

Fiscal Year 2019 Revenue Budget

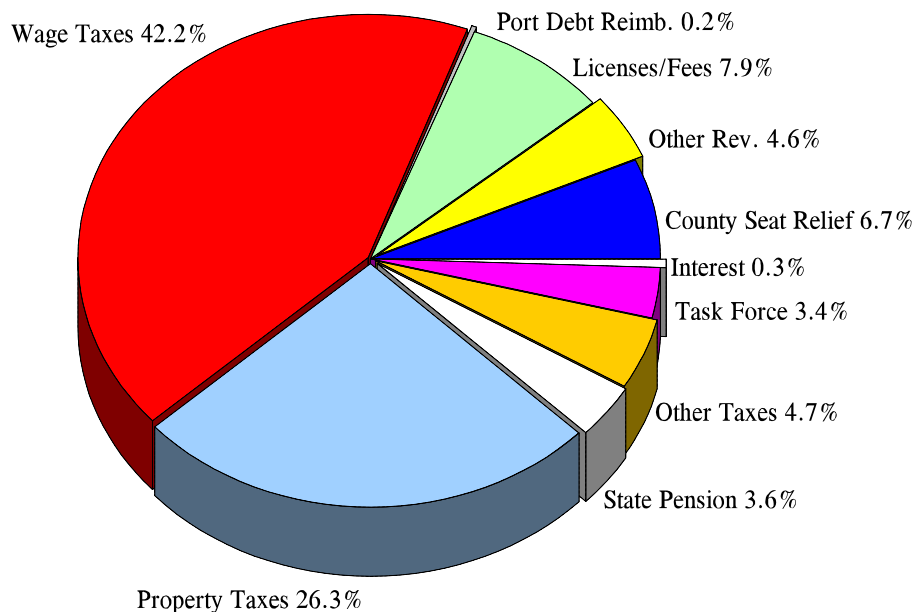
**Wilmington Economic and Financial Advisory Council
April 5, 2018**

SUMMARY OF GENERAL FUND FISCAL YEAR 2019

Revenues	Actual FY 2016	Actual FY 2017	Budget FY 2018	Budget FY 2019	Percent Change FY'19-'18
Wage Tax	\$63,099,361	\$66,911,828	\$66,311,600	\$68,416,600	3.2%
Property Tax	40,246,355	40,596,911	43,847,261	42,567,487	-2.9%
Other Taxes	7,053,583	9,234,072	7,231,071	7,599,790	5.1%
Licenses, Permits, Fees & Fines	12,746,282	10,682,706	11,500,000	12,880,000	12.0%
Interest	236,539	506,098	340,000	550,000	61.8%
Other Revenues	6,877,518	7,129,835	7,254,638	7,510,304	3.5%
Task Force Revenues	5,113,176	5,113,278	5,318,626	5,484,226	3.1%
County Seat Relief	9,933,561	10,216,881	9,843,339	10,858,339	10.3%
State Pension Contr.	5,215,485	5,349,684	5,269,823	5,789,528	9.9%
Port Debt Reimburse.	936,721	840,060	389,234	396,574	1.9%
Transfers In/(Out)	275,000	275,000	275,000	275,000	0.0%
Use of Fund Balance	0	0	0	0	0.0%
Total Revenues	<u>\$151,733,581</u>	<u>\$156,856,353</u>	<u>\$157,580,592</u>	<u>\$162,327,848</u>	<u>3.0%</u>

Other Taxes include Franchise Fees, Head Tax and Real Estate Transfer Tax. Other Revenues include indirect cost allocations, miscellaneous user charges, rental fees and concession revenues. Task Force Revenues include the State Corporate and LLC filings, Lodging Tax and Natural Gas Franchise Fees. County Seat Relief is a revenue enhancement package from the State that includes a Payment-in-Lieu-of-Taxes for State-owned properties and Uniform Commercial Code Filing Fees. State Pension Contr., previously booked directly into pension trust funds, is shown now as a General Fund revenue to comply with GASB pronouncement #24, concerning the treatment of "on-behalf" payments. Port Debt Reimbursement was previously in the now defunct Commerce Fund.

General Fund Revenues Fiscal Year 2019

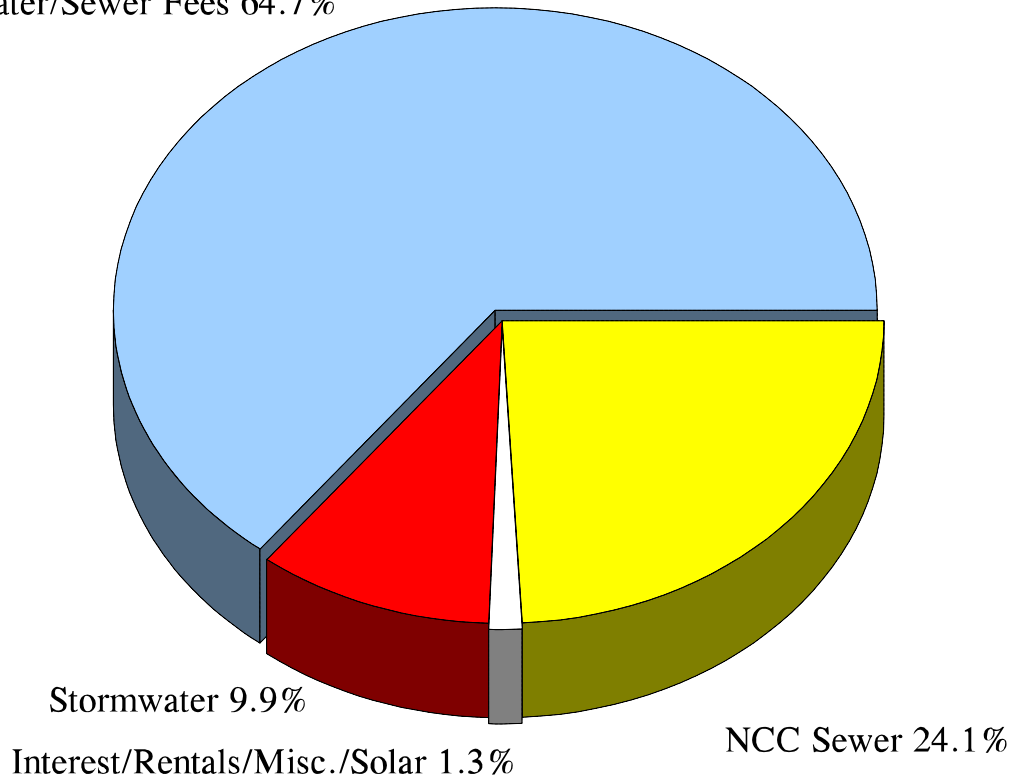


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2019**

Revenues	Actual FY 2016	Actual FY 2017	Budget FY 2018	Budget FY 2019	Percent Change FY'19-'18
Water/Sewer					
User Fees	\$48,920,622	\$51,245,529	\$48,378,000	\$52,375,000	8.3%
Stormwater Billings	8,132,100	6,557,031	7,874,000	8,046,000	2.2%
New Castle County					
Sewer Services	18,837,257	22,543,855	20,133,523	19,634,665	-2.5%
Interest	3,647	0	0	0	0.0%
Rentals/Misc.	1,113,799	3,171,860	978,000	1,062,000	8.6%
Solar Panels	132,230	72,610	121,000	31,000	-74.4%
Total Revenues	<u>\$77,139,655</u>	<u>\$83,590,885</u>	<u>\$77,484,523</u>	<u>\$81,148,665</u>	<u>4.7%</u>

