	9,378	2,300	16,000	46,000
Transportation	16	60	2,500	2,500
Rentals	31,200	26,000	35,760	35,760
Contracted Maintenance	122,970	90,225	150,000	150,000
Professional Fees	86,311	137,887	50,000	140,000
Other Fees	5,661	9,055	10,000	10,000
Memberships & Registrations	13,827	7,723	27,500	27,500
Miscellaneous Services	1,539	1,878	3,200	3,200
Office & General Supplies	5,548	5,941	6,000	6,000
Wearing Apparel & Safety Supplies	20,396	32,172	40,750	40,750
Miscellaneous Parts	1,879	2,273	3,500	3,000
Construction & Repairs	278,788	344,703	365,000	365,000
Equipment	10,040	37,955	22,000	10,000
TOTAL M., S. & E.	587,553	698,172	732,210	839,710

DEPARTMENT: LICENSES AND INSPECTIONS**FUND: GENERAL**

INTERNAL SERVICES	FY 2019	FY 2020	FY 2021	FY 2022
Administrative Services	57,856	179,600	231,518	238,464
Self-Insurance	674,522	55,779	34,210	35,158
TOTAL INTERNAL SERVICES	732,378	235,379	265,728	273,622
DEBT SERVICE				
Principal Payments	3,489	5,926	7,844	651
Interest Payments	1,564	1,329	714	908
TOTAL DEBT SERVICE	5,053	7,255	8,558	1,559
SPECIAL PURPOSE				
Animal Control	251,358	256,385	256,385	262,795
TOTAL SPECIAL PURPOSE	251,358	256,385	256,385	262,795
GENERAL FUND TOTAL	5,398,788	5,227,601	5,469,246	5,678,653



DEPARTMENT OF PARKS & RECREATION

The mission of the Department of Parks & Recreation is to provide comprehensive and quality programming that supports the holistic wellness of City residents by offering recreational, social, cultural, employment, and educational opportunities for all City residents regardless of age or physical barriers.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Implement a year-round youth career development program. • Create standards of care for the Park Maintenance Division. • Increase and improve collaborative partnerships with parents, government agencies, and community groups. • Seek grant opportunities to conduct program initiatives not supported by the General Fund. • Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs. • Expand tutoring programs to assist students in achieving academic success.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS & RECREATION

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	4,698,461	4,934,142	5,046,245	5,225,086
Materials, Supplies & Equipment	2,140,731	1,538,347	2,032,658	2,158,876
Internal Services	1,781,705	1,330,430	1,075,179	1,104,828
Debt Service	1,671,498	1,781,576	1,530,537	2,449,781
TOTAL	10,292,395	9,584,495	9,684,619	10,938,571
STAFFING LEVELS	39.00	41.00	41.00	40.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	4,186,953	4,254,071	4,436,877	4,600,227
Materials, Supplies & Equipment	1,362,363	1,472,191	1,221,527	1,333,308
Internal Services	1,778,272	1,328,150	1,071,746	1,102,548
Debt Service	1,671,498	1,781,576	1,530,537	2,449,781
TOTAL	8,999,086	8,835,988	8,260,687	9,485,864
STAFFING LEVELS	39.00	40.60	40.60	39.60

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	157,764	185,281	248,985	255,630
Materials, Supplies & Equipment	777,952	66,156	809,381	825,568
TOTAL	935,716	251,437	1,058,366	1,081,198
STAFFING LEVELS	0.00	0.40	0.40	0.40

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	98,166	98,090	101,723	105,395
Materials, Supplies & Equipment	416	0	1,750	0
Internal Services	3,433	2,280	3,433	2,280
TOTAL	102,015	100,370	106,906	107,675
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	255,578	396,700	258,660	263,834
TOTAL	255,578	396,700	258,660	263,834
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The summer pool program is being expanded to run for 10 weeks instead of the usual eight weeks. In addition, all City pools will be open six days per week (closed only on Mondays) and with daily hours expanded to be 12:00 pm to 7:00 pm. The additional temporary personnel cost added to the budget to support the expanded pool program is just under \$123,700.
- Relative to FY 2021, total General Fund full-time equivalents (FTEs) have decreased by one. This is due to the elimination of a vacant General Laborer I position in the William Hicks Anderson Community Center (WHACC) Division, for a total Personal Services savings of \$59,205.
- As part of the biennial appeals process, ten positions were upgraded at a total Personal Services cost of \$16,712.
- Temp Salaries are up a total of \$22,647, mainly due to the inclusion of \$20,000 in the Administration Division for a temporary employee to manage departmental data gathering.
- Contracted Maintenance Services are up by \$109,205. This includes a \$50,000 increase in the Maintenance Division for expanded landscaping services for Rodney Square and a \$59,205 increase in the WHACC Division to maintain equipment installed following the Center's renovation.
- Overall Debt Service is budgeted to increase by \$919,244 due to the combined effects of the elimination of one-time refinancing savings previously budgeted in FY 2021, along with the debt service on projects included in the new FY 2021 bond issuance.

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Wilmington’s parks serve as a positive gathering place for residents and visitors to explore and enjoy the outdoors, build stronger communities, and to promote healthy living.

Current financial and capital project data can be found on the Parks and Recreation OpenGov story page at <http://bit.ly/WDe29OG>. Note that FY 2020 and FY 2021 strategic plan data was unavailable at time of publication due to COVID-related delays.

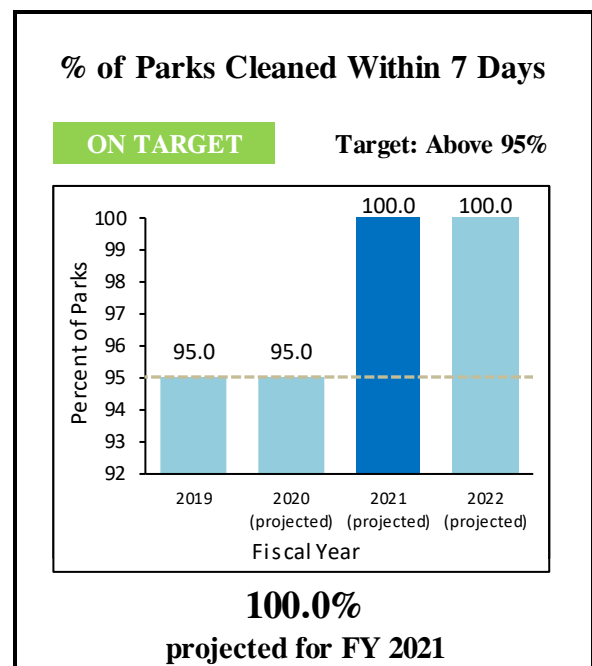
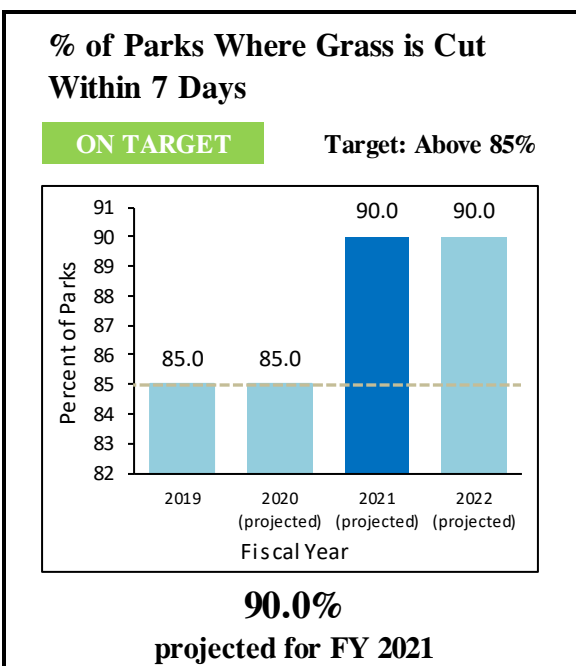
Focus Area: Quality of Life

CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 1: Ensure all City Parks are properly maintained by mowing grass and cleaning on a weekly basis.

Safe, clean, and inviting parks are an important part of a thriving city. In order to provide a system of well-maintained parks for all constituents and visitors, the Department of Parks and Recreation strives to ensure all City parks are cleaned and mowed at least once weekly.

Cleaning efforts involve removing any debris and trash and surveying the park for any potential issues that may need to be addressed. This might include reporting graffiti to Constituent Services for removal or identifying equipment that might need repairs. Once parks are clean and free of debris, grass is cut to ensure that open green space may be used for recreation and leisure.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

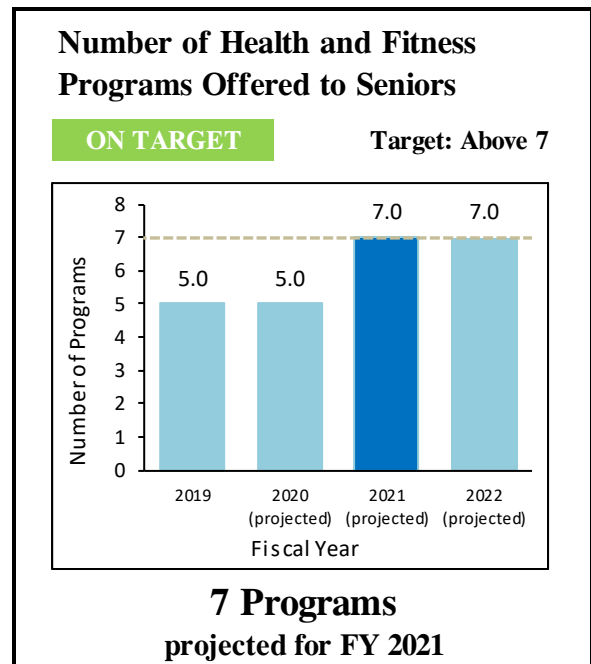
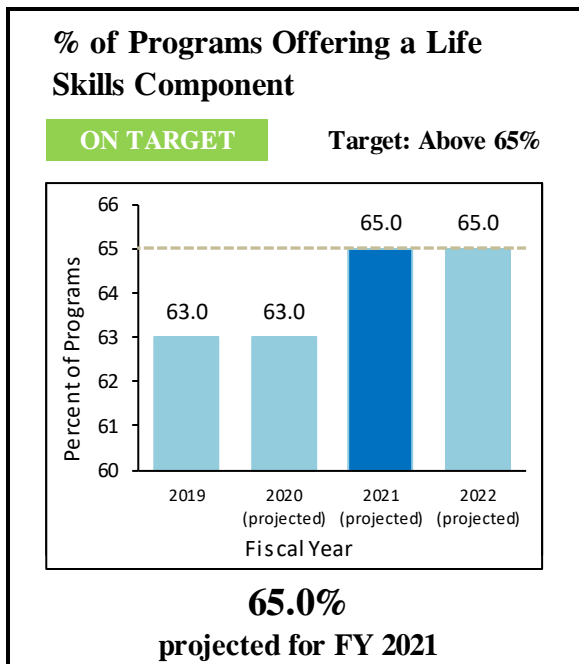
CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 2: Provide desirable and enriching opportunities for residents of all ages.

Quality recreational programs are a key component of healthy communities. Not only do they offer residents opportunities to engage in physical activity – which has been shown to positively affect physical, mental and emotional health – but they also offer residents the chance to build and strengthen relationships with fellow community members and develop important life skills at all ages.

After evaluating its slate of recreational programs offered to City residents, the Department of Parks and Recreation determined that two areas need further focus:

1. The importance of incorporating a life skills component into programming offered to City youth in order to help prepare young people for future educational and career opportunities.
2. The number of physical fitness programs offered to senior citizens, a population that could benefit greatly from structured physical activity and social interaction but has historically been under-served.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

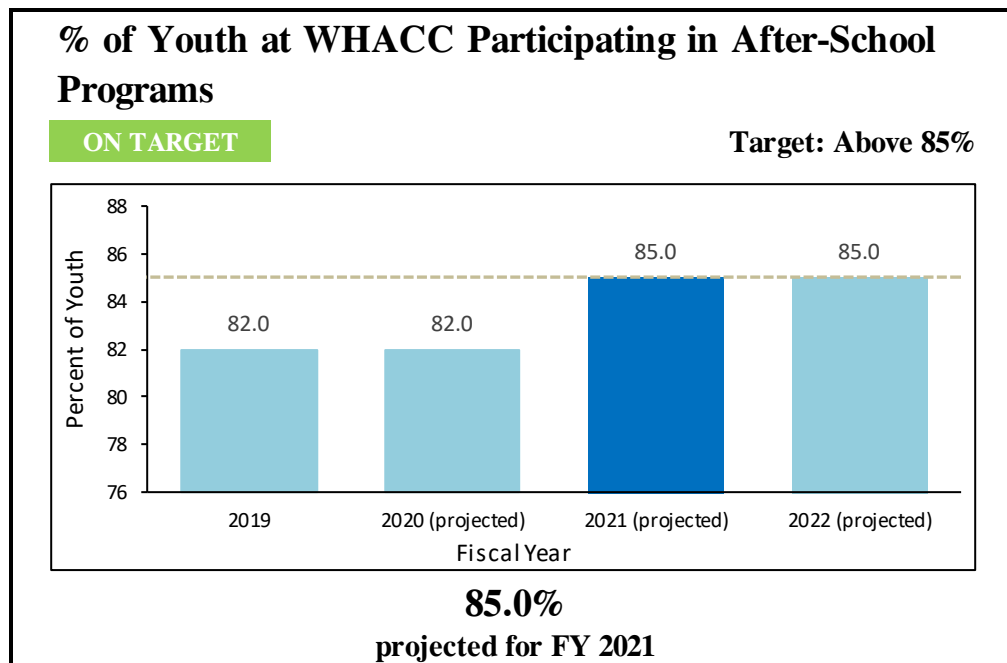
Focus Area: Quality of Life

CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 3: Fulfill the mission of William “Hicks” Anderson Community Center (WHACC) by increasing participation in high-quality enrichment programming offered in the West Center City community.

The mission of the William “Hicks” Anderson Community Center is to build and strengthen neighborhoods and people by bringing together residents of West Center City through meaningful community building and high-quality enrichment programming for all ages and backgrounds. WHACC is currently focusing on increasing the percentage of youth aged 6 to 12 participating in after-school enrichment programs.

The Parks Department has also currently renovated WHACC and made improvements to facilities in order to meet programming and operational needs. For more information on the renovations, see here: <http://bit.ly/WHACC20>.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

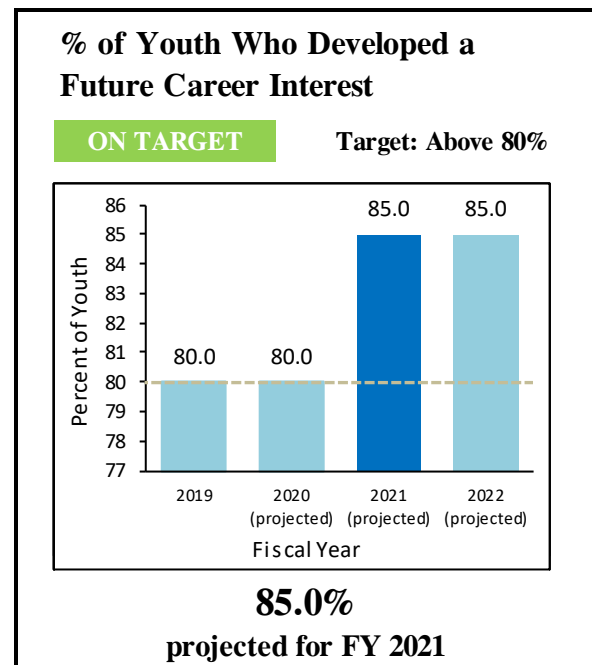
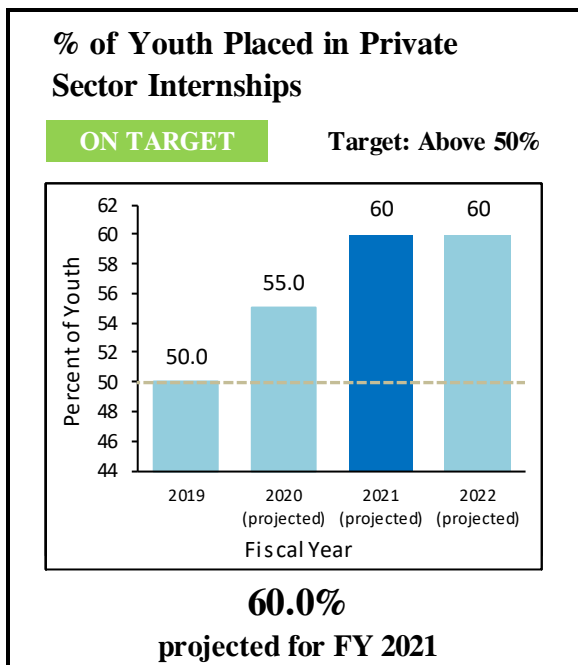
Focus Area: Quality of Life

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Provide city youth with opportunities to develop and enhance their career pathways by gaining experience in the workplace and through building life skills via the Youth Career Development Program.

The Youth Career Development Program is designed to provide youth with meaningful opportunities for employment by placing them at paid summer internships in various job sites throughout the City. Youth are given the chance to shadow professionals in areas of special interest while gaining insight into future career opportunities and developing important life skills. To participate, youth must submit an application to the Department of Parks and Recreation, be between the ages of 14 and 20, and meet certain income, residency, and job-eligibility requirements.

Success of the program is measured by administering a survey to participants at the end of their experience to determine whether the internship sparked an interest in future career opportunities while teaching valuable life skills. The City also measures the ratio of private to public sector placements. Because most youth are placed within governmental and nonprofit organizations, the City is striving to expand the range of options available to participants by placing at least 50% of youth in the private sector.



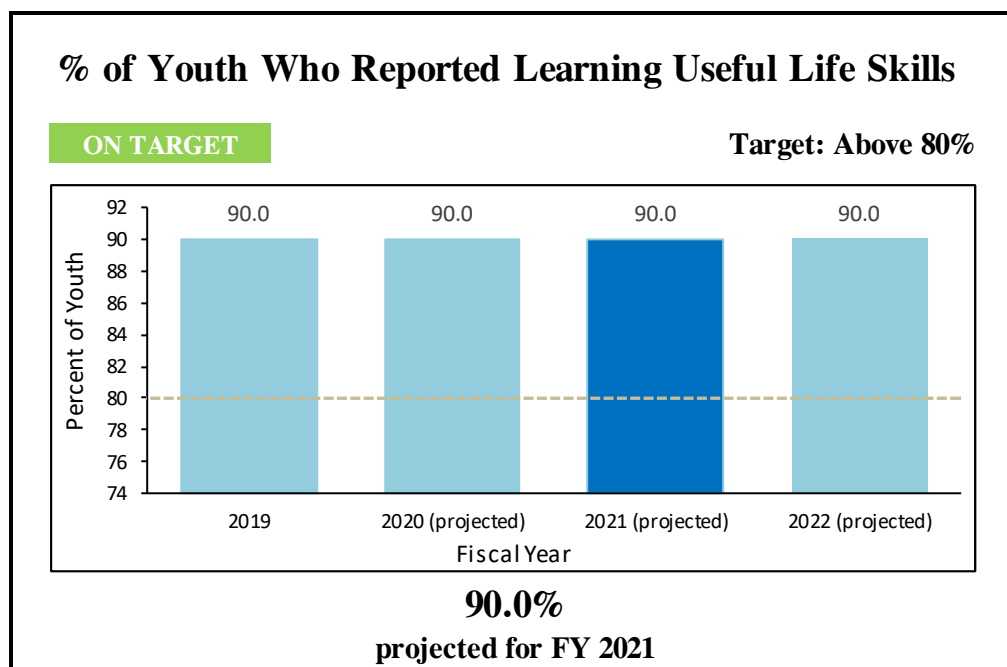
DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

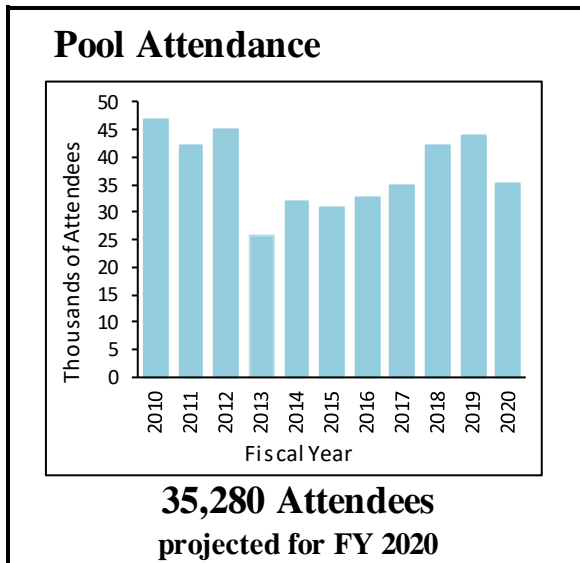
CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1 (Cont.): Provide city youth with opportunities to develop and enhance their career pathways by gaining experience in the workplace and through building life skills via the Youth Career Development Program.

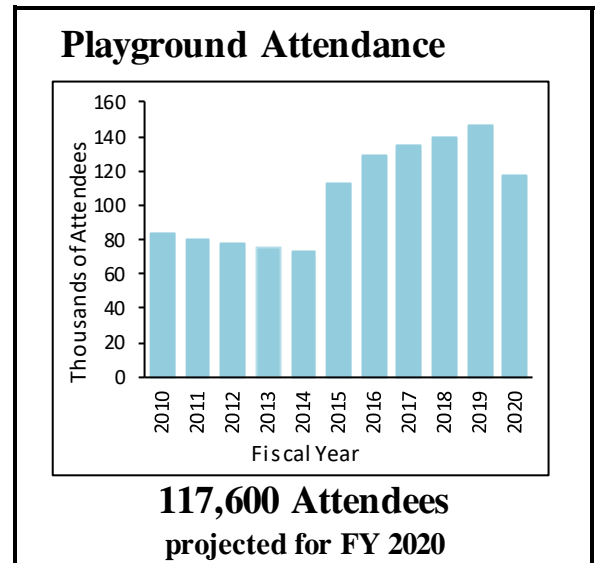


DEPARTMENT OF PARKS & RECREATION

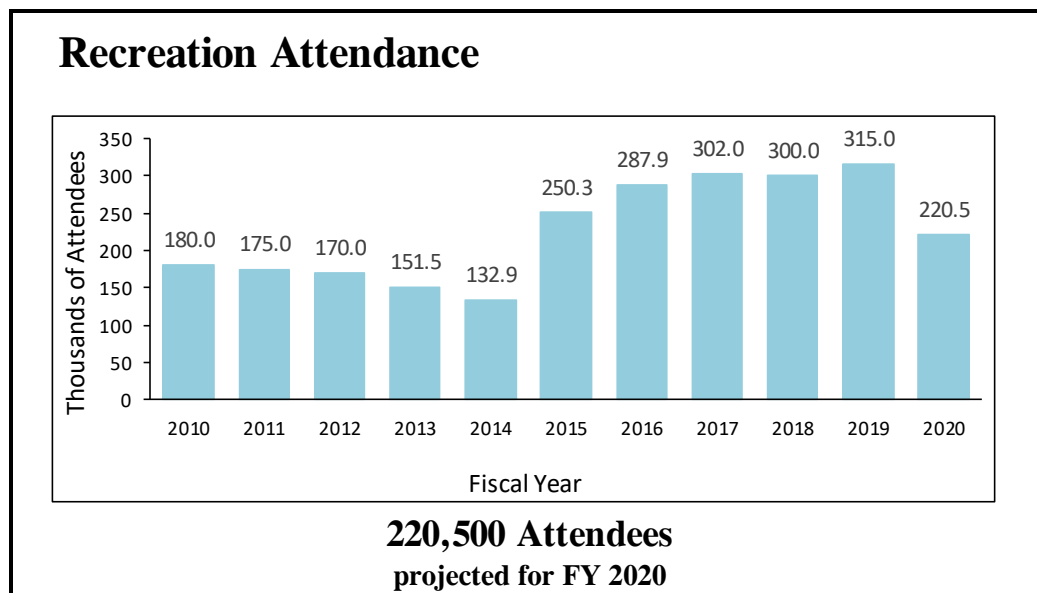
PERFORMANCE TRENDS



The projected decline in FY 2020 pool attendance is due to COVID-19 related closures. FY 2021 data unavailable at time of publication.



Figures include by City parks and the William “Hicks” Anderson Community Center. Projected FY 2020 declines are due to COVID-19. FY 2021 data unavailable at time of publication.



A variety of programs are offered to provide all citizens with recreational opportunities, including sports leagues, fitness activities, movies in the park, youth summer camps, and others. Projected FY 2020 declines are due to COVID-19. FY 2021 data unavailable at time of publication.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	1,546,998	1,820,067	1,955,065	1,978,417
Temporary Salaries	1,183,785	931,502	1,036,480	1,174,029
Acting Out of Class	422	666	1,000	1,000
Sick Leave Bonus	1,700	2,550	1,800	1,800
Overtime	194,637	152,440	132,406	132,406
Meal Allowance	5,899	3,873	4,000	4,000
Clothing Allowance	2,125	1,750	2,000	2,000
Health Cash Back	2,160	2,160	2,160	4,800
Pension Contribution	286,032	271,922	268,376	284,572
Social Security	177,956	176,070	189,451	197,865
Medicare Tax	41,498	41,177	44,306	46,273
Hospitalization	559,320	634,921	675,041	643,034
Life Insurance	7,448	6,953	9,304	9,200
Pension Healthcare	126,750	140,524	145,387	153,569
State Pension Plan (Civilian)	50,223	67,496	70,483	70,465
Personal Services Adjustment	0	0	(100,382)	(103,203)
TOTAL PERSONAL SERVICES	4,186,953	4,254,071	4,436,877	4,600,227
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	6,876	10,850	7,652	9,652
Communications & Utilities	186,724	213,682	200,000	200,000
Transportation	650	3,702	8,500	3,500
Rentals	69,064	51,897	65,651	67,651
Contracted Maintenance	45,640	177,398	53,476	54,476
Professional Fees	371,296	331,254	308,359	307,859
Other Fees	44,232	29,648	58,664	57,776
Memberships & Registrations	6,922	9,251	8,650	8,950
Miscellaneous Services	244,478	274,152	193,452	303,880
Office & General supplies	12,511	13,415	14,640	15,544
Wearing Apparel & Safety Supplies	74,877	53,809	48,427	48,690
Miscellaneous Parts	163,299	150,044	151,456	151,456
Petroleum & Chemicals	22,851	24,225	27,000	27,000
Construction & Repairs	14,021	19,342	15,000	16,274
Equipment	42,531	65,261	39,600	39,600
Community Activities	56,391	44,261	21,000	21,000
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,362,363	1,472,191	1,221,527	1,333,308

DEPARTMENT: PARKS & RECREATION**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	1,023,296	591,737	633,666	652,676
Self-Insurance	754,976	736,413	438,080	449,872
TOTAL INTERNAL SERVICES	1,778,272	1,328,150	1,071,746	1,102,548
<u>DEBT SERVICE</u>				
Principal Payments	914,515	1,036,072	914,212	1,215,017
Interest Payments	756,983	745,504	616,325	1,234,764
TOTAL DEBT SERVICE	1,671,498	1,781,576	1,530,537	2,449,781
GENERAL FUND TOTAL	8,999,086	8,835,988	8,260,687	9,485,864

DEPARTMENT: PARKS & RECREATION**FUND: PARKS ASSISTANCE**

PERSONAL SERVICES	FY 2019	FY 2020	FY 2021	FY 2022
Regular Salaries	39,389	16,782	0	22,907
Temporary Salaries	107,181	148,035	231,646	236,279
Social Security	9,072	10,156	14,052	15,682
Medicare Tax	2,122	2,381	3,287	3,669
Hospitalization	0	5,826	0	8,001
Life Insurance	0	81	0	96
Pension Healthcare	0	934	0	1,551
State Pension Plan (Civilian)	0	1,086	0	1,553
TOTAL PERSONAL SERVICES	157,764	185,281	248,985	255,630
 MATERIALS, SUPPLIES & EQUIPMENT				
Transportation	12,041	3,519	12,527	12,778
Rentals	5,070	10,538	5,275	5,381
Miscellaneous Services	85,538	14,207	88,994	90,774
Wearing Apparel & Safety Supplies	1,666	2,738	1,733	1,768
Miscellaneous Parts	673,637	35,154	700,852	714,867
Community Activities	0	0	0	0
TOTAL M., S. & E.	777,952	66,156	809,381	825,568
 PARKS ASSISTANCE FUND TOTAL	 935,716	 251,437	 1,058,366	 1,081,198

DEPARTMENT: PARKS & RECREATION**FUND: PARKS TRUST**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	50,301	51,721	52,333	52,333
Temporary Salaries	0	0	0	0
Pension Contributions	13,493	14,275	14,444	16,121
Social Security	2,869	2,968	2,994	3,066
Medicare Tax	671	694	700	717
Hospitalization	27,342	25,131	240	29,040
Life Insurance	240	243	27,356	240
Pension Healthcare	3,250	3,058	3,656	3,878
TOTAL PERSONAL SERVICES	98,166	98,090	101,723	105,395
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	0	0	1,750	0
Transportation	0	0	0	0
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	0	0	0
Temporary Agencies	416	0	0	0
Memberships & Registrations	0	0	0	0
Miscellaneous Services	0	0	0	0
Office & General supplies	0	0	0	0
Wearing Apparel & Safety Supplies	0	0	0	0
Miscellaneous Parts	0	0	0	0
Construction & Repairs	0	0	0	0
Equipment	0	0	0	0
TOTAL M., S. & E.	416	0	1,750	0
 <u>INTERNAL SERVICES</u>				
Self-Insurance	3,433	2,280	3,433	2,280
TOTAL INTERNAL SERVICES	3,433	2,280	3,433	2,280
 PARKS TRUST FUND TOTAL	 102,015	 100,370	 106,906	 107,675

DEPARTMENT: PARKS & RECREATION**FUND: WORKFORCE INVESTMENT BOARD (WIB)**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Temporary Salaries	237,416	368,505	240,279	245,085
Social Security	14,721	22,848	14,897	15,195
Medicare Tax	3,441	5,347	3,484	3,554
TOTAL PERSONAL SERVICES	255,578	396,700	258,660	263,834
WIB FUND TOTAL	255,578	396,700	258,660	263,834

DEPARTMENT OF FIRE

The mission of the Fire Department is to create a safe environment and enhance quality of life by working in partnership with the citizens of Wilmington and by providing an effective and professional response to all man-made or natural hazards with well-trained emergency services personnel.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Replace fire apparatus according to recommended replacement cycle. • Continue free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children. • Begin a recruit class any time uniformed staffing falls below 95% of authorized strength of 156 positions. • Continue the officer development program.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS FIRE DEPARTMENT*	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	21,257,007	22,771,423	21,567,709	22,777,746
Materials, Supplies & Equipment	954,024	791,907	761,230	954,055
Internal Services	2,915,223	2,290,303	1,866,350	1,919,807
Debt Service	998,058	1,222,300	1,411,678	1,377,254
TOTAL	26,124,312	27,075,933	25,606,967	27,028,862
STAFFING LEVELS	161.00	161.00	161.00	160.00

GENERAL FUND FIRE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	17,631,604	18,632,883	18,000,291	18,685,825
Materials, Supplies & Equipment	806,477	781,259	559,861	752,686
Internal Services	2,915,223	2,290,303	1,866,350	1,919,807
Debt Service	998,058	1,222,300	1,411,678	1,377,254
TOTAL	22,351,362	22,926,745	21,838,180	22,735,572
STAFFING LEVELS	161.00	161.00	161.00	160.00

* Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to the inclusion of State Pension Contributions.

