

City of Wilmington Delaware



Annual Budget

James M. Baker
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2007 • Approved by City Council • May 18, 2006

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, 2005.

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

*Distinguished
Budget Presentation
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**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2005

Handwritten signature of Carla E. Fudge in black ink.

President

Handwritten signature of Jeffrey R. Emswiler in black ink.

Executive Director

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Mayor - James M. Baker
Treasurer - Henry W. Supinski

THE COUNCIL

President - Theodore Blunt

1st District	Charles Potter, Jr.	5th District	Samuel Prado
2nd District	Norman D. Griffiths	6th District	Kevin F. Kelley, Sr.
3rd District	Stephanie T. Bolden	7th District	Paul F. Ignudo, Jr.
4th District	Hanifa G.N. Shabazz	8th District	Gerald L. Brady
At Large	Michael A. Brown, Sr.	At Large	Charles M. Freel
At Large	Theopolis K. Gregory	At Large	Loretta Walsh

Maribel Ruiz, City Clerk
Charlotte B. Barnes, City Council Chief of Staff

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Eugene A. Bradley
James W. Ford
Monica Gonzalez-Gillespie
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Kash Srinivasan
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Director of Planning
City Auditor
Chief of Fire
Director of Personnel
Acting Director of Real Estate and Housing
Director of Finance
Director of Public Safety
City Solicitor
Acting Director of Economic Development Office
Commissioner of Public Works
Commissioner of Licenses and Inspections
Chief of Police

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Matthew J. Razze
Rosalie B. Suber
Robert G. Winkeler

Budget Director

Senior Analyst/Systems Coordinator
Budget Analyst II
Senior Analyst

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FISCAL YEAR 2007 BUDGET MESSAGE

RENEWED FINANCIAL STRENGTH, PROGRESS, AND OPTIMISM

Over the last few years, City employees, members of City Council, and a vast number of other City partners have worked extremely hard to build momentum throughout the City of Wilmington. That work has paid off. Enormous progress has been made toward building a community that can meet the challenges of the 21st century and ensuring a prosperous, vibrant City for the generations to follow.

Scores of projects are underway to strengthen and stabilize neighborhoods, transforming entire areas of the City and expanding opportunities for affordable homeownership. New citizens throughout the Downtown district are helping to reverse long-held negative perceptions about urban areas and are now part of the growing national trend toward city living. In just a few short years, the rapidly developing Christina Riverfront has become the envy of many a city with a river running through it. The development of our neighborhoods, Downtown, and the Riverfront is aiding Wilmington in a much anticipated, much needed, and much stronger march toward the future.

Much of the optimism about Wilmington's future is built upon the City's vastly improved financial condition. Upon taking office as Mayor, one of the top goals I set for my Administration was addressing Wilmington's very serious fiscal problems, which were structural in nature and not easily solved. Previous administrations had tried, but could not close the long-term gap between revenue and expenditures.

Thanks to the restraint and fiscal discipline shown in recent budgets, along with our determined lobbying and educational efforts we waged to expand Wilmington's revenue options, I can

confidently state that the City has finally secured a sense of financial freedom. These efforts first bore fruit in 2003 when the State passed a package of new revenue streams that added \$3 million per year to the General Fund. Finances were bolstered a year later when New Castle County made a one-time grant of \$15 million to assist our policing efforts. At the time, both of these initiatives were crucial to the City's financial health, but it was recognized by many (including the Governor, the City legislative delegation, leaders of the State House and Senate, City Council, the City's labor unions, leaders in the business community, and City residents) that further expansion and diversification of the City's revenues would be needed to adequately address the structural budget deficit.

