

City of Wilmington Delaware



Approved Budget FY 2016

Dennis P. Williams
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2016 • Approved by City Council • May 21, 2015

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, 2014.

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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
Award*

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**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2014

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director

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Treasurer - Henry W. Supinski

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4th District Hanifa G.N. Shabazz

5th District Samuel Prado

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Director of Human Resources

Chief of Police

Director of Economic Development Office

Director of Real Estate and Housing

Chief of Fire

City Auditor

Director of Parks and Recreation

City Solicitor

Commissioner of Licenses and Inspections

Director of Planning

Commissioner of Public Works

Director of Finance

OFFICE OF MANAGEMENT & BUDGET

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Budget Director

Senior Analyst/Systems Coordinator

Senior Analyst

Budget Analyst II

Budget Analyst II

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MAYOR

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FISCAL YEAR 2016 BUDGET MESSAGE

WORKING TOGETHER

Today, Wilmington is a city filled with hope for our children, growing neighborhoods and economic promise. It is our responsibility to reclaim our streets, re-energize our youth and revitalize our economy. Each day, men and women are taking the steps to build Wilmington into a more thriving, vibrant city that will continue to make all of us proud.

There are individuals like 17-year-old James, who mentors children at the Fraim Boys and Girls Club as part of the City's first year-long youth employment program. And D'Von, who despite growing up in one of the most underprivileged neighborhoods in the City, attained his boyhood dream to protect and serve his fellow citizens when he successfully graduated from our recent academy class to join the ranks of the Wilmington Police Department. And Christina, who is a guest services manager, and one of the nearly 200 employees working at Navient and the Westin Hotel doing their part in revitalizing Wilmington's Riverfront.

All of these individuals are working to make our City better. But their efforts alone are not enough; we all have a responsibility to ensure Wilmington remains a great place to live, work and play.

PUBLIC SAFETY

We all deserve the right to feel safe as we live in our homes, sit on our porches, play in the parks, and walk the streets. Since taking Office, public safety remains my top priority. But City government cannot do this alone. We are all responsible for creating a safe, livable city for our residents and visitors. Building strong and safe neighborhoods requires all levels of government, business leaders, religious leaders, and members of the community working together.

We are actively working to significantly reduce shootings and homicides through our partnership with the New Castle County Police Department, whereby their officers assist in patrolling our streets, increasing the visibility of police presence in our communities. In addition to our partnership with the New Castle County Police Department, the Wilmington Police Department implemented *Operation Disrupt*, which increased the number of officers on patrol in the City's highest crime areas.

We are headed in the right direction, but there is much more work to be done. Fortunately, the 33 new officers of the 96th Academy Class recently joined the Wilmington Police Department in the fight to ensure the safety of our neighborhoods. The graduates of this Academy Class are the most diverse group in the history of the City's Police Department. Sixty-two percent are men and 38 percent are women. Racially and ethnically, 44 percent are African American, 32 percent are Caucasian, 21 percent are Hispanic, and there is one graduate of Asian decent. These percentages more closely parallel the ethnic and cultural diversity of our City's citizens and communities, which can lead to greater trust, understanding, and cooperation between the Police Department and the community.

In our effort to reduce violent crime, we have explored new, innovative crime fighting measures that focus on prevention and intervention. Since implementing the Cease Violence initiative last October, the violence interrupters have mediated 18 altercations and resolved each of the conflicts before any gun-related violence or retaliation occurred. By resolving those 18 conflicts, we potentially saved 18 lives. Cease Violence staff members respond to hospitals after shooting incidents to mediate tense situations with emotional family members who may be thinking of retaliation, regularly communicate with at-risk youth, work with community agencies, and distribute anti-violence literature throughout the City's gang hot spots.

In addition, we created the City's first homicide-only detective unit in the history of the Wilmington Police Department. It was the outcry from citizens who lost loved ones to acts of senseless gun violence which revealed the need to create a unit solely focused on getting murderers off our streets and behind bars.

To eliminate gun violence and violent crime in Wilmington and build strong neighborhoods, we must forge strong relationships between the community and the Police Department. That is why, this year, we reestablished the Police Citizen Advisory Group. The Police Citizen Advisory Group will work to identify the community's areas of concern regarding public safety and law enforcement, while also providing support and communication between the community and the Police Department. I am hopeful our efforts to build trust between the neighborhoods and the Police continue to be successful, as we are already seeing signs of good progress.

ECONOMIC DEVELOPMENT

We all want Wilmington to be a city where the economy thrives and businesses choose to locate. As the economic engine for the State of Delaware, it is our responsibility to encourage growth and expansion of the many industries represented here, and to attract new industries to invest here.

Downtown Wilmington and the Riverfront are the heartbeat and economic foundation of our City. Businesses like Navient, Starbucks and the Buccini/Pollin Group continue to make strong investments in Wilmington. These investments highlight the economic growth of our City and improve economic opportunities for all Wilmingtonians.

Navient's decision to establish its nationwide corporate headquarters in Wilmington is a testament to our talented workforce, and I am proud to see Navient expand its footprint in Delaware.

For many of us, there is nothing like a good cup of coffee. And there's probably no coffee shop more recognizable than Starbucks. The opening of two Starbucks locations in Downtown Wilmington and on the Riverfront highlights Wilmington's ability to attract high-profile and national brands.

But these corporations are not the only businesses investing in Wilmington. The Buccini/Pollin Group continues to invest in Wilmington by creating new, modern housing options throughout the Downtown business district and Riverfront, with housing construction projects like the Harlan Flats, Residences at

Midtown, Market Street Village and LOMA 627-628. Soon we will see the opening of more than 300 new apartments in the City's Downtown and Riverfront communities.

While big business is great, it is the many small business owners who add character to our City. Joe Riccardi, who is an Iraqi war veteran and proudly served our country, is now one of the newest small business owners on the Riverfront teaching physical fitness and training locals at his Frontline Crossfit gym. But Frontline Crossfit is not the only new business and attraction in Downtown and along the Riverfront.

The opening of the Stratosphere Trampoline Park, Horizon Riverfront Ice Skating Rink, and new dining options, support existing attractions like the Penn Cinema IMAX theater and the Kalmar Nyckle tall ship to continually attract residents and visitors to the Riverfront and Downtown. The vibrant energy and pleasant atmosphere make both locations enjoyable places to shop, eat and socialize.

And while businesses opening or relocating to Wilmington is critical to the City's economic sustainability, we must also take a proactive approach in determining our City's economic future. It is our responsibility to light the path forward toward a brighter economic future for Wilmington. That is why we commissioned the creation of the City's Comprehensive Economic Development Plan.

The Economic Development Plan serves as a blueprint presenting specific guiding principles aimed at achieving short-term goals and creating long-term opportunities that look to strengthen the local economy. This plan is the first step in identifying our strengths and weaknesses, making necessary changes and creating new opportunities for local jobs and businesses.

STRATEGIC PLAN

The Economic Development Plan is just a part of a new larger process. This year, we will begin to implement the City's Strategic Plan. Generated from the hard work and collaboration of every City Department, the Strategic Plan focuses on our vision to be a thriving city where communities are safe, businesses are eager to invest and people prefer to live. Built upon the four guiding principles of effective City government, public safety, economic vitality and quality of life, the Strategic Plan serves as the foundation to provide citizens with the highest level of service.

Implementing this plan will allow us to serve our citizens with care and professionalism, decrease crime and improve our residents' sense of security, increase opportunities for citizens and businesses to achieve economic success and enhance Wilmington's position as a desirable city to live, work and play.

EDUCATION

As important as it is to address public safety and economic and neighborhood development, we cannot ignore what is most important, our children and their future. Although education is not under the direct responsibility of our City government, we still have an obligation to ensure our children achieve academic success. A number of City schools are considered high-poverty, and we must be willing to do what we can to help obtain increased funding from the State and federal governments to address the various needs associated with poverty, as it severely impacts children's ability to learn.

Community involvement is critical to a child's academic success. That is why the City is partnering with the United Way of Delaware and other community service organizations, as well as the faith-based community, in an effort to expand youth programs. Through the Department of Parks and Recreation, we are offering more after-school recreational programs and summer academies. Last year, we doubled the

funding for the City's Summer Youth Employment Program. This year we will extend the term of the Program through the end of September.

We are also challenging business and community stakeholders to work with us in strengthening mentoring programs. Our goal is to provide a mentor relationship for every child. The City's mentoring program works with the Big Brothers Big Sisters organization and the Department of Justice to provide our young people with adult role models.

Our young people are our future and we have a responsibility to ensure they have the tools and resources necessary to be successful and productive members of society.

BUDGET DISCUSSION

We have a responsibility to ensure the safety of our neighborhoods, to support the growth of new and established businesses and to provide resources for our children's academic success. If the City looks to move forward, it starts with each one of us acting responsibly, which requires us to first address the fiscal challenges that face the City. Tackling these challenges takes time, commitment and perseverance, and it starts with us tightening our own belts.

The FY 2016 General Fund Budget was crafted to strengthen the City's fiscal position and to ensure financial stability into the future without reductions to essential services or programs. With the exception of the new Water, Sewer, and Stormwater Charges, the uncontrollable increase to Landfill Fees, and the final budget compromise add-backs by Council, reductions were made to nearly every one of the City's 109 MS&E budget accounts. In addition, we made a conscious effort to reorganize staffing, hire new employees at lower steps, and reduce most other discretionary personal services. This shared sacrifice of all City Departments allowed us to budget a modest surplus without increasing any taxes or fees.

THE GENERAL FUND

Below are the spending highlights of the General Fund for FY 2015.

General Fund Expenditures

- The Fiscal Year (FY) 2016 operating budget expenditures total **\$151,696,858** – up \$1,657,212, or 1.1% from FY 2015. Despite the City having to absorb \$2.26 million in uncontrollable cost increases, a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies allowed the overall increase to the budget to stay below the rate of inflation.
- Staffing decreased by a net total of 0.07 full-time equivalents (FTEs). These changes are detailed below:
 - City Council split the funding of the Legislative Analyst/Bailiff position. Formerly charged entirely to the General Fund, 50% of the position cost will now be covered by the Cable TV Fund. This resulted in a 0.5 FTE decrease.
 - In Finance, a net 1.3 FTE was added. Through a reorganization that affected a number of operational areas, a net 0.5 FTE was added. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, moving in another 0.8 FTE.

- To more accurately reflect the duties and responsibilities of the Director of Human Resources, 45% of the funding for the position was shifted to the three Internal Service Funds of the Human Resources Department. The Internal Service Funds of Risk Management, Workers' Compensation, and Health and Welfare were each allotted 15% of the cost of the Director position. The result is that the General Fund saw a decrease of 0.45 FTE.
- In the Planning Department, the reallocation of costs for the Planner II position that is split-funded between the General Fund and the CDBG fund netted a 0.06 FTE increase.
- Adjustments to five positions that are split-funded between the General Fund and federal grant funds in Real Estate & Housing resulted in a 0.28 FTE decrease.
- A vacant Account Clerk III position in the Parks & Recreation Department was deleted for a 1.00 FTE reduction.
- The last of the federal COPS grant funding has been exhausted. The one Police Officer position that had been split-funded 80% COPS grant and 20% General Fund was shifted to 100% General Fund in FY 2016. This resulted in a 0.8 FTE increase.
- Overall debt service costs increased by a net \$1 million. The need to fund critical infrastructure projects in the FY 2014-2015 Capital Budget added \$1.44 million in new debt service. However, this was partially offset by a reduction in the existing debt service schedule of \$440,000.
- Employee medical costs and actuarially required pension and pension healthcare contributions rose a total of almost \$872,300. Most of the cost of pensions and pension healthcare goes toward the elimination of the large actuarially determined liabilities of the City-sponsored plans.
- Administrative internal services chargebacks increased a total of \$353,189. A large part of this increase results from the continuing effort to improve and better align the chargeback budgets with actual departmental usage. Also contributing to the increase is the higher cost of public safety vehicles and the City's new state-of-the-art phone and voice mail system.
- As part of the final budget compromise with City Council, funding of \$279,200 was added to support a Police Academy class for 15 recruits.
- In FY 2016, the City will begin a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the General Fund. The General Fund will pay 25% of these costs in 2016, 50% in FY 2017, 75% in 2018, and then 100% in FY 2019 and beyond. Starting with a base fee of just under \$1.1 million for water, sewer, and stormwater services, the 25% initial charge for FY 2016 to the General Fund will be about \$264,000.
- As part of the final budget compromise with City Council, a total of \$210,000 was added to fund three additional public safety camera operators at Downtown Visions (\$135,000) and for a comprehensive assessment to be done of the City's camera surveillance system and program (\$75,000).

- Because of the closing of Peninsula Compost, yard waste and leaves will now have to be sent to the Cherry Island Landfill. This will increase the annual tonnage of waste sent there by the City, resulting in an increased tipping fee cost of \$131,400.
- Reorganization in staffing, the hiring of new employees at lower steps (especially in Police and Fire), along with reductions in discretionary personal services such as overtime, netted savings of \$408,900 in the Salaries & Wages account group.
- With the exception of the new Water, Sewer, and Stormwater Charges, the uncontrollable increase to Landfill Fees, and the final budget compromise add-backs by Council, reductions were made to nearly every one of the City's 109 MS&E budget accounts. Departments cut nearly \$943,500 from the total FY 2016 MS&E Budget, a reduction of 4.9% from last fiscal year.
- The Budget was balanced with no increases to taxes and fees.

General Fund Revenues

The City continues its recovery from the severe economic downturn and recession that began in 2008. Projected revenues are increasing modestly in FY 2016. Total revenue before transfers is projected to increase by a net \$2,360,120 or 1.6% above the FY 2015 Budget, to a new total of \$153,532,112. The net change from Budget to Budget (FY 2016 vs. FY 2015) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$777,588	\$39,727,500
Licenses, Permits & Fees	679,640	4,200,000
Other Taxes	478,800	7,016,631
Wage & Net Profits Tax	436,000	65,401,600
Task Force Revenues	292,671	4,745,026
County Seat Relief Package	193,608	8,765,836
Other Revenues	28,979	6,751,446
Interest Earnings	20,278	232,037
Other Governments	2,556	8,092,036
Fines	(550,000)	8,600,000
TOTAL	\$2,360,120	\$153,532,112

Property Taxes are projected to total \$39,727,500, a net increase of \$777,588. Base billings for FY 2015 were \$40.45 million. However, assessment appeals from owners of some large commercial properties are pending. Revenue loss from current appeals is projected to be \$350,000, and is in addition to the \$500,000 reduction for appeals and other billing adjustments projected to occur in FY 2016. Helping to offset these reductions is \$275,000 of additional revenue resulting from expiring tax incentives and higher assessments due to property improvements. A 2.0% adjustment downward for bad debt reduces the net base revenue for FY 2016 by \$797,500. Lastly, Penalty and Interest is expected to add \$650,000 in one-time revenue. There is no increase to the tax rate.

Licenses, Permits and Fees revenue is projected to rise by nearly \$680,000 to \$4.2 million in FY 2016. Business Licenses are expected to hold at \$1.6 million, but Permits are projected to increase by almost \$605,000, a result of the revision of the entire schedule of Building Permit fees in late FY 2014. Fee revenue is also expected to increase by \$75,000, to a total of \$600,000, based on recent trends in this category.

Other Taxes are projected to increase by \$478,800 for FY 2016. The breakout is as follows:

Real Estate Transfer Tax revenues are slated to increase by \$300,000 to \$2.3 million for FY 2016, which equals the revised projection for FY 2015. The average price of residential homes is rising slowly, and the number of sales is increasing modestly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As such, only minimal growth is forecast in this area.

Head Tax revenue is projected to increase by \$178,800, to \$3.8 million for FY 2016. As an offshoot of the Finance Department's revenue audits, additional Head Tax is realized for both past and current employee headcounts.

Franchise Fees revenue previously consisted of 2% of the 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, and was projected to be \$916,631 to equal the most recent annual remittance from FY 2014. This also equals the current FY 2015 budget.

Wage and Net Profits Tax

The FY 2016 Wage and Net Profits Tax projection totals just over \$65.4 million, a \$436,000 increase above the FY 2015 Budget. Wage Tax revenue has been growing, albeit modestly, fueled by an improving local economy. The Wage Tax base is now almost \$56.0 million, with another \$250,000 expected to be added by the end of this current fiscal year from ongoing audit and collection activities. For FY 2016, job growth and increased employee compensation are projected to increase taxable wages by 3.0%, further expanding base revenue by \$1.7 million. Finally, audit and collection efforts for FY 2016 are expected to bring in \$2.0 million in one-time revenue. In total, FY 2016 Wage Tax revenue is projected to be \$59.9 million.

The Net Profits portion of this revenue category is projected to remain at \$5.5 million for FY 2016.

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 \$292,671 higher for FY 2016. Two of the four components of the Task Force Revenues will increase from the FY 2015 Budget as a result of State growth estimates calculated on final FY 2014 revenues: Corporate Filings by \$157,912, and LLC Filings by \$116,287, to new totals of \$1,216,160 and \$2,442,033 respectively. Lodging Tax is projected to increase by 2.0% and Natural Gas Tax is slated to rise 1.5% above the FY 2015 budgeted levels. They will now total \$499,144 and \$587,689 respectively.

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 2016 projections total \$8.8 million. 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 (this is down \$18,554 from the FY 2015 budget); \$4.8 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$51,784 from the FY 2015 budget); \$200,000 in Statutory Trust Filing Fees (down \$100,000); and \$1.3 million in New Castle County Corporate Filing Fees (this is up by \$260,378). In total, there is a \$193,608 increase in County Seat Relief Package revenues from the FY 2015 budget.

Other Revenues comprises Indirect Costs, General Government Charges, and other Miscellaneous Income. General Government Charges and Miscellaneous revenues are expected to remain unchanged. Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City's indirect cost plan had not been revised since the mid 1990's. Based on several cost components of the FY 2016 General Fund budget, Indirect Costs will rise to \$5,023,446, an increase of \$28,979. Other components in this category, Rentals, General Government Charges, and Miscellaneous Revenue will remain the same.

Interest Earnings

Although the City's cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in late 2015, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$232,037, or \$20,278 above the FY 2015 level.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,155,315 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. 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 reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2016 will be \$936,721, and represents a \$2,556 increase over this fiscal year.

Fines are projected to decrease by \$550,000, to a total of \$8.6 million. The breakout is as follows:

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 \$4.7 million in FY 2016, down \$250,000 from the FY 2015 budget and is broken down as follows: Red-light camera fines at \$4.0 million (down \$100,000), Criminal Fines at \$300,000 (down \$150,000), and L & I Instant Ticketing at \$400,000 (no change).

Parking Tickets/Booting Fines are forecast to decrease \$300,000 from \$4.2 million budgeted in FY 2015, down to \$3.9 million for FY 2016. There has been a multi-year downward trend resulting from changes in parking regulations.

THE WATER/SEWER FUND

It is imperative that we provide adequate resources to maintain our aging infrastructure, as well as provide superior drinking water and sewage treatment for the half-million people we serve in Greater Wilmington. The FY 2016 budget continues to support the high-priority initiatives begun in recent years deemed 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.

Below are the spending highlights for the Water/Sewer Fund.

Water/Sewer Fund Expenditures

- The FY 2016 operating budget expenditures total **\$71,309,382** – up \$3,332,242, or 4.9% from FY 2015.
- Overall debt service increased by almost \$1.5 million, reflecting the interest cost of new bonds and State Revolving Loan funds that will finance critical water, sewer, and stormwater infrastructure projects in the FY 2014-2015 Capital Budget.
- There was a \$448,000 increase in the Contracted Maintenance Services account that is split among the Water System, Wastewater Treatment, and Stormwater Divisions. In the Water System Division, additional funding of \$150,000 is required for the comprehensive water tank inspection, maintenance, and repainting program. There was also a \$137,000 increase for fire hydrant testing, maintenance, and repair. Split between the Wastewater Treatment and Stormwater Divisions, there was an increase of \$143,600 in the Veolia contract to operate and maintain the City's sewage treatment plant. A part of that contract increase includes a new stormwater charge levied against the sewage treatment plant property.
- Because of new standards for pavement restoration following repairs, the annual contract cost for repairing water main breaks and valve replacement increased by \$300,000. In the same account (Repairs to Water Lines) a separate contract for water main valve maintenance and repair rose by \$137,000, reflecting an expanded maintenance program.
- After bids came in well above the FY 2015 budget, the concrete repairs to the Wastewater Treatment Plant's fine screen buildings were delayed. The projected total cost of the project has risen by \$320,000, to a new total of \$1.2 million. However, the full impact to the FY 2016 budget will be blunted somewhat because \$130,000 of the associated engineering services will be done and paid for in FY 2015. It is also important to note that as part of an arbitration settlement, New Castle County will reimburse the City 87.25% of the final cost of the project.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$199,700 increase in depreciation expense.
- While the use of block pricing and the pumping of water during off-peak hours lowered the City's overall electricity costs, recent spikes in the energy spot market continue to

erode some of those savings. As a result, electricity was increased \$130,000 in the Water System Division to reflect this new reality.

- A \$100,000 pilot program for the inspection of non-interceptor branch sewer lines and laterals was added to the budget in the Condition Assessment account of Public Works. The cost of the pilot is split 40% in the Sewer Maintenance Division and 60% in the Stormwater Division.
- Staffing decreased by a net 1.30 FTEs, and is attributable solely to changes in the Finance Department. A Departmental reorganization that affected a number of operational areas deleted a net 0.5 FTE. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which deleted another 0.8 FTE.
- There are no increases to water, sewer, and stormwater rates.

Water/Sewer Fund Revenue

Total Water/Sewer Fund revenues are projected to increase by more than \$568,000 from FY 2015, to a new total of \$73.6 million in FY 2016. 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, it is projected that the Water/Sewer Fund will achieve self-sufficiency, with adequate operating reserves and proper debt coverage ratios, by FY 2018.

Water/Sewer User Fees

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 2016, base billings, forecasted through financial modeling using current consumption data, will increase to \$42.8 million. After factoring in the allowance for bad debt, and adding special sewer and other miscellaneous revenue, total User Fees is projected to be \$45.6 million, a net increase of \$169,216 over the FY 2015 budget. There is no increase to water and sewer rates for FY 2016.

Stormwater Billings

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 runoff. The Stormwater Billings base for FY 2016 is \$8.7 million, up \$211,000. After allowing for un-collectibles of \$1.2 million (mostly due to disputes concerning a few large federal and state-controlled properties), almost \$7.5 million in revenue is projected for FY 2016, a net increase of \$181,000 above the FY 2015 budget. There is no increase to stormwater rates for FY 2016.

New Castle County Sewer

The City and New Castle County are currently in the midst of negotiating a new contract defining the fee structure for treating the County's sewage. Until a new contract is agreed upon, the terms of the expired contract, settled through arbitration, will continue. For FY 2016, the net base fee of \$18.4 million represents the County's share of costs for operating the City's sewage treatment plant and sewage sludge disposal, adjusted downward by \$100,000 to take into account the annual

reconciliation process. An additional \$1,047,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2016 is \$19,380,024, an increase of \$236,556.

Interest and Rentals

In FY 2016, interest is projected to remain at \$30,000. 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 decrease by \$18,216 to \$1,127,784. The combined total revenue projected in FY 2016 for this category is \$1,157,784.

Solar Panel Revenue

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. \$52,000 in revenue is expected to be received in FY 2016, the same as last fiscal year.

CONCLUSION

While the state of the City is stronger than it was a year ago, if we are going to continue to move forward as a thriving City, it will take all of us working together, doing our part, and making responsible choices. Future generations are depending on us.

The FY 2016 Budget reflects our tireless dedication to reduce crime, provide quality services to our citizens, support the growth and development of our young, and to grow our economy. With no increases to taxes or fees and a modest surplus, the FY 2016 Budget demonstrates our strong commitment to accomplish what is most important, while maintaining fiscal responsibility.

Respectfully,



Dennis P. Williams
Mayor of the City of Wilmington

WILMINGTON

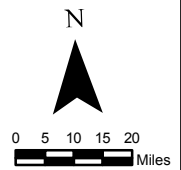
FACTS & FIGURES



LEGEND

- ★ Capital Cities
- State Boundaries
- Rivers

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.



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 midpoint 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 US 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 population, 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%	10.85	6,530.0
New Castle County	500,265	538,479	7.6%	426.27	1,263.2
Greater Wilmington Area	586,216	639,587	9.1%	774.30	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.

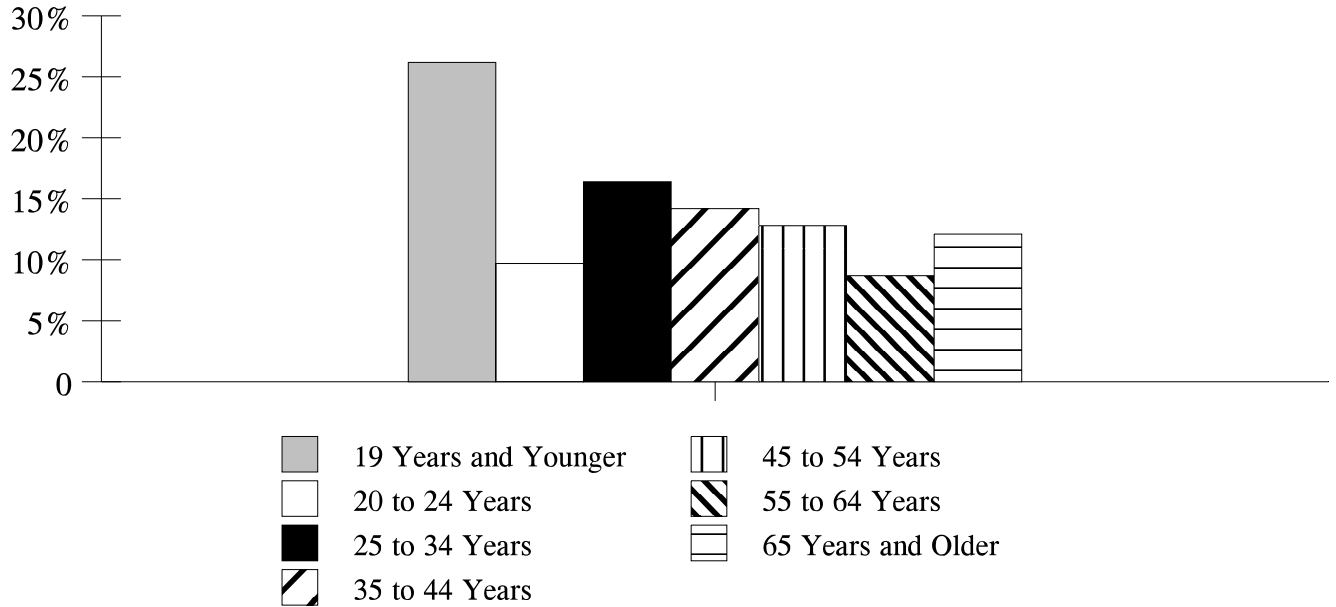
POPULATION TRENDS

	<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



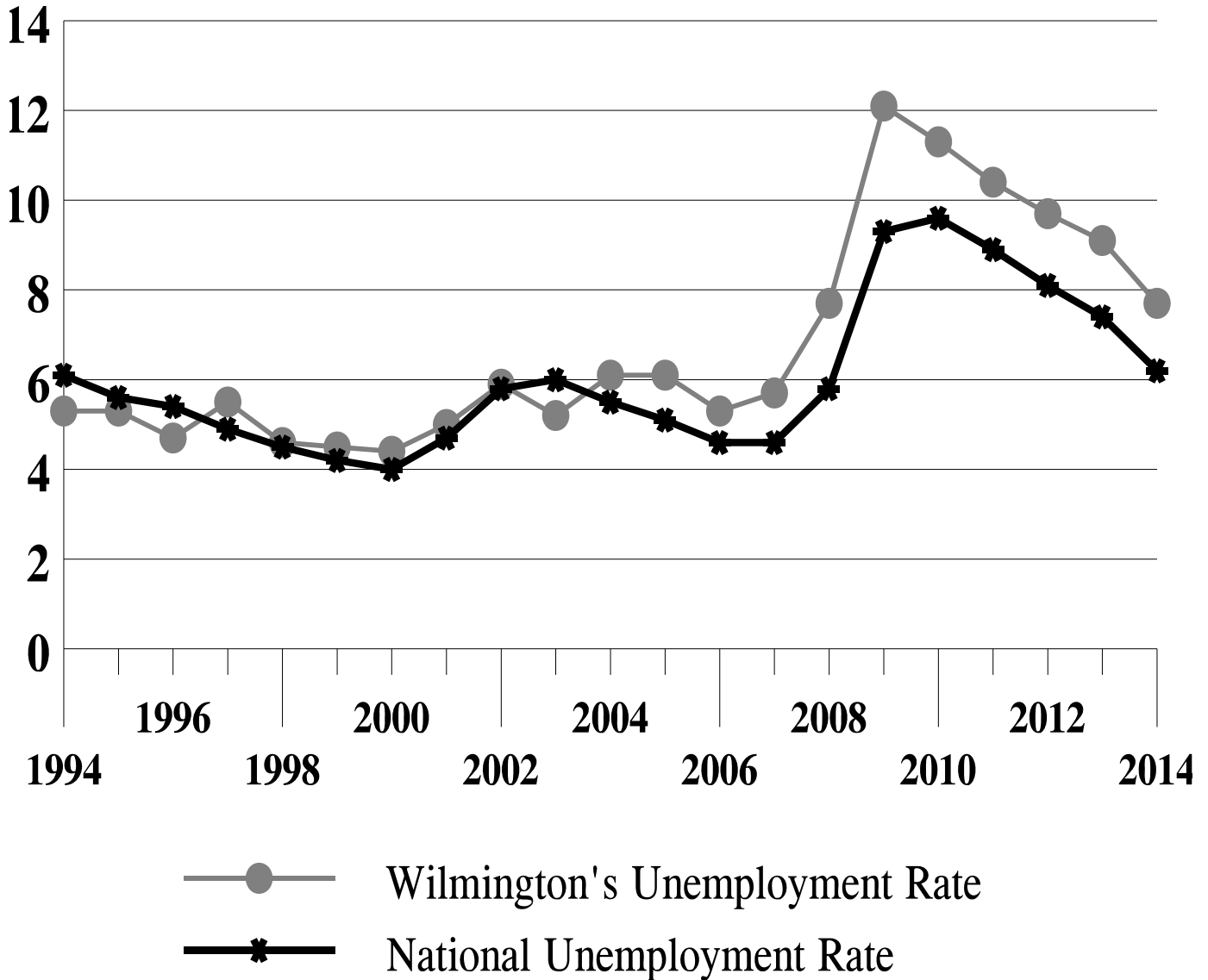
PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2013 inflation adjusted dollars)	
\$0 to \$9,999	15.4%
\$10,000 to \$14,999	7.3%
\$15,000 to \$24,999	10.0%
\$25,000 to \$34,999	13.8%
\$35,000 to \$49,999	13.1%
\$50,000 to \$74,999	15.8%
\$75,000 to \$99,999	11.5%
\$100,000 to \$149,999	7.8%
\$150,000 or more	5.3%
MEDIAN HOUSEHOLD INCOME	\$37,861

Source: U.S. Census Bureau, 2013 American Community Survey.

WILMINGTON EMPLOYMENT TRENDS

Employment is a strong indicator of the City of Wilmington's overall health. The City's unemployment rate continues to stay above national trends, reflecting the disproportional 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



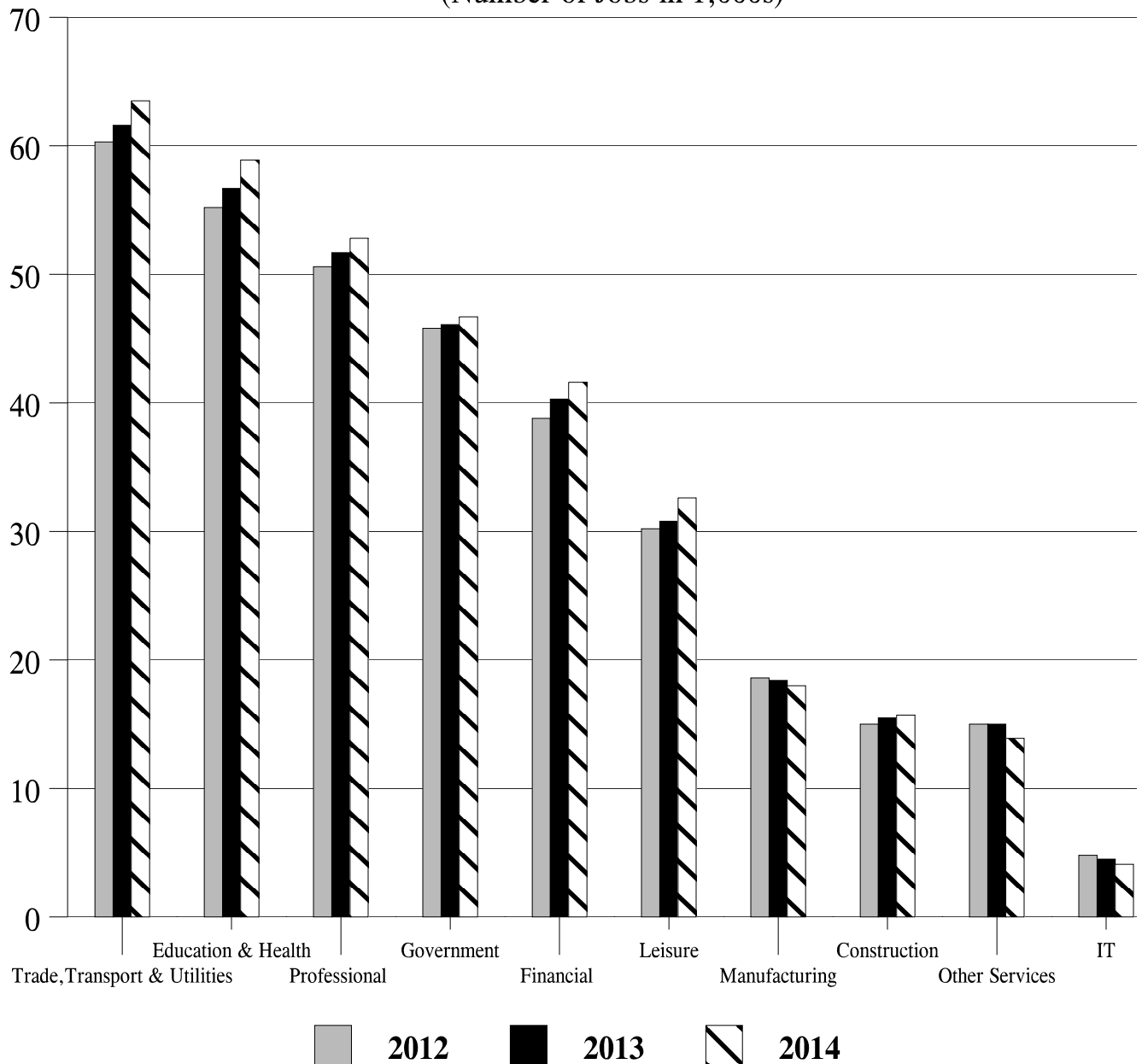
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2014.

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.

Employment By Major Industry Type

(Number of Jobs in 1,000s)



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program, 2014.

MAJOR AREA EMPLOYERS

Major area employers within commuting distance of the City of Wilmington.

Employer	Business	Employees
State of Delaware	Government	17,000
DuPont	Science and Engineering	13,500
Christiana Care Health System	Hospital/Healthcare	10,500
AstraZeneca Pharmaceuticals LP	Pharmaceuticals/Chemicals	3,550
Nemours (A.I. Dupont Hospital)	Hospital/Healthcare	3,000
YMCA of Delaware	Nonprofit	2,000
M&T Bank	Banking	1,782
Red Clay School District	Public Education	1,500
New Castle County	Government	1,500
Delmarva Power	Utility	1,400
University of Delaware	Public Education	1,304
Computer Aid, INC (CAI)	Technology	1,200
DuPont Pharmaceuticals	Pharmaceuticals/Chemicals	1,001
Goodwill of Delaware	Nonprofit	1,000
Saint Francis Healthcare	Hospital/Healthcare	1,000
Wilmington VA Medical Center	Hospital/Healthcare	980
AAA	Automotive/Travel	890
WSFS Bank	Banking	801
Aetna	Insurance	750
Christiana Care Visiting Nurses Association	Hospital/Healthcare	600
Incyte Corporation	Pharmaceuticals/Chemicals	500
Patterson-Schwartz	Real Estate	330
DiSabatino Construction	Construction	300
Sobieski Services	Construction	300
Richards, Layton and Finger	Legal Services	275

Source: Delaware Business Times, Book of Lists, 2015.

Largest Wage Tax Withholders in the City of Wilmington

Maintaining the diversity of the City's top revenue source, Wage and Net Profits Tax, is an important component in assuring stable income during an economic downturn. As of calendar year 2014, no one entity was providing more than 11% of total Wage Taxes withheld. Below are the City's top five Wage Tax withholders over the past three calendar years.

Calendar Year 2014

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$5,839,279	10.7%
Dupont	\$5,139,061	9.4%
State of Delaware	\$3,443,612	6.3%
Bank of America	\$2,685,793	4.9%
Barclays	\$1,972,340	3.6%

Calendar Year 2013

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$5,441,773	9.9%
State of Delaware	\$3,387,085	6.2%
Dupont	\$3,157,830	5.8%
Bank of America	\$2,013,280	3.7%
Barclays	\$1,799,199	3.3%

Calendar Year 2012

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$4,873,337	8.7%
State of Delaware	\$3,325,025	5.9%
Dupont	\$2,751,935	4.9%
Bank of America	\$2,429,682	4.3%
Christiana Care	\$1,814,502	3.2%

Source: City of Wilmington Revenue Division.

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 that in total represent 20% of the total taxable assessment value in the City.

Name	Property Type	Taxable Assessment	% of Taxable Assessment
Buccini/Pollin Group	Office & Residential	\$115,573,000	4.41%
JP Morgan Chase	Office Building	54,755,200	2.09%
M&T Bank	Office Building	53,147,960	2.03%
Bank of America	Office Building	52,992,000	2.02%
The Chemours Co FC LLC	Office Building	43,032,000	1.64%
Delmarva Power	Electric & Gas Utility	42,626,500	1.63%
DCL Leasing	Office Building	41,000,000	1.56%
1201 N. Market Street LLC	Office Building	35,000,000	1.34%
Calpine Mid-Atlantic	Electric Generation	32,703,400	1.23%
Verizon	Office Building & Utility	29,844,100	1.14%
TRC/Rubenstein	Office Building	28,548,300	1.09%
Total		\$529,222,460	20.18%

Source: City of Wilmington Revenue Division.

New Construction Permits Issued

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Single-Family	49	31	7	22	7
Multi-Family	3	2	3	3	2
Non-Residential	8	7	6	4	9
TOTAL	60	40	16	29	18

Total Value of New Construction Activity

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Residential	\$ 29,846,027	\$ 4,650,925	\$ 25,154,312	\$ 22,457,667	\$ 13,478,141
Non-Residential	\$ 8,543,544	\$ 49,391,949	\$ 38,583,903	\$ 5,383,608	\$ 18,583,810
TOTAL	\$ 38,389,571	\$ 54,042,874	\$ 63,738,215	\$ 27,841,275	\$ 32,061,951

Renovation Construction Permits Issued

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Residential	3,000	1,919	2,293	2,232	2,449
Non-Residential	326	247	319	447	346
TOTAL	3,326	2,166	2,612	2,679	2,795

Total Value of Renovation Construction Activity

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Residential	\$ 46,087,753	\$ 64,514,060	\$ 17,552,355	\$ 49,604,102	\$ 46,918,681
Non-Residential	\$ 35,798,778	\$ 94,577,430	\$ 83,326,487	\$ 56,438,330	\$ 61,920,799
TOTAL	\$ 81,886,531	\$159,091,490	\$100,878,842	\$ 106,042,432	\$ 108,839,480

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

ECONOMIC DEVELOPMENT ACTIVITY

Wilmington continues to make steady progress toward a full recovery from the significant impact of the collapse of financial markets during the Great Recession. Since 2012, Wilmington's unemployment rate has dropped from 9.7% to 6.4%, and hiring in the Finance and Insurance industry, a core industry of Wilmington's economic base, has exceeded pre-recession levels, with nearly 12,400 jobs as of the end of 2014. The growth in this sector is due in part to the analytical skill-set of the workforce, which has its roots in the chemical and engineering industries, and was further developed by growth of the credit card industry. Wilmington is uniquely positioned to meet the growing demand for the next generation of financial, technical, and predictive analytics jobs, and in diverse industries such as healthcare and energy, all of which heavily rely on IT and other analytical skills.

Business Incentive Program

The Office of Economic Development (OED) manages the Business Incentive Program, which utilizes the City's Economic Development Strategic Fund to make contractually-based job creation and job retention incentive offers to businesses. The Business Incentive Program's expenditures are recouped by the City's General Fund in two or three years by the wage taxes generated from the new or retained jobs. Each incentive is contractually memorialized, and contains performance requirements and claw-back terms for noncompliance.

Since the enabling legislation and initial appropriation of the Economic Development Strategic Fund in 2002, the City has executed 25 contracts that have provided a total of \$11.75 million in incentive payments. These incentives have yielded \$49 million of additional wage taxes to the City's General Fund since FY 2002. In FY 2014 alone, the jobs attributed to the Strategic Fund Incentive Program accounted for \$6 million of the City's wage tax base, and that is projected to grow to \$6.75 million by the end of FY 2015.

As an additional tool to support new businesses that wish to relocate to Wilmington or to assist existing City businesses that wish to expand, the Wilmington Urban Development Action Grant (UDAG) Corporation (a quasi-governmental, nonprofit economic development agency wholly-owned by the City of Wilmington), established a partnership in late 2014 with the National Development Council and Discover Bank to create the Grow Wilmington Fund. This Fund provides low interest rates and extended fixed-rate terms, and expands the City's capacity to provide financing for small businesses, with loan approvals up to \$4 million. The City also continues to offer smaller business loans of up to \$75,000 through its other partner, the Wilmington Economic Development Corporation, known as WEDCO.

Downtown Development

In March of 2014, Governor Jack Markel proposed his Downtown Development Initiative legislation aimed at assisting Delaware cities in attracting private development to their downtown cores. The State Legislature appropriated \$7 million for the initiative in the FY 2015 State budget. In January of 2015, Wilmington became one of the first three communities to be designated as a Downtown Development District, with \$2.3 million reserved for projects in the City.

The Governor's Downtown Development District Initiative is modeled after similar programs in other states and cities, including Wilmington's Upstairs Fund initiative. The Upstairs Fund initiative invested \$15.5 million of City bond proceeds between 2009 and 2013 to leverage more than \$50 million in private sector investment in the Market Street Historic District. The result was 50 new housing units and 24 new retail/office spaces in formerly underutilized or vacant buildings.

The Buccini/Pollin Group (BPG) continues to drive the expansion of downtown Wilmington's residential housing options with three major projects. The first project, on North Market Street, is a \$16 million market-rate housing development consisting of 75 new units in two buildings. BPG's second project, the \$25 million Market Street Village, is in response to Wilmington's growing charter school presence. The conversion of three abandoned buildings along Market Street will create 77 new affordable workforce residential units for teachers. The third and largest project, the \$50 million Residences at Midtown, is the redevelopment of the long-vacant and deteriorating Midtown Parking Garage into 229 luxury apartment units with reserved parking spaces. The first two projects are slated to be completed by fall of 2015, while the Residences at Midtown project is expected to be finished by the summer of 2017.

The expansion of the ten-acre Wilmington Campus of the Christiana Care Health System (CCHS) was completed near the end of 2014. The \$210 million expansion doubled the size of the emergency room, created 30 new single-occupancy patient rooms, provided the capacity for another 90 beds, and created a new entrance lobby and outdoor healing garden. In addition, 51,000 square feet of professional office space for private medical practices was added. In all, the expansion will bring in 500 new jobs. CCHS is partnering with Philadelphia's renowned Thomas Jefferson University medical system to become a regional joint replacement and rehabilitation hospital that will serve the City well into the 21st century.

The Wilmington Renaissance Corp. (WRC) is a public/private partnership funded by many of the largest employers within Wilmington's Downtown business district. WRC has benchmarked best practices of other cities and assembled local focus groups to come up with one "big idea" for Wilmington to adopt. The priority idea, which garnered wide community support, is to revitalize the area immediately west of the Market Street commercial corridor into a "Creative District" to serve as a hub for the City's artistic, design, and technological communities. The project is a multi-year initiative involving the development of housing, production spaces, and office spaces, as well as expanded cultural programming and public art projects. The first phase is for artist housing in the historic Quaker Hill neighborhood immediately adjacent to Downtown. Ground was broken this summer for the creation of seven one-bedroom live/work condominium units and three single-family homes.

In the fall of 2015, a new Residence Inn Marriott hotel will be developed at the northern edge of the Downtown district, close to the beautiful Brandywine River. This \$11 million project will convert a 67,000 square foot building that has been vacant for over a decade into 97 extended-stay hotel rooms.

The Christina Riverfront

The newest building on the Riverfront is the Residences at Harlan Flats, a five-story, 116-unit market-rate residential building that opened for leasing in December of 2014. The \$20 million project features one- and two-bedroom apartments with balconies, river views, and an outdoor pool and terrace that are already more than 60% occupied. The construction phase generated 80 construction jobs and \$200,000 in one-time City revenues. Annually, it is expected to bring in \$175,000 in recurring revenue. This project represents the second of three phases of the 20-acre Justison Landing redevelopment site. There remain two approved mixed-use development sites still available for future economic development opportunities.

The new 180-room Westin Hotel opened its doors adjacent to the Chase Center on the City's Riverfront in April of 2014. The project sits at the southern gateway to Wilmington, and features cutting-edge architecture and interior design. Surrounding the Westin are Wilmington's many Riverfront attractions, such as the Blue Rocks stadium; the Shipyard Shops; the Delaware Children's Museum; and a multitude of dining options, including Harry's Seafood Grill, Iron Hill Brewery, Big Fish, Joe's Crab Shack, Firestone, Timothy's, and Kooma.

The addition of this full-service hotel to Wilmington has attracted guests who previously lodged outside of the City, as well as helped increase the Chase Center's stature as a premier regional conference destination. The \$40 million dollar project brought 150 construction jobs to Wilmington between 2012 and 2014. The Westin currently employs 100 people, and generates \$260,000 annually in lodging and wage tax revenues for the City's General Fund.

The Delaware Department of Transportation has completed land acquisition, environmental permitting, and designing for a new multimodal Christina River bridge crossing. In planning since 2008, this \$40 million project will connect the east side of the Christina River to Wilmington's Riverfront attractions on the west side and provide better access to I-95, I-495, and US Route 13. In addition to vehicular traffic, the bridge will carry bicycles and pedestrians, and create a greenway connection from the east bank of the Christina to the City's Riverwalk, the Peterson Urban Wildlife Refuge, and the Dupont Environmental Education Center. Construction of the bridge is scheduled to start in 2016.

Neighborhood Improvements

Woodlawn Trustees, a 100 year-old foundation created by the Wilmington industrialist and philanthropist William Bancroft, broke ground in May 2015 on the first phase of a seven-phase, ten-year project that brings \$100 million dollars of investment to a traditionally working class neighborhood known as "The Flats". The project calls for the demolition of 430 obsolete residential units and their replacement with 450 new units that will maintain the historic feel and character of this neighborhood along the Bancroft Parkway.

A major new tool the City is in the process of creating will be known as the Neighborhood Conservancy & Land Bank (NCLB). Using NCLB, the City will be more aggressive, efficient, comprehensive, coordinated, transparent, and strategic in its effort to deal with vacancies and blight. Whether for public use or private development, vacant and abandoned parcels in the City will be more quickly converted into productive sites.

The City has also procured the services of The Reinvestment Fund, a national leader in the financing of neighborhood revitalization, to perform a market value analysis of Wilmington's real estate market. The analysis will be used to guide future investments to stabilize housing values and strengthen the local housing market.

Economic Development Planning Process

In a joint press conference in the fall of 2014, the City of Wilmington and New Castle County announced their comprehensive economic development plans. Developed in coordination with the County plan, the City's Economic Development Strategic Action Plan outlines a number of recommendations to position Wilmington for long-term economic growth. In spring of 2015, the City Council adopted the plan, and OED is making presentations across the City to inform and gain support from the business community and the public as preparation is made to move into the implementation phase of the process.

Conclusion

Strong hiring in the Finance and Insurance sector and declining unemployment are key indicators of Wilmington's economic recovery. Gains won through the Business Incentive Program demonstrate that Wilmington's business-friendly policies still meet the needs of the private sector and continue to draw investment. The continued transformation of the City's Downtown, Riverfront, and neighborhoods has generated activity, excitement, and a building sense of pride in Wilmington. Thoughtful, data-driven planning processes involving collaboration of the business community, non-profits, neighborhood groups, and government have set the course for future growth for Wilmington.



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, City department heads are developing their strategic plans 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 that 80% given 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 comprised 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 through the City's website. 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 of the Wilmington City Code) "*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 book for more details starting on page 229.**

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 biannual 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 Comprehensive Annual Financial Report. The City's Comprehensive Annual Financial Statement for FY 2014 was awarded the Certificate of Achievement in financial reporting by the Government Financial Officers Association.

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.