Water/Sewer Fund Revenues Fiscal Year 2019

Water/Sewer Fees 64.7%



FISCAL YEAR 2019 REVENUES

Overview

GENERAL FUND

Total revenue before transfers is projected to increase by a net \$4,747,256, or 3.0% above the FY 2018 Budget, to a new total of **\$162,052,848**. The net change from Budget to Budget (FY 2019 vs. FY 2018) by revenue category is shown in the following table:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$2,105,000	\$68,416,600
County Seat Relief Package	1,015,000	10,858,339
Fines	980,000	8,080,000
Other Governments	527,045	6,186,102
Licenses, Permits & Fees	400,000	4,800,000
Other Taxes	368,719	7,599,790
Other Revenues	255,666	7,510,304
Interest Earnings	210,000	550,000
Task Force Revenues	165,600	5,484,226
Property Taxes	(\$1,279,774)	\$42,567,487
TOTAL	\$4,747,256	\$162,052,848

Water/Sewer Fund

Total Water/Sewer Fund revenues are projected to increase by almost \$3.7 million, to a new total of \$81.1 million in FY 2019. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, and New Castle County (NCC) Sewer, along with the smaller revenue categories of Interest, Rentals, and Solar Panel Revenue. While each of these categories was affected by different factors, it was the overall rate structure that had to be addressed to avoid a fiscal crisis. For almost a decade, rates had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, with the City on the path to insolvency had nothing been done. To rectify this, a multi-year plan of prudent rate increases was implemented, starting in FY 2010. As a result, the Water/Sewer Fund is very close to total self-sufficiency, with enough income to no longer require financial support from the City's General Fund.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

WAGE & NET PROFITS TAX

Basis: Growth of local economy

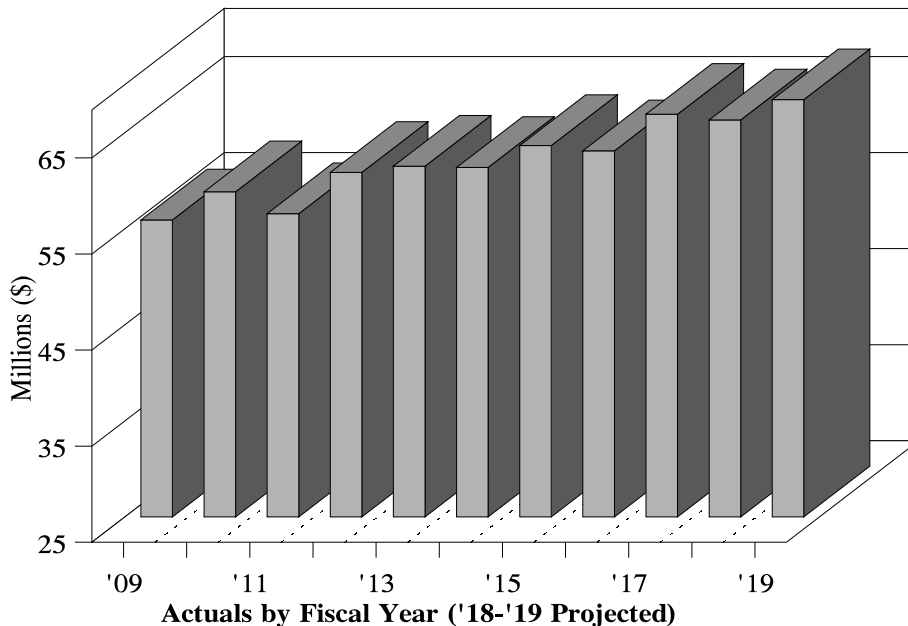
Critical Assumption: The FY 2019 Wage and Net Profits Tax projection totals just over \$68.4 million, an increase of \$2.1 million from FY 2018.

Wage Tax revenue is projected to be \$61.9 million based on the assumptions and calculations described below. The adjusted starting Wage Tax base was calculated to be \$59.2 million, with includes \$125,000 expected to be added by the end of FY 2018 from audit activities. While job growth is assumed to be flat for FY 2019, higher employee compensation is projected to increase taxable wages by 2.5%, further expanding the base revenue by \$1.5 million. For comparison, DEFAC's 12/17/2017 report projected State wages and salaries growth to be 4.0% in FY 2019. Finally, audit and collection efforts in FY 2019 are expected to yield \$1.25 million in one-time revenue, the same as the current fiscal year.

NetProfits revenue, which is remitted by business partnerships, professional associations, and limited liability corporations, continues to show robust growth and is projected to increase by \$500,000 in FY 2019, to a new total of \$6.5 million.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$63,099,361	\$66,911,828	\$66,311,600	\$66,311,600	\$68,416,600

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

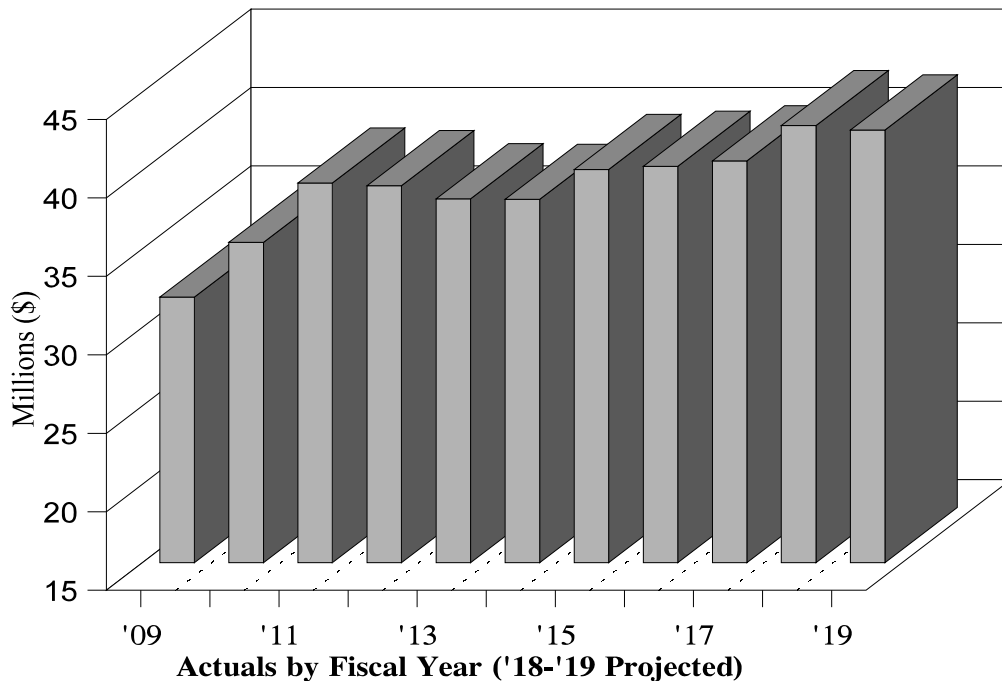
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to total almost \$42.6 million, a decrease of just under \$1.3 million. During the first half of FY 2018, Property Tax revenue declined by more than \$1.0 million as a result of reassessment appeals, and is estimated to decline further in the second half of the fiscal year by an additional \$300,000. This brings projected base billings for FY 2019 down to \$42.3 million. In FY 2019, \$396,000 in additional revenue due to expiring tax incentives and projected property improvements will be largely offset by an expected \$250,000 loss resulting from additional reassessment appeals. The usual 2.0% allowance for doubtful accounts further reduces revenue by almost \$850,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.0 million, the same as last fiscal year.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$40,246,355	\$40,596,911	\$43,847,261	\$42,847,261	\$42,567,487