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	3,567,418	4,091,921	3,567,418	4,091,921
TOTAL	3,567,418	4,091,921	3,567,418	4,091,921
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FIRE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	0	0	0	0
Materials, Supplies & Equipment	84,440	1,200	201,369	201,369
TOTAL	84,440	1,200	201,369	201,369
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	57,985	46,619	0	0
Materials, Supplies & Equipment	63,107	9,448	0	0
TOTAL	121,092	56,067	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Salaries and Wages are budgeted to increase by a net \$623,324. Regular Salaries are up nearly \$1.4 million based on the new contract with IAFF Local 1590. The contract includes a 16.0% pay increase in FY 2021 (as part of a conversion from a 24 hours on / 72 hours off schedule to a 24 hours on / 48 hours off schedule) and a 2.0% pay increase in FY 2022. As this contract had not been finalized when the FY 2021 budget was approved, the full cost of the contract is included for the first time in FY 2022. Offsetting these increases is a \$770,000 reduction in overtime, as the 24/48 schedule will allow the Department to ensure minimum staffing of fire apparatus without incurring excessive overtime.
- Several staffing changes resulted in a net reduction of one Full Time Equivalent (FTE), for a Personal Services savings of \$636,046. Ten positions, including two Battalion Chiefs, one Captain, and seven Lieutenants were converted to Firefighters, for a savings of \$541,314. This will provide the Department with further flexibility and enable the Department to better meet minimum staffing requirements. In addition, the vacant Fire Plans Examiner position was deleted, for a savings of \$94,732.
- Total Employee Benefits are up \$590,076. The majority of this is due to the State Pension Contribution passthrough, which will increase by \$524,503 as the State has increased its total contribution to the City (as well as realigned the relative portions given to Fire and Police). Net pension costs were nearly flat, with reductions in City-sponsored pensions (due to increased State Pension Contribution revenues and reduced City contribution requirements) entirely offset by increases to the State Police / Fire pension.
- Consultant costs are budgeted to increase by \$156,900. This includes \$45,000 for the biennial promotional process, \$34,000 for continued use of State email servers, and \$80,000 to replace the vacant Fire Plans Examiner position with an outside consultant (at a net cost savings of \$14,732).
- Total Contracted Maintenance Services is up \$44,340, driven by a \$42,000 increase to support cleaning fire PPE gear to National Fire Protection Association standards.

DEPARTMENT OF FIRE

STRATEGIC PLAN

The Wilmington Fire Department is a career, professional fire department established in 1921. The department currently maintains six engine companies, two ladder companies, and a marine fire fighting force. The department is divided into two functional divisions, each under the command of a Deputy Chief: the Operations Division and the Administrative Division.

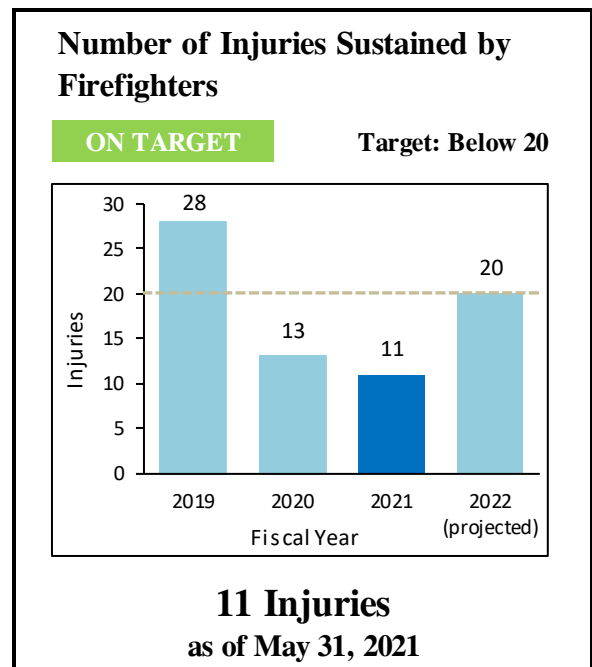
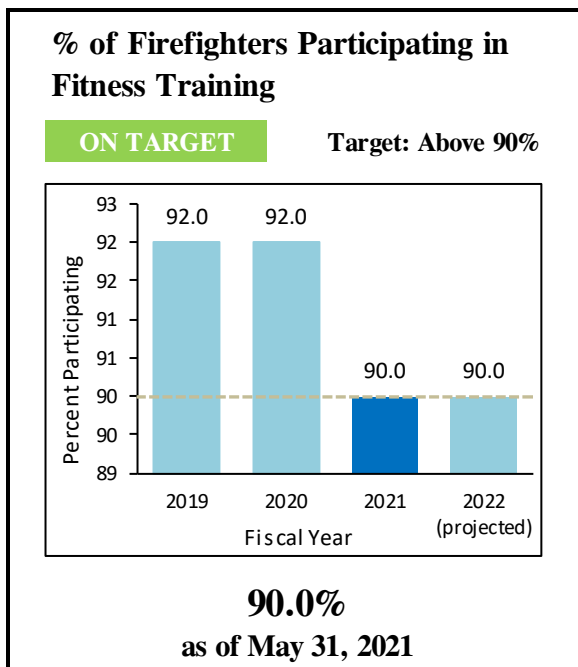
Department officials have shown their commitment to providing the best emergency services delivery through the promotion of implementation of National Fire Protection Agency standards, continuous training, active involvement with community associations, and implementation of a Customer Satisfaction Survey.

Current data for the goals and objectives listed below can be found on the Fire Department OpenGov story page at <http://bit.ly/WDe31OG>.

Focus Area: Public Safety

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 1: Implement a physical fitness training program for firefighters and reduce firefighter injuries. The Department is striving to promote professionalism and enhance public safety by ensuring that all firefighters are well trained and in peak physical condition. The implementation of a physical fitness program and an injury reduction program will help promote a healthy, well-prepared workforce while also reducing time off for sickness and injury.



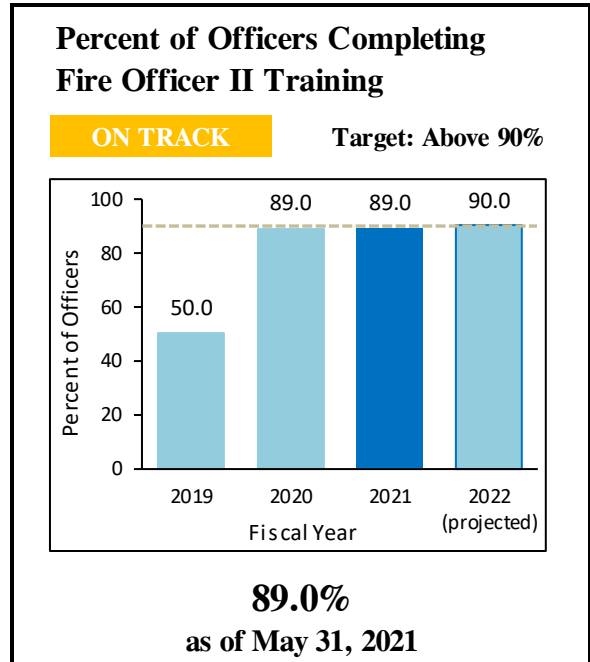
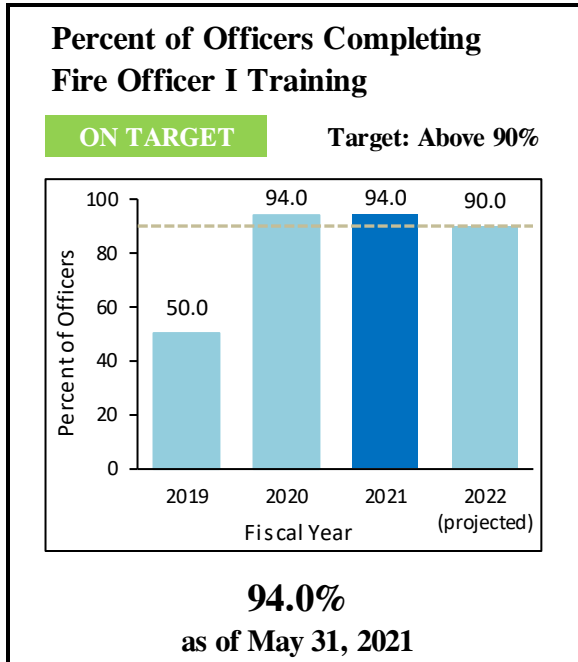
DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 2: Ensure all Battalion Chiefs, Captains and Lieutenants complete National Fire Protection Association (NFPA) Fire Officer I and II designation.



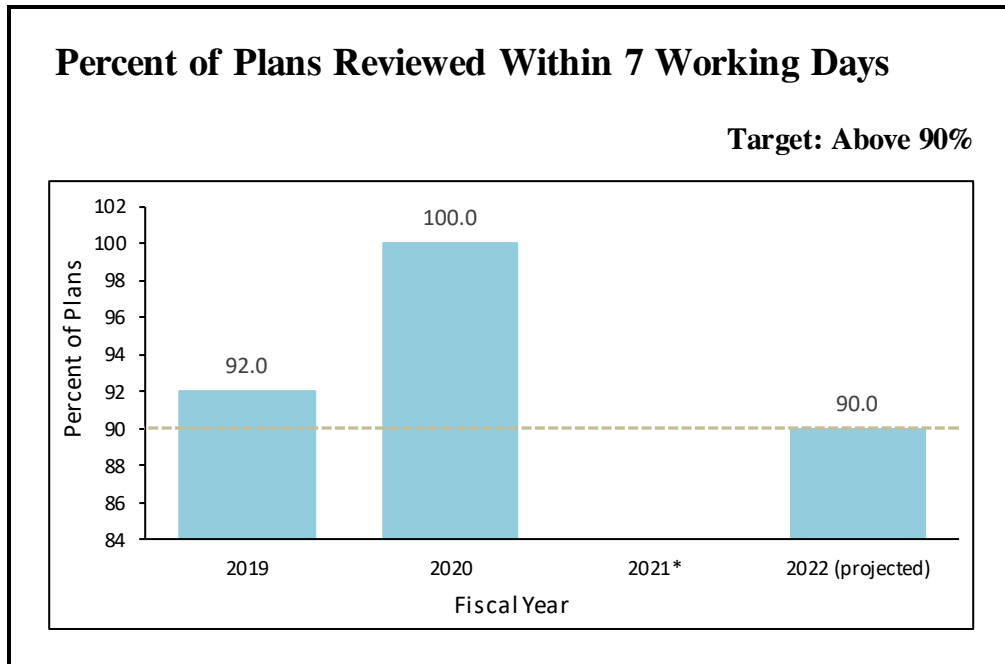
DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Achieve and maintain a seven-working-day turnaround for the plan review permitting process.



* Data not available for FY 2021.

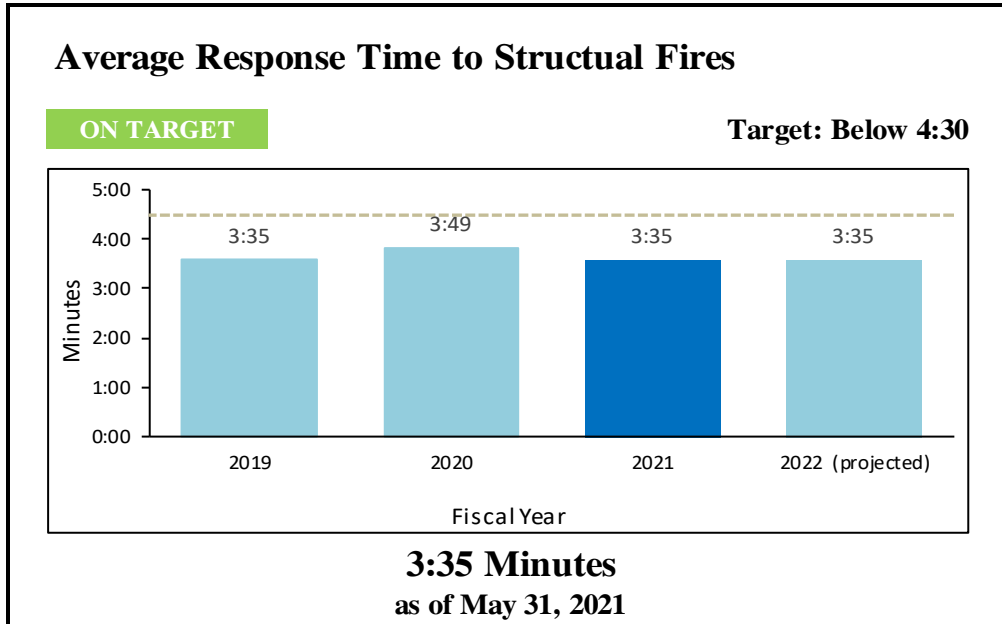
DEPARTMENT OF FIRE

STRATEGIC PLAN

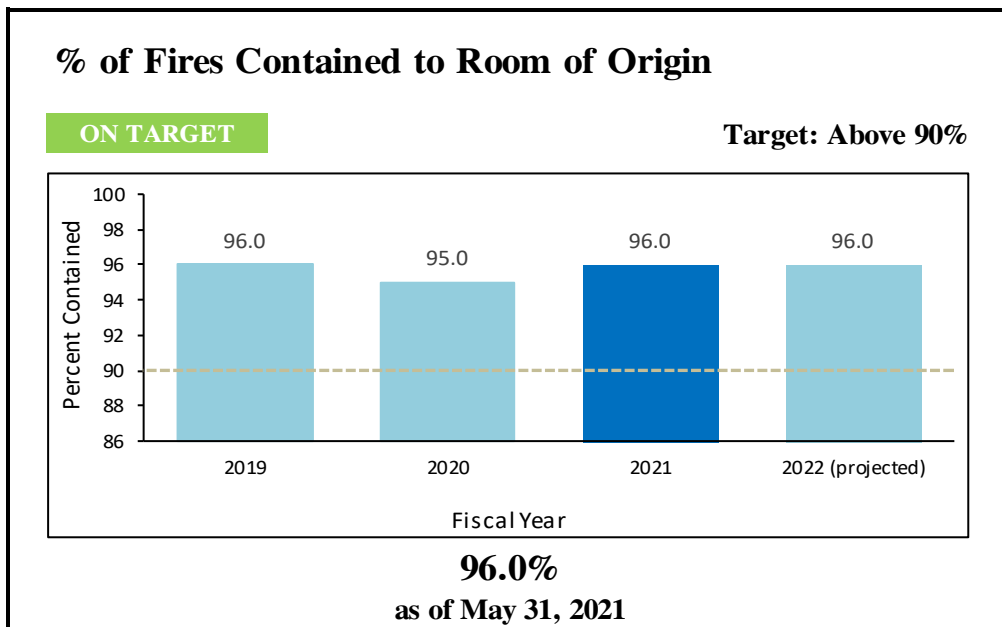
Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Achieve a response time from dispatch to arrival of four minutes for the first arriving unit per National Fire Protection Agency Standard 1710.



Objective 2: Keep at least 90% of structural fires to room of origin, which significantly reduces damage to the affected structure and adjoining properties.



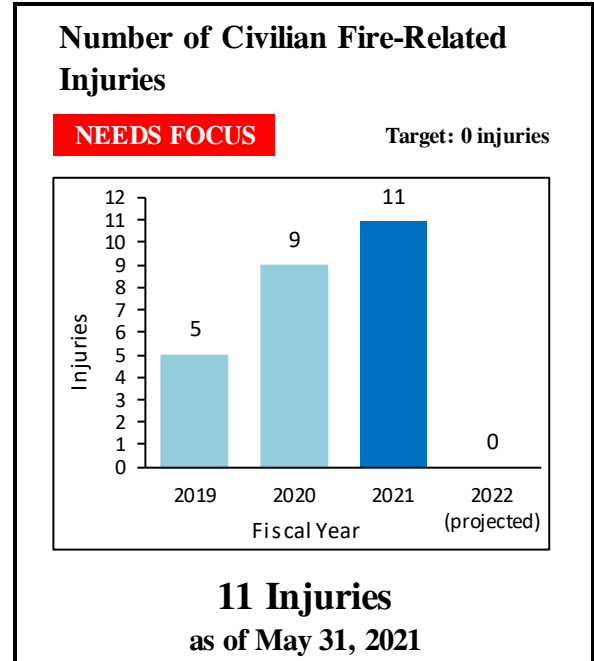
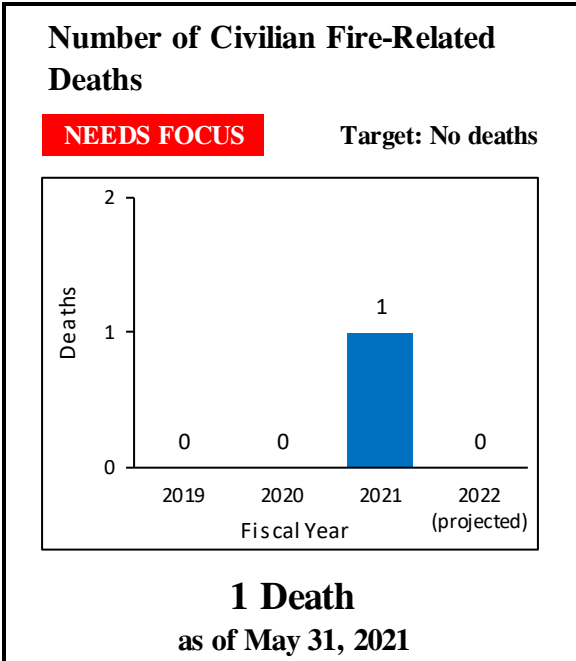
DEPARTMENT OF FIRE

STRATEGIC PLAN

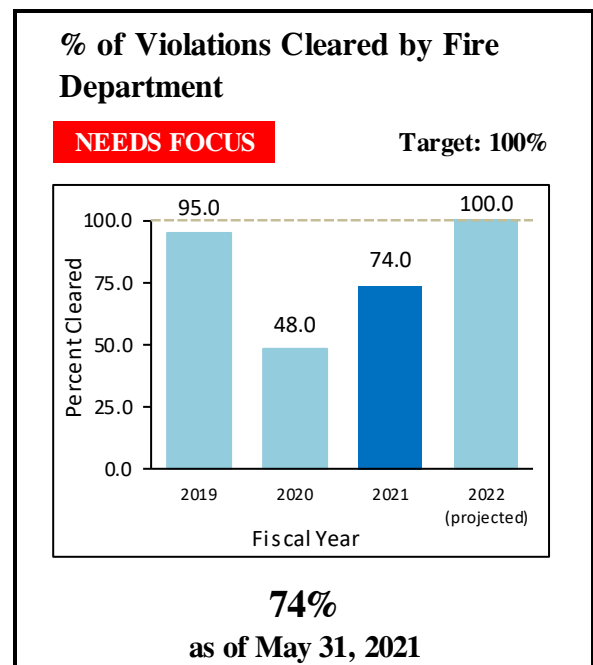
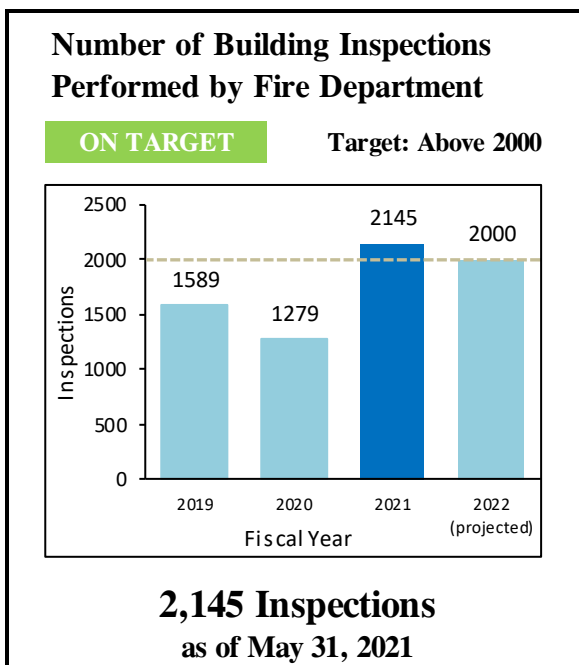
Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 3: Reduce civilian fire-related deaths and injuries to zero.



Objective 4: Increase building inspections and clear 100% of violations found during inspection.



DEPARTMENT OF FIRE

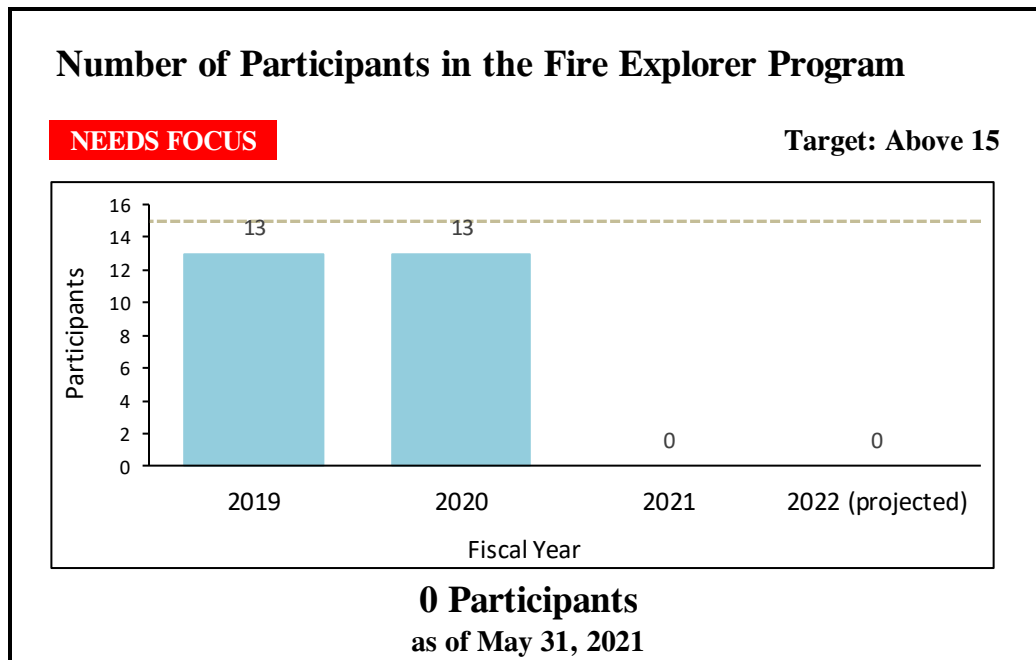
STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Increase involvement in the Fire Explorer program. Involving youth with the Explorer Program will assist young people ages 14-20 in choosing a career in the emergency services field. Six members of the Wilmington Fire Department Explorer Post 100 have been hired as Wilmington Firefighters over the past several years.

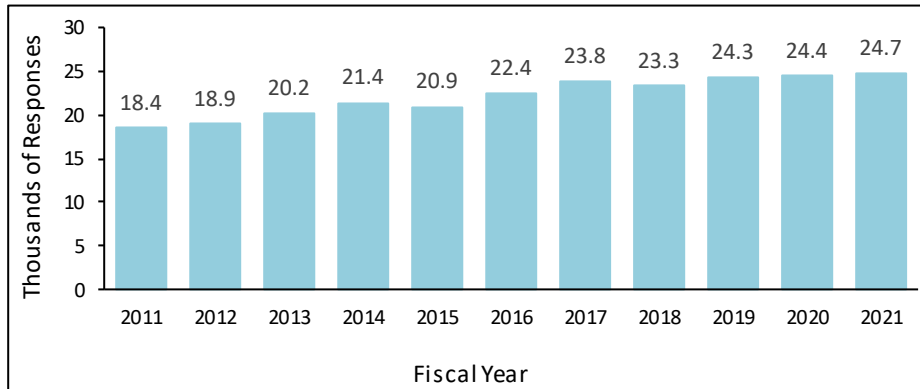
Note that for FY 2021 and FY 2022 the Fire Explorer program has been temporarily deferred due to COVID-19.



DEPARTMENT OF FIRE

PERFORMANCE TRENDS

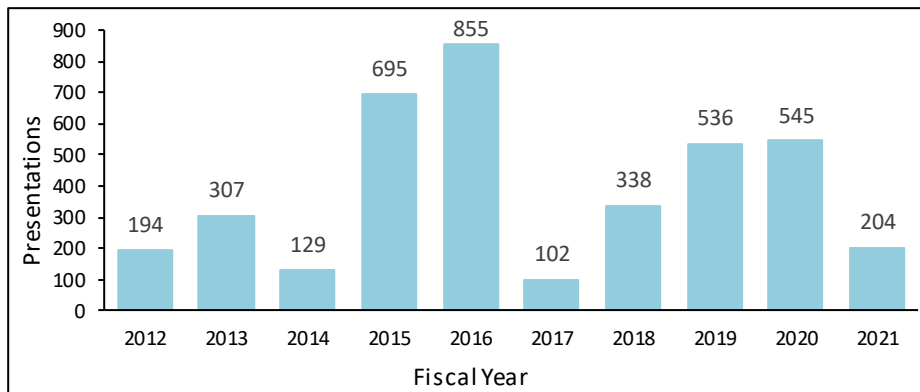
Total Fire Department Responses



24,720 Responses
as of June 30, 2021

Total responses includes those for engine and ladder companies, rescue and ambulance units, and marine fire units.

Public Education Programs

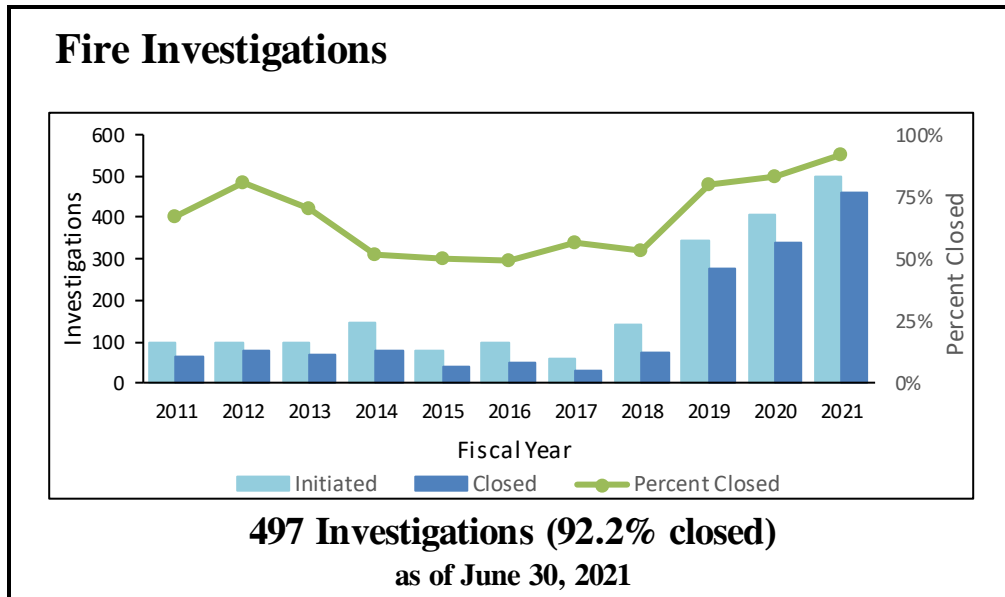


204 Presentations
as of June 30, 2021

Public education through group prevention presentations is one of the Department’s goals and contributes to fire safety. Public education programs were reduced in FY 2021 due to COVID.