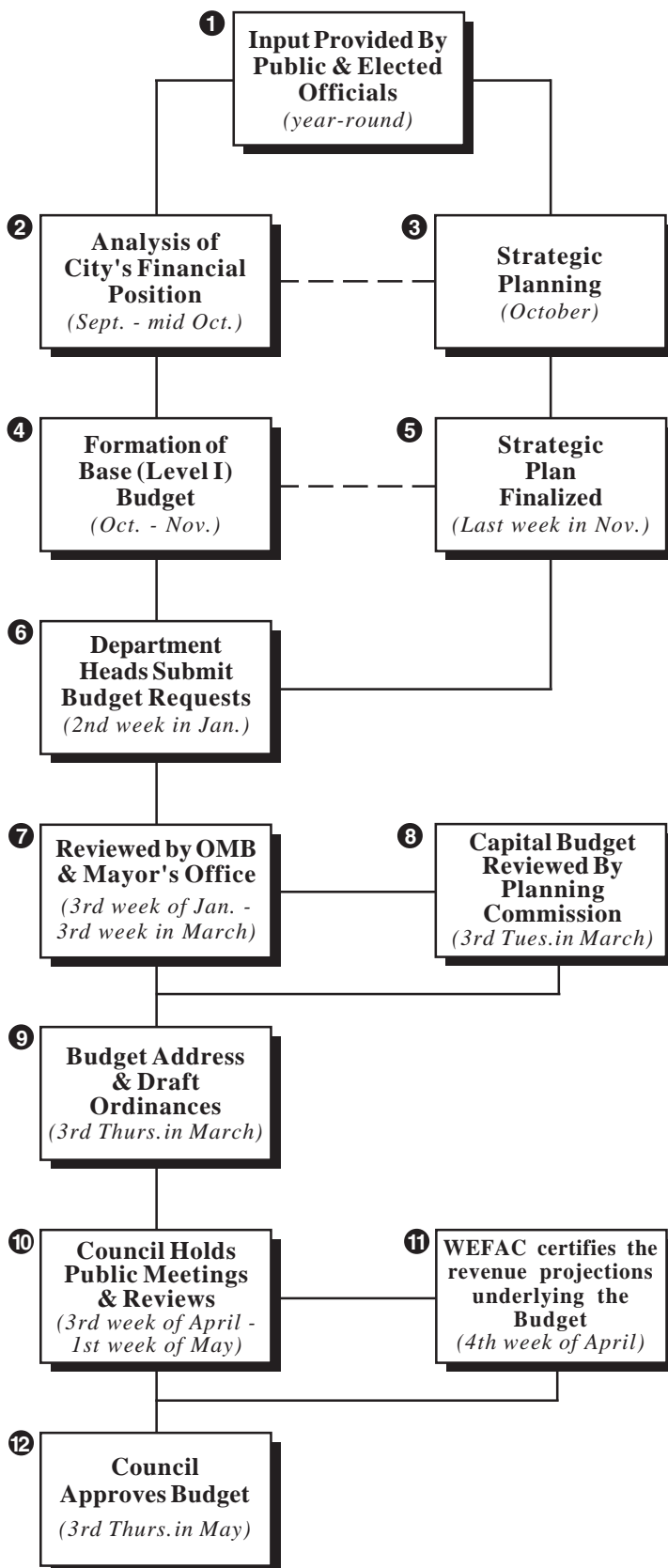
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis** 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).

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.

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 Department Heads develop five-year strategic plans.
- ④ OMB develops a baseline or Level I budget from historical data, trends, local economy and strategic plans.
- ⑤ Department Heads finalize Strategic Plan.
- 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. |

Special Note:

This new Wilmington Strategic Plan outlines the primary focus areas and administrative and service-related City-wide goals. The Plan also defines key measurable objectives authorized to achieve those stated goals. Those objectives are linked to the City-wide goals and are part of the Departmental budget summaries. Each Department will use their individual plan as an edict which will channel services and programming toward measurable outcomes and marked improvements in efficiency.

As of the time of publication of the FY 2016 Approved Budget Book, the Mayor's Office and Department Heads were still working hard on the third and final phase of this new Strategic Plan---the development of performance measures. The creation and tracking of performance measures is the most important, time-consuming, and data-intensive part of the strategic planning process. In the interim, Departmental graphical performance trends will serve as rough proxies of performance measurement until the strategic planning process is finalized by the September 30, 2015 deadline.

STATEMENT OF FINANCIAL POLICIES

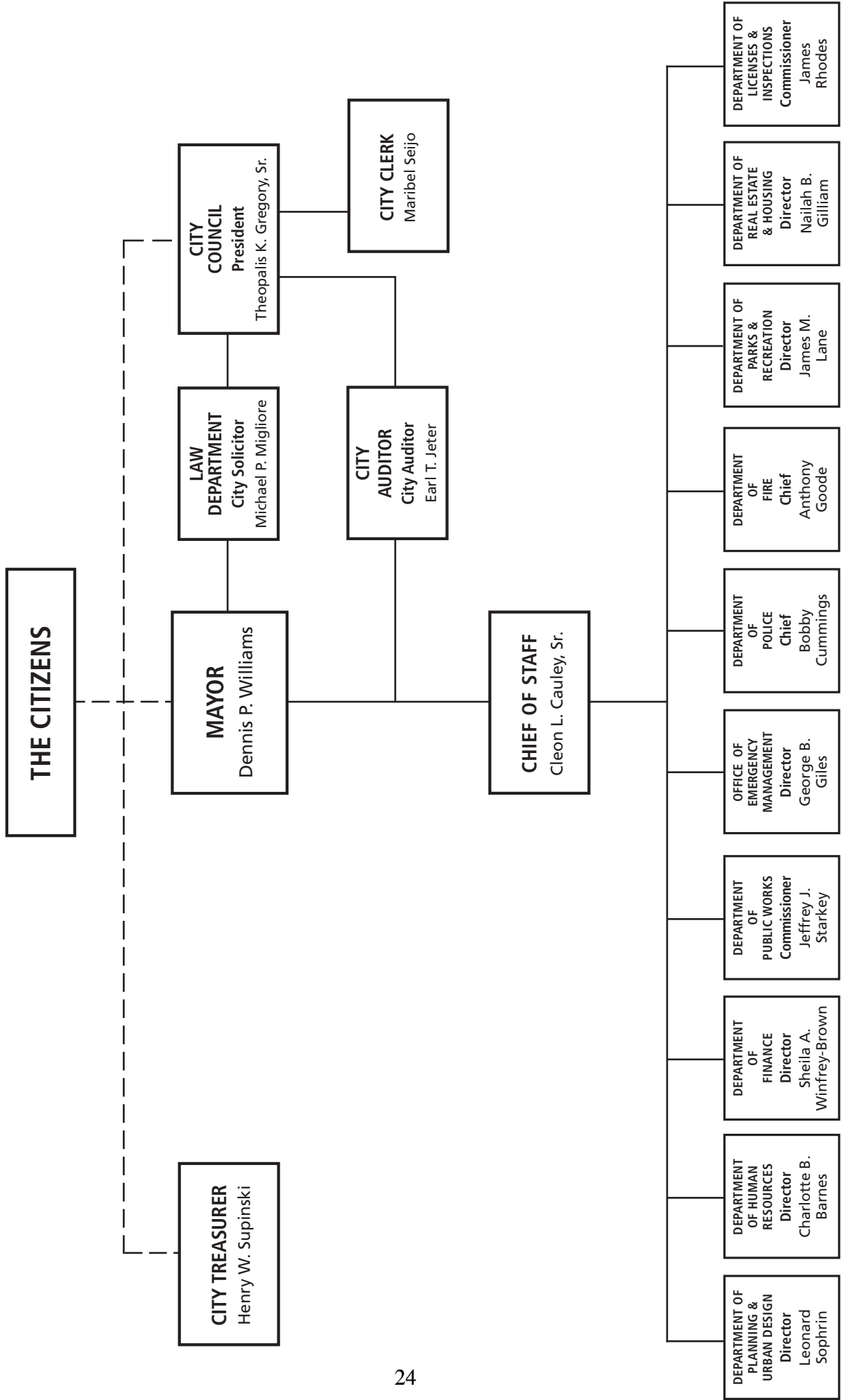
1. The City Code requires that the operating budget be "balanced" or operating expenditures must be equal to revenues, plus prior years' accumulated surplus may be used if approved by Council. Our financial policy extends the code to include the following:
 - Enterprise Funds shall be self-sufficient 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 L & I.

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.

CITY OF WILMINGTON ORGANIZATION CHART



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** shown in the budget 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.
- **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.
- **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 which 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 the United States Department of Housing and Urban Development.
- **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.
- **DE-LEAD** is a federal grant from the Department of Housing and Urban Development to support lead-based paint hazard control in low-income and moderate-income owner-occupied and rental properties.

Enterprise Funds are user fee-based programs/activities that are normally self-supporting.

- **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.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

The Commerce Fund (defunct) continued

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. 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. 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.
- **Self-Insurance:** Risk Management; Workers' Compensation; Health and Welfare

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

SUMMARY

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2016

The General Fund

- The Fiscal Year (FY) 2016 operating budget expenditures total **\$151,696,858** – up \$1,657,212, or 1.1% from FY 2015. Despite the City having to absorb \$2.26 million in uncontrollable cost increases, a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies allowed the overall increase to the budget to stay below the rate of inflation.
- Staffing decreased by a net total of 0.07 full-time equivalents (FTEs). These changes are detailed below:
 - City Council split the funding of the Legislative Analyst/Bailiff position. Formerly charged entirely to the General Fund, 50% of the position cost will now be covered by the Cable TV Fund. This resulted in a 0.5 FTE decrease.
 - In Finance, a net 1.3 FTE was added. Through a reorganization that affected a number of operational areas, a net 0.5 FTE was added. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, moving in another 0.8 FTE.
 - To more accurately reflect the duties and responsibilities of the Director of Human Resources, 45% of the funding for the position was shifted to the three Internal Service Funds of the Human Resources Department. The Internal Service Funds of Risk Management, Workers' Compensation, and Health and Welfare were each allotted 15% of the cost of the Director position. The result is that the General Fund saw a decrease of 0.45 FTE.
 - In the Planning Department, the reallocation of costs for the Planner II position that is split-funded between the General Fund and the CDBG fund netted a 0.06 FTE increase.
 - Adjustments to five positions that are split-funded between the General Fund and federal grant funds in Real Estate & Housing resulted in a 0.28 FTE decrease.
 - A vacant Account Clerk III position in the Parks & Recreation Department was deleted for a 1.00 FTE reduction.
 - The last of the federal COPS grant funding has been exhausted. The one Police Officer position that had been split-funded 80% COPS grant and 20% General Fund was shifted to 100% General Fund in FY 2016. This resulted in a 0.8 FTE increase.
- Overall debt service costs increased by a net \$1 million. The need to fund critical infrastructure projects in the FY 2014-2015 Capital Budget added \$1.44 million in new debt service. However, this was partially offset by a reduction in the existing debt service schedule of \$440,000.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2016

The General Fund (continued)

- Employee medical costs and actuarially required pension and pension healthcare contributions rose a total of almost \$872,300. Most of the cost of pensions and pension healthcare goes toward the elimination of the large actuarially determined liabilities of the City-sponsored plans.
- Administrative internal services chargebacks increased a total of \$353,189. A large part of this increase results from the continuing effort to improve and better align the chargeback budgets with actual departmental usage. Also contributing to the increase is the higher cost of public safety vehicles and the City's new state-of-the-art phone and voice mail system.
- As part of the final budget compromise with City Council, funding of \$279,200 was added to support a Police Academy class for 15 recruits.
- In FY 2016, the City will begin a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the General Fund. The General Fund will pay 25% of these costs in 2016, 50% in FY 2017, 75% in 2018, and then 100% in FY 2019 and beyond. Starting with a base fee of just under \$1.1 million for water, sewer, and stormwater services, the 25% initial charge for FY 2016 to the General Fund will be about \$264,000.
- As part of the final budget compromise with City Council, a total of \$210,000 was added to fund three additional public safety camera operators at Downtown Visions (\$135,000) and for a comprehensive assessment to be done of the City's camera surveillance system and program (\$75,000).
- Because of the closing of Peninsula Compost, yard waste and leaves will now have to be sent to the Cherry Island Landfill. This will increase the annual tonnage of waste sent there by the City, resulting in an increased tipping fee cost of \$131,400.
- Reorganization in staffing, the hiring of new employees at lower steps (especially in Police and Fire), along with reductions in discretionary personal services such as overtime, netted savings of \$408,900 in the Salaries & Wages account group.
- The FY 2016 Budget was crafted to strengthen the City's fiscal position and to ensure financial stability into the future without reductions to essential services or programs. With the exception of the new Water, Sewer, and Stormwater Charges, the uncontrollable increase to Landfill Fees, and the final budget compromise add-backs by Council, reductions were made to nearly every one of the City's 109 MS&E budget accounts. Departments cut nearly \$943,500 from the total FY 2016 MS&E Budget, a reduction of 4.9% from last fiscal year.
- The Budget was balanced with no increases to taxes and fees.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2016

The Water/Sewer Fund

- The FY 2016 operating budget expenditures total **\$71,309,382** – up \$3,332,242, or 4.9% from FY 2015. The FY 2016 budget continues to support the high-priority initiatives begun in recent years deemed 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.
- Overall debt service increased by almost \$1.5 million, reflecting the interest cost of new bonds and State Revolving Loan funds that will finance critical water, sewer, and stormwater infrastructure projects in the FY 2014-2015 Capital Budget.
- There was a \$448,000 increase in the Contracted Maintenance Services account that is split among the Water System, Wastewater Treatment, and Stormwater Divisions. In the Water System Division, additional funding of \$150,000 is required for the comprehensive water tank inspection, maintenance, and repainting program. There was also a \$137,000 increase for fire hydrant testing, maintenance, and repair. Split between the Wastewater Treatment and Stormwater Divisions, there was an increase of \$143,600 in the Veolia contract to operate and maintain the City’s sewage treatment plant. A part of that contract increase includes a new stormwater charge levied against the sewage treatment plant property.
- Because of new standards for pavement restoration following repairs, the annual contract cost for repairing water main breaks and valve replacement increased by \$300,000. In the same account (Repairs to Water Lines) a separate contract for water main valve maintenance and repair rose by \$137,000, reflecting an expanded maintenance program.
- After bids came in well above the FY 2015 budget, the concrete repairs to the Wastewater Treatment Plant’s fine screen buildings were delayed. The projected total cost of the project has risen by \$320,000, to a new total of \$1.2 million. However, the full impact to the FY 2016 budget will be blunted somewhat because \$130,000 of the associated engineering services will be done and paid for in FY 2015. It is also important to note that as part of an arbitration settlement, New Castle County will reimburse the City 87.25% of the final cost of the project.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$199,700 increase in depreciation expense.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2016

The Water/Sewer Fund (continued)

- While the use of block pricing and the pumping of water during off-peak hours lowered the City's overall electricity costs, recent spikes in the energy spot market continue to erode some of those savings. As a result, electricity was increased \$130,000 in the Water System Division to reflect this new reality.
- A \$100,000 pilot program for the inspection of non-interceptor branch sewer lines and laterals was added to the budget in the Condition Assessment account of Public Works. The cost of the pilot is split 40% in the Sewer Maintenance Division and 60% in the Stormwater Division.
- Staffing decreased by a net 1.30 FTEs, and is attributable solely to changes in the Finance Department. A Departmental reorganization that affected a number of operational areas deleted a net 0.5 FTE. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which deleted another 0.8 FTE.
- There are no increases to water, sewer, and stormwater rates.

**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2012 - FY 2016**

REVENUES	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
General Fund					
Taxes	\$108,219,923	\$108,579,807	\$106,613,151	\$110,453,343	\$112,145,731
Permits, Fees & Fines	14,376,495	11,710,873	12,383,766	12,670,360	12,800,000
Other	6,766,871	5,819,430	7,091,061	7,868,391	7,920,204
Task Force Revenues	4,207,837	4,314,782	4,754,986	4,452,355	4,745,026
County Seat Relief	7,708,292	8,172,793	9,129,958	8,572,228	8,765,836
State Pension Contributions	6,549,346	7,155,315	5,302,444	7,155,315	7,155,315
Transfers In	577,160	316,616	220,247	275,000	275,000
Prior Year Surplus	0	0	0	0	0
Subtotal	148,405,924	146,069,616	145,495,613	151,446,992	153,807,112
Water/Sewer Fund					
Direct User Charges	45,447,703	47,135,438	56,990,787	52,676,000	53,026,216
New Castle County Charges	17,583,585	18,638,495	17,769,628	19,143,468	19,380,024
Other	1,750,956	1,575,964	1,735,386	1,228,000	1,209,784
Subtotal	64,782,244	67,349,897	76,495,801	73,047,468	73,616,024
Special Funds					
Fed./State/County Grants	13,355,636	8,553,855	10,256,791	8,253,540	7,817,942
Other	2,795,067	2,238,593	3,981,965	4,180,017	4,408,467
Subtotal	16,150,703	10,792,448	14,238,756	12,433,557	12,226,409
Total Revenues	\$229,338,871	\$224,211,961	\$236,230,170	\$236,928,017	\$239,649,545

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2012 - FY 2016**

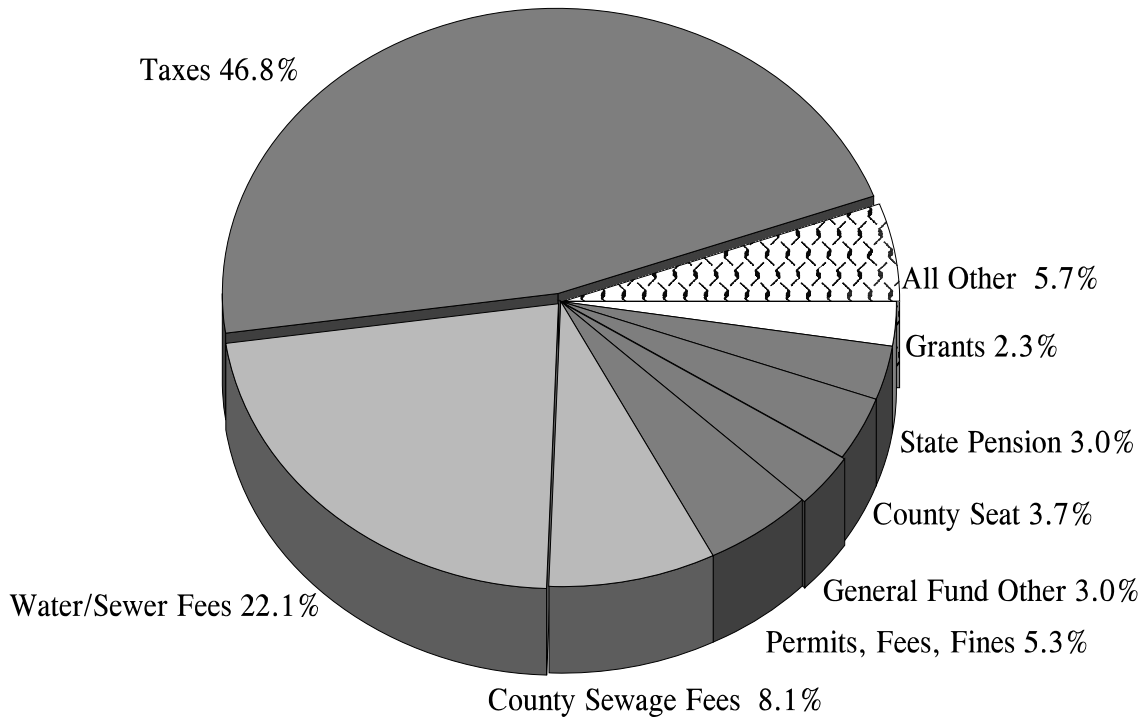
EXPENDITURES	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
General Fund					
Personal Services	\$93,728,339	\$100,953,853	\$99,668,942	\$99,270,918	\$99,626,038
M. S. & E.	32,323,387	30,204,149	33,524,002	36,357,801	36,654,117
Debt Service	11,000,745	12,334,651	12,038,814	13,245,326	14,255,703
Other	411,214	504,589	794,921	1,165,600	1,161,000
Subtotal	137,463,685	143,997,242	146,026,679	150,039,645	151,696,858
Water/Sewer Fund					
Personal Services	9,921,995	9,957,704	9,439,140	10,387,796	10,524,989
M. S. & E.	37,155,482	36,297,602	41,801,824	43,350,404	44,899,826
Debt Service	6,193,410	5,965,399	5,832,865	6,553,161	7,999,121
Other	7,361,725	7,685,779	7,885,446	7,685,779	7,885,446
Subtotal	60,632,612	59,906,484	64,959,275	67,977,140	71,309,382
Special Funds					
Personal Services	5,208,599	4,183,926	4,346,615	3,642,514	3,748,029
M. S. & E.	6,554,609	3,785,482	4,534,979	3,628,414	3,326,049
Other	4,387,495	2,823,040	5,087,982	4,969,356	4,938,826
Subtotal	16,150,703	10,792,448	13,969,576	12,240,284	12,012,904
Total Expenditures	\$214,247,000	\$214,696,174	\$224,955,530	\$230,257,069	\$235,019,144
INCOME/(LOSS)					
General Fund	10,942,239	2,072,374	(531,066)	1,407,347	2,110,254
Water/Sewer Fund	4,149,632	7,443,413	11,536,526	5,070,328	2,306,642
Special Funds	0	0	269,180	193,273	213,505
Total Income/(Loss)	\$15,091,871	\$9,515,787	\$11,274,640	\$6,670,948	\$4,630,401

**SUMMARY ALL FUNDS COMBINED
FISCAL YEAR 2016**

Revenues	Actual FY 2013	Actual FY 2014	Budget FY 2015	Budget FY 2016	Percent Change FY'16-'15	Page Reference*
Taxes	\$108,579,807	\$106,613,151	\$110,453,343	\$112,145,731	1.5%	38
Permits, Fees, Fines	11,710,873	12,383,766	12,670,360	12,800,000	1.0%	38
Task Force Revenues	4,314,782	4,754,986	4,452,355	4,745,026	6.6%	38
County Seat Relief	8,172,793	9,129,958	8,572,228	8,765,836	2.3%	38
State Pension Contr.	7,155,315	5,302,444	7,155,315	7,155,315	0.0%	38
General Fund Other	5,235,638	6,855,142	7,209,226	7,258,483	0.7%	38
Water/Sewer Fees	47,135,438	56,990,787	52,676,000	53,026,216	0.7%	42
County Sewage Fees	18,638,495	17,769,628	19,143,468	19,380,024	1.2%	42
Water/Sewer Other	1,575,964	1,735,386	1,228,000	1,209,784	-1.5%	42
Port Debt Reimburse.	900,408	456,166	934,165	936,721	0.3%	38
Special Funds Grants	8,553,855	7,925,191	5,991,418	5,555,820	-7.3%	40
Special Funds Other	<u>2,238,593</u>	<u>6,313,565</u>	<u>6,442,139</u>	<u>6,670,589</u>	<u>3.5%</u>	40
Total Revenues	<u>\$224,211,961</u>	<u>\$236,230,170</u>	<u>\$236,928,017</u>	<u>\$239,649,545</u>	<u>1.1%</u>	

* See page listed for further information and details.

**Revenues All Funds
Fiscal Year 2016**

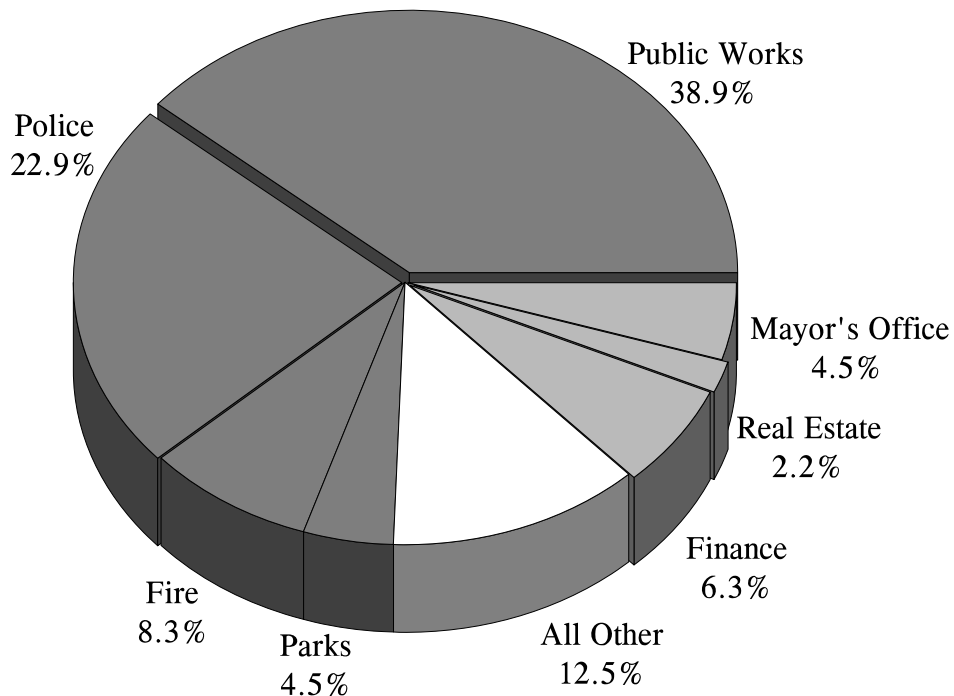


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2016

<u>Expenditures</u>	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Budget FY 2015</u>	<u>Budget FY 2016</u>	<u>Percent Change FY'16-'15</u>	<u>Page Reference*</u>
Mayor's Office	\$7,602,838	\$9,433,291	\$10,227,946	\$10,508,251	2.7%	89
Council	2,646,876	3,062,740	3,098,489	3,076,760	-0.7%	100
Treasurer	2,617,258	4,344,269	4,493,913	4,736,377	5.4%	107
Planning	1,608,886	1,741,573	1,764,139	1,739,139	-1.4%	116
Audit	789,381	716,027	755,310	783,252	3.7%	124
Law	3,046,824	2,820,393	2,895,898	2,935,345	1.4%	127
Finance	12,628,376	13,537,371	14,935,788	14,820,413	-0.8%	133
Human Resources	1,729,717	1,827,818	2,116,170	2,089,349	-1.3%	145
Licenses & Inspections	4,669,180	4,962,720	5,201,439	5,167,315	-0.7%	160
Parks & Recreation	8,916,002	9,533,623	10,615,832	10,573,302	-0.4%	167
Fire	20,010,010	20,932,252	20,302,387	19,458,781	-4.2%	177
Police	54,303,213	57,199,941	52,518,264	53,733,709	2.3%	187
Public Works	81,349,116	83,477,336	86,950,701	91,459,256	5.2%	198
Real Estate & Housing	4,363,135	5,101,572	5,456,912	5,076,804	-7.0%	214
Commerce (Port Debt)	1,260,047	962,160	1,343,566	1,280,776	-4.7%	227
State Pension Contr.	7,155,315	5,302,444	7,155,315	7,155,315	0.0%	178 & 188
Contingent Reserves	0	0	425,000	425,000	0.0%	89
Total Expenditures	<u>\$214,696,174</u>	<u>\$224,955,530</u>	<u>\$230,257,069</u>	<u>\$235,019,144</u>	<u>2.1%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2016



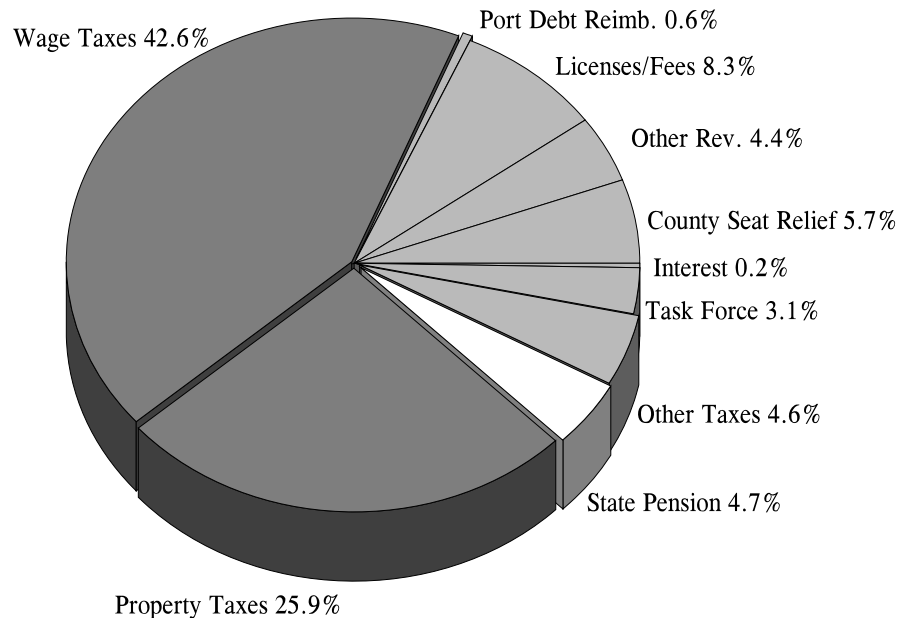
SUMMARY OF GENERAL FUND FISCAL YEAR 2016

Revenues	Actual FY 2013	Actual FY 2014	Budget FY 2015	Budget FY 2016	Percent Change FY'16-'15	Page Reference*
Wage Tax	\$61,997,470	\$61,366,603	\$64,965,600	\$65,401,600	0.7%	66
Property Tax	38,181,077	38,140,803	38,949,912	39,727,500	2.0%	67
Other Taxes	8,401,260	7,105,745	6,537,831	7,016,631	7.3%	68
Licenses, Permits, Fees & Fines	11,710,873	12,383,766	12,670,360	12,800,000	1.0%	69
Interest	171,723	192,064	211,759	232,037	9.6%	70
Other Revenues	4,747,299	6,442,831	6,722,467	6,751,446	0.4%	71
Task Force Revenues	4,314,782	4,754,986	4,452,355	4,745,026	6.6%	72
County Seat Relief	8,172,793	9,129,958	8,572,228	8,765,836	2.3%	73
State Pension Contr.	7,155,315	5,302,444	7,155,315	7,155,315	0.0%	74
Port Debt Reimburse.	900,408	456,166	934,165	936,721	0.3%	74
Transfers In/(Out)	316,616	220,247	275,000	275,000	0.0%	75
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	<u>75</u>
Total Revenues	<u>\$146,069,616</u>	<u>\$145,495,613</u>	<u>\$151,446,992</u>	<u>\$153,807,112</u>	<u>5.1%</u>	

* See page listed for further information and details.

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 2016



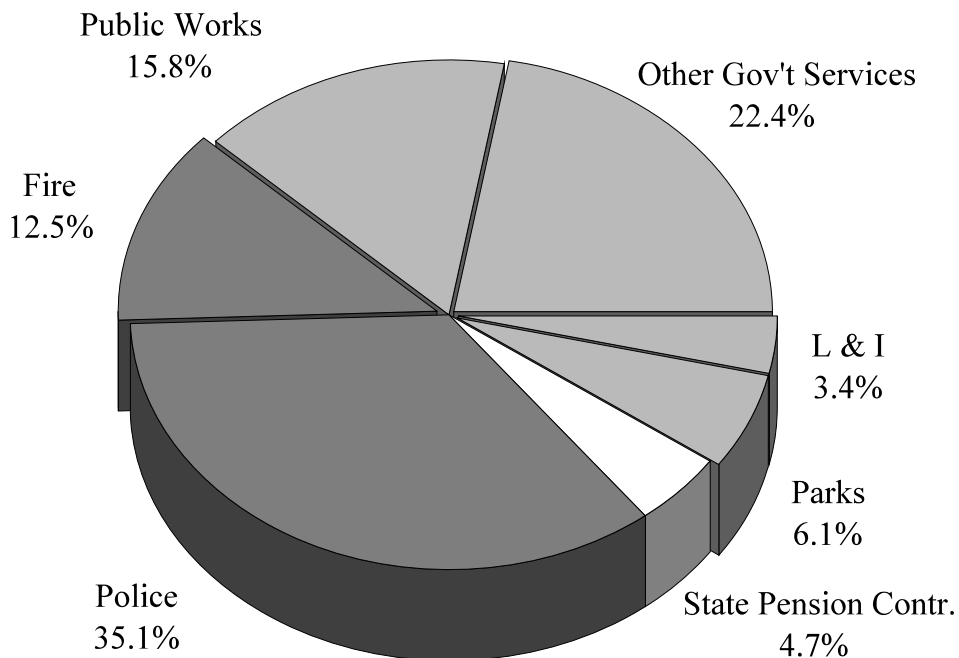
SUMMARY OF GENERAL FUND FISCAL YEAR 2016

<u>Expenditures</u>	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Budget FY 2015</u>	<u>Budget FY 2016</u>	<u>Percent Change FY'16-'15</u>	<u>Page Reference*</u>
Mayor's Office	\$7,390,552	\$9,239,324	\$10,163,709	\$10,442,804	2.7%	89
Council	2,646,876	2,166,120	2,160,701	2,159,204	-0.1%	100
Treasurer	462,436	449,429	436,883	453,004	3.7%	107
Planning	1,589,101	1,699,512	1,723,907	1,688,491	-2.1%	116
Audit	729,381	645,135	683,953	711,779	4.1%	124
Law	3,046,824	2,820,393	2,895,898	2,935,345	1.4%	128
Finance	9,265,913	9,457,929	10,123,518	9,999,973	-1.2%	133
Human Resources	1,729,717	1,827,818	2,116,170	2,089,349	-1.3%	146
Licenses & Inspections	4,669,180	4,962,720	5,201,439	5,167,315	-0.7%	160
Parks & Recreation	7,790,754	8,366,574	9,231,100	9,186,463	-0.5%	167
Fire	19,158,868	20,084,197	19,876,018	19,032,412	-4.2%	177
Police	51,863,759	54,725,949	51,944,552	53,212,298	2.4%	188
Public Works	23,881,242	21,599,992	22,778,331	23,962,930	5.2%	198
Real Estate & Housing	1,357,277	1,716,983	1,779,585	1,794,400	0.8%	214
Commerce (Port Debt)	1,260,047	962,160	1,343,566	1,280,776	-4.7%	227
State Pension Contr.	7,155,315	5,302,444	7,155,315	7,155,315	0.0%	178 & 188
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>425,000</u>	<u>0.0%</u>	89
Total Expenditures	<u>\$143,997,242</u>	<u>\$146,026,679</u>	<u>\$150,039,645</u>	<u>\$151,696,858</u>	<u>1.1%</u>	

* See page listed for further information and details.

** Includes a \$300,000 Citywide Operating Budget Contingency Fund and \$125,000 for snow and weather emergencies.

General Fund Expenditures Fiscal Year 2016



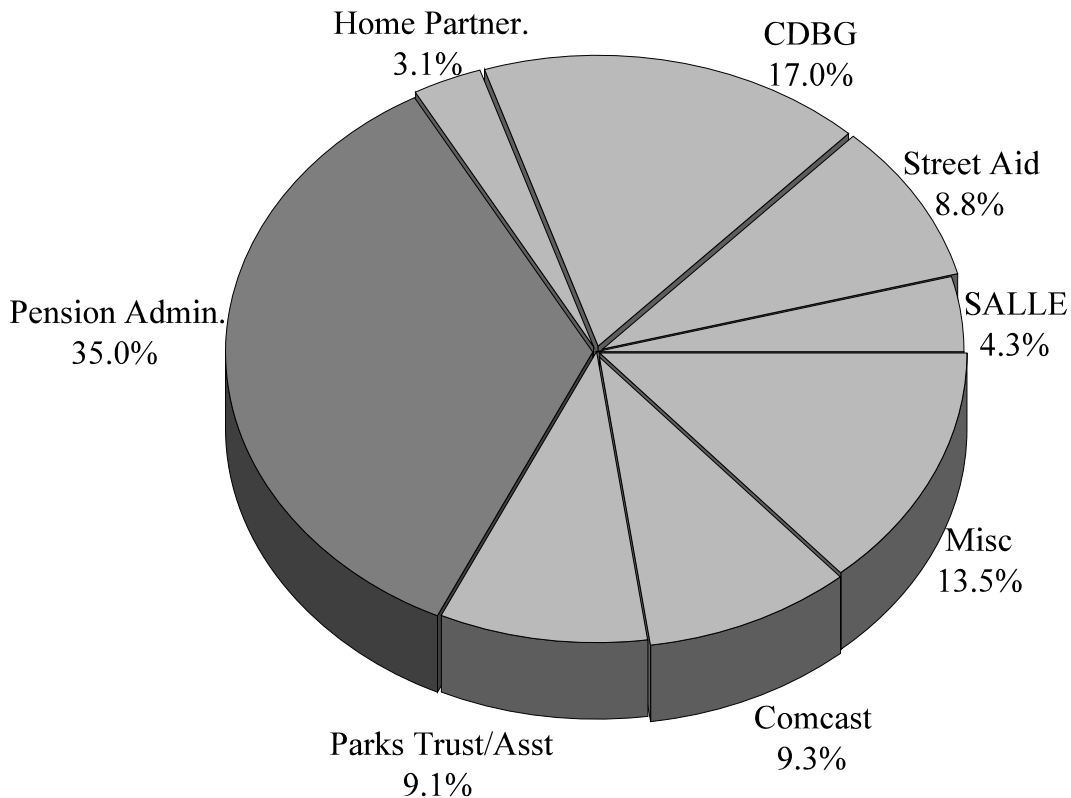
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2016

Revenues	Actual FY 2013	Actual FY 2014	Budget FY 2015	Budget FY 2016	Percent Change FY'16-'15	Page Reference*
Municipal Street Aid	\$983,853	\$1,068,403	\$1,078,857	\$1,078,857	\$0	76
CDBG	1,960,779	1,763,410	2,318,614	2,077,013	-10.4%	76
Comcast Franchise	0	1,165,800	1,131,061	1,131,061	0.0%	76
COPS Grant	750,476	121,033	51,514	0	-100.0%	77
SAFER	729,995	404,814	0	0	0.0%	77
Parks Assistance	835,044	802,640	984,149	984,149	0.0%	77
Parks Trust Fund	83,771	87,125	122,987	125,094	1.7%	78
SALLE/LLEBG	1,794,124	2,352,959	522,198	521,411	-0.2%	78
Pension Admin.	2,154,822	3,894,840	4,057,030	4,283,373	5.6%	78
Home Partnership	175,582	644,686	410,953	374,716	-8.8%	79
Byrne Grant	0	0	0	0	0.0%	N/A
Miscellaneous Grants	<u>1,324,002</u>	<u>1,933,046</u>	<u>1,756,194</u>	<u>1,650,735</u>	<u>-6.0%</u>	79
Total Revenues	<u>\$10,792,448</u>	<u>\$14,238,756</u>	<u>\$12,433,557</u>	<u>\$12,226,409</u>	<u>-1.7%</u>	

* See page listed for further information and details.

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 exception related to City Council's CATV Fund.

Special Funds Revenues Fiscal Year 2016



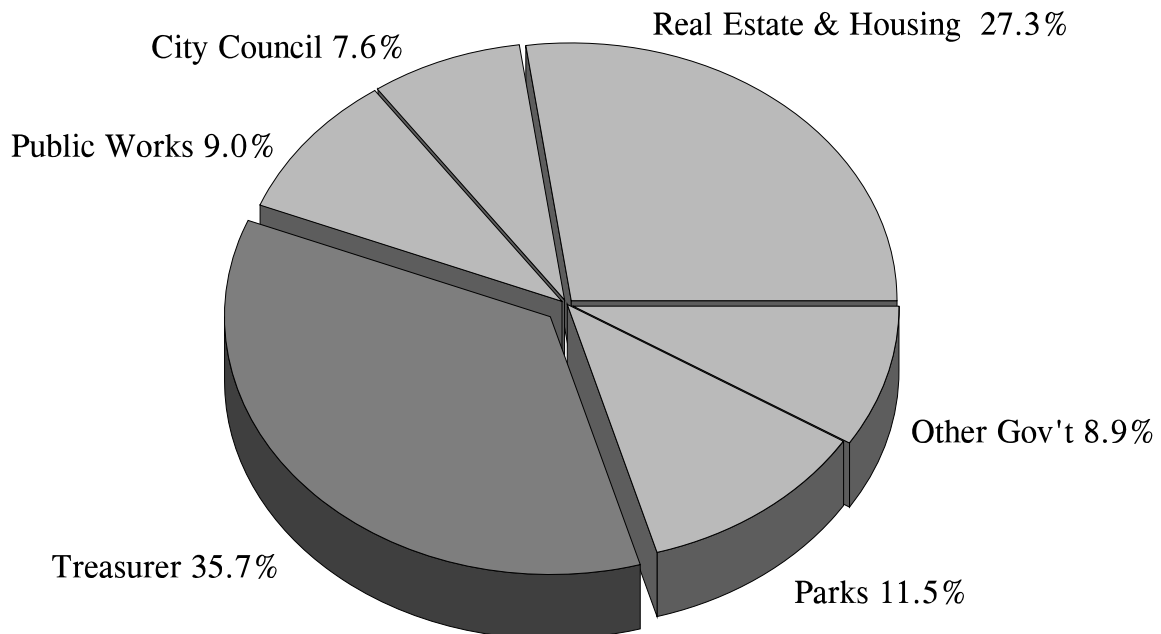
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2016

<u>Expenditures</u>	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Budget FY 2015</u>	<u>Budget FY 2016</u>	<u>Percent Change FY'16-'15</u>	<u>Page Reference*</u>
Mayor's Office	\$212,286	\$193,967	\$64,237	\$65,447	1.9%	90
City Council	0	896,620	937,788	917,556	-2.2%	101
Treasurer	2,154,822	3,894,840	4,057,030	4,283,373	5.6%	108
Planning	19,785	42,061	40,232	50,648	25.9%	116
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,125,248	1,167,049	1,384,732	1,386,839	0.2%	168
Fire	851,142	848,055	426,369	426,369	0.0%	178
Police	2,439,454	2,473,992	573,712	521,411	-9.1%	188
Public Works	983,853	1,068,403	1,078,857	1,078,857	0.0%	199
Real Estate & Housing	<u>3,005,858</u>	<u>3,384,589</u>	<u>3,677,327</u>	<u>3,282,404</u>	<u>-10.7%</u>	214
Total Expenditures	<u>\$10,792,448</u>	<u>\$13,969,576</u>	<u>\$12,240,284</u>	<u>\$12,012,904</u>	<u>-1.9%</u>	

* See page listed for further information and details.

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 income, fund balance or change in fund balance.

Special Funds Expenditures Fiscal Year 2016

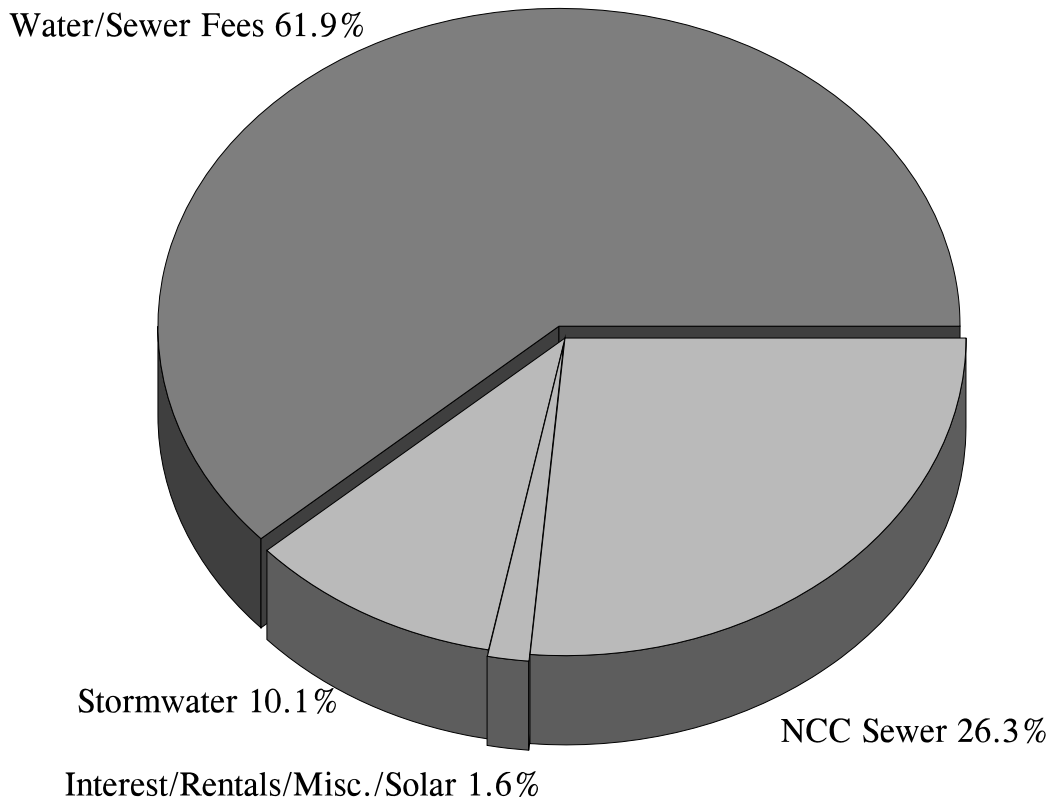


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2016**

Revenues	Actual FY 2013	Actual FY 2014	Budget FY 2015	Budget FY 2016	Percent Change FY'16-'15	Page Reference*
Water/Sewer						
User Fees	\$41,773,110	\$50,543,673	\$45,412,000	\$45,581,216	0.4%	80
Stormwater Billings	5,362,328	6,447,114	7,264,000	7,445,000	2.5%	81
New Castle County						
Sewer Services	18,638,495	17,769,628	19,143,468	19,380,024	1.2%	82
Interest	52,142	4,135	30,000	30,000	0.0%	83
Rentals/Misc.	1,246,062	1,584,492	1,146,000	1,127,784	-1.6%	84
Solar Panels	<u>277,760</u>	<u>146,759</u>	<u>52,000</u>	<u>52,000</u>	<u>0.0%</u>	85
Total Revenues	<u>\$67,349,897</u>	<u>\$76,495,801</u>	<u>\$73,047,468</u>	<u>\$73,616,024</u>	<u>0.8%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2016

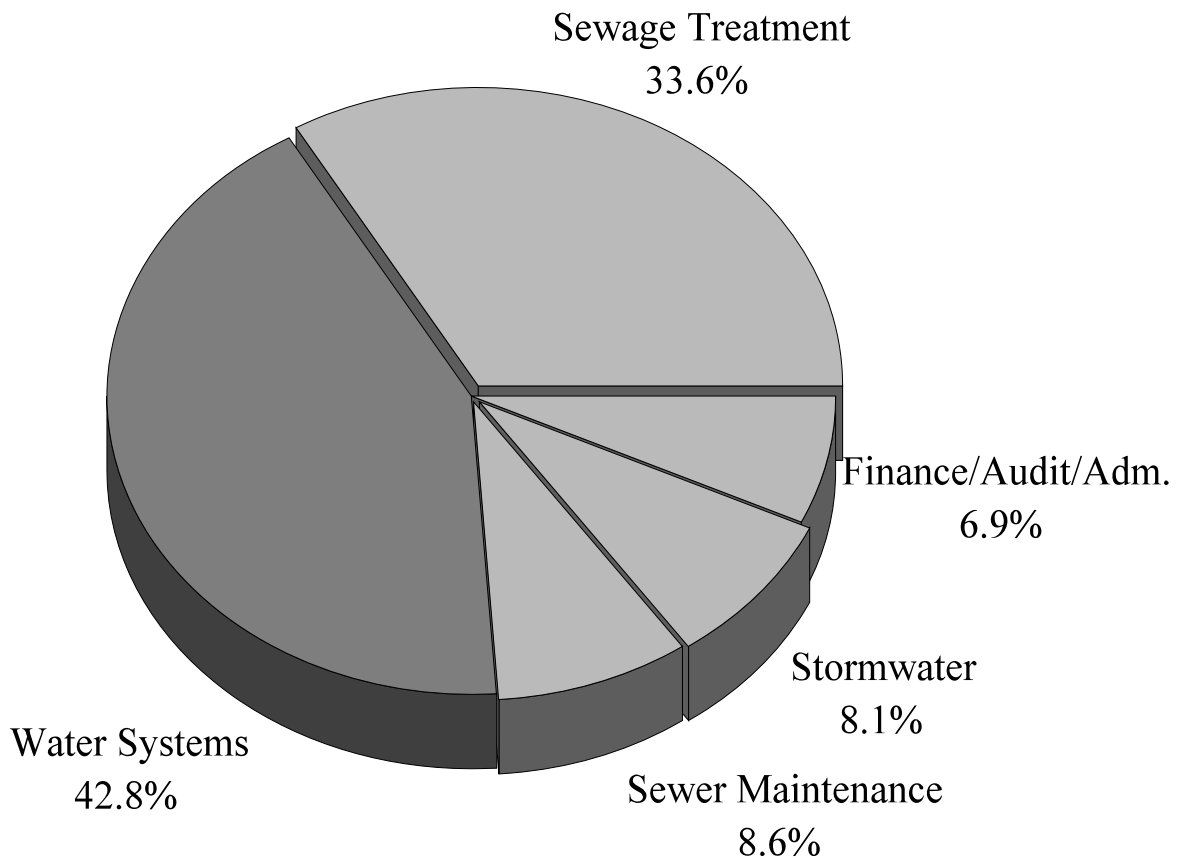


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2016**

<u>Expenditures</u>	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Budget FY 2015</u>	<u>Budget FY 2016</u>	<u>Percent Change FY'16-'15</u>	<u>Page Reference*</u>
Audit	\$60,000	\$70,892	\$71,357	\$71,473	0.2%	124
Finance	3,362,463	4,079,442	4,812,270	4,820,440	0.2%	134
Public Works	<u>56,484,021</u>	<u>60,808,941</u>	<u>63,093,513</u>	<u>66,417,469</u>	<u>2.2%</u>	198
Total Expenditures	<u>\$59,906,484</u>	<u>\$64,959,275</u>	<u>\$67,977,140</u>	<u>\$71,309,382</u>	<u>4.9%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2016



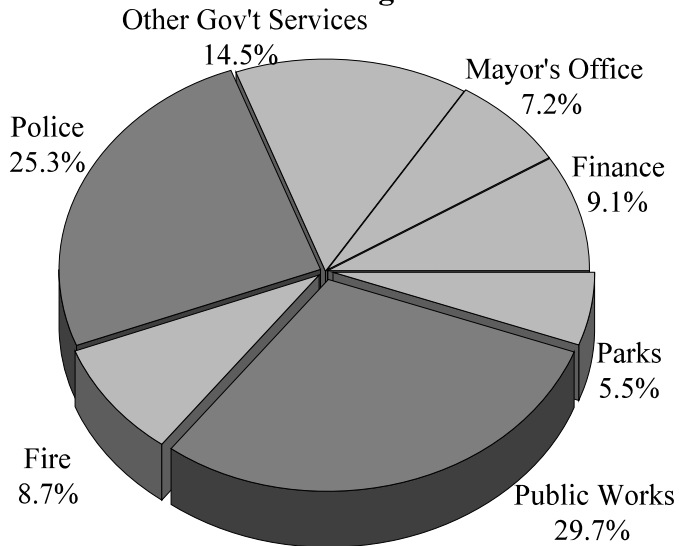
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2016

<u>Expenditures**</u>	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Budget FY 2015</u>	<u>Budget FY 2016</u>	<u>Percent Change FY'16-'15</u>	<u>Page Reference*</u>
Mayor's Office	\$8,385,567	\$7,674,890	\$8,684,835	\$8,618,713	-0.8%	90
Human Resources	22,047,138	23,831,955	22,842,249	23,884,267	4.6%	146
Public Works	<u>7,481,188</u>	<u>7,799,586</u>	<u>7,864,054</u>	<u>7,630,749</u>	<u>-3.0%</u>	199
Total Expenditures	<u>\$37,913,893</u>	<u>\$39,306,431</u>	<u>\$39,391,138</u>	<u>\$40,133,729</u>	<u>1.9%</u>	

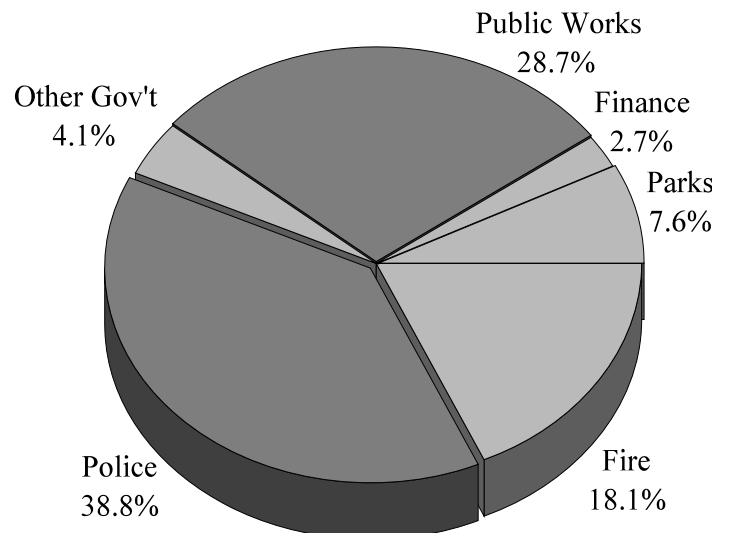
* See page listed for further information and details.