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

OTHER TAXES

Basis: Contractual/Trend analysis minus one-time events/Growth of local economy

Critical Assumption: Other Taxes are projected to increase by \$368,719 for FY 2019. The breakout is as follows:

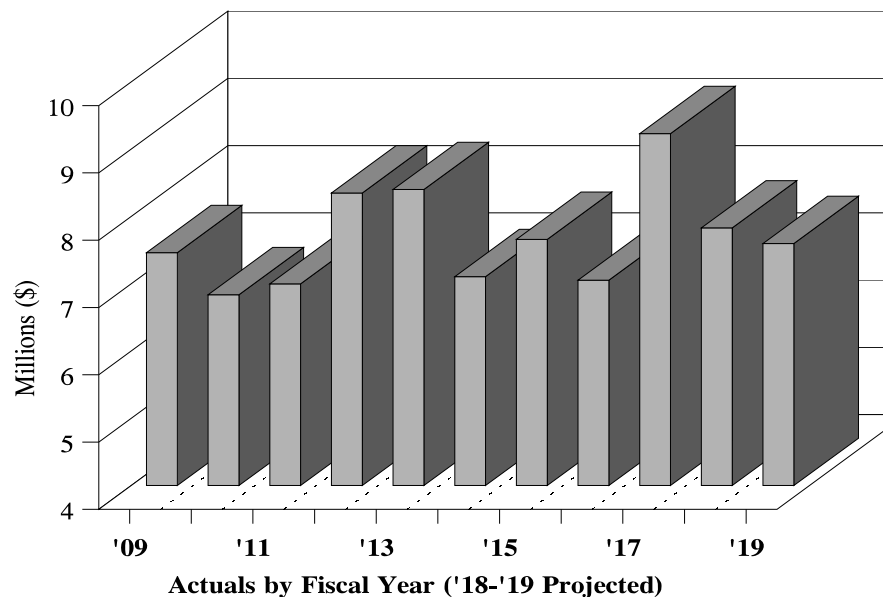
Franchise Fees revenue previously consisted of 2% of gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category. It is projected to be \$921,140 in FY 2019, which was set to match the latest audited figure from FY 2017. This represents a minor \$31,281 decrease from the FY 2018 budget.

Real Estate Transfer Tax revenues are slated to rise by \$400,000 to \$2.8 million for FY 2019, following the recent trend in increased commercial property transfers.

Head Tax revenue is projected to remain at \$3.87 million for FY 2019, as job growth is expected to be flat.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$7,053,583	\$9,234,072	\$7,231,071	\$7,831,071	\$7,599,790

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

Critical Assumption: Licenses, Permits, Fees and Fines are projected to increase by \$1.4 million, to a total of \$12.9 million. The breakout is as follows:

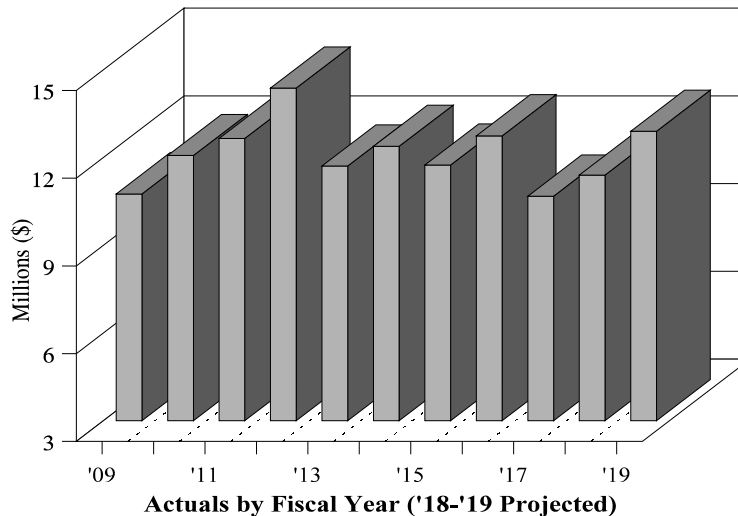
Licenses, Permits and Fees revenue is projected to be up by \$400,000 in FY 2019. Business License revenue is expected to hold at \$1.6 million, while Fees (mostly Parking Meter Fees) is projected to fall by \$100,000. Several large construction projects are slated to begin in FY 2019 that are expected to increase Building Permit revenue by \$500,000.

Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$5.1 million in FY 2019, up \$1.3 million from the FY 2018 budget. The largest portion of Criminal/Traffic Fines is derived from red-light camera citations. It is anticipated that 17 additional red-light cameras will be placed in service mid-way through FY 2019, projected to yield \$1.5 million in revenue. Criminal Fines are projected to drop slightly to \$230,000, while L&I Instant Ticketing will remain at \$400,000.

Parking Tickets/Booting Fines in the FY 2018 second quarter WEFAC projection were forecast to come in at year-end \$300,000 below the budget of \$3.3 million. The FY 2018 WEFAC projection of \$3.0 million was rolled forward for FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$12,746,282	\$10,682,706	\$11,500,000	\$11,400,000	\$12,880,000