DEPARTMENT OF FIRE

PERFORMANCE TRENDS



The Prevention Division is responsible for investigating fires to determine cause. The increases beginning in FY 2018 are due to additional training regarding when investigations should be initiated.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	9,842,237	10,163,449	10,546,725	11,899,249
Acting Out of Class	8,379	7,270	9,360	26,360
Shift Differential	0	0	0	0
Overtime	1,184,499	1,333,225	1,195,000	425,000
Holiday Pay	67,711	70,745	0	28,600
Special Events-Overtime	8,342	442	0	0
Health Cashback	15,400	14,000	12,000	7,200
Pension Contribution	1,251,950	1,471,646	970,676	658,807
Social Security	15,267	16,242	16,425	12,854
Medicare Tax	147,054	154,345	159,417	167,080
Hospitalization	3,178,774	3,372,920	3,081,402	3,118,935
Life Insurance	37,422	37,792	38,625	38,640
County/Municipal Pension Contribution	1,343,014	1,425,415	1,493,406	1,801,841
Pension Healthcare	523,250	556,738	588,616	620,480
State Pension Plan - Civilian	8,305	8,654	8,294	3,797
Personal Services Adjustment	0	0	(119,655)	(123,018)
TOTAL PERSONAL SERVICES	17,631,604	18,632,883	18,000,291	18,685,825

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	375	1,163	15,756	656
Communications & Utilities	90,414	92,469	94,045	96,045
Transportation	15,500	3,329	0	0
Contracted Maintenance Repairs	97,627	75,966	120,000	120,000
Professional Fees	32,156	76,782	50,100	207,000
Memberships & Registrations	62,375	50,774	38,505	38,105
Miscellaneous Services	95,174	100,555	91,540	135,880
Office & General Supplies	23,391	26,406	30,300	28,500
Wearing Apparel & Safety Supplies	222,399	185,730	76,915	78,800
Miscellaneous Parts	21,236	130,895	27,300	32,300
Construction & Repairs	1,024	1,150	2,000	2,000
Equipment	126,281	36,040	13,400	13,400
Fixed Assets	0	0	0	0
Community Activities	18,525	0	0	0
TOTAL M., S. & E.	806,477	781,259	559,861	752,686

DEPARTMENT: FIRE**FUND: GENERAL**

	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
INTERNAL SERVICES				
Administrative Services	1,135,282	571,086	816,988	841,498
Self-Insurance	1,779,941	1,719,217	1,049,362	1,078,309
TOTAL INTERNAL SERVICES	2,915,223	2,290,303	1,866,350	1,919,807
DEBT SERVICE				
Principal Payments	504,806	738,138	915,363	821,037
Interest Payments	493,252	484,162	496,315	556,217
TOTAL DEBT SERVICE	998,058	1,222,300	1,411,678	1,377,254
GENERAL FUND TOTAL	22,351,362	22,926,745	21,838,180	22,735,572

DEPARTMENT: FIRE**FUND: STATE PENSION CONTRIBUTIONS**

	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
PERSONAL SERVICES				
State Pension Contributions	3,567,418	4,091,921	3,567,418	4,091,921
TOTAL PERSONAL SERVICES	3,567,418	4,091,921	3,567,418	4,091,921

DEPARTMENT: FIRE**FUND: STATE FIRE GRANT**

	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
PERSONAL SERVICES				
Overtime	0	0	0	0
Medicare Tax	0	0	0	0
TOTAL PERSONAL SERVICES	0	0	0	0
MATERIALS, SUPPLIES & EQUIPMENT				
Contracted Maintenance	11,626	0	8,568	8,568
Professional Fees	0	0	2,292	2,292
Memberships & Registrations	9,580	1,200	3,000	3,000
Wearing Apparel & Safety Supplies	2,735	0	87,509	87,509
Miscellaneous Parts	2,782	0	0	0
Fixed Assets	57,717	0	100,000	100,000
TOTAL M., S. & E.	84,440	1,200	201,369	201,369
STATE FIRE GRANT TOTAL	84,440	1,200	201,369	201,369

DEPARTMENT: FIRE**FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Overtime	57,985	46,619	0	0
TOTAL PERSONAL SERVICES	57,985	46,619	0	0
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	0	0	0	0
Transportation	0	0	0	0
Contracted Maintenance	60,000	9,448	0	0
Memberships and Registration	3,107	0	0	0
Miscellaneous Parts	0	0	0	0
Fixed Assets	0	0	0	0
TOTAL M., S. & E.	63,107	9,448	0	0
 FEDERAL EMERG. MGMT. & OTHER MISC. GRANTS TOTAL				
	121,092	56,067	0	0

DEPARTMENT OF POLICE

The mission of the Police Department is to work in partnership with our fellow citizens, raise the level of public safety through law enforcement, and thereby reduce the fear and instance of crime. To achieve this, the Department will promote trust between the people and those responsible for their public safety, recognizing and communicating that it is everybody’s responsibility to protect and respect all individuals.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Reduce crime and shooting incidents. • Continue to enhance public trust through police legitimacy and procedural justice. • Improve performance through organizational discipline, accountability, communication, and personnel training and development. • Maintain a heightened state of awareness and preparedness while working with our State and Federal partners.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

TOTAL ALL FUNDS DEPARTMENT OF POLICE*	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	51,360,982	52,767,464	52,568,678	53,317,144
Materials, Supplies & Equipment	2,609,733	3,238,109	2,809,773	3,345,877
Internal Services	7,549,567	6,261,235	5,035,780	5,156,869
Debt Service	274,534	262,409	251,069	200,380
TOTAL	61,794,816	62,529,217	60,665,300	62,020,270
STAFFING LEVELS	378.00	380.00	379.00	380.00

GENERAL FUND DEPARTMENT OF POLICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	48,091,667	49,076,161	49,551,125	50,471,757
Materials, Supplies & Equipment	1,952,002	2,150,132	2,809,773	3,345,877
Internal Services	7,549,567	6,261,235	5,035,780	5,156,869
Debt Service	274,534	262,409	251,069	200,380
TOTAL	57,867,770	57,749,937	57,647,747	59,174,883
STAFFING LEVELS	371.00	374.57	373.57	374.57

* Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to the inclusion of State Pension Contributions.

STATE PENSION CONTRIBUTION DEPARTMENT OF POLICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,631,758	1,693,545	1,631,759	1,693,545
TOTAL	1,631,758	1,693,545	1,631,759	1,693,545
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANTS DEPARTMENT OF POLICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	1,637,557	1,997,758	1,385,794	1,151,842
Materials, Supplies & Equipment	657,731	1,087,977	0	0
TOTAL	2,295,288	3,085,735	1,385,794	1,151,842
STAFFING LEVELS	7.00	5.43	5.43	5.43

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Relative to the FY 2021 budget, total uniformed and civilian Police Department staffing increased by a net total of 1.00 FTE, at an additional Personal Services cost of \$194,380 (entirely in the General Fund). Uniformed staffing (authorized strength) increased by four, to 319 FTEs. Major changes include:
 - In order to support the body camera program, one Sergeant and three Patrol Officers were added as part of a mid-year FY 2021 budget amendment, at a combined cost of \$384,635;
 - Two Teleserve Operator positions were upgraded to Emergency Call Operators in the Communications division, for an increase of \$2,073;
 - Three vacant civilian positions were deleted from the Support Services Division: a Police Records Specialist, a Communications and Data Specialist, and a Document Management Technician, for a total savings of \$198,505.
- Regular Salaries are budgeted to increase by \$1,108,532, exclusive of the position changes listed above. This total includes \$149,000 for a \$500 addition to rank-and-file officers base pay that took effect during FY 2021 (but was not budgeted until FY 2022), as well as \$5,158 for upgrades approved as part of the FY 2021 appeals process. On top of this, the budget provides for a 2.0% cost-of-living adjustment (COLA) for eligible employees, as well as mandatory step increases as appropriate.
- Combined overtime costs are budgeted to decrease by \$202,000, which is net of a \$404,000 decrease for regular Overtime and a \$202,000 increase in Special Events – Overtime. This reflects a reallocation of overtime funding to better reflect historical actual spending.
- Total Employee Benefits are budgeted to decrease by a net \$22,838. The largest element of this change is a \$206,682 decrease in Hospitalization due mainly to a citywide reduction in medical and prescription costs. This was partially offset by an \$86,811 increase in Pension Healthcare and a \$81,242 increase in the State Police / Fire Pension. Finally, the City-sponsored Pension Contribution declined by \$64,517 due largely to an offsetting \$61,786 increase in the State Pension Contribution passthrough (which matches additional revenues received by the City and reduces the required City contribution).
- Contracted Maintenance Services increased by \$566,830, due mainly to the following:
 - As part of a FY 2021 budget amendment, the City entered into a five-year contract with Axon to provide officers with body camera equipment. For FY 2022, the cost of this contract is \$265,500, net of \$87,612 in grant funding (which concludes during FY 2022).
 - \$185,000 was added to upgrade the security camera system at the Public Safety Building.
 - The annual contract cost for the ShotSpotter gunshot detection system increased by \$81,156 as the FY 2021 coverage expansion, which was partially grant-funded, is now funded entirely through the operating budget.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
(CONTINUED)**

- Total Consultants funding increased by \$125,000 mainly due to the addition of \$105,000 for the biennial promotion process, which last occurred in FY 2020. In the Real-Time Crime Center, \$18,000 has been added to hire additional personnel to oversee the neighborhood cameras, the number of which were expanded in FY 2021.
- An additional \$71,000 has been budgeted in the Ammunition lines due to significant increases in the price of ammunition.
- Machinery and Equipment has been reduced by \$250,000 due to the completion of the FY 2021 purchase of additional neighborhood cameras.

DEPARTMENT OF POLICE

STRATEGIC PLAN

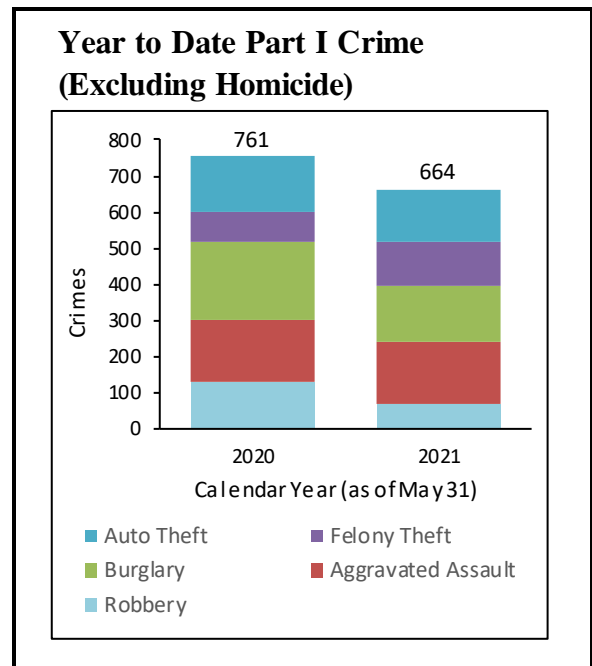
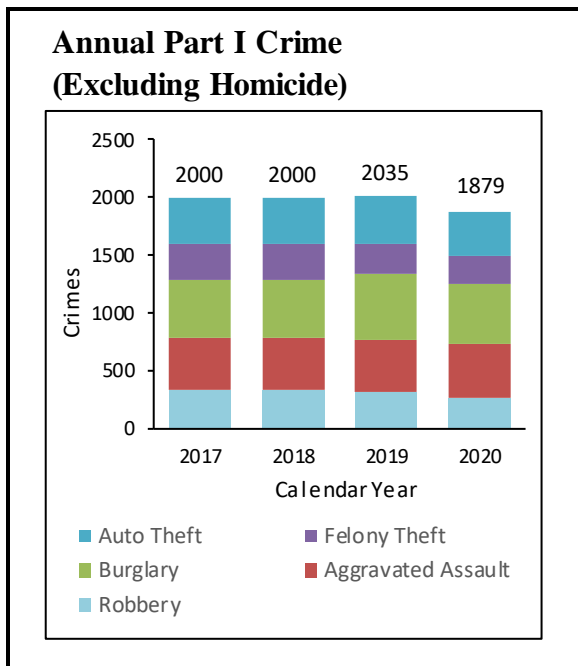
The Wilmington Police Department provides citizens with weekly data-driven performance measurements for the Wilmington Police Department via ComStat. This methodology, which has been used by the New York Police Department since 1994, allows the WPD to track data in near real-time, providing the department greater levels of accountability, focus, and follow-up. The data supports efficient, targeted policing across the city for all residents and visitors, is also used as a management tool for reducing crime, improving procedures and training, and providing transparency to the public and City government.

Current data for the goals and objectives listed below can be found on the Police Department OpenGov story page at <http://bit.ly/WDe32OG>, along with the CompStat page at <http://bit.ly/WPDCompStat>.

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Reduce the number of Part I crimes committed in the City. As defined by the Uniform Crime Reporting (UCR) program, these are the most serious crimes, and include criminal homicide, rape, robbery, aggravated assault, burglary, larceny (felony) theft, and motor vehicle theft. Homicide is tracked separately as part of Objective 2 (see below).



Note: CompStat tracks and reports on a calendar year, rather than a fiscal year, basis.

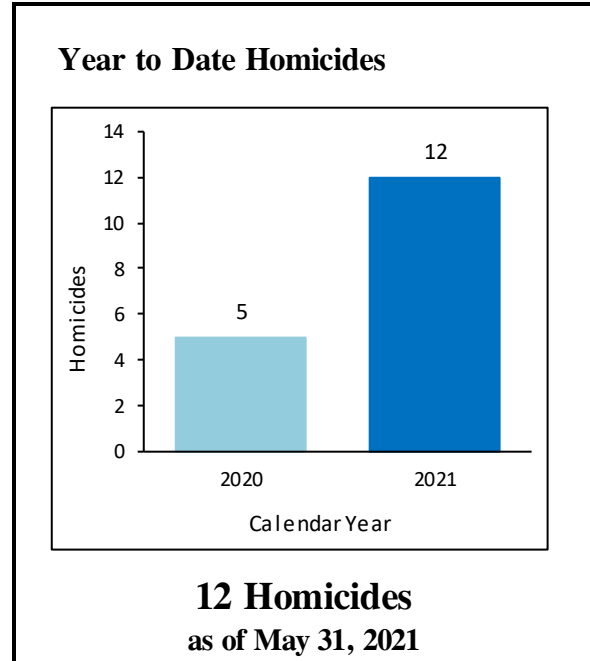
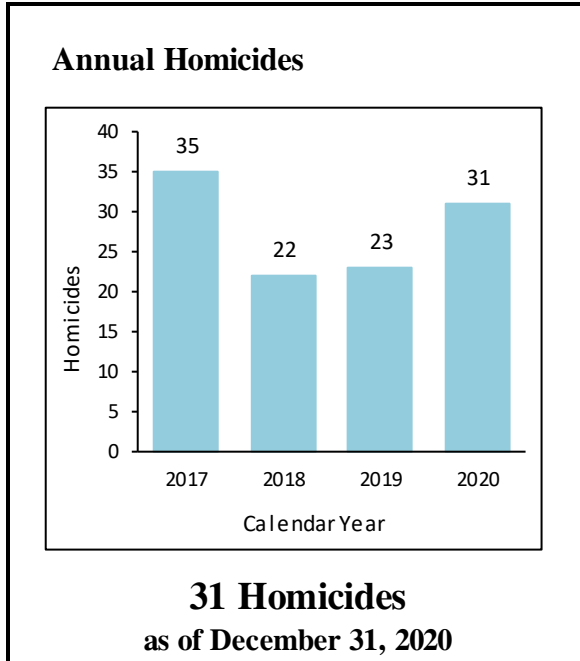
DEPARTMENT OF POLICE

STRATEGIC PLAN

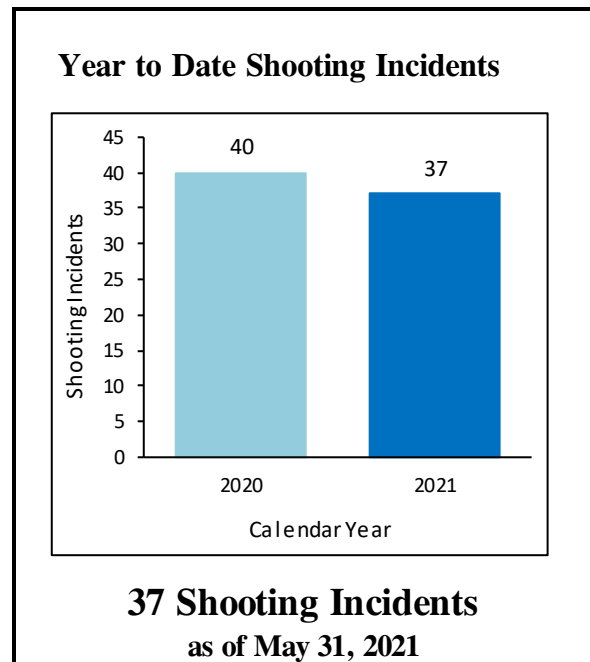
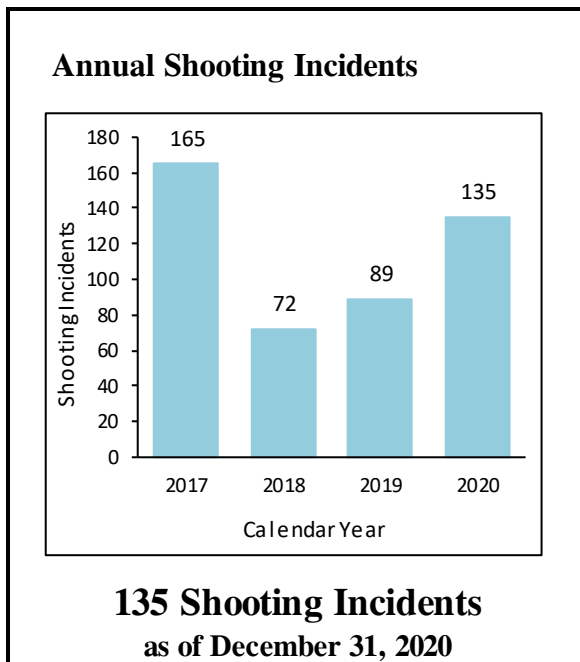
Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 2: Reduce the number of homicides committed in the City.



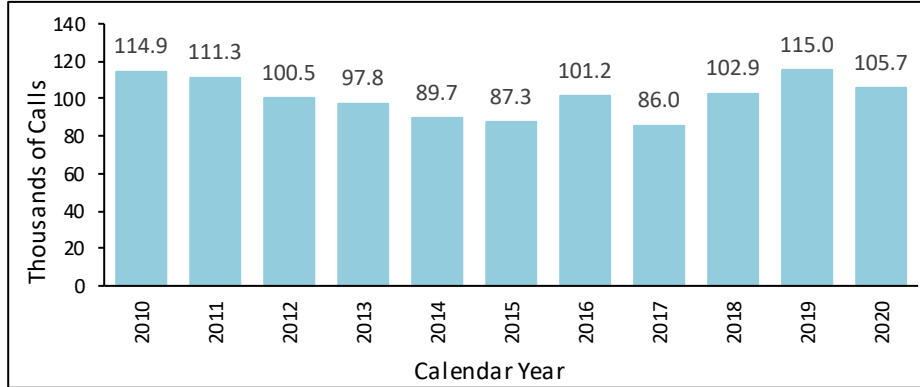
Objective 3: Reduce the number of shooting incidents committed in the City.



DEPARTMENT OF POLICE

PERFORMANCE TRENDS

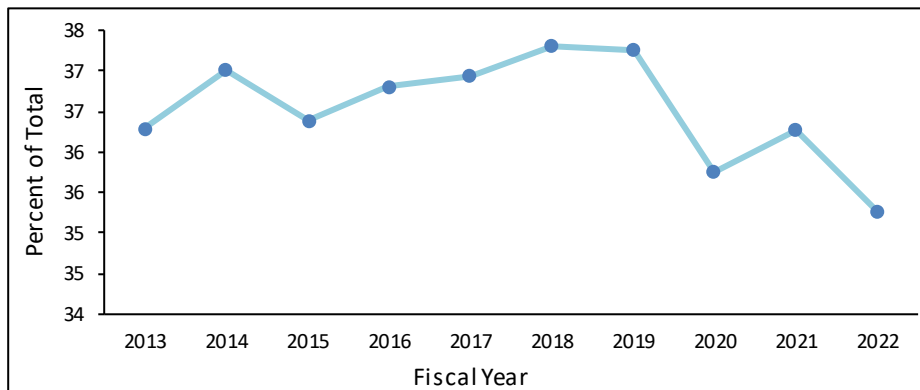
911 Calls Resulting in Dispatch



105,709 Incidents
as of December 31, 2020

The total number of calls for Police services has declined over the last decade, though recent years have seen modest increases. With changes in policies and better screening techniques, the Department has reduced the number of calls for service resulting in dispatch, allowing for better use of available resources.

Police Budget as a Percent of Total General Fund Operating Budget



36.3% of Total

In FY 2022 the Police Department budget declined as a percent of total General Fund spending, even as absolute Police spending increased by nearly \$1.6 million, or 2.6%, over FY 2021. This percentage decrease was largely driven by increases in other departments as they restored funding previously cut due to COVID-19, along with debt service increases outside the Police Department. Note that the FY 2020 decrease was mainly due to the transfer of the Internal Service funds to the General Fund; exclusive of this, the Police Department would have been down slightly relative to FY 2019.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	26,009,751	26,639,142	27,704,954	28,946,597
Temporary Salaries	414,384	318,491	497,250	497,250
Acting Out of Class	1,197	(423)	2,500	2,500
Shift Differential	28,214	33,029	39,000	39,000
Shooting Days	11,757	22,444	30,000	30,000
Sick Leave Bonus	1,600	2,500	3,000	3,000
Overtime	1,540,566	1,943,355	2,112,000	1,708,000
Comp Time Payouts	911,909	838,149	750,000	750,000
Civilian Holiday-Overtime	134,155	126,507	135,000	135,000
Court Overtime	26,363	16,035	55,709	55,709
Special Events Overtime	527,528	631,515	465,000	667,000
Meal Allowance	8,218	19,204	12,900	21,100
Clothing Allowance	83,850	82,345	91,450	76,500
Health Cashback	23,600	26,000	31,920	26,160
Pension Contribution	6,109,801	6,293,054	6,009,081	5,944,564
Social Security	215,054	224,939	218,522	224,090
Medicare Tax	433,165	443,842	444,023	460,543
Hospitalization	6,688,828	6,241,567	6,308,657	6,101,975
Life Insurance	89,647	76,832	89,581	89,880
County/Municipal Pension Contribution	3,550,106	3,731,767	3,866,126	3,947,368
Pension Healthcare	1,208,737	1,277,726	1,365,771	1,452,582
State Pension Plan-Civilian	73,237	88,141	97,238	93,373
Personal Services Adjustment	0	0	(778,557)	(800,434)
TOTAL PERSONAL SERVICES	48,091,667	49,076,161	49,551,125	50,471,757

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Printing & Advertising	19,277	18,769	27,500	22,500
Communications & Utilities	171,588	155,816	184,940	171,940
Transportation	9,888	8,549	14,500	12,500
Rentals	45,479	69,064	60,222	57,416
Contracted Maintenance Repairs	29,278	35,733	63,602	76,982
Professional Fees	417,126	533,590	496,000	625,000
Other Fees	339,050	342,184	363,840	387,940
Memberships & Registrations	41,127	38,284	51,740	59,940
Miscellaneous Services	327,095	510,170	627,619	1,196,449
Office & General Supplies	96,374	70,080	98,200	98,200
Wearing Apparel & Safety Supplies	187,138	158,543	401,500	388,450
Miscellaneous Parts	206,484	186,624	164,360	238,560
Equipment	62,098	22,726	5,750	10,000
Fixed Assets	0	0	250,000	0
TOTAL M., S. & E.	1,952,002	2,150,132	2,809,773	3,345,877
<u>INTERNAL SERVICES</u>				
Administrative Services	3,705,620	2,535,017	2,787,502	2,871,127
Self-Insurance	3,843,947	3,726,218	2,248,278	2,285,742
TOTAL INTERNAL SERVICES	7,549,567	6,261,235	5,035,780	5,156,869
<u>DEBT SERVICE</u>				
Principal Payments	175,831	173,186	182,883	127,826
Interest Payments	98,703	89,223	68,186	72,554
TOTAL DEBT SERVICE	274,534	262,409	251,069	200,380
TOTAL GENERAL FUND	57,867,770	57,749,937	57,647,747	59,174,883

DEPARTMENT: POLICE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
State Pension Contributions	1,631,758	1,693,545	1,631,759	1,693,545
TOTAL PERSONAL SERVICES	1,631,758	1,693,545	1,631,759	1,693,545

DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	226,147	326,788	571,838	468,252
Temporary Salaries	164,906	128,092	0	0
Shift Differential	0	0	0	0
Overtime	889,602	1,204,578	0	0
Pension Contributions	300,008	159,800	527,570	471,722
Social Security	4,860	4,579	0	0
Medicare Tax	7,095	20,114	7,924	6,483
Hospitalization	21,519	80,730	177,226	125,272
Life Insurance	477	11,148	1,650	1,304
County/Municipal Pension Contribution	19,893	42,503	74,467	57,751
Pension Healthcare	3,050	19,426	25,119	21,058
TOTAL PERSONAL SERVICES	1,637,557	1,997,758	1,385,794	1,151,842

MATERIALS, SUPPLIES & EQUIPMENT

Communications & Utilities	(3,630)	3,307	0	0
Transportation	70,626	63,048	0	0
Rentals	52,939	38,117	0	0
Professional Fees	3,203	245,867	0	0
Memberships & Registrations	43,086	49,689	0	0
Miscellaneous Services	24,169	41,040	0	0
Wearing Apparel & Safety Supplies	94,422	57,828	0	0
Miscellaneous Parts	9,027	18,937	0	0
Equipment	89,033	55,743	0	0
Fixed Assets	274,856	514,401	0	0
TOTAL M., S. & E.	657,731	1,087,977	0	0

SALLE FUND TOTAL	2,295,288	3,085,735	1,385,794	1,151,842
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DEPARTMENT OF PUBLIC WORKS

The mission of the Department of Public Works is to operate and maintain infrastructure and facilities, provide superior services for our customers, and promote environmental sustainability.

The Department provides a wide array of services, including once a week recycling and once a week residential solid waste collection, treatment and distribution of high-quality drinking water, collection and treatment of sewage, storm water management, sweeping of all City streets, street paving and repairs, maintenance of traffic signs and signals, line striping, rodent control, snow removal, and maintenance of the City fleet and City properties.

PRIORITIES FOR FISCAL YEAR 2022

- Continue implementation of Beautiful City Initiative.
- Complete Traffic signal Upgrades and interconnection with DelDOT in preparation for I-95 viaduct reconstruction project.
- Comprehensive installation of LED street lightning throughout Wilmington.
- Increase contractor compliance with the Roadway Cut Management legislation.
- Continue Street Paving and Reconstruction and ADA Curb Ramp Installation. Begin reconstruction of non-compliant ADA sidewalks along Pennsylvania avenue
- Implement and utilize the On Base plans review system to result in an efficient, optimal system to process plans and approvals for new projects within the city.
- Optimize Co-Generation and Sludge Processing Facilities as part of the new OMI WWTP O&M contract.
- Construct the South Wilmington sewer separation project to divert stormwater flows to the SWWP.
- Continue implementation of GIS and Cityworks programs with focus on Computerized Maintenance Management.
- Continue hydrant testing and rehabilitation program and valve exercising and repair program.
- Continue SRF funded small main replacement projects throughout the water district.
- Continue SRF funded transmission main improvements throughout the water district.
- Complete parking meter technology upgrades in cooperation with Finance Department. Procure new multi-space parking meters for downtown and additional single space meters elsewhere.
- Continue program of repairing and painting elevated water storage tanks.
- Complete construction of separate flow meters on the three force mains entering the wastewater treatment plant and add a sampling location on the CRFM.
- Continue program of testing and replacing small and large water meters.
- Implement suggestions to adjust special pickup/bulk pickup of MSW.
- Design and implement green infrastructure program on City owned properties.
- Expand city's urban tree canopy.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	17,527,194	17,990,246	19,077,090	19,181,614
Materials, Supplies & Equipment	58,562,072	62,210,677	61,517,216	63,376,014
Internal Services	8,676,766	6,374,250	5,178,649	5,327,974
Debt Service	9,747,337	10,847,738	11,423,584	12,321,297
Capitalization	(4,560,685)	(3,707,187)	(3,723,000)	(3,665,348)
Depreciation	12,353,781	12,935,375	12,428,479	12,968,443
TOTAL	102,306,465	106,651,099	105,902,018	109,509,994
STAFFING LEVELS	221.00	223.00	225.00	225.00

* Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to inclusion of Internal Service Funds.