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

Administrative Services FY '16 Internal Service Charge Allocations



Self-Insurance Program FY '16 Internal Service Charge Allocations



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT											
NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD		TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020	2021				
FINANCE	G	578	0	792	0	816	0	2,186	2,186	2,186	
	W	1,374	0	1,533	0	1,458	0	4,365	4,365	4,365	
	I	0	0	150	0	0	0	150	150	150	
FIRE	G	2,350	0	4,250	0	4,550	0	11,150	11,150	11,150	
OFFICE OF THE MAYOR	G	268	0	0	0	0	0	268	268	268	
	I	0	0	5,000	0	0	0	5,000	5,000	5,000	
PARKS AND RECREATION	G	3,075	0	3,340	0	3,340	0	9,755	9,755	9,755	
	O	300	0	300	0	300	0	0	0	900	
POLICE	G	380	0	0	0	0	0	380	380	380	
PUBLIC WORKS	G	10,150	0	12,000	0	12,500	0	34,650	34,650	34,650	
	W	45,800	0	51,100	0	48,600	0	145,500	145,500	145,500	
	O	4,500	0	200	0	200	0	0	0	4,900	
TRANSPORTATION	G	3,050	0	6,800	0	6,800	0	16,650	16,650	16,650	
	O	6,000	0	8,000	0	8,000	0	0	0	22,000	
<hr/>											
TOTAL BY FUND	G	19,851	0	27,182	0	28,006	0	75,039	75,039	75,039	
	O	10,800	0	8,500	0	8,500	0	0	0	27,800	
	W	47,174	0	52,633	0	50,058	0	149,865	149,865	149,865	
	I	0	0	5,150	0	0	0	5,150	5,150	5,150	
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	230,054	257,854	

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021		
FINANCE	NS	18	0	0	0	0	0	18	18
	NR	36	0	184	0	55	0	275	275
	UE	1,265	0	1,495	0	1,416	0	4,176	4,176
	RE	633	0	796	0	803	0	2,232	2,232
FIRE	NR	1,250	0	1,750	0	2,050	0	5,050	5,050
	RE	1,100	0	2,500	0	2,500	0	6,100	6,100
OFFICE OF THE MAYOR	NS	268	0	0	0	0	0	268	268
	NR	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	NR	150	0	0	0	0	0	150	150
	UE	2,330	0	2,380	0	2,380	0	6,340	7,090
	RE	895	0	1,260	0	1,260	0	3,265	3,415
	RE	380	0	0	0	0	0	380	380
PUBLIC WORKS	NS	450	0	0	0	0	0	450	450
	UE	37,800	0	37,800	0	35,300	0	106,000	110,900
	RE	22,200	0	25,500	0	26,000	0	73,700	73,700
	UE	9,050	0	14,800	0	14,800	0	16,650	38,650
TRANSPORTATION									
TOTAL BY EXPENDITURE CATEGORY	NS	736	0	0	0	0	0	736	736
	NR	1,436	0	6,934	0	2,105	0	10,475	10,475
	UE	50,445	0	56,475	0	53,896	0	133,166	160,816
	RE	25,208	0	30,056	0	30,563	0	85,677	85,827
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

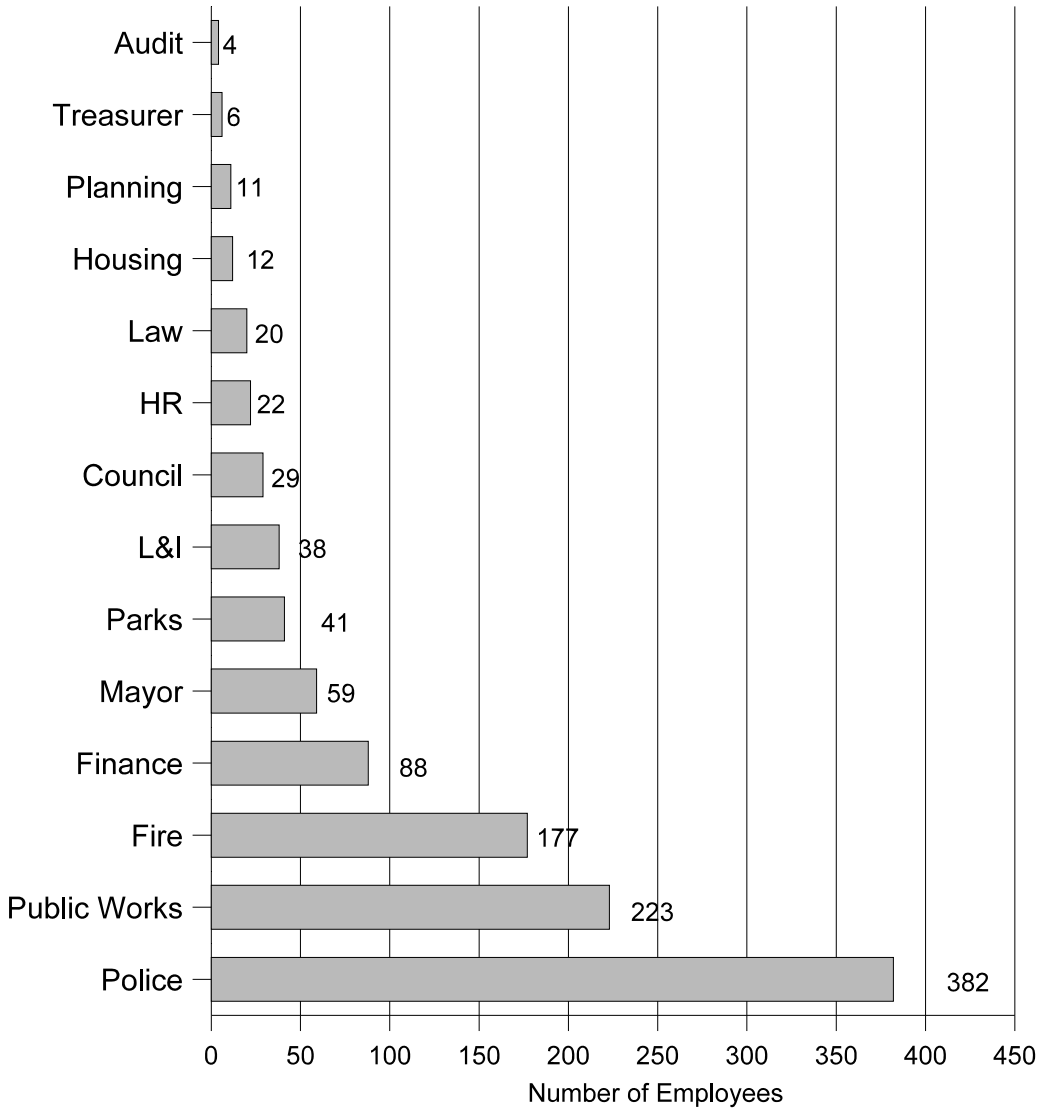
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2016

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Mayor's Office	58.00	57.00	60.00	59.00	59.00	0.00
Council	28.00	27.00	29.00	29.00	29.00	0.00
Treasurer	6.00	6.00	6.00	6.00	6.00	0.00
Planning	11.00	11.00	11.00	11.00	11.00	0.00
Audit	4.00	4.00	4.00	4.00	4.00	0.00
Law	21.00	21.00	21.00	20.00	20.00	0.00
Finance	93.00	90.00	87.00	88.00	88.00	0.00
Human Resources	22.00	22.00	21.00	22.00	22.00	0.00
Licenses & Inspections	38.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	44.00	44.00	44.00	42.00	41.00	(1.00)
Fire	177.00	177.00	177.00	177.00	177.00	0.00
Police	390.00	382.00	382.00	382.00	382.00	0.00
Public Works	226.00	226.00	224.00	223.00	223.00	0.00
Real Estate & Housing	<u>16.00</u>	<u>15.00</u>	<u>15.00</u>	<u>12.00</u>	<u>12.00</u>	<u>0.00</u>
TOTAL	<u>1,134</u>	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>(1.00)</u>
Total Employees per every 1,000 Persons in City Population	<u>15.57</u>	<u>15.38</u>	<u>15.79</u>	<u>15.71</u>	<u>15.69</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2016
(ALL FUNDS)**



Almost 74% (or 820) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2016**

**GENERAL FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Mayor's Office	34.50	33.50	36.50	37.50	37.50	0.00
Council	28.00	27.00	20.05	20.05	19.55	(0.50)
Treasurer	2.92	2.92	2.92	2.92	2.92	0.00
Planning	10.60	10.63	10.63	10.43	10.49	0.06
Audit	4.00	4.00	4.00	4.00	4.00	0.00
Law	21.00	21.00	21.00	20.00	20.00	0.00
Finance	65.45	63.65	61.70	60.55	61.85	1.30
Human Resources	15.00	15.00	14.00	14.00	13.55	(0.45)
Licenses & Inspections	38.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	44.00	44.00	44.00	42.00	41.00	(1.00)
Fire	164.00	164.00	170.50	177.00	177.00	0.00
Police	365.00	362.65	372.32	373.20	374.00	0.80
Public Works	123.25	122.65	122.40	120.65	120.65	0.00
Real Estate & Housing	<u>1.35</u>	<u>1.55</u>	<u>2.48</u>	<u>1.80</u>	<u>1.52</u>	<u>(0.28)</u>
TOTAL	<u>917.07</u>	<u>910.55</u>	<u>920.50</u>	<u>922.10</u>	<u>922.03</u>	<u>(0.07)</u>

**SPECIAL FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.08	3.08	3.08	3.08	3.08	0.00
Planning	0.40	0.37	0.37	0.57	0.51	(0.06)
City Council	0.00	0.00	8.95	8.95	9.45	0.50
Real Estate and Housing	14.65	13.45	12.52	10.20	10.48	0.28
Fire	13.00	13.00	6.50	0.00	0.00	0.00
Police	<u>25.00</u>	<u>19.35</u>	<u>9.68</u>	<u>8.80</u>	<u>8.00</u>	<u>(0.80)</u>
TOTAL	<u>56.63</u>	<u>49.75</u>	<u>41.60</u>	<u>32.10</u>	<u>32.02</u>	<u>(0.08)</u>

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2016**

**WATER/SEWER FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Finance	27.55	26.35	25.30	27.45	26.15	(1.30)
Public Works	<u>102.75</u>	<u>103.35</u>	<u>101.60</u>	<u>102.35</u>	<u>102.35</u>	<u>0.00</u>
TOTAL	<u>130.30</u>	<u>129.70</u>	<u>126.90</u>	<u>129.80</u>	<u>128.50</u>	<u>(1.30)</u>

**COMMERCE FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Mayor's Office	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**INTERNAL SERVICE FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2012</u>	<u>Actual FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Net Change FY'16-'15</u>
Mayor's Office	23.00	23.00	23.00	21.00	21.00	0.00
Human Resources	7.00	7.00	7.00	8.00	8.45	0.45
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>30.00</u>	<u>30.00</u>	<u>30.00</u>	<u>29.00</u>	<u>29.45</u>	<u>0.45</u>
TOTAL ALL FUNDS	<u>1,134</u>	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>(1.00)</u>

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2016**

Fund Balance Activity	Actual FY 2014	Estimated FY 2015	Projected FY 2016
Fund Balance as of July 1	\$46,572,452	\$46,057,266	\$48,889,326
Excess of Revenues Over/(Under) Expenditures	(751,313)	2,557,060	1,835,254
Other Financing Sources/(Uses):			
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	(54,753)	0	0
Total Other Financing Sources/(Uses)	220,247	275,000	275,000
Prior Period Adjustment	15,880	0	0
Net Change in Fund Balance	(515,186)	2,832,060	2,110,254
Total Fund Balance as of June 30	<u>\$46,057,266</u>	<u>\$48,889,326</u>	<u>\$50,999,580</u>

Summary of Fund Balance

Non-spendable	\$5,460,671	\$2,960,671	\$460,671
Committed (Budget Reserve*)	15,003,965	15,169,686	15,614,281
Unassigned	<u>25,592,630</u>	<u>30,758,969</u>	<u>34,924,628</u>
Total Fund Balance as of June 30	<u>\$46,057,266</u>	<u>\$48,889,326</u>	<u>\$50,999,580</u>

* The Budget Reserve is set at the end of each fiscal year to be 10% of the next fiscal year's General Fund Budget.

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.

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.

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2016**

Fund Net Assets Activity	Actual FY 2014	Estimated FY 2015	Projected FY 2016
Net Assets as of July 1	\$110,007,755	\$119,856,163	\$126,789,301
Excess of Revenues Over/(Under) Expenditures	16,145,814	11,530,218	9,095,979
Non-Operating Revenues/(Expenses)			
Interest Expense	(5,832,866)	(5,825,080)	(7,999,121)
Other	<u>1,266,361</u>	<u>1,228,000</u>	<u>1,209,784</u>
Total Non-Operating Revenues/(Expenses)	(4,566,505)	(4,597,080)	(6,789,337)
Income/(Loss) Before Transfers	11,579,309	6,933,138	2,306,642
Prior Period Adjustment	(1,730,901)	0	0
Change in Net Assets	9,848,408	6,933,138	2,306,642
Total Net Assets as of June 30	<u>\$119,856,163</u>	<u>\$126,789,301</u>	<u>\$129,095,943</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$116,604,537	\$118,604,537	\$120,604,537
Unrestricted	<u>3,251,626</u>	<u>8,184,764</u>	<u>8,491,406</u>
Total Fund Net Assets as of June 30	<u>\$119,856,163</u>	<u>\$126,789,301</u>	<u>\$129,095,943</u>

NET ASSETS

For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as “Net Assets” on the financial statement. Net Assets are 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.

TOTAL FUND BALANCE & NET ASSETS (MEMORANDUM ONLY)
GENERAL & WATER/SEWER FUNDS
FISCAL YEAR 2016

Fund Balance & Net Assets Activity	Actual FY 2014	Estimated FY 2015	Projected FY 2016
Fund Balance & Net Assets as of July 1	\$156,580,207	\$165,913,429	\$175,678,627
Excess of Revenues Over/(Under) Expenditures	15,394,501	14,087,278	10,931,233
Total Other Financing Sources/(Uses)	220,247	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(4,566,505)	(4,597,080)	(6,789,337)
Prior Period Adjustments	(1,715,021)	0	0
Change in Fund Balance & Net Assets	9,333,222	9,765,198	4,416,896
Total Fund Balance & Net Assets as of June 30	<u>\$165,913,429</u>	<u>\$175,678,627</u>	<u>\$180,095,523</u>

Summary of Fund Balance & Net Assets

Non-spendable	\$5,460,671	\$2,960,671	\$460,671
Budget Reserve	15,003,965	15,169,686	15,614,281
Unassigned	25,592,630	30,758,969	34,924,628
Invested in Capital Assets, Net of Related Debt	116,604,537	118,604,537	120,604,537
Unrestricted	<u>3,251,626</u>	<u>8,184,764</u>	<u>8,491,406</u>
Total Fund Balance & Net Assets as of June 30	<u>\$165,913,429</u>	<u>\$175,678,627</u>	<u>\$180,095,523</u>

City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

(Preliminary)

Revenue Type	Actual	Projected	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020
Wage & Net Profits Tax	\$61,366,603	\$63,465,600	\$65,401,600	\$65,578,100	\$68,243,338	\$70,768,548	\$73,181,977	\$73,181,977
Property Tax	38,140,803	38,949,912	39,727,500	39,556,000	43,334,194	43,358,694	43,481,194	43,481,194
Real Estate Transfer Tax	2,117,563	2,300,000	2,300,000	2,357,500	2,416,438	2,488,931	2,563,599	2,563,599
Head Tax	4,071,552	4,021,200	3,800,000	3,773,000	3,827,000	3,881,000	3,935,000	3,935,000
Franchise Fee	916,631	899,239	916,631	934,964	953,663	972,736	992,191	992,191
Licenses, Permits, Fees & Fines	12,383,766	12,525,000	12,800,000	12,852,000	12,555,040	12,272,666	12,041,983	12,041,983
Interest Income	192,064	211,759	232,037	238,386	333,152	370,064	494,392	494,392
Indirect Costs	4,512,639	4,994,467	5,023,446	5,149,032	5,277,758	5,409,702	5,544,944	5,544,944
Other Miscellaneous Revenues	1,930,192	1,528,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Task Force Revenues	4,754,986	4,902,355	4,745,026	4,913,090	5,049,397	5,189,572	5,333,725	5,333,725
County Seat Relief Package	9,129,958	9,553,674	8,765,836	8,826,110	8,917,425	9,010,109	9,104,184	9,104,184
State Port Debt Reimbursement	456,166	934,165	936,721	840,060	389,234	396,574	569,356	569,356
State Pension Contribution	5,302,444	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315
Total Revenues	\$145,275,367	\$151,440,686	\$153,532,112	\$153,901,557	\$160,179,953	\$163,001,911	\$166,125,859	\$166,125,859

Expenditure Type	Actual	Projected	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2020
Salaries and Wages	\$60,292,526	\$60,584,989	\$58,981,647	\$60,638,698	\$61,148,698	\$61,658,698	\$62,168,698	\$62,168,698
Health Benefits	13,568,073	13,092,935	14,273,002	14,798,107	15,389,253	16,003,198	16,640,771	16,640,771
Pension and Retirement	18,031,323	15,868,495	16,701,036	17,541,316	18,401,124	19,281,154	20,182,126	20,182,126
Other Employee Benefits	2,474,576	2,526,988	2,515,038	2,587,703	2,610,068	2,632,433	2,654,797	2,654,797
Equipment & Services	16,482,174	19,247,690	19,638,438	20,317,715	21,155,018	21,959,967	22,452,171	22,452,171
General Liability	2,467,645	1,316,442	1,349,354	1,383,088	1,417,665	1,453,107	1,489,435	1,489,435
Workers' Compensation	2,710,352	2,870,218	2,894,901	2,978,542	3,004,285	3,030,028	3,055,771	3,055,771
Internal Services	11,863,832	12,843,237	13,196,424	13,559,326	13,932,207	14,315,343	14,709,015	14,709,015
Debt Service	12,038,814	12,636,717	14,255,703	14,443,600	14,214,091	14,980,899	15,662,011	15,662,011
Special Purpose	794,921	740,600	736,000	739,400	742,885	746,457	750,119	750,119
State Pension Contribution	5,302,444	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315
Total Expenditures	\$146,026,680	\$148,883,626	\$151,696,858	\$156,142,810	\$159,170,609	\$163,216,599	\$166,920,229	\$166,920,229

Operating Surplus/(Deficit)	(\$751,313)	\$2,557,060	\$1,835,254	(\$2,241,253)	\$1,009,344	(\$214,688)	(\$794,370)	(\$794,370)
Net Adj. & Transfers In/(Out)	236,127	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	(\$515,186)	\$2,832,060	\$2,110,254	(\$1,966,253)	\$1,284,344	\$60,312	(\$519,370)	(\$519,370)

Total Fund Balance	\$46,057,266	\$48,889,326	\$50,999,580	\$49,033,327	\$50,317,671	\$50,377,983	\$49,858,613	\$49,858,613
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ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS

BASE YEAR

Each year the Office of Management and Budget develops a five-year revenue and expenditure projection which covers the budget year (FY 2016), as well as the next four outyears (Fiscal Years 2017 through 2020). For FY 2016, the Approved Budget is shown, and is the base year upon which the Fiscal Year 2017 through 2020 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 2015 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.

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 15, 2015 release projects headline Consumer Price Index (CPI) growth of 0.70% in calendar year 2015, followed by slightly larger increases in inflation through calendar year 2018. See table below.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2015	<i>0.70%</i>
2016	<i>2.10%</i>
2017	<i>2.30%</i>
2018	<i>2.45%</i>
2019	<i>2.45%</i>

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 15, 2015

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has tended to match or slightly exceed national cost-of-living growth in recent years. Therefore the projections that follow include a default assumption for 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 overriding assumptions included.

OUTYEAR PROJECTION ASSUMPTIONS - REVENUES

Wage & Net Profit Taxes (FY 2016 Base Year: \$65,401,600 - 42.6% of total revenues)

The FY 2016 Wage and Net Profits Tax projection totals just over \$65.4 million, a \$436,000 increase above the FY 2015 budgeted amount. Wage Tax revenue has been growing, albeit modestly, fueled by an improving local economy. The Wage Tax base is now almost \$56.0 million, with another \$250,000 expected to be added at the end of Fiscal Year 2015 from ongoing audit and collection activities. For FY 2016, job growth and increased employee compensation are projected to increase taxable wages by 3.0%, further expanding base revenue by \$1.7 million. Finally, audit and collection efforts for FY 2016 are expected to bring in \$2.0 million in one-time revenue. In total, FY 2016 Wage Tax revenue is projected to be \$59.9 million. The Net Profits portion of this revenue category is projected to remain at \$5.5 million for FY 2016.

In their June 2016 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 4.6% growth for FY 2017 in total State Personal Income Tax, a tax roughly equivalent to the City Wage Tax. However, due to the City's high concentration of certain business sectors, as well as corporate headquarter locations that are associated with relatively volatile executive bonus compensation, volatility of the City's single largest revenue source remains high. As such, a somewhat more conservative outyear growth factor is necessary. Given the above, coupled with the fact that the City's recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to grow (exclusive of audit and collection revenue), by 3.5% in FY 2017. Growth of 3.5% in Fiscal Years 2018 through 2020 is also expected. However, a \$2.0 million reduction in base Wage Tax revenue has been factored into the FY 2017 projection and beyond to account for the relocation of the DuPont Company headquarters to a suburban campus. This occurred in tandem with the spinoff of Chemours Company from DuPont. Chemours is headquartered in Wilmington, but with a smaller workforce in the City than DuPont had employed. Audit and collection revenue is forecasted to decrease by \$250,000 to \$1.75 million in FY 2017, and then revert back to \$2.0 million annually in FY 2018 and FY 2019 as new initiatives are implemented. Finally, \$1.8 million is projected for FY 2020.

Property Tax (FY 2016 Base Year: \$39,727,500 - 25.9% of total revenues)

Property Taxes are projected to total \$39,727,500, a net increase of \$777,588. Base billings for FY 2015 were \$40.45 million. However, assessment appeals from owners of some large commercial properties are pending. Revenue loss from current appeals is projected to be \$350,000, and is in addition to the \$500,000 reduction for appeals and other billing adjustments projected to occur in FY 2016. Helping to offset these reductions is \$275,000 of additional revenue resulting from expiring tax incentives and higher assessments due to property improvements. A 2.0% adjustment downward for bad debt reduces the net base revenue for FY 2016 by \$797,500. Lastly, Penalty and Interest is expected to add \$650,000 in one-time revenue. There is no increase to the tax rate in FY 2016.

To help balance the budget, a 9.9% Property Tax increase (yielding \$3.87 million) has been projected for FY 2018. The annual amount calculated for adjustments for assessment appeals was lowered by \$100,000 in FY 2017 through FY 2020. The amount expected from expiring incentives and reassessments from improvements was also reduced to \$225,000 in all of the outyears.

Real Estate Transfer Tax (FY 2016 Base Year: \$2,300,000 - 1.5% of total revenues)

Real Estate Transfer Tax revenues are slated to increase by \$300,000 to \$2.3 million for FY 2016, which equals the revised projection for FY 2015. The average price of residential homes is rising slowly, and the number of sales is increasing modestly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As such, only minimal growth is forecast in this area. For Fiscal

Years 2017 and 2018, growth of 2.5% is projected, and then by 3.0% for FY 2019 and FY 2020.

Head Tax (FY 2016 Base Year: \$3,800,000 - 2.5% of total revenues)

Head Tax revenue is projected to increase by \$178,800, to \$3.8 million for FY 2016. As an offshoot of the Finance Department's revenue audits, additional Head Tax is realized for both past and current employee headcounts.

In FY 2017, it is expected that increased hiring activities by new businesses locating within the City will be offset by the reduction in jobs related to the DuPont/Chemours changeover, reflecting a net loss of 150 jobs. Beyond FY 2017, Head Tax reflects a net of 300 additional jobs annually.

Franchise Fees (FY 2016 Base Year: \$916,631 - 0.6% of total revenues)

Franchise Fees revenue previously consisted of 2% of the 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, and was projected to be \$916,631, which equals the FY 2015 budget.

Slight growth in the Delmarva Power remittance is forecasted in FY 2017 and beyond, at a rate of 2.0% annually.

Licenses, Permits, Fees, and Fines (FY 2016 Base Year: \$12,800,000 - 8.3% of total revenues)

Licenses, Permits and Fees revenue is projected to rise by nearly \$680,000 to \$4.2 million in FY 2016. Business Licenses are expected to hold at \$1.6 million, but Permits are projected to increase by almost \$605,000, a result of the revision of the entire schedule of Building Permit fees in late FY 2014. Fee revenue is also expected to increase by \$75,000, to a total of \$600,000, based on recent trends in this category. The Permits and Fees portion of this revenue source (with a base of \$2.6 million) is projected to grow modestly in outyears, at a rate of 2.0% in FY 2017 and 2018, and at a rate of 2.5% in subsequent years. Business Licenses are forecasted to remain at the FY 2016 levels throughout the projection period.

Fines are projected to decrease by \$550,000, to a total of \$8.6 million. The breakout is as follows:

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 \$4.7 million in FY 2016, down \$250,000 from the FY 2015 budget and is broken down as follows: Red-light camera fines at \$4.0 million (down \$100,000), Criminal Fines at \$300,000 (down \$150,000), and L & I Instant Ticketing at \$400,000 (no change). For FY 2017, red-light camera fines are expected to remain at \$4.0 million. As no new red-light camera sites are anticipated, and violations decrease at older sites, a reduction of \$350,000 each year is forecasted for FY 2018 and FY 2019, with a further decrease of \$300,000 in FY 2020. Criminal Fines and L&I Instant Ticketing revenue is expected to remain at current levels throughout the projection period.

Parking Tickets/Booting Fines are forecast to decrease \$300,000 from \$4.2 million budgeted in FY 2015, down to \$3.9 million for FY 2016. There has been a multi-year downward trend resulting from changes in parking regulations. This revenue is also expected to remain at current levels throughout the projection period.

Interest Income (FY 2016 Base Year: \$232,037 - 0.1% of total revenues)

Although the City's cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in early FY 2016, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$232,037, or \$20,278 above the FY 2015 level. The base interest rate of 0.25% in FY 2016 is increased by 10 basis points each year going forward, and assumes the following additions to the investment base from bond issuances:

1. A weighted average of \$15.0 million from the FY 2016 capital borrowing will be invested in FY 2017, with a decreasing balance in FY 2018.
2. A weighted average of \$5.0 million from the unspent portion of the FY 2016 capital borrowing, plus \$15.0 million from an assumed FY 2018 capital borrowing will be invested in FY 2018.
3. A weighted average of \$10.0 million from the unspent FY 2018 capital borrowing will be invested in FY 2019.
4. A weighted average of \$5.0 million from the unspent portion of the FY 2018 capital borrowing, plus \$15.0 million from an assumed FY 2020 capital borrowing will be invested in FY 2020.

In addition, for FY 2017 through FY 2020, the projected annual changes in fund balance (surpluses or deficits) are added or subtracted from the investment base.

Indirect Costs (FY 2016 Base Year: \$5,023,446 - 3.3% of total revenues)

Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City's indirect cost plan had not been revised since the mid 1990's. Based on several cost components of the FY 2016 General Fund budget, Indirect Costs will rise to \$5,023,446, an increase of \$28,979. For FY 2017 and subsequent years, this category has been increased by 2.5% per year.

Other Miscellaneous Revenues (FY 2016 Base Year: \$1,728,000 - 1.1% of total revenues)

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$1,728,000 for FY 2016. No outyear growth is forecasted in these revenues.

Task Force Revenues (FY 2016 Base Year: \$4,745,026 - 3.1% of total revenues)

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 2.0% Lodging Tax and a 2.0% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$292,671 higher for FY 2016. Two of the four components of the Task Force Revenues will increase from the FY 2015 Budget as a result of State growth estimates calculated on final FY 2014 revenues: Corporate Filings by \$157,912, and LLC Filings by \$116,287, to new totals of \$1,216,160 and \$2,442,033 respectively. Lodging Tax is projected to increase by 2.0% and Natural Gas Tax is slated to rise 1.5% above the FY 2015 budgeted levels. They will now total \$499,144 and \$587,689 respectively.

For the outyears, Corporate Filings and LLC revenues have been increased by 4.0% for FY 2017, slightly lower than DEFAC's 5.0% growth estimate. For the last three fiscal years of the projection, the annual growth rate is 3.0%. Lodging Tax, along with the Natural Gas Franchise Fee, have been forecasted to increase at 2.0% for Fiscal Years 2017 through 2020.

County Seat Relief Package (FY 2016 Base Year: \$8,765,836 - 5.7% of total revenues)

The County Seat Relief Package is a bundle of revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that builds 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 2016 projections total \$8.8 million. 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 (this is down \$18,554 from the FY 2015 budget); \$4.8 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$51,784 from the FY 2015 budget); \$200,000 in Statutory Trust Filing Fees (down \$100,000); and \$1.3 million in New Castle County Corporate Filing Fees (this is up by \$260,378). In total, there is a \$193,608 increase in County Seat Relief Package revenues from the FY 2015 budget.

For FY 2017 through FY 2020, the PILOT revenue and Statutory Trust Filing Fees remain unchanged. UCC Filing Fee Revenues and New Castle County Corporate Filings are projected to grow at 1.0% for FY 2017, per DEFAC estimates. Higher annual growth of 1.5% in UCC Filings and New Castle County Corporate Filings is projected for FY 2018 through FY 2020.

State Port Debt Reimbursement (FY 2016 Base Year: \$936,721 - 0.6% of total revenues)

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 reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2016 will be \$936,721, and represents a \$2,556 increase over Fiscal Year 2015. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule.

State Pension Contribution (FY 2016 Base Year: \$7,155,315 - 4.7% of total revenues)

The State Pension Contribution is a pass-through grant of \$7,155,315 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments.

State Pension Contributions have been projected to remain level through FY 2020.

Net Adjustments & Transfers (FY 2016 Base Year: \$275,000)

There are no prior year designations in FY 2016. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted. No change is anticipated for the outyears.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2016 Base Year: \$58,981,647 - 38.9% 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 2016 budget serves as the base year for estimating future costs, and all numbers are reported net of attrition. For FY 2016, no allowance was made for Cost of Living Adjustments (COLAs). Anniversary-based salary step increases for all eligible employees will continue, costing approximately \$500,000 during FY 2016.

The City is currently in labor negotiations with nearly all collective bargaining units. A 2.0% COLA is assumed in FY 2017 only, but anniversary salary step increases are assumed to continue throughout the projection period at a cost of \$510,000 each year.

Health Benefits, Active Employees (FY 2016 Base Year: \$14,273,002 - 9.4% of total expenditures)

Healthcare cost trends are forecast to drop slightly for some coverages, but increase substantially for prescription drug coverage, according to the 2015 Segal Health Plan Cost Trend Survey. The City is experiencing the same trends in cost growth for healthcare. In addition, the base cost of providing healthcare increased by over \$500,000 in FY 2016. The increase is partly due to contractual changes implemented by the Human Resources Department (HR) expanding medical Stop-loss insurance to include prescription drugs.

As a result of the above, HR projects that during the period of FY 2017 to FY 2020, prescription and Stop-loss insurance will each increase by 10.0% per year, Dental costs will rise by 4.0% per year, and medical costs will increase by just 2.8% per year. Taken in total, this equates to a overall weighted average increase in base Healthcare costs of 4.83% per year through the projection period. As part of current labor negotiations, the City is expected to alter the employee contribution for health coverage from a fixed amount to a shared percentage rate. The projection assumes a weighted-average contribution rate of 5.25% in FY 2017 that increases by 75 basis points each year thereafter, reaching 7.5% in FY 2020. The cumulative reduced cost to the City is roughly \$1.4 million over the projection period.

Pension and Retirement Healthcare (FY 2016 Base Year: \$16,701,036 - 11.0% 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 2016, it is 13.85% for police officers and firefighters, and 6.21% for civilian participants. Because the funding percentages are estimated to increase by only 10 basis points each year, the major cost growth will result from 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 33 civilians, 12 police officers and 5 firefighters will be hired and added to the State-sponsored pension plans each year. As a result, the \$3.7 million General Fund total cost of the State-sponsored pension plans in FY 2016 is projected to grow to over \$4.5 million by FY 2020.

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 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 14 years. The Pension Coordinator, working with the City's Actuary, projects 4.0% annual growth in the funding targets through FY 2020. The General Fund cost of the City-sponsored pension

plans totals just under \$11.0 million for FY 2016. This is projected to grow to \$12.6 million by the end of the projection period.

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 10 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2016 is \$2.30 million, and will grow to \$3.14 million by FY 2020.

Other Employee Benefits (FY 2016 Base Year: \$2,515,038 - 1.7% of total expenditures)

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

Equipment and Services (FY 2016 Base Year: \$19,638,438 - 12.9% 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 in the midst of 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 electricity, and community activities.

Beginning in FY 2016, the City will begin a four-year phase-in to charge the General Fund for water, sewer, and stormwater services. The General Fund will be charged 25% of these costs in FY 2016, 50% in FY 2017, 75% in FY 2018, and 100% in FY 2019 and beyond. Starting with a base fee of just over \$1.05 million in FY 2016, the most recent financial study projects required rate increases in the out years that will raise the base fee to roughly \$1.30 million in FY 2020.

By decoupling from the State's utility contract and continuing the green initiatives implemented over the past several years, the City has been able to lock in favorable rates for electricity through the next fiscal year. As a result, the \$1.32 budgeted for Electricity in FY 2016 is relatively unchanged from the previous year. In addition, the City receives an annual Municipal Street Aid grant from the State of about \$1.1 million that is used to offset the electricity costs of street lighting that would otherwise be a cost to the General Fund. Given the above, the projection keeps the electricity cost level at \$1.32 million through FY 2017, increases it by 2.5% in FY 2018 (to \$1.35 million), then remains flat in the last two years due to the expectation of being able to lock in rates. The assumption is also made that the Municipal Street Aid grant funding will remain constant throughout the projection period.

The Mayor's Office and City Council each have a budget account group known as Community Activities, which includes the cost for such things as grants to non-profit agencies and a scholarship tuition assistance program. For FY 2016, the total amount budgeted for Community Activities is \$1,004,860 (\$576,860 in the Mayor's Office and \$428,000 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 \$300,000 for FY 2016. It is assumed it will remain at \$300,000 in the outyears of the projection. The Snow and Weather Emergencies Fund was budgeted at \$125,000 in FY 2016, and is projected to remain at that level through the projection period.

Excluding the Contingency and Weather Emergencies Funds, electricity, community activities, and water, sewer and stormwater, the remaining base of this expenditure category is expected to respond to overall inflationary pressures of 2.5% per year.

General Liability (FY 2016 Base Year: \$1,349,354 - 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 2016 budget of \$1.3 million. This figure is projected to increase by 2.5% annually.

Workers' Compensation (FY 2016 Base Year: \$2,894,901 - 1.9% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been fairly stable over the last several years. The FY 2016 budget, which is derived from these expenditures, is used as a base for forecasting purposes. Annual growth is projected to parallel the growth in Salaries and Wages.

Internal Services (FY 2016 Base Year: \$13,196,424 - 8.7% of total expenditures)

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

In FY 2012, the City completed the final stages of its comprehensive information technology upgrade and expansion program that had resulted in double-digit increases to Data Processing costs in prior years. The Division of Integrated Technology continues to upgrade City software and communications equipment, although to a lesser degree, including projects scheduled throughout the projected period that average roughly \$250,000 annually. Data Processing costs outside of these projects are estimated to increase at rates similar to those of other MS&E categories for each year subsequent to FY 2016.

In recent years, Motor Vehicle costs have shown greater levels of consistency due to limited vehicle purchases and updated depreciation calculations. Fuel cost increases are projected at 4.5% for each year subsequent to FY 2016, though estimates from various private and government sources vary considerably. All other Motor Vehicle costs are expected to grow by 2.5% annually.

For the other services making up the rest of this category, it is assumed that average annual inflationary pressures of 2.5% will apply. This results in a weighted-average growth of approximately 2.75% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2017 through 2020.

Debt Service (FY 2016 Base Year: \$14,255,703 - 9.4% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Finance Department, with estimates added for any expected new borrowing or refinancing. To fund the City's biannual capital budgets, it is assumed a \$20 million bond issuance will take place in October of 2015 (FY 2016) and another \$20 million bond issuance will take place in October of 2017 (FY 2018). It is also projected that an issuance will take place in October of 2019 (FY 2020); however, the second semi-annual payment of debt service on this issuance would not be paid until FY 2021, which is outside the projection period.

It is assumed that the debt service for the bond issues will be structured as two level, semi-annual payments over a term of 20 years, with no capitalization of interest. The interest rate for the FY 2016 issuance is assumed to be 3.5%, resulting in a \$1.39 million annual debt service cost. The FY 2018 issuance has an assumed interest rate of 4.0%, and \$1.46 million in annualized debt service costs. Finally, the FY 2020 issuance is projected to have a 4.5% interest rate, and \$1.52 million in annualized debt costs. Special consideration is also given for the timing of the issuances.

Special Purpose (FY 2016 Base Year: \$736,000 - 0.5% of total expenditures)

This expenditure category funds animal control (\$600,000), provides an operating subsidy to the Wilmington Institute Free Library (\$60,000), covers special contributions to other non-profits (\$57,000), and includes a total of \$19,000 for some smaller specialty items in City Council. All items, except for the animal control funding, are projected to grow annually by 2.5% per year starting in FY 2017.

There is currently a lot of speculation in the State of Delaware about animal control services. Over the course of the next year, the State will be transitioning into becoming the provider of animal control services for municipalities. It is expected that a State-run animal control organization will result in some savings, however, no details have been provided at this point as to what the final costs will be for those services. As such, the \$600,000 budgeted in FY 2016 is kept constant through the FY 2017-2020 projection period.

State Pension Contribution (FY 2016 Base Year: \$7,155,315 - 4.7% 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 \$7,155,315 for FY 2016. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,878,914 budgeted in Fire and \$2,276,401 budgeted in Police. The FY 2016 figure of \$7,155,315, is being projected for FY 2017 through FY 2020.



FISCAL YEAR 2016 REVENUES

Overview

GENERAL FUND

The City continues its recovery from the severe economic downturn and recession that began in 2008. Projected revenues are increasing modestly in FY 2016. Total revenue before transfers is projected to increase by a net \$2,360,120 or 1.6% above the FY 2015 Budget, to a new total of \$153,532,112. The net change from Budget to Budget (FY 2016 vs. FY 2015) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$777,588	\$39,727,500
Licenses, Permits & Fees	679,640	4,200,000
Other Taxes	478,800	7,016,631
Wage & Net Profits Tax	436,000	65,401,600
Task Force Revenues	292,671	4,745,026
County Seat Relief Package	193,608	8,765,836
Other Revenues	28,979	6,751,446
Interest Earnings	20,278	232,037
Other Governments	2,556	8,092,036
Fines	(550,000)	8,600,000
TOTAL	\$2,360,120	\$153,532,112

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase by more than \$568,000 from FY 2015, to a new total of \$73.6 million in FY 2016. 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, it is projected that the Water/Sewer Fund will achieve self-sufficiency, with adequate operating reserves and proper debt coverage ratios, by FY 2018.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

WAGE & NET PROFITS TAX

Basis: Growth of local economy

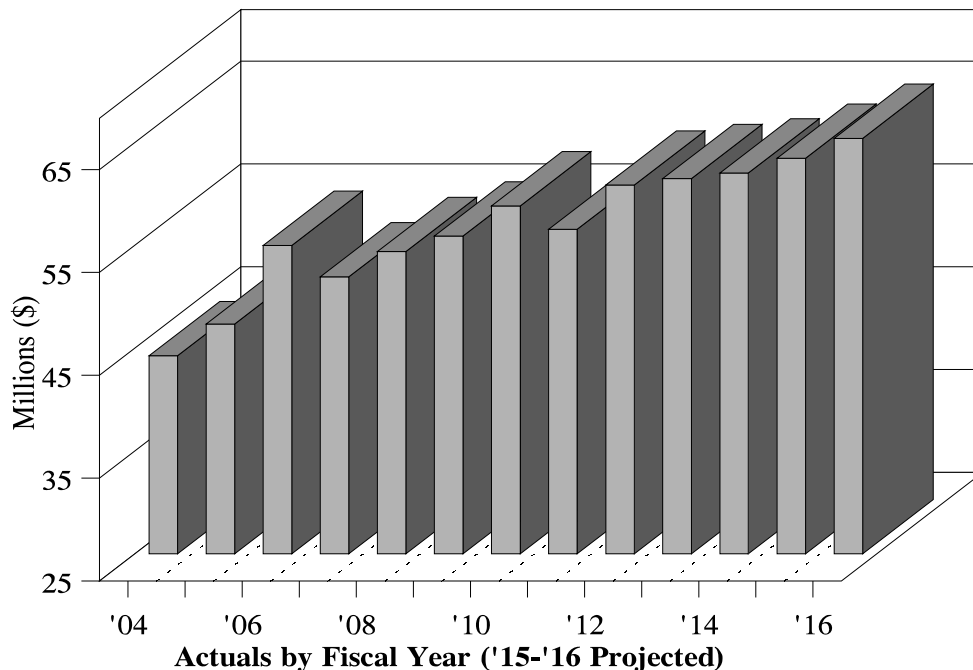
Critical Assumption: The FY 2016 Wage and Net Profits Tax projection totals just over \$65.4 million, a \$436,000 increase above the FY 2015 budget.

Wage Tax revenue has been growing, albeit modestly, fueled by an improving local economy. The Wage Tax base is now almost \$56.0 million, with another \$250,000 expected to be added to this base as permanent revenue from current audit and collection activities. For FY 2016, job growth and increased employee compensation are projected to increase taxable wages by 3.0%, further expanding base revenue by \$1.7 million. Finally, audit and collection efforts for FY 2016 are expected to bring in \$2.0 million in one-time revenue. In total, FY 2016 Wage Tax revenue is projected to be \$59.9 million.

The Net Profits portion of this revenue category is projected to remain at \$5.5 million for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$61,997,470	\$61,366,603	\$64,965,600	\$63,465,600	\$65,401,600

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

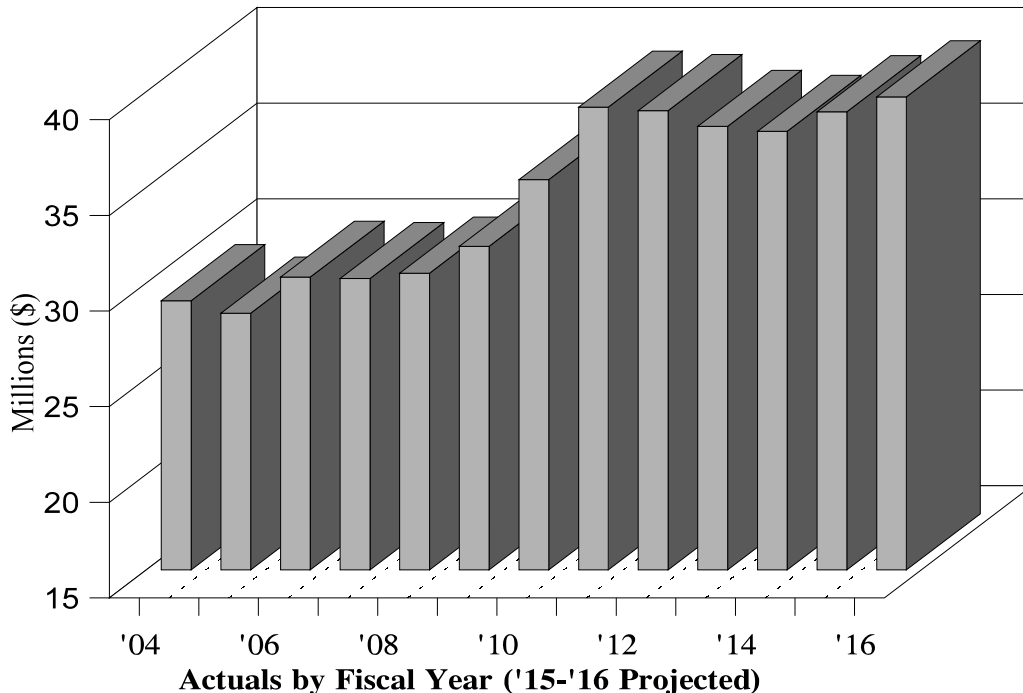
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to total \$39,727,500, a net increase of \$777,588. Base billings for FY 2015 were \$40.45 million. However, assessment appeals from owners of some large commercial properties are pending. Revenue loss from current appeals is projected to be \$350,000, and is in addition to the \$500,000 reduction for appeals and other billing adjustments projected to occur in FY 2016. Helping to offset these reductions is \$275,000 of additional revenue resulting from expiring tax incentives and higher assessments due to property improvements. A 2.0% adjustment downward for bad debt reduces the net base revenue for FY 2016 by \$797,500. Lastly, Penalty and Interest is expected to add \$650,000 in one-time revenue. There is no increase to the tax rate for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$38,181,077	\$38,140,803	\$38,949,912	\$38,949,912	\$39,727,500

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

OTHER TAXES

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

Critical Assumption: Other Taxes are projected to increase by \$478,800 for FY 2016. The breakout is as follows:

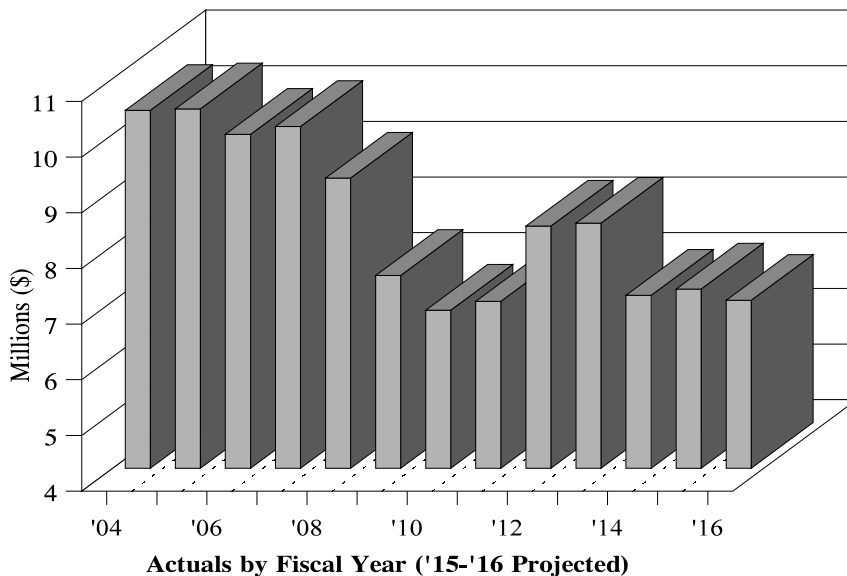
Real Estate Transfer Tax revenues are slated to increase by \$300,000 to \$2.3 million for FY 2016, which equals the revised projection for FY 2015. The average price of residential homes is rising slowly, and the number of sales is increasing modestly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As such, only minimal growth is forecast in this area.

Head Tax revenue is projected to increase by \$178,800, to \$3.8 million for FY 2016. As an offshoot of the Finance Department’s revenue audits, additional Head Tax is realized for both past and current employee headcounts.

Franchise Fees revenue previously consisted of 2% of the 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, and is projected to be \$916,631, which equals the FY 2015 budget.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$8,401,260	\$7,105,745	\$6,537,831	\$7,220,439	\$7,016,631

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

Critical Assumption: Fines are projected to decrease by \$550,000, to a total of \$8.6 million. The breakout is as follows:

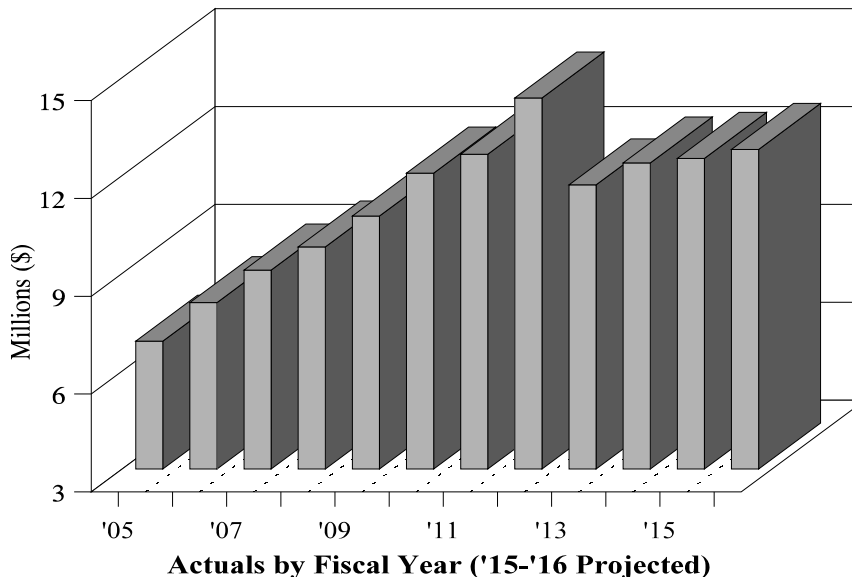
Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.7 million in FY 2016, down \$250,000 from the FY 2015 budget and is broken down as follows: Red-light camera fines at \$4.0 million (down \$100,000), Criminal Fines at \$300,000 (down \$150,000), and L & I Instant Ticketing at \$400,000 (no change).

Parking Tickets/Booting Fines are forecast to decrease \$300,000 from \$4.2 million budgeted in FY 2015, down to \$3.9 million for FY 2016. There has been a multi-year downward trend resulting from changes in parking regulations.