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

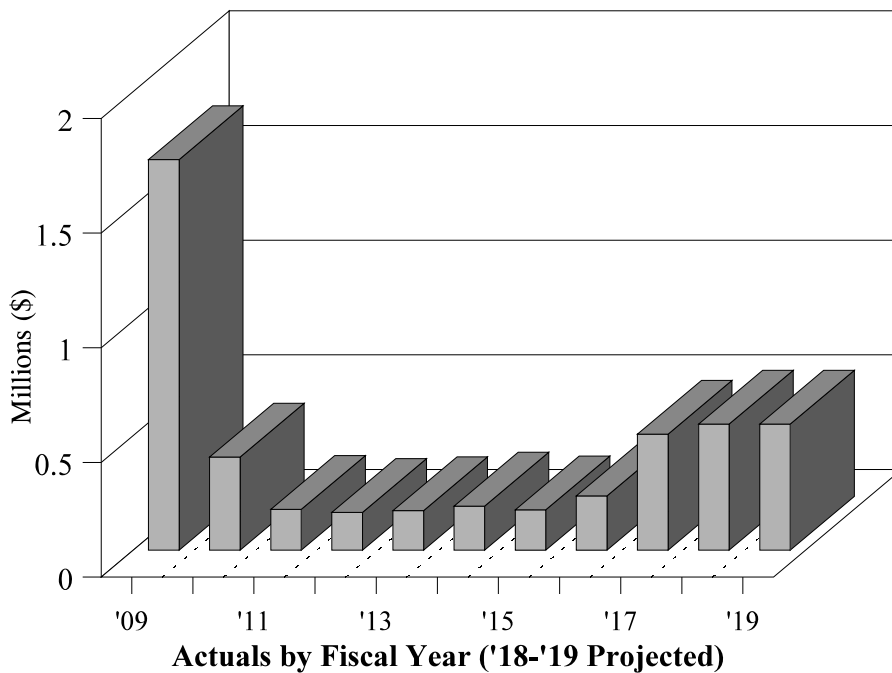
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: The City’s cash balances available for investment have improved modestly. The influx of cash from capital bond issuances has been somewhat offset by retroactive and lump-sum payments made as part of recent labor settlements. Interest rates have also inched up a bit, but remain at low levels. Based on these trends and the FY 2018 projection, Interest Earnings are projected at \$550,000, equal to the FY 2018 second quarter projection.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$236,539	\$506,098	\$340,000	\$550,000	\$550,000

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

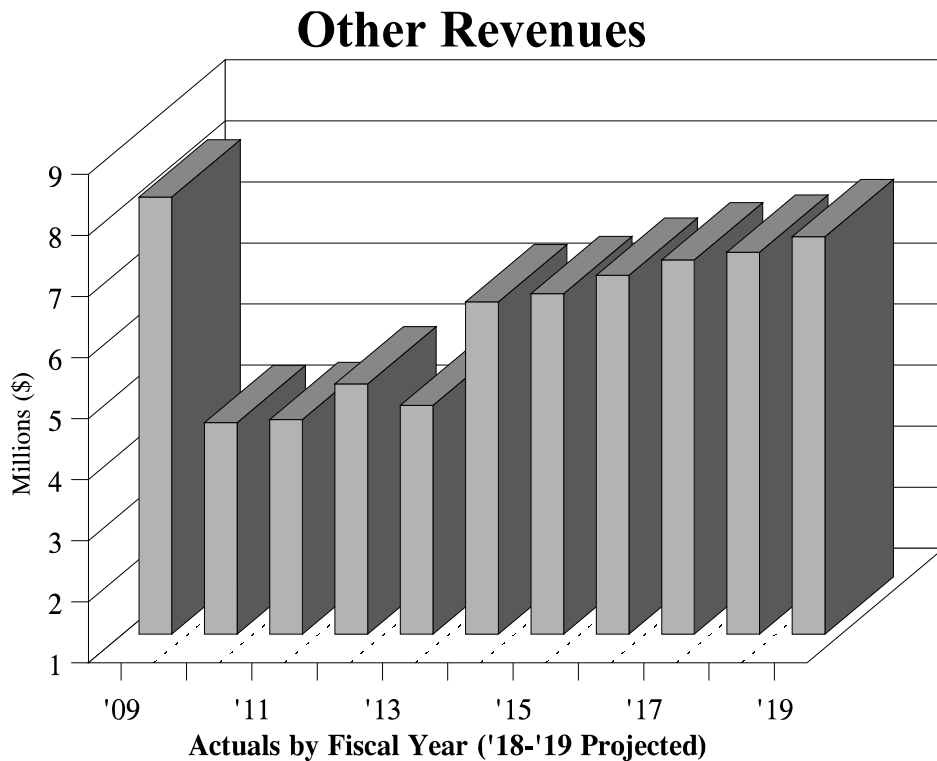
General Fund Revenues Fiscal Year 2019

OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues is comprised of Indirect Costs, General Government Charges, Rentals, and Miscellaneous. Rentals and Miscellaneous revenues are expected to remain unchanged. Indirect Costs are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Indirect Costs will rise by almost \$256,000, to a new total of \$5.7 million, reflecting the budget increases in the supporting services provided by the General Fund. The final item, General Government Charges, will remain at the FY 2018 level of \$1.5 million, bringing the total for the entire category to \$7.5 million.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$6,877,518	\$7,129,835	\$7,254,638	\$7,254,638	\$7,510,304



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

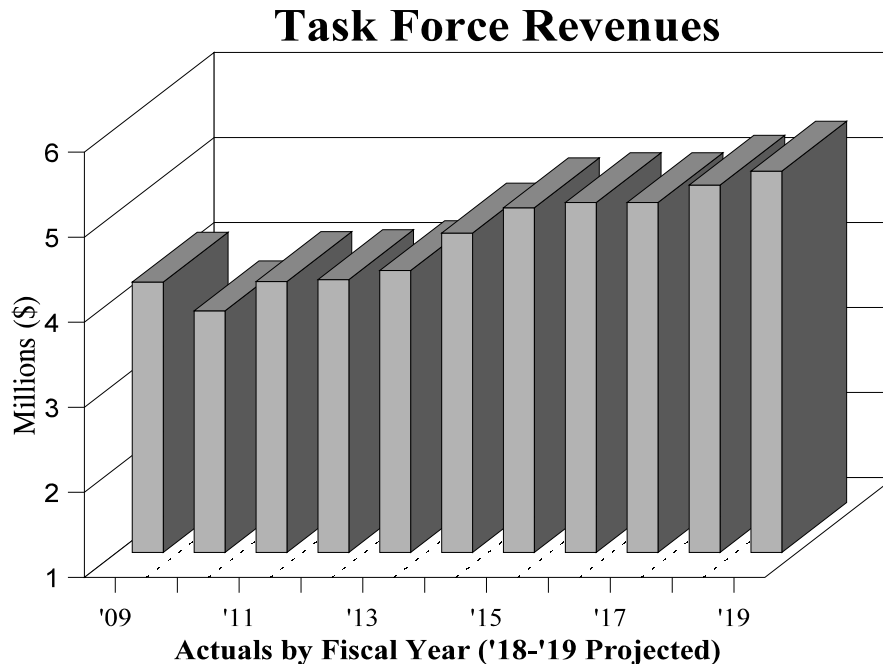
TASK FORCE REVENUES

Basis: Governor’s Task Force Report analysis/Trend analysis/Agreement with State

Critical Assumption: Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 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 \$165,600 higher for FY 2019. Two of the four components of the Task Force Revenues were increased: LLC Filings and the Corporate Filing Tax. Per DEFAC’s growth estimates, LLC Filings will rise by 5.0% or \$141,900, and Corporate Filing Tax by 2.0%, or \$23,700. Lodging Tax and the Natural Gas Franchise Fee revenues are set to remain level at \$760,344 and \$537,689, respectively.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$5,113,176	\$5,113,278	\$5,318,626	\$5,318,626	\$5,484,226