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	8,847,650	9,034,227	9,819,002	9,756,766
Materials, Supplies & Equipment	7,108,859	6,893,899	7,973,243	8,348,640
Internal Services	4,126,038	3,651,669	3,363,860	3,462,694
Debt Service	4,545,305	5,016,362	4,633,650	5,903,614
TOTAL	24,627,852	24,596,157	25,789,755	27,471,714
STAFFING LEVELS	118.05	119.05	120.05	120.05

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	8,679,544	8,956,019	9,258,088	9,424,848
Materials, Supplies & Equipment	41,943,146	46,533,108	44,289,009	45,708,946
Internal Services	3,831,677	2,158,975	1,571,571	1,615,587
Debt Service	4,998,319	5,700,367	6,521,722	6,299,476
Depreciation	9,154,983	9,497,006	9,154,983	9,497,006
TOTAL	68,607,669	72,845,475	70,795,373	72,545,863
STAFFING LEVELS	102.95	103.95	104.95	104.95

MOTOR VEHICLE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2019	FY 2020	FY 2021	FY 2022
Materials, Supplies & Equipment	8,249,459	7,523,062	8,021,111	8,095,768
Internal Services	719,051	563,606	243,218	249,693
Debt Service	203,713	131,009	268,212	118,207
Capitalization	(4,560,685)	(3,707,187)	(3,723,000)	(3,665,348)
Depreciation	3,198,798	3,438,369	3,273,496	3,471,437
TOTAL	7,810,336	7,948,859	8,083,037	8,269,757
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2019	FY 2020	FY 2021	FY 2022
Materials, Supplies & Equipment	1,260,608	1,260,608	1,233,853	1,222,660
TOTAL	1,260,608	1,260,608	1,233,853	1,222,660
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR GENERAL FUND
<ul style="list-style-type: none"> • Personal Services fell \$62,236 due to an increase in budgeted attrition. Attrition was revised to better align with more recent actual trends. This was offset by the upgrades of 38 positions (including ten that are split-funded) during the Biennial Classification Appeal Process in FY 2021 that added \$62,248 to salaries and benefits. • Regular Salaries rose by \$75,218 or 1.4%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees. • Hospitalization decreased by almost \$110,900 as a result of employees choosing the lower-cost PPO2 and EPO healthcare plans. • Because of an increase in the number of city-owned/maintained streetlights, as well as new tariffs, electricity costs increased by \$100,000. • Contracted Maintenance increased by \$124,908 due to the high cost of maintaining aging structures. • Professional fees increased by \$112,000 to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation. • Landfill Fees increased by \$222,000 based on an increase to both the cost per ton fee and the projected overall tonnage to be collected. • Funds for the Recycle Bank Program (\$332,000) were moved from MS&E to the Capital Lease line in Debt Service. The city-wide municipal solid waste container program is heading into the third year of a five-year program. • The recent refunding of two older bond issues, along with the issuance of new money for the FY 2018 Capital Budget, have resulted in an increase of \$1,269,964 to Debt Service.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
WATER/SEWER FUND**

- Personal Services increased \$166,760. Fourteen positions, including ten that are split-funded, were upgraded through the Biennial Classification Appeal Process in FY 2021 that added \$14,437 to salaries and benefits.
- Regular Salaries rose by \$101,187 or 2.0%, due to a citywide 2% COLA, mandatory step increases for non-union classified employees, and mandatory annual reviews for executive and managerial employees.
- Repairs to Equipment was increased by \$234,500, reflecting a more aggressive electrical and mechanical preventative maintenance schedule for pumps and valves at filter plants and pumping stations. The increase also covers solar inverter installations at the Porter Filter Plant and Turner Building.
- Repairs to Building and Structures increased by \$215,150 due to higher costs of maintaining structures, parking lots, sidewalks, and driveways.
- Repairs to Water Lines rose by \$200,000, reflecting the expanded maintenance program.
- Based on last fiscal year's actual expenditures for Sewer Interceptor Cleaning, and the current fiscal year's actual spending trend, Condition Assessment was increased by \$99,000.
- Consultant expenses increased by \$67,550 due to the need for on-call assistance for utility billing operations that include analytical support, benchmarking, and related services.
- Engineering Costs increased \$105,250 to support engineering studies related to operations and maintenance.
- Legal fees were increased 25% (from \$400,000 to \$500,000) to cover arbitration and legal proceedings against New Castle County (wastewater treatment contract), the Army Corps of Engineers (unpaid stormwater bills), and Honeywell (breach of contract regarding the renewable energy bio-solids facility).
- Contracted Maintenance Services, which includes the contract with new vendor Jacobs to operate and maintain the City's wastewater treatment plant, water tank painting, and hydrant testing and maintenance, increased by \$353,000.
- Indirect cost charges decreased by \$183,006, reflecting recent revisions to the cost allocation model based on a new usage survey.
- Depreciation increased by \$342,023, reflecting the aggressive infrastructure replacement program adopted by the Department that has increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.
- Debt Service decreased by a net \$222,246. The recent refunding of two older issues, along with the issuance of new money for the FY 2018 Capital Budget at record low interest rate combined to lower interest payments by \$161,586.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
MOTOR VEHICLE FUND**

- Repairs to Equipment increased by \$163,000 due to the higher cost of repairs to fleet equipment caused by minor accidents, repairs to the Police and Fire rescue boats, and the maintenance of older vehicles.
- Miscellaneous Services increased by \$48,560 due to increases in motor vehicle fleet maintenance.
- Automotive Equipment decreased by a net \$121,103. Although the expansion of the fleet in the Parks & Recreation Department added \$165,348. This was more than offset by the \$286,451 reduction in the cost of the annual vehicle replacement program.
- Depreciation, based on the recently revised and more accurate asset inventory list being utilized by the Accounting Division, increased \$197,941.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

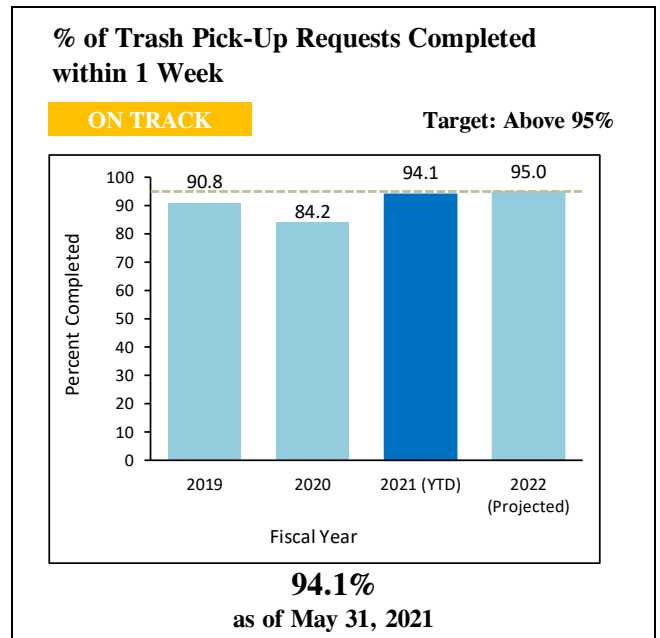
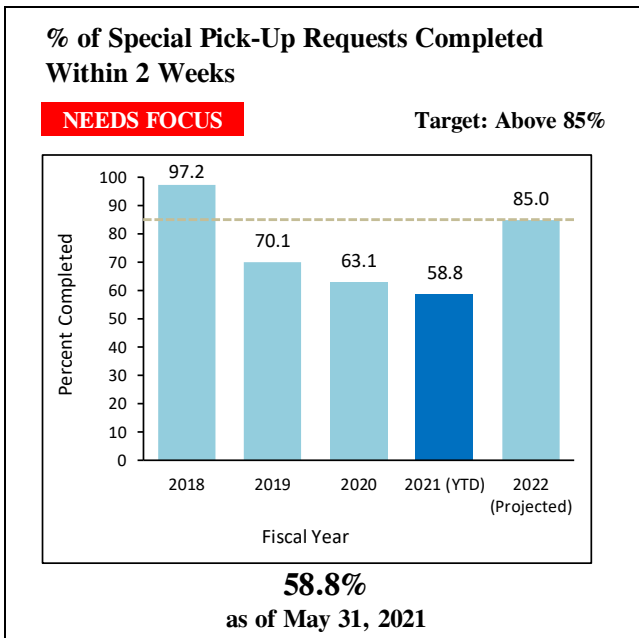
The **Department of Public Works (DPW)** provides a wide array of important City services, including recycling and solid waste collection; treatment and distribution of high-quality drinking water; collection and treatment of sewage; storm water management; sweeping of all City streets; street paving and repairs; maintenance of traffic signs and signals; snow removal; and maintenance of the City fleet and City properties.

Current data for the goals and objectives listed below can be found on the Public Works OpevGov story page at <http://bit.ly/WDe22OG>.

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



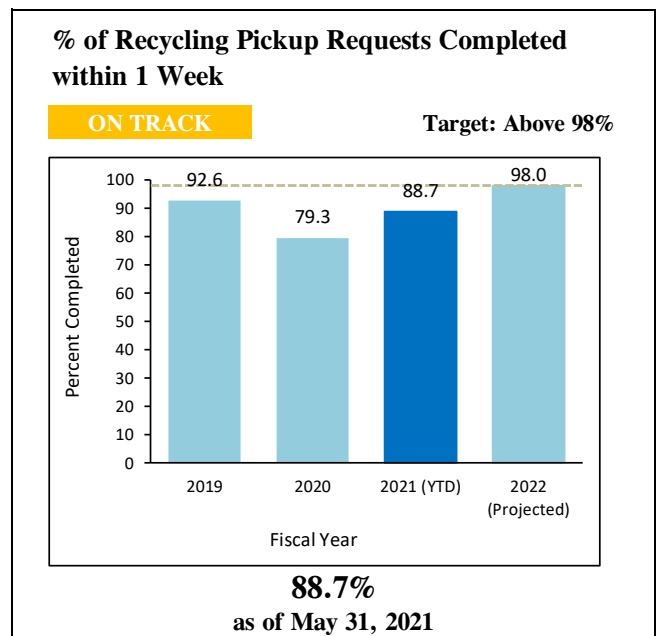
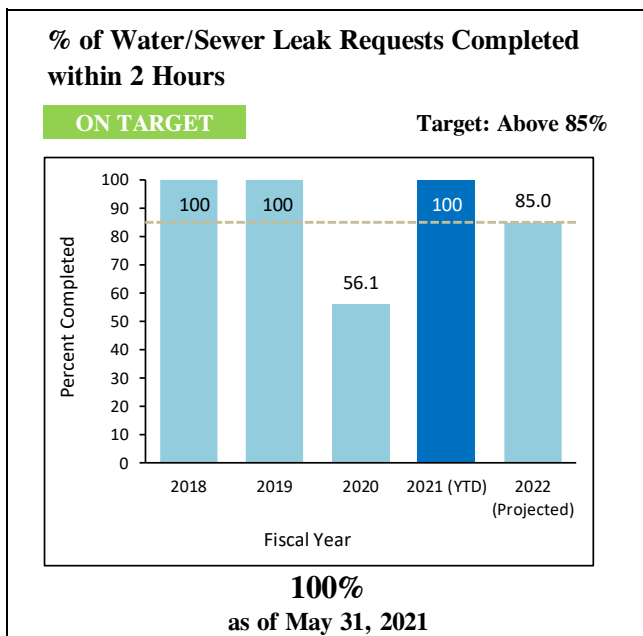
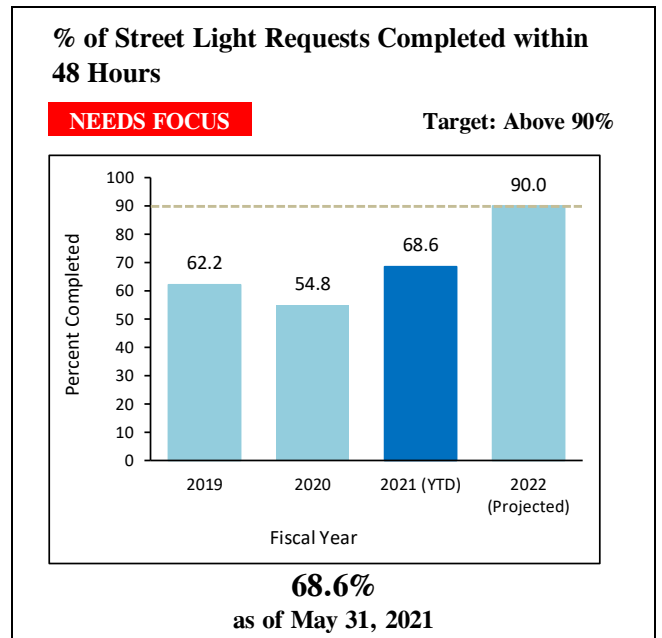
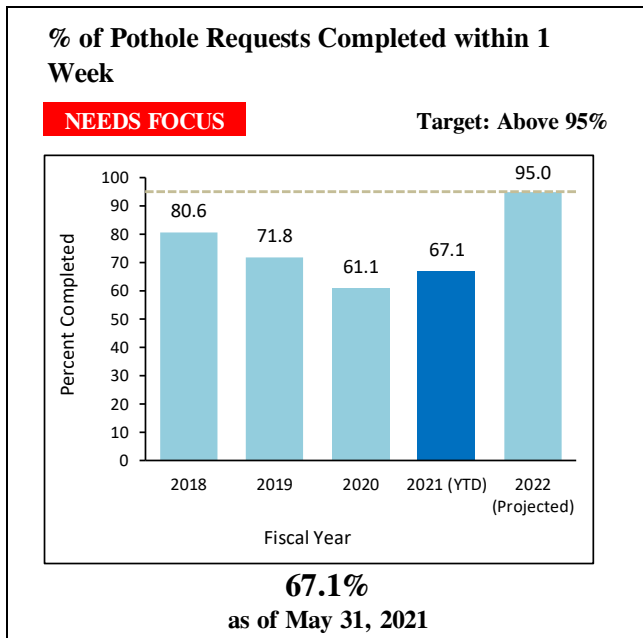
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



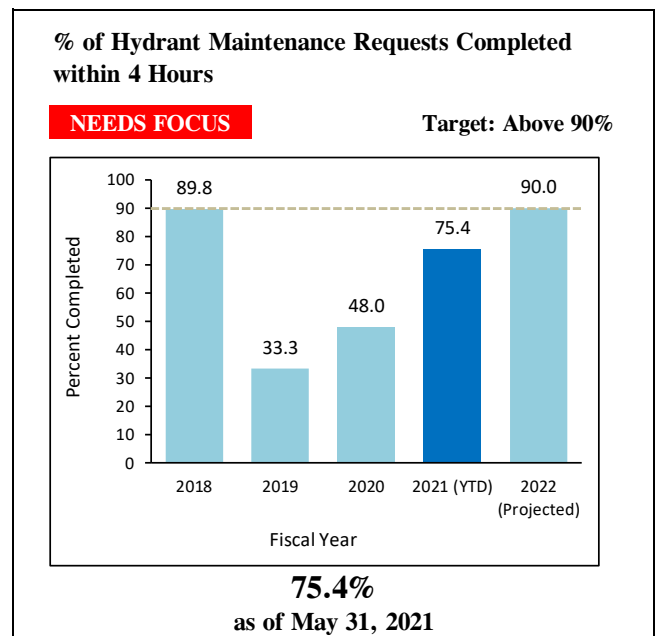
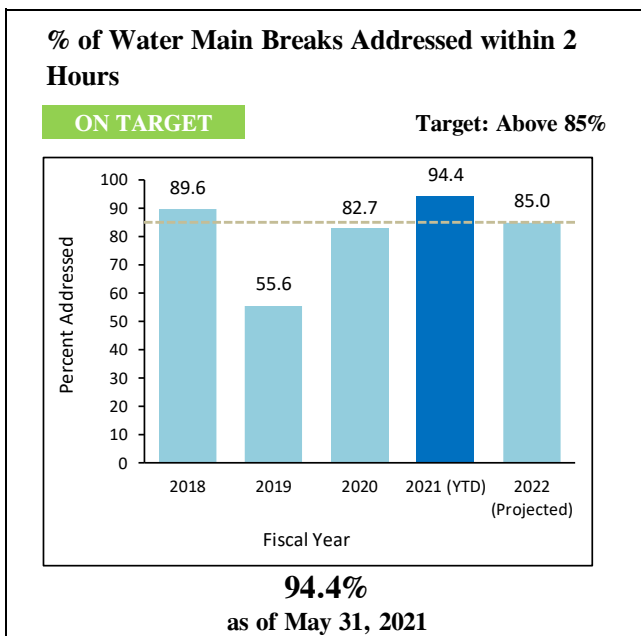
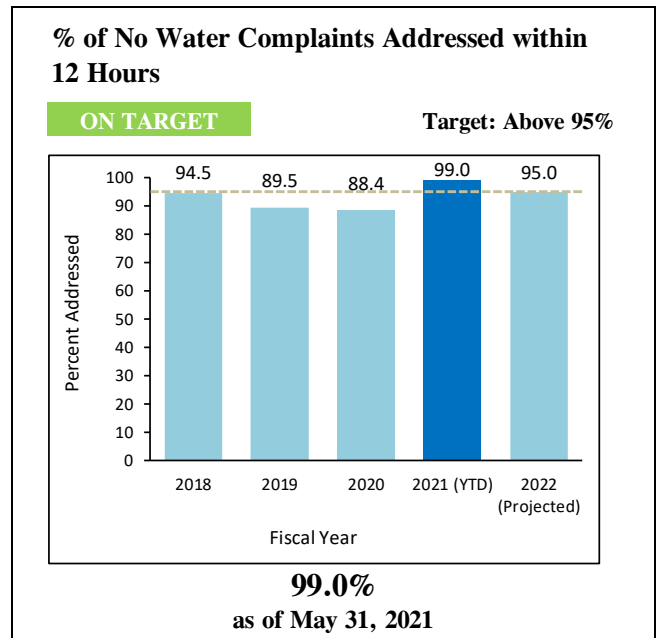
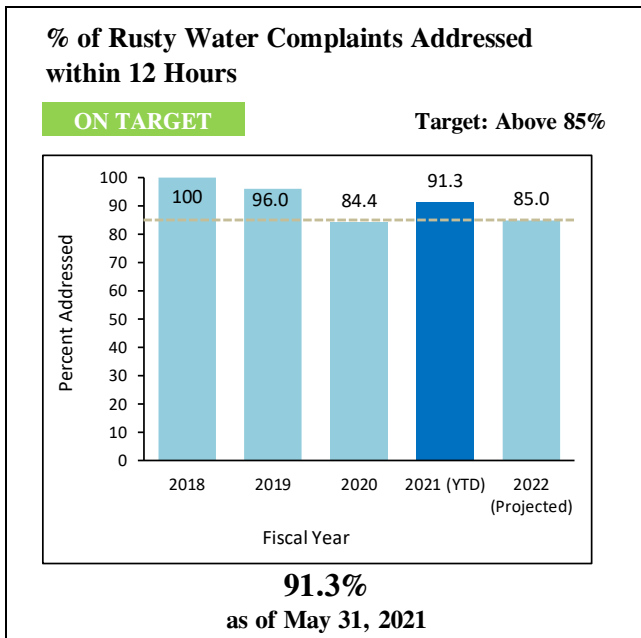
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



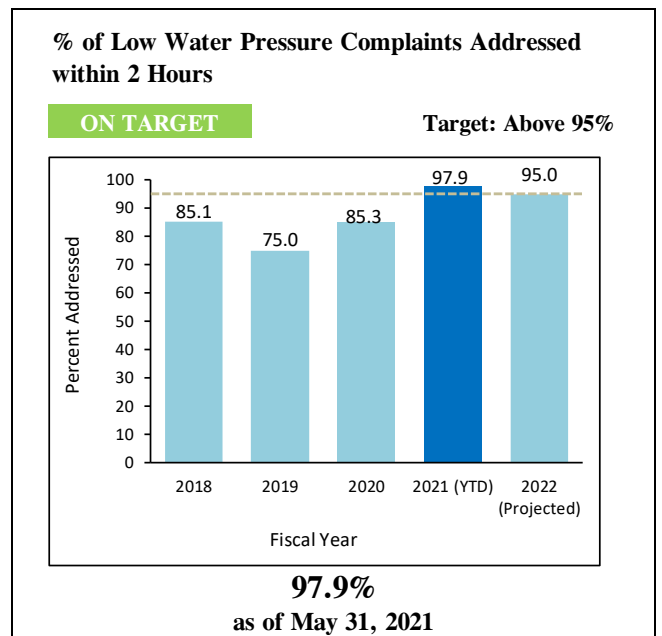
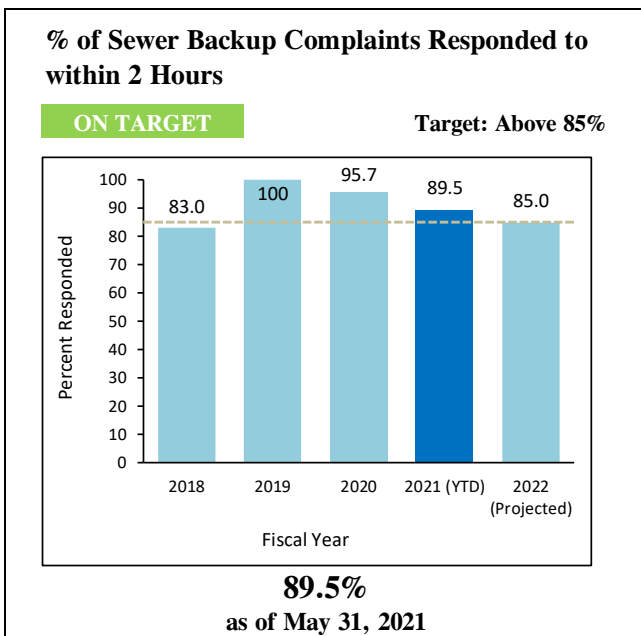
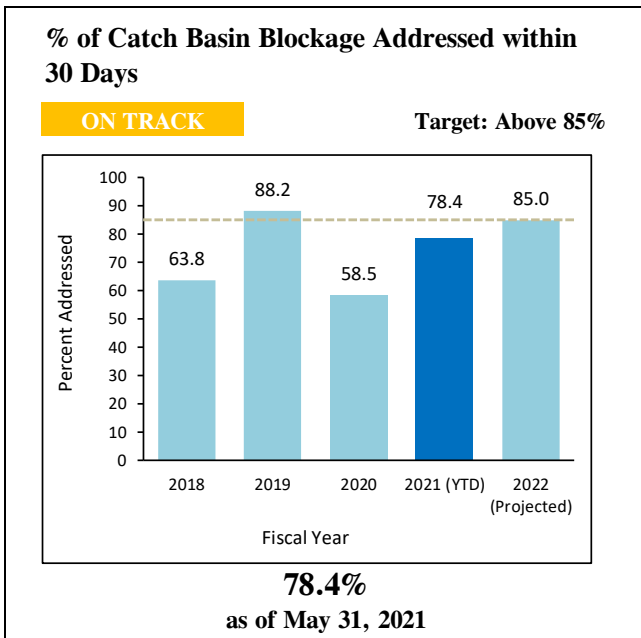
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



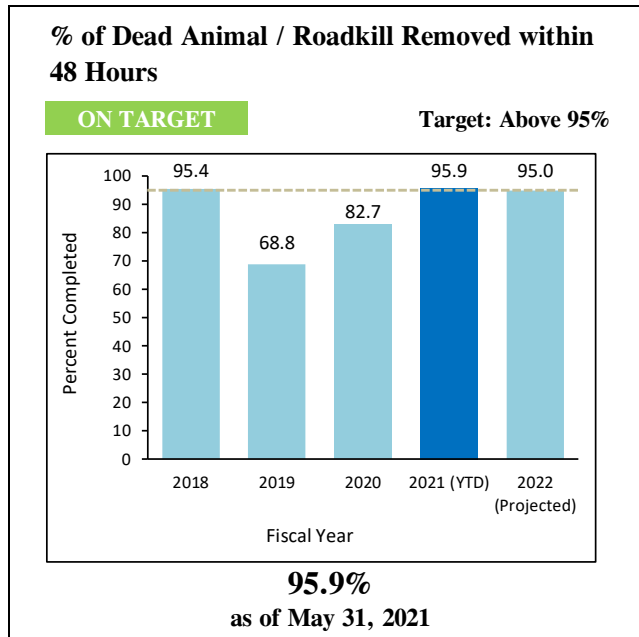
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

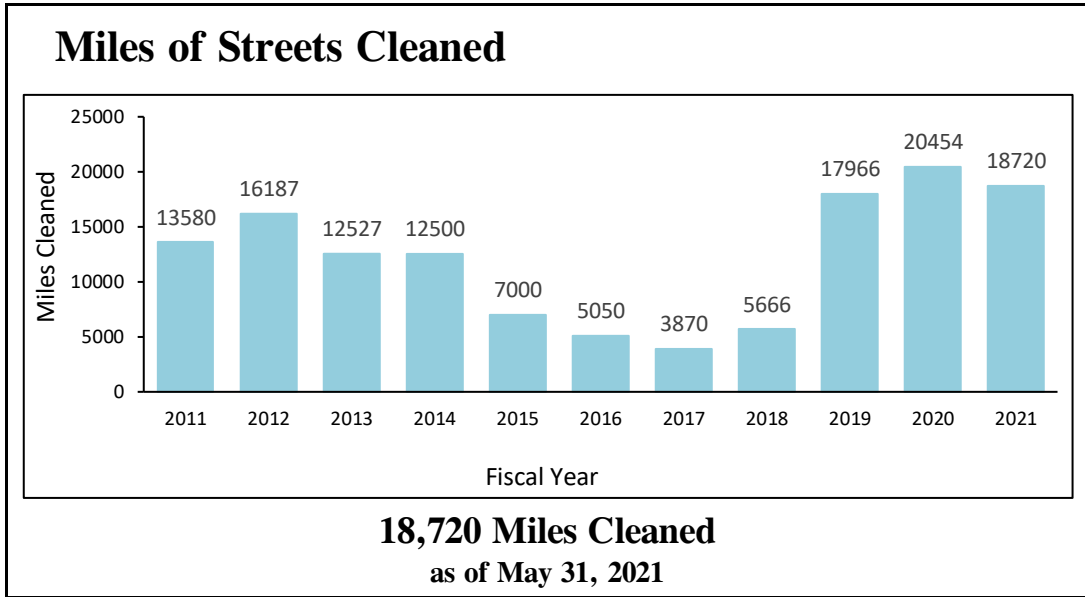
CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below

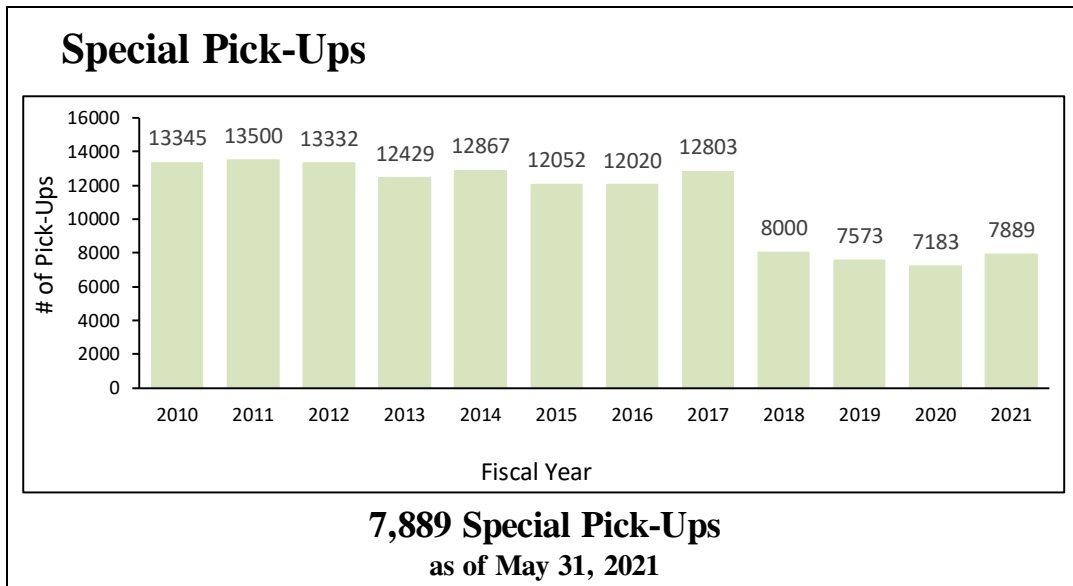


DEPARTMENT OF PUBLIC WORKS

PERFORMANCE TRENDS



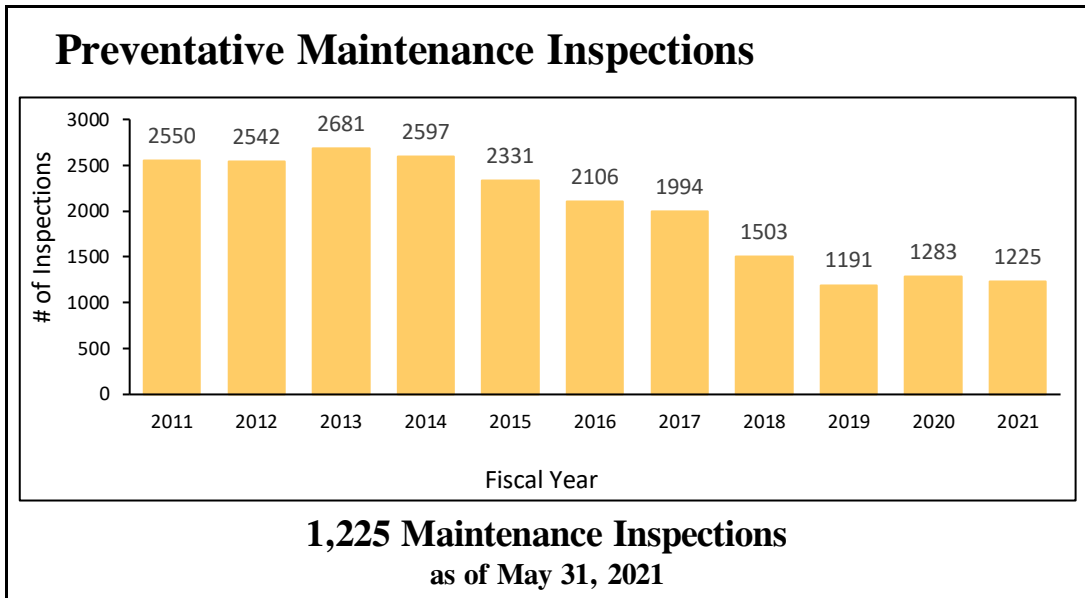
The number of miles cleaned has increased since FY 2019 due to updated equipment and full crew staffing.