Licenses, Permits and Fees revenue is projected to rise by nearly \$680,000 to \$4.2 million in FY 2016. Business Licenses are expected to hold at \$1.6 million, but Permits are projected to increase by almost \$605,000, a result of the revision of the entire schedule of Building Permit fees in late FY 2014. Fee revenue is also expected to increase by \$75,000, to a total of \$600,000, based on recent trends in this category.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$11,710,873	\$12,383,766	\$12,670,360	\$12,525,000	\$12,800,000

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

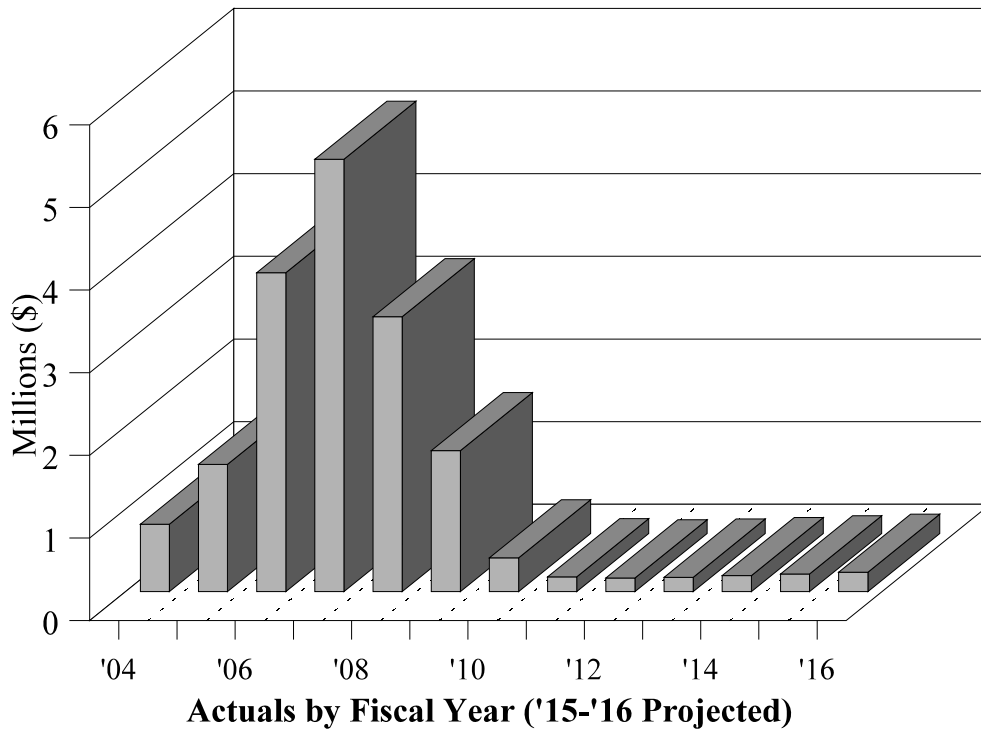
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: Although the City’s cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in late FY 2015, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$232,037, or \$20,278 above the FY 2015 level.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$171,723	\$192,064	\$211,759	\$211,759	\$232,037

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

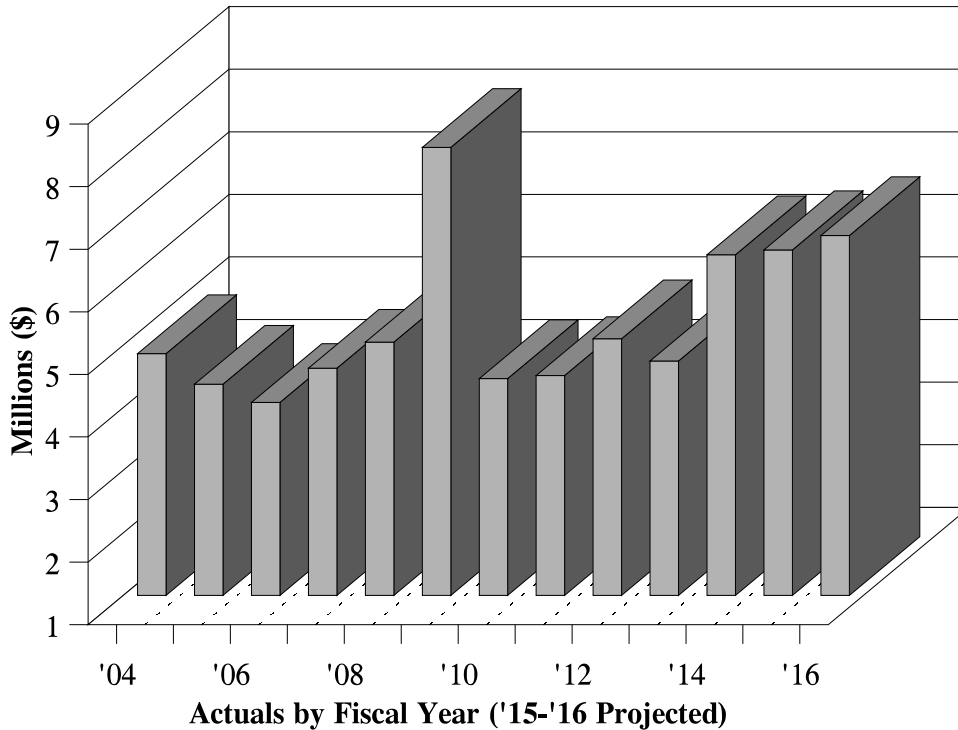
OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues comprises Indirect Costs, General Government Charges, and other Miscellaneous Income. Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City’s indirect cost plan had not been revised since the mid 1990’s. Based on several cost components of the FY 2016 General Fund budget, Indirect Costs will rise to \$5,023,446, an increase of \$28,979. Other components in this category, Rentals, General Government Charges, and Miscellaneous Revenue will remain the same.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$4,747,299	\$6,442,831	\$6,722,467	\$6,522,467	\$6,751,446

Other Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

TASK FORCE REVENUES

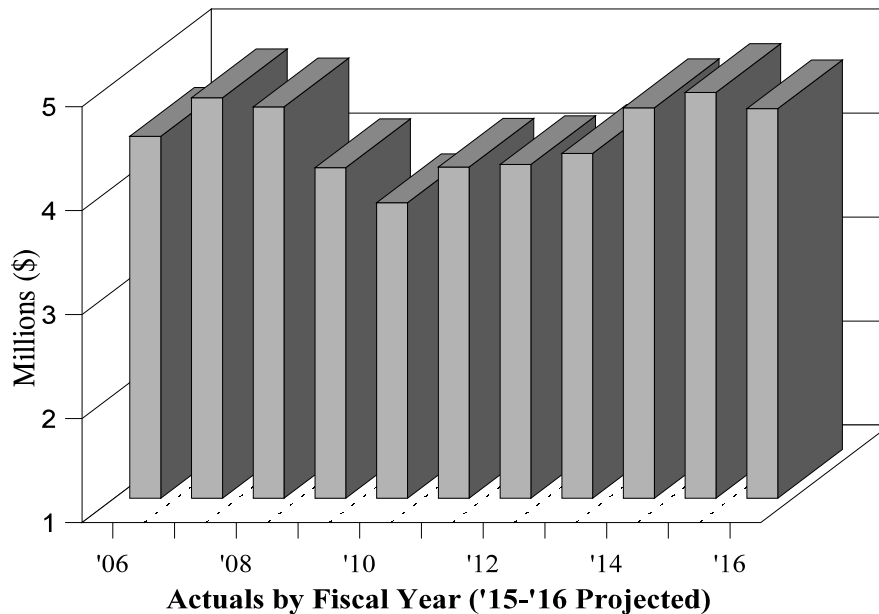
Basis: Governor’s Task Force Report analysis/Trend analysis/Agreement with State

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 \$292,671 higher for FY 2016. Two of the four components of the Task Force Revenues will increase from the FY 2015 Budget as a result of State growth estimates calculated on final FY 2014 revenues: Corporate Filings by \$157,912, and LLC Filings by \$116,287, to new totals of \$1,216,160 and \$2,442,033 respectively. Lodging Tax is projected to increase by 2.0% and Natural Gas Tax is slated to rise 1.5% above the FY 2015 budgeted levels. They will now total \$499,144 and \$587,689 respectively.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$4,314,782	\$4,754,986	\$4,452,355	\$4,902,355	\$4,745,026

Task Force Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

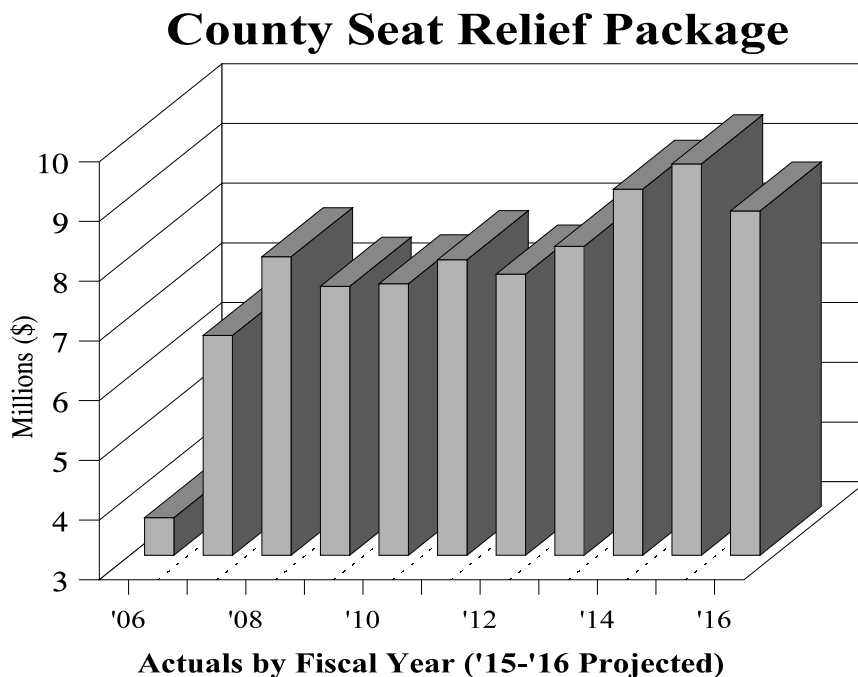
COUNTY SEAT RELIEF PACKAGE

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 2016 projections total \$8.8 million. 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 (this is down \$18,554 from the FY 2015 budget); \$4.8 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is up \$51,784 from the FY 2015 budget); \$200,000 in Statutory Trust Filing Fees (down \$100,000); and \$1.3 million in New Castle County Corporate Filing Fees (this is up by \$260,378). In total, there is a \$193,608 increase in County Seat Relief Package revenues from the FY 2015 budget.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$8,172,793	\$9,129,958	\$8,572,228	\$9,553,674	\$8,765,836



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

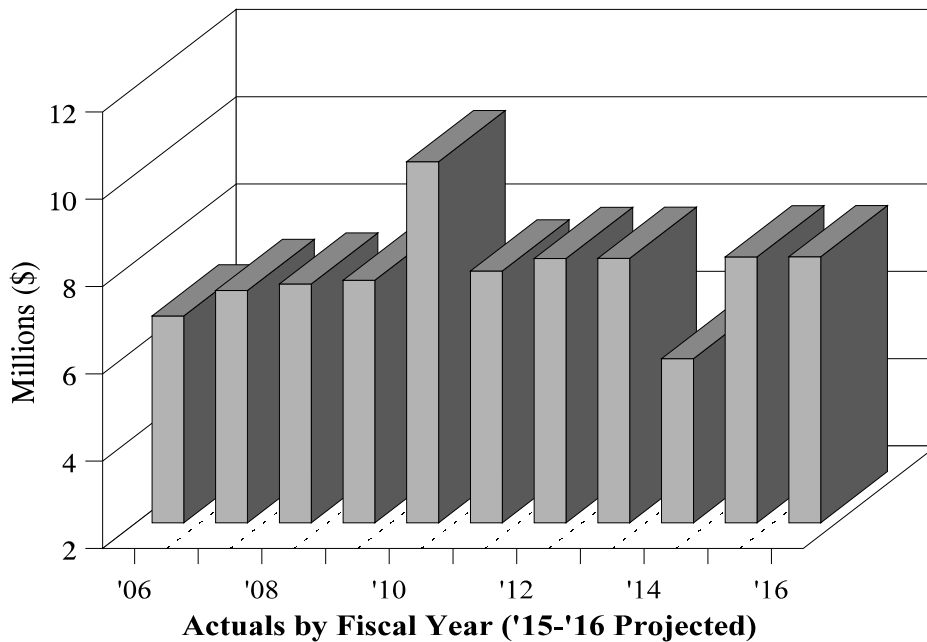
OTHER GOVERNMENTS

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 of \$7,155,315 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. 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 reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2016 will be \$936,721, and represents a \$2,556 increase over Fiscal Year 2015.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$8,055,723	\$5,758,610	\$8,089,480	\$8,089,480	\$8,092,036

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2016

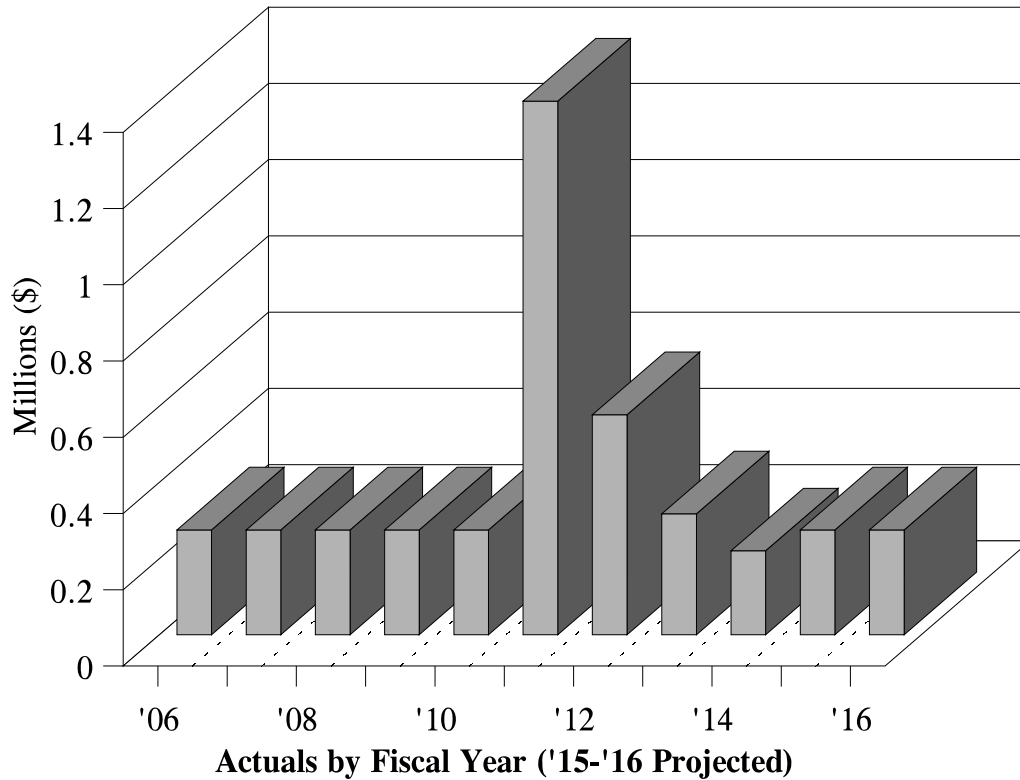
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: There are no prior year designations in FY 2016. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$316,616	\$220,247	\$275,000	\$275,000	\$275,000

Transfers & Use of Fund Balance



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2016

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 at the FY 2015 level.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$983,853	\$1,068,403	\$1,078,857	\$1,078,857	\$1,078,857

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to decrease by almost \$242,000 less than the FY 2015 award.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$1,960,779	\$1,763,410	\$2,318,614	\$2,318,614	\$2,077,013

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 2016, this revenue source is expected to remain at the FY 2015 budgeted level.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$0	\$1,165,800	\$1,131,061	\$1,131,061	\$1,131,061

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2016

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. The FY 2015 amount represented the remaining funds for 0.80 Full-time Equivalent (FTE) Patrol Officers. No additional funding was secured beyond FY 2015.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$750,476	\$121,033	\$51,514	\$51,514	\$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 funding 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 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$729,995	\$404,814	\$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 projected to remain at the FY 2015 level for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$835,044	\$802,640	\$984,149	\$984,149	\$984,149

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2016

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 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$83,771	\$87,125	\$122,987	\$122,987	\$125,094

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 remain nearly level for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$1,794,124	\$2,352,959	\$522,198	\$522,198	\$521,411

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 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$2,154,822	\$3,894,840	\$4,057,030	\$4,057,030	\$4,283,373

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2016

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to be slightly less in FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$175,582	\$644,686	\$410,953	\$410,953	\$374,716

MISCELLANEOUS GRANTS

Basis: Federal/State of Delaware/New Castle County award letters

Critical Assumption: Miscellaneous Grants is a combined total of three Federal grants, three State grants and a Fire Grant from New Castle County. The Federal grants are Housing Opportunities for People With AIDS (HOPWA at \$629,494), the Emergency Shelter Grant (ESG at \$191,540), and the Neighborhood Stabilization Program (NSP at \$60,289). The State grants currently funded are the Local Emergency Planning Committee Grant (LEPC at \$65,447), the Workforce Investment Board (WIB at \$277,596) and the State Fire Grant (\$201,369). The New Castle County grant for the Fire Department is anticipated to be \$225,000 for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$1,324,002	\$1,933,046	\$1,756,194	\$1,756,194	\$1,650,735

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

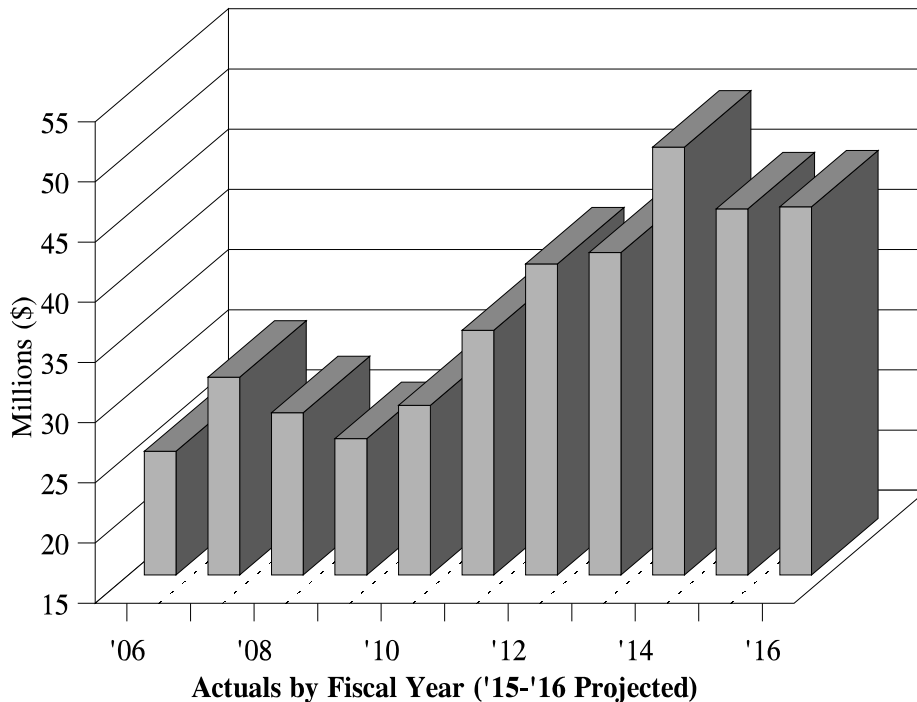
WATER/SEWER USER FEES

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 2016, base billings, forecasted through financial modeling using current consumption data, will increase to \$42.8 million. After factoring in the allowance for bad debt, and adding special sewer and other miscellaneous revenue, total User Fees is projected to be \$45.6 million, a net increase of \$169,216 over the FY 2015 budget. There is no increase to water and sewer rates for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$41,773,110	\$50,543,673	\$45,412,000	\$45,412,000	\$45,581,216

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

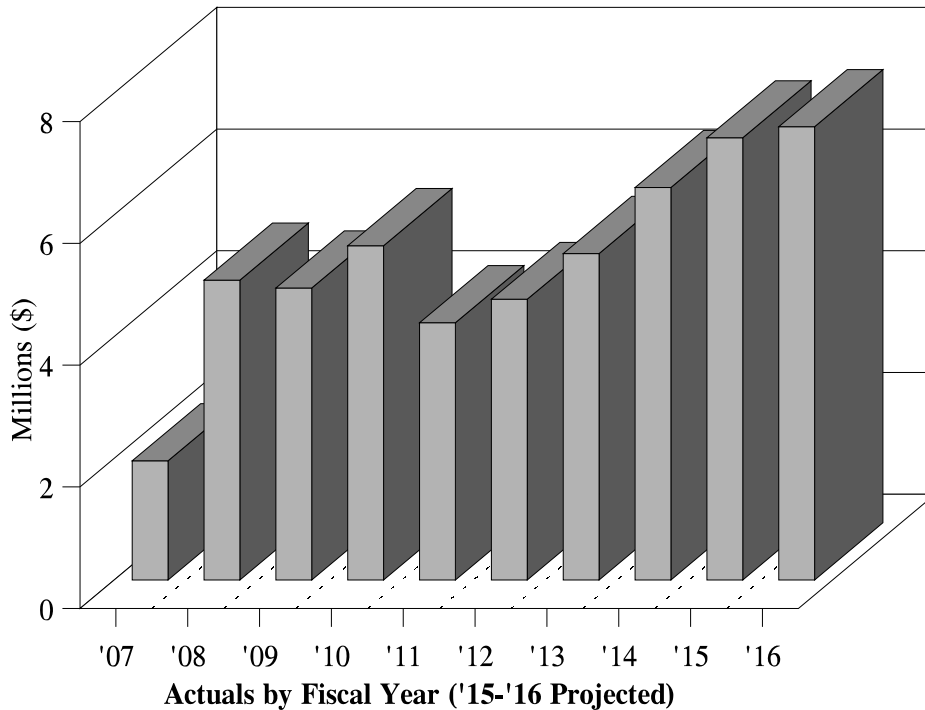
STORMWATER BILLINGS

Basis: Trend analysis/Management initiatives

Critical Assumption: Stormwater Billings are based on a fee 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 runoff. The Stormwater Billings base for FY 2016 is \$8.7 million, up \$211,000. After allowing for un-collectibles of \$1.2 million (mostly due to disputes concerning a few large federal and state-controlled properties), almost \$7.5 million in revenue is projected for FY 2016, a net increase of \$181,000 above the FY 2015 budget. There is no increase to stormwater rates for FY 2016.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$5,362,328	\$6,447,114	\$7,264,000	\$7,264,000	\$7,445,000

Stormwater Billings



Note: Prior to FY 2007, the Stormwater Billings Utility did not exist.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

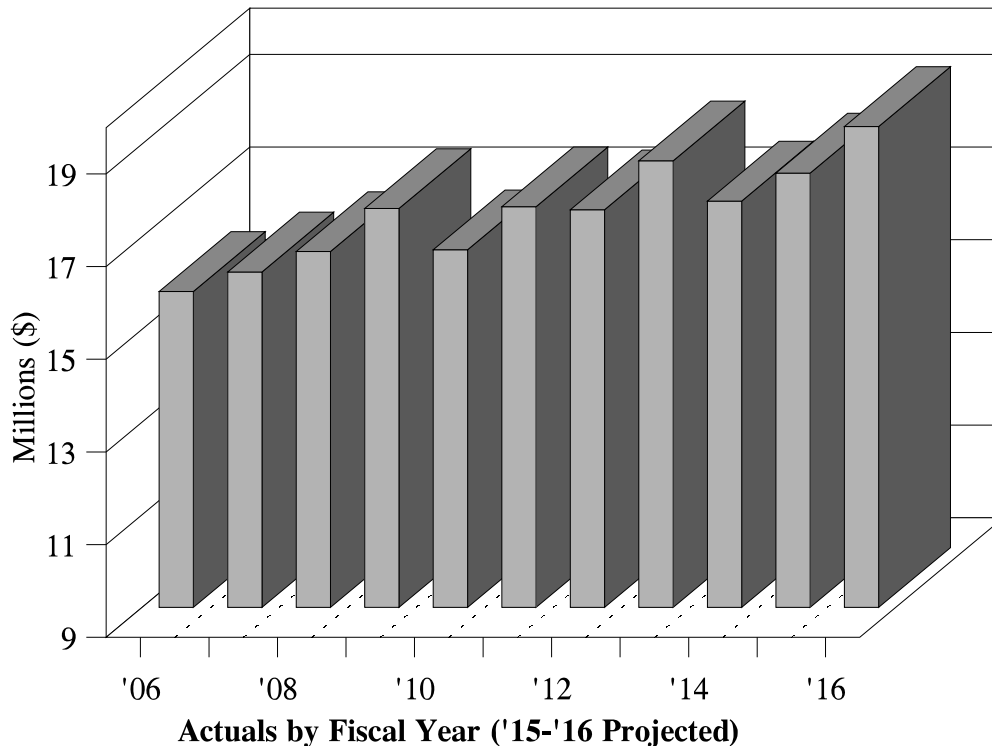
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: The City and New Castle County are currently in the midst of negotiating a new contract defining the fee structure for treating the County’s sewage. Until a new contract is agreed upon, the terms of the expired contract, settled through arbitration, will continue. For FY 2016, the net base fee of \$18.4 million represents the County’s share of costs for operating the City’s sewage treatment plant and sewage sludge disposal, adjusted downward by \$100,000 to take into account the annual reconciliation process. An additional \$1,047,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2016 is \$19,380,024, an increase of \$236,556.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$18,638,495	\$17,769,628	\$19,143,468	\$18,375,492	\$19,380,024

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

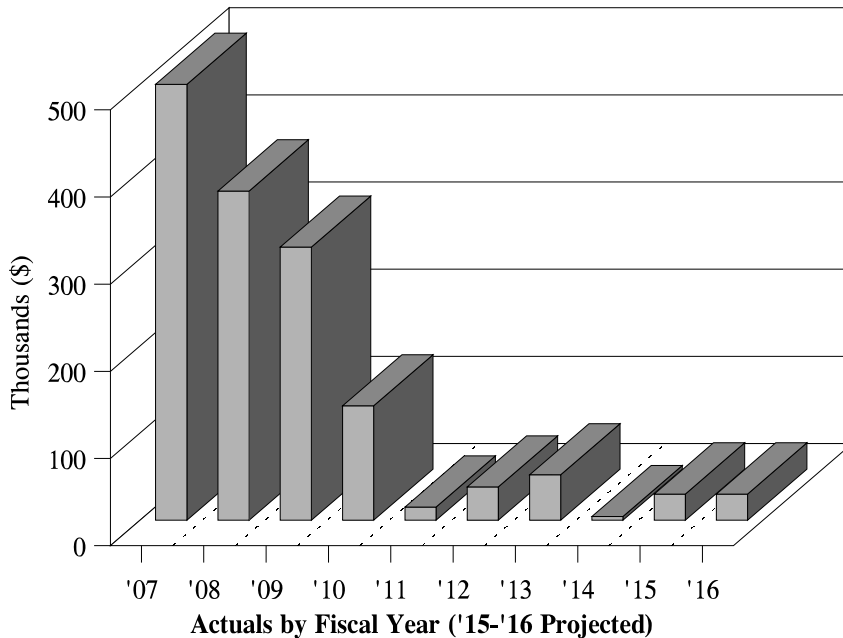
INTEREST

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. In FY 2016, interest is projected to remain at \$30,000.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$52,142	\$4,135	\$30,000	\$30,000	\$30,000

Interest Income



Prior to FY 2007, all interest earnings from Water/Sewer activities were reported as revenue in the General Fund.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

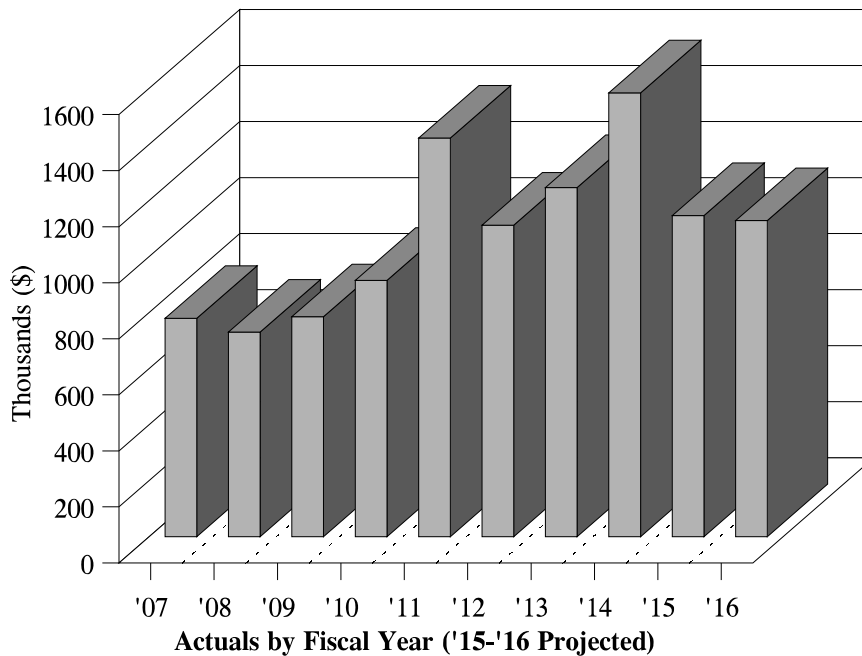
RENTALS/MISCELLANEOUS

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 decrease by \$18,216 to \$1,127,784.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$1,246,062	\$1,584,492	\$1,146,000	\$1,146,000	\$1,127,784

Rentals/Miscellaneous



Prior to FY 2007, Water/Sewer related rental fees were reported as revenue in the General Fund.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2016

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. \$52,000 in revenue is expected to be received in FY 2016, the same as last fiscal year.

FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Budget
\$277,760	\$146,759	\$52,000	\$52,000	\$52,000

**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2016**

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: \$1.855 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 2016
(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.



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 Public Safety, Constituent Services, Cultural Affairs, Management and Budget, Integrated Technologies, Communications, and Economic Development.

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2013	FY2014	FY2015	FY2016
Personal Services	5,837,454	5,460,952	5,645,633	5,658,300
Materials, Supplies & Equipment	6,624,473	5,925,585	7,013,653	6,697,253
Internal Services	1,108,613	1,206,281	1,211,905	1,244,729
Debt Service	1,572,463	3,576,686	3,959,045	4,441,742
Special Purpose	91,600	120,000	121,600	117,000
Contingent Reserves	0	0	425,000	425,000
Depreciation	753,802	818,677	960,945	967,940
TOTAL	15,988,405	17,108,181	19,337,781	19,551,964
STAFFING LEVELS	57.00	60.00	59.00	59.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2013	FY2014	FY2015	FY2016
Personal Services	3,698,524	3,454,109	3,718,171	3,706,261
Materials, Supplies & Equipment	1,416,037	1,408,962	1,605,206	1,513,219
Internal Services	745,681	845,709	905,328	929,843
Debt Service	1,438,710	3,410,544	3,813,404	4,176,481
Special Purpose	91,600	120,000	121,600	117,000
TOTAL	7,390,552	9,239,324	10,163,709	10,442,804
STAFFING LEVELS	33.50	36.50	37.50	37.50

CONTINGENT RESERVES	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2013	FY2014	FY2015	FY2016
Contingency	0	0	300,000	300,000
Snow & Weather Emergencies	0	0	125,000	125,000
TOTAL	0	0	425,000	425,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

* Differs from Summary of All funds Combined – Expenditures table on page 37 due to Internal Service Funds and Contingent Reserve expenses listed separately.

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	61,741	143,008	64,237	65,447
Materials, Supplies & Equipment	150,545	50,959	0	0
TOTAL	212,286	193,967	64,237	65,447
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUND MAYOR'S OFFICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	2,077,189	1,863,835	1,863,225	1,886,592
Materials, Supplies & Equipment	5,057,891	4,465,664	5,408,447	5,184,034
Internal Services	362,932	360,572	306,577	314,886
Debt Service	133,753	166,142	145,641	265,261
Depreciation	753,802	818,677	960,945	967,940
TOTAL	8,385,567	7,674,890	8,684,835	8,618,713
STAFFING LEVELS	23.00	23.00	21.00	21.00

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

- Personal Services decreased a net \$11,911, mainly attributed to employee turnover and the reorganization of employees during FY 2015. Savings in Regular Salaries (down \$24,336) and Pension costs (down \$21,589) were more than offset by increases in Hospitalization (up \$29,266) and Pension-Healthcare (up \$6,163).
- Travel costs were reduced by \$10,100 across multiple Divisions (Management and Budget, Economic Development, and Cultural Affairs) in an effort to control expenditures.
- Professional Fees are budgeted to increase by \$25,000. Consultant costs will rise by \$20,000 to implement portions of the Office of Economic Development's (OED's) plan. The Temporary Agencies increase of \$5,000 will provide additional phone support for the Constituent Service Division.
- Miscellaneous Services decreased by \$26,778, as the management contract for the Emergency Operations Center will be lower in FY 2016. Additionally, the City-wide graffiti removal program was reduced \$4,500 in an effort to control expenditures.
- The Community Activities account group decreased by just under \$74,000. Miscellaneous Projects was reduced by \$61,852, which includes the cost of interns to support neighborhood development and funds to support the Sister Cities program. Other decreases occurred in the Grants To Agencies account in the division of OED.
- Debt Service costs increased by a total of \$363,077. This increase almost exclusively represents the principal payments on the taxable bonds used to finance the very successful Upstairs Fund, which created new housing and retail space along Market Street.

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

- Total Employee Benefit costs rose \$21,672, due mainly to increases in Hospitalization (\$14,475) and Pension Healthcare (\$4,725).
- Machinery & Equipment in the Data Processing Division decreased by \$270,000. Because multiple servers and switches related to network storage have been replaced in recent years, there is no anticipated need to do so in FY 2016.
- The City-wide transition to Microsoft Office 365 will contribute to a \$168,000 increase in Equipment (Software Licenses) and a \$42,500 increase in Memberships and Registrations for training costs.
- Other Non-Capitalized Equipment increased by roughly \$62,000 in the Communications Division to cover the costs of 20 new Police radios and related accessories for the new recruit class.
- Consultants decreased \$89,890, as a portion of costs were shifted to the Public Works Department for utility software and support. Also, one-time funding in the FY 2015 budget to reorganize the Help-Desk function has been eliminated.
- Internal Services increased \$8,309, due primarily to the rise in Data Processing costs.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	2,495,903	2,371,971	2,597,714	2,573,378
Temporary Salaries	7,013	1,827	0	0
Acting Out of Class	6,409	1,340	0	0
Sick Leave Bonus	1,100	1,000	0	0
Overtime/Special Events	5,124	2,466	0	0
Meal Allowance	17	20	0	0
Pension Contribution	401,449	279,617	301,833	270,059
Social Security	153,798	147,253	158,700	157,734
Medicare Tax	36,006	34,453	37,110	36,912
Hospitalization	476,606	440,916	471,368	500,634
Life Insurance	8,071	8,677	9,161	8,910
Pension Healthcare	59,705	71,807	87,587	93,750
State Pension Plan - Civilian	47,323	92,762	91,291	101,477
Personal Services Adjustment	0	0	(36,593)	(36,593)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	3,698,524	3,454,109	3,718,171	3,706,261

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	68,811	106,395	97,292	97,633
Communications & Utilities	39,195	43,206	50,378	48,402
Transportation	15,301	17,078	39,700	29,600
Rentals	26,713	42,327	56,384	56,050
Contracted Maintenance Repairs	2,441	2,238	3,500	3,300
Professional Fees	366,441	312,846	315,600	340,600
Other Fees	2,356	0	0	0
Memberships & Registrations	36,136	46,136	67,770	62,362
Miscellaneous Services	178,253	173,052	236,690	209,912
Office & General Supplies	13,678	12,259	19,480	15,000
Miscellaneous Parts	59,827	59,147	55,200	62,500
Construction and Repairs	318	0	1,000	1,000
Equipment	16,934	4,668	11,500	10,000
Fixed Assets	0	0	0	0
Miscellaneous Projects	459,863	489,186	533,712	471,860
Community Activities	129,770	100,424	117,000	105,000
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,416,037	1,408,962	1,605,206	1,513,219

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
INTERNAL SERVICES				
Administrative Services	713,674	738,608	841,482	864,622
Self-Insurance	32,007	107,101	63,846	65,221
TOTAL INTERNAL SERVICES	745,681	845,709	905,328	929,843
DEBT SERVICE				
Principal Payments	413,622	2,373,426	2,821,512	3,253,157
Interest Payments	1,025,088	1,037,118	991,892	923,324
TOTAL DEBT SERVICE	1,438,710	3,410,544	3,813,404	4,176,481
SPECIAL PURPOSE				
Rock Manor Golf Course	91,600	120,000	121,600	117,000
TOTAL SPECIAL PURPOSE	91,600	120,000	121,600	117,000

DEPARTMENT: MAYOR'S OFFICE

FUND: CONTINGENT RESERVES

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
CONTINGENT RESERVES				
Contingency	0	0	300,000	300,000
Snow & Weather Emergencies	0	0	125,000	125,000
TOTAL CONTINGENT RESERVES	0	0	425,000	425,000
GENERAL FUND TOTAL	7,390,552	9,239,324	10,588,709	10,867,804

DEPARTMENT: MAYOR'S OFFICE

FUND: LEPC

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	42,494	110,318	42,169	42,169
Pension Contribution	7,861	8,512	10,627	11,302
Social Security	2,573	5,083	2,553	2,590
Medicare Tax	602	1,189	597	606
Hospitalization	7,233	16,860	7,033	7,410
Life Insurance	108	104	120	120
Pension Healthcare	870	942	1,138	1,250
TOTAL PERSONAL SERVICES	61,741	143,008	64,237	65,447
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,467	5,918	0	0
Transportation	0	638	0	0
Professional Fees	1,243	0	0	0
Memberships & Registrations	0	331	0	0
Miscellaneous Services	0	13,291	0	0
Office & General Supplies	539	646	0	0
Wearing Apparel and Safety	0	958	0	0
Miscellaneous Parts	0	7,147	0	0
Equipment	28,986	0	0	0
Fixed Assets	118,310	22,030	0	0
TOTAL M., S. & E.	150,545	50,959	0	0
LEPC FUND TOTAL	212,286	193,967	64,237	65,447

DEPARTMENT: MAYOR'S OFFICE

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	1,333,707	1,182,344	1,177,585	1,179,280
Acting Out of Class	1,611	0	0	0
Sick Leave Bonus	1,600	2,200	0	0
Overtime	7,590	1,053	0	0
Meal Allowance	0	0	0	0
Pension Contribution	316,525	300,707	273,751	276,469
Social Security	82,114	72,367	71,838	72,242
Medicare Tax	19,204	16,924	16,801	16,895
Hospitalization	280,260	256,716	255,916	270,391
Life Insurance	5,114	5,046	4,954	4,949
Pension Healthcare	35,100	38,817	47,775	52,500
State Pension Plan - Civilian	4,592	10,468	14,605	13,866
Accrued Sick/Vacation	(10,228)	(22,807)	0	0
TOTAL PERSONAL SERVICES	2,077,189	1,863,835	1,863,225	1,886,592

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	102,972	89,342	112,000	115,000
Communications & Utilities	1,069,377	1,202,670	1,398,030	1,399,281
Transportation	3,164	6,200	9,000	8,500
Rentals of Office Equipment	98,487	120,722	111,421	113,421
Contracted Maintenance Repairs	272,255	418,347	654,924	638,026
Professional Fees	1,335,131	1,425,938	1,633,890	1,544,500
Memberships & Registrations	9,215	1,367	53,245	95,750
Miscellaneous Services	85,695	63,288	120,800	79,620
Office & General Supplies	130,114	144,024	172,486	161,105
Uniforms & Related Equipment	0	1,153	0	1,000
Miscellaneous Parts	50,250	57,412	89,408	77,000
Equipment	742,974	704,211	736,243	903,831
Fixed Assets	1,158,257	1,111,766	317,000	47,000
Capitalized Exps - Op.	0	(880,776)	0	0
TOTAL M., S. & E.	5,057,891	4,465,664	5,408,447	5,184,034

INTERNAL SERVICES

Administrative Services	349,714	346,327	292,668	300,717
Self-Insurance	13,218	14,245	13,909	14,169
TOTAL INTERNAL SERVICES	362,932	360,572	306,577	314,886

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

DEBT SERVICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Amortization	5,562	0	6,512	6,512
Interest Payment	128,191	166,142	139,129	258,749
TOTAL DEBT SERVICE	133,753	166,142	145,641	265,261
DEPRECIATION				
Depreciation	753,802	818,677	960,945	967,940
TOTAL DEPRECIATION	753,802	818,677	960,945	967,940
INTERNAL SERVICES FUND TOTAL	8,385,567	7,674,890	8,684,835	8,618,713



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, the City Clerk's Office represents the supporting staff of Wilmington's City Council. The City Clerk is the official keeper of the City Seal. 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, the City Clerk's Office performs a multitude of other functions which City Council deems necessary and required for the proper discharge of its duties.

PRIORITIES FOR FISCAL YEAR 2016

- 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.
- Mitigate the cost and size of City government, and thus mitigate the need for additional taxes or fees, by continuously reviewing departmental expenditures and priorities.
- Reduce government expenditures through periodic management reviews of the operations and structure of City Departments.
- Create a Land Bank Program that encompasses a comprehensive neighborhood planning approach, and a public and private funding mechanism, to bring about safe, attractive and thriving neighborhoods and communities.
- Give a voice to the City and its people 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 needs of children who are being raised in an urban setting.
- Support an effective public safety and crime prevention strategy through the appropriation of justifiable resources to minimize incidents of criminal and violent behavior, reduce the illegal use of guns and other weapons, and foster communication and cooperation among police and citizens.
- Support an aggressive economic development and job creation program.

PRIORITIES FOR FISCAL YEAR 2016 (Continued)

- Support the growth of existing businesses, and help to create new business opportunities, both large and small.
- Monitor the City’s delivery of constituent services for timeliness and effectiveness, and advocate when appropriate for a resolution of issues or concerns that arise between citizens and their government.
- Advocate for issues and values that are important to City Council, such as safe and vibrant neighborhoods, increased housing opportunities, an effective education system and economic lifelines to help lift citizens out of poverty.

SUMMARY OF FUNDING FOR CITY COUNCIL

TOTAL ALL FUNDS CITY COUNCIL	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	1,907,815	2,217,600	2,223,312	2,214,193
Materials, Supplies & Equipment	438,217	600,694	602,176	582,176
Internal Services	214,342	197,074	225,473	231,521
Debt Service	18,513	28,320	28,528	29,870
Special Purpose	67,989	19,052	19,000	19,000
TOTAL	2,646,876	3,062,740	3,098,489	3,076,760
STAFFING LEVELS	27.00	29.00	29.00	29.00

GENERAL FUND CITY COUNCIL	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	1,907,815	1,443,315	1,425,882	1,418,782
Materials, Supplies & Equipment	438,217	523,636	507,100	507,100
Internal Services	214,342	179,478	208,067	213,658
Debt Service	18,513	639	652	664
Special Purpose	67,989	19,052	19,000	19,000
TOTAL	2,646,876	2,166,120	2,160,701	2,159,204
STAFFING LEVELS	27.00	20.05	20.05	19.55

CATV FUND CITY COUNCIL	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	0	774,285	797,430	795,411
Materials, Supplies & Equipment	0	77,058	95,076	75,076
Internal Services	0	17,596	17,406	17,863
Debt Service	0	27,681	27,876	29,206
TOTAL	0	896,620	937,788	917,556
STAFFING LEVELS	0.00	8.95	8.95	9.45

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Legislative Analyst/Bailiff position will now be evenly split-funded between the General Fund and the CATV Fund, shifting \$34,880 in salary and benefits out of the General Fund and into the CATV Fund. The increase to the CATV Fund was more than offset by a \$69,279 budgeted increase in Attrition for a vacant Producer Director position that is expected to go unfilled in FY 2016.
- Personal Services decreased a total of \$9,119. The largest portion of the decrease was in the General Fund (down \$7,099), with the remaining balance occurring in the CATV Fund (down \$2,019). Savings created by shifting personnel and increasing Attrition were partially offset by Hospitalization increases due to individual health plan changes and increased Pension costs.
- In the CATV Fund, Materials, Supplies & Equipment decreased \$20,000, all of which is attributed to Contracted Maintenance Repairs being reduced to zero.
- Internal Services increased a total of \$6,048. The majority of the increase occurred in the General Fund (up \$5,591) due to increases in Data Processing.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	1,226,222	916,086	912,998	887,837
Temporary Salaries	20,430	21,339	24,222	24,222
Sick Leave Bonus	400	1,000	400	400
Overtime	0	0	0	0
Pension Contribution	195,816	140,819	136,702	144,277
Social Security	76,255	57,129	57,125	55,210
Medicare Tax	17,834	13,360	13,359	12,910
Hospitalization	313,251	234,046	216,926	228,808
Life Insurance	5,155	3,778	3,866	3,746
Pension Healthcare	44,745	40,554	45,613	48,875
State Pension Plan - Civilian	7,707	15,204	14,671	12,497
TOTAL PERSONAL SERVICES	1,907,815	1,443,315	1,425,882	1,418,782
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	19,586	10,510	18,000	18,000
Transportation	6,837	15,979	3,000	3,000
Rentals	0	600	1,000	1,000
Contracted Maintenance Repairs	20,947	600	2,000	2,000
Professional Fees	53,359	12,459	5,000	5,000
Memberships & Registrations	16,227	18,338	21,000	21,000
Miscellaneous Services	6,584	2,709	4,000	4,000
Office & General Supplies	4,948	5,930	6,600	6,600
Miscellaneous Parts	23,495	17,195	17,500	17,500
Equipment	11,614	824	1,000	1,000
Community Activities	274,620	438,492	428,000	428,000
TOTAL M., S. & E.	438,217	523,636	507,100	507,100
 <u>INTERNAL SERVICES</u>				
Administrative Services	203,674	154,458	191,972	197,251
Self-Insurance	10,668	25,020	16,095	16,407
TOTAL INTERNAL SERVICES	214,342	179,478	208,067	213,658

DEPARTMENT: CITY COUNCIL**FUND: GENERAL**

DEBT SERVICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Principal Payments	964	321	346	376
Interest Payments	17,549	318	306	288
TOTAL DEBT SERVICE	18,513	639	652	664
SPECIAL PURPOSE				
Wilmington Institute Free Library	60,000	0	0	0
Other	7,989	19,052	19,000	19,000
TOTAL SPECIAL PURPOSE	67,989	19,052	19,000	19,000
GENERAL FUND TOTAL	2,646,876	2,166,120	2,160,701	2,159,204

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: CATV

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	0	485,378	491,648	514,649
Temporary Salaries	0	11,113	15,000	15,000
Sick Leave Bonus	0	100	200	200
Pension Contribution	0	89,186	102,221	108,715
Social Security	0	30,602	30,963	32,360
Medicare Tax	0	7,108	7,241	7,568
Hospitalization	0	125,763	122,090	153,552
Life Insurance	0	1,938	2,132	2,252
Pension Healthcare	0	17,744	20,362	23,625
State Pension Plan - Civilian	0	5,353	5,573	6,769
Personal Services Adjustment	0	0	0	(69,279)
TOTAL PERSONAL SERVICES	0	774,285	797,430	795,411
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	0	4,617	5,000	5,000
Contracted Maintenance Repairs	0	13,838	20,000	0
Memberships & Registrations	0	7,786	17,236	17,236
Miscellaneous Services	0	23,341	23,340	23,340
Office & General Supplies	0	1,594	1,500	1,500
Wearing Apparel & Safety	0	0	3,000	3,000
Miscellaneous Parts	0	19,798	19,500	19,500
Equipment	0	6,084	5,500	5,500
TOTAL M., S. & E.	0	77,058	95,076	75,076
 <u>INTERNAL SERVICES</u>				
Administrative Services	0	16,413	15,723	16,158
Self-Insurance	0	1,183	1,683	1,705
TOTAL INTERNAL SERVICES	0	17,596	17,406	17,863

DEBT SERVICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Principal Payments	0	10,501	11,135	13,098
Interest Payments	0	17,180	16,741	16,108
TOTAL DEBT SERVICE	0	27,681	27,876	29,206
CATV FUND TOTAL	0	896,620	937,788	917,556



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 2016
<ul style="list-style-type: none"> • Review the City's Other Post-Employment Benefits (OPEB) Portfolio and its Investment Managers for opportunities to improve performance. • Create Procedures Manual to document departmental processes that will facilitate cross training of employees. • Conduct Experience Study to determine the accuracy of the actuarial assumptions used in the biannual pension valuation.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	655,407	664,461	651,774	666,388
Materials, Supplies & Equipment	957,153	886,829	1,215,055	1,189,514
Internal Services	110,692	125,321	127,084	130,475
Other	894,006	2,667,658	2,500,000	2,750,000
TOTAL	2,617,258	4,344,269	4,493,913	4,736,377
STAFFING LEVELS	6.00	6.00	6.00	6.00

GENERAL FUND CITY TREASURER	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	334,620	329,455	309,585	315,465
Materials, Supplies & Equipment	36,726	17,329	28,070	35,670
Internal Services	91,090	102,645	99,228	101,869
TOTAL	462,436	449,429	436,883	453,004
STAFFING LEVELS	2.92	2.92	2.92	2.92

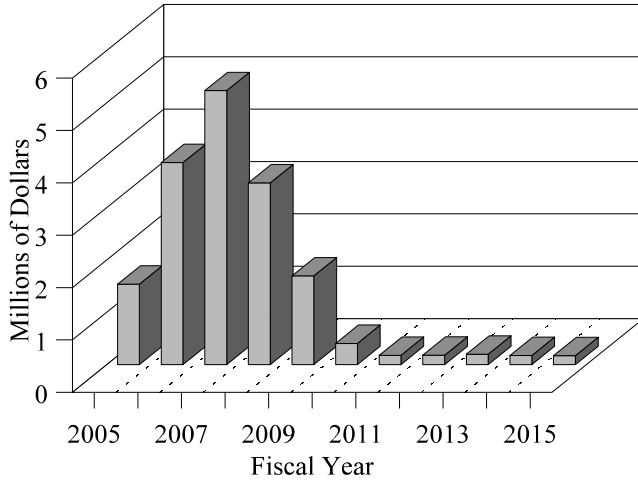
PENSION ADMIN. FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
CITY TREASURER	FY2013	FY2014	FY2015	FY2016
Personal Services	320,787	335,006	342,189	350,923
Materials, Supplies & Equipment	920,427	869,500	1,186,985	1,153,844
Internal Services	19,602	22,676	27,856	28,606
Other	894,006	2,667,658	2,500,000	2,750,000
TOTAL	2,154,822	3,894,840	4,057,030	4,283,373
STAFFING LEVELS	3.08	3.08	3.08	3.08

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew by \$14,614 or 2.2% across all funds due to increases in Pension Contributions and Pension Healthcare by \$7,177, and \$1,350 respectively.
- In the Pension Funds, total Materials, Supplies & Equipment costs decreased by \$33,141 or 2.8%. Trustee Fees, related to Edgar Lomax, Ernest Partners, Merrill Lynch Fixed Income and Wilmington Trust decreased a net \$40,410.
- Consultant costs were increased by \$2,000 to fund the biannual actuarial experience study.
- Accounting increased by \$4,800 due to extra clerical duties performed by pension secretaries for Police and Fire.
- The annual self-insurance funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$2.75 million for FY 2016.