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

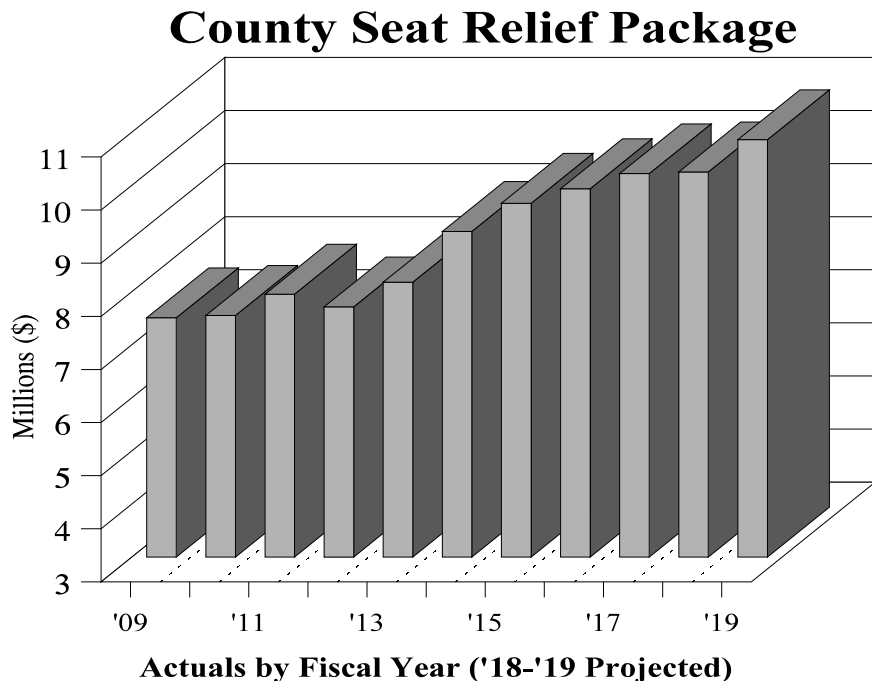
COUNTY SEAT RELIEF PACKAGE

Basis: Estimates from the State Finance Secretary’s Office

Critical Assumption: The County Seat Relief Package is a bundle of escalating revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that built on the work of the 2003 Governor’s Task Force (see Task Force Revenues section), which recognized that the City’s long-term financial stability required a stronger and more diversified revenue stream. Like the Task Force revenues, the County Seat Relief Package was intended to provide diversified revenue support to the three county seats in the State of Delaware. The FY 2019 projections total \$10.9 million, which is a \$1.0 million increase from the FY 2018 budget. The breakout is as follows:

- \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (no change from the FY 2018 budget).
- \$6.1 million as part of the State’s Uniform Commercial Code (UCC) filing fees (up \$1.0 million from the FY 2018 budget).
- \$1.0 million (the capped amount) in Statutory Trust Filing Fees (no change from the FY 2018 budget).
- \$1.3 million in New Castle County Corporate Filing Fees (no change from the FY 2018 budget).

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$9,933,561	\$10,216,881	\$9,843,339	\$10,250,135	\$10,858,339



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

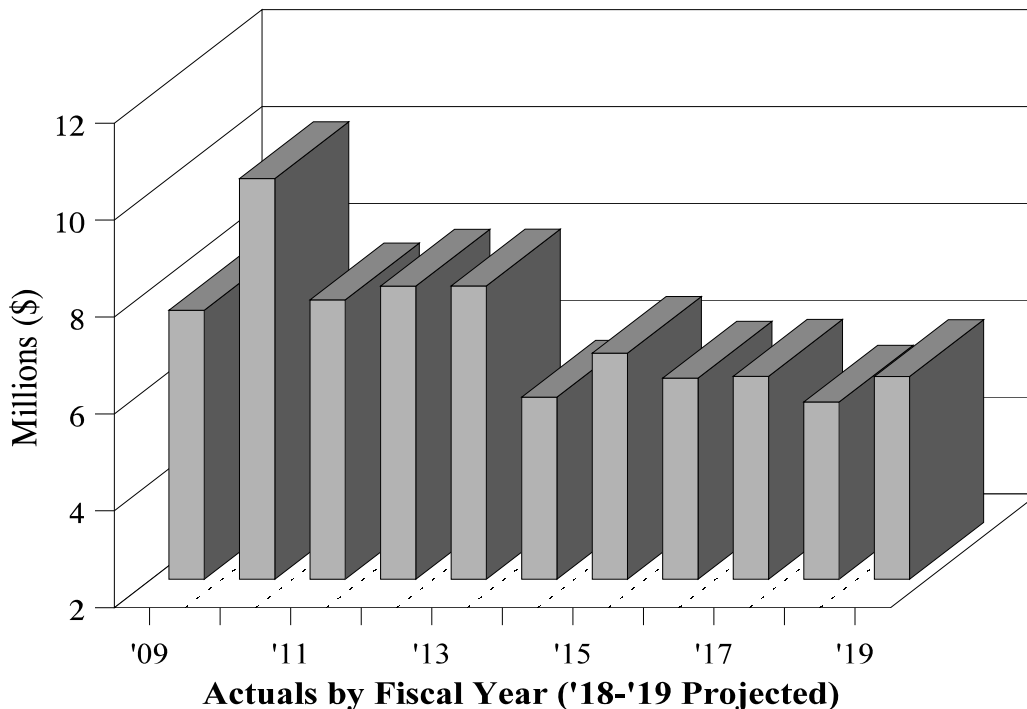
OTHER GOVERNMENTS

Basis: Estimates from the Delaware State Board of Pension Trustees/Current debt schedules

Critical Assumption: Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. 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. The City’s pension actuary has projected that the FY 2019 contributions will total \$5,789,528, an increase of \$519,705 above the current fiscal year estimate. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City’s books. However, the State did agree to annually reimburse the amount the City was scheduled to pay out to service the Port debt. The State Port Debt Reimbursement for FY 2019 will be \$396,574, which represents a \$7,340 increase from FY 2018.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$6,152,206	\$6,189,744	\$5,659,057	\$5,659,057	\$6,186,102