Special pick-ups involve items other than normal household trash, such as refrigerators, tires, and furniture.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE TRENDS



City vehicles are inspected on a regular basis to reduce the number of breakdowns of vehicles and equipment.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	4,592,776	4,653,958	5,360,307	5,437,764
Temporary Salaries	4,800	3,000	8,000	8,000
Acting Out of Class	4,490	10,083	10,000	9,300
Sick Leave Bonus	5,350	7,150	8,500	8,500
Overtime	378,707	358,257	445,800	460,800
Holiday Pay	91,991	91,473	100,800	135,800
Meal Allowance	5,409	5,463	9,100	9,100
Clothing Allowance	4,510	4,765	7,850	6,850
Standby Pay	74,128	72,571	76,075	76,075
Health Cash Back	0	300	1,200	4,020
Pension Contribution	983,420	1,007,282	930,509	936,076
Social Security	309,574	311,256	362,521	370,164
Medicare Tax	72,396	72,793	84,786	86,565
Hospitalization	1,826,985	1,908,096	2,043,899	1,933,028
Life Insurance	23,232	18,925	27,457	27,668
Pension Healthcare	383,377	411,680	434,023	465,554
State Pension Plan - Civilian	86,505	97,175	113,505	125,307
Personal Services Adjustment			(205,330)	(343,805)
TOTAL PERSONAL SERVICES	8,847,650	9,034,227	9,819,002	9,756,766
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	3,256	6,720	14,700	13,200
Communications & Utilities	1,502,485	1,569,192	1,618,729	1,778,018
Transportation	1,149	1,970	2,000	4,000
Rentals	96,391	80,159	232,500	232,100
Contracted Maintenance Repairs	1,459,744	1,619,978	1,695,464	1,820,372
Professional Fees	1,109,856	894,885	919,800	1,031,800
Other Fees	2,091,340	2,024,117	2,450,000	2,340,000
Memberships & Registrations	17,470	16,348	18,400	27,900
Miscellaneous Services	262,795	226,802	353,600	380,600
Office & General Supplies	11,048	7,688	12,300	12,600
Wearing Apparel & Safety Supplies	86,849	83,692	91,750	117,250
Miscellaneous Parts	137,340	148,219	161,200	187,000
Construction & Repairs	315,893	185,456	374,500	374,500
Equipment	11,503	23,119	26,300	27,300
Fixed Assets	1,740	5,554	2,000	2,000
MSE - Budget Control Account	0	0	0	0
TOTAL M., S. & E.	7,108,859	6,893,899	7,973,243	8,348,640

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Administrative Services	3,123,285	2,666,009	2,789,384	2,873,065
Self-Insurance	1,002,753	985,660	574,476	589,629
TOTAL INTERNAL SERVICES	4,126,038	3,651,669	3,363,860	3,462,694
DEBT SERVICE				
Principal Payments	2,569,642	3,019,458	2,713,931	3,545,037
Interest Payments	1,975,663	1,996,904	1,919,719	2,358,577
TOTAL DEBT SERVICE	4,545,305	5,016,362	4,633,650	5,903,614
GENERAL FUND TOTAL	24,627,852	24,596,157	25,789,755	27,471,714

DEPARTMENT: PUBLIC WORKS**FUND: WATER/SEWER**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	4,603,180	4,608,589	5,168,238	5,269,425
Temporary Salaries	0	151	0	0
Acting Out of Class	4,478	5,861	7,200	7,200
Shift Differential	2,674	3,435	3,800	3,800
Sick Leave Bonus	3,300	6,700	7,000	7,000
Overtime	473,355	417,161	499,500	499,500
Holiday Pay	1,869	863	2,000	2,000
Meal Allowance	15,119	11,650	20,550	20,550
Clothing Allowance	7,400	7,015	13,200	13,200
Standby Pay	189,517	173,401	190,600	190,600
Health Cash Back	800	300	1,200	4,860
Accrued Vacation Pay	(39,929)	101,403	0	0
Pension Contribution	803,172	796,860	766,079	795,457
Social Security	312,475	313,608	356,213	361,340
Medicare Tax	74,692	73,344	83,303	84,505
Hospitalization	1,419,236	1,542,749	1,652,378	1,648,420
Life Insurance	19,856	19,426	24,345	24,478
Pension Healthcare	328,108	359,455	372,737	406,996
State Pension Plan - Civilian	77,722	93,715	91,913	87,746
Pension Healthcare - Implicit	382,520	420,333	0	0
Personal Services Adjustment	0	0	(2,168)	(2,229)
TOTAL PERSONAL SERVICES	8,679,544	8,956,019	9,258,088	9,424,848

DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Printing & Advertising	37,698	50,810	62,825	71,400
Communications & Utilities	965,488	1,039,039	1,038,036	1,095,458
Transportation	8,966	9,488	2,000	11,750
Rentals	289	540	760	760
Contracted Maintenance Repairs	7,742,557	8,926,890	8,759,600	9,533,841
Professional Fees	3,755,581	4,412,323	3,934,200	4,207,000
Other Fees	370,790	313,851	398,400	383,000
Memberships & Registrations	52,899	55,855	62,120	70,920
Miscellaneous Services	22,182,969	23,510,365	21,313,449	21,667,700
Office & General Supplies	7,354	10,254	15,860	16,100
Wearing Apparel & Safety Supplies	53,517	40,084	48,460	51,300
Miscellaneous Parts	827,589	551,325	787,250	807,000
Petroleum & Chemicals	647,072	815,912	835,500	837,500
Construction & Repairs	331,434	323,550	503,000	540,500
Supporting Services	4,415,056	5,943,324	5,943,324	5,760,317
Equipment	397,290	374,938	390,225	446,400
Testing and Inspection	7,500	0	4,000	8,000
Community Activities	139,097	154,560	190,000	200,000
TOTAL M., S. & E.	41,943,146	46,533,108	44,289,009	45,708,946
INTERNAL SERVICES				
Administrative Services	2,238,641	597,678	654,451	674,085
Self-Insurance	1,593,036	1,561,297	917,120	941,502
TOTAL INTERNAL SERVICES	3,831,677	2,158,975	1,571,571	1,615,587
DEBT SERVICE				
Amortized Bond Issuance Costs	0	0	0	0
Interest Payments	4,998,319	5,700,367	6,521,722	6,299,476
TOTAL DEBT SERVICE	4,998,319	5,700,367	6,521,722	6,299,476
OTHER				
Depreciation	9,154,983	9,497,006	9,154,983	9,497,006
TOTAL OTHER	9,154,983	9,497,006	9,154,983	9,497,006
WATER/SEWER FUND TOTAL	68,607,669	72,845,475	70,795,373	72,545,863

DEPARTMENT: PUBLIC WORKS**FUND: MOTOR VEHICLE**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Communications & Utilities	30,162	32,836	35,000	35,000
Transportation	3,912	4,818	7,200	7,200
Rentals	6,000	53,220	55,100	55,100
Contracted Maintenance Repairs	788,518	824,707	941,000	1,103,000
Professional Fees	59,854	53,916	60,000	45,000
Memberships & Registrations	1,706	1,740	2,300	2,500
Miscellaneous Services	1,963,209	2,003,666	2,126,560	2,175,120
Miscellaneous Parts	3,923	0	7,500	7,500
Petroleum & Chemicals	869,899	712,801	1,000,000	1,000,000
Fixed Assets	4,522,276	3,835,358	3,786,451	3,665,348
TOTAL M., S. & E.	8,249,459	7,523,062	8,021,111	8,095,768
INTERNAL SERVICES				
Administrative Services	227,539	182,079	78,966	81,335
Self-Insurance	491,512	381,527	164,252	168,358
TOTAL INTERNAL SERVICES	719,051	563,606	243,218	249,693
DEBT SERVICE				
Amortized Bond Issuance Costs	3,850	0	0	0
Interest Payments	199,863	131,009	268,212	118,207
TOTAL DEBT SERVICE	203,713	131,009	268,212	118,207
OTHER				
Capitalized Expenditures	(4,560,685)	(3,707,187)	(3,723,000)	(3,665,348)
Depreciation	3,198,798	3,438,369	3,273,496	3,471,437
TOTAL OTHER	(1,361,887)	(268,818)	(449,504)	(193,911)
MOTOR VEHICLE FUND TOTAL	7,810,336	7,948,859	8,083,037	8,269,757

DEPARTMENT: PUBLIC WORKS**FUND: MUNICIPAL STREET AID**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Communications & Utilities	1,260,608	1,260,608	1,233,853	1,222,660
Contracted Maintenance	0	0	0	0
TOTAL M., S. & E.	1,260,608	1,260,608	1,233,853	1,222,660
MUNICIPAL STREET AID TOTAL	1,260,608	1,260,608	1,233,853	1,222,660

DEPARTMENT OF REAL ESTATE & HOUSING

The mission of the Department of Real Estate and Housing is to improve the quality of life for residents in the City of Wilmington by increasing the supply of affordable housing, improving housing markets and the quality of existing housing stock, promoting self-sufficiency, and engaging in activities to stabilize and revitalize neighborhoods.

The Department plans, allocates, and administers Federal, State, and local resources for the benefit of persons of low- and moderate-income and the neighborhoods in which they live, involving residents to the greatest extent feasible in decisions that affect their lives. In carrying out this mission, the Department partners with other City departments, government agencies, the private sector, and other organizations that share its goals.

PRIORITIES FOR FISCAL YEAR 2022

- Actively coordinate with the Wilmington Neighborhood Conservancy Land Bank (WNCLB), Wilmington Housing Authority (WHA), Community Development Corporations (CDCs), and other non-profit and for-profit developers to address neglected and vacant properties through acquisition, disposition, demolition and/or rehabilitation.
- Increase homeownership opportunities through City-sponsored initiatives and collaborative efforts with the WHA, WNCLB, CDCs, and other non-profit and for-profit developers.
- Work with governmental and private-sector employers located within the City proper to expand Live Near Your Work opportunities for both City and non-City employees.
- Direct the use of funds to assist homeowners with minor repairs and improvements as part of the City's neighborhood stabilization initiative.
- Work with State and local housing authorities to create development opportunities including Enterprise Zones, Purpose Built Communities, and re-purposing of brownfields, as part of the City's broader neighborhood stabilization initiative.
- Participate in a State-wide consortium to complete an assessment of policies to further fair housing in Wilmington and the surrounding region.
- Improve the City's neighborhood stabilization and revitalization efforts through the integration and analysis of Geographic Information System (GIS) data.
- Aggressively seek additional funding sources and collaborative partnerships to leverage Federal and local dollars.
- Fund programs and projects that provide needed public services to low- and moderate-income families and neighborhoods, such as community greening efforts, senior housing repair, housing counseling, homelessness prevention, youth programs, and programs that assist persons living with HIV/AIDS.
- Fulfill obligatory allocation, expenditure, monitoring, and reporting requirement for all Federal funding received.
- Conduct public facilities and infrastructure activities to support the development and rehabilitation of affordable housing.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	905,241	1,071,061	1,112,468	1,140,711
Materials, Supplies & Equipment	733,690	1,061,394	2,135,498	1,934,905
Internal Services	297,894	38,130	48,996	50,458
Debt Service	859,895	745,255	622,815	3,767,926
Special Purpose	2,428,525	2,699,739	2,761,746	2,803,426
TOTAL	5,225,246	5,615,576	6,681,522	9,697,426
STAFFING LEVELS	11.00	11.00	11.00	11.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	276,330	497,907	285,142	307,522
Materials, Supplies & Equipment	602,819	907,113	1,992,000	1,798,700
Internal Services	297,894	38,130	48,996	50,458
Debt Service	859,895	745,255	622,815	3,767,926
TOTAL	2,036,938	2,188,405	2,948,953	5,924,606
STAFFING LEVELS	1.48	1.48	2.75	2.88

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	547,221	491,731	754,495	747,453
Materials, Supplies & Equipment	130,871	154,281	143,498	136,205
Special Purpose	1,070,760	1,571,748	1,280,287	1,296,010
TOTAL	1,748,852	2,217,757	2,178,281	2,179,668
STAFFING LEVELS	8.81	8.81	7.54	7.29

HOME INVESTMENT PARTNERSHIPS PROGRAM FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	56,842	52,339	40,979	54,262
Special Purpose	569,363	158,722	523,045	525,357
TOTAL	626,205	211,061	564,024	579,619
STAFFING LEVELS	0.41	0.41	0.41	0.53

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	11,173	13,040	18,049	17,835
Special Purpose	618,233	801,742	784,386	806,628
TOTAL	629,406	814,782	802,435	824,463
STAFFING LEVELS	0.17	0.17	0.17	0.17

EMERGENCY SOLUTIONS GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	13,675	16,044	13,803	13,639
Special Purpose	170,169	167,527	174,028	175,431
TOTAL	183,844	183,571	187,831	189,070
STAFFING LEVELS	0.13	0.13	0.13	0.13

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Personal Services increased by a net \$22,380, or 7.8%, due to the following:
 - An allowance for a citywide 2% cost of living adjustment for eligible employees and mandatory step increases for classified employees.
 - The split-funded (50% General Fund and 50% Federal HUD Funds) Acquisition and Disposition Manager position was eliminated and replaced with a new split-funded (75% General Fund and 25% Federal HUD Funds) Director of Development position at a net cost of \$25,711.
 - Because of the availability of additional HOME funds that can be applied to administrative costs, the split-funded Program Administrator position was changed from being funded 21% General Fund and 79% Federal HUD Funds to 9% General Fund and 91% Federal HUD Funds, saving the General Fund \$12,286.
- MS&E decreased by a net \$193,300 due to the following changes:
 - In FY 2021, Grants to Agencies increased by \$1,000,000 to fund a grant to the Wilmington Neighborhood Conservancy Land Bank (Land Bank), which was established to acquire, manage, and maintain vacant, abandoned, and foreclosed properties to restore and re-purpose them into productive use. To successfully accomplish its mission, the Land Bank requires periodic infusions of cash from the City as outlined in a memorandum of understanding. In FY 2022, the grant to the Land Bank will be \$500,000, leading to a decrease of \$500,000 in the Grants to Agencies line.
 - Miscellaneous Projects increased by \$300,000 to fund an expansion of the Neighborhood Clean Team program into more neighborhoods. Now heading into its fourth year, the program hires residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
- Debt Service increased by \$3,145,111 per the existing debt service schedule.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
FEDERAL HUD FUNDS**

- In the CDBG Fund, Personal Services decreased by a net \$7,042, largely due to the reallocation of 0.25 FTE to the General Fund through the creation of the Director of Development Position and elimination of the Acquisition & Disposition Manager position.
- In the HOME Fund, Personal Services increased by \$13,283, largely reflecting the change of in allocation of the Program Administrator position from 21% General Fund and 79% Federal HUD Funds to 9% General Fund and 91% Federal HUD Funds.

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

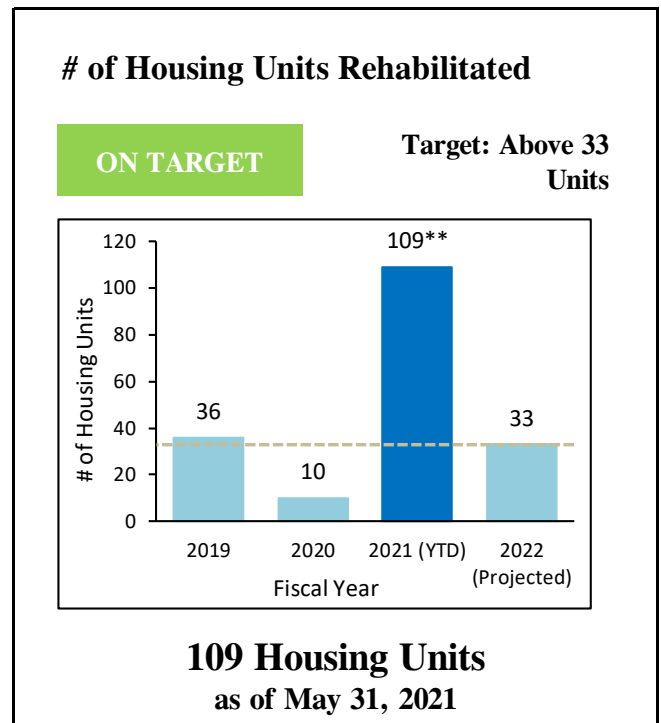
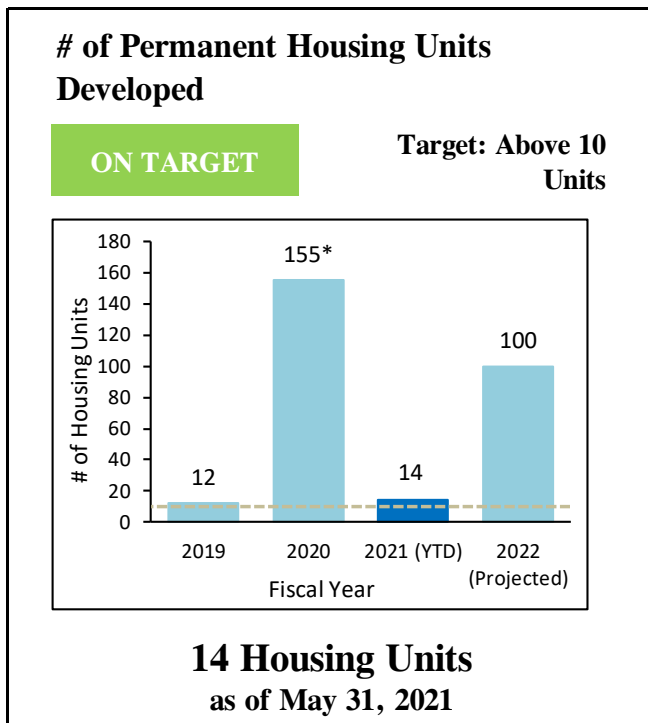
The Department is committed to developing inclusive programs that address the needs of the City’s residential neighborhoods, so that current and future residents receive decent, safe and affordable housing opportunities that are available to current and future residents.

Current data for the goals and objectives listed below may be found on the Real Estate & Housing OpenGov story page at <http://bit.ly/WDe19OG>.

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Increase the number of permanent housing units available for low/moderate income families/individuals through the development of new quality housing stock and the rehabilitation of existing units.



* FY 2020 reflects the completion of 149 Low Income Housing Tax Credit (LIHTC) units.

** FY 2021 reflects the completion of three substantial affordable housing rehabilitation projects.

Note: Given the lead time necessary to move a new housing development project from conception to occupancy, success will be measured by the commitment of funds to a project.

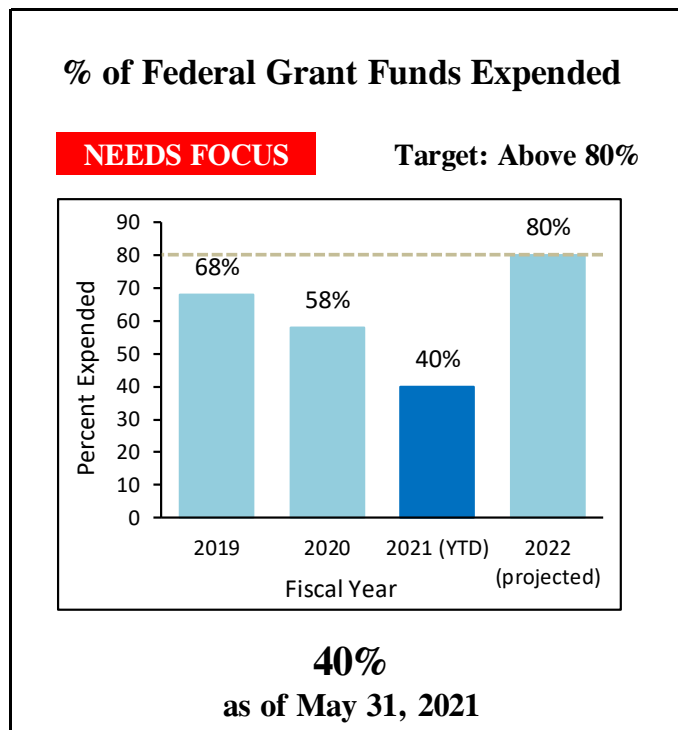
DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Enhance City Services.

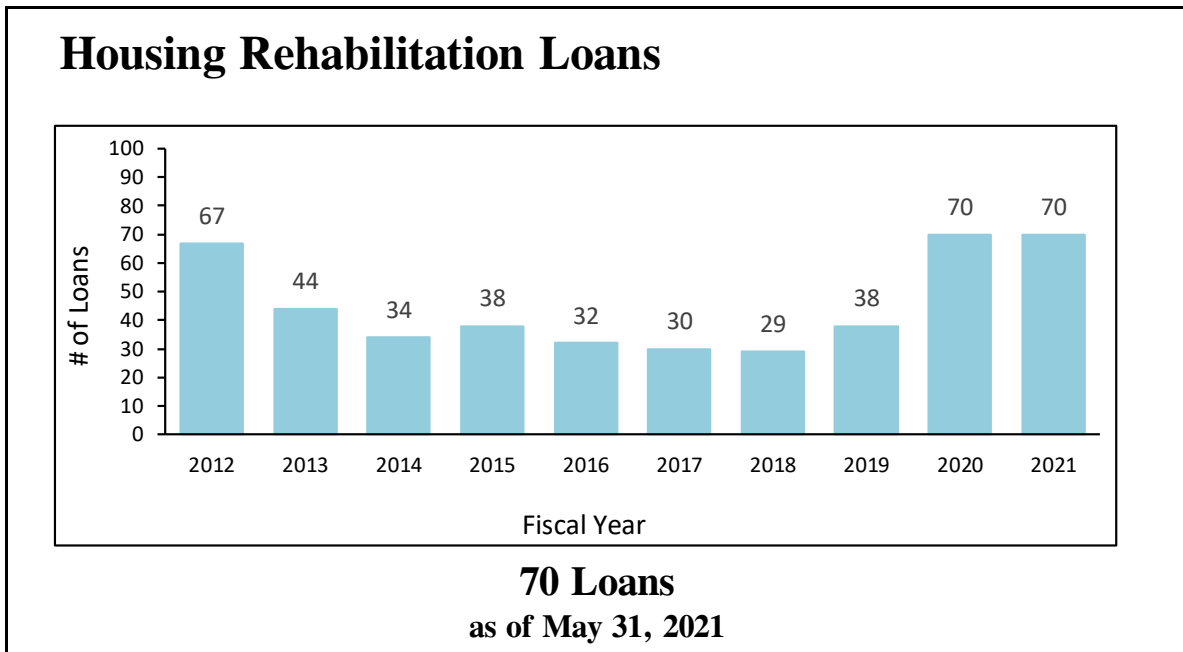
Objective 1: Expend at least 80% of federal grant funds awarded by the United States Department of Housing and Urban Development (HUD) within the fiscal year they were awarded.



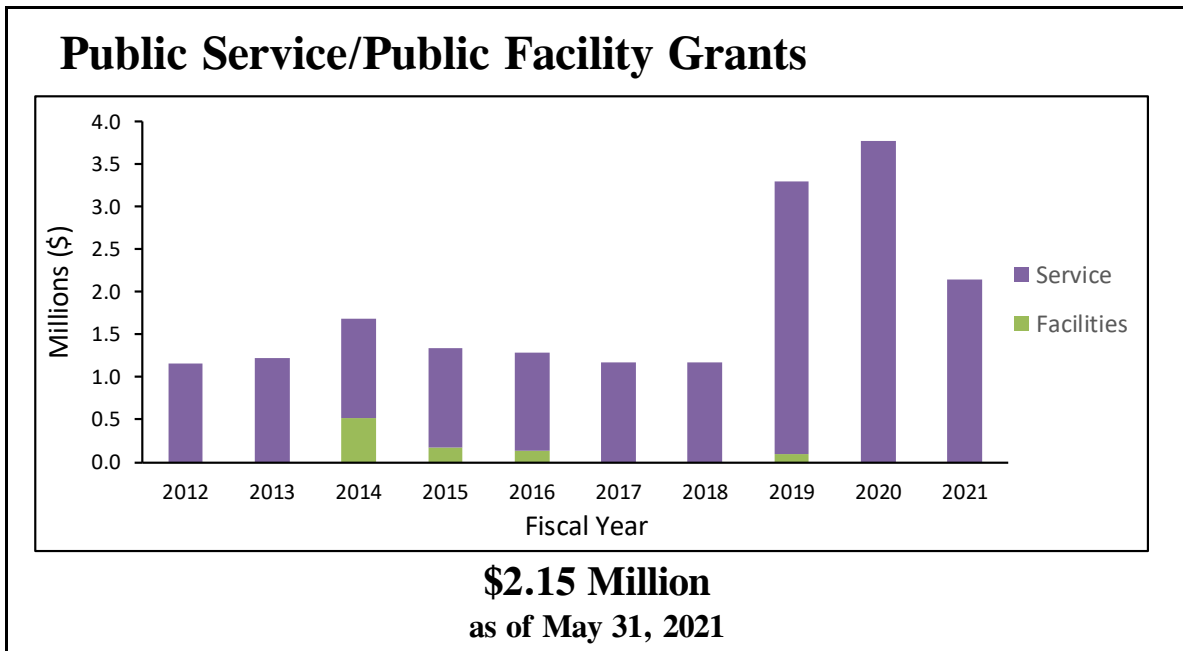
Note: Federal grants complement the development of housing by funding services necessary for communities to thrive. The Department of Real Estate & Housing has chosen to measure the percentage of funds expended within the fiscal year they were awarded because numerous outside groups rely on the prompt receipt of this funding to address a multitude of needs in the City’s communities.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE TRENDS



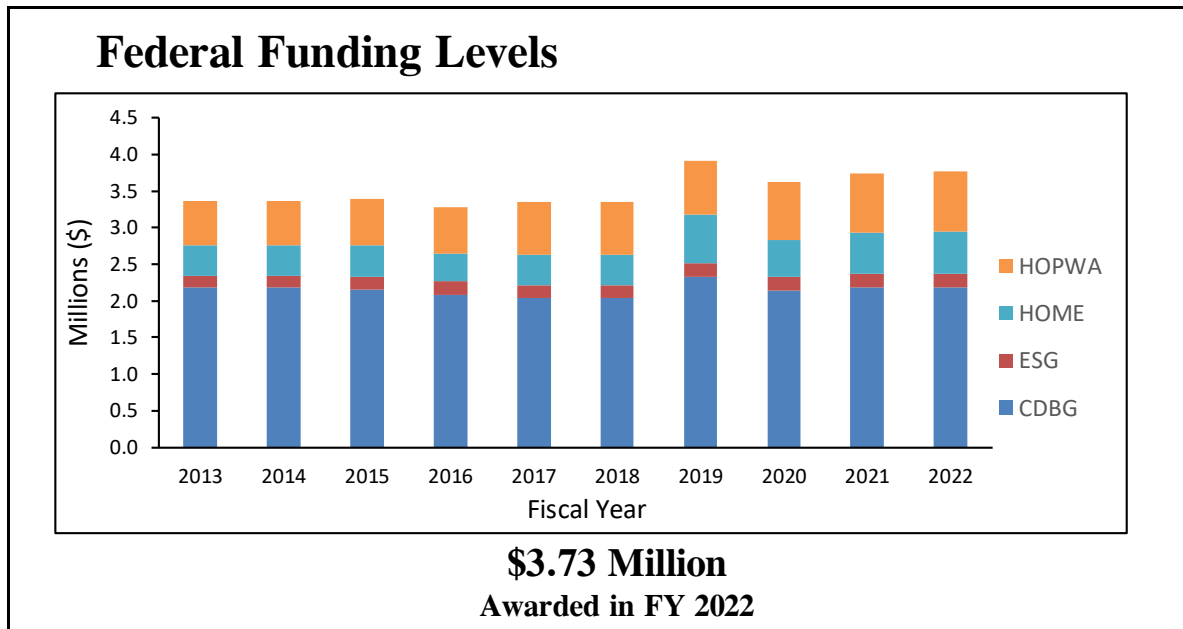
The above chart does not include new construction, homeownership, or rental housing loans and grants to developers.