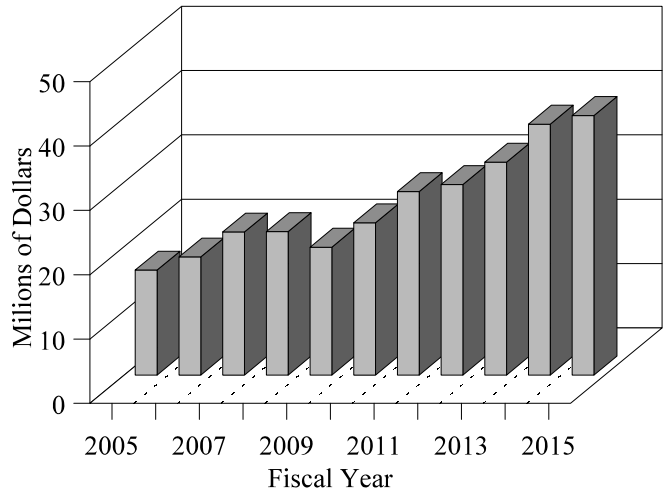
City Treasurer Performance Trends

General Fund Investment Income



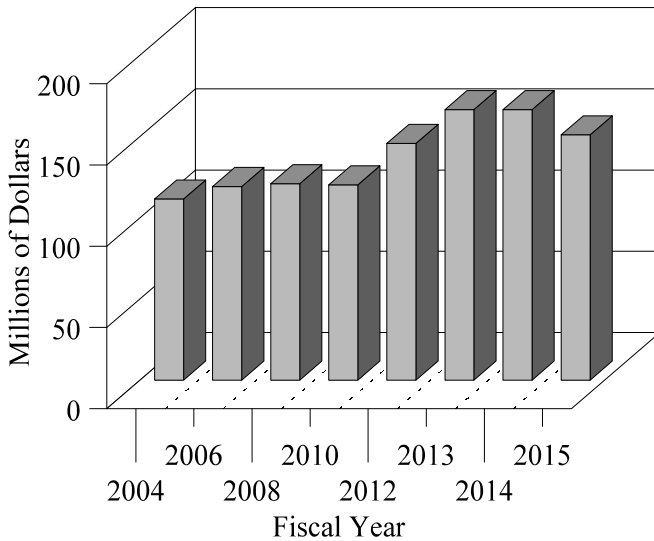
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2009 through FY 2015.

Deferred Compensation Fund



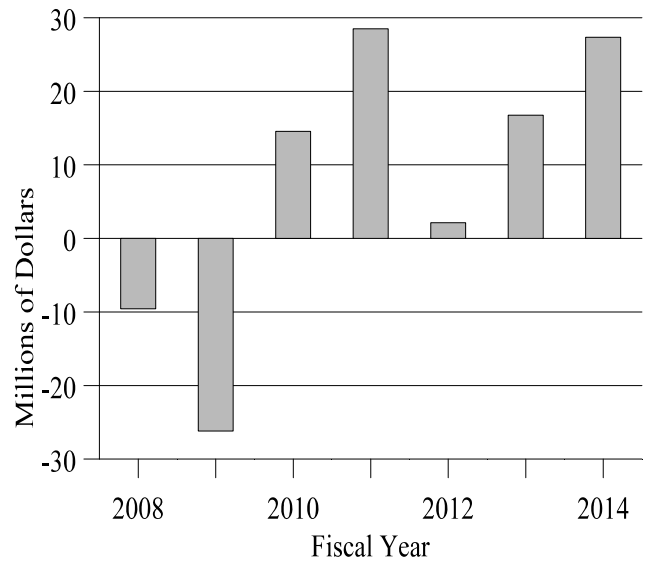
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

Unfunded Pension Liability



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 Pension Liability increased dramatically with the 2010 valuation due to record poor stock market performance in 2008-2009. The City's ability and willingness to fund the ARC remain ongoing.

Net Pension Fund Income/Loss



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. This principle is highlighted during the period 2008-2010. The City maintained a cap on losses during the unprecedented poor market performance in 2008 and 2009, and recovered well as market conditions improved in the subsequent years.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2013	FY2014	FY2015	FY2016
Regular Salaries	205,804	195,036	195,926	195,926
Sick Leave Bonus	200	300	0	0
Pension Contribution	65,539	74,688	62,672	65,715
Social Security	12,428	11,823	11,861	12,018
Medicare Tax	2,919	2,765	2,774	2,810
Hospitalization	42,016	38,297	37,200	39,184
Life Insurance	631	640	686	686
Pension Healthcare	5,083	5,906	6,640	7,300
Personal Services Adjustment	0	0	(8,174)	(8,174)
TOTAL PERSONAL SERVICES	334,620	329,455	309,585	315,465
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	177	320	320	320
Transportation	1,652	0	1,500	1,000
Professional Fees	30,394	13,475	19,500	25,000
Other Fees	0	0	0	5,000
Memberships & Registrations	947	1,276	1,100	1,100
Miscellaneous Services	1,617	1,126	4,400	2,000
Office & General Supplies	975	990	1,000	1,000
Equipment	964	142	250	250
TOTAL M. S. & E.	36,726	17,329	28,070	35,670
<u>INTERNAL SERVICES</u>				
Administrative Services	86,526	96,454	93,697	96,273
Self-Insurance	4,564	6,191	5,531	5,596
TOTAL INTERNAL SERVICES	91,090	102,645	99,228	101,869
GENERAL FUND TOTAL	462,436	449,429	436,883	453,004

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	227,980	226,435	226,375	228,396
Accrued Vacation Pay	(11,388)	(722)	0	0
Pension Contribution	45,876	53,966	62,916	67,050
Social Security	13,800	13,793	13,789	14,064
Medicare Tax	3,240	3,226	3,226	3,290
Hospitalization	35,254	31,391	30,308	31,858
Life Insurance	669	686	734	734
Pension Healthcare	5,356	6,231	7,010	7,700
Personal Services Adjustment	0	0	(2,169)	(2,169)
TOTAL PERSONAL SERVICES	320,787	335,006	342,189	350,923
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	35	90	300	240
Transportation	3,396	0	3,000	3,600
Rentals	0	0	48	38
Contracted Maintenance	0	0	82	66
Professional Fees	912,427	866,374	1,177,590	1,143,980
Other Fees	0	75	202	500
Memberships & Registrations	2,310	1,486	3,710	3,720
Office & General Supplies	733	358	853	800
Miscellaneous Parts	529	487	700	700
Equipment	997	630	500	200
TOTAL M. S. & E.	920,427	869,500	1,186,985	1,153,844
 <u>INTERNAL SERVICES</u>				
Administrative Services	18,660	21,293	26,726	27,462
Self-Insurance	942	1,383	1,130	1,144
TOTAL INTERNAL SERVICES	19,602	22,676	27,856	28,606
 <u>OTHER</u>				
Self Insurance Costs	894,006	2,667,658	2,500,000	2,750,000
TOTAL OTHER	894,006	2,667,658	2,500,000	2,750,000
 PENSION ADMIN. FUND TOTAL	 2,154,822	 3,894,840	 4,057,030	 4,283,373



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 the City's comprehensive development plan, land use regulations, economic development strategies, and demographic 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 which address those needs.

PRIORITIES FOR FISCAL YEAR 2016

- The Planning Department will serve as a lead agent for the creation of the Wilmington Neighborhood Conservancy Land Bank to develop and implement blight remediation strategies which focus on the acquisition, management and disposition of vacant and abandoned properties; and also to address the link between crime, vacancy and abandonment. In addition, using a wide range of tools, the department will conduct analyses and make recommendations to the City's Administration to identify sections of the city that should be target areas for concentrated redevelopment, and to identify funding to leverage local matching dollars to assist with redevelopment efforts.
- Provide high quality planning services, including site plan review activities (subdivision, environmental/historical preservation, curb cut, waterfront development, parking lot landscaping and demolition); street actions; and staff support to City Planning Commission and the Design Review and Preservation Commission.
- Provide staff support to Access Wilmington: The Mayor's Committee for People with Disabilities. Organize the 2015 Access Wilmington Award Reception and City/County Building Lobby Art Exhibit for Disability Awareness Month (October 2015).
- Conduct ongoing outreach to the Neighborhood Planning Councils, to include newsletters and other neighborhood development outreach material. Coordinate the NPC Capital Grant application process and oversee the Capital Project implementation.
- Process HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Update the City's Environmental Review Record with HUD and the Programmatic Agreement with the State Historic Preservation Office.
- Initiate the Comprehensive Development Plan process by utilizing consultant services to coordinate the planning and public outreach process in order to develop a city-wide Plan for state certification.

PRIORITIES FOR FISCAL YEAR 2016 (continued)

- Work with OMB to prepare the annual Capital Budget and Capital Improvement Program, and any necessary amendments.
- Represent the City on various boards and commissions, including Wilmington Parking Authority and Wilmington Housing Partnership.
- Facilitate the planning and development of parks and open space facilities.
- Complete research projects addressing areas of interest for the Planning Department, the Mayor's Office and City Council.
- Continue timely responses to City Council requests for rezoning analyses, land use studies, and other planning related projects.
- Address zoning and land use issues through amendments to the Zoning Code and/or maps. Incorporate updated State and Federal regulations where necessary.
- Work with the Wilmington Renaissance Corporation, Downtown Visions, and the Department of Real Estate and Housing to implement the Creative Arts District and Eastside Rising "Strong Neighborhoods" initiatives.
- Promote a well-balanced multi-modal transportation system by planning and implementing citywide transportation improvements through the continuing efforts of the Wilmington Initiatives partnership (City, Delaware Department of Transportation, Delaware Transit Corporation, and WILMAPCO).
- Continued membership in WILMAPCO, the regional metropolitan planning organization, as members of the Technical Advisory Committee, to provide review and recommendations for federally funded projects and programs; and to coordinate City funding requests for planning studies and project implementation.
- Support and encourage the development of bicycle and pedestrian related projects, programs, and events by working with the Wilmington Bike Committee, WILMAPCO and the State.
- Produce the Rodney Square Historic District brochure.
- Participate in the "Preservation 50" campaign locally, to highlight successful projects related to the National Preservation Act of 1966. Activities to include: Outreach to districts and businesses to highlight history; at least one nomination to the "Preservation 50" website highlighting community projects; and participation in the statewide "Delaware 2016" working group, planning strategies for participation.

PRIORITIES FOR FISCAL YEAR 2016 (continued)

- Together with the Office of Cultural Affairs, address city sculpture issues in the following ways: Create a comprehensive inventory of city sculpture; photograph all pieces for conditions assessment purposes and to share via the website in a photo-gallery to promote tourism; work with the Greater Wilmington Convention and Visitors Bureau on similar tourism effort; and develop a maintenance planning system for City-owned pieces.
- Reconvene the Wilmington Preservation Roundtable. The Wilmington Preservation Roundtable meets occasionally to update historic preservation professionals and interested citizens on projects within, and affecting the City. The meetings are informal yet provide important networking opportunities while introducing participants to projects-in-progress and hidden gems within the Wilmington community.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING AND DEVELOPMENT

TOTAL ALL FUNDS PLANNING DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	1,140,802	1,118,943	1,114,121	1,086,170
Materials, Supplies & Equipment	25,207	56,975	69,739	44,880
Internal Services	297,333	367,755	359,173	368,870
Debt Service	145,544	197,900	221,106	239,219
TOTAL	1,608,886	1,741,573	1,764,139	1,739,139
STAFFING LEVELS	11.00	11.00	11.00	11.00

GENERAL FUND PLANNING DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	1,121,017	1,076,882	1,073,889	1,035,522
Materials, Supplies & Equipment	25,207	56,975	69,739	44,880
Internal Services	297,333	367,755	359,173	368,870
Debt Service	145,544	197,900	221,106	239,219
TOTAL	1,589,101	1,699,512	1,723,907	1,688,491
STAFFING LEVELS	10.63	10.63	10.43	10.49

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	19,785	32,426	40,232	50,648
TOTAL	19,785	32,426	40,232	50,648
STAFFING LEVELS	0.37	0.37	0.57	0.51

DE-LEAD PLANNING DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	0	9,635	0	0
TOTAL	0	9,635	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Personal Services account group decreased a net \$27,951 across all funds from FY 2015. The decrease is mainly attributed to lower Regular Salaries and Pension Contributions. In addition, a Planner I position was downgraded to a Planning Aide to provide additional administrative support.
- Temporary Salaries increased by \$6,856 in the General Fund. Even though the Preservation Planner position is partially funded through a Historical Preservation grant, the General Fund absorbed the entire increase by amending the allocation percentages.
- A Planner II position's costs were reallocated from 43% General Fund and 57% CDBG, to 49% General Fund and 51% CDBG Funds for FY 2016. The net increase to the General Fund is \$5,958.
- Total Employee Benefit costs decreased by \$18,463. Higher Hospitalization (\$10,585) and State Pension costs (\$9,690) were more than offset by lower "old" Pension Contributions of \$40,291.
- Consultant Costs, included within Professional Fees, decreased by \$17,000. In FY 2015, funds were earmarked for two studies. One of those is now completed, and one will be assumed by Departmental staff.
- Debt Service will increase by \$18,113. New payments related to the upcoming bond issuance were partially offset by a reduction in existing debt payments.
- The Internal Service allocations will increase by \$9,697, led by a \$5,830 rise in Data Processing costs.

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Effective City Government

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

Objective 1: Create a comprehensive plan by June 30, 2016.

Focus Area: Public Safety

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

Objective 1: Partner with industrial design group on project to fabricate sidewalk lighting by Fall 2015.

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Administer grant funds through Neighborhood Planning Councils within 30 days of completed application submittal for neighborhood improvements throughout the City.

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Ensure that plans are reviewed within 45 days.

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Identify City-owned properties that could be adaptively reused for commercial purposes by July 2015.

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Quality of Life

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

- Objective 1:** Work with designer to create preliminary concepts for Maryland Avenue Skate Park by July 2015.
- Objective 2:** Utilize state grants and City budgeted capital grant funds to renovate Conaty and Kosciusko Parks by October 2015.

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

- Objective 1:** Partner with the Wilmington Renaissance Corporation to acquire targeted properties in the proposed Creative District by January 2016.

CITY-WIDE GOAL #17: Improve Housing Quality.

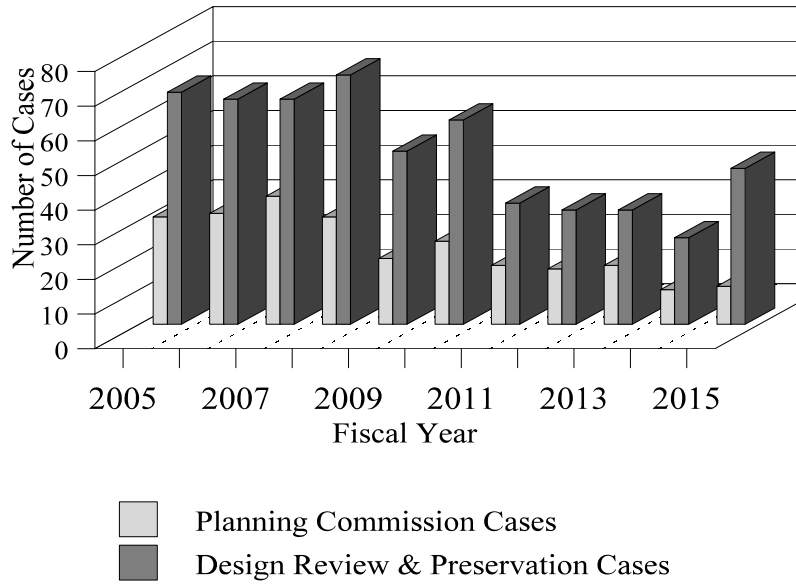
- Objective 1:** Create the Wilmington Neighborhood Conservation Land Bank by July 2015.

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

- Objective 1:** Partner with DelDOT to create bike sharrows and install bicycle rack by July 2015.
- Objective 2:** Submit Wetlands Project permit to Army Corps of Engineers by July 2015.

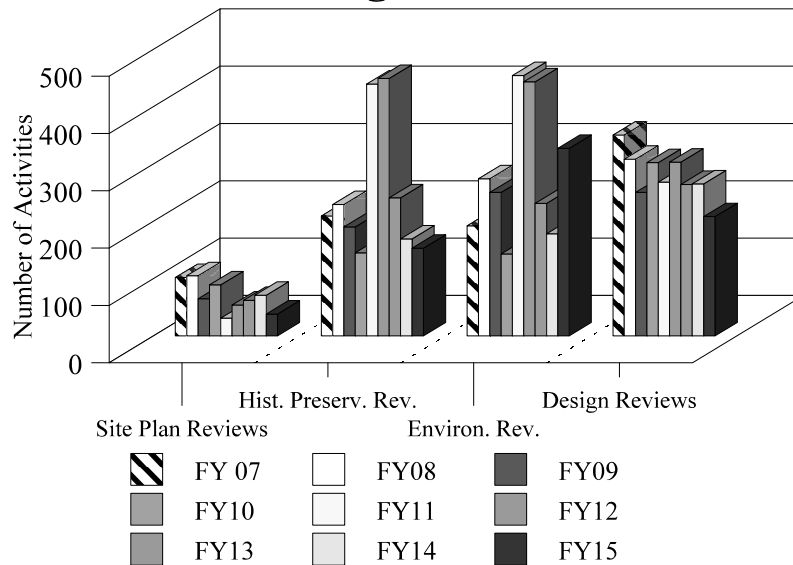
Department of Planning and Development Performance Trends

Commission Activities



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

Planning Activities



The Department of Planning and Development ensures that land use and planning policies address the social, cultural, and economic needs of City residents.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PLANNING AND DEVELOPMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	705,274	670,293	667,116	640,356
Temporary Salaries	32,157	28,917	39,675	46,531
Acting Out of Class	501	0	0	0
Sick Leave Bonus	300	0	0	0
Overtime	0	0	0	0
Pension Contribution	163,020	165,444	166,140	125,849
Social Security	45,038	42,538	42,836	42,094
Medicare Tax	10,533	9,949	10,019	9,845
Hospitalization	141,254	129,736	127,788	138,373
Life Insurance	2,309	2,428	2,503	2,475
Pension Healthcare	18,163	21,828	23,728	26,225
State Pension Plan - Civilian	2,468	5,749	4,393	14,083
Personal Services Adjustment	0	0	(10,309)	(10,309)
TOTAL PERSONAL SERVICES	1,121,017	1,076,882	1,073,889	1,035,522
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,024	0	1,750	1,100
Communications & Utilities	29	0	0	100
Transportation	2,793	5,431	4,400	4,400
Rentals	34	589	750	750
Contracted Maintenance Repairs	0	0	860	600
Professional Fees	520	29,994	35,000	18,000
Memberships & Registrations	4,358	4,859	5,863	5,383
Office & General Supplies	5,438	3,458	4,500	3,600
Miscellaneous Parts	1,095	1,016	3,320	2,150
Equipment	3,120	2,332	3,500	2,000
Community Activities	6,796	9,296	9,796	6,797
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	25,207	56,975	69,739	44,880
<u>INTERNAL SERVICES</u>				
Administrative Services	276,958	282,537	311,849	320,423
Self-Insurance	20,375	85,218	47,324	48,447
TOTAL INTERNAL SERVICES	297,333	367,755	359,173	368,870
<u>DEBT SERVICE</u>				
Principal Payments	88,641	133,866	149,275	160,889
Interest Payments	56,903	64,034	71,831	78,330
TOTAL DEBT SERVICE	145,544	197,900	221,106	239,219
GENERAL FUND TOTAL	1,589,101	1,699,512	1,723,907	1,688,491

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

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	11,897	27,042	29,804	28,695
Temporary Salaries	405	0	0	0
Pension Contribution	2,201	0	0	7,690
Social Security	748	1,015	1,833	1,742
Medicare Tax	175	237	429	407
Hospitalization	4,010	2,252	4,801	10,717
Life Insurance	21	93	137	122
Pension Healthcare	328	696	1,297	1,275
State Pension Plan - Civilian	0	1,091	1,931	0
TOTAL PERSONAL SERVICES	19,785	32,426	40,232	50,648
CDBG FUND TOTAL	19,785	32,426	40,232	50,648

DEPARTMENT: PLANNING AND DEVELOPMENT**FUND: DE-LEAD**

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Temporary Salaries	0	8,937	0	0
Social Security	0	566	0	0
Medicare Tax	0	132	0	0
TOTAL PERSONAL SERVICES	0	9,635	0	0
DE-LEAD FUND TOTAL	0	9,635	0	0

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 2016

- Conduct scheduled audits to evaluate controls, note commendable practices and recommend workable improvements
- Assist the external auditors with the annual audits of the CAFR and Federal Funds.
- Continue to develop awareness among City employees that the maintenance of good internal controls is the responsibility of all employees.
- Monitor prior audits to assure complete and effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness and results.
- Continue to development the knowledge, skills and effectiveness of departmental staff and ensure that the Department continues to set an example for all City Departments through its professional work ethic, integrity, objectivity, and confidentiality.

SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	467,585	375,081	387,053	419,257
Materials, Supplies & Equipment	235,249	252,454	263,457	256,353
Internal Services	86,547	88,492	104,800	107,642
TOTAL	789,381	716,027	755,310	783,252
STAFFING LEVELS	4.00	4.00	4.00	4.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	467,585	375,081	387,053	419,257
Materials, Supplies & Equipment	175,249	181,562	192,100	184,880
Internal Services	86,547	88,492	104,800	107,642
TOTAL	729,381	645,135	683,953	711,779
STAFFING LEVELS	4.00	4.00	4.00	4.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Materials, Supplies & Equipment	60,000	70,892	71,357	71,473
TOTAL	60,000	70,892	71,357	71,473
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 \$32,204. The increase is attributed to a change in the Position Allocation List that occurred during FY 2015. The Department deleted an Auditing Administrative Assistant position and added a new Staff Auditor position. The Staff Auditor position has a higher salary and is budgeted at a higher-cost health insurance plan. • Materials, Supplies & Equipment decreased a total of \$7,220. Professional Fees decreased by \$6,000 due to savings for outside auditors. Additionally, Printing and Advertising was reduced \$1,000 to zero. • Internal Services increased \$2,842, primarily due to the rise in Data Processing costs (up \$2,676). • In the Water/Sewer Fund, Materials, Supplies & Equipment increased \$116 due to higher Indirect Cost charges.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	314,202	259,507	269,280	282,355
Temporary Salaries	745	0	0	0
Sick Leave Bonus	0	0	0	0
Overtime	350	28	0	0
Pension Contribution	53,719	19,518	18,900	20,100
Social Security	18,949	15,453	16,053	17,259
Medicare Tax	4,432	3,614	3,755	4,036
Hospitalization	62,138	56,034	56,428	71,671
Life Insurance	926	955	948	960
Pension Healthcare	7,096	7,781	9,100	10,000
State Pension Plan - Civilian	5,028	12,191	12,589	12,876
TOTAL PERSONAL SERVICES	467,585	375,081	387,053	419,257
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	0	800	1,000	0
Transportation	2,239	4,822	4,500	4,500
Professional Fees	164,136	161,181	172,500	166,500
Memberships & Registrations	6,370	13,866	13,000	13,000
Office & General Supplies	2,093	577	600	480
Misc. Mat. Supp. & Parts	411	316	500	400
Equipment	0	0	0	0
TOTAL M., S. & E.	175,249	181,562	192,100	184,880
 <u>INTERNAL SERVICES</u>				
Administrative Services	84,265	84,436	101,654	104,450
Self-Insurance	2,282	4,056	3,146	3,192
TOTAL INTERNAL SERVICES	86,547	88,492	104,800	107,642
 GENERAL FUND TOTAL	 729,381	 645,135	 683,953	 711,779

DEPARTMENT: AUDIT DEPARTMENT

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Professional Fees	60,000	60,000	60,000	60,000
Supporting Services	0	10,892	11,357	11,473
TOTAL M., S. & E.	60,000	70,892	71,357	71,473
WATER SWER FUND TOTAL	60,000	70,892	71,357	71,473

LAW DEPARTMENT

The Law Department provides counsel and representation to the Mayor, City Council, and all City departments, boards, and commissions. The Law Department's primary responsibilities include representing the City in litigation and employment issues, collecting debts and taxes due to the City, preparing and approving all contracts, bonds and other written instruments, preparing legislation, and investigating and prosecuting violations of law occurring within City Government.

PRIORITIES FOR FISCAL YEAR 2016
<ul style="list-style-type: none"> • Provide legal counsel to City departments, boards and commissions and to City Council, and ensure all aspects of City Government are serving the public as mandated by City Code. • Eliminate or minimize potential litigation against the City by providing legal advice and training on an ongoing basis. • Ensure the enforcement of Ordinances and other City laws within the City's jurisdiction, including the Housing, Building and Sanitation Codes and nuisance laws, and ensure collection of all debts, taxes and accounts due the City. • Encourage City departments to seek the advice and counsel of the Law Department on a regular basis to minimize the costs associated with litigation claims against the City. • Assist all departments in carrying out State and Federal law applicable to the City. • Provide legal counsel and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts. • Draft legislation to revise the City Charter and City Code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2013	FY2014	FY2015	FY2016
Personal Services	2,376,888	2,257,618	2,195,117	2,224,012
Materials, Supplies & Equipment	485,166	354,337	496,185	501,400
Internal Services	184,770	208,438	204,596	209,933
TOTAL	3,046,824	2,820,393	2,895,898	2,935,345
STAFFING LEVELS	21.00	21.00	20.00	20.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2013	FY2014	FY2015	FY2016
Personal Services	2,376,888	2,257,618	2,195,117	2,224,012
Materials, Supplies & Equipment	485,166	354,337	496,185	501,400
Internal Services	184,770	208,438	204,596	209,933
TOTAL	3,046,824	2,820,393	2,895,898	2,935,345
STAFFING LEVELS	21.00	21.00	20.00	20.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$28,895. Three positions were upgraded during the biennial Classification Appeal Process in FY 2015, and the Legal Research Attorney received a salary increase through the budget process, for a combined salary and benefit increase of \$9,707. While employee turnover caused savings in Pension contributions (down \$18,908), those savings were more than offset by increases in Hospitalization (up \$53,407). Additionally, a FY 2015 Personal Service Adjustment of \$27,000 has been reduced to zero. The remaining increase is due to required step increases for merit positions.
- Total Materials, Supplies & Equipment increased \$5,215. The majority of the increase is a result of an additional \$30,000 budgeted for outside Legal fees. Expected savings in Court Costs and Notary Fees of \$26,000 helped to mitigate the increase for Legal fees.
- Internal Service expenses increased \$5,337, due primarily to the rise in Data Processing costs.

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Effective City Government

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

Objective 1: Respond to all legal inquiries from constituents within 5 business days.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase revenues from court costs collected by 10% in 2015.

Objective 2: Assess current discovery and motions practice to ensure matters are litigated in the most cost efficient manner by July 2015.

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: Respond to Freedom of Information Act requests within 15 business days.

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Train 100% of officers in policies and procedures regarding the use of excessive force by the end of 2015.

Objective 2: Assess if any public safety sections of the City Code need to be amended or revised by the end of 2015.

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Negotiate at least two loans under the new Grow Wilmington Fund in 2015.

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

Objective 1: Work with the Cultural Affairs Department to codify the Special Events Permitting process to conform to the Constitution by December 2015.

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

Objective 1: Maintain a relationship with Howard High School's co-op program through the end of 2016 to hire high school students interested in a legal career to work in the City Solicitor's office.

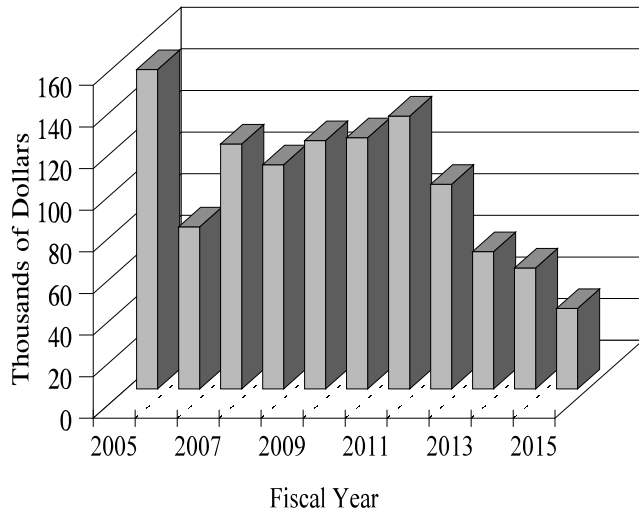
CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Partner with the Department of Justice to increase the number of Crime-Free Multi-Housing trainings offered to landlords by the end of 2015.

Objective 2: Require at least three landlords to attend landlord/tenant training as part of an abatement plan for nuisance property violations by September 2015.

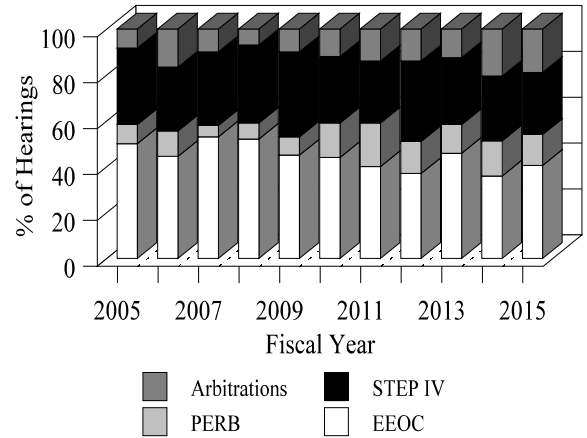
Law Department Performance Trends

Housing Code Prosecution Fines



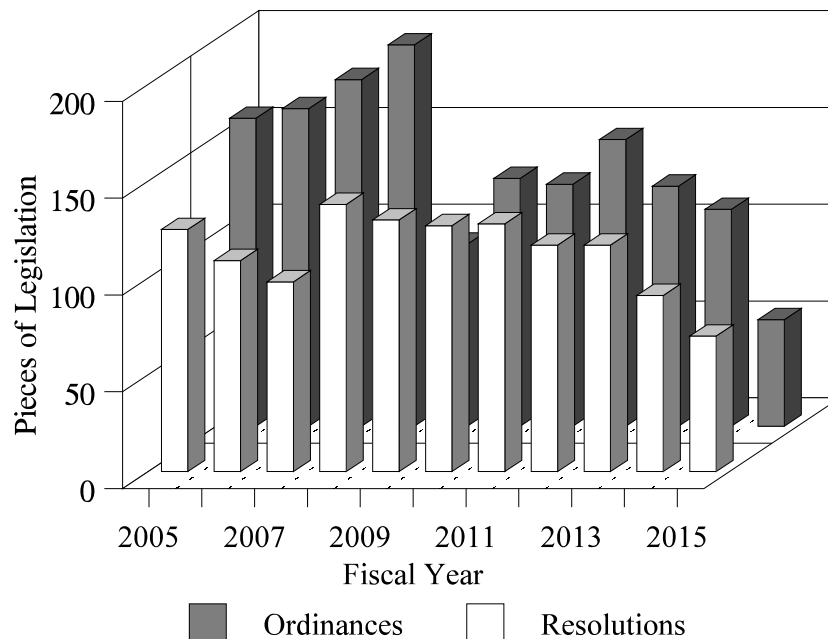
Several changes have resulted in lower fines imposed for housing code violations. First, sanitation violations were changed from a criminal designation to civil. The City is also seeing less repeat offenders.

Administrative Hearings Employment & Labor



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

Legislation Drafted



The demand for legislative drafting services is reflected above. Although the demand for these services increased from FY 2005 to FY 2008, demand has remained relatively stable thereafter as City Council's reorganization continues to allow for greater resolution of issues while still in Committee.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	1,575,244	1,499,103	1,459,852	1,473,658
Temporary Salaries	3,026	8,508	13,840	14,880
Acting Out Of Classification	36	3,242	0	0
Sick Leave Bonus	300	300	300	300
Pension Contribution	348,454	300,671	266,176	247,268
Social Security	96,171	92,296	91,722	91,093
Medicare Tax	22,498	21,585	21,453	21,303
Hospitalization	279,507	255,252	249,216	302,623
Life Insurance	4,746	4,928	4,800	4,800
Pension Healthcare	35,856	41,136	45,500	50,000
State Pension Plan - Civilian	11,050	30,597	35,020	37,848
Personal Services Adjustment	0	0	7,238	(19,761)
TOTAL PERSONAL SERVICES	2,376,888	2,257,618	2,195,117	2,224,012
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	772	256	410	200
Communications & Utilities	0	23	205	205
Transportation	489	4,308	3,650	5,150
Contracted Maintenance Repairs	774	329	800	640
Professional Fees	280,337	182,422	275,000	305,000
Other Fees	118,459	87,372	130,000	104,000
Memberships & Registrations	33,023	30,864	31,015	32,000
Miscellaneous Services	44,617	43,549	49,105	48,205
Office & General Supplies	6,031	5,214	6,000	6,000
Equipment	664	0	0	0
Projects	0	0	0	0
TOTAL M., S. & E.	485,166	354,337	496,185	501,400
 <u>INTERNAL SERVICES</u>				
Administrative Services	168,552	180,525	182,616	187,638
Self-Insurance	16,218	27,913	21,980	22,295
TOTAL INTERNAL SERVICES	184,770	208,438	204,596	209,933
 GENERAL FUND TOTAL	 3,046,824	 2,820,393	 2,895,898	 2,935,345

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 2016
<ul style="list-style-type: none"> • Increase the level of customer satisfaction and responsiveness to citizens and vendors. • Ensure timeliness and accuracy of periodic financial reports. • Increase the ease of doing business with the City of Wilmington through electronic media. • Provide on-line bill presentment and payment for Utility and Property Tax bills. • Implementation of City-wide Purchasing Card. • Increase the electronic vendor payment program to include travel advances and reimbursement

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS FINANCE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	7,356,361	7,137,295	7,499,229	7,552,109
Materials, Supplies & Equipment	3,992,528	5,018,842	5,809,793	5,556,372
Internal Services	1,273,869	1,374,819	1,578,213	1,620,470
Debt Service	5,618	6,415	48,553	91,462
TOTAL	12,628,376	13,537,371	14,935,788	14,820,413
STAFFING LEVELS	90.00	87.00	88.00	88.00

GENERAL FUND FINANCE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	5,053,172	4,966,058	5,064,199	5,177,810
Materials, Supplies & Equipment	3,479,780	3,651,896	4,169,723	3,887,850
Internal Services	727,343	833,560	862,249	885,264
Debt Service	5,618	6,415	27,347	49,049
TOTAL	9,265,913	9,457,929	10,123,518	9,999,973
STAFFING LEVELS	63.65	61.70	60.55	61.85

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FINANCE DEPARTMENT	FY2013	FY2014	FY2015	FY2016
Personal Services	2,303,189	2,171,237	2,435,030	2,374,299
Materials, Supplies & Equipment	512,748	1,366,946	1,640,070	1,668,522
Internal Services	546,526	541,259	715,964	735,206
Debt Service	0	0	21,206	42,413
TOTAL	3,362,463	4,079,442	4,812,270	4,820,440
STAFFING LEVELS	26.35	25.30	27.45	26.15

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

- In Personal Services a net of 1.3 FTE was added. Through a reorganization that affected a number of operational areas, a net of 0.5 FTE was added. However, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which added 0.8 FTE and increased total personal services by \$113,611. Pension Contributions and Hospitalization also increased a combined total of \$30,755. Additionally, the Department reallocated funding between the General Fund and the Water/Sewer Fund for a number of positions to better align with the work being performed.
- Overtime decreased by \$15,800 mostly due to a lesser need during the Wage Tax filing season.
- Consultant costs increased \$35,000, to assist in the preparation of the Comprehensive Annual Financial Report (CAFR) and help maintain accurate bond issuance and debt service files.
- Temporary Agencies expenses increased by \$3,700 to assist during Wage Tax filing season, help with mailings, and special projects related to property taxes.
- Collection Expense-Legal decreased \$129,660 due to Sheriff Sale activity trending downward.
- Collection Expense-Fire Alarms decreased \$75,000 due to more efficient use of personnel to cover related expenses for the false alarm program.
- Parking Citation Commissions decreased by \$152,000 due to contract negotiations that resulted in better pricing.
- Red-Light Camera Commissions decreased \$42,003 as a result of better pricing obtained through the latest contract with the vendor.
- Collection Expense-Wage & Head Audit increased by \$40,000 to fund accounting and law firms that assist with the collection of Wage Taxes.
- Miscellaneous Projects increased \$50,000 to support the Director's strategic planning initiatives.
- The Internal Services account group increased by a net \$23,015, mainly due to increases in Postage and Data Processing in the amount of \$1,600 and \$13,998 respectively.
- Debt Service increased \$21,702 due to increases in existing debt service and new debt service payments related to the upcoming bond issuance.

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

- Staffing decreased by a net 1.30 FTEs. A Department reorganization that affected a number of operational areas deleted a net 0.5 FTE. In addition, a formerly split-funded Real Estate Tax Coordinator position was changed to 100% General Fund, which deleted another 0.8 FTE, resulting in a savings of \$60,731.
- Temporary Agencies decreased by \$8,000, as the Department now relies on its internal resources and use of overtime as needed.
- Indirect Costs went up by \$37,157, per the new indirect cost plan.
- Internal Services increased by \$19,242 because of increases in Data Processing and Postage of \$12,480 and \$3,301, respectively.
- Debt Service increased \$21,207 due to increases in existing debt service and new debt service payments related to the upcoming bond issuance.

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

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

- Objective 1:** Guarantee customers a return phone call within 24 hours.
- Objective 2:** Process customer/citizen requests in accordance with customer service standards 100% of the time.
- Objective 3:** Implement Purchasing Cards by December 2015.

CITY-WIDE GOAL #2: Increase Accountability.

- Objective 1:** Pay all approved City bills within 30 days of invoice date.
- Objective 2:** Establish and comply with procedures for periodic accounting closing by January 31, 2016.
- Objective 3:** Improve compliance with the City's financial accounting system by June 30, 2016.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

- Objective 1:** Bill annual revenue in compliance with WEFAC projections.
- Objective 2:** Maintain or improve the City's bond rating.

CITY-WIDE GOAL #4: Ensure Transparency.

- Objective 1:** Complete and distribute the Comprehensive Annual Financial Report (CAFR) by December 31st of each year.

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Create standard operating procedures and training to ensure that Parking Regulation Enforcement Officers (PREOs) fairly enforce parking regulations in neighborhoods by March 2016.

Objective 2: Utilize PREOs to manage traffic by April 2016.

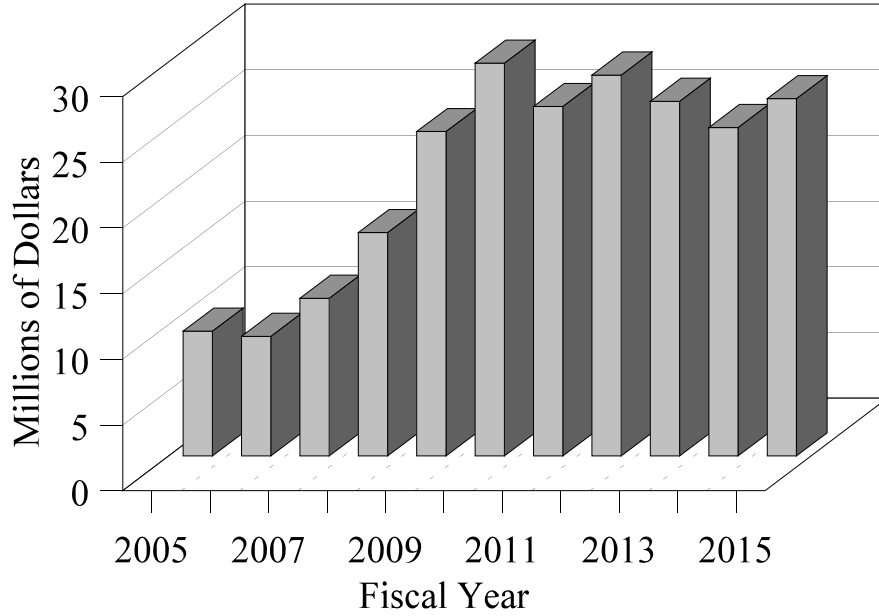
Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Fully implement electronic bidding by March 31, 2016.

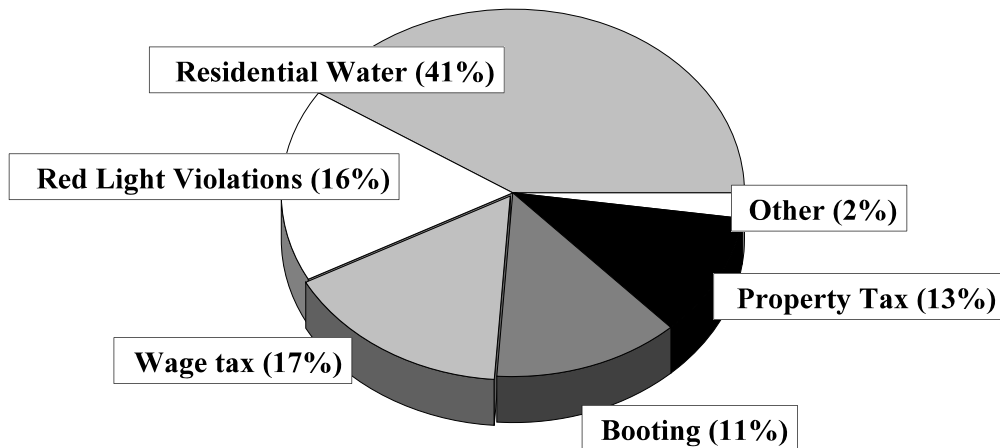
Department of Finance Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$27 million in delinquent accounts were collected in FY 2015.

Delinquent Collections by Revenue Type FY 2015



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	3,052,724	2,906,109	3,034,548	3,109,204
Temporary Salaries	1,179	1,011	3,000	7,500
Acting Out of Class	1,308	0	0	0
Sick Leave Bonus	3,600	3,300	4,500	4,000
Overtime	56,648	67,672	105,000	89,200
Meal Allowance	5,347	6,669	10,500	8,920
Clothing Allowance	3,750	4,375	4,750	3,750
Pension Contribution	691,792	756,366	689,021	674,962
Social Security	189,596	191,127	191,838	196,136
Medicare Tax	44,351	42,969	44,868	45,872
Hospitalization	903,668	849,019	878,084	912,442
Life Insurance	12,257	12,687	13,720	14,031
Pension healthcare	75,258	95,471	137,739	154,625
State Pension Plan - Civilian	11,694	29,283	39,474	49,930
Personal Services Adjustment	0	0	(92,843)	(92,762)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	5,053,172	4,966,058	5,064,199	5,177,810
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	53,333	55,155	70,360	66,200
Communications & Utilities	11,990	12,171	16,500	16,300
Transportation	13,729	10,140	21,550	20,550
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	0	500	600
Professional Fees	140,634	296,007	340,300	379,000
Memberships & Registrations	13,881	16,008	42,440	40,400
Miscellaneous Services	3,217,391	3,215,318	3,635,763	3,277,100
Office & General supplies	12,264	13,262	17,040	17,400
Wearing Apparel and Safety	11,019	16,777	16,900	10,500
Miscellaneous Parts	33	0	1,320	1,250
Equipment	5,266	17,058	7,050	8,550
Miscellaneous Projects	0	0	0	50,000
MSE-Budget Control Account	240	0	0	0
TOTAL M. S. & E.	3,479,780	3,651,896	4,169,723	3,887,850

DEPARTMENT: FINANCE**FUND: GENERAL**

	ACTUAL	ACTUAL	BUDGET	APPROVED
	FY2013	FY2014	FY2015	FY2016
INTERNAL SERVICES				
Administrative Services	676,719	688,302	770,619	791,811
Self-Insurance	50,624	145,258	91,630	93,453
TOTAL INTERNAL SERVICES	727,343	833,560	862,249	885,264
DEBT SERVICE				
Principal Payments	20	822	11,846	23,716
Interest Payments	5,598	5,593	15,501	25,333
TOTAL DEBT SERVICE	5,618	6,415	27,347	49,049
GENERAL FUND TOTAL	9,265,913	9,457,929	10,123,518	9,999,973

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	1,378,905	1,249,690	1,475,761	1,422,779
Temporary Salaries	3,120	0	3,000	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	800	0	2,000	2,800
Overtime	18,140	17,486	24,300	27,800
Meal Allowance	877	926	2,430	2,780
Clothing Allowance	875	625	500	500
Accrued Sick/Vacation	(12,782)	1,867	0	0
Pension Contribution	319,390	325,348	328,243	339,071
Social Security	85,546	77,011	91,405	88,468
Medicare Tax	20,006	18,011	21,377	20,693
Hospitalization	367,300	330,819	396,378	378,519
Life Insurance	5,522	5,249	6,491	6,170
Pension healthcare	109,767	134,391	62,461	65,375
State Pension Plan - Civilian	5,723	9,814	20,684	19,344
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	2,303,189	2,171,237	2,435,030	2,374,299
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	6,373	15,689	23,700	23,700
Communications & Utilities	428	259	851	860
Transportation	5,623	5,000	12,200	12,200
Contracted Maintenance Repairs	0	595	4,923	4,940
Professional Fees	8,397	39,000	59,500	51,500
Memberships & Registrations	2,485	7,274	18,500	22,400
Miscellaneous Services	195,123	332,832	389,190	386,090
Office & General supplies	5,970	10,808	15,370	15,370
Wearing Apparel and Safety	681	1,449	4,900	4,800
Miscellaneous Parts	779	462	5,446	4,016
Supporting Services	276,682	918,706	1,083,090	1,120,246
Equipment	10,207	34,872	22,400	22,400
TOTAL M. S. & E.	512,748	1,366,946	1,640,070	1,668,522

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

INTERNAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Administrative Services	517,580	472,517	669,302	687,708
Self-Insurance	28,946	68,742	46,662	47,498
TOTAL INTERNAL SERVICES	546,526	541,259	715,964	735,206
DEBT SERVICE				
Interest Payments	0	0	21,206	42,413
TOTAL OTHER	0	0	21,206	42,413
WATER/SEWER FUND TOTAL	3,362,463	4,079,442	4,812,270	4,820,440



DEPARTMENT OF HUMAN RESOURCES

The mission of the Department of Human Resources 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 2016
<ul style="list-style-type: none"> • Enhance the delivery of human resources services to City Departments through the implementation of revised legislation, policies and procedures, and management information systems. • Promote harmonious and effective working relationships with all collective bargaining units affiliated with the City of Wilmington. • Manage the City's risk exposure by implementing more effective personnel, health and safety, insurance, and claims management practices and programs. • Provide management and employee training to continue to develop the city's work force and enhance productivity. • Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system. • Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY2013	FY2014	FY2015	FY2016
Personal Services	2,068,711	1,899,531	2,109,990	2,203,342
Materials, Supplies & Equipment	2,083,542	2,560,945	2,936,358	3,392,012
Internal Services	305,569	483,291	591,650	607,784
Debt Service	19,544	22,314	22,567	24,674
Depreciation	12,554	6,277	12,554	12,554
Special Purpose	19,286,935	20,687,415	19,285,300	19,733,250
TOTAL	23,776,855	25,659,773	24,958,419	25,973,616
STAFFING LEVELS	22.00	21.00	22.00	22.00

*Differs from Summary of All Funds Combined – Expenditures table on page 37 due to inclusion of Internal Service Funds.

GENERAL FUND HUMAN RESOURCES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	1,370,357	1,277,340	1,350,412	1,327,458
Materials, Supplies & Equipment	58,375	95,021	188,091	166,935
Internal Services	281,441	433,143	555,100	570,282
Debt Service	19,544	22,314	22,567	24,674
TOTAL	1,729,717	1,827,818	2,116,170	2,089,349
STAFFING LEVELS	15.00	14.00	14.00	13.55

RISK MANAGEMENT FUND HUMAN RESOURCES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	146,321	141,726	183,723	204,609
Materials, Supplies & Equipment	1,348,483	1,833,421	1,911,114	2,329,024
Internal Services	30,097	32,578	26,203	26,913
Depreciation	12,554	6,277	12,554	12,554
Special Purpose	(772,225)	1,570,173	0	0
TOTAL	765,230	3,584,175	2,133,594	2,573,100
STAFFING LEVELS	1.30	1.30	1.80	1.95

WORKERS' COMPENSATION FUND HUMAN RESOURCES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	433,507	374,572	431,043	496,983
Materials, Supplies & Equipment	580,630	591,831	726,353	718,903
Internal Services	(8,414)	15,200	7,408	7,579
Special Purpose	2,053,319	2,190,469	2,100,500	2,115,000
TOTAL	3,059,042	3,172,072	3,265,304	3,338,465
STAFFING LEVELS	4.50	4.50	4.50	4.65

HEALTH AND WELFARE FUND HUMAN RESOURCES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	118,526	105,893	144,812	174,292
Materials, Supplies & Equipment	96,054	40,672	110,800	177,150
Internal Services	2,445	2,370	2,939	3,010
Special Purpose	18,005,841	16,926,773	17,184,800	17,618,250
TOTAL	18,222,866	17,075,708	17,443,351	17,972,702
STAFFING LEVELS	1.20	1.20	1.70	1.85

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

- The HR Department has created a new division for Payroll. Also, the Human Resources and Services Division was renamed to the Employment Services Division. The new structure will properly align costs and functions, and assist with manager accountability.
- In an effort to further align cost and function, the Director of Human Resources position will now be split-funded, with 0.15 FTE's in each of the three Internal Service Funds. The net effect is moving 0.45 FTE's out of the General Fund for a salary and benefit reduction of \$70,494. There is also a \$1,500 salary adjustment for the Payroll Manager to create a more equitable distinction between the manager position and senior staff. The total salary and benefit increase for the Payroll Manager is \$2,021.
- Personal Services costs decreased \$22,953. Reductions from shifting portions of the Director position's funding into the Internal Service Funds were offset by increases in Pension contributions (up \$30,732). The increase is due to the current Director having an older, more expensive pension plan than was previously budgeted.
- Materials, Supplies & Equipment decreased \$21,156. Reductions in Memberships and Registrations (down \$27,788) were offset by increases in Professional Fees (up \$5,000). Specifically, Workshop/Seminars-Training programing decreased due to a more need-based, targeted training approach, and the cost of Background Investigations increased to provide a better, comprehensive analysis of potential employees.
- Internal Services increased \$15,182, fueled almost entirely by higher Data Processing costs.