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2019

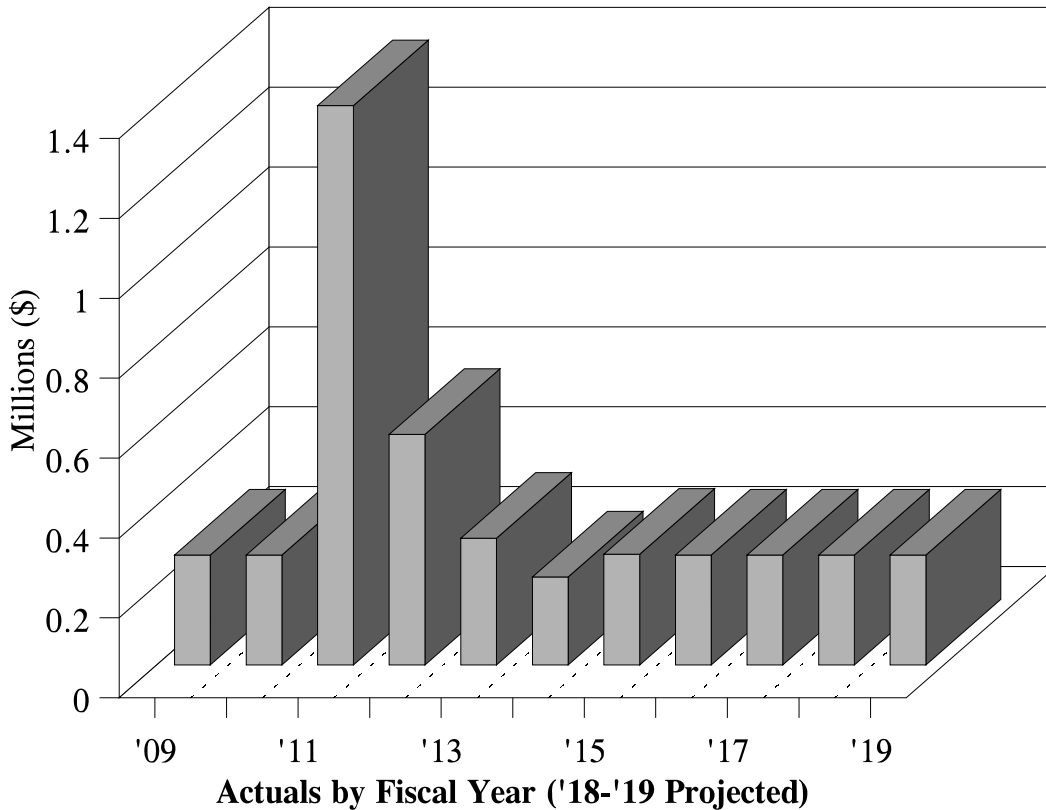
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: There are no prior year designations in FY 2019. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$275,000	\$275,000	\$275,000	\$275,000	\$275,000

Transfers & Use of Fund Balance



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2019

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: This grant is used to offset electricity costs for street lighting, and is anticipated to remain equal to the FY 2018 level.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$992,448	\$1,071,213	\$1,070,165	\$1,070,165	\$1,070,165

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to increase by almost \$455,000 more than the FY 2018 award.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$2,393,769	\$2,041,023	\$1,927,015	\$1,927,015	\$2,381,804

COMCAST FRANCHISE FEES

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 2019, this revenue source is expected to remain at the FY 2018 budgeted level.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,205,008	\$1,223,061	\$1,200,000	\$1,200,000	\$1,200,000

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2019

COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT

Basis: U.S. Department of Justice Grant

Critical Assumption: The Community Oriented Policing Services (COPS) grant is a Federal award to help law enforcement agencies to hire more community policing officers, acquire new technologies and equipment, and promote innovative approaches to solving crime. No additional funding was secured beyond FY 2015.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$0	\$0	\$0	\$0	\$0

S.A.F.E.R. GRANT

Basis: U.S. Department of Homeland Security Award

Critical Assumption: The Staffing for Adequate Fire & Emergency Response Grant was created to help fire departments increase the number of trained firefighters in communities. Although planned as a two-year award to fund salary and benefit costs for 13 firefighters, the grant spanned a partial third year due to an initial delay in implementation. Funds were exhausted in FY 2014, and the City was unable to secure an additional award.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$0	\$0	\$0	\$0	\$0

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs. Funding is currently projected to decrease from the FY 2018 amount by about \$150,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,443,509	\$1,075,945	\$1,231,879	\$1,231,879	\$1,082,889

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2019

PARKS TRUST FUND

Basis: Trust Administrator/Trust guidelines

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

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$111,506	\$54,016	\$134,847	\$134,847	\$135,265

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

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

Critical Assumption: These grants are anticipated to decrease significantly from FY 2018.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$2,183,451	\$1,782,320	\$1,385,975	\$1,385,975	\$535,766

PENSION ADMINISTRATION

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.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$4,457,136	\$4,611,719	\$4,840,184	\$4,840,184	\$5,087,421

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2019

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to increase significantly in FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$744,080	\$200,275	\$369,177	\$369,177	\$671,808

MISCELLANEOUS GRANTS

Basis: Federal/State of Delaware award letters

Critical Assumption: Miscellaneous Grants is a combined total of two Federal grants and three State grants. The Federal grants are Housing Opportunities for People With AIDS (HOPWA at \$725,614) and the Emergency Shelter Grant (ESG at \$182,615). The State grants are the Local Emergency Planning Committee Grant (LEPC at \$67,555), the Workforce Investment Board (WIB at \$248,617), and the State Fire Grant (\$201,369).

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,757,457	\$2,036,551	\$1,365,156	\$1,365,156	\$1,425,770

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

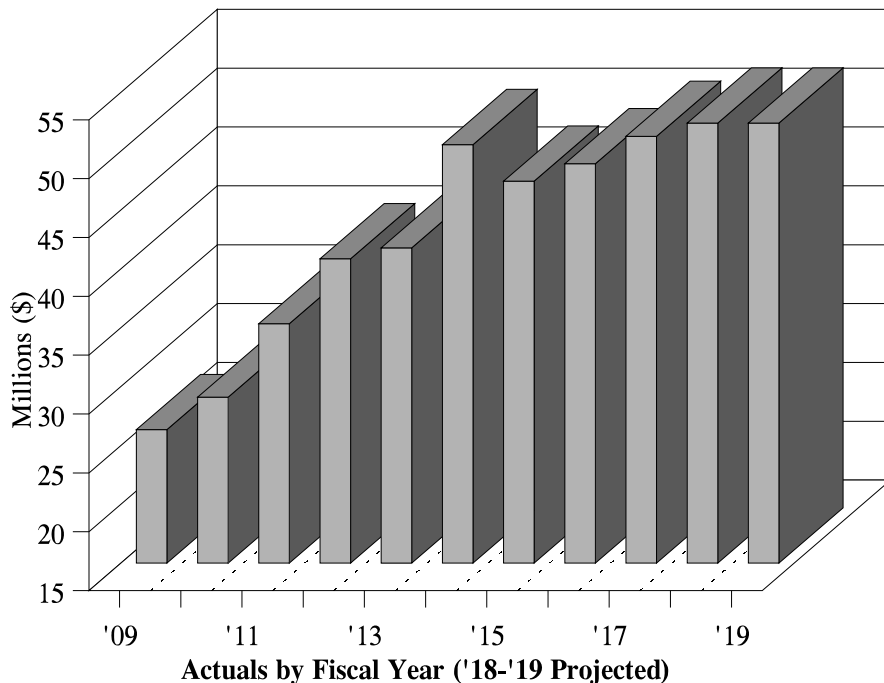
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: The base amount of Water/Sewer User Fees had been growing in recent years as a result of the rate increases to stabilize the Fund. For FY 2019, base billings, forecasted through financial modeling using current consumption data, are projected to be \$47.7 million. As a result of MUNIS software limitations, the conversion to monthly billing necessitated the lowering of the consumption allowances and the fixed fee facilities charges. A 4.0% rate increase is proposed for FY 2019, but will not take effect until September 1, 2018 - two months into the fiscal year. The rate increase is projected to yield an additional \$1.39 million in revenue. Revenue from special sewer fees and other miscellaneous sources will contribute \$4.25 million, up \$350,000 from FY 2018. Finally, subtracting the allowance for doubtful accounts (\$982,000) results in a net total User Fees projection of \$52.4 million, an increase of \$4.0 million from the FY 2018 budget.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$48,920,622	\$51,245,529	\$48,378,000	\$52,378,000	\$52,375,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