The above chart represents federally funded public services and administration grants.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE TRENDS



The above chart shows the amount of regular federal funding received by the Department of Real Estate & Housing over the past 10 years. It does not include any funds received as part of the CARES Act in relation to the COVID-19 pandemic.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	216,543	319,372	208,463	222,842
Temporary Salaries	7,344	(419)	0	0
Acting Out of Classification	5,406	605	0	0
Sick Leave Bonus	400	100	0	0
Overtime	0	0	0	0
Clothing Allowance	43	1,000	0	0
Pension Contribution	(49,472)	58,950	23,528	29,795
Social Security	13,659	18,822	12,694	13,452
Medicare Tax	3,941	4,657	2,968	3,147
Hospitalization	54,532	51,734	27,524	27,718
Life Insurance	458	1,201	661	692
Pension Healthcare	16,918	32,967	10,052	11,169
State Pension Plan - Civilian	6,558	8,919	8,700	8,420
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(9,448)	(9,713)
TOTAL PERSONAL SERVICES	276,330	497,907	285,142	307,522
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	715	685	1,600	2,100
Printing & Advertising	528	218	1,600	1,600
Miscellaneous Services	4,775	14,829	6,000	5,000
Professional Fees	8,987	5,822	83,000	40,000
Community Activities	587,814	885,558	1,899,800	1,750,000
TOTAL M., S. & E	602,819	907,113	1,992,000	1,798,700
 <u>INTERNAL SERVICES</u>				
Administrative Services	294,102	34,407	46,818	48,223
Self-Insurance	3,792	3,723	2,178	2,235
TOTAL INTERNAL SERVICES	297,894	38,130	48,996	50,458
 <u>DEBT SERVICE</u>				
Principal Payments	594,409	432,970	377,279	3,496,182
Interest Payments	265,486	312,285	245,536	271,744
TOTAL DEBT SERVICE	859,895	745,255	622,815	3,767,926
 GENERAL FUND TOTAL	 2,036,938	 2,188,405	 2,948,953	 5,924,606

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	352,145	311,020	479,508	474,295
Temporary Salaries	24,962	17,888	0	0
Acting Out of Classification	3,020	0	0	0
Clothing Allowance	864	0	0	0
Health Cash Back	0	0	0	0
Pension Contribution	58,522	43,446	76,842	98,875
Social Security	24,348	19,759	28,873	28,481
Medicare Tax	4,696	4,621	6,752	6,658
Hospitalization	53,275	67,872	118,946	99,165
Life Insurance	454	1,242	1,809	1,749
Pension Healthcare	15,113	14,740	27,568	28,270
State Pension Plan - Civilian	9,822	11,143	14,197	9,960
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	547,221	491,731	754,495	747,453
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	759	4,269	5,944	5,944
Communications & Utilities	42	353	1,428	1,428
Transportation	729	1,117	8,233	8,233
Rentals	300	318	600	500
Professional Fees	115,029	131,068	97,000	92,200
Memberships & Registrations	1,542	552	12,143	9,400
Miscellaneous Services	2,460	8,731	5,650	6,000
Office & General Supplies	2,286	2,799	2,500	2,500
Wearing Apparel & Safety	5,281	3,293	6,000	6,000
Equipment	2,443	1,781	4,000	4,000
TOTAL M., S. & E.	130,871	154,281	143,498	136,205
 <u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	1,070,760	1,571,748	1,280,287	1,296,010
TOTAL SPECIAL PURPOSE	1,070,760	1,571,748	1,280,287	1,296,010
 CDBG FUND TOTAL	 1,748,853	 2,217,759	 2,178,280	 2,179,668

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Above Xpectations			3,000	3,000
Catholic Charities			10,000	10,000
Catholic Charities-Bayard House			20,000	20,000
Challenge Program			15,000	30,000
Christiana Cultural Arts Center Inc.			15,000	20,000
Correct a Code Violation Program			300,000	100,000
Delaware Futures, Inc.			5,000	5,000
Delaware Center for Horticulture Street Trees			156,000	100,000
Disposition Program Delivery			82,632	82,632
Down Payment Assistance			100,000	25,000
Duffy's Hope			6,000	2,000
Habitat for Humanity NCC			10,000	51,000
HOND			5,000	1,000
Family Counseling of St. Paul			10,000	13,368
Fair Housing			10,000	15,000
Ingleside Housing Project			80,000	100,000
Interfaith Community Housing			7,500	0
LACC - Homeless Prevention			10,000	10,000
LACC - Evening Enrichment Program			2,500	15,000
Miscellaneous Housing Projects			211,000	0
Public Facilities			200,000	100,000
Neighborhood House, Inc.			17,500	17,000
Salvation Army			6,000	13,414
STEHM, Inc.			13,414	10,000
Sojourners Place			22,500	22,500
Tech Impact - IT Works Technology			9,000	5,000
Teen Warehouse			5,000	7,500
United Way - Stand by Me			5,000	0
Urban Bike Project			10,000	0
Urban Promise			10,000	0
West End Neighborhood House			12,500	15,500
YMCA Teen and Male Residence			27,000	30,500
YWCA Delaware			20,625	20,625
WCC Renovations			0	400,000
Wilmington HOPE Commission			10,000	6,000
Wilmington Senior Center			25,000	0
Budget Control			28,116	44,971
FY 2019 Expenditures	1,070,760			
FY 2020 Expenditures		1,571,748		
TOTAL GRANTS & FIXED CHARGES	1,070,760	1,571,748	1,480,287	1,296,010

DEPARTMENT: REAL ESTATE & HOUSING**FUND: HOME PARTNERSHIP**

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	34,802	31,488	26,504	34,946
Temporary Salaries	(11)	0	0	0
Clothing Allowance	49	0	0	0
Health Cash Back	0	0	0	0
Pension Contribution	9,780	10,434	7,315	10,554
Social Security	2,185	1,829	1,616	2,129
Medicare Tax	491	428	378	498
Hospitalization	7,486	5,931	3,569	3,953
Life Insurance	209	214	98	127
Pension Healthcare	1,851	2,016	1,499	2,055
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	56,842	52,339	40,979	54,262
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	569,363	158,722	523,045	525,357
TOTAL SPECIAL PURPOSE	569,363	158,722	523,045	525,357
HOME PARTNERSHIP FUND TOTAL	626,205	211,060	564,024	579,619

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Central Baptist CDC			0	20,000
CHDO Set-aside			86,604	58,165
Compton Towne Apartments			150,000	0
Cornerstone West CDC			110,000	0
Delaware Valley Development Company			0	31,453
Penrose LLC			120,798	0
Todmorden Foundation - The Flats			310,744	0
Be Ready CDC - Solomon's Court			100,000	0
Central Baptist CDC			200,000	0
Interfaith Community Housing - 9th Street			150,000	0
Cinnaire Solutions - 8th Street Stabilization			100,000	0
Pennrose LLC - Riverside Redevelopment			212,244	0
Sacred Heart			0	381,110
Habitat for Humanity - Eastside			150,000	30,372
Our Youth, Inc.			200,000	0
Program Income			(1,367,345)	0
Budget Control			0	4,257
FY 2019 Expenditures	569,363			
FY 2020 Expenditures		158,722		
TOTAL GRANTS & FIXED CHARGES	569,363	158,722	523,045	525,357

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOPWA

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	10,606	10,029	13,872	13,872
Pension Contribution	(1,247)	0	0	0
Social Security	380	611	849	848
Medicare Tax	365	143	198	198
Hospitalization	(430)	1,035	1,488	1,276
Life Insurance	194	39	41	41
Pension Healthcare	578	425	622	659
State Pension Plan - Civilian	727	759	979	941
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	11,173	13,040	18,049	17,835
SPECIAL PURPOSE				
Grants & Fixed Charges	618,233	801,742	784,386	806,628
TOTAL SPECIAL PURPOSE	618,233	801,742	784,386	806,628
HOPWA FUND TOTAL	629,406	814,782	802,435	824,463

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Catholic Charities			10,213	10,213
Cecil County Emergency Housing			36,768	38,135
Delaware HIV Services, Inc.			660,351	685,085
Ministry of Caring-House of Joseph II			71,030	71,030
Budget Control			6,024	2,165
FY 2019 Expenditures	618,233			
FY 2020 Expenditures		801,742		
TOTAL GRANTS & FIXED CHARGES	618,233	801,742	784,386	806,628

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	10,807	12,150	10,608	10,608
Pension Contribution	(2)	0	0	0
Social Security	665	738	649	649
Medicare Tax	156	173	152	152
Hospitalization	670	1,577	1,139	976
Life Insurance	44	28	31	31
Pension Healthcare	534	530	475	504
State Pension Plan - Civilian	801	848	749	719
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	13,675	16,044	13,803	13,639
SPECIAL PURPOSE				
Grants & Fixed Charges	170,169	167,527	174,028	175,431
TOTAL SPECIAL PURPOSE	170,169	167,527	174,028	175,431
EMERGENCY SOLUTIONS GRANT				
FUND TOTAL	183,844	183,571	187,831	189,070

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Family Promise			19,616	30,473
Housing Alliance Delaware			37,217	17,891
Ministry of Caring			25,311	28,311
The Salvation Army			13,640	18,640
YWCA Delaware-Rapid Re-Housing			77,960	79,575
Budget Control			284	541
FY 2019 Expenditures	170,169			
FY 2020 Expenditures		167,527		
TOTAL GRANTS & FIXED CHARGES	170,169	167,527	174,028	175,431



DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce in the Commerce Fund was responsible for promoting and developing commerce and industry within the City of Wilmington. In addition, the Department managed and marketed the Port of Wilmington (the “Port”) as a self-sufficient business entity. Although the Port was profitable, the City could no longer afford the infrastructure improvements necessary to maintain its competitiveness and profitability. Consequently, the City successfully negotiated a sale of the Port to the State of Delaware, effective September 1, 1995. Although the City retained the debt of the Commerce Fund, the State agreed to reimburse the City for both principal and interest, along with a “mortgage” payment based on a 30-year amortization of the sale price.

In February of 2002, under a new agreement with the State, the City received a lump sum payment of \$8 million from the State Transportation Fund, which eliminated all future outstanding mortgage payments. As a result, all future annual amortized gain figures were recalculated and re-amortized from FY 2002 to FY 2005. The State’s reimbursement of the City’s debt was not affected by this new agreement.

In FY 2009, the remaining balance of the City’s Commerce Fund was depleted. As a result, beginning in FY 2010, all Port debt service and reimbursement revenue from the State were budgeted into the General Fund.

In 2018, the State entered into a long-term Port lease agreement with Gulftainer, and subsequently provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt reimbursement payments for the remaining life of the associated bonds, which will be fully paid down in FY 2023.

For the FY 2022 budget, total debt service has increased by \$81,672 as per the existing debt service schedule.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Debt Service	501,661	720,226	73,269	154,941
TOTAL	501,661	720,226	73,269	154,941
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Debt Service	501,661	720,226	73,269	154,941
TOTAL	501,661	720,226	73,269	154,941
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

DEBT SERVICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPOVED FY 2022
Principal Payments	346,395	588,328	67,153	64,668
Interest Payments	155,266	131,898	6,116	90,273
TOTAL DEBT SERVICE	501,661	720,226	73,269	154,941
GENERAL FUND TOTAL	501,661	720,226	73,269	154,941

DEPARTMENT OF INFORMATION TECHNOLOGIES

The mission of the Department of Information Technologies (DoIT) is to enable technology to increase the effectiveness and efficiency of services for the employees and citizens of the City of Wilmington. The Department strives to provide a secure, efficient, and flexible environment that will enhance the productivity of the City's workforce.

DoIT consists of six divisions, including Data Processing, Document Management, Mail Service, Duplication & Printing, Mapping & Graphics, and Communications.

PRIORITIES FOR FISCAL YEAR 2022
<ul style="list-style-type: none"> • Support the Mayor's Office by maintaining an accessible, interactive and responsive E-Government platform for citizen engagement. • Provide a secure, reliable, and stable computing environment for City employees. • Continue to employ cost-effective and innovative Enterprise solutions while leveraging Cloud technologies strategically. • Invest in solutions to increase employee Cyber-Security awareness and computing skills to create a skilled workforce for the future.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF INFORMATION TECHNOLOGIES

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF INFORMATION TECHNOLOGIES	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	0	2,069,156	2,166,427	2,188,274
Materials, Supplies & Equipment	0	5,505,347	5,934,022	6,345,789
Internal Services	0	4,873	15,367	15,770
Debt Service	0	349,866	385,827	114,548
Special Purpose	0	0	0	0
TOTAL	0	7,929,242	8,501,643	8,664,381
STAFFING LEVELS	0.00	22.00	21.00	21.00

GENERAL FUND				
DEPARTMENT OF INFORMATION TECHNOLOGIES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Personal Services	0	2,069,156	2,166,427	2,188,274
Materials, Supplies & Equipment	0	5,505,347	5,934,022	6,345,789
Internal Services	0	4,873	15,367	15,770
Debt Service	0	349,866	385,827	114,548
TOTAL	0	7,929,242	8,501,643	8,664,381
STAFFING LEVELS	0.00	22.00	21.00	21.00

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
GENERAL FUND**

- Regular Salaries increased by \$27,349 (2%), due to an allowance for a citywide 2% cost of living adjustment (COLA). This increase was offset by a \$16,356 decrease in Hospitalization.
- MS&E increased by a net \$411,767, or 6.9%, due to the following changes:
 - Computer Software Licenses increased by \$513,195, largely reflecting the addition of \$355,000 to fund migration of an on-site computer system (MUNIS) to the cloud. Tyler Tech will provide MUNIS application services over the internet while retaining all data in a cloud environment. In addition, \$100,000 in funding for Winston Benefits software will provide remote employee benefits on-boarding services.
 - Consultants decreased by a net \$60,000, primarily due to a reduction in costs related to the City's comprehensive 311 Information Call Center and constituent service request tracking system. Initial implementation of the Call Center is complete; however, a lower level of funding is still needed for the completion of special projects and ongoing maintenance.
- Debt Service decreased by \$271,279 per the existing debt service schedule.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: INFORMATION TECHNOLOGIES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Regular Salaries	0	1,267,822	1,359,223	1,386,572
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	1,300	0	0
Overtime	0	1,345	0	0
Meal Allowance	0	0	0	0
Health Cash Back	0	2,340	2,160	2,160
Pension Contribution	0	290,928	254,823	254,378
Social Security	0	75,401	81,455	83,077
Medicare Tax	0	17,588	19,050	19,430
Hospitalization	0	306,521	335,649	319,293
Life Insurance	0	4,838	5,019	5,024
Pension Healthcare	0	76,198	76,776	81,438
State Pension Plan - Civilian	0	24,875	32,272	36,902
Accrued Sick/Vacation	0	0	0	0
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	0	2,069,156	2,166,427	2,188,274
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	70,804	73,300	73,300
Communications & Utilities	0	1,377,577	1,321,530	1,323,048
Transportation	0	400	6,500	8,500
Rentals of Office Equipment	0	98,932	124,000	120,000
Contracted Maintenance Repairs	0	615,793	868,199	810,259
Professional Fees	0	1,741,949	1,791,600	1,746,100
Memberships & Registrations	0	37,638	79,000	79,000
Miscellaneous Services	0	46,881	60,120	87,120
Office & General Supplies	0	115,175	150,060	149,560
Uniforms & Related Equipment	0	878	7,000	7,000
Miscellaneous Parts	0	70,362	70,300	70,300
Equipment	0	1,328,958	1,382,413	1,871,602
Fixed Assets	0	0	0	0
Capitalized Exps - Op.	0	0	0	0
TOTAL M., S. & E.	0	5,505,347	5,934,022	6,345,789
<u>INTERNAL SERVICES</u>				
Administrative Services	0	4,873	0	0
Self-Insurance	0	0	15,367	15,770
TOTAL INTERNAL SERVICES	0	4,873	15,367	15,770

DEPARTMENT: INFORMATION TECHNOLOGIES**FUND: GENERAL**

DEBT SERVICE	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	APPROVED FY 2022
Amortization	0	337,812	360,222	88,808
Interest Payment	0	12,054	25,605	25,740
TOTAL DEBT SERVICE	0	349,866	385,827	114,548
GENERAL FUND TOTAL	0	7,929,242	8,501,643	8,664,381

THE CAPITAL IMPROVEMENTS PROGRAM

I. Introduction

The Capital Improvements Program is a six-year capital spending plan, adopted by City Council annually. The first year of the Capital Program is known as the Capital Budget. In alternating years, the Capital Budget includes two full fiscal years of funding due to the City's decision to bond biennially, instead of annually. This results in "off" years when the budget requests will be zero. The decision to bond biennially reduces the frequency of borrowing and lowers financing costs.

The Capital Improvements Program and Budget provide a schedule of expenditures to develop and improve the public facilities necessary to serve those who live and work in Wilmington. The projects reflect the physical development policies of the City, such as Comprehensive Development Plans, Urban Renewal Plans, etc. This document describes the development of a Capital Program; the statutory basis for the preparation of the Capital Program; and an explanation of the capital projects proposed for the FY 2022 - FY 2027 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

The Wilmington Home Rule Charter describes the process for preparing and adopting the City's Capital Program. The process begins with the various City departments submitting requests for specific projects to the Office of Management and Budget and the Department of Planning. Department heads discuss their project proposals with the Office of Management and Budget and the Department of Planning, indicating their programming priorities. Three major considerations guide the review of these departmental requests:

1. Overall development objectives for Wilmington. This includes the feasibility, desirability, and need for specific projects.
2. The relationships among projects with respect to design, location, timing of construction and the nature of activities involved.
3. The City's fiscal policies and capabilities.

The City Planning Commission reviews the Capital Program for conformance to the Comprehensive Plan and other City policies and makes recommendations to the Office of Management and Budget and the Department of Planning. The Capital Program is then submitted to the Mayor for his review and transmittal, along with the Annual Operating Budget, to City Council for their approval.

B. Nature of a Capital Project

Generally, a capital project is fixed in nature, has a relatively long life expectancy, and requires a substantial financial investment. Capital projects traditionally take the form of large-scale physical developments, such as buildings, streets, and water mains. However, a wide range of other projects qualify for capital funding consideration, including fire-fighting apparatus, street lighting, and computer software. A capital project must cost a minimum of \$5,000 and generally include one or more of the following characteristics:

1. Acquisition of real property, including the purchase of land and/or existing structures for a community facility or utility.
2. Major replacement facilities, such as roofs, heating, plumbing, and electrical systems.
3. Preliminary studies and surveys pursuant to acquisition, construction or rehabilitation of City-owned property.
4. Purchase of specialized equipment and furniture for public improvements when first erected or acquired.
5. Cash contributions when necessary to fulfill the City's obligation in federally assisted programs of a capital nature.
6. Improvements to City-owned public utilities, such as sewers, water mains, fire hydrants, streets, and catch basins.
7. Vehicles (excluding special equipment not considered a part of the vehicle) exceeding \$25,000 in cost and having a life expectancy of more than ten years.

Percent Allocation to Art: Municipal construction contracts let by the city for the construction of, or remodeling of, public buildings or structures shall include a sum of money amounting to five percent of the estimated construction cost of the building or structure, for ornamentation. Ornamentation includes, but is not limited to, sculpture, monuments, bas relief, mosaics, frescoes, stained glass, murals, fountains, or other decoration, both exterior and interior, having a period of usefulness of at least five years. In the event the five percent sum is not used for the incorporation of ornamentation into the construction project, it shall be placed in the artwork reserve fund. Eligible construction contracts means a capital project greater than \$25,000 identified in the annual capital budget to construct or remodel any public building or structure including parks, or any portion thereof, within the city limits. This shall not include construction, repair or alteration of city streets or sidewalks.

C. The City's Financial Policy for the Capital Program

The following are the major elements that determine how much money the City can legally borrow and how it will pay for specific projects:

1. Fiscal Borrowing Limit

Legislation enacted by the Delaware General Assembly on July 7, 1971 amended the general obligation bond limit of the City of Wilmington to permit a debt service which does not exceed 17.5 percent of the annual operating budget. Because the bonds issued for the sewage treatment and water facilities are revenue supported, they are not subject to this limitation.

2. Self-Sustaining Projects

A clear distinction is made in the Capital Program between tax-supporting and self-sustaining (revenue) projects. Self-sustaining projects are part of any operation which will generate sufficient revenues to cover its debt service (water and sewer service, for example). Although the debt service on these bonds is paid from the various operating revenues, the bonds are secured by the City's full taxing authority, and thus are actually a special form of general obligation bonds.

3. Bond Life

The City generally limits the term of its borrowing to 20 years for all tax supported and revenue obligations. However, under special circumstances, 5- or 10-year bonds have been, and can be, issued.

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

Projects which provide a service not previously available. Examples include sewer lines; roads and water mains to areas not previously served; the acquisition and development of new parks; or the construction of a new facility for a new service.

2. New Replacing Existing

New projects which replace an existing facility providing a similar or identical service. Examples include the acquisition of new apparatus, or the replacement of aging sewer lines and water mains.

3. Upgrading Existing

Additions and modifications to existing facilities aimed at providing more and/or better service than is now provided. Examples include additions to buildings, increasing the capacity of existing water mains and development of park land already owned by the City.

4. Restoring Existing

Projects aimed at restoring an existing facility to its original capacity and/or quality of service. Examples include cleaning and relining of water mains, and minor capital improvements projects.

Significantly, only a small percentage of past capital expenditures have been for new service. This is very characteristic of an older, highly developed City in which most basic municipal services are already in place, and no new significant population growth is taking place.

Most projects fall within the category of upgrading existing facilities, reflecting a policy of extending and expanding their usefulness to the City's present stock of capital facilities. A policy of utilizing existing facilities with renovations and additions maximizes the efficiency of capital spending.

In the past, the replacement of capital facilities with new ones was prevalent. This approach is justifiable when facilities are too obsolete to permit economical rehabilitation or modification, when they have been utilized to the extent of their full useful life, or they are improperly located to meet the current needs. In general, replacements of this type offer increased capacity, modern features and up-to-date conveniences not found in the facilities they replace.

The restoration of existing facilities is generally undertaken when an existing facility has become so worn or deteriorated that major corrective action is needed to preserve its usefulness. While these expenditures do not result in the provision of new or improved service, they are among the most cost-efficient capital expenditures since maximum use is made of existing facilities.

E. Method of Funding

1. City Obligations

The bulk of funding for the City's Capital Improvements Program has traditionally come through general obligation bonds issued by the City and repaid out of the appropriate department operating budget over a 20-year period. In general, investors loan the City funds based upon its "bond" or promise to repay them using all means possible.

2. Federal and State Funds

In the past, the Federal and State governments have provided substantial support for capital programs in the City. For example, federal grants have often composed a major portion of funding for sewer and water projects, with local capital funding being used to "match" the Federal portion. Federal and State funds have been requested to supplement this year's budget.

3. Unused Capital Funds

Unexpended funds from previous Capital Budgets are reviewed annually to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount being currently borrowed.

F. Capital Funding Proposed for FY 2022 - FY 2027

The six-year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 1-21, totals \$288,204,913, with a FY 2022 Capital Budget in the amount of \$99,263,020 and the additional five-year program adding \$188,941,893. A breakdown of these costs and the project descriptions are provided in the following pages.

G. Impact of Capital Spending on the Operating Budget

Because the majority of the projects in the Capital Budget are funded through the issuance of General Obligation Bonds, the payment of debt service has the greatest overall effect on the Operating Budget. The annual debt service expense that would result from bonds issued to fund the Capital Budget would be \$4,137,841. It should be noted that only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

In addition to the debt service, completed projects may have operational costs such as maintenance, utilities and the need for additional personnel or work hours. In a few instances, operational efficiencies result from a capital project that decreases costs in the Operating Budget. In the Capital Project descriptions section, each project's annual debt service impact and estimated net annual operational costs or (savings) are shown. The operational impact is divided into two categories: Personal Services (Wages and Benefits costs) and Materials, Supplies and Equipment (M.S.& E.). A summary of the operational impact by Department and Fund is shown in the table on the following page.

H. Active Capital Projects

Because of the complex nature of capital projects, the total budget request is rarely expended within the budget year. Per City Code, the City's Capital Review Committee meets quarterly to review the status of active multi-year projects. Information from these meetings is shared with the public on the City's OpenGov transparency website: <https://bit.ly/WDeCapital>.

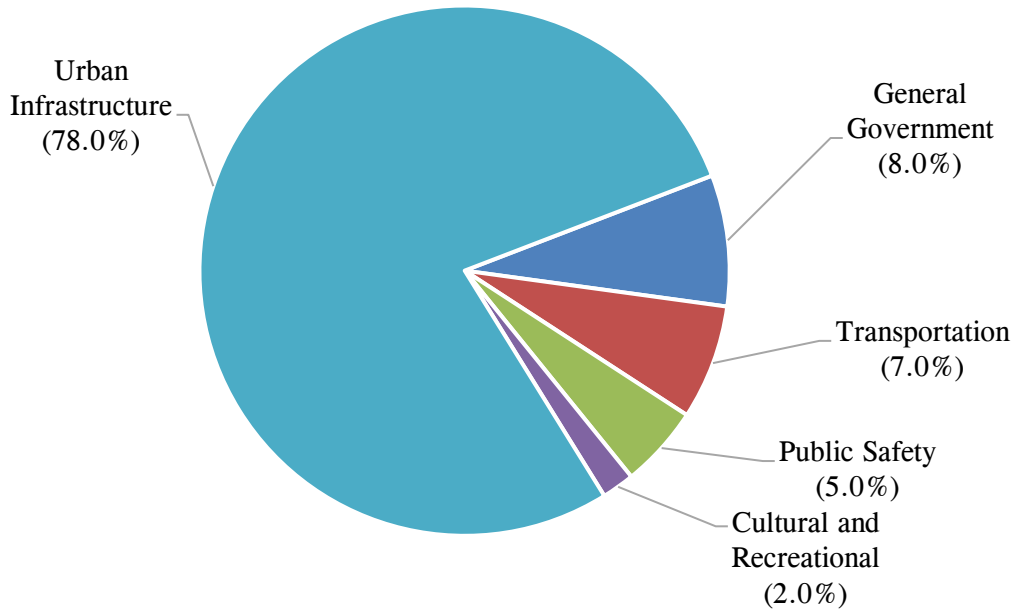
Estimated Annual Impact of Capital Budget Spending on the Operating Budget

Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$92,035	\$0	\$50,000	\$142,035
	Water/Sewer	233,480	0	100,000	333,480
Fire	General	286,073	0	(20,000)	266,073
Mayor's Office	General	152,691	0	0	152,691
Parks & Recreation	General	143,037	0	(1,000)	142,037
Police	General	22,528	0	1,575	24,103
Public Works	General	429,110	0	(30,000)	399,110
	Water/Sewer	2,242,500	0	(194,000)	2,048,500
Real Estate & Housing	General	71,518	0	0	71,518
Transportation	General	464,869	0	32,500	497,369
TOTAL		\$4,137,841	\$0	(\$60,925)	\$4,076,916

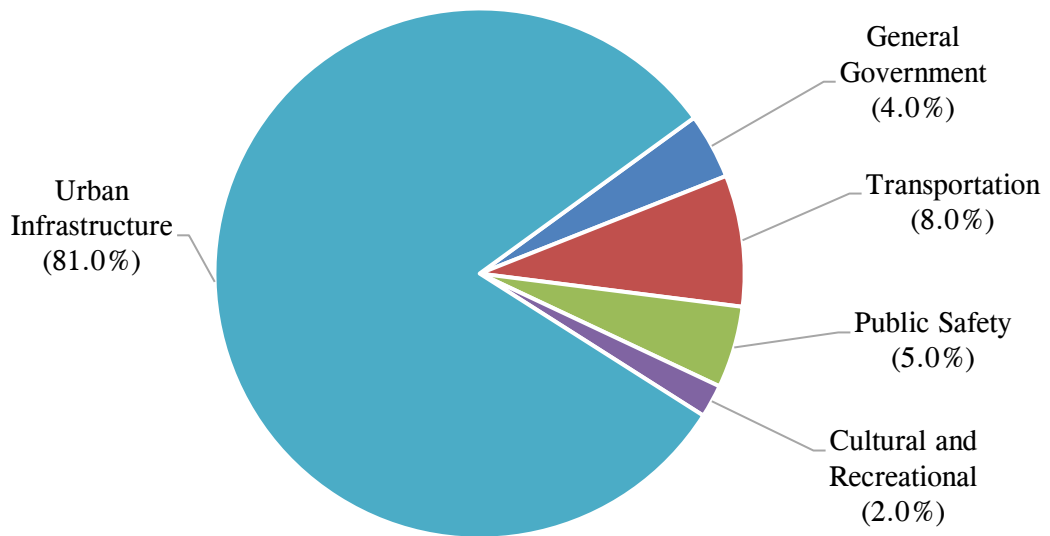
Fund	Debt Service*	Personal Services	M. S. & E.	Total
General	\$1,661,861	\$0	\$33,075	\$1,694,936
Water / Sewer	2,475,980	0	(94,000)	2,381,980
TOTAL	\$4,137,841	\$0	(\$60,925)	\$4,076,916

* Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund.