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

- The Director of Human Resources position will now be split-funded, with 0.15 FTE's in each of the three Internal Service Funds. The net effect is moving 0.45 FTE's into the Internal Service Funds for a salary and benefit increase of \$70,494.
- The remaining increase to Personal Services is largely attributable to a \$40,550 increase in Temporary Salaries spread across all three Funds. The increase is primarily to cover the cost of the Acting Director of Risk Management & Employee Benefits.
- In the Risk Management Fund, total Insurance costs increased \$415,865. The Fire account was increased (up \$41,738) due to premiums coming in higher than expected and the addition of vacant property coverage. Insurance Claims were increased (up \$286,000) based on a new actuarial report developed with timely and accurate data. Finally, Insurance Claims-Legal Defense was increased (up \$114,880) on the recommendation of the Law Department based on expected litigation. Those increases were slightly offset by reductions in the Liability and Salary-Claimant accounts.
- In the Workers' Compensation Fund, total Insurance costs decreased \$12,250 because of expected savings in both Unemployment Insurance and Surety Bonds. Those savings were slightly offset by increases in Miscellaneous Materials Supplies and Parts (up \$3,950) and Memberships and Registrations (up \$1,425).
- Delaware State Self Insurer's Tax increased \$14,500 based on the changes to payroll and a June 2014 rate increase.
- In the Health and Welfare Fund, Professional fees increased by \$69,000. The cost of an employee benefits consultant was underestimated in FY 2015 and has been appropriately budgeted for FY 2016.
- Self-Insurance Costs increased by \$433,450 in the Health and Welfare Fund. This account group encompasses the cost centers for employee Hospitalization, Dental coverage and Life Insurance. Medical Costs are set at \$365,550 below FY 2015, with \$830,000 being broken out in a separate account to better track Stop Loss Insurance. Dental Costs have remained flat and Long Term Disability decreased \$30,000.
- Though Medical Costs decreased when compared to FY 2015, there was a 3% increase to the base costs and \$144,350 was added for fees associated with the Affordable Care Act. The net reduction is due to moving the Stop Loss Insurance into a separate account.

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

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

- Objective 1:** Create a City-wide customer services training program by December 2015.
- Objective 2:** Train all employees on customer service by June 2016.
- Objective 3:** Institute quarterly labor relations/management meetings for all five collective bargaining units in 2015.
- Objective 4:** Train all Departments on benefit enrollment processes prior to the open enrollment period.

CITY-WIDE GOAL #2: Increase Accountability.

- Objective 1:** Conduct a City-wide training needs assessment by February 2016.
- Objective 2:** Evaluate current health and wellness initiatives and make recommendations for improvement by July 30, 2015.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

- Objective 1:** Decrease workers' injuries and compensation costs by 5% in 2015.
- Objective 2:** Decrease property and casualty costs by 5% in 2015.

CITY-WIDE GOAL #4: Ensure Transparency.

- Objective 1:** Evaluate and revise, as necessary, the Employees' Code of Conduct by July 2015.
- Objective 2:** Train all employees on the Code of Conduct by June 2016.

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #8: Reintegrate Formerly Incarcerated Individuals.

Objective 1: Identify at least two new partnerships to encourage employment of formerly incarcerated individuals in 2015.

Focus Area: Economic Vitality

CITY-WIDE GOAL #10: Build a Skilled Workforce.

Objective 1: Develop youth internship programs by September 30, 2015.

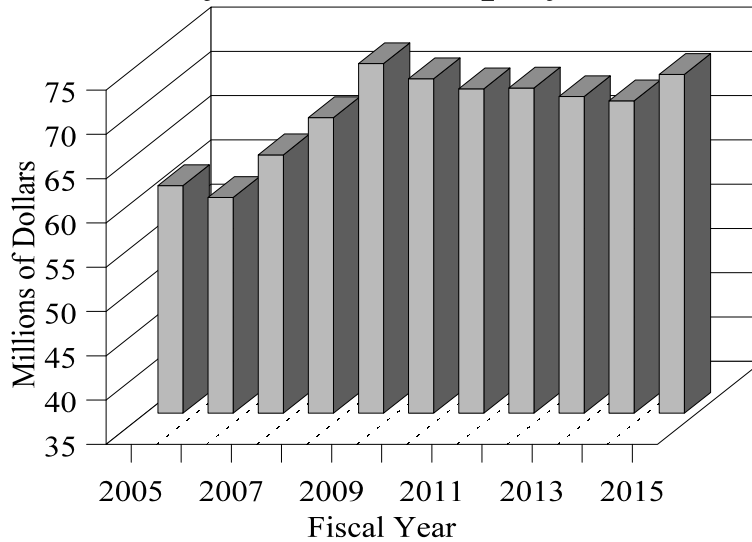
Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Extend offers for non-uniformed personnel within 90 days at least 90% of the time.

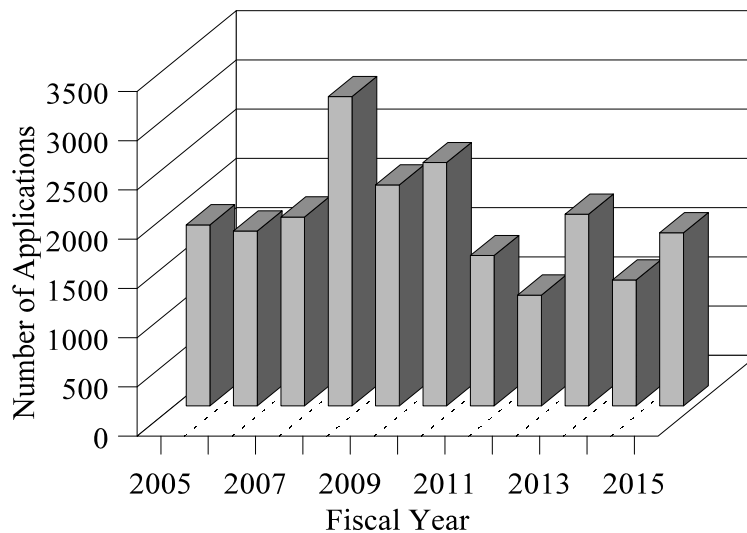
Department of Human Resources Performance Trends

Payroll - All Employees



The total City workforce declined again in FY 2015 from 1,119 to 1,113 positions. However, overtime payments in Police and Fire due to vacancies and changing of policing strategies lead to an increase in payroll for FY 2015.

Employment Applications



The number of employment applications can widely vary and reflects many factors, including economic conditions, the timing of Police and Fire recruitment classes, and the use of general hiring freezes.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: HUMAN RESOURCES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	877,517	806,150	866,707	813,560
Temporary Salaries	15,831	13,046	9,280	12,500
Acting Out of Classification	418	587	0	600
Sick Leave Bonus	600	600	1,000	1,300
Overtime	2,016	2,277	7,727	2,950
Meal Allowance	60	179	300	100
Pension Contribution	199,823	209,129	196,359	227,091
Social Security	54,264	50,384	53,931	50,872
Medicare Tax	12,753	11,798	12,613	11,897
Hospitalization	177,579	147,194	163,075	161,318
Life Insurance	3,089	2,859	3,339	3,231
Pension Healthcare	23,429	26,296	31,850	33,875
State Pension Plan - Civilian	2,978	6,841	10,770	14,703
Personal Services Adjustment	0	0	(6,539)	(6,539)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	1,370,357	1,277,340	1,350,412	1,327,458

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	579	9,130	10,600	10,385
Communications & Utilities	87	72	200	200
Transportation	4,228	7,561	11,205	9,681
Contracted Maintenance	395	395	816	800
Professional Fees	5,131	26,179	27,059	32,059
Memberships & Registrations	16,829	21,863	87,999	60,211
Miscellaneous Services	3,798	3,777	3,989	5,189
Office & General Supplies	5,127	3,996	9,073	9,810
Miscellaneous Parts	21,252	21,090	37,150	38,600
Equipment	949	958	0	0
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	58,375	95,021	188,091	166,935

DEPARTMENT: HUMAN RESOURCES

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Administrative Services	276,755	425,087	548,754	563,844
Self-Insurance	4,686	8,056	6,346	6,438
TOTAL INTERNAL SERVICES	281,441	433,143	555,100	570,282
DEBT SERVICE				
Principal Payments	69	2,858	3,132	5,515
Interest Payments	19,475	19,456	19,435	19,159
TOTAL DEBT SERVICE	19,544	22,314	22,567	24,674
GENERAL FUND TOTAL	1,729,717	1,827,818	2,116,170	2,089,349

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	88,202	75,813	100,619	118,187
Temporary Salaries	0	8,934	13,000	17,625
Overtime	0	245	0	0
Meal Allowance	0	17	0	0
Compensated Absences	(2,571)	(1,161)	0	0
Pension Contribution	23,650	26,337	19,706	32,479
Social Security	7,139	5,127	6,890	8,352
Medicare Tax	1,669	1,199	1,611	1,954
Hospitalization	25,613	22,559	35,813	20,594
Life Insurance	289	265	407	450
Pension Healthcare	2,330	2,391	4,095	4,875
State Pension Plan - Civilian	0	0	2,650	1,161
Personal Services Adjustment	0	0	(1,068)	(1,068)
TOTAL PERSONAL SERVICES	146,321	141,726	183,723	204,609
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	0	0	70
Transportation	1,370	125	2,250	2,250
Insurance	1,309,703	1,795,555	1,763,234	2,179,099
Professional Fees	34,128	26,032	115,250	119,250
Memberships & Registrations	1,789	973	3,230	1,555
Office & General Supplies	1,493	10,736	1,750	1,400
Equipment	0	0	25,400	25,400
TOTAL M., S. & E.	1,348,483	1,833,421	1,911,114	2,329,024

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

INTERNAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Administrative Services	29,065	31,588	25,155	25,846
Self-Insurance	1,032	990	1,048	1,067
TOTAL INTERNAL SERVICES	30,097	32,578	26,203	26,913
<u>OTHER</u>				
Depreciation	12,554	6,277	12,554	12,554
TOTAL DEBT SERVICE	12,554	6,277	12,554	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	(772,225)	1,570,173	0	0
TOTAL SPECIAL PURPOSE	(772,225)	1,570,173	0	0
RISK MANAGEMENT FUND TOTAL	765,230	3,584,175	2,133,594	2,573,100

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	278,442	206,060	261,431	270,052
Temporary Salaries	0	21,227	6,500	35,875
Acting Out of Class	0	4,554	0	0
Sick Leave Bonus	0	0	0	0
Overtime	338	930	0	2,145
Meal Allowance	0	51	0	150
Compensated Absences	(11,728)	2,276	0	0
Pension Contribution	65,190	53,327	41,930	64,188
Social Security	16,961	14,122	16,276	18,803
Medicare Tax	3,967	3,303	3,806	4,397
Hospitalization	71,293	60,744	83,644	86,497
Life Insurance	1,214	1,004	1,059	1,079
Pension Healthcare	7,830	6,974	10,238	11,625
State Pension Plan - Civilian	0	0	6,159	2,172
TOTAL PERSONAL SERVICES	433,507	374,572	431,043	496,983

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	433	418	900	825
Transportation	281	459	2,100	6,000
Insurance	239,723	238,455	295,000	282,750
Rentals	0	0	40	100
Contracted Maintenance	245	1,557	1,300	1,040
Professional Fees	327,266	321,737	385,508	383,188
Memberships & Registrations	2,638	2,956	6,525	7,950
Miscellaneous Services	0	(9)	0	0
Office & General Supplies	1,178	1,585	2,080	1,800
Wearing Apparel & Safety	100	88	100	100
Miscellaneous Parts	8,766	16,446	19,300	23,250
Equipment	0	8,139	13,500	11,900
TOTAL M., S. & E.	580,630	591,831	726,353	718,903

DEPARTMENT: HUMAN RESOURCES**FUND: WORKERS' COMPENSATION**

INTERNAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Administrative Services	(10,230)	12,832	5,352	5,499
Self-Insurance	1,816	2,368	2,056	2,080
TOTAL INTERNAL SERVICES	(8,414)	15,200	7,408	7,579
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	2,053,319	2,190,469	2,100,500	2,115,000
TOTAL SPECIAL PURPOSE	2,053,319	2,190,469	2,100,500	2,115,000
WORKERS' COMPENSATION FUND TOTAL	3,059,042	3,172,072	3,265,304	3,338,465

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	75,727	62,756	86,286	105,475
Temporary Salaries	4,548	5,956	5,200	11,750
Compensated Absences	104	(1,236)	0	0
Pension Contribution	18,825	20,290	17,671	28,721
Social Security	4,434	4,226	5,630	7,229
Medicare Tax	1,037	988	1,317	1,690
Hospitalization	11,487	10,364	22,336	13,217
Life Insurance	276	246	383	425
Pension Healthcare	2,088	2,303	3,868	4,625
State Pension Plan - Civilian	0	0	2,121	1,160
TOTAL PERSONAL SERVICES	118,526	105,893	144,812	174,292
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	500	500
Communications & Utilities	1,249	1,667	1,550	150
Transportation	0	0	2,250	2,000
Professional Fees	92,633	36,143	102,500	171,500
Memberships & Registrations	0	0	2,000	1,500
Office & General Supplies	1,639	1,947	2,000	1,500
Equipment	533	915	0	0
TOTAL M., S. & E.	96,054	40,672	110,800	177,150
 <u>INTERNAL SERVICES</u>				
Administrative Services	1,869	1,476	2,249	2,311
Self-Insurance	576	894	690	699
TOTAL INTERNAL SERVICES	2,445	2,370	2,939	3,010
 <u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	18,005,841	16,926,773	17,184,800	17,618,250
TOTAL SPECIAL PURPOSE	18,005,841	16,926,773	17,184,800	17,618,250
 HEALTH & WELFARE FUND TOTAL	 18,222,866	 17,075,708	 17,443,351	 17,972,702

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 2016

- Implement new mobile devices for instant ticketing.
- Monitor and update newly installed MUNIS permit software with citizen access.
- Aggressively demolish properties that are a blight to the community.
- Continue to reduce the number of vacant properties through our new program that publicly advertises the property's status and owner's contact information both on the City's website and on the property.
- Implement new inspection status for boarded vacant properties.
- Continue enhancement of enforcement teams.
- Continue to provide online access to departmental forms and processes through the City's website.
- Implement the latest International Code Council (I.C.C.) Building Code.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS LICENSES & INSPECTIONS	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	3,464,255	3,316,671	3,406,959	3,404,473
Materials, Supplies & Equipment	381,049	500,484	607,663	560,450
Internal Services	476,627	485,214	582,241	597,733
Debt Service	2,249	4,482	4,576	4,659
Special Purpose	345,000	655,869	600,000	600,000
TOTAL	4,669,180	4,962,720	5,201,439	5,167,315
STAFFING LEVELS	38.00	38.00	38.00	38.00

GENERAL FUND LICENSES & INSPECTIONS	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	3,464,255	3,316,671	3,406,959	3,404,473
Materials, Supplies & Equipment	381,049	500,484	607,663	560,450
Internal Services	476,627	485,214	582,241	597,733
Debt Service	2,249	4,482	4,576	4,659
Special Purpose	345,000	655,869	600,000	600,000
TOTAL	4,669,180	4,962,720	5,201,439	5,167,315
STAFFING LEVELS	38.00	38.00	38.00	38.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR GENERAL FUND
<ul style="list-style-type: none"> • Personal Services decreased \$2,486. A majority of the decrease is due to employee turnover that resulted in savings in Regular Salaries (down \$24,896) and old Pension contributions (down \$17,651). Those savings were somewhat offset by increases in Hospitalization (up \$26,095) and new State Pension contributions (up \$10,138). • Materials, Supplies & Equipment decreased a total of \$47,213. A majority of the decrease is due to equal reductions of \$25,000 in Property Maintenance and Demolition. As part of the City’s overall strategy for neighborhood redevelopment and viability, funding for the demolition of dangerous and abandoned eyesore properties is still \$75,000 more than the funding allotted in FY 2014. L&I will continue to coordinate with RE&H whenever possible to stabilize communities and improve blight. • Internal Services increased a total of \$15,492, which was driven in large part by increases in Data Processing and Motor Vehicle costs.

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Effective City Government

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

- Objective 1:** Design and distribute a customer satisfaction survey to obtain baseline data by February 2016.
- Objective 2:** Provide customer services training to all Departmental employees in the third quarter of 2015.

CITY-WIDE GOAL #2: Increase Accountability.

- Objective 1:** Make quarterly updates to standard operating procedures and Department policies.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

- Objective 1:** Work with the Finance Department and others to increase the collection of outstanding balances from fines and fees by 25% in 2015.

Focus Area: Public Safety

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

- Objective 1:** Reduce the number of vacant properties by 10% in 2015.
- Objective 2:** Increase by 5% the number of vacant properties stabilized by the end of 2015.

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

- Objective 1:** Assure that all City-owned properties meet City standards for quality and appearance by the end of 2015.

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Establish, and implement, a plan for a streamlined permitting process by the end of 2015.

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Increase by two the number of local contractors working with L&I in 2015.

Objective 2: Increase by 30% the value of contracts with local firms.

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Increase the number of seniors that are assisted with managing their properties using new and existing programs by 25%.

Objective 2: Update the Floodplain Management Plan by July 2015.

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

Objective 1: Partner with the Challenge Program to provide opportunities for 20 young people in 2015.

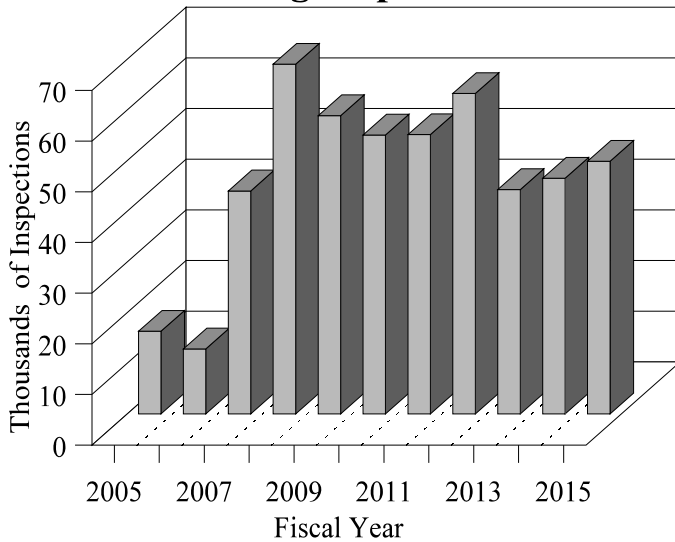
CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Establish a plan to provide opportunities for private owners to acquire vacant properties by July 2015.

Objective 2: Complete the Lead Hazard Control Program by the end of 2015.

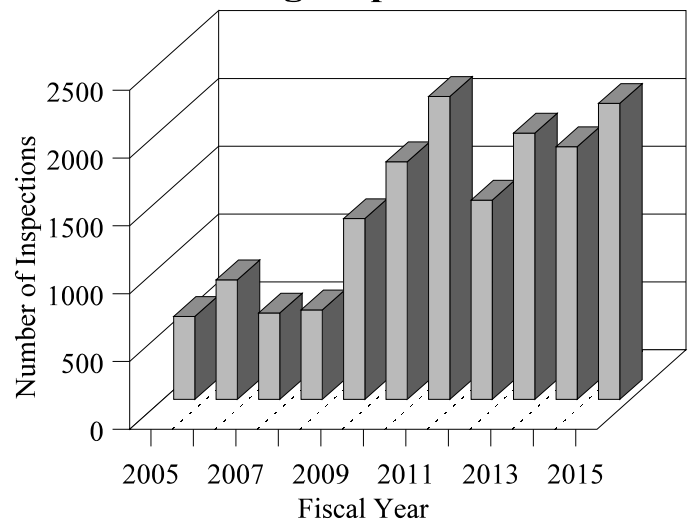
Department of Licenses and Inspections Performance Trends

Housing Inspections



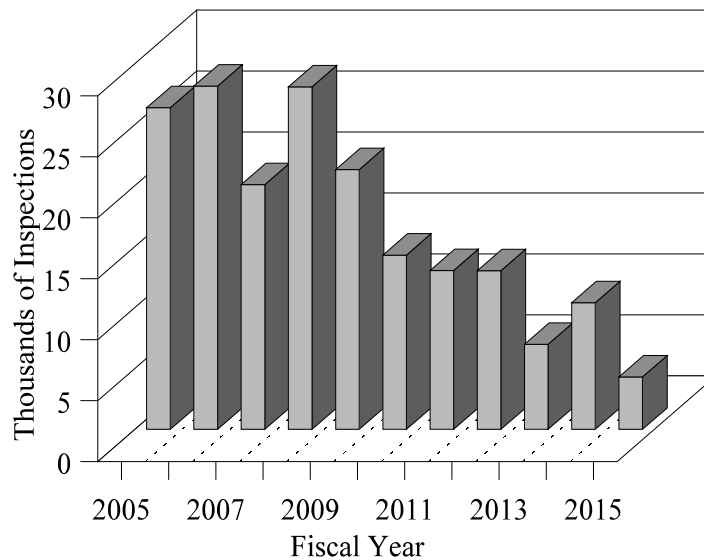
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked in 2007 due to enforcement of the instant ticketing program.

Zoning Inspections



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

Building Inspections



Reorganization of staff and better management of resources had allowed the number of inspections to increase dramatically, back to historically high levels. The decrease in recent years is a consequence of the current decline in building activity.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	2,126,189	2,001,788	2,054,261	2,029,365
Temporary Salaries	5,676	2,820	0	0
Acting Out of Classification	1,501	2,107	1,500	1,500
Sick Leave Bonus	2,300	1,400	2,100	2,000
Overtime	37,525	28,599	55,000	53,000
Meal Allowance	220	140	500	500
Clothing Allowance	7,500	7,375	7,500	7,500
Pension Contribution	482,596	507,524	525,618	507,967
Social Security	133,826	125,061	129,654	127,592
Medicare Tax	31,298	29,248	30,325	29,800
Hospitalization	571,100	530,253	533,943	560,038
Life Insurance	8,080	8,190	8,967	8,932
Pension Healthcare	45,191	53,247	86,450	95,000
State Pension Plan - Civilian	2,953	10,519	9,570	19,708
Personal Services Adjustment	8,300	8,400	(38,429)	(38,429)
TOTAL PERSONAL SERVICES	3,464,255	3,316,671	3,406,959	3,404,473
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	8,490	8,568	10,821	11,000
Communication & Utilities	0	0	0	0
Transportation	0	1,809	3,500	3,500
Rentals	200	0	102	200
Contracted Maintenance	108,647	120,339	125,000	100,000
Professional Fees	21,711	35,112	38,000	45,000
Other Fees	5,741	2,852	8,000	8,000
Memberships & Registrations	14,301	17,070	18,900	18,000
Office & General Supplies	7,772	4,652	5,600	5,000
Wearing Apparel & Safety Supplies	26,659	11,437	23,600	21,000
Miscellaneous Parts	1,201	1,058	2,780	2,750
Construction & Repairs	180,946	295,208	366,000	341,000
Equipment	5,381	2,379	5,360	5,000
Fixed Assets	0	0	0	0
MSE Budget Control Account	0	0	0	0
TOTAL M., S. & E.	381,049	500,484	607,663	560,450

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
INTERNAL SERVICES				
Administrative Services	450,104	452,333	551,316	566,478
Self-Insurance	26,523	32,881	30,925	31,255
TOTAL INTERNAL SERVICES	476,627	485,214	582,241	597,733
DEBT SERVICE				
Principal Payments	0	2,252	2,426	2,635
Interest Payments	2,249	2,230	2,150	2,024
TOTAL DEBT SERVICE	2,249	4,482	4,576	4,659
SPECIAL PURPOSE				
Animal Control	345,000	655,869	600,000	600,000
TOTAL SPECIAL PURPOSE	345,000	655,869	600,000	600,000
GENERAL FUND TOTAL	4,669,180	4,962,720	5,201,439	5,167,315



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 2016	
•	Implement a tracking system to accurately collect participation data.
•	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 DEPT. OF PARKS & RECREATION	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	4,746,024	4,504,838	4,978,104	4,889,967
Materials, Supplies & Equipment	1,582,296	1,789,919	2,407,700	2,376,802
Internal Services	1,034,822	1,383,110	1,272,661	1,302,555
Debt Services	1,552,860	1,855,756	1,957,367	2,003,978
TOTAL	8,916,002	9,533,623	10,615,832	10,573,302
STAFFING LEVELS	44.00	44.00	42.00	41.00

GENERAL FUND DEPT. OF PARKS & RECREATION	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	4,292,960	3,981,428	4,410,125	4,319,881
Materials, Supplies & Equipment	910,112	1,149,713	1,594,380	1,563,482
Internal Services	1,034,822	1,379,677	1,269,228	1,299,122
Debt Services	1,552,860	1,855,756	1,957,367	2,003,978
TOTAL	7,790,754	8,366,574	9,231,100	9,186,463
STAFFING LEVELS	44.00	44.00	42.00	41.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2013	FY2014	FY2015	FY2016
Personal Services	164,597	165,182	201,894	201,894
Materials, Supplies & Equipment	670,447	637,458	782,255	782,255
TOTAL	835,044	802,640	984,149	984,149
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2013	FY2014	FY2015	FY2016
Personal Services	82,034	80,944	88,489	90,596
Materials, Supplies & Equipment	1,737	2,748	31,065	31,065
Internal Services	0	3,433	3,433	3,433
TOTAL	83,771	87,125	122,987	125,094
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2013	FY2014	FY2015	FY2016
Personal Services	206,433	277,284	277,596	277,596
TOTAL	206,433	277,284	277,596	277,596
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total staffing in the Department has been reduced by one, to 41 positions. A vacant Account Clerk III position has been deleted with total savings of \$63,677 in salary and benefits.
- Through the biennial Classification Appeal process, two Departmental positions were upgraded at a first year additional cost of \$1,983.
- Communications & Utilities (Electricity) costs have been increased in the William “Hicks” Anderson Community Center (WHACC) Division to support higher pool operating expenses.
- Rentals will rise by \$3,940 to cover higher portable toilet facility costs at parks, athletic events, and recreational programs.
- Wearing Apparel & Safety Supplies costs will increase by \$3,941 to fund additional needs within the Maintenance Division.
- The appropriation for Petroleum & Chemicals has been increased by \$1,830 based on the recent trend in pool treatment expenditures.
- Construction & Repair costs will rise by \$1,600 to allow for the purchase of additional building supplies used in the maintenance of parks.
- The Equipment cost allocation, while \$3,042 lower than the current budget, will still allow \$9,600 for the third phase of a multi-year program to replace aging fitness equipment at the WHACC.
- Community Activities will decrease by \$4,500, but will continue to fund the popular “Arts in the Parks” program at \$75,000 and “Cure Violence” at \$225,000.
- Debt Service expenditures will rise by \$46,611. New payments related to the upcoming bond issuance were partially offset by a reduction in existing debt payments.

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Effective City Government

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

Objective 1: Create and administer a customer survey for all programs by July 2015.

Objective 2: Analyze survey results and make recommendations by the end of 2015.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase the involvement of community groups in maintenance and care of at least three additional City parks.

Focus Area: Public Safety

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

Objective 1: Increase the number of participants in Safe Haven recreation sites by 20% in 2015.

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Partner with community groups to sponsor five recreational activities that attract visitors to Wilmington in 2015.

Focus Area: Quality of Life

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

Objective 1: Increases participation by 33% in programs that enhance the lives of senior citizens by the end of 2015.

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

Objective 1: Work with partners to improve and expand participation in Arts in the Park by 10% in 2015.

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Increase the number of parks participating in City programs by five in 2015.

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

Objective 1: Increase participation in the Summer Food Program by 5% in 2015.

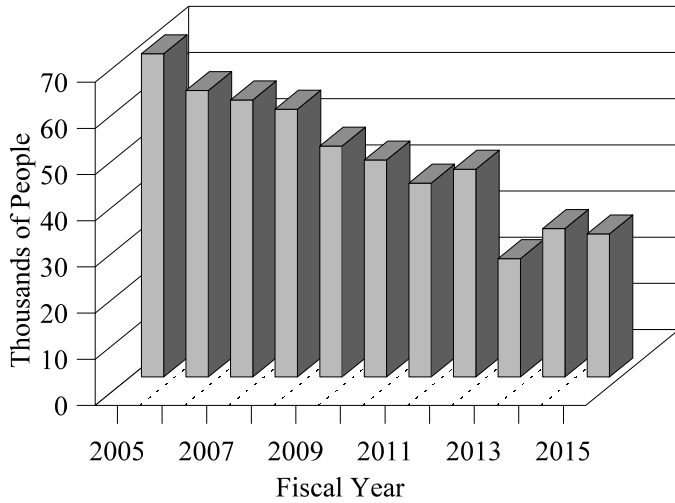
Objective 2: Increase participation in the Summer Job Program by 5% in 2015.

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Develop a program and create baseline data to expand the recycling program and environmental projects at City parks and the Hicks Anderson Community Center by October 2015.

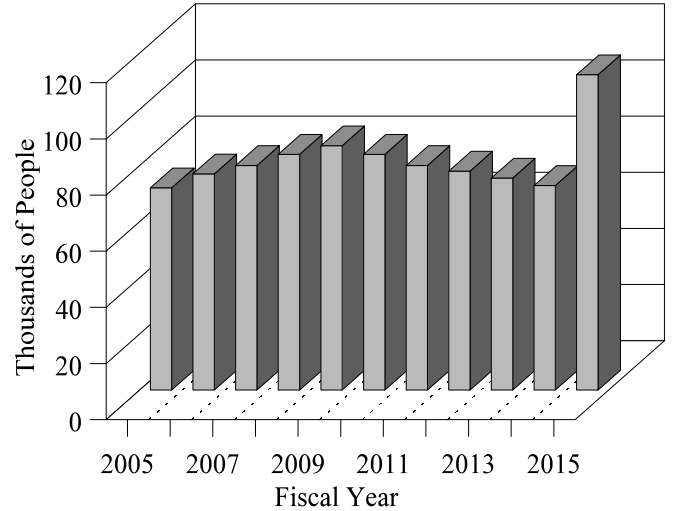
Department of Parks and Recreation Performance Trends

Pool Attendance



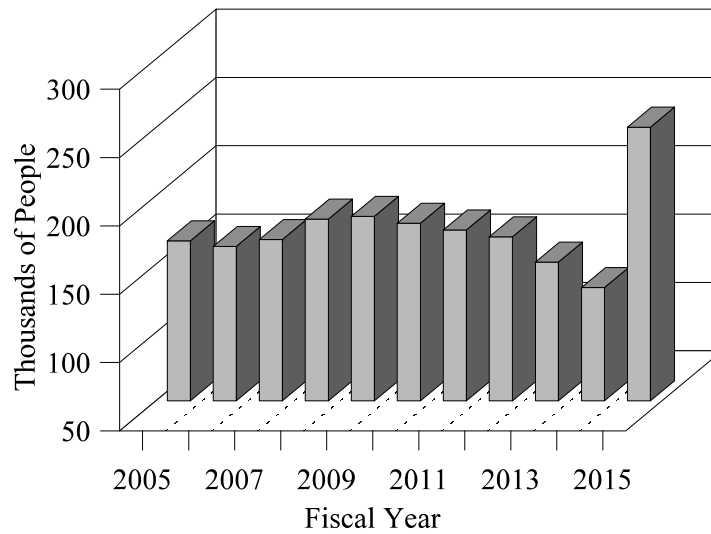
Pool attendance had generally declined due to a shortening of the season to trim costs. A longer season implemented in FY 2014 reversed that trend.

Playground Attendance



Figures include both City parks and the William “Hicks” Anderson Community Center.

Recreation Attendance



A variety of programs are offered to afford all citizens recreational opportunities.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	1,963,906	1,767,609	1,898,339	1,866,938
Temporary Salaries	812,291	714,778	1,045,443	1,045,443
Acting Out of Class	3,772	3,529	1,000	1,000
Sick Leave Bonus	2,400	1,900	2,100	1,500
Overtime	121,967	213,566	146,711	147,943
Meal Allowance	1,703	4,926	2,000	2,300
Pension Contribution	463,785	398,514	393,889	355,689
Social Security	178,321	165,971	192,248	189,734
Medicare Tax	41,710	38,818	44,949	44,374
Hospitalization	629,591	571,045	636,019	607,006
Life Insurance	7,570	7,805	9,173	8,933
Pension Healthcare	62,933	72,039	95,550	102,500
State Pension Plan (Civilian)	3,011	20,928	34,152	37,969
Personal Services Adjustment	0	0	(91,448)	(91,448)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	4,292,960	3,981,428	4,410,125	4,319,881

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	3,069	3,087	10,000	10,000
Communications & Utilities	265,007	278,720	270,064	275,051
Transportation	876	4,783	12,333	10,200
Rentals	64,743	49,747	63,360	67,300
Contracted Maintenance	27,798	30,988	63,431	52,224
Professional Fees	194,709	325,072	265,318	262,018
Other Fees	41,786	31,371	52,411	52,820
Memberships & Registrations	3,157	3,304	14,545	8,870
Miscellaneous Services	123,667	125,970	243,538	243,528
Office & General supplies	13,390	19,611	17,646	16,545
Wearing Apparel & Safety Supplies	25,977	39,765	36,132	40,073
Miscellaneous Parts	111,542	165,177	150,756	134,120
Petroleum & Chemicals	19,360	22,863	26,731	28,560
Construction & Repairs	6,772	17,213	20,200	21,800
Equipment	5,859	24,020	32,290	29,248
Community Activities	2,400	8,022	315,625	311,125
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	910,112	1,149,713	1,594,380	1,563,482

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
INTERNAL SERVICES				
Administrative Services	749,288	865,220	872,967	896,974
Self-Insurance	285,534	514,457	396,261	402,148
TOTAL INTERNAL SERVICES	1,034,822	1,379,677	1,269,228	1,299,122
DEBT SERVICE				
Principal Payments	797,863	1,066,130	1,130,805	1,148,741
Interest Payments	754,997	789,626	826,562	855,237
TOTAL DEBT SERVICE	1,552,860	1,855,756	1,957,367	2,003,978
GENERAL FUND TOTAL	7,790,754	8,366,574	9,231,100	9,186,463

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
PERSONAL SERVICES				
Temporary Salaries	152,900	153,444	187,547	187,547
Social Security	9,480	9,513	11,627	11,627
Medicare Tax	2,217	2,225	2,720	2,720
TOTAL PERSONAL SERVICES	164,597	165,182	201,894	201,894
MATERIALS, SUPPLIES & EQUIPMENT				
Miscellaneous Parts	670,447	637,458	782,255	782,255
TOTAL M., S. & E.	670,447	637,458	782,255	782,255
PARKS ASSISTANCE FUND TOTAL	835,044	802,640	984,149	984,149

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	50,795	48,059	47,875	47,875
Temporary Salaries	0	0	2,500	2,500
Pension Contributions	11,156	12,404	12,065	12,831
Social Security	3,144	2,973	2,968	2,968
Medicare Tax	735	695	694	694
Life Insurance	221	217	240	240
Hospitalization	14,243	14,573	19,872	20,988
Pension Healthcare	1,740	2,023	2,275	2,500
TOTAL PERSONAL SERVICES	82,034	80,944	88,489	90,596
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,737	2,748	1,750	1,750
Transportation	0	0	700	700
Rentals	0	0	3,800	3,800
Contracted Maintenance Repairs	0	0	3,500	3,500
Memberships & Registrations	0	0	3,150	3,150
Miscellaneous Services	0	0	13,250	13,250
Office & General supplies	0	0	50	50
Wearing apparel & Safety Supplies	0	0	150	150
Miscellaneous Parts	0	0	4,315	4,315
Construction & Repairs	0	0	200	200
Equipment	0	0	200	200
TOTAL M., S. & E.	1,737	2,748	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	0	3,433	3,433	3,433
TOTAL INTERNAL SERVICES	0	3,433	3,433	3,433
 PARKS TRUST FUND TOTAL	 83,771	 87,125	 122,987	 125,094

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

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Temporary Salaries	191,761	257,609	257,890	257,890
Social Security	11,891	15,945	15,971	15,971
Medicare Tax	2,781	3,730	3,735	3,735
TOTAL PERSONAL SERVICES	206,433	277,284	277,596	277,596
WIB FUND TOTAL	206,433	277,284	277,596	277,596

DEPARTMENT OF FIRE

The mission of the Fire Department is to create a safe environment and enhance the 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 2016
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Replace fire apparatus according to recommended replacement cycle. • Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2013	FY2014	FY2015	FY2016
Personal Services	21,481,962	20,767,751	21,012,403	20,725,922
Materials, Supplies & Equipment	766,188	766,750	814,902	582,088
Internal Services	2,165,077	2,246,142	2,803,043	2,380,626
Debt Service	475,697	522,184	550,953	649,059
TOTAL	24,888,924	24,302,827	25,181,301	24,337,695
STAFFING LEVELS	177.00	177.00	177.00	177.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2013	FY2014	FY2015	FY2016
Personal Services	15,873,053	16,746,304	15,955,989	15,622,008
Materials, Supplies & Equipment	645,041	569,567	566,033	380,719
Internal Services	2,165,077	2,246,142	2,803,043	2,380,626
Debt Service	475,697	522,184	550,953	649,059
TOTAL	19,158,868	20,084,197	19,876,018	19,032,412
STAFFING LEVELS	164.00	170.50	177.00	177.00

* Differs from Summary of All funds Combined – Expenditures table on page 37 due to the inclusion of State Pension Contributions.

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	4,878,914	3,370,575	4,878,914	4,878,914
TOTAL	4,878,914	3,370,575	4,878,914	4,878,914
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FIRE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Materials, Supplies & Equipment	16,001	0	201,369	201,369
TOTAL	16,001	0	201,369	201,369
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	0	246,059	177,500	225,000
Materials, Supplies & Equipment	105,146	197,183	47,500	0
TOTAL	105,146	443,241	225,000	225,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

SAFER GRANT FIRE DEPARTMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Personal Services	729,995	404,814	0	0
TOTAL	729,995	404,814	0	0
STAFFING LEVELS	13.00	6.50	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Uniformed staffing remains at 172 positions and total personnel at 177. However, due to a significant number of retirements, the Department recently concluded a fire school class that featured 19 graduates. Because Probationary Firefighters earn less than seasoned Firefighters in early years, salary savings totaling \$160,000 have been realized in FY 2016.
- Total Overtime appropriations have been reduced by \$47,500. Grant funding is expected to make up any shortfall in this area.
- A decrease in Pension Contributions, partially offset by higher Hospitalization and Pension Healthcare, contributed to an overall \$117,000 reduction in Employee Benefit costs.
- Nearly every Materials, Supplies, and Equipment category has decreased by a total of \$185,300 for FY 2016 as part of a “shared sacrifice” to minimize growth of expenditures. The Department will spend unused grant funds whenever possible to fund necessary purchases.
- Total Internal Service allocations will decrease by more than \$422,000. The \$451,000 decrease in Motor Vehicle is due to the reallocation of costs between the Police and Fire Departments to more accurately comport with past actual chargebacks was offset by minimal increases in other areas.
- Debt Service costs will increase by \$98,106. New payments related to the upcoming bond issuance were partially offset by a reduction in existing debt payments.

DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase supplemental funding for the Fire Department by 10% in 2015.

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Increase fire prevention programs by 15%, and people participating by 10% in 2015.

Objective 2: Establish five new partnerships with community groups in 2016.

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 1: Implement physical fitness training at all stations in 2015.

Objective 2: Increase officer training to achieve NFPA Fire Officer II designation for all captains and lieutenants in 2015.

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Achieve a seven working day turnaround for the plan review and permit process in 2015.

DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

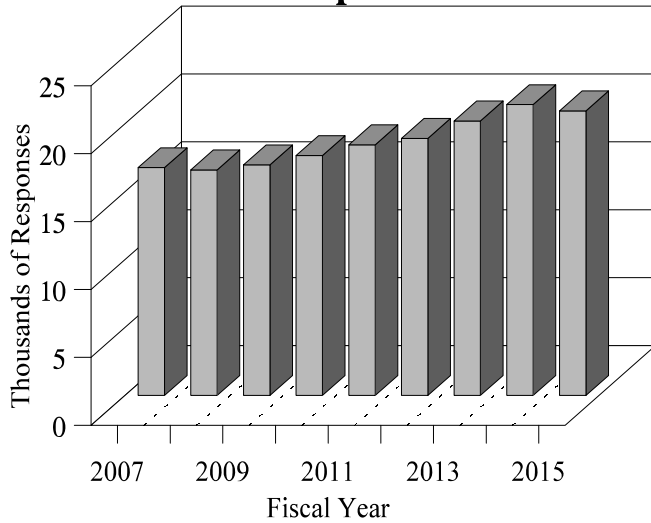
Objective 1: Maintain or decrease response time from dispatch to arrival in 2015.

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

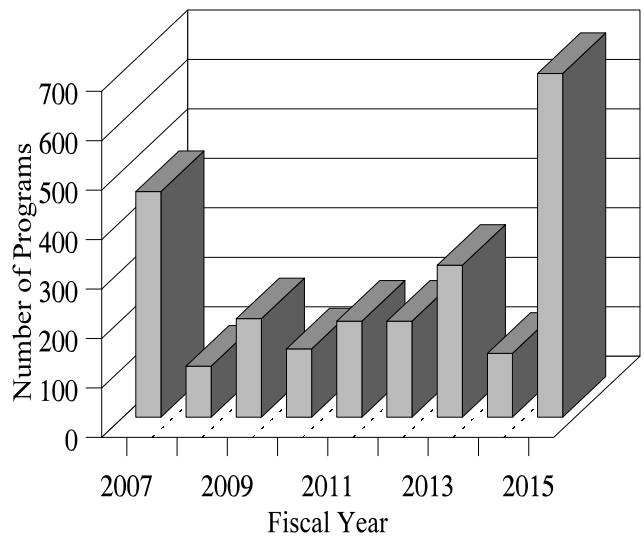
Objective 1: Increase involvement in the Fire Explorer program by 20 individuals in 2015.

Fire Department Performance Trends

Total Responses



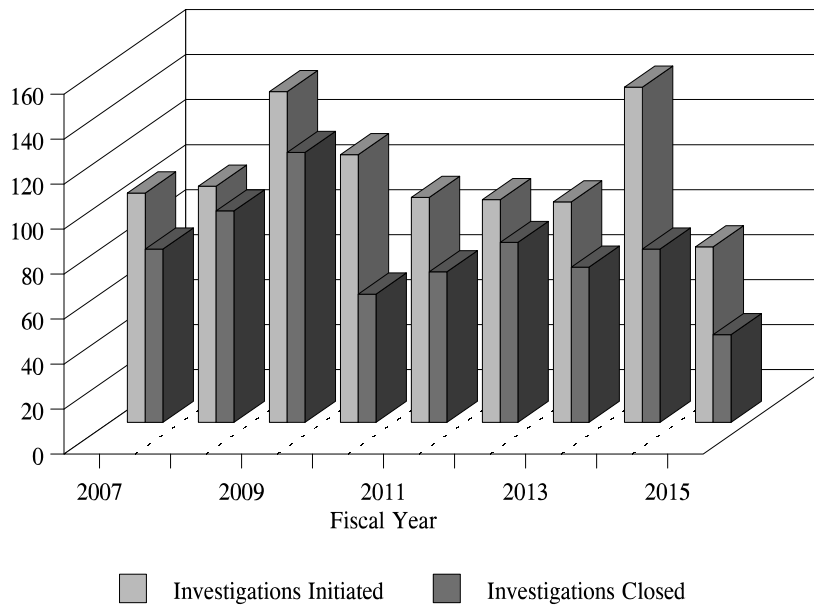
Public Education Programs



Total responses include those for the engine and ladder companies, rescue and ambulance units, as well as the fireboat.

Public education through group prevention presentations is one of the Department's goals and contributes to fire safety. In FY 2015, additional resources were allocated to the Fire Prevention Division resulting in more frequent program presentations.

Fire Investigations



The Prevention Division is responsible for investigating fires to determine cause.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	10,740,259	10,392,818	10,678,562	10,518,558
Acting Out of Class	16,995	10,834	15,820	12,520
Shift Differential	123,877	120,302	123,016	117,500
Overtime	377,605	597,922	297,500	250,000
Holiday Pay	85,729	67,800	25,000	25,000
Pension Contribution	249,298	1,350,948	492,850	125,165
Social Security	15,976	15,022	15,076	15,333
Medicare Tax	132,941	138,414	135,637	140,004
Hospitalization	2,902,352	2,665,438	2,746,308	2,890,801
Life Insurance	37,167	36,925	42,288	41,664
County/Municipal Pension Contribution	903,302	1,006,400	977,572	1,039,347
Pension Healthcare	286,190	339,793	402,675	442,500
State Pension Plan - Civilian	1,362	3,688	3,685	3,616
TOTAL PERSONAL SERVICES	15,873,053	16,746,304	15,955,989	15,622,008

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	698	562	1,337	1,337
Communications & Utilities	93,971	101,716	100,134	100,108
Transportation	5,296	4,558	4,200	2,000
Contracted Maintenance Repairs	92,401	72,829	86,000	57,000
Professional Fees	85,661	108,264	41,000	27,500
Memberships & Registrations	68,023	27,410	63,450	42,540
Miscellaneous services	94,979	80,853	95,446	78,340
Office & General Supplies	23,612	24,257	25,968	25,294
Wearing Apparel & Safety Supplies	125,948	96,589	94,798	20,000
Miscellaneous Parts	31,108	30,951	33,600	10,000
Construction & Repairs	610	1,473	2,000	1,600
Equipment	18,734	9,994	16,600	15,000
Fixed Assets	4,000	7,790	0	0
Community Activities	0	2,321	1,500	0
TOTAL M., S. & E.	645,041	569,567	566,033	380,719

DEPARTMENT: FIRE**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Administrative Services	1,371,679	1,205,171	1,854,363	1,421,199
Self-Insurance	793,398	1,040,971	948,680	959,427
TOTAL INTERNAL SERVICES	2,165,077	2,246,142	2,803,043	2,380,626

DEBT SERVICE

Principal Payments	75,618	96,365	78,963	144,292
Interest Payments	400,079	425,819	471,990	504,767
TOTAL DEBT SERVICE	475,697	522,184	550,953	649,059

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

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
State Pension Contributions	4,878,914	3,370,575	4,878,914	4,878,914
TOTAL PERSONAL SERVICES	4,878,914	3,370,575	4,878,914	4,878,914
 GENERAL FUND TOTAL	 24,037,782	 23,454,772	 24,754,932	 23,911,326

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Contracted Maintenance	0	0	8,568	8,568
Professional Fees	0	0	5,292	5,292
Wearing Apparel & Safety Supplies	0	0	87,509	87,509
Fixed Assets	16,001	0	100,000	100,000
TOTAL M., S. & E.	16,001	0	201,369	201,369
 STATE FIRE GRANT TOTAL	 16,001	 0	 201,369	 201,369

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

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Overtime	0	246,059	177,500	225,000
TOTAL PERSONAL SERVICES	0	246,059	177,500	225,000
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Contracted Maintenance	0	16,301	0	0
Miscellaneous Services	0	0	5,000	0
Wearing Apparel & Safety Supplies	0	0	17,500	0
Miscellaneous Parts	0	0	5,000	0
Fixed Assets	105,146	180,882	20,000	0
TOTAL M., S. & E.	105,146	197,183	47,500	0
FEDERAL EMERG. MGT. & OTHER MISC. GRANT TOTAL	105,146	443,241	225,000	225,000

DEPARTMENT: FIRE**FUND: SAFER GRANT**

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	478,672	261,976	0	0
Shift Differential	6,872	1,395	0	0
Holiday Pay	4,693	3,080	0	0
Medicare Tax	7,062	3,821	0	0
Hospitalization	138,175	79,603	0	0
Life Insurance	2,749	1,441	0	0
County/Municipal Pension Contribution	70,364	40,150	0	0
Pension Healthcare	21,408	13,347	0	0
TOTAL PERSONAL SERVICES	729,995	404,814	0	0
SAFER GRANT TOTAL	729,995	404,814	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 2016
<ul style="list-style-type: none"> • Reduce crime, and shooting incidents. • Reduce street-level drug activity. • Increase public safety by reducing traffic accidents. • Establish a partnership with the community. • Improve professional standards within the Department. • Improve performance through personnel training and development. • Maintain a heightened state of awareness and preparedness.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2013	FY2014	FY2015	FY2016
Personal Services	48,960,460	49,272,603	46,783,416	47,181,736
Materials, Supplies & Equipment	2,233,527	3,038,001	2,055,766	2,252,280
Internal Services	5,092,876	6,445,885	5,562,126	6,169,568
Debt Service	292,751	375,321	393,357	406,526
TOTAL	56,579,614	59,131,810	54,794,665	56,010,110
STAFFING LEVELS	382.00	382.00	382.00	382.00

*Differs from Summary of All Funds Combined – Expenditures table on page 37 due to the inclusion of State Pension Contributions.