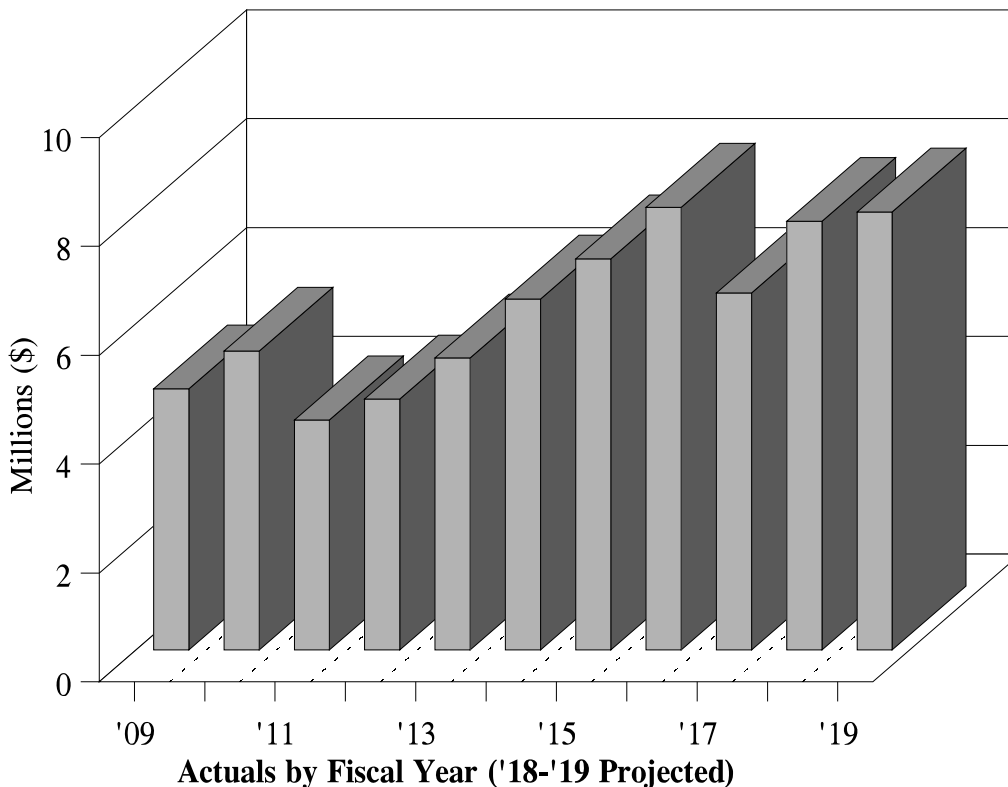
STORMWATER BILLINGS

Basis: Trend analysis/Management initiatives

Critical Assumption: The Stormwater Property Fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm water runoff. The Stormwater Billings base for FY 2019 is \$8.47 million. After allowing a total of \$423,000 for uncollectible accounts, \$8.05 million in revenue is projected for FY 2019, a net increase of \$172,000 above the FY 2018 budget. There is no increase to stormwater rates for FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$8,132,100	\$6,557,031	\$7,874,000	\$7,874,000	\$8,046,000

Stormwater Billings



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

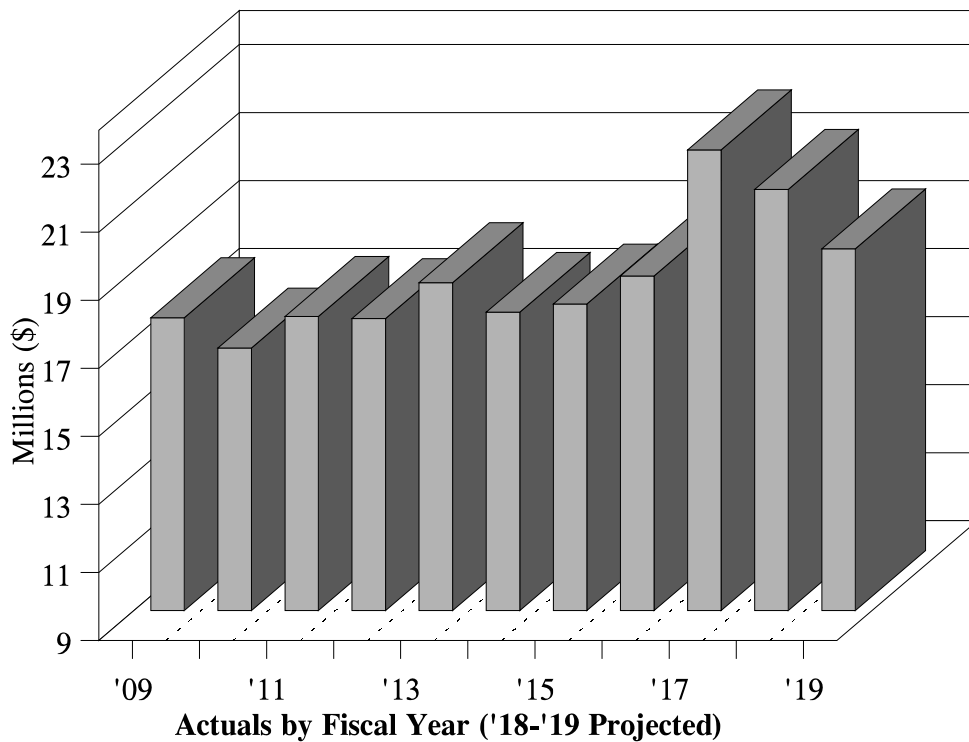
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: A tentative agreement for a new contract has been reached with New Castle County for the treatment of the County’s sewage. Based on the agreement, total revenue for FY 2019 is projected at \$19,634,665, a decrease of almost \$500,000 from last fiscal year.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$18,837,257	\$22,543,855	\$20,133,523	\$21,383,523	\$19,634,665