Capital Program Allocations FY 2022



Capital Program Allocations FY 2023 - FY 2027



**Capital Improvements Program
Fiscal Years 2022 - 2027**

Summary: Total Funds Recommended by Fiscal Year and Department

Department	Type of Funding	Fiscal Year						Total City Funds	Total City / Matching Funds
		2022	2023	2024	2025	2026	2027		
Finance	G	1,286,880	0	1,905,125	0	287,625	0	3,479,630	3,479,630
	W	6,226,140	0	1,418,905	0	2,810,238	0	10,455,283	10,455,283
Fire	G	4,000,000	0	7,750,000	0	0	0	11,750,000	11,750,000
Mayor's Office	G	2,135,000	0	2,660,000	0	2,510,000	0	7,305,000	7,305,000
Parks	G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Police	G	315,000	0	0	0	0	0	315,000	315,000
Public Works	G	6,000,000	0	11,000,000	0	11,000,000	0	28,000,000	28,000,000
	O	2,000,000		1,000,000		1,000,000		0	4,000,000
	W	59,800,000	0	55,800,000	0	54,800,000	0	170,400,000	170,400,000
Real Estate and Housing	G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Transportation	G	6,500,000	0	6,500,000	0	6,500,000	0	19,500,000	19,500,000
	O	8,000,000	0	8,000,000	0	8,000,000	0	0	24,000,000
Total by Fund	G	23,236,880	0	32,815,125	0	23,297,625	0	79,349,630	79,349,630
	O	10,000,000	0	9,000,000	0	9,000,000	0	0	28,000,000
	W	66,026,140	0	57,218,905	0	57,610,238	0	180,855,283	180,855,283
Grand Total		99,263,020	0	99,034,030	0	89,907,863	0	260,204,913	288,204,913

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Summary: Total Funds Recommended by Expenditure Category

Department	Expend. Category	Fiscal Year						Total City Funds	Total City / Matching Funds
		2022	2023	2024	2025	2026	2027		
Finance (Bond Issuance Costs)	NR	105,140	0	87,030	0	26,238	0	218,408	218,408
	RE	162,500	0	237,500	0	200,000	0	600,000	600,000
	UE	834,380	0	787,000	0	772,625	0	2,394,005	2,394,005
Finance (Projects)	NR	6,411,000	0	2,212,500	0	2,099,000	0	10,722,500	10,722,500
Fire	NR	2,000,000	0	4,750,000	0	0	0	6,750,000	6,750,000
	RE	2,000,000	0	3,000,000	0	0	0	5,000,000	5,000,000
Mayor's Office	UE	2,135,000	0	2,660,000	0	2,510,000	0	7,305,000	7,305,000
Parks	UE	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Police	UE	315,000	0	0	0	0	0	315,000	315,000
Public Works	RE	13,000,000	0	17,000,000	0	17,000,000	0	43,000,000	47,000,000
	UE	54,800,000	0	50,800,000	0	49,800,000	0	155,400,000	155,400,000
Real Estate and Housing	UE	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Transportation	UE	14,500,000	0	14,500,000	0	14,500,000	0	19,500,000	43,500,000
Total by Expenditure Category	NR	8,516,140	0	7,049,530	0	2,125,238	0	17,690,908	17,690,908
	RE	15,162,500	0	20,237,500	0	17,200,000	0	48,600,000	52,600,000
	UE	75,584,380	0	71,747,000	0	70,582,625	0	193,914,005	217,914,005
Grand Total		99,263,020	0	99,034,030	0	89,907,863	0	260,204,913	288,204,913

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Finance Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Utility Billing System	NR	W	5,411,000	0	712,500	0	2,099,000	0	8,222,500	8,222,500
Online Wage Tax Filing System	NR	G	1,000,000	0	1,500,000	0	0	0	2,500,000	2,500,000
Cost of Bond Issue (General Fund)		G	286,880	0	405,125	0	287,625	0	979,630	979,630
Cost of Bond Issue (Water / Sewer Fund)		W	815,140	0	706,405	0	711,238	0	2,232,783	2,232,783
Total by Fund		G	1,286,880	0	1,905,125	0	287,625	0	3,479,630	3,479,630
		W	6,226,140	0	1,418,905	0	2,810,238	0	10,455,283	10,455,283
Total Finance Department Funds			7,513,020	0	3,324,030	0	3,097,863	0	13,934,913	13,934,913

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories. Bond Issuance Costs projected to be 1.25%

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Fire Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Apparatus Replacement	NR	G	2,000,000	0	4,000,000	0	0	0	6,000,000	6,000,000
Fire Station Renovations	RE	G	2,000,000	0	3,000,000	0	0	0	5,000,000	5,000,000
Ambulance Replacement	NR	G	0	0	750,000	0	0	0	750,000	750,000
Total by Fund		G	4,000,000	0	7,750,000	0	0	0	11,750,000	11,750,000
Total Fire Funds			4,000,000	0	7,750,000	0	0	0	11,750,000	11,750,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Mayor's Office - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Five Percent for Art	UE	G	135,000	0	160,000	0	10,000	0	305,000	305,000
Site Acquisition	UE	G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Infrastructure and Site Improvements Closing Fund	UE	G	1,000,000	0	1,500,000	0	1,500,000	0	4,000,000	4,000,000
Total by Fund		G	2,135,000	0	2,660,000	0	2,510,000	0	7,305,000	7,305,000
Total Mayor's Office Funds			2,135,000	0	2,660,000	0	2,510,000	0	7,305,000	7,305,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Parks and Recreation - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Park Improvements	UE	G	1,800,000	0	1,800,000	0	1,800,000	0	5,400,000	5,400,000
WHACC Improvements	UE	G	200,000	0	200,000	0	200,000	0	600,000	600,000
Total by Fund		G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Total Parks and Recreation Funds			2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Police Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Marine Unit Replacement Vessel	NR	G	315,000	0	0	0	0	0	315,000	315,000
Total by Fund		G	315,000	0	0	0	0	0	315,000	315,000
Total Police Department Funds			315,000	0	0	0	0	0	315,000	315,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Public Works - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Street Paving and Reconstruction	RE	G	5,000,000	0	10,000,000	0	10,000,000	0	25,000,000	25,000,000
	RE	O	2,000,000	0	1,000,000	0	1,000,000	0	0	4,000,000
Emergency Sidewalk Repairs	UE	G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
11th Street Sewage Pumping Station Upgrade	UE	W	10,000,000	0	10,000,000	0	10,000,000	0	30,000,000	30,000,000
Annual Minor Sewer Improvements	RE	W	1,500,000	0	1,500,000	0	1,500,000	0	4,500,000	4,500,000
Major Sewer Improvements	RE	W	4,000,000	0	4,000,000	0	4,000,000	0	12,000,000	12,000,000
Annual Water Improvements	UE	W	7,500,000	0	7,500,000	0	7,500,000	0	22,500,000	22,500,000
Porter Filter Plant Improvements	UE	W	8,000,000	0	5,000,000	0	4,000,000	0	17,000,000	17,000,000
Hoopes Raw Water Improvements	UE	W	1,000,000	0	0	0	0	0	1,000,000	1,000,000
Transmission Main Improvements	UE	W	4,000,000	0	4,000,000	0	4,000,000	0	12,000,000	12,000,000
Pressure Zone Reliability Improvements	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Pumping Station Improvements	UE	W	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
Brandywine Filter Plant Improvements	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
WWTP Infrastructure Improvements	UE	W	14,000,000	0	14,000,000	0	14,000,000	0	42,000,000	42,000,000
Architectural Improvements	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Raw Water System Improvements	UE	W	3,000,000	0	3,000,000	0	3,000,000	0	9,000,000	9,000,000
Stormwater Drainage Management Program	UE	W	1,800,000	0	1,800,000	0	1,800,000	0	5,400,000	5,400,000
Storm Water Mitigation (Green Infrastructure)	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Urban Forest Management Program	RE	W	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
Total by Fund		G	6,000,000	0	11,000,000	0	11,000,000	0	28,000,000	28,000,000
		O	2,000,000		1,000,000		1,000,000		0	4,000,000
		W	59,800,000	0	55,800,000	0	54,800,000	0	170,400,000	170,400,000
Total Public Works Funds			67,800,000	0	67,800,000	0	66,800,000	0	198,400,000	202,400,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Real Estate and Housing - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
Stabilization & Rehabilitation	UE	G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Total by Fund		G	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Total Real Estate and Housing Funds			1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. [page 253](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2022 - 2027**

Transportation Division - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2022	2023	2024	2025	2026			2027
ADA Curb Ramp and Sidewalk Compliance	UE	G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Traffic System Infrastructure	UE	G	2,000,000	0	2,500,000	0	2,500,000	0	7,000,000	7,000,000
Wilmington Transportation Initiatives	UE	G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
	UE	O	8,000,000	0	8,000,000	0	8,000,000	0	0	24,000,000
11th & Thatcher - Traffic Shop Storage Building	UE	G	500,000	0	0	0	0	0	500,000	500,000
Total by Fund		G	6,500,000	0	6,500,000	0	6,500,000	0	19,500,000	19,500,000
		O	8,000,000	0	8,000,000	0	8,000,000	0	0	24,000,000
Total Transportation Division Funds			14,500,000	0	14,500,000	0	14,500,000	0	19,500,000	43,500,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 253](#) for detailed descriptions of categories.

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2022 - 2027

A. DEPARTMENT OF FINANCE

The figures provided in the budget and program summary sheets for the Cost of Bond Issue (General Fund) and the Cost of Bond Issue (Water/Sewer Fund) are not related to specific capital projects and as such are not identified in this chapter; rather, these figures represent the costs associated with fund borrowing (bond counsel and other related fees).

1. Utility Billing System

Budget Request: \$5,411,000.
Program Request: \$2,811,500.

Budget: Provides funds to update the existing MUNIS utility billing system to meet the current needs of the Finance Department. Included are discovery, development of new business processes, software development, testing and implementation.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$202,913
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$100,000

2. Online Wage Tax Filing System

Budget Request: \$1,000,000.
Program Request: \$1,500,000.

Budget: Provides funds for an online W-2 filing system for the processing of wage tax submissions and refunds.

Program: None.

<i>Annual Debt Service Impact</i>	\$71,518
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$50,000

B. FIRE DEPARTMENT

1. Apparatus Replacement

Budget Request: \$2,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for the replacement of two Engines.

Program: Ongoing.

Annual Debt Service Impact \$143,037
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$10,000)

2. Fire Station Renovations

Budget Request: \$2,000,000.
Program Request: \$3,000,000.

Budget: Provides funds for design and renovation work to the City's fire stations, including structural, mechanical and cosmetic upgrades.

Program: Ongoing.

Annual Debt Service Impact \$143,037
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$10,000)

3. Rescue Ambulance Replacement

Budget Request: \$0.
Program Request: \$750,000.

Budget: None.

Program: Ongoing program to replace Rescue Ambulances #2, #3 and #6 used for fire calls and emergency medical response.

Annual Debt Service Impact \$0
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

C. OFFICE OF THE MAYOR

1. Five Percent for Art

Budget Request: \$135,000.
Program Request: \$170,000.

Budget: The Five Percent for Art program receives capital funding for the purpose of providing ornamentation, such as sculpture and artwork, on certain eligible capital projects involving public buildings or structures.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$9,655
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Site Acquisition

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for land acquisition to support economic development projects, including public-private partnerships, with a focus on preventing the expansion of undesirable commercial uses in blighted areas, and supporting the development of light manufacturing/industrial business parks.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$71,518
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. Infrastructure and Site Improvements Closing Fund

Budget Request: \$1,000,000.
Program Request: \$3,000,000.

Budget: Provides funds for public infrastructure and site improvements to support economic development projects and other major investments that create employment opportunities and expand commercial and market rate residential development; and for leveraging private redevelopment of underutilized and blighted areas. Includes land acquisition, construction of new roads and utilities, site preparation work and environmental remediation.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$71,518
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

D. PARKS AND RECREATION

1. Park Improvements

Budget Request: \$1,800,000.
Program Request: \$3,600,000.

Budget: Provides funds for improvements for parks, playgrounds, athletic fields, plazas, triangles, squares, swimming pools, fountains and sculptures throughout the city, including fitness equipment, walkways, fencing, landscaping and related site amenities.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$128,733</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. WHACC Improvements

Budget Request: \$200,000.
Program Request: \$400,000.

Budget: Provides funds for interior and exterior improvements to the William Hicks Anderson Community Center, to meet programming and operational needs.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$14,304</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$1,000)</i>

E. POLICE DEPARTMENT

1. Marine Unit Replacements Vessel

Budget Request: \$315,000.
Program Request: \$0.

Budget: Provides funds for repairs, updates and replacement of critical equipment and a towing vehicle for the Marine Unit.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$22,528</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$1,575</i>

F. PUBLIC WORKS

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$5,000,000. (Other Funds: \$2,000,000)
Program Request: \$20,000,000. (Other Funds: \$2,000,000)

Budget: Provides funds for routine street paving and reconstruction of deteriorated roadways throughout the city based on condition and use, in order to maintain roadway network infrastructure.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$357,951
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$25,000)

2. Emergency Sidewalk Repairs

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for emergency repairs to damaged sidewalks throughout the City.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$71,518
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$5,000)

Water/Sewer Fund Projects

1. 11th Street Sewage Pumping Station Upgrade

Budget Request: \$10,000,000.
Program Request: \$20,000,000.

Budget: Provides funds for the rehabilitation and replacement of the aging sewage pumping station.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$375,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$50,000)

2. Annual Minor Sewer Improvements

Budget Request: \$1,500,000.
Program Request: \$3,000,000.

Budget: Provides funds for the rehabilitation of small diameter sewers and other projects citywide, as identified through closed-circuit TV (CCTV) inspection and modeling efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$56,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$7,500)

3. Major Sewer Improvements

Budget Request: \$4,000,000.
Program Request: \$8,000,000.

Budget: Provides funds for sewer reconstruction and rehabilitation of major brick sewers (24" and above) throughout the City.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$150,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$20,000)

4. Annual Water Improvements

Budget Request: \$7,500,000.
Program Request: \$15,000,000.

Budget: Provides funds for maintaining the citywide water distribution system, to improve water quality, pressure, fire flows and overall level of service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$281,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$37,500)

5. Porter Filter Plant Improvements

Budget Request: \$8,000,000.
Program Request: \$9,000,000.

Budget: Provides funds for upgrades to the electrical system and continued improvements to the Porter Reservoir and Clear Well to maintain operations.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$300,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$40,000)

6. Hoopes Raw Water Improvements

Budget Request: \$1,000,000.
Program Request: \$0.

Budget: Provides funds for improvements to Hoopes Dam to assure dam safety and function.

Program: None.

<i>Annual Debt Service Impact</i>	\$37,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$5,000)

7. Transmission Main Improvements

Budget Request: \$4,000,000.
Program Request: \$8,000,000.

Budget: Provides funds for transmission capacity improvements throughout the water district, including the installation of new transmission mains.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$150,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$20,000</i>

8. Pressure Zone Reliability Improvements

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for improvements to pressure zones, tanks and mains and for strategic small main replacements, to improve reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$37,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$5,000</i>

9. Pumping Station Improvements

Budget Request: \$500,000.
Program Request: \$1,000,000.

Budget: Provides funds for upgrades to pumps and electrical components at various pumping stations to maintain consistent level of water service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$18,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$2,500)</i>

10. Brandywine Filter Plant Improvements

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: Provides funds for structural, mechanical and aesthetic upgrades, including electrical, heating and HVAC system improvements, to the Brandywine Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$37,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$5,000)</i>

11. WWTP Infrastructure System Improvements

Budget Request: \$14,000,000.

Program Request: \$28,000,000.

Budget: Provides funds for the rehabilitation and replacement of aged infrastructure at the Waste Water Treatment Plant (12th Street and Hay Road).

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$525,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$70,000)</i>

12. Architectural Improvements

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: Provides funds for architectural repairs, restoration and stabilization of buildings, roofs, and structural components throughout the water system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$37,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$5,000)</i>

13. Raw Water System Improvements

Budget Request: \$3,000,000.
Program Request: \$6,000,000.

Budget: Provides funds for the rehabilitation of the 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$112,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$15,000</i>

14. Stormwater Drainage Management Program

Budget Request: \$1,800,000.
Program Request: \$3,600,000.

Budget: Provides funds for tide gate evaluation and reconstruction, storm inlet reconstruction, and other drainage improvement projects citywide to mitigate local flooding and to prevent tidal water inflows into the sewer system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$67,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$9,000)</i>

15. Stormwater Mitigation (Green Infrastructure)

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for the expansion and implementation of green infrastructure projects to mitigate CSOs through the source control of storm water throughout the citywide collection system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$37,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$5,000</i>

16. Urban Forest Management Program

Budget Request: \$500,000.
Program Request: \$1,000,000.

Budget: Provides funds for tree planting and stump removal to support mandates for green infrastructure, storm water control, and 2-for-1 tree replacement.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$18,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$2,500</i>

G. REAL ESTATE AND HOUSING

1. Neighborhood Stabilization

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for the acquisition, rehabilitation and disposition of vacant properties.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$71,518</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

H. TRANSPORTATION

1. ADA Curb Ramp and Sidewalk Compliance

Budget Request: \$2,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for the installation of ADA compliant curb ramps and sidewalk repairs to facilitate compliance with Federal requirements.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$143,037</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$10,000</i>

2. Traffic System Infrastructure

Budget Request: \$2,000,000.
Program Request: \$5,000,000.

Budget: Provides funds for traffic infrastructure improvements including signals, smart parking meters and decorative street lights; and for implementing emerging smart signal and parking technologies in order to maintain the existing traffic control system.

Program: Ongoing.

Annual Debt Service Impact \$143,037
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$10,000

3. Wilmington Transportation Initiatives

Budget Request: \$2,000,000. (Other Funds: \$8,000,000)
Program Request: \$4,000,000. (Other Funds: \$16,000,000)

Budget: Provides local matching funds to leverage federal funding for transportation projects managed through the Wilmington Initiatives partnership (City, DelDOT, Wilmapco), including Transportation Improvements Program (TIP), Transportation Alternatives Program (TAP), and legislator-sponsored projects.

Program: Ongoing.

Annual Debt Service Impact \$143,037
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$10,000

4. 11th & Thatcher - Traffic Shop Storage Building

Budget Request: \$500,000.
Program Request: \$0.

Budget: Provides funds for the replacement of the Traffic Shop building located at 11th and Thatcher Streets with a pole-style storage warehouse.

Program: None.

Annual Debt Service Impact \$35,759
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$2,500



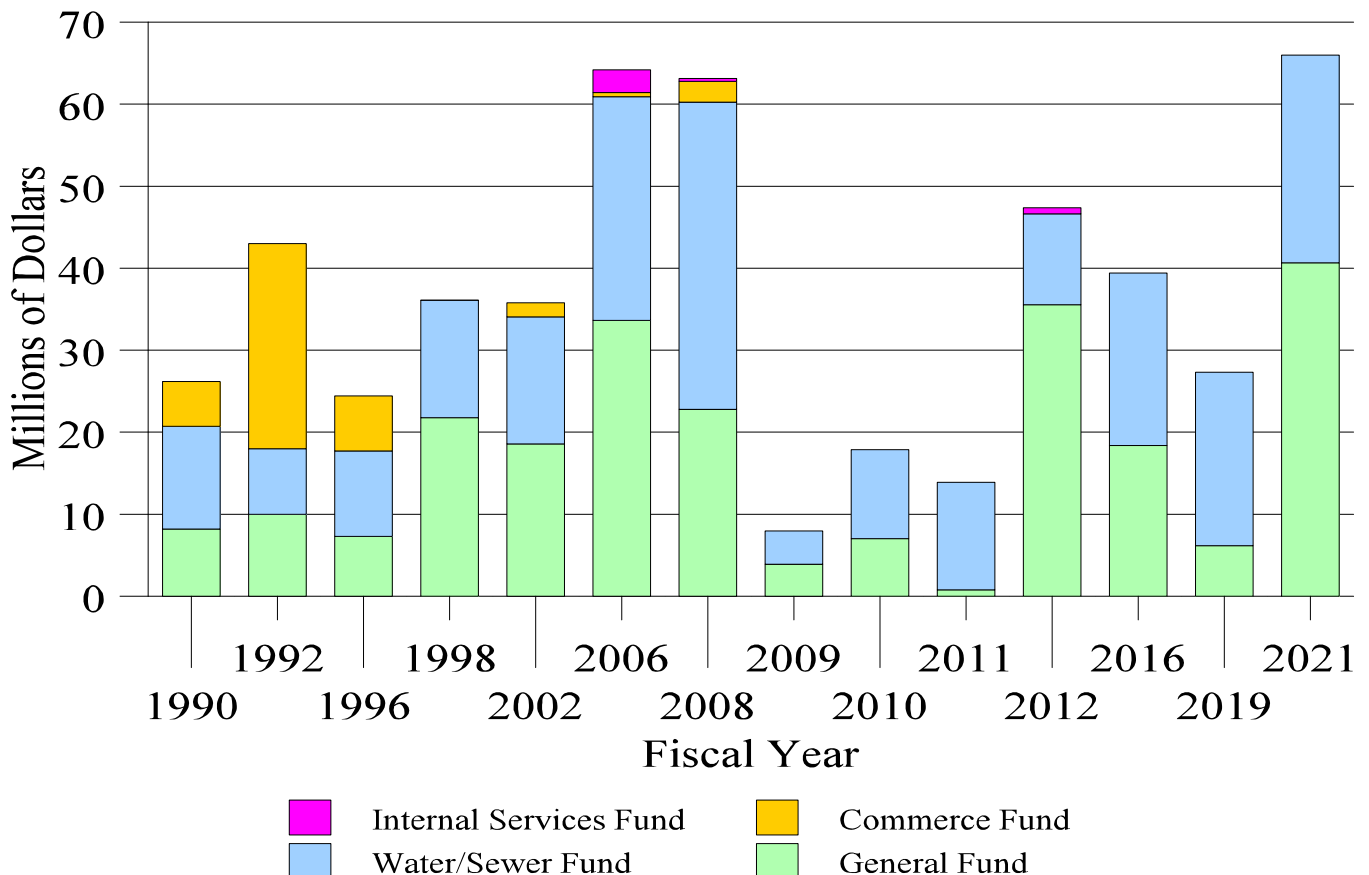
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2021. Amounts shown were borrowed for capital projects within the stated fiscal year. In some fiscal years, the City issued bonds to refinance past obligations at lower interest rates. Those refinancings are not included in the graph below. In other fiscal years, the City issued bonds for both refunding and new projects; only the new projects portion is shown in the graph below. There are also some fiscal years when the City did not issue any bonds.

The City's aggressive position in maintaining its infrastructure results in debt levels and debt servicing requirements slightly higher than peer groups. Overall debt levels have risen due to the expanded servicing area of the Water/Sewer Fund, numerous capital improvements, and the past operations of the Port of Wilmington. However, debt service levels are well within the legal debt limit of 17.5% of operating costs as mandated by the State of Delaware. (This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.) With the Fiscal Year 2022 General Fund Operating Budget totaling \$172,702,401, the budgeted debt service of \$15,506,487 is well below the 17.5% legal debt limit of \$30,222,920.

General Obligation Bond Issuances Fiscal Years 1990-2021



CAPITAL BORROWING AND DEBT MANAGEMENT (Continued)

Uses of Debt Obligations

The City of Wilmington issues debt in order to fund its biennial Capital Improvements Program. Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds. For instance, starting in Fiscal Year 1990, funding for the Water/Sewer Fund increased as a result of major enhancements to the wastewater treatment facility. In 1998, the General Fund increased due to emphasis on economic and housing development of the downtown business district. In 2002, the rise in both the General and Water/Sewer Funds resulted from an accelerated infrastructure maintenance schedule that attempted to reverse previous years of funding neglect for streets, parks, water facilities, water mains, and sewer lines. The borrowing during 2006 and 2008 reflected similar goals, with increases in the General and Water/Sewer Funds resulting from a variety of capital improvements, including Christina Landing development; construction of the new Municipal Complex, which serves both the Parks and Public Works departments; and ongoing repairs and upgrades to the City's water and sewer infrastructure, facilities, and reservoirs.

Because the City deferred issuing new debt for the majority of its capital improvements program during the Great Recession in fiscal years 2009, 2010, and 2011, new borrowing was significantly less than in prior years, but did include a small number of Water/Sewer projects, as well as portion of the Market Street redevelopment project. In FY 2012, an in-depth analysis of the City's most pressing capital needs resulted in a consolidated and more efficiently sized Capital Budget. The bond issuance to fund the FY 2012 Capital Budget took place in November 2012. Continuing to concentrate on high-priority infrastructure projects in parks, streets, and water/sewer mains, the City's three most recent bond issuances in November 2015, November 2018, and October 2020 were used to fund the FY 2014, FY 2016, FY 2018, and parts of the FY 2020 Capital Budgets.

Before its sale to the State of Delaware, the City recognized the importance of its port facilities (Commerce Fund) to Wilmington's economy and therefore made concerted efforts to expand and improve these facilities. In 1992, \$18.8 million was borrowed for warehousing improvements in order to maintain the Port's competitiveness. Realizing that the continued maintenance, upgrading and expansion of Port operations were beyond what it could provide, in 1996 the City sold the Port to the State of Delaware. (The debt service for the Port, however, remains on the City's books and is reimbursed by the State.) Additional Commerce Fund borrowing was used to support economic development activity. In 2009, all funds remaining from the sale of the Port were depleted. Consequently, subsequent economic development borrowing, as well as existing Port debt, has been included in the General Fund.

Debt Management Policies

The City takes a conservative approach to debt management. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Although total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law, the City's policy goal is to keep that percentage below 11%.

CAPITAL BORROWING AND DEBT MANAGEMENT **(Continued)**

The City's debt management is executed by a team of financial specialists that includes the City Treasurer, Budget Director, and Finance Director, along with support from outside financial and legal specialists that form the City's Bond Council.

The bulk of the City's Capital Improvement Program has traditionally been funded through general obligation bonds issued by the City and repaid out of the appropriate departmental operating budgets over a 20-year period, although 5-year and 10-year bonds have been issued in special circumstances. Normally, general obligation bonds are issued for fixed-asset purchases, infrastructure maintenance, and capital improvement projects. The City also uses short-term obligations (e.g. bond anticipation notes, capital leases, etc.) to bridge the time gap between initiation of a project/purchase and the anticipated bond issuance, when the nature of a purchase precludes the issuance of long-term debt, or when it is fiscally responsible to do so.

Per City Code, long-term debt cannot be issued for operating expenses. With City Council approval, the City may in special cases issue short-term tax anticipation notes in order to bridge timing gaps in cash flow from tax revenue sources.

Prior to the issuance of any short- or long-term obligations, the City considers the effect of borrowing on its financial position, its ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund debt service is limited to 17.5% of annual operating costs (equal to \$30,222,920 for FY 2022). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

The City's current bond rating from the three largest bond rating agencies are:

Fitch:	AA-	“Denotes expectations of very low default risk. Indicates very strong capacity for payment of financial commitments, and this capacity is not significantly vulnerable to foreseeable events.”
Moody's:	Aa2	“Issuers or issues demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.”
Standard & Poor's:	AA	“Very strong capacity to meet financial commitments.”

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET**

The five tables below depict past and future debt service payments broken out by principal and interest, total debt service, and debt service as a percentage of the annual budget. Fiscal years 2011 through 2020 figures are actual payments. Fiscal years 2021 and 2022 are budgeted figures, and FY 2023 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average effective interest rates (yields) on outstanding balances are 1.75% for the General Fund, 2.13% for the Water/Sewer Fund, and 2.15% for the Internal Service Funds. (As the Commerce Fund has been exhausted and all debt service transferred to the General Fund, there are no outstanding Commerce Fund balances.)