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2013	FY2014	FY2015	FY2016
Personal Services	45,132,853	46,372,400	43,933,303	44,383,924
Materials, Supplies & Equipment	1,345,279	1,532,343	2,055,766	2,252,280
Internal Services	5,092,876	6,445,885	5,562,126	6,169,568
Debt Service	292,751	375,321	393,357	406,526
TOTAL	51,863,759	54,725,949	51,944,552	53,212,298
STAFFING LEVELS	362.65	372.32	373.20	374.00

STATE PENSION CONTRIBUTION	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2013	FY2014	FY2015	FY2016
Personal Services	2,276,401	1,931,869	2,276,401	2,276,401
TOTAL	2,276,401	1,931,869	2,276,401	2,276,401
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANTS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2013	FY2014	FY2015	FY2016
Personal Services	800,730	847,301	522,198	521,411
Materials, Supplies & Equipment	888,248	1,505,658	0	0
TOTAL	1,688,978	2,352,959	522,198	521,411
STAFFING LEVELS	8.00	8.00	8.00	8.00

COPS GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2013	FY2014	FY2015	FY2016
Personal Services	750,476	121,033	51,514	0
TOTAL	750,476	121,033	51,514	0
STAFFING LEVELS	11.35	1.68	0.80	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Uniformed staffing remains at 320 positions and total personnel at 382. However, due to a significant number of retirements, the Department recently graduated an academy class of 34 recruits to fill those vacancies. Because rookie Patrol Officers earn less than seasoned officers, salary savings were realized and contributed to a \$294,000 decrease in Regular Salaries.
- Funding for the last remaining COPS Grant officer expired in FY 2015. The General Fund absorbed 0.8 FTE at a cost of \$53,156 in salary and benefits.
- Higher Pension, Hospitalization, and Pension Healthcare costs fueled an overall \$783,000 increase in total Employee Benefit costs.
- Printing & Advertising costs have fallen by \$5,420 as a smaller academy class is anticipated in FY 2016.
- Professional Fees have increased by \$305,693. Consultant costs earmarked in FY 2016 include \$75,000 to fund an assessment of the public safety camera surveillance system, \$53,000 in costs related to an academy class, \$16,200 in additional costs for existing camera watch operators, and \$135,000 for three additional operators. Finally, funding is included for the cost of the biennial promotional process which utilizes an independent third party.
- Facility Management Fees, which are used to oversee the Public Safety Building, are rising by \$7,900 and contributed to an overall increase of \$5,907 in total Other Fees.
- Memberships & Registrations will rise by \$35,165. Two new costs are primarily driving this increase: \$16,275 for Nixle, the automated public safety information distribution system, and \$18,500 for a document management system used in the Department's accreditation process.
- Miscellaneous Services are slated to fall by a total of \$22,650 because of reductions in funding for the cleaning of uniforms, and the maintenance of Downtown Visions cameras and Departmental communications equipment.
- Wearing Apparel & Safety Supplies will decrease by \$106,650 due to the smaller recruit class in FY 2016.
- Ammunition Costs, included within Miscellaneous Parts, are expected to decrease by \$11,430, and contribute to an overall \$13,128 decrease for the category.
- Total Internal Service allocations will increase by more than \$607,000. There was a \$538,000 increase in Motor Vehicle due to the reallocation of costs between the Police and Fire Departments to more accurately comport with past actual chargebacks, along with minimal increases in other areas.
- Debt Service costs will increase by \$13,169. New payments related to the upcoming bond issuance were partially offset by a reduction in existing debt payments.

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Effective City Government

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

- Objective 1:** Establish a new deployment model in 2015.
- Objective 2:** Establish at least five new partnerships with community groups to build strong neighborhoods in 2015.
- Objective 3:** Establish new partnerships with City Departments in 2015.

Focus Area: Public Safety

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

- Objective 1:** Increase the clearance rate on homicides by 10% in 2015.
- Objective 2:** Implement programs to reduce shooting incidents in the City by 15% in 2015.
- Objective 3:** Implement Gun STAT in 2015.

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

- Objective 1:** Implement a strong neighborhood initiative by the end of 2015.
- Objective 2:** Increase the number of park and walks by 50%.

CITY-WIDE GOAL #7: Promote Professionalism.

- Objective 1:** Reduce the number of citizen complaints against the Department by 5% in 2015.
- Objective 2:** Reduce the number of claims filed for excessive force by 10% in 2015.

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Reduce the number of nuisance complaints in the downtown area by 25% in 2015.

Objective 2: Reduce the number of burglaries in the downtown area by 25% in 2015.

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Implement programs to decrease physical and social disorder in 2015.

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

Objective 1: Increase the number of officers involved in “Book Em” by 50% in 2015.

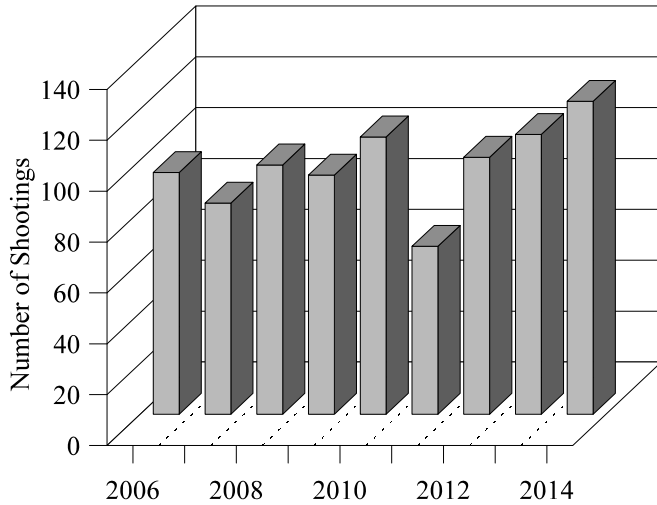
Objective 2: Add self-sufficiency education component to Camp Barnes curriculum by July 2015.

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Implement an online system for submitting leave requests by the end of 2015.

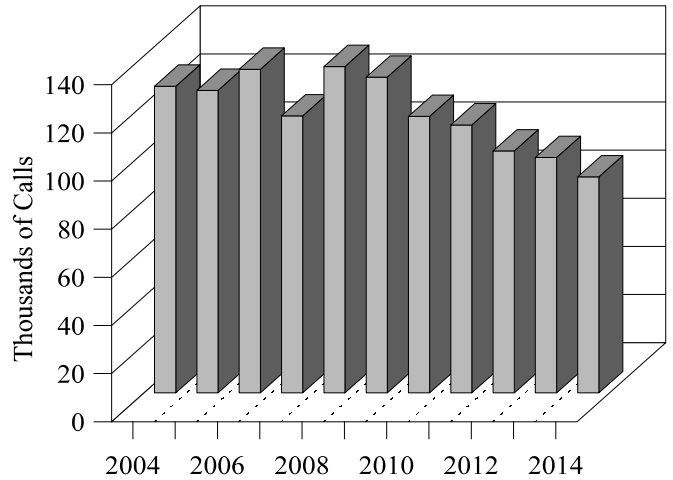
Department of Police Performance Trends

Shootings in Wilmington



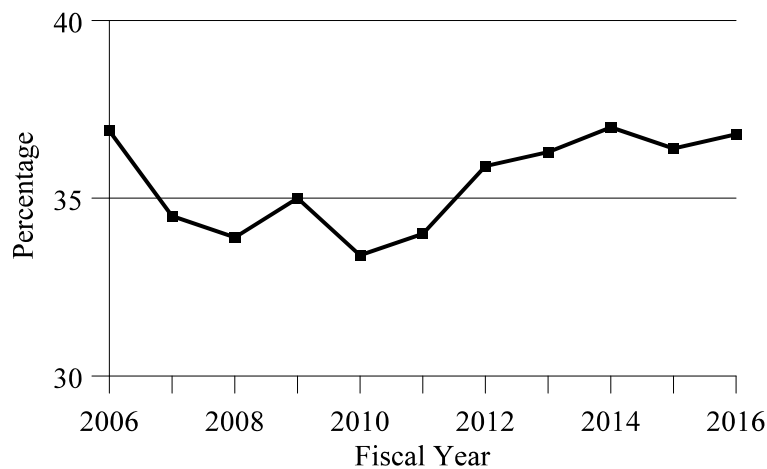
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

911 Calls Resulting in Dispatch



The total number of calls for police services has declined. With changes in policies, and better screening techniques, the Department has reduced the number of Calls for Service Resulting in Dispatch, allowing for more efficient use of available resources.

Police Budget as a % of Total General Fund Operating Budget



The Department's General Fund budget has increased for FY 2016, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	24,265,466	23,845,320	23,979,412	23,685,671
Temporary Salaries	432,279	434,638	470,000	470,000
Acting Out of Class	5,082	5,778	2,500	2,500
Shift Differential	734,675	739,572	731,500	731,500
Shooting Days	20,703	13,376	30,000	20,000
Sick Leave Bonus	3,000	2,300	3,000	3,000
Overtime	2,079,902	2,910,054	1,876,813	1,946,467
Holiday Pay	(327)	59	0	0
Comp Time Payouts	543,554	741,108	450,000	450,000
Civilian Holiday-Overtime	144,790	123,357	112,500	112,500
Court overtime	50,400	50,409	55,509	55,509
Special Events Overtime	409,342	441,620	446,368	446,368
Meal Allowance	14,516	15,655	12,800	14,200
Clothing Allowance	83,249	52,206	85,250	85,750
Pension Contribution	6,625,611	7,177,586	6,635,394	6,918,413
Social Security	222,532	217,819	208,405	217,776
Medicare Tax	403,616	406,975	385,254	388,588
Hospitalization	6,225,771	5,870,101	5,824,422	6,137,783
Life Insurance	80,912	82,727	88,652	88,969
County/Municipal Pension Contribution	2,118,185	2,435,028	2,276,887	2,353,998
Pension Healthcare	651,630	784,008	849,030	935,000
State Pension Plan-Civilian	17,965	22,704	18,877	29,202
Personal Services Adjustment	0	0	(609,270)	(709,270)
TOTAL PERSONAL SERVICES	45,132,853	46,372,400	43,933,303	44,383,924

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Printing & Advertising	4,920	8,008	33,120	27,700
Communications & Utilities	154,221	161,711	166,200	167,000
Transportation	4,346	17,383	5,000	5,000
Rentals	48,879	45,315	69,679	69,150
Contracted Maintenance Repairs	54,124	51,454	79,719	70,025
Professional Fees	204,184	319,273	418,307	723,000
Other Fees	282,524	314,942	297,814	303,721
Memberships & Registrations	5,843	5,741	10,000	45,165
Miscellaneous Services	142,406	203,143	283,415	260,765
Office & General Supplies	90,365	100,953	96,000	96,000
Wearing Apparel & Safety Supplies	166,244	135,888	405,500	298,850
Miscellaneous Parts	118,361	151,663	191,012	177,884
Equipment	63,888	16,869	0	8,020
Fixed Assets	4,974	0	0	0
TOTAL M., S. & E.	1,345,279	1,532,343	2,055,766	2,252,280

INTERNAL SERVICES

Administrative Services	3,648,146	4,028,166	3,529,069	4,110,279
Self-Insurance	1,444,730	2,417,719	2,033,057	2,059,289
TOTAL INTERNAL SERVICES	5,092,876	6,445,885	5,562,126	6,169,568

DEBT SERVICE

Principal Payments	153,961	243,681	260,810	273,999
Interest Payments	138,790	131,640	132,547	132,527
TOTAL DEBT SERVICE	292,751	375,321	393,357	406,526

DEPARTMENT: POLICE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
State Pension Contributions	2,276,401	1,931,869	2,276,401	2,276,401
TOTAL PERSONAL SERVICES	2,276,401	1,931,869	2,276,401	2,276,401
TOTAL GENERAL FUND	54,140,160	56,657,818	54,220,953	55,488,699

DEPARTMENT: POLICE

FUND: SALLE

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
PERSONAL SERVICES				
Regular Salaries	51,732	243,404	371,288	375,686
Temporary Salaries	0	14,641	0	0
Shift Differential	4,374	8,217	0	0
Overtime	739,850	505,823	0	0
Court Overtime	0	1,008	0	0
Social Security	3,584	2,560	0	0
Medicare Tax	1,190	340	5,335	5,402
Hospitalization	0	39,702	72,804	66,371
Life Insurance	0	785	1,920	1,920
County/Municipal Pension Contribution	0	23,745	52,651	52,032
Pension Healthcare	0	7,076	18,200	20,000
TOTAL PERSONAL SERVICES	800,730	847,301	522,198	521,411
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	18,673	2,923	0	0
Transportation	90,643	53,291	0	0
Rentals	24,387	15,079	0	0
Professional Fees	49,835	116,363	0	0
Memberships & Registrations	51,056	34,745	0	0
Miscellaneous Services	25,828	26,793	0	0
Office & General Supplies	0	1,200	0	0
Wearing Apparel & Safety Supplies	196,103	166,589	0	0
Miscellaneous Parts	5,852	17,321	0	0
Equipment	58,624	184,920	0	0
Fixed Assets	367,247	886,273	0	0
Community Activities	0	161	0	0
TOTAL M., S. & E.	888,248	1,505,658	0	0
SALLE FUND TOTAL	1,688,978	2,352,959	522,198	521,411

DEPARTMENT: POLICE**FUND: COPS GRANT**

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	485,470	76,140	36,997	0
Shift Differential	24,898	4,191	0	0
Overtime	(286)	847	0	0
Medicare Tax	7,353	1,162	533	0
Hospitalization	142,165	23,100	6,726	0
Life Insurance	2,076	435	192	0
County/Municipal Pension	71,847	11,750	5,246	0
Pension Healthcare	16,953	3,408	1,820	0
TOTAL PERSONAL SERVICES	750,476	121,033	51,514	0
COPS GRANT TOTAL	750,476	121,033	51,514	0

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.

To fulfill the mission, contact is maintained with numerous State, Federal, and regional agencies including DelDOT, DNREC, Delaware Solid Waste Authority, New Castle County Water Resources Agency, New Castle Conservation District, Department of Public Health, Delaware River Basin Commission, and the U.S. Environmental Protection Agency.

PRIORITIES FOR FISCAL YEAR 2016

- Startup of Wilmington Co-Generation and Sludge Processing Facilities and begin operations.
- Assess impact of Real time Control System to mitigate CSO's.
- Update CSO Long Term Control Plan.
- Continued implementation of GIS and Cityworks programs with focus on CMMS.
- Increase contractor compliance with the Roadway Cut Management legislation.
- Implementation of Cityworks permitting package with integration of L&I, FMO and Planning Departments.
- Continue hydrant testing and rehabilitation program.
- Continue valve exercising and valve repair program.
- Continue SRF funded small main replacement projects throughout the water district.
- Continue SRF funded Transmission Main Improvements throughout the water district.
- Begin the rehabilitation of the Brandywine Headgates and Raceway.
- Wilmington Transit Moving Forward (WTMF) Program Development Phase 2.
- Further optimize signal-timing using counts from downtown circulation study.
- Provide ongoing coordination for our photo-enforcement programs. Select new Red Light Camera vendor.
- Use GIS data for cost-effective LED signal retrofits and DPL street light conversions. Coordinate constituent use of iFactor for seamless reporting of outages.
- Coordinate signal tie-ins with ACS, to install up to ten (10) new Red Light Cameras
- Begin construction of WWTP Fine Screen Buildings Concrete Improvements.
- Complete construction of Sewer Separation Project in the vicinity of Kentmere and Union Street.
- Continue program of repairing and painting elevated water storage tanks.
- Complete engineering work on the design of separate flow meters on the three force mains entering the wastewater treatment plant.
- Continue program of testing and replacing large water meters.
- Begin phased program to replace small water meters.
- Implementation of city-wide residential containerized municipal solid waste (MSW) containers.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services	16,169,065	15,817,921	16,667,501	17,120,053
Materials, Supplies & Equipment	49,787,055	49,922,048	53,926,037	55,457,353
Internal Services	5,305,400	6,618,457	6,196,720	6,352,654
Debt Service	12,486,597	9,562,861	10,493,567	12,325,594
Capitalization	(5,648,741)	(1,678,716)	(3,200,000)	(3,200,000)
Depreciation	10,730,928	11,034,351	10,730,930	11,034,351
TOTAL	88,830,304	91,276,922	94,814,755	99,090,005
STAFFING LEVELS	226.00	224.00	223.00	223.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services	8,514,550	8,550,018	8,714,735	8,969,363
Materials, Supplies & Equipment	6,303,857	6,331,982	7,112,150	7,496,673
Internal Services	2,765,241	3,219,245	3,265,356	3,350,074
Debt Service	6,297,594	3,498,747	3,686,090	4,146,820
TOTAL	23,881,242	21,599,992	22,778,331	23,962,930
STAFFING LEVELS	122.65	122.40	120.65	120.65

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services	7,654,515	7,267,903	7,952,766	8,150,690
Materials, Supplies & Equipment	32,886,532	36,872,425	38,220,830	39,657,156
Internal Services	2,291,796	2,950,302	2,702,183	2,767,469
Debt Service	5,965,399	5,832,865	6,531,955	7,956,708
Depreciation	7,685,779	7,885,446	7,685,779	7,885,446
TOTAL	56,484,021	60,808,941	63,093,513	66,417,469
STAFFING LEVELS	103.35	101.60	102.35	102.35

*Differs from Summary of All Funds combined – Expenditures table on page 37 due to inclusion of Internal Services funds.

MOTOR VEHICLE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2013	FY 2014	FY 2015	FY 2016
Materials, Supplies & Equipment	9,612,813	5,649,238	7,514,200	7,224,667
Internal Services	248,363	448,910	229,181	235,111
Debt Service	223,604	231,249	275,522	222,066
Capitalization	(5,648,741)	(1,678,716)	(3,200,000)	(3,200,000)
Depreciation	3,045,149	3,148,905	3,045,151	3,148,905
TOTAL	7,481,188	7,799,586	7,864,054	7,630,749
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2013	FY 2014	FY 2015	FY 2016
Materials, Supplies & Equipment	983,853	1,068,403	1,078,857	1,078,857
TOTAL	983,853	1,068,403	1,078,857	1,078,857
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- In total, Personal Services increased by \$254,628. Regular Salaries rose by \$129,866 as a result of the Biennial Classification Appeals Process that affected 45.35 FTE positions, along with normally occurring salary step increases. Pensions and Pension Healthcare increased by \$72,511 and \$27,158 respectively.
- In FY 2016, the City will begin a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments. The General Fund will pay 25% of these costs in FY 2016, 50% in FY 2017, 75% in FY 2018, and 100% in FY 2019 and beyond. Starting with a base fee of \$1.1 million, the 25% charge for FY 2016 is \$263,615, and is budgeted in Utilities.
- Parking Fees decreased by \$20,000 due to rental revenue received by the City from Colonial Parking that was netted against costs.
- Repairs to Roads increased by \$20,000 because of an increase in weather-related damages.
- Consultant Fees decreased by \$50,000, because the one-time implementation support for residential containerized municipal solid waste and commercial recycling used in FY 2015 is not needed in FY 2016.
- Temporary Agencies increased \$13,000 for additional laborers to support street maintenance, pothole repairs, and sidewalk installation.
- Due to the closing of the Peninsula Compost Facility, yard waste and leaves will now be sent to Cherry Island Landfill. This will increase the annual tonnage of waste, resulting in an increased tipping fee cost of \$131,400.
- Wearing Apparel and Safety increased by \$25,500 to purchase safety new supplies, shoes, maintenance, and repair of uniforms for personnel in the following divisions: Street Maintenance, Street Cleaning, and Rubbish Collection.
- Debt Service increased \$460,730 due to increases in existing debt service and new debt service payments related to the upcoming bond issuance.

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

- In total, Personal Services increased by \$197,924. Regular Salaries rose by \$66,023, as a result of the Biennial Classification Appeals that affected 13.65 FTE positions, along with normally occurring salary step increases. Pension, Pension Healthcare and Overtime increased by \$35,358, \$23,017 and \$58,500 respectively.
- While the use of block pricing and the pumping of water during off-peak hours lowered the City's overall electricity costs, recent spikes in the energy spot market continue to erode some of those savings. As a result, electricity cost was increased \$131,600.
- Fuel Oil decreased by \$50,000, reflecting expected savings in energy costs.
- In FY 2016, the City will begin a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the Water Sewer Fund. Starting with a base fee of \$233,592, the initial 25% charge for FY 2016 is \$58,398.

MAJOR FUNDING CHANGES FROM PRIOR YEAR (Continued)
WATER/SEWER FUND

- A need to replace small meters, and maintenance for pumps and valves resulted in an increase of \$22,500 to Repairs to Equipment.
- Repairs to Building and Structures increased by \$40,000, due to higher costs for maintaining Cool Spring Park, parking lots, sidewalks, and driveways.
- Repairs to Water Lines increased by \$437,000 to fund a comprehensive valve replacement and repair program.
- A \$100,000 pilot program for the inspection of non-interceptor branch sewer lines and laterals was added to the budget in the Condition Assessment Account. The cost of the pilot is split 40% in the Sewer Maintenance Division and 60% in the Stormwater Division.
- After bids came in well above the FY 2015 budget, the concrete repairs to the Wastewater Treatment Plant's fine screen buildings were delayed. The projected total cost of the project has risen by \$320,000, to a new total of \$1.2 million. However, the full impact to the FY 2016 budget will be blunted somewhat because \$130,000 of the associated engineering services will be done and paid for in FY 2015. It is also important to note that as part of an arbitration settlement, New Castle County will reimburse the City 87.25% of the final cost of the project.
- As the Department continues to rely more heavily on its own internal resources, Consultants cost decreased \$26,000.
- There was a \$448,143 increase in the Contracted Maintenance Services account that is split among the Water System, Wastewater Treatment, and Stormwater Divisions. In the Water System Division, additional funding of \$150,000 is required for the comprehensive water tank inspection, maintenance, and repainting program. There was also a \$137,000 increase for fire hydrant testing, maintenance, and repair. Split between the Wastewater Treatment and Stormwater Divisions, there was an increase of \$143,600 in the Veolia contract to operate and maintain the City's Sewer Treatment Plant.
- Grass cutting, maintenance, garden supplies, and tree removal at Water System Division sites increased the Agricultural and Landscaping account by \$35,000.
- Misc. Supplies and Parts increased by \$30,000 to cover the cost of the annual contract for the replacement of fire hydrants, valve box covers, curb-stops, bushings, copper tubing and pipes.
- Debt Service increased by \$1,424,753, reflecting the interest cost of new bonds and State Revolving Loan funds that will finance critical water, sewer, and stormwater infrastructure projects in the FY 2014-2015 Capital budget.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$199,667 increase in depreciation expense.

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

- Motor Fuels and Lubricants decreased by \$292,000, reflecting expected savings for energy costs.
- Contracted Maintenance Services increased by \$16,367, due to increases in motor vehicle fleet maintenance.
- Depreciation, based on a revised and more accurate asset inventory list, increased \$103,754.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

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

Objective 1: Revise the DPW website with a customer focus by July 2015.

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Increase DPW employees' use of Cityworks by 50% by the end of 2015.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Review and propose revised fee schedules for services by July 2015.

Focus Area: Public Safety

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

Objective 1: Install and maintain 25 additional street lights that are strategically located to deter crime in 2015.

Objective 2: Develop a plan to address targeted illegal dumping by July 2015.

Objective 3: Ensure that 90% of all streetlights are continuously operational by August 2015.

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Attend 12 neighborhood meetings per year.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Review and revise DPW's plan review process in 2015.

Objective 2: Cross-train plan reviews by July 2015.

CITY-WIDE GOAL #10: Build a Skilled Workforce.

Objective 1: Provide enrichment training by July 2015 to 10 additional employees.

Objective 2: Create two new cross-training programs in 2015.

CITY-WIDE GOAL #11: Cultivate Entrepreneurship.

Objective 1: Establish a pilot program with one local entrepreneur by January 2016.

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Develop strategies and information for other agencies to attract water-using industries to Wilmington in 2015.

Focus Area: Quality of Life

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

Objective 1: Incorporate recreation into the design of one new capital project by the end of 2015.

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Initiate a residential cart program by July 2015.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Objective 2: Create strategies for implementing new parking meter technology in 2015.

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

Objective 1: Develop a DPW internship and/or co-op program by July 2015.

Objective 2: Create partnerships with two universities in 2015.

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Support 10 neighborhood clean-up projects in 2015.

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Be recognized in 2015 by two national trade organizations for sustainability projects.

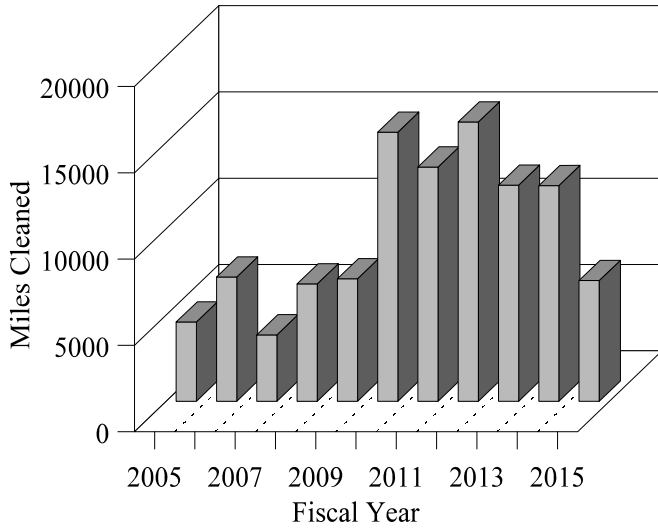
Objective 2: Investigate and make recommendations on the increased use of solar power by July 2015.

Objective 3: Assess the use of solar panels to increase revenues by September 2015.

Objective 4: Evaluate available technology to make beneficial use of natural refuse for Public Works projects by October 2015.

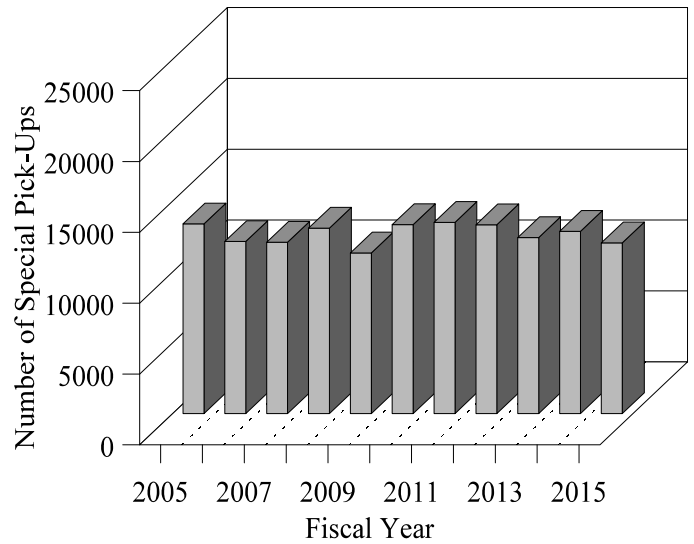
Department of Public Works Performance Trends

Miles of Streets Cleaned



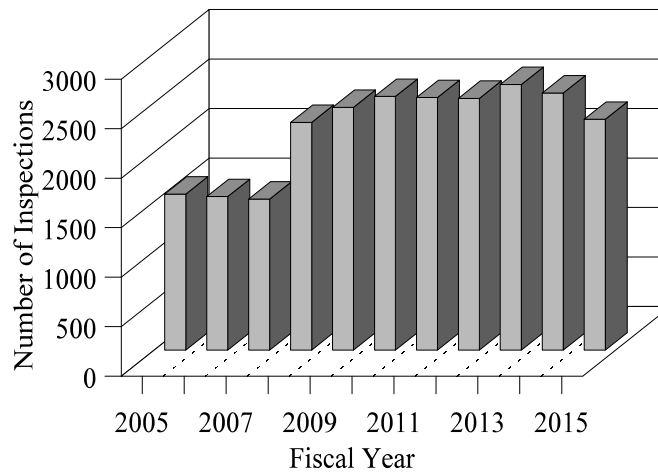
Aggressive management is required to maintain City streets in a litter free condition. FY 2015 dropped off due to retirements of Equipment Operators, and these positions were vacant for some time.

Special Pick-Ups



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

Preventative Maintenance Inspections



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 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Regular Salaries	4,683,772	4,444,806	4,694,215	4,824,081
Temporary Salaries	9,660	6,555	8,000	8,000
Acting Out of Class	5,395	4,704	3,950	3,850
Sick Leave Bonus	9,800	8,200	10,500	9,800
Overtime	245,801	420,959	321,800	341,800
Holiday Pay	127,657	149,428	125,000	125,000
Meal Allowance	4,140	6,977	7,600	6,900
Pension Contribution	1,019,377	1,061,913	1,057,226	1,126,487
Social Security	312,615	309,516	318,963	327,440
Medicare Tax	73,114	72,357	74,551	76,578
Hospitalization	1,796,667	1,762,548	1,914,273	1,909,821
Life Insurance	22,143	22,284	25,476	26,017
Pension Healthcare	178,863	237,894	274,467	301,625
State Pension Plan - Civilian	25,546	41,877	65,770	69,020
Personal Services Adjustment	0	0	(187,056)	(187,056)
TOTAL PERSONAL SERVICES	8,514,550	8,550,018	8,714,735	8,969,363
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	8,989	7,725	13,950	12,450
Communications & Utilities	866,773	729,464	740,300	1,003,915
Transportation	1,946	0	1,000	1,000
Rentals	112,966	270,583	223,000	203,000
Contracted Maintenance Repairs	1,160,896	1,015,584	1,337,900	1,375,728
Professional Fees	677,869	633,860	817,300	780,300
Other Fees	2,834,468	2,735,502	3,036,600	3,168,000
Memberships & Registrations	12,470	11,762	29,150	29,150
Miscellaneous Services	296,174	282,830	324,800	312,600
Office & General Supplies	8,302	8,511	14,100	12,600
Wearing Apparel & Safety Supplies	23,328	27,127	33,600	59,100
Miscellaneous Parts	137,795	149,696	143,400	146,280
Construction & Repairs	147,025	448,549	339,000	339,000
Equipment	13,906	3,200	25,000	20,500
Fixed Assets	950	7,589	33,050	33,050
MSE - Budget Control Account	0	0	0	0
TOTAL M., S. & E.	6,303,857	6,331,982	7,112,150	7,496,673

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Administrative Services	2,443,137	2,458,911	2,745,489	2,821,140
Self-Insurance	322,104	760,334	519,867	528,934
TOTAL INTERNAL SERVICES	2,765,241	3,219,245	3,265,356	3,350,074
DEBT SERVICE				
Principal Payments	4,469,020	1,589,865	1,668,961	2,020,452
Interest Payments	1,828,574	1,908,882	2,017,129	2,126,368
TOTAL DEBT SERVICE	6,297,594	3,498,747	3,686,090	4,146,820
GENERAL FUND TOTAL	23,881,242	21,599,992	22,778,331	23,962,930

DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Regular Salaries	4,272,455	3,821,340	4,430,203	4,496,226
Temporary Salaries	0	0	0	0
Acting Out of Class	4,551	4,393	5,500	4,500
Shift Differential	4,096	3,916	5,000	4,500
Sick Leave Bonus	8,400	6,900	9,200	8,700
Overtime	374,080	469,236	448,000	506,500
Holiday Pay	5,266	5,617	6,000	6,000
Meal Allowance	11,632	13,052	12,900	13,900
Accrued Vacation Pay	(45,319)	6,619	0	0
Pension Contribution	846,637	824,032	872,475	907,833
Social Security	287,315	265,722	301,563	309,774
Medicare Tax	67,191	62,176	70,525	72,451
Hospitalization	1,290,349	1,145,701	1,454,903	1,456,556
Life Insurance	18,337	17,381	22,400	22,464
Pension Healthcare	134,821	147,511	232,858	255,875
State Pension Plan - Civilian	32,923	45,520	83,215	87,387
Pension Healthcare - Implicit	341,781	428,787	0	0
Personal Services Adjustment	0	0	(1,976)	(1,976)
TOTAL PERSONAL SERVICES	7,654,515	7,267,903	7,952,766	8,150,690
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	65,529	43,615	71,700	64,700
Communications & Utilities	1,029,586	1,290,987	1,207,400	1,347,398
Transportation	9,208	6,798	19,200	16,550
Rentals	10,016	15,540	3,260	1,760
Contracted Maintenance Repairs	5,731,184	7,971,086	7,221,800	8,016,660
Professional Fees	2,632,194	3,274,642	3,670,000	3,656,000
Other Fees	342,140	346,722	438,100	421,000
Memberships & Registrations	46,121	43,007	58,570	58,920
Miscellaneous Services	18,328,849	18,252,674	19,084,298	19,527,441
Office & General Supplies	9,878	9,729	13,700	13,700
Wearing Apparel & Safety Supplies	31,930	26,103	37,200	37,200
Miscellaneous Parts	472,201	426,298	543,060	615,400
Petroleum & Chemicals	667,783	669,323	877,321	897,500
Construction & Repairs	425,773	408,741	428,500	428,500
Supporting Services	2,507,976	3,583,040	3,900,021	3,891,727
Equipment	432,561	391,703	466,700	477,700
Testing and Inspection	9,114	8,440	15,000	15,000
Community Activities	134,489	103,977	165,000	170,000
TOTAL M., S. & E.	32,886,532	36,872,425	38,220,830	39,657,156

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

INTERNAL SERVICES	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Administrative Services	1,741,985	1,792,299	1,872,383	1,923,874
Self-Insurance	549,811	1,158,003	829,800	843,595
TOTAL INTERNAL SERVICES	2,291,796	2,950,302	2,702,183	2,767,469
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	136,204	0	132,024	132,024
Interest Payments	5,829,195	5,832,865	6,399,931	7,824,684
TOTAL DEBT SERVICE	5,965,399	5,832,865	6,531,955	7,956,708
<u>OTHER</u>				
Depreciation	7,685,779	7,885,446	7,685,779	7,885,446
TOTAL OTHER	7,685,779	7,885,446	7,685,779	7,885,446
WATER/SEWER FUND TOTAL	56,484,021	60,808,941	63,093,513	66,417,469

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Communications & Utilities	42,854	31,789	60,000	45,000
Transportation	35,529	4,608	14,100	14,700
Rentals	54,643	6,328	55,600	55,600
Contracted Maintenance Repairs	486,360	535,586	546,000	546,000
Professional Fees	99,925	59,897	60,000	60,000
Memberships & Registrations	1,214	2,174	2,500	3,000
Miscellaneous Services	1,811,159	1,827,696	1,878,000	1,894,367
Miscellaneous Parts	1,121	3,068	6,000	6,000
Petroleum & Chemicals	1,385,975	1,402,633	1,692,000	1,400,000
Fixed Assets	5,694,033	1,775,459	3,200,000	3,200,000
TOTAL M., S. & E.	9,612,813	5,649,238	7,514,200	7,224,667
 <u>INTERNAL SERVICES</u>				
Administrative Services	170,589	188,106	80,377	82,587
Self-Insurance	77,774	260,804	148,804	152,524
TOTAL INTERNAL SERVICES	248,363	448,910	229,181	235,111
 <u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	5,434	0	1,220	1,220
Interest Payments	218,170	231,249	274,302	220,846
TOTAL DEBT SERVICE	223,604	231,249	275,522	222,066
 <u>OTHER</u>				
Capitalized Expenditures	(5,648,741)	(1,678,716)	(3,200,000)	(3,200,000)
Depreciation	3,045,149	3,148,905	3,045,151	3,148,905
TOTAL OTHER	(2,603,592)	1,470,189	(154,849)	(51,095)
 MOTOR VEHICLE FUND TOTAL	 7,481,188	 7,799,586	 7,864,054	 7,630,749

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	APPROVED FY 2016
Communications & Utilities	874,371	1,068,403	1,078,857	1,078,857
Contracted Maintenance	109,482		0	0
TOTAL M., S. & E.	983,853	1,068,403	1,078,857	1,078,857
 MUNICIPAL STREET AID TOTAL	 983,853	 1,068,403	 1,078,857	 1,078,857

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 prudently 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 will partner with other City departments, government agencies, the private sector and other organizations that share its goals.

PRIORITIES FOR FISCAL YEAR 2016
<ul style="list-style-type: none">• Fulfill obligatory allocation, expenditure, monitoring and reporting requirements for all Federal funding received.• Eliminate all A-133 Audit findings• Aggressively seek additional funding sources and collaborative partnerships to leverage diminishing Federal and local dollars.• Implement Fair Housing training requirement for all federal sub recipients.• Increase the supply of affordable housing that is decent, safe and sanitary.• Complete De-Lead Wilmington lead hazard control and healthy homes activities in 220 units located in target zip codes (19801, 19802, 19805, and 19806) with continued HUD, local funds and CDBG support.• Improve advertising and outreach efforts for increased homeowner repair program participation.• Engage in activities geared toward stabilization and revitalization of neighborhoods.• Support projects that reduce density in areas of high minority concentration.• Increase homeownership opportunities through City-sponsored initiatives and collaborative efforts with the WHP, WHA and other non-profit and for-profit developers.• To actively participate in the development of City of Wilmington Land Bank to address neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.• To fund programs and projects that provide needed public services to low and moderate income families and neighborhoods such as neighborhood tree planting, senior housing repair, housing counseling, homelessness prevention, youth programs and programs that assist persons living with HIV/AIDS.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	1,238,235	1,129,455	1,249,418	1,114,238
Materials, Supplies & Equipment	188,723	162,994	264,436	243,744
Internal Services	197,762	206,447	249,361	256,198
Debt Service	809,380	1,182,352	1,224,341	1,273,798
Special Purpose	1,929,035	2,420,324	2,469,356	2,188,826
TOTAL	4,363,135	5,101,572	5,456,912	5,076,804
STAFFING LEVELS	15.00	15.00	12.00	12.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	190,888	219,816	170,183	146,504
Materials, Supplies & Equipment	159,247	108,368	135,700	117,900
Internal Services	197,762	206,447	249,361	256,198
Debt Service	809,380	1,182,352	1,224,341	1,273,798
TOTAL	1,357,277	1,716,983	1,779,585	1,794,400
STAFFING LEVELS	1.55	2.48	1.80	1.52

COMMUNITY DEVELOPMENT	ACTUAL	ACTUAL	BUDGET	APPROVED
BLOCK GRANT FUND (CDBG)	FY2013	FY2014	FY2015	FY2016
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	888,977	696,096	783,157	838,365
Materials, Supplies & Equipment	29,476	54,626	128,736	125,844
Special Purpose	1,022,541	980,262	1,366,489	1,062,156
TOTAL	1,940,994	1,730,984	2,278,382	2,026,365
STAFFING LEVELS	11.48	11.25	8.78	9.17

HOME PARTNERSHIP FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	42,862	40,674	40,995	36,915
Special Purpose	132,720	604,012	369,958	337,801
TOTAL	175,582	644,686	410,953	374,716
STAFFING LEVELS	0.49	0.38	0.46	0.41

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	19,465	18,030	16,519	18,227
Special Purpose	609,660	635,525	588,031	611,267
TOTAL	629,125	653,555	604,550	629,494
STAFFING LEVELS	0.20	0.17	0.16	0.17

EMERGENCY SHELTER GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	22,358	11,673	10,326	13,938
Special Purpose	164,114	200,525	144,878	177,602
TOTAL	186,472	212,198	155,204	191,540
STAFFING LEVELS	0.26	0.14	0.10	0.13

NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	1,070	70,551	72,134	60,289
TOTAL	1,070	70,551	72,134	60,289
STAFFING LEVELS	0.94	0.50	0.70	0.60

DE-LEAD GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2013	FY2014	FY2015	FY2016
Personal Services	72,615	72,615	156,104	0
TOTAL	72,615	72,615	156,104	0
STAFFING LEVELS	0.08	0.08	0.00	0.00

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

- Personal Services for the Real Estate & Housing Department decreased \$23,679 (13.9%) in the General Fund. Four positions that were split-funded between the General Fund and Special Funds were reallocated between Funds, producing a net decrease of 0.28 FTE.
- MS&E decreased \$17,800 (13.1%), due solely to a reduction in Disposition Costs. The Department continues to explore opportunities to lower maintenance and repair expenses for properties not supported by federal grant funding.
- Internal Services grew by \$6,837, primarily related to Data Processing cost increases.
- Debt Service increased \$49,457 in FY 2016. New payments related to the upcoming bond issuance were partially offset by a reduction in existing debt payments.

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Department's CDBG budget decreased \$252,017, or 1.1% below last year's allocation. Changes to the Personal Service allocations resulted in an increase of \$55,208, or a net increase of 0.39 FTE. However, MS&E and Special Purpose decreased by \$2,892 and \$304,333 respectively, due to the reduction in award funds and program income. Prior year unused funds were also reallocated to meet De-Lead match requirements.

**HOME PARTNERSHIP, HOPWA & ESG FUNDS
MAJOR FUNDING CHANGES FROM PRIOR YEAR**

- Collectively, the HOME, HOPWA, and ESG grant funds decreased a net \$71,508, to a new total of \$1,195,750. HOME funds will be lower (\$51,740) due to a reduction in funds awarded, whereas HOPWA saw a slight increase (\$24,944) in funds awarded. ESG funds fell (\$44,712) in FY 2016, again, due to a lower award.

**NSP & DE-LEAD GRANT FUNDS
MAJOR FUNDING CHANGES FROM PRIOR YEAR**

- Changes to employee position funding splits resulted in a decrease of \$11,845 in Personal Services from FY 2015 in NSP.
- De-Lead Personal Service costs were decreased to zero, due to the grant schedule coming to an end in September 2015.

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Effective City Government

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

Objective 1: Cross-train all staff by October 2015.

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Eliminate all City impediments to fair housing identified in the 2011 Analysis of Impediments by December 2016.

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase the availability of private and public funding for development by \$500,000.

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: List all Real Estate and Housing transactions on the City's website by November 2015.

Focus Area: Public Safety

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

Objective 1: Increase the number of Real Estate and Housing vacant properties stabilized by 20% in 2015.

Objective 2: Reduce City-owned vacant properties by 10% by the end of 2015.

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Establish outcome measures for all agencies receiving homeless prevention program funding by July 2015.

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #10: Build a Skilled Workforce.

Objective 1: Establish an apprenticeship program by the end of 2015.

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

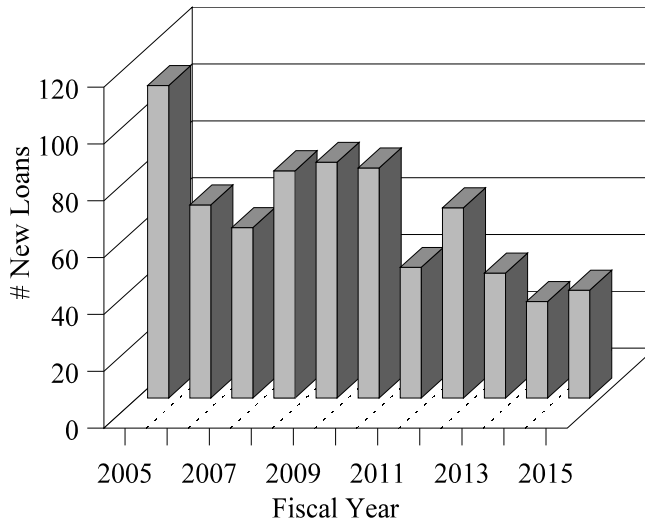
Objective 1: Pilot the Homestead Program with three properties in 2015.

Objective 2: Increase the availability of affordable home ownership by 2% in 2015.

Objective 3: Improve the existing housing stock by 10% through rehabilitation of owner-occupied units by the end of 2015.

Department of Real Estate and Housing Performance Trends

Housing Rehabilitation Loans



Does not include new construction, homeownership or rental housing loans and grants to developers.

Public Service/Public Facility Grants

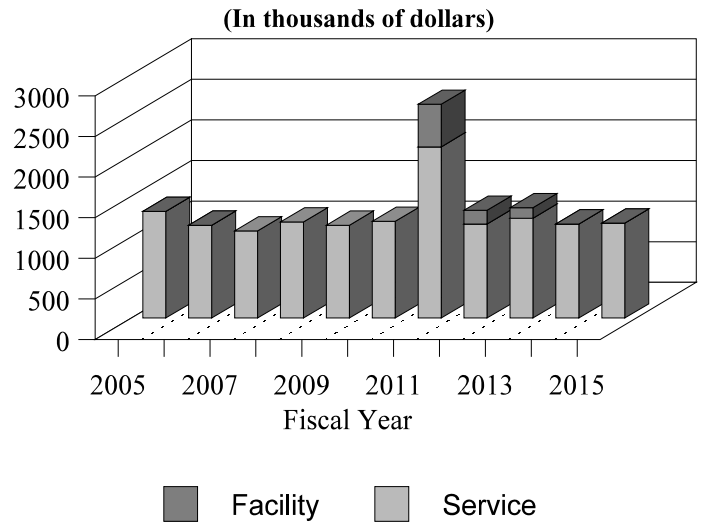
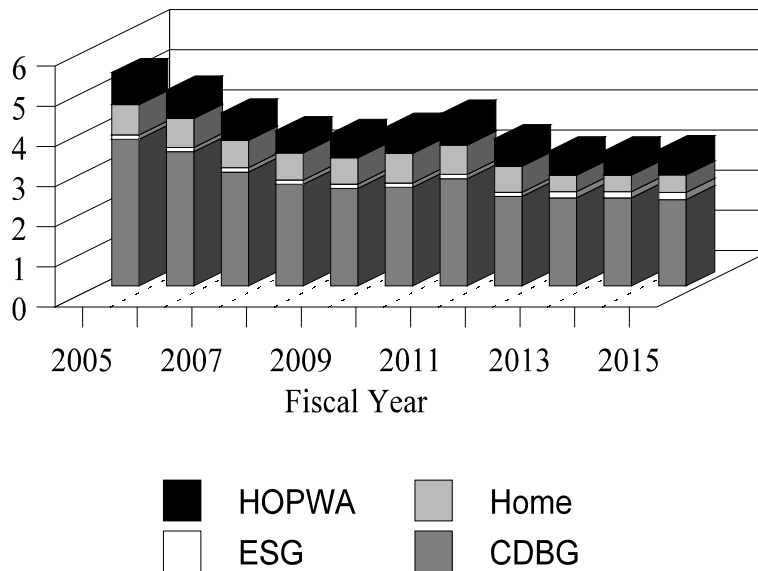


Chart represents federally-funded public services and administration grants.

Federal Funding Levels

(In millions of dollars)



While there was a significant increase in ESG funding, overall Federal allocation decreased approximately 1% from FY 2014 levels (CDBG and HOME).

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2013	FY2014	FY2015	FY2016
Regular Salaries	107,089	130,600	118,169	102,106
Temporary Salaries	498	25		
Sick Leave Bonus	0	0	0	0
Overtime	1,319	486	0	0
Acting Out of Classification	608	1,459	0	0
Pension Contribution	50,673	52,441	29,293	26,495
Social Security	8,273	7,914	7,239	6,262
Medicare Tax	2,059	3,402	1,691	1,464
Hospitalization	16,016	18,194	17,662	14,415
Life Insurance	734	682	432	366
Pension Healthcare	3,210	3,884	4,093	3,800
State Pension Plan - Civilian	409	729	211	203
Personal Services Adjustment	0	0	(8,607)	(8,607)
TOTAL PERSONAL SERVICES	190,888	219,816	170,183	146,504
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,910	1,643	2,000	2,000
Printing & Advertising	2,694	1,788	2,700	2,700
Miscellaneous Services	4,555	4,937	6,000	6,000
Equipment	380	0	0	0
Community Activities	149,708	100,000	125,000	107,200
TOTAL M., S. & E	159,247	108,368	135,700	117,900
 <u>INTERNAL SERVICES</u>				
Administrative Services	196,484	203,627	247,390	254,193
Self-Insurance	1,278	2,820	1,971	2,005
TOTAL INTERNAL SERVICES	197,762	206,447	249,361	256,198
 <u>DEBT SERVICE</u>				
Principal Payments	375,787	745,441	795,537	859,596
Interest Payments	433,593	436,911	428,804	414,202
TOTAL DEBT SERVICE	809,380	1,182,352	1,224,341	1,273,798
 GENERAL FUND TOTAL	 1,357,277	 1,716,983	 1,779,585	 1,794,400

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2013	FY2014	FY2015	FY2016
Regular Salaries	600,282	439,259	498,799	523,034
Temporary Salaries	(248)	0	0	0
Pension Contribution	99,551	93,822	115,770	130,744
Social Security	37,225	26,714	30,431	31,998
Medicare Tax	8,695	6,257	7,119	7,484
Hospitalization	122,327	110,604	104,954	116,146
Life Insurance	3,463	1,710	2,108	2,200
Pension Healthcare	17,682	15,783	19,975	22,925
State Pension Plan - Civilian	0	1,947	4,001	3,834
TOTAL PERSONAL SERVICES	888,977	696,096	783,157	838,365
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,563	4,389	3,950	3,950
Communications & Utilities	62	360	500	500
Transportation	568	6,136	8,000	13,000
Rentals	0	0	0	0
Professional Fees	9,459	17,365	62,500	52,500
Other Fees	0	0	750	0
Memberships & Registrations	2,865	5,997	9,500	9,500
Miscellaneous Services	0	657	31,786	35,894
Office & General Supplies	2,431	2,443	2,750	2,500
Wearing Apparel & Safety	5,117	4,836	5,000	5,000
Equipment	7,411	9,478	4,000	3,000
Fixed Assets	0	2,965	0	0
TOTAL M., S. & E.	29,476	54,626	128,736	125,844
 <u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	1,022,541	980,262	1,366,489	1,062,156
TOTAL SPECIAL PURPOSE	1,022,541	980,262	1,366,489	1,062,156
 CDBG FUND TOTAL	 1,940,994	 1,730,984	 2,278,382	 2,026,365

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Property Repair Program			250,000	389,624
Disposition & Property Management			59,802	0
Residential Facade Program			125,000	220,000
Lead Hazard Reduction Program			250,000	0
Ingleside Housing Project			50,000	0
Delaware Center for Horticulture Street Trees			70,000	70,000
Miscellaneous Housing Projects			223,187	0
YWCA Delaware			45,200	43,000
DE Community Reinvestment Action Council			10,000	5,000
Neighborhood House, Inc.			11,000	16,243
West End Neighborhood House			43,000	40,000
Challenge Program			35,000	30,000
Salvation Army			5,000	5,000
Catholic Charities-Bayard House			11,000	10,000
Lutheran Community Services			26,000	30,133
Catholic Charities			16,696	15,000
Fair Housing			10,000	10,000
CHILD, Inc.			15,000	13,500
Delaware Center for Homeless Veterans, Inc.			0	10,000
Interfaith - Homeownership Center			9,000	5,150
Habitat			0	30,000
Ministry of Caring - House of Joseph I			0	10,000
Ministry of Caring - Hope House I			11,000	11,000
WEDCO Loan Collections			5,500	3,000
YMCA			27,000	18,500
Delaware Center for Justice			14,000	10,000
Christiana Cultural Arts Center Inc.			15,000	13,500
Consumer Credit Counseling Service of DE Valley			0	5,226
STEHM, Inc.			4,500	5,000
Tech Impact - IT Works Technology			17,000	15,300
Latin American Community Center			6,930	0
Budget Control			674	27,980
FY2013 Expenditures	1,022,541		0	0
FY2014 Expenditures		980,262	0	0
TOTAL GRANTS & FIXED CHARGES	1,022,541	980,262	1,366,489	1,062,156

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	30,110	27,887	27,118	24,484
Pension Contribution	5,151	5,532	6,834	6,562
Social Security	1,866	1,694	1,622	1,455
Medicare Tax	436	389	379	340
Hospitalization	4,240	4,184	3,885	2,951
Life Insurance	884	71	1,047	98
Pension Healthcare	175	917	110	1,025
TOTAL PERSONAL SERVICES	42,862	40,674	40,995	36,915
 SPECIAL PURPOSE				
Grants & Fixed Charges	132,720	604,012	369,958	337,801
TOTAL SPECIAL PURPOSE	132,720	604,012	369,958	337,801
 HOME PARTNERSHIP FUND TOTAL	 175,582	 644,686	 410,953	 374,716

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
CHDO Set-aside			65,462	56,207
HOME Proposed Housing Projects			327,308	281,594
Budget Control			(22,812)	0
FY2013 Expenditures	132,720		0	0
FY2014 Expenditures		604,012	0	0
TOTAL GRANTS & FIXED CHARGES	132,720	604,012	369,958	337,801

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
PERSONAL SERVICES				
Regular Salaries	12,023	10,713	9,745	10,562
Pension Contribution	2,099	2,430	2,456	2,831
Social Security	745	640	592	642
Medicare Tax	174	163	139	150
Hospitalization	4,003	3,678	3,185	3,576
Life Insurance	70	46	38	41
Pension Healthcare	351	360	364	425
TOTAL PERSONAL SERVICES	19,465	18,030	16,519	18,227
SPECIAL PURPOSE				
Grants & Fixed Charges	609,660	635,525	588,031	611,267
TOTAL SPECIAL PURPOSE	609,660	635,525	588,031	611,267
HOPWA FUND TOTAL	629,125	653,555	604,550	629,494

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
GRANTS & FIXED CHARGES DETAIL				
Delaware HIV Services, Inc.			490,706	550,931
Ministry of Caring-House of Joseph II			39,000	48,000
Catholic Charities			19,000	35,000
Connections Community Support Program			29,000	0
Cecil County Emergency Housing Budget Control			33,743 (23,418)	37,000 (59,664)
FY2013 Expenditures	609,660		0	
FY2014 Expenditures		635,525	0	
TOTAL GRANTS & FIXED CHARGES	609,660	635,525	588,031	611,267

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
PERSONAL SERVICES				
Regular Salaries	13,786	7,034	6,091	8,077
Pension Contribution	2,448	1,434	1,535	2,165
Social Security	855	427	370	491
Medicare Tax	200	100	87	115
Hospitalization	4,586	2,414	1,991	2,734
Life Insurance	80	31	24	31
Pension Healthcare	403	233	228	325
Deferred Comp Contribution	0	0	0	0
TOTAL PERSONAL SERVICES	22,358	11,673	10,326	13,938
 SPECIAL PURPOSE				
Grants & Fixed Charges	164,114	200,525	144,878	177,602
TOTAL SPECIAL PURPOSE	164,114	200,525	144,878	177,602
 EMERGENCY SHELTER GRANT FUND TOTAL	 186,472	 212,198	 155,204	 191,540

	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
GRANTS & FIXED CHARGES DETAIL				
Connections Comm Support Program			25,405	20,000
Family Promise			25,000	30,000
Homeless Planning Council of DE, Inc.			15,000	45,000
Ministry of Caring			40,000	35,000
The Salvation Army			33,707	31,130
YWCA Delaware-Rapid Re-Housing			25,400	16,616
Budget Control			(19,634)	(144)
FY2013 Expenditures	164,114		0	
FY2014 Expenditures		200,525	0	
TOTAL GRANTS & FIXED CHARGES	164,114	200,525	144,878	177,602

DEPARTMENT: REAL ESTATE & HOUSING FUND: NEIGHBORHOOD STABILIZATION PROGRAM

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	12,589	42,719	41,203	37,277
Temporary Salaries	(18,367)	(1,586)	0	0
Pension Contribution	5,134	10,417	12,143	9,990
Social Security	(67)	2,497	2,506	2,297
Medicare Tax	(16)	587	587	537
Hospitalization	819	14,459	13,934	8,544
Life Insurance	(30)	249	168	144
Pension Healthcare	1,008	1,209	1,593	1,500
TOTAL PERSONAL SERVICES	1,070	70,551	72,134	60,289
 NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL	 1,070	 70,551	 72,134	 60,289

DEPARTMENT: REAL ESTATE & HOUSING

FUND: DE-LEAD

PERSONAL SERVICES	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Regular Salaries	6,187	6,187	0	0
Temporary Salaries	55,421	55,421	132,080	0
Pension Contribution	182	182	0	0
Social Security	3,752	3,752	8,278	0
Medicare Tax	877	877	1,706	0
Hospitalization	6,136	6,136	14,040	0
Life Insurance	28	28	0	0
State Pension Plan - Civilian	0	0	0	0
Pension Healthcare	32	32	0	0
TOTAL PERSONAL SERVICES	72,615	72,615	156,104	0
 DE-LEAD GRANT FUND TOTAL	 72,615	 72,615	 156,104	 0

DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed commerce and industry within the City of Wilmington along with managing and marketing the Port of Wilmington 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 which placed it under the auspices of the State of Delaware, effective September 1, 1995. By agreement, the City retained the debt of the previous existing Commerce Fund, but it was reimbursed for both principle and interest by the State along with a “mortgage” payment based on a 30-year amortization of the sale price.