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

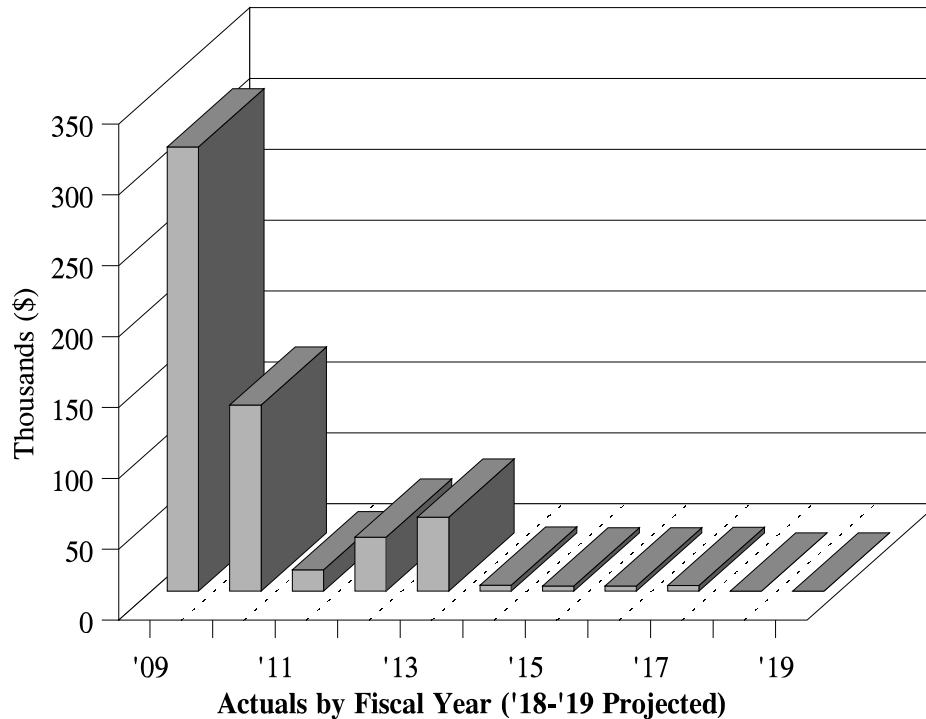
INTEREST

Basis: Trend analysis/Cash flow analysis

Critical Assumption: Previously, all interest earned on City cash balances, regardless of the source, was booked as revenue to the General Fund. Starting in FY 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. But based on the last three years of actual revenues, the posting of interest into the Water/Sewer Fund has been suspended.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$3,647	\$0	\$0	\$0	\$0

Interest Income



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

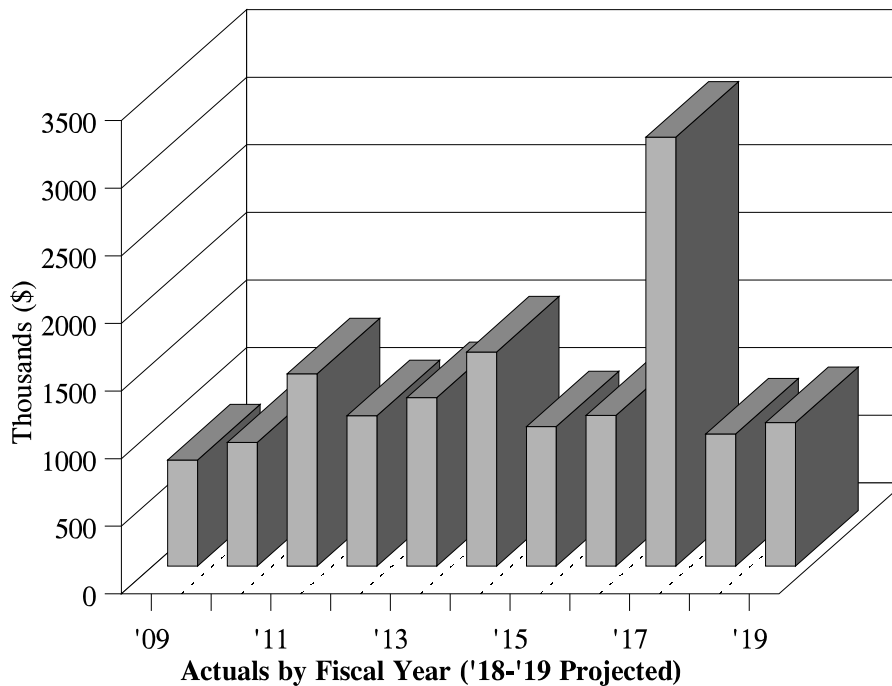
RENTALS/MISCELLANEOUS

Basis: Lease/Contracts

Critical Assumption: Rental income, which is derived by charging fees to telecommunications companies that rent space on the City’s water tanks for antennae and transmitters, is projected to increase by \$84,000 to \$1,062,000 in FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,113,799	\$3,171,860	\$978,000	\$978,000	\$1,062,000

Rentals/Miscellaneous



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2019

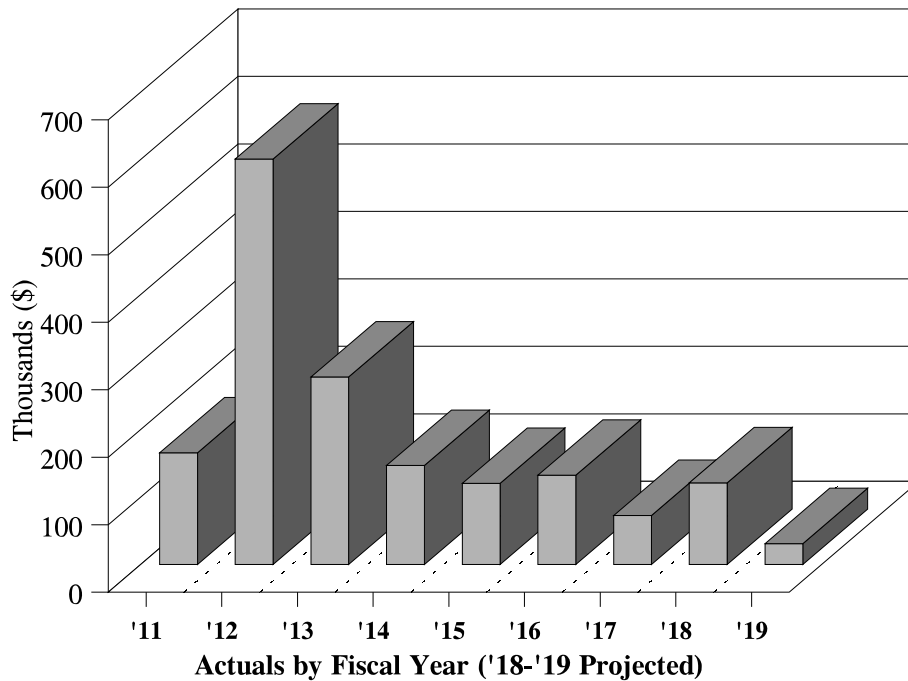
SOLAR PANEL REVENUE

Basis: Lease/Contracts

Critical Assumption: This was a new revenue source that began in FY 2011. Although small in value, because of the special nature of this revenue, it is accounted for in its own separate category. As a result of the installation of solar panel arrays at various municipal sites (most notably the Porter Filter Plant), the City earns Solar Renewable Energy Credits (SRECs). Revenue is obtained from the sale of these credits by the City. For FY 2019, \$31,000 in revenue is expected, down by \$90,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$132,230	\$72,610	\$121,000	\$121,000	\$31,000

Solar Panel Revenue



**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2019**

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%

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2019
(Continued)

FRANCHISE TAX

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

Rate: 2.0% on electrical service; 2.0% on natural gas; 5.0% on cable television service.

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.