GENERAL FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	2,837,124	5,409,868	8,246,992	5.3%
FY 2012	5,679,233	5,321,512	11,000,745	7.1%
FY 2013	7,243,632	5,074,873	12,318,505	7.8%
FY 2014	6,842,619	5,196,194	12,038,813	7.8%
FY 2015	7,570,521	4,907,923	12,478,444	8.5%
FY 2016	8,105,713	5,042,201	13,147,914	8.7%
FY 2017	8,626,347	4,940,993	13,567,340	9.0%
FY 2018	7,507,637	4,712,927	12,220,564	7.5%
FY 2019	8,450,389	4,465,093	12,915,482	9.0%
FY 2020	9,815,754	4,377,619	14,193,373	8.6%
FY 2021	8,296,850	3,827,405	12,124,255	7.0%
FY 2022	10,331,451	5,175,036	15,506,487	9.0%
FY 2023	10,221,461	4,571,010	14,792,471	8.3%
FY 2024	8,621,824	4,187,797	12,809,621	7.2%
FY 2025	8,475,789	3,795,962	12,271,751	6.7%
FY 2026	8,478,276	3,389,651	11,867,927	6.3%
FY 2027	7,808,536	2,946,491	10,755,027	5.5%
FY 2028	7,208,482	2,596,741	9,805,223	4.9%
FY 2029	7,857,135	2,348,111	10,205,246	5.0%
FY 2030	7,504,773	2,028,850	9,533,623	4.6%
FY 2031	5,330,725	1,733,317	7,064,042	3.3%
FY 2032	5,883,400	1,513,194	7,396,594	3.4%
FY 2033	3,203,436	1,252,141	4,455,577	2.0%
FY 2034	3,365,236	1,090,396	4,455,632	1.9%
FY 2035	3,531,312	920,503	4,451,815	1.9%
FY 2036	3,711,465	742,190	4,453,655	1.8%
FY 2037	2,394,658	592,444	2,987,102	1.2%
FY 2038	2,509,890	472,712	2,982,602	1.2%
FY 2039	2,204,330	347,217	2,551,547	1.0%
FY 2040	2,310,716	237,000	2,547,716	1.0%
FY 2041	2,429,292	121,465	2,550,757	0.9%
FY 2042	0	0	0	0.0%
TOTAL	\$194,358,006	\$93,338,836	\$287,696,842	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

WATER/SEWER FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	4,162,803	4,283,208	8,446,011	11.5%
FY 2012	6,522,388	6,193,410	12,715,798	17.4%
FY 2013	7,612,383	5,965,399	13,577,782	18.5%
FY 2014	7,674,780	5,832,865	13,507,645	18.4%
FY 2015	8,799,955	4,833,333	13,633,288	21.0%
FY 2016	9,026,243	5,842,292	14,868,535	20.9%
FY 2017	8,877,456	6,505,585	15,383,041	20.5%
FY 2018	7,398,682	5,579,777	12,978,459	18.2%
FY 2019	11,389,920	5,028,632	16,418,552	24.8%
FY 2020	13,470,113	5,748,801	19,218,914	25.9%
FY 2021	14,889,550	6,601,551	21,491,101	27.0%
FY 2022	14,877,439	6,351,099	21,228,538	26.7%
FY 2023	14,889,230	6,346,956	21,236,186	26.0%
FY 2024	18,747,364	2,827,954	21,575,318	25.8%
FY 2025	16,061,129	5,159,399	21,220,528	24.8%
FY 2026	15,657,286	4,573,783	20,231,069	23.0%
FY 2027	15,688,078	3,947,164	19,635,242	21.8%
FY 2028	15,028,176	3,390,597	18,418,773	20.0%
FY 2029	12,980,970	3,068,438	16,049,408	17.0%
FY 2030	12,316,896	2,521,524	14,838,420	15.3%
FY 2031	13,268,293	2,061,856	15,330,149	15.4%
FY 2032	8,904,705	1,675,790	10,580,495	10.4%
FY 2033	7,081,976	1,362,433	8,444,409	8.1%
FY 2034	7,060,063	1,218,868	8,278,931	7.7%
FY 2035	4,361,109	875,577	5,236,686	4.8%
FY 2036	4,573,026	668,320	5,241,346	4.7%
FY 2037	2,655,342	495,556	3,150,898	2.7%
FY 2038	2,780,110	362,789	3,142,899	2.8%
FY 2039	1,420,670	223,783	1,644,453	1.4%
FY 2040	1,489,284	152,750	1,642,034	1.4%
FY 2041	1,565,708	78,285	1,643,993	1.4%
FY 2042	0	0	0	0.0%
TOTAL	\$291,231,127	\$109,777,774	\$401,008,901	

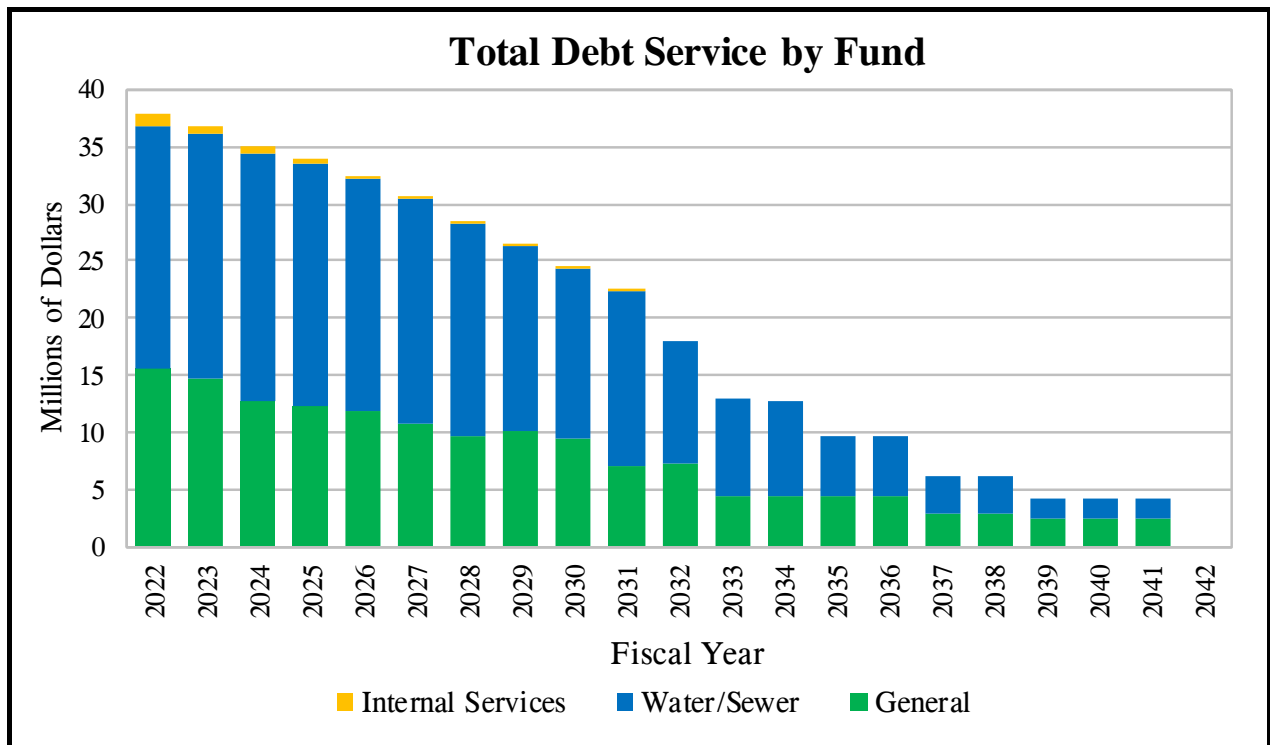
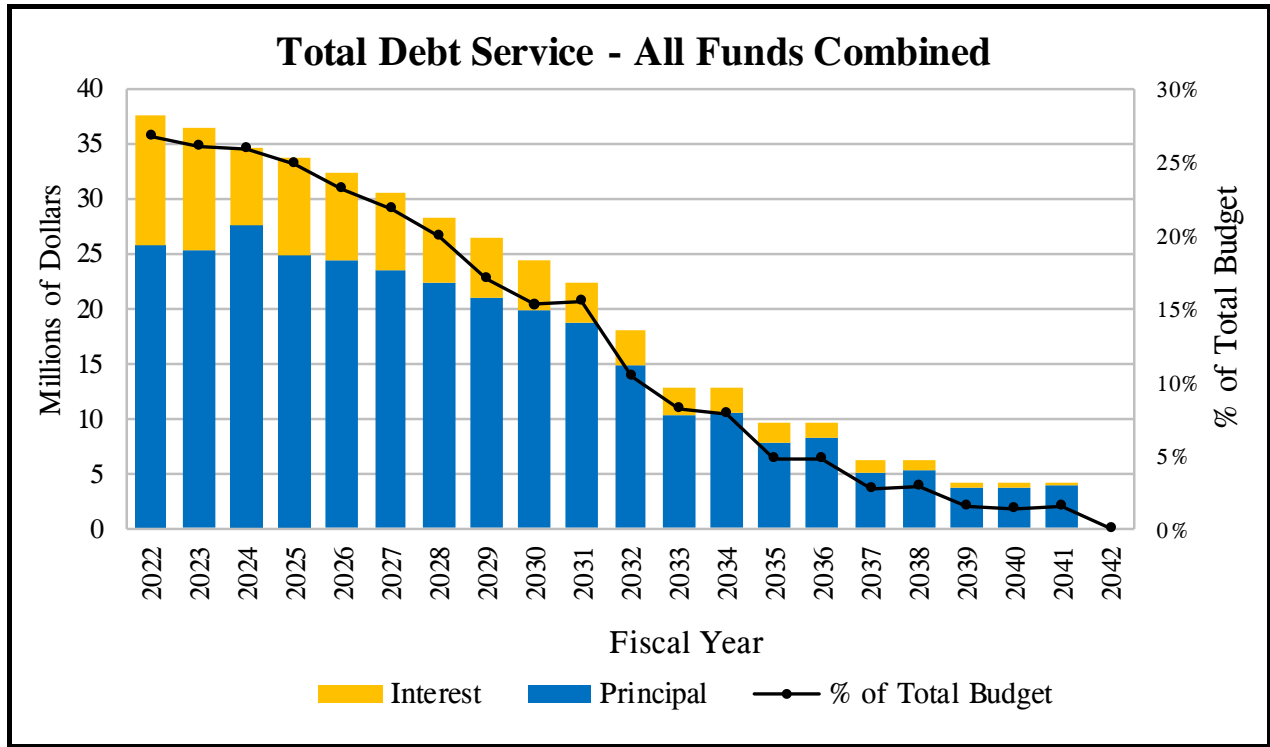
**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	89,492	425,562	515,054	3.2%
FY 2012	495,641	406,364	902,005	5.6%
FY 2013	428,432	357,357	785,789	4.9%
FY 2014	280,927	397,391	678,318	4.2%
FY 2015	455,418	301,225	756,643	5.5%
FY 2016	480,091	213,883	693,974	6.0%
FY 2017	520,025	202,046	722,071	5.8%
FY 2018	460,958	218,710	679,668	4.3%
FY 2019	396,422	203,712	600,134	2.8%
FY 2020	334,071	131,009	465,080	22.2%
FY 2021	530,370	268,212	798,582	9.7%
FY 2022	559,863	118,207	678,070	8.2%
FY 2023	192,959	45,379	238,338	2.8%
FY 2024	222,001	34,865	256,866	3.0%
FY 2025	232,995	23,638	256,633	2.9%
FY 2026	245,166	11,708	256,874	2.8%
FY 2027	7,153	5,200	12,353	0.1%
FY 2028	8,933	4,843	13,776	0.1%
FY 2029	29,133	4,486	33,619	0.3%
FY 2030	31,109	3,320	34,429	0.3%
FY 2031	24,185	2,076	26,261	0.3%
FY 2032	27,712	1,108	28,820	0.3%
FY 2033	0	0	0	0.0%
TOTAL	\$6,053,056	\$3,380,301	\$9,433,357	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	7,089,419	10,118,638	17,208,057	7.9%
FY 2012	12,697,262	11,921,286	24,618,548	11.8%
FY 2013	15,284,447	11,397,629	26,682,076	12.5%
FY 2014	14,798,326	11,426,450	26,224,776	11.5%
FY 2015	16,825,894	10,042,481	26,868,375	11.8%
FY 2016	17,612,047	11,098,377	28,710,424	11.8%
FY 2017	18,023,828	11,648,624	29,672,452	12.1%
FY 2018	15,367,277	10,511,414	25,878,691	10.5%
FY 2019	20,236,731	9,697,437	29,934,168	12.7%
FY 2020	23,619,938	10,257,429	33,877,367	14.2%
FY 2021	23,716,770	10,697,168	34,413,938	13.2%
FY 2022	25,768,753	11,644,342	37,413,095	14.4%
FY 2023	25,303,649	10,963,345	36,266,994	13.5%
FY 2024	27,591,189	7,050,616	34,641,805	12.8%
FY 2025	24,769,913	8,978,998	33,748,911	12.1%
FY 2026	24,380,729	7,975,142	32,355,871	11.3%
FY 2027	23,503,766	6,898,855	30,402,621	10.7%
FY 2028	22,245,591	5,992,181	28,237,772	9.7%
FY 2029	20,867,238	5,421,035	26,288,273	8.8%
FY 2030	19,852,777	4,553,694	24,406,471	8.0%
FY 2031	18,623,203	3,797,249	22,420,452	7.2%
FY 2032	14,815,817	3,190,092	18,005,909	5.6%
FY 2033	10,285,412	2,614,574	12,899,986	3.9%
FY 2034	10,425,299	2,309,264	12,734,563	3.8%
FY 2035	7,892,421	1,796,080	9,688,501	2.8%
FY 2036	8,284,491	1,410,510	9,695,001	2.7%
FY 2037	5,050,000	1,088,000	6,138,000	1.7%
FY 2038	5,290,000	835,500	6,125,500	1.7%
FY 2039	3,625,000	571,000	4,196,000	1.2%
FY 2040	3,800,000	389,750	4,189,750	1.1%
FY 2041	3,995,000	199,750	4,194,750	1.1%
FY 2042	0	0	0	0.0%
TOTAL	\$491,642,187	\$206,496,910	\$698,139,097	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**



**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS**

GENERAL FUND

DEPARTMENT	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	BUDGET FY 2022
MAYOR'S OFFICE	\$3,692,596	\$3,765,676	\$3,818,161	\$2,994,340	\$1,196,088
% Departmental Expenses	38.4%	38.2%	39.4%	33.6%	15.3%
CITY COUNCIL	707	720	1,034	1,220	0
% Departmental Expenses	0.0%	0.0%	0.1%	0.1%	0.0%
PLANNING	128,071	215,906	175,557	121,082	241,778
% Departmental Expenses	8.6%	11.6%	11.5%	8.4%	16.7%
FINANCE	30,420	48,625	53,090	64,419	64,994
% Departmental Expenses	0.3%	0.5%	0.6%	0.7%	0.6%
HUMAN RESOURCES	20,192	28,551	40,280	25,791	33,624
% Departmental Expenses	1.0%	1.3%	2.5%	1.2%	1.5%
LICENSES & INSPECTIONS	4,960	5,053	7,255	8,558	1,559
% Departmental Expenses	0.1%	0.1%	0.1%	0.2%	0.0%
PARKS & RECREATION	1,454,172	1,671,497	1,781,577	1,530,537	2,449,781
% Departmental Expenses	16.4%	18.6%	20.2%	18.5%	25.8%
FIRE	797,478	998,058	1,222,300	1,411,678	1,377,254
% Departmental Expenses	2.8%	3.9%	4.5%	5.6%	5.1%
POLICE	379,235	274,534	262,409	251,069	200,380
% Departmental Expenses	0.6%	0.5%	0.4%	0.4%	0.3%
PUBLIC WORKS	4,308,648	4,545,306	5,016,362	4,633,650	5,903,614
% Departmental Expenses	18.1%	18.5%	20.4%	18.0%	21.5%
REAL ESTATE & HOUSING	899,609	859,895	745,255	622,815	3,767,926
% Departmental Expenses	59.0%	42.2%	34.1%	21.1%	63.6%
COMMERCE DEPARTMENT	504,473	501,661	720,226	73,269	154,941
% Departmental Expenses	100.0%	100.0%	100.0%	100.0%	100.0%
INFORMATION TECH	0	0	349,866	385,827	114,548
% Departmental Expenses	0.0%	0.0%	4.4%	4.5%	1.3%

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS
(Continued)**

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	BUDGET FY 2022
TOTAL DEBT SERVICE	\$12,220,563	\$12,915,483	\$14,193,373	\$12,124,255	\$15,506,487
% General Fund	7.9%	8.2%	8.7%	7.4%	9.0%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$27,090,369	\$27,431,665	\$28,661,181	\$28,612,684	\$30,222,920

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	BUDGET FY 2022
PUBLIC WORKS	\$5,574,779	\$4,998,319	\$5,700,367	\$6,521,722	\$6,299,476
% of Department Expenses	8.2%	7.3%	7.8%	9.2%	8.7%
FINANCE	\$4,999	\$30,313	\$48,433	\$79,829	\$51,623
% of Department Expenses	0.1%	0.5%	0.8%	1.2%	0.7%
TOTAL DEBT SERVICE	\$5,579,778	\$5,028,632	\$5,748,800	\$6,601,551	\$6,351,099
% of Water/Sewer Fund	7.6%	6.8%	7.3%	8.5%	8.0%

Note: Legal Debt Service limit of 17.5% exists only for the General Fund. Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS
(Continued)**

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	BUDGET FY 2022
MAYOR'S OFFICE	\$36,639	\$3,689	\$0	\$0	\$0
% of Department Expenses	0.5%	0.1%	0.0%	0.0%	0.0%
PUBLIC WORKS	\$218,710	\$203,712	\$131,009	\$268,212	\$118,207
% of Department Expenses	2.7%	2.6%	1.6%	3.3%	1.4%
TOTAL DEBT SERVICE	\$255,349	\$207,401	\$131,009	\$268,212	\$118,207
% of IS Fund	1.6%	1.6%	1.6%	3.3%	1.4%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2018	ACTUAL FY 2019	ACTUAL FY 2020	BUDGET FY 2021	BUDGET FY 2022
TOTAL DEBT SERVICE	\$18,981,497	\$18,151,516	\$20,073,182	\$18,994,018	\$21,975,793
% of All Funds	7.8%	7.4%	8.0%	7.6%	8.4%

Note: Legal Debt Service limit of 17.5% exists only for the General Fund. Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1997-2021**

Fiscal Year-end	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.60%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.70%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.70%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.60%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.40%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.80%	1,119
2003	2,114,078,568	193,818,399	115,330,004	78,488,395	3.71%	1,068
2004	2,182,337,973	184,549,800	111,306,574	73,243,226	3.36%	1,010
2005	2,134,545,304	178,806,711	105,737,075	73,069,636	3.42%	1,006
2006	2,213,839,948	227,706,776	123,183,846	104,522,930	4.72%	1,439
2007	2,300,886,160	286,659,775	178,667,598	107,992,177	4.69%	1,483
2008	2,183,048,645	266,829,357	166,599,233	100,230,124	4.59%	1,376
2009	2,176,247,400	274,287,535	163,713,284	110,574,250	5.08%	1,463
2010	2,220,181,556	266,933,790	156,146,773	110,787,017	4.99%	1,466
2011	2,239,927,925	252,641,967	151,894,478	100,747,489	4.50%	1,422
2012	2,222,588,846	301,229,983	172,739,520	128,490,463	5.78%	1,814
2013	2,181,176,410	290,699,645	166,125,509	124,574,136	5.71%	1,758
2014	2,144,938,410	275,767,390	158,169,811	117,597,579	5.48%	1,660
2015	2,148,473,062	258,631,665	148,914,439	109,717,226	5.11%	1,549
2016	2,150,271,230	308,597,307	190,440,648	118,156,659	5.50%	1,668
2017	2,174,853,025	286,628,777	177,913,124	108,715,653	5.00%	1,534
2018	2,160,800,395	271,400,882	170,053,484	101,347,398	4.69%	1,430
2019	2,165,200,587	318,236,352	219,127,386	99,108,966	4.58%	1,399
2020	2,181,989,209	273,675,577	185,552,066	88,123,511	4.04%	1,244
2021	2,157,242,626	306,370,247	192,988,059	113,382,188	5.26%	1,600

TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2022-2042

First Day of Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Internal Service Funds Debt	Total Debt
2022	113,382,188	191,406,851	1,581,208	306,370,247
2023	103,050,737	176,529,412	1,021,345	280,601,494
2024	92,829,277	161,640,183	828,386	255,297,846
2025	84,207,453	142,892,819	606,385	227,706,657
2026	75,731,664	126,831,690	373,390	202,936,744
2027	67,253,387	111,174,404	128,223	178,556,014
2028	59,444,852	95,486,327	121,071	155,052,250
2029	52,236,370	80,458,151	112,138	132,806,659
2030	44,379,234	67,477,180	83,005	111,939,419
2031	36,874,462	55,160,284	51,897	92,086,643
2032	31,543,736	41,891,991	27,712	73,463,439
2033	25,660,337	32,987,287	0	58,647,624
2034	22,456,900	25,905,311	0	48,362,211
2035	19,091,664	18,845,248	0	37,936,912
2036	15,560,352	14,484,140	0	30,044,492
2037	11,848,887	9,911,113	0	21,760,000
2038	9,454,229	7,255,771	0	16,710,000
2039	6,944,339	4,475,661	0	11,420,000
2040	4,740,008	3,054,992	0	7,795,000
2041	2,429,292	1,565,708	0	3,995,000
2042	0	0	0	0



DESCRIPTION OF TERMS USED IN THIS BOOK

Account: A separate financial reporting unit for budgeting, management, or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts.

Account Group: A group of similarly related expenditure accounts such as Personal Services, which includes salaries, overtime, pension, and hospitalization.

Accounts Payable: Amounts due to creditors arising out of the purchase of goods or services.

Accounts Receivable: Amounts due from debtors arising out of the extension of open account credit, usually in connection with the sale of goods or services to customers.

Accrual Basis: The basis of accounting under which revenues and expenses are recognized and recorded when they are earned or incurred, rather than when collected or paid.

Accrued Expense: An expense that has been incurred, but has not been paid out.

Accrued Revenue: A revenue that has been earned, but has not been collected.

Administrative Services: The combination of various services internally supplied to all departments and reimbursed on a per-usage basis. These activities used to include Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio, and the Motor Vehicle Fleet. Starting in FY 2020, the Motor Vehicle Fleet become the sole administrative service left in the Internal Services account group.

Annual Financial Report: A comprehensive document prepared annually at the end of each fiscal year by the Finance Department that provides detailed information regarding the financial position of the City.

Appropriation: An appropriation creates the legal authority to spend or otherwise commit a government's resources. Expenditure authority is created by City Council through the passage of an enacting budget ordinance.

Assessed Valuation: A value that is established for real property for use as a basis for levying property tax. Property values in the City of Wilmington are assessed by the New Castle County Board of Assessment using 1983 market values as the base.

Balanced Budget: For the City budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits.

BAN (Bond Anticipation Note): A short-term (usually two years or less) interest-bearing note issued by a government to fund capital needs in anticipation of bonds to be issued at a later date. The note is retired from proceeds of the bond issue to which it is related.

Basis of Accounting: The underlying fiscal principles utilized in the development of the financial statements. The City uses the Accrual Basis and Modified Accrual Basis.

Basis of Budgeting: The underlying fiscal principles utilized in the development of the budget. The City matches its basis of budgeting to its basis of accounting.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at specified dates, called the maturity dates, together with periodic interest at a specified rate. The City incurs bonded debt to pay for the costs of capital improvements, such as streets, buildings, and water mains.

Budget: Plan of financial operation, embodying an estimate of proposed expenditures for a given period and the proposed revenue estimates of financing them. Upon approval by Council, the budget ordinance is the legal basis for expenditures in the budget year.

Budget Ordinance: An ordinance by which the appropriations in the budget are given legal effect. It is the method by which the expenditures side of the budget is enacted into law by City Council.

Budget Reserve: The Budget Reserve Account or "Rainy Day Account" is a set-aside of funds equal to 10% of the General Fund Operating Budget. The Budget Reserve is to be used only in emergencies as declared by the Mayor and approved by a two-thirds majority vote of City Council. Also see **Fund Balance**.

CARES Act: Coronavirus Aid, Relief, and Economic Security Act is federal legislation to provide, among other things, economic stimulus payments to individuals, small business, and state and local governments in response to the negative effects of the COVID-19 pandemic.

Capital Budget: A two-year appropriation of expenditures from the Capital Program, normally funded from bond proceeds and intragovernmental grants.

Capital Expenditures: Outlays for machinery, equipment, land, buildings, infrastructure and other fixed assets or permanent improvements that have a useful life of at least five years and a cost of at least \$5,000.

Capitalization: In the Water/Sewer and Internal Services Funds, fixed-asset acquisitions are budgeted; however, in accordance with the Government Accounting Standards Board, these amounts are subsequently reversed through the capitalization account and not included in totals. This is done because the purchase of fixed assets in Enterprise Funds is not considered an expense, but for appropriation purposes the purchase needs to be specified for City Council and the public.

Capital Program: A six-year plan for the purchase of property, equipment (fixed assets), and public improvements that are of a permanent nature.

Cash Basis: The basis of accounting in which revenues and expenses are recorded when cash is collected or paid out, not when earned or incurred.

CDBG: The City's Community Development Block Grant from the United States Department of Housing and Urban Development (HUD). These monies are specifically designated to revitalize targeted underdeveloped areas of the City, remove artificial barriers and improve slum areas.

City Charter: The document issued by the State of Delaware, which defines the City's purpose and privileges, and outlines its principles, functions, and organization.

Contingent Reserves: Funds set aside as a reserve for unplanned operating expenses and snow and weather emergencies.

Debt Limit: A statutory limit on the amount of debt that an issuer may incur or have outstanding.

Debt Service: Principal and interest payments on borrowed funds.

Deficit: This occurs when total expenditures for an entity exceed total revenues.

Department: A major component of City Government with administrative and managerial responsibility for a function or group of related functions and operations. Examples include the Police Department and the Parks and Recreation Department.

Depreciation: The cost of a fixed asset expensed over its useful life.

Encumbrance: Any commitment of funds against an appropriation. It may be in the form of a purchase order or a contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. Until such time as the goods or services are received, the commitment is referred to as an encumbrance. Encumbered balances at year-end, with the authority of the Finance Director, may be re-appropriated into the subsequent year.

Expenditure/Expense: A decrease in net financial resources, such as for the payment of goods received or services rendered.

Financial Statements: The medium used to communicate accounting information about an entity. The basic elements (building blocks) of financial statements are assets, liabilities, equity, revenues, expenses, gains, and losses.

Fiscal: Pertaining to the finances of an entity, such as the City.

Fiscal Year: The twelve month period of time between July 1 and June 30 established as the operating and accounting time frame for City activities. The term fiscal year is often abbreviated as “FY”.

Fixed Asset: A tangible resource or thing with a relatively long life expectancy, requiring a substantial financial outlay and usually large scale in nature, such as buildings, streets, and water pipes.

Fund: An independent accounting unit in which assets, liabilities, and equity are segregated for specific purposes in accordance to Governmental Generally Accepted Accounting Principals (GAAP). The City utilizes four major funds: General, Water/Sewer, Special, and Internal Services.

Fund Balance: For the General Fund (and other governmental funds), the difference between fund assets and liabilities is labeled as “**Fund Balance**” on the financial statement. Fund balance is further defined by the following subcategories:

Non-spendable Fund Balance – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account and the Tax Stabilization Reserve.

Assigned Fund Balance – Amounts that are allocated for a future use by the Mayor but are not spendable until a budget ordinance appropriating the amounts is passed by City Council.

Unassigned Fund Balance – All amounts not included in other spendable classifications.

FY: Abbreviation for “Fiscal Year”.

GAAP (Generally Accepted Accounting Principles): Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Government Accounting Standards Board (GASB).

GASB (Government Accounting Standards Board): The regulatory body over governmental accounting principles and practices.

General Obligation Bonds: A bond that is secured by the full faith and credit of the City, with debt service from the bond being paid from City tax revenues. Such bonds are issued for the purpose of financing city capital improvement projects over a long period of time, usually 20 years.

Goal: A broad statement of intended accomplishments or a description of a general condition deemed desirable.

GFOA (Government Finance Officers Association): A professional association of state/provincial and local finance officers whose members are dedicated to the sound management of government financial resources and operations.

Grants and Fixed Charges: An activity with a limited time span and purpose, usually financed by Federal or State contributions, and sometimes involving payments to a third-party agency.

HOPWA: A grant entitled Housing Opportunities for Persons With AIDS received from the United States Department of Housing and Urban Development to address the housing concerns of this growing segment of the population.

Internal Services: A combination of various services internally supplied to all departments and reimbursed on a per usage basis. These activities include the **Administrative Services** (see above), along with the Self-Insurance services of Risk Management and Workers’ Compensation.

Internal Service Chargebacks: The group of accounts that record the costs that are charged to user departments for goods and services provided by the Internal Services.

Indirect Costs: Reimbursement payments from Enterprise Funds to the General Fund for general administrative services that the General Fund has provided such as accounting, legal advice and payroll.

Infrastructure: Facilities on which the continuance and growth of a community depend, such as streets, water/sewer lines, etc.

Initiative: A new program implemented to achieve a specific goal or objective.

Interest: The expense charged for a loan, usually a percentage of the amount borrowed.

LLEBG: Local Law Enforcement Block Grant awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Location Quotient: A valuable way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region unique in comparison to the national.

M., S. & E (Materials, Supplies and Equipment): The account group of expenses for goods and services needed to perform day-to-day operations such as equipment, contracted maintenance, repairs or consulting fees.

Modified Accrual Basis: The basis in accounting in which revenues are recognized and recorded when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers General Fund revenues to be available if they are collected within 60 days after the end of the fiscal year.

Net Position: For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as *Net Position* on the financial statement. Net Position is classified as *Invested in Capital Assets*, *Net of Related Debt*, legally *Restricted* for a specific purpose or *Unrestricted*, and available for appropriation for the general purposes of the fund. The Operation and Maintenance Reserve and the Rate Stabilization Reserve are part of the restricted net position of the Water/Sewer Fund.

Objective: A specific, well-defined, and measurable condition that must be attained in order to accomplish a stated goal.

Operation and Maintenance Reserve: The Operation and Maintenance Reserve was created in FY 2018 for the purpose of providing funding in the event of adverse economic conditions or a public emergency that impacts the operations and maintenance of the Water/Sewer Fund utilities. The Reserve is determined at the end of each fiscal year and is set to be equal to 17% of the following fiscal year's Water/Sewer Fund operating budget. The Reserve can be accessed in order to pay water and sewer obligations if the Mayor certifies that adverse economic conditions or a public emergency has occurred that impacts the operations and maintenance of the Water/Sewer Fund such that immediate action is required. Also see **Net Position**.

Operating Budget: The current year estimated revenues and expenditures for the day-to-day operations of the City.

Operating Transfer: A legally authorized movement of cash or equity from one fund to another, usually between the Water/Sewer Fund and the General Fund.

Ordinance: A formal legislative enactment by City Council that has the full force and effect of law within the boundaries of the City.

Performance Measures: Statistical indicators of the relative success toward achieving an objective.

Personal Services: Includes salaries and all other human-resource-related allotments, such as overtime, medical insurance, social security, etc.

Principal: The face amount of a note or bond, which the issuer promises to pay.

Projections (Revenues/Expenditures): An estimate of revenues or expenditures based on trend analysis, the study of economic conditions, and patterns of spending and income generation.

Property Tax: A levy based on a set percentage of the assessed value of real estate.

Property Tax Base: The value of all taxable real property in the City, as certified by the New Castle County Board of Assessment. The tax base represents the net value after all abatements and exemptions.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The City has two different types of proprietary funds: the Water/Sewer Fund and the Internal Services Funds.

Rate Stabilization Reserve: The Rate Stabilization Reserve was created in FY 2018 with the purpose of providing future water and sewer rate stabilization for the Water/Sewer Fund. The Reserve is the net unrestricted Water/Sewer Fund balance as determined by the fiscal year-end Comprehensive Annual Financial Report. The Reserve can be accessed in order to pay City water/sewer obligations and to limit the need to increase rates when authorized by City Council by ordinance. Also see **Net Position**.

Revenue: Income received from sources such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, and interest.

Revenue Bonds: A bond that is repaid and secured by the expected revenues from the project being financed or the entity doing the borrowing, such as a water/sewer system, and not by taxes.

Risk Management: The process of identifying potential events and actions that may result in liability to the City and the actions taken to eliminate or minimize the impact of such a liability on City finances, property, services, operations, and employees.

SALLE: State Aid for Local Law Enforcement. These monies are State of Delaware grants used for specific local law-enforcement programs such as training, consulting, counseling, and drug enforcement equipment.

Self-Insurance: Funding set aside for the payment of liability claims against the City by a third party or to cover the cost of damage, destruction, injury, or death as a result of City operations or natural disasters.

Special Purpose: The same as **Grants and Fixed Charges** except the activity is usually not financed by State or Federal contributions and is requested by the City Administration or City Council.

Surplus: The amount by which total revenues exceed total expenditures.

Tax Stabilization Reserve: The Tax Stabilization Reserve was created in FY 2018 with the purpose of providing future tax stabilization for the General Fund. The Tax Stabilization Reserve is the net unrestricted General Fund balance as determined by the fiscal year-end Comprehensive Annual Financial Report. The Reserve can be accessed as may be necessary in order to pay City obligations and to limit the need to increase taxes when authorized by City Council by ordinance. Also see **Fund Balance**.

Unassigned Fund Balance: See **Fund Balance**.

User Fee: A charge for the provision of a service usually correlated to the level of usage, such as water/sewer fees.