Then, in February of 2002, the Port and City entered into another agreement, whereby a lump sum payment of \$8 million was given to the City by the state Transportation Fund as final consideration and in lieu of all future outstanding payments due to the City as a result of the FY 1996 sale. As a result, all future annual mortgage payments by the Port were wiped out and all future annual amortized gain figures were recalculated and then re-amortized from FY 2002 to FY 2005. However, the reimbursement of debt was not affected by this new agreement.

In FY 2009 the remaining balance of the 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.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Debt Service	1,260,047	962,160	1,343,566	1,280,776
TOTAL	1,260,047	962,160	1,343,566	1,280,776
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Debt Service	1,260,047	962,160	1,343,566	1,280,776
TOTAL	1,260,047	962,160	1,343,566	1,280,776
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2013	ACTUAL FY2014	BUDGET FY2015	APPROVED FY2016
Principal Payments	868,066	587,592	1,013,134	1,002,402
Interest Payments	391,981	374,568	330,432	278,374
TOTAL DEBT SERVICE	1,260,047	962,160	1,343,566	1,280,776
GENERAL FUND TOTAL	1,260,047	962,160	1,343,566	1,280,776

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 2016 - FY 2021 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 in the construction project, it shall be placed in the art work 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 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 2016 - FY 2021

The six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 2-15, totals \$257,854,000, with a FY 2016 Capital Budget in the amount of \$77,825,000 and the additional five year program adding \$180,029,000. 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 \$3,338,069. 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.

Estimated Annual Impact of Capital Spending on the Operating Budget

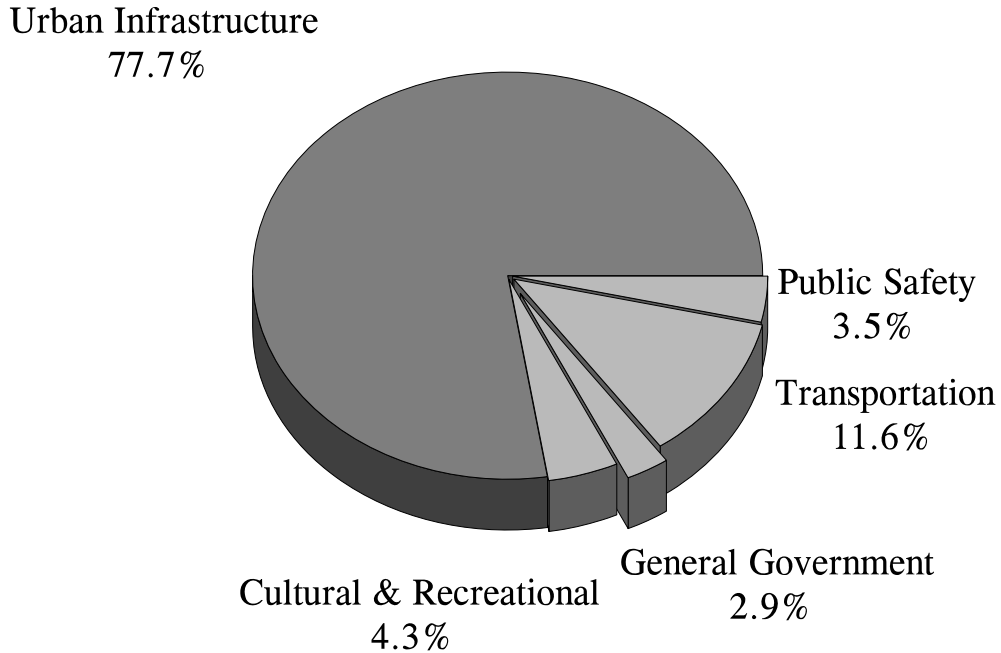
Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$42,252	\$0	\$0	\$42,252
	Water/Sewer	54,960	0	0	54,960
Fire	General	171,785	0	(2,000)	169,785
Mayor's Office	General	19,591	0	0	19,591
Parks & Recreation	General	224,783	0	(2,500)	222,283
Police	General	27,778	0	(1,000)	26,778
Public Works	General	741,965	0	0	741,965
	Water/Sewer	1,832,000	0	0	1,832,000
Transportation	General	222,955	0	0	222,955
TOTAL		\$3,338,069	\$0	(\$5,500)	\$3,332,569

Fund	Debt Service*	Personal Services	M. S. & E.	Total
General	\$1,451,109	\$0	(\$5,500)	\$1,445,609
Water/Sewer	1,886,960	0	0	1,886,960
TOTAL	\$3,338,069	\$0	(\$5,500)	\$3,332,569

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

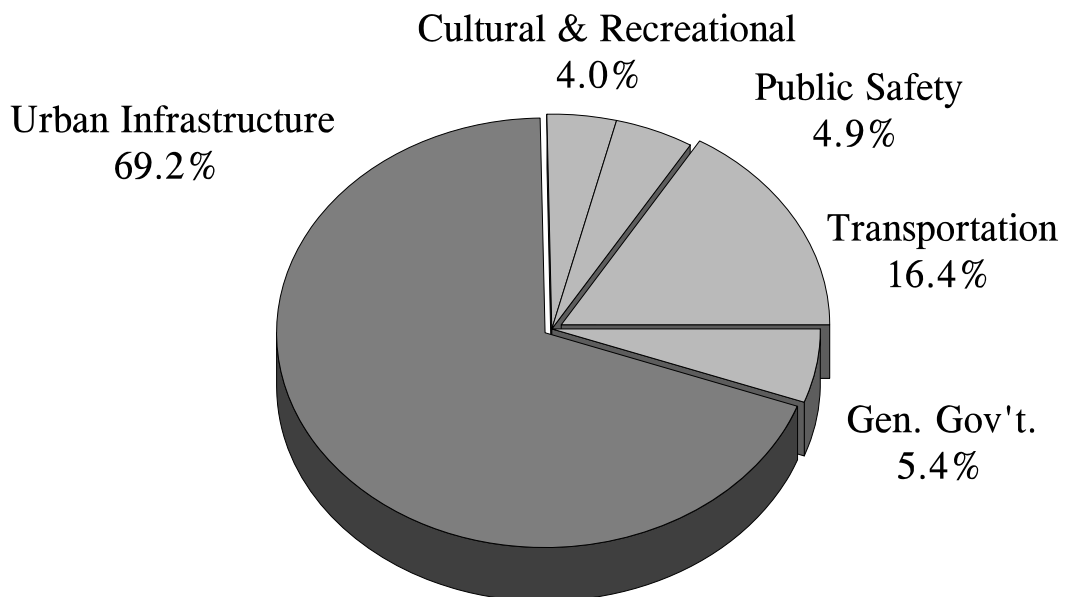
Capital Budget Allocations

Fiscal Years 2016-2017



Capital Program Allocations

Fiscal Years 2018-2021



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021		
FINANCE	G	578	0	792	0	816	0	2,186	2,186
	W	1,374	0	1,533	0	1,458	0	4,365	4,365
	I	0	0	150	0	0	0	150	150
FIRE	G	2,350	0	4,250	0	4,550	0	11,150	11,150
OFFICE OF THE MAYOR	G	268	0	0	0	0	0	268	268
	I	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	G	3,075	0	3,340	0	3,340	0	9,755	9,755
	O	300	0	300	0	300	0	0	900
POLICE	G	380	0	0	0	0	0	380	380
PUBLIC WORKS	G	10,150	0	12,000	0	12,500	0	34,650	34,650
	W	45,800	0	51,100	0	48,600	0	145,500	145,500
	O	4,500	0	200	0	200	0	0	4,900
TRANSPORTATION	G	3,050	0	6,800	0	6,800	0	16,650	16,650
	O	6,000	0	8,000	0	8,000	0	0	22,000
TOTAL BY FUND	G	19,851	0	27,182	0	28,006	0	75,039	75,039
	O	10,800	0	8,500	0	8,500	0	0	27,800
	W	47,174	0	52,633	0	50,058	0	149,865	149,865
	I	0	0	5,150	0	0	0	5,150	5,150
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021		
FINANCE	NS	18	0	0	0	0	0	18	18
	NR	36	0	184	0	55	0	275	275
	UE	1,265	0	1,495	0	1,416	0	4,176	4,176
	RE	633	0	796	0	803	0	2,232	2,232
FIRE	NR	1,250	0	1,750	0	2,050	0	5,050	5,050
	RE	1,100	0	2,500	0	2,500	0	6,100	6,100
OFFICE OF THE MAYOR	NS	268	0	0	0	0	0	268	268
	NR	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	NR	150	0	0	0	0	0	150	150
	UE	2,330	0	2,380	0	2,380	0	6,340	7,090
	RE	895	0	1,260	0	1,260	0	3,265	3,415
	RE	380	0	0	0	0	0	380	380
PUBLIC WORKS	NS	450	0	0	0	0	0	450	450
	UE	37,800	0	37,800	0	35,300	0	106,000	110,900
	RE	22,200	0	25,500	0	26,000	0	73,700	73,700
	UE	9,050	0	14,800	0	14,800	0	16,650	38,650
TRANSPORTATION									
TOTAL BY EXPENDITURE CATEGORY	NS	736	0	0	0	0	0	736	736
	NR	1,436	0	6,934	0	2,105	0	10,475	10,475
	UE	50,445	0	56,475	0	53,896	0	133,166	160,816
	RE	25,208	0	30,056	0	30,563	0	85,677	85,827
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021		
Cost of Bond Issue (General Fund)	G	578	0	792	0	816	0	2,186	2,186
Cost of Bond Issue (Water/Sewer Fund)	W	1,374	0	1,533	0	1,458	0	4,365	4,365
Cost of Bond Issue (Internal Service Fund)	I	0	0	150	0	0	0	150	150
TOTAL BY FUND									
	G	578	0	792	0	816	0	2,186	2,186
	W	1,374	0	1,533	0	1,458	0	4,365	4,365
	I	0	0	150	0	0	0	150	150
TOTAL FINANCE FUNDS		1,952	0	2,475	0	2,274	0	6,701	6,701

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020	2021		
NR	G	1,250	0	1,750	0	1,750	0	4,750	4,750
RE	G	1,100	0	2,500	0	2,500	0	6,100	6,100
NR	G	0	0	0	0	300	0	300	300
TOTAL BY FUND		G	2,350	0	4,250	0	4,550	0	11,150
TOTAL FIRE FUNDS			2,350	0	4,250	0	4,550	0	11,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD		
		2016	2017	2018	2019	2020	2021			
NS	G	268	0	0	0	0	0	268	268	
NR	I	0	0	5,000	0	0	0	5,000	5,000	
Five Percent For Art										
Financial Management Software										
TOTAL BY FUND		G	268	0	0	0	0	0	268	268
		I	0	0	5,000	0	0	0	5,000	5,000
TOTAL MAYOR'S OFFICE FUNDS			268	0	5,000	0	0	0	5,268	5,268

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

PARKS & RECREATION DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR										
Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR PERIOD		TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021	FUNDS 6 YEAR PERIOD	FUNDS 6 YEAR PERIOD	
UE	G	750	0	1,250	0	1,250	0	0	3,250	3,250
	O	200	0	200	0	200	0	0	0	600
Athletic Court Improvements	RE	275	0	275	0	275	0	0	825	825
	O	50	0	50	0	50	0	0	0	150
Park Walkways	RE	300	0	550	0	550	0	0	1,400	1,400
Park & Playground Fencing Replacement	RE	170	0	385	0	385	0	0	940	940
County Park Recovery	UE	250	0	550	0	550	0	0	1,350	1,350
	O	50	0	50	0	50	0	0	0	150
Pool House Renovations	UE	750	0	0	0	0	0	0	750	750
Plazas, Squares & Triangles	NR	150	0	0	0	0	0	0	150	150
WHACC Improvements	UE	330	0	330	0	330	0	0	990	990
Parking Lot Improvements/Replacements	RE	100	0	0	0	0	0	0	100	100
TOTAL BY FUND		3,075	0	3,340	0	3,340	0	0	9,755	9,755
	O	300	0	300	0	300	0	0	0	900
TOTAL PARKS AND RECREATION FUNDS		3,375	0	3,640	0	3,640	0	0	9,755	10,655

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021	
RE	G	380	0	0	0	0	0	380
Public Safety Building Improvements								
TOTAL BY FUND		380	0	0	0	0	0	380
TOTAL POLICE FUNDS		380	0	0	0	0	0	380

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2016	2017	2018	2019	2020	2021		
Street Paving & Reconstruction	RE	G	6,000	0	10,000	0	10,000	0	26,000	26,000
Emergency Sidewalk Repairs	RE	G	700	0	1,000	0	1,000	0	2,700	2,700
300 Block of E. 15th St.- Curbs, Sidewalk & Paving	NS	G	250	0	0	0	0	0	250	250
Baynard Blvd.- Haynes Park Area Infra. Imp.	NS	G	200	0	0	0	0	0	200	200
Building Improvements	RE	G	2,000	0	1,000	0	1,500	0	4,500	4,500
City/County Bldg. Renovations	UE	G	800	0	0	0	0	0	800	800
Municipal Complex Gas Monitoring & Ventilation	UE	G	200	0	0	0	0	0	200	200
Major Sewer Improvements	RE	W	5,000	0	5,000	0	5,000	0	15,000	15,000
Annual Minor Sewer Improvements	RE	W	1,500	0	1,500	0	1,500	0	4,500	4,500
Annual Water Improvements	UE	W	7,500	0	7,500	0	7,500	0	22,500	22,500
Porter Filter Plant Improvements	UE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
Pumping Station Improvements	UE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
Raw Water Distribution Improvements	RE	W	3,000	0	3,000	0	3,000	0	9,000	9,000
Transmission Improvements	UE	W	4,000	0	4,000	0	4,000	0	12,000	12,000
Architectural Improvements	RE	W	1,000	0	1,000	0	1,000	0	3,000	3,000
Hoopes Dam	UE	W	2,500	0	2,500	0	2,500	0	7,500	7,500
Brandywine Filter Plant Improvements	RE	W	2,500	0	2,500	0	2,500	0	7,500	7,500

continued

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR											
Exp. Cat.	Type of Funding	FISCAL YEARS						2021	TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020	2021				
UE	W	1,000	0	1,000	0	1,000	0	0	3,000	3,000	
UE	W	2,500	0	6,300	0	6,300	0	0	15,100	15,100	
UE	W	2,000	0	3,000	0	3,000	0	0	8,000	8,000	
UE	W	4,000	0	3,500	0	2,000	0	0	9,500	9,500	
	O	4,400	0	0	0	0	0	0	0	4,400	
UE	W	2,000	0	2,000	0	1,000	0	0	5,000	5,000	
UE	W	1,800	0	1,800	0	1,800	0	0	5,400	5,400	
RE	W	500	0	500	0	500	0	0	1,500	1,500	
UE	W	1,000	0	2,000	0	2,000	0	0	5,000	5,000	
	O	100	0	200	0	200	0	0	0	500	
TOTAL BY FUND		G	10,150	0	12,000	0	12,500	0	34,650	34,650	
	W	45,800	0	51,100	0	48,600	0	0	145,500	145,500	
	O	4,500	0	200	0	200	0	0	0	4,900	
TOTAL PUBLIC WORKS FUNDS			60,450	0	63,300	0	61,300	0	180,150	185,050	

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

TRANSPORTATION DIVISION: PROGRAM RECOMMENDATION BY FISCAL YEAR										
Exp. Cat.	Type of Funding	FISCAL YEARS						2021	TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021			
UE	G	550	0	550	0	550	0	0	1,650	1,650
UE	G	1,500	0	2,000	0	2,000	0	0	5,500	5,500
	O	6,000	0	8,000	0	8,000	0	0	0	22,000
UE	G	1,000	0	4,250	0	4,250	0	0	9,500	9,500
TOTAL BY FUND										
	G	3,050	0	6,800	0	6,800	0	0	16,650	16,650
	O	6,000	0	8,000	0	8,000	0	0	0	22,000
TOTAL TRANSPORTATION FUNDS										
		9,050	0	14,800	0	14,800	0	0	16,650	38,650

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 231-232)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2016 - 2021

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).

B. FIRE DEPARTMENT

1. Apparatus Replacement

Budget Request: \$1,250,000.
Program Request: \$3,500,000.

Budget: Provides funds for the replacement of aging equipment used for fire calls and emergency medical response as they reach the end of their service expectancy. Equipment targeted by this replacement program include two Engine Pumps (#102, #105).

Program: Ongoing replacement program for six Engine Pumps (#5, #6, #103, #104, Sky Boom #2, Squirt 4).

<i>Annual Debt Service Impact</i>	\$91,375
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Fire Station Renovations

Budget Request: \$1,100,000.
Program Request: \$5,000,000.

Budget: Provides funds for upgrades to City Fire Stations #3 and #4, including structural, mechanical and cosmetic repairs in accordance with the 2007 Fire Station Renovation Master Plan. Includes design and engineering specifications and construction costs.

Program: Ongoing renovation program for Fire Stations #2 and #6.

<i>Annual Debt Service Impact</i>	\$80,410
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$2,000)

3. Rescue Ambulance Replacement

Budget Request: \$0.
Program Request: \$300,000.

Budget: None.

Program: Ongoing replacement program for Rescue Ambulances #2, #3, and #6, which are 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: \$268,000.
Program Request: \$0.

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: None. This art work reserve is directly related to budget year funding.

Annual Debt Service Impact \$19,591
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Financial Management Software

Budget Request: \$0.
Program Request: \$5,000,000.

Budget: None.

Program: This program would fund the purchase of replacement enterprise resource planning (ERP) software, a system of integrated applications to manage and automate functions related to the financial management, technology, services and human resource needs of the City.

Annual Debt Service Impact \$0
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

D. PARKS AND RECREATION

1. Playground Improvements

Budget Request: \$750,000. (Other Funds: \$200,000)
Program Request: \$2,500,000. (Other Funds: \$400,000)

Budget: Provides funds for the replacement of existing playground equipment and amenities in the Parks system, in order to maintain safety and to meet Consumer Product Safety Commission standards.

Program: Ongoing.

Annual Debt Service Impact \$54,825
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Athletic Court Improvements

Budget Request: \$275,000. (Other Funds: \$50,000)
Program Request: \$550,000. (Other Funds: \$100,000)

Budget: Provides funds the renovation of outdoor athletic courts throughout the City for safety and aesthetic reasons.

Program: Ongoing.

Annual Debt Service Impact \$20,103
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Park Walkways

Budget Request: \$300,000.
Program Request: \$1,100,000.

Budget: Provides funds for the replacement of existing walkways throughout the Parks System which are deteriorated, cracked and/or weakened.

Program: Ongoing.

Annual Debt Service Impact \$21,930
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

4. Park and Playground Fencing

Budget Request: \$170,000.

Program Request: \$770,000.

Budget: Provides funds for the replacement of aging fences at various park locations, including athletic fields, playgrounds and parks.

Program: Ongoing.

Annual Debt Service Impact \$12,427

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

5. County Park Recovery

Budget Request: \$250,000. (Other Funds: \$50,000)

Program Request: \$1,100,000. (Other Funds: \$100,000)

Budget: Provides funds for upgrades to City parks and ballfields formerly maintained by New Castle County. Improvements include ballfield fencing, backstops, and paving.

Program: Ongoing.

Annual Debt Service Impact \$18,275

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. Pool House Renovations

Budget Request: \$750,000.

Program Request: \$0.

Budget: Provides funds for renovations to existing citywide pool house structures, including plumbing, electrical fixtures, solar panels, and roofing, incorporating environmental design techniques where feasible.

Program: None.

Annual Debt Service Impact \$54,825

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. (\$2,500)

7. Plazas, Squares & Triangles

Budget Request: \$150,000.
Program Request: \$0.

Budget: Provides funds for paving, landscaping and the replacement of site amenities at citywide public plazas, squares and triangles.

Program: None.

<i>Annual Debt Service Impact</i>	\$10,965
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

8. WHACC Improvements

Budget Request: \$330,000.
Program Request: \$660,000.

Budget: Provides funds for interior and exterior improvements to the William Hicks Anderson Community Center, to include offices and program areas, roofing and HVAC units, to meet programming and operational needs.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$24,123
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

9. Parking Lot Improvements/Replacements

Budget Request: \$100,000.
Program Request: \$0.

Budget: Provides funds for necessary improvements to parking lots serving city parks.

Program: None.

<i>Annual Debt Service Impact</i>	\$7,310
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

E. POLICE DEPARTMENT

1. Public Safety Building Improvements

Budget Request: \$380,000.
Program Request: \$0.

Budget: Provides funds for necessary improvements to the public safety building, to include the replacement of the existing heat pumps, installation of a new fire alarm control panel, exterior window caulking, and upgrades to the House Sergeants Office.

Program: None.

<i>Annual Debt Service Impact</i>	\$27,778
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$1,000)

F. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$6,000,000.
Program Request: \$20,000,000.

Budget: Provides funds for routine street paving and the reconstruction and maintenance 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>	\$438,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Emergency Sidewalk Repairs

Budget Request: \$700,000.

Program Request: \$2,000,000.

Budget: Provides funds for emergency repairs to damaged sidewalks, as identified by Licenses & Inspections and managed by the Department of Public Works.

Program: Ongoing.

Annual Debt Service Impact \$51,170

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

3. 300 Block of E. 15th Street - Curbs, Sidewalk and Paving

Budget Request: \$250,000.

Program Request: \$0.

Budget: Provides funds for the reconstruction of the street, curbs, and sidewalks along the 300 block of E. 15th Street to support housing development.

Program: None.

Annual Debt Service Impact \$18,275

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

4. Baynard Boulevard - Haynes Park Area Infrastructure Improvements

Budget Request: \$200,000.

Program Request: \$0.

Budget: Provides funds to construct a 400 foot right of way extension at the northern terminus of Baynard Boulevard, and the installation of sidewalks along the north side of Miller Road adjacent to Haynes Park, to support redevelopment efforts.

Program: None.

Annual Debt Service Impact \$14,620

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

5. Building Improvements

Budget Request: \$2,000,000.

Program Request: \$2,500,000.

Budget: Provides funds for renovations and additions to the Louis L. Redding City/County Building and other municipal buildings as needed.

Program: Ongoing.

Annual Debt Service Impact \$146,200

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. City/County Building Renovations

Budget Request: \$800,000.

Program Request: \$0.

Budget: Provides funds for various renovation projects requested by individual City departments for improvements to their work spaces. Upgrades include security features (badge access, door buzzers), carpeting, furniture, and the reorganization of office space, as well as improvements to the building's electrical, data, mechanical, and fire systems.

Program: None.

Annual Debt Service Impact \$58,480

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

7. Municipal Complex Gas Monitoring & Ventilation

Budget Request: \$200,000.

Program Request: \$0.

Budget: Provides funds for upgrades to the existing gas monitoring detectors and ventilation system in various buildings within the Municipal Complex.

Program: None.

Annual Debt Service Impact \$14,620

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

Water/Sewer Fund Projects

1. Major Sewer Improvements

Budget Request: \$5,000,000.
Program Request: \$10,000,000.

Budget: Provides funds for the reconstruction and stabilization of major brick sewers citywide, including Prices Run, Shipley Run, and Rattlesnake Run.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$200,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Annual Minor Sewer Improvements

Budget Request: \$1,500,000.
Program Request: \$3,000,000.

Budget: Provides funds for the citywide rehabilitation of small diameter sewers and other necessary projects as identified through closed circuit TV (CCTV) inspection and modeling efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$60,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. Annual Water Improvements

Budget Request: \$7,500,000.
Program Request: \$15,000,000.

Budget: Provides funds for maintaining the citywide water distribution system, including annual cleaning and lining of water mains, installation of new and replacement mains, service line renewal, valve/hydrant maintenance, and purchase of all appurtenances (hydrants, valves, etc.), to improve water quality, pressure and fire flows.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$300,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Porter Filter Plant Improvements

Budget Request: \$2,000,000.

Program Request: \$4,000,000.

Budget: Provides funds for upgrades to the Porter Reservoir and Clear Well, including the replacement of chemical feed systems, upgrades to clarifiers, and other improvements to provide top quality, safe drinking water.

Program: Ongoing.

Annual Debt Service Impact \$80,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

5. Pumping Station Improvements

Budget Request: \$2,000,000.

Program Request: \$4,000,000.

Budget: Provides funds for upgrades to pumps and electrical components at various pumping stations, including Wills/Hoopes and various remote pump stations, to maintain water service.

Program: Ongoing.

Annual Debt Service Impact \$80,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. Raw Water Distribution 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.

Annual Debt Service Impact \$120,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

7. Transmission Improvements

Budget Request: \$4,000,000.
Program Request: \$8,000,000.

Budget: Provides funds for transmission capacity improvements throughout the water system, including the elimination of the West Street Dam and installation of a new transmission main to provide redundant water flow into the western half of the City's High Service Zone.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$160,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. Architectural Improvements

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for architectural repairs, restoration and stabilization of historic structural components of the Brandywine Complex, including the finished water pump room ceiling, cornice elements at the Head House, and wall restoration in the Boiler Room.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$40,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. Hoopes Dam

Budget Request: \$2,500,000.
Program Request: \$5,000,000.

Budget: Provides funds for improvements to Hoopes Dam, including construction of a functional outlet/drain piping system, improvements to sluice gates and valves, and other concrete/mechanical improvements to address the overall safety and function of the facility.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$100,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

10. Brandywine Filter Plant Improvements

Budget Request: \$2,500,000.

Program Request: \$5,000,000.

Budget: Provides funds for structural, mechanical and aesthetic improvements to the Head Works and Clearwell at the Brandywine Filter Plant.

Program: Ongoing.

Annual Debt Service Impact \$100,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

11. Pressure Zone Reliability Improvements

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: Provides funds to establish secondary water feeds to water service zones, including Carr Road, to improve the reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

Program: Ongoing.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

12. WWTP Electrical System Improvements

Budget Request: \$2,500,000.

Program Request: \$12,600,000.

Budget: Provides funds for the assessment and rehabilitation of the electrical distribution system at the Waste Water Treatment Plant (12th Street and Hay Road) to improve the reliability of operations.

Program: Ongoing.

Annual Debt Service Impact \$100,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

13. 11th Street Pumping Station Reliability Improvements

Budget Request: \$2,000,000.
Program Request: \$6,000,000.

Budget: Provides funds for a feasibility study to identify and implement rehabilitation and capacity improvements to the 11th Street Pumping Station.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$80,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

14. South Wilmington Wetlands Park

Budget Request: \$4,000,000. (Other Funds: \$4,400,000)
Program Request: \$5,500,000.

Budget: Provides funds for the creation of a storm water mitigation wetland area in South Wilmington. Storm water management improvements, including flood storage and drainage upgrades, will be addressed through land acquisition, planning, design, and the implementation of the initial phase of the wetlands restoration project.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$160,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

15. Sewer Separation Projects & Flow Monitoring

Budget Request: \$2,000,000.
Program Request: \$3,000,000.

Budget: Provides funds for the partial separation of combined sewers in the Interceptor A Basin, CSO 26 drainage area, and at 14th & Orange Streets. Funds are also provided for additional ongoing flow monitoring and mitigation efforts, to reduce overflow events.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$80,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

16. 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.

Annual Debt Service Impact \$72,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

17. Urban Forest Management Program

Budget Request: \$500,000.

Program Request: \$1,000,000.

Budget: Provides funds for tree planting and stump removal in support of green infrastructure, storm water control, and 2-for-1 tree replacement mandates.

Program: Ongoing.

Annual Debt Service Impact \$20,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

18. Stormwater Mitigation (Green Infrastructure)

Budget Request: \$1,000,000. (Other Funds: \$100,000)

Program Request: \$4,000,000. (Other Funds: \$400,000)

Budget: Provides funds for green infrastructure implementation projects to mitigate CSOs through citywide source control of storm water, and within the CSO '4a' drainage area. Matching funds are also provided for storm water mitigation at the Ed Oliver Golf Course.

Program: Ongoing.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

G. TRANSPORTATION

1. Traffic System Infrastructure

Budget Request: \$550,000.
Program Request: \$1,100,000.

Budget: Provides funds for the implementation of the Improved Readability of Street Name Signs program, and for traffic infrastructure improvements including traffic signals, smart parking meters and decorative street lights, to maintain the existing traffic control system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$40,205
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Wilmington Transportation Initiatives

Budget Request: \$1,500,000. (Other Funds: \$6,000,000)
Program Request: \$4,000,000. (Other Funds: \$16,000,000)

Budget: Provides local matching funds 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, which in turn leverage federal funding. The program also funds the implementation of adaptive signal controls and the installation of pedestrian ADA curb ramps.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$109,650
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. South Wilmington Transportation Improvements

Budget Request: \$1,000,000.
Program Request: \$8,500,000.

Budget: This program provides funds for parcel acquisition to implement transportation improvements in South Wilmington.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$73,100
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

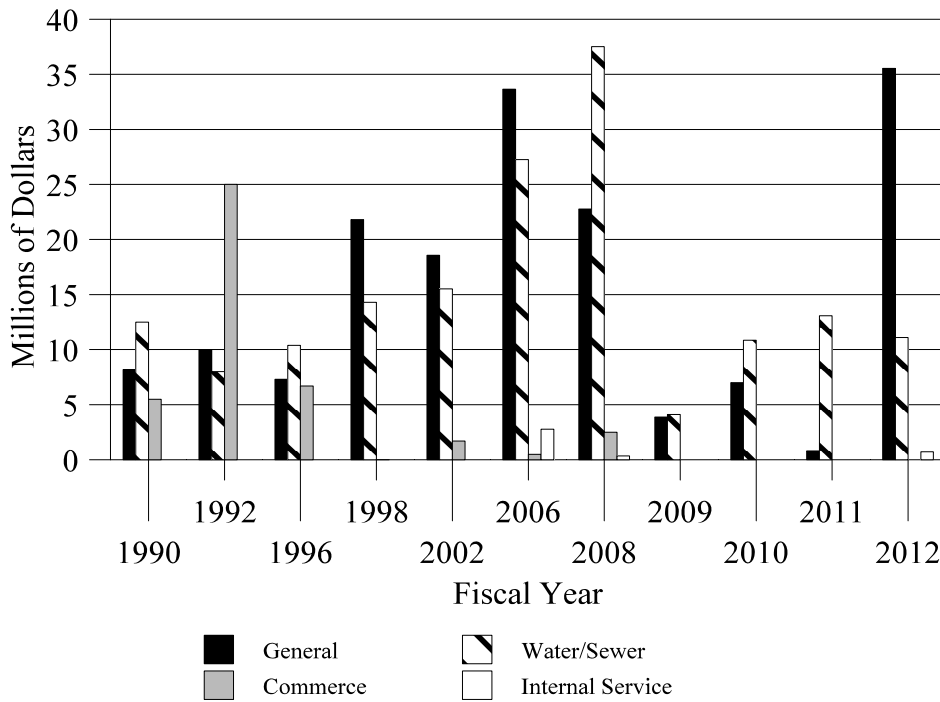
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2012. Amounts shown were borrowed for capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, 2010, 2012, and 2013 the City issued bonds to refinance past obligations at lower interest rates. Those refinancings are not included in the graph. In 2008 and 2010, the City issued bonds for both refunding and new projects; only the new projects portion is show below. In fiscal years 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

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 2016 General Fund Operating Budget totaling \$151,696,858, the budgeted debt service of \$14,255,703 is well below the 17.5% legal debt limit of \$26,546,950.

20-Year Historical General Obligation Borrowing



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, with recent years' larger increases reflecting the City's expanded efforts. For instance, from 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, in large part, 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 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.

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 shall strive to keep that percentage to 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, though 5 to 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 \$26,546,950 for FY 2016). 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 2001 through 2010 figures are actual payments. Fiscal Years 2013 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 4.38% for the General Fund, 4.69% for the Water/Sewer Fund, and 4.47% 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 2006	5,689,234	3,518,079	9,207,313	8.8%
FY 2007	7,078,167	4,511,949	11,590,116	10.7%
FY 2008	7,717,810	4,066,631	11,784,441	9.6%
FY 2009	7,253,515	4,523,514	11,777,029	8.4%
FY 2010	6,537,018	5,012,331	11,549,349	8.2%
FY 2011	2,837,124	5,409,868	8,246,992	5.6%
FY 2012	5,679,233	5,321,512	11,000,745	9.5%
FY 2013	7,243,632	5,074,873	12,318,505	8.9%
FY 2014	6,842,619	5,196,194	12,038,813	8.2%
FY 2015	7,936,747	5,308,579	13,245,326	8.7%
FY 2016	8,895,770	5,359,933	14,255,703	9.4%
FY 2017	8,600,918	4,443,798	13,044,716	8.3%
FY 2018	7,946,981	4,137,111	12,084,092	7.5%
FY 2019	8,361,593	3,758,192	12,119,785	7.4%
FY 2020	8,605,072	3,432,278	12,037,350	7.1%
FY 2021	9,120,462	3,069,791	12,190,253	7.1%
FY 2022	6,639,280	2,722,062	9,361,342	5.3%
FY 2023	6,978,300	2,397,998	9,376,298	5.2%
FY 2024	6,553,153	2,036,113	8,589,266	4.6%
FY 2025	6,882,790	1,710,662	8,593,452	4.5%
FY 2026	7,202,479	1,375,479	8,577,958	4.4%
FY 2027	4,290,000	1,056,995	5,346,995	2.7%
FY 2028	3,645,804	821,999	4,467,803	2.2%
FY 2029	3,025,589	661,766	3,687,355	1.8%
FY 2030	4,315,000	478,638	4,793,638	2.2%
FY 2031	4,490,000	278,000	4,768,000	2.2%
FY 2032	4,705,000	94,100	4,799,100	2.1%
FY 2033	0	0	0	0.0%
TOTAL	\$175,073,290	\$85,778,445	\$260,851,735	

**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 2006	4,441,282	4,765,174	9,206,456	21.1%
FY 2007	5,237,659	3,893,068	9,130,727	19.9%
FY 2008	7,004,085	4,409,703	11,413,788	23.8%
FY 2009	7,572,918	5,635,798	13,208,716	24.9%
FY 2010	5,076,980	5,496,437	10,573,417	19.2%
FY 2011	4,162,803	4,283,208	8,446,011	14.6%
FY 2012	6,522,388	6,193,410	12,715,798	20.8%
FY 2013	7,612,383	5,965,399	13,577,782	21.4%
FY 2014	7,674,780	5,832,865	13,507,645	20.7%
FY 2015	8,799,955	6,553,161	15,353,116	22.6%
FY 2016	9,026,243	7,999,121	17,025,364	23.9%
FY 2017	8,722,743	5,153,320	13,876,063	19.3%
FY 2018	8,618,271	4,838,267	13,456,538	18.3%
FY 2019	8,971,966	4,492,068	13,464,034	17.9%
FY 2020	9,425,669	4,165,343	13,591,012	17.6%
FY 2021	9,541,747	3,824,843	13,366,590	16.9%
FY 2022	10,138,172	3,461,236	13,599,408	16.8%
FY 2023	10,340,245	3,068,250	13,408,495	16.1%
FY 2024	11,017,908	2,610,268	13,628,176	16.0%
FY 2025	11,485,038	2,145,729	13,630,767	15.6%
FY 2026	11,104,450	1,673,901	12,778,351	14.3%
FY 2027	11,390,150	1,239,523	12,629,673	13.8%
FY 2028	7,695,895	890,506	8,586,401	9.1%
FY 2029	5,957,493	614,420	6,571,913	6.8%
FY 2030	4,629,263	407,278	5,036,541	5.1%
FY 2031	5,091,617	224,813	5,316,430	5.2%
FY 2032	2,922,755	58,728	2,981,483	2.9%
FY 2033	137,540	1,508	139,048	0.1%
FY 2034	0	0	0	0.0%
TOTAL	\$210,322,398	\$99,897,345	\$310,219,743	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

COMMERCE FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	5,801,389	1,431,361	7,232,750	90.3%
FY 2007	4,571,463	1,210,639	5,782,102	84.1%
FY 2008	4,773,033	991,008	5,764,041	72.3%
FY 2009	2,564,306	689,034	3,253,340	53.3%
FY 2010	0	0	0	0.0%
FY 2011	0	0	0	0.0%
FY 2012	0	0	0	0.0%
FY 2013	0	0	0	0.0%
TOTAL	\$17,710,191	\$4,322,042	\$22,032,233	

Note: In FY 2009 the Commerce Fund exhausted the funds remaining from the sale of the Port of Wilmington. As a result, beginning in FY 2010, all remaining Commerce Fund debt service was rolled into the General Fund. The Commerce Fund budget for FY 2010 and beyond is zero.

**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 2006	817,944	260,881	1,078,825	8.3%
FY 2007	637,480	667,406	1,304,886	15.6%
FY 2008	1,119,359	345,675	1,465,034	14.6%
FY 2009	1,281,228	359,784	1,641,012	12.9%
FY 2010	513,682	349,874	863,556	8.6%
FY 2011	89,492	425,562	515,054	4.3%
FY 2012	495,641	406,364	902,005	6.1%
FY 2013	428,432	357,357	785,789	4.9%
FY 2014	280,927	397,391	678,318	4.3%
FY 2015	455,418	421,163	876,581	5.3%
FY 2016	480,091	487,327	967,418	5.9%
FY 2017	245,215	94,861	340,076	1.9%
FY 2018	237,284	84,803	322,087	1.7%
FY 2019	254,799	73,652	328,451	1.7%
FY 2020	276,157	61,228	337,385	1.7%
FY 2021	491,141	44,222	535,363	2.7%
FY 2022	296,579	30,482	327,061	1.6%
FY 2023	132,140	24,809	156,949	0.7%
FY 2024	0	20,311	20,311	0.1%
FY 2025	0	20,311	20,311	0.1%
FY 2026	0	20,311	20,311	0.1%
FY 2027	0	20,311	20,311	0.1%
FY 2028	283,867	10,156	294,023	1.2%
FY 2029	0	0	0	0.0%
TOTAL	\$8,816,876	\$4,984,241	\$13,801,117	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	16,749,849	9,975,495	26,725,344	15.8%
FY 2007	17,524,769	10,283,062	27,807,831	16.4%
FY 2008	20,614,287	9,813,017	30,427,304	16.0%
FY 2009	18,671,967	11,208,130	29,880,097	14.0%
FY 2010	12,127,680	10,858,641	22,986,321	11.1%
FY 2011	7,089,419	10,118,638	17,208,057	7.9%
FY 2012	12,697,263	11,921,286	26,715,535	11.8%
FY 2013	15,304,001	12,209,199	27,513,200	12.5%
FY 2014	14,798,326	11,426,450	26,224,776	11.5%
FY 2015	17,135,726	11,047,833	28,183,559	11.8%
FY 2016	17,860,140	10,377,892	28,238,032	11.8%
FY 2017	17,568,876	9,691,979	27,260,855	11.1%
FY 2018	16,802,535	9,060,181	25,862,716	10.2%
FY 2019	17,588,358	8,323,913	25,912,271	10.0%
FY 2020	18,306,898	7,658,848	25,965,746	9.8%
FY 2021	19,153,351	6,938,857	26,092,208	9.6%
FY 2022	17,074,032	6,213,780	23,287,812	8.4%
FY 2023	17,450,685	5,491,057	22,941,742	8.0%
FY 2024	17,571,061	4,666,692	22,237,753	7.6%
FY 2025	18,367,828	3,876,702	22,244,530	7.4%
FY 2026	18,306,929	3,069,690	21,376,619	6.9%
FY 2027	15,680,150	2,316,829	17,996,979	5.7%
FY 2028	11,626,566	1,722,661	13,349,227	4.1%
FY 2029	8,983,081	1,276,186	10,259,267	3.1%
FY 2030	8,944,263	885,916	9,830,179	2.9%
FY 2031	9,581,617	502,813	10,084,430	2.9%
FY 2032	7,627,755	152,828	7,780,583	2.2%
FY 2033	137,540	1,508	139,048	0.0%
FY 2034	0	0	0	0.0%
TOTAL	\$411,344,952	\$193,187,069	\$604,532,021	

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS**

GENERAL FUND

DEPARTMENT	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	BUDGET FY 2016
MAYOR'S OFFICE	\$1,702,781	\$1,438,710	\$3,410,544	\$3,813,404	\$4,176,481
% Departmental Expenses	23.1%	19.5%	36.9%	36.0%	38.4%
CITY COUNCIL	26,989	18,513	639	652	664
% Departmental Expenses	1.1%	0.7%	0.0%	0.0%	0.0%
PLANNING	150,328	145,544	197,900	221,106	239,219
% Departmental Expenses	9.9%	9.2%	11.6%	12.8%	14.2%
FINANCE	5,661	5,619	6,415	27,347	49,049
% Departmental Expenses	0.1%	0.1%	0.1%	0.3%	0.5%
HUMAN RESOURCES	19,690	19,544	22,314	22,567	24,674
% Departmental Expenses	1.1%	1.1%	1.2%	1.1%	1.2%
LICENSES & INSPECTIONS	10,886	2,249	4,482	4,576	4,659
% Departmental Expenses	0.3%	0.0%	0.1%	0.1%	0.1%
PARKS & RECREATION	1,868,581	1,552,860	1,855,755	1,957,367	2,003,978
% Departmental Expenses	23.2%	19.9%	22.2%	21.2%	21.8%
FIRE	434,901	475,697	522,184	550,953	649,059
% Departmental Expenses	1.9%	2.0%	2.2%	2.2%	2.7%
POLICE	419,328	292,751	375,321	393,357	406,526
% Departmental Expenses	0.8%	0.5%	0.7%	0.7%	0.7%
PUBLIC WORKS	3,435,711	6,297,594	3,498,747	3,686,090	4,146,820
% Departmental Expenses	17.0%	26.4%	16.2%	16.2%	17.3%
REAL ESTATE & HOUSING	828,904	809,380	1,182,352	1,224,341	1,273,798
% Departmental Expenses	63.4%	59.6%	68.9%	68.8%	71.0%
COMMERCE DEPARTMENT	2,096,986	1,260,047	962,160	1,343,566	1,280,776
% Departmental Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS
(Continued)**

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	BUDGET FY 2016
TOTAL DEBT SERVICE	\$11,000,745	\$12,318,506	\$12,038,814	\$13,245,326	\$14,255,703
% General Fund	8.0%	8.6%	8.2%	8.8%	9.4%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$24,056,145	\$25,199,517	\$25,554,669	\$26,256,938	\$26,546,950

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	BUDGET FY 2016
PUBLIC WORKS	\$6,193,410	\$5,965,399	\$5,832,865	\$6,553,161	\$7,999,121
% of Department Expenses	10.8%	10.6%	9.6%	10.4%	12.0%
TOTAL DEBT SERVICE	\$6,193,410	\$5,965,399	\$5,832,865	\$6,553,161	\$7,999,121
% of Water/Sewer Fund	10.2%	10.0%	9.0%	9.6%	11.2%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	BUDGET FY 2016
MAYOR'S OFFICE	\$122,442	\$133,753	\$166,142	\$145,641	\$265,261
% of Department Expenses	1.6%	1.6%	2.2%	1.7%	3.1%
PUBLIC WORKS	283,922	223,604	231,249	275,522	222,066
% of Department Expenses	3.9%	3.0%	3.0%	3.5%	2.9%
TOTAL DEBT SERVICE	\$406,364	\$357,357	\$397,391	\$421,163	\$487,327
% of IS Fund	2.8%	2.3%	2.6%	2.5%	3.0%

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)**

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2012	ACTUAL FY 2013	ACTUAL FY 2014	BUDGET FY 2015	BUDGET FY 2016
TOTAL DEPT SERVICE	\$17,600,519	\$18,641,262	\$18,269,070	\$20,219,650	\$22,742,151
% of All Funds	8.9%	9.1%	8.7%	9.3%	10.2%

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 1995-2015**

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
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.10%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.20%	873
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

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2016-2034**

First Day of Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Internal Service Funds Debt	Total Debt
2016	109,717,226	146,217,166	2,697,273	258,631,665
2017	101,363,420	137,190,923	2,217,181	240,771,524
2018	92,762,502	128,468,180	1,971,967	223,202,649
2019	84,815,521	119,849,909	1,734,683	206,400,113
2020	76,453,929	110,877,943	1,479,884	188,811,756
2021	67,848,857	101,452,274	1,203,727	170,504,858
2022	58,728,394	91,910,526	712,586	151,351,506
2023	52,089,114	81,772,354	416,007	134,277,475
2024	45,110,814	71,432,109	283,867	116,826,790
2025	38,557,661	60,414,201	283,867	99,255,729
2026	31,674,872	48,929,163	283,867	80,887,902
2027	24,472,393	37,824,713	283,867	62,580,973
2028	20,182,393	26,434,563	283,867	46,900,823
2029	16,535,589	18,738,668	0	35,274,257
2030	13,510,000	12,781,175	0	26,291,175
2031	9,195,000	8,151,912	0	17,346,912
2032	4,705,000	3,060,295	0	7,765,295
2033	0	137,540	0	137,540
2034	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, 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 include Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet. Administrative Services are part of the Internal Services account group.

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 interest-bearing note issued by a government 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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.

CAFR: Comprehensive Annual Financial Report, prepared by the Accounting Division to provide the public with detailed information regarding the financial position of the City.

Capital Budget: A one-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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

DE-LEAD: is a federal grant from the Department of Housing and Urban Development to support lead-based paint hazard control in low-income and moderate-income owner-occupied and rental properties.

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.

Designated Fund Equity: Reserved fund balance representing amounts that are legally identified for a specific purpose, such as to pay debt or encumbrances.

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.

Forward Supply Contracts: Investment agreements requiring funds be set aside to purchase U.S. Strip Securities for payment of future debt service. These contracts arose from an advanced refinancing of long-term debt.

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:

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.

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 of Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet, along with the Self-Insurance services of Risk Management and Workers’ Compensation.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.

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).

Net Assets: For the Water/Sewer Fund (and other proprietary, and fiduciary funds), the difference between fund assets and liabilities is labeled as *Net Assets* on the financial statement. Net Assets are 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.

Objective: A specific, well-defined, and measurable condition that must be attained in order to accomplish a stated goal.

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 which 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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.

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/Self Insurance: Cash 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.

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.

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.

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.