Governor Minner kept her promise to revisit the City's fiscal challenges, and with her strong support and a bi-partisan effort by members of both the House and Senate we finally saw the passage of the County Seat Fiscal Relief Act in June 2005. This unprecedented package of new permanent revenues coming from a variety of State and County sources will grow to exceed \$10 million annually by Fiscal Year (FY) 2009. While we finally have the ability to truly address some of the City's most pressing needs, we will continue a policy of fiscal discipline so that we can avoid the pitfalls of the boom and bust economic cycles that have plagued prior administrations. The Governor and General Assembly have provided the City with critically needed revenues which we must not squander. They also placed their trust in our financial stewardship, and we will not fail them.

The recent State legislation also calls for continued restraint, requesting that we submit a letter to the State's fiscal officers by April of each year (for the three years starting April 2006 and ending in April 2008) detailing quantified fiscal control efforts. For this year, the City's financial team, working with the Chief of Staff, developed a balanced mix of cost-cutting, cost-avoidance and revenue collection initiatives for submission to the State that far exceeded the State's first year goal of \$500,000. In fact, the package exceeded the State's three-year cumulative goal of \$2 million. Examples include the implementation of a three-tier employee prescription co-pay plan and increased efficiency of workers' compensation claims management, just to name a few.

City of Wilmington Projected Financial Results				
GENERAL FUND	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$105,223,600	\$117,944,171	\$124,305,852	\$127,869,952
Expenditures	97,633,952	116,071,883	122,814,241	126,766,416
Net Transfers In/(Out)	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$7,864,648	\$2,147,288	\$1,766,611	\$1,378,536

(Please see pages 58-65 for details on projections and assumptions)

The preceding table shows that even with no property tax increases, the City is projected to have an operating surplus each of the next three fiscal years (FY 2007-FY 2009). This is in stark contrast to last fiscal year (before the County Seat revenues were created) when our projections showed large deficits for all three of the fiscal years, with a cumulative three-year deficit of over \$25.5 million.

This tremendous turnaround reflects what is possible when all of Delaware stands up for its largest City and when the City itself makes a huge effort to get its act together by adopting strong fiscal management policies and a well-developed plan for future growth. Hard work does reap benefits for all citizens. At the same time, there are still some clear challenges that we have to devote serious attention and additional dollars to resolving them, so they do not undo all the progress that has already been made.

BUDGET DISCUSSION

Before getting into the details of the budget, it is important to note a required accounting change that has an inflating effect on the FY 2007 General Fund Budget not related to any true change in actual revenues, expenditures or operations. To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in all previous years as direct revenues into the Police and Fire pension trust funds must now be accounted for in the General Fund. As a result, for FY 2007 the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. However, the net change to the General Fund budget bottom line is zero.

The General Fund

The Fiscal Year (FY) 2007 operating budget expenditures total \$116,071,883, up \$19,380,339 or 20.0% from FY 2006 (which includes the effect of the accounting change discussed above). The expansion and diversification of the City's revenues resulting from the Governor's Task Force and County Seat Relief packages have greatly improved the City's financial strength and stability. For the first time in a number of years, the FY 2007 budget provides the large-scale level of resources necessary to focus on and expand the fundamental direct City services most important to the citizens. This is especially evident in the Police, Public Works, and Licenses & Inspections (L&I) departments.

Just as important, the FY 2007 budget provides the basis for a sustainable, multi-year spending plan that will result in significant improvements in City services, while allowing us to avoid future property tax hikes for as long as humanly possible and fiscally responsible to do so. Obviously, we will continue to closely monitor the City's finances, but I am happy to report that this budget does not require an increase in property taxes or the use of budget reserves.

General Fund Expenditures

- With the necessary funding resources now available, the Police department is expanding community-based policing to the entire force and will be implementing a Yale University-developed Child Development Centered Policing (CDCP) program to help get at the root of crime. Fifteen Police Officers are being added to the force at a cost of \$918,245. \$150,000 in funding will be used to fully implement the CDCP program, the first phase of which had been paid by a one-time grant last fiscal year. To assist Police management in the proper training of officers, a Community Policing Expert consultant will be hired at a cost of \$50,000.
- Support operations in the Police department are also being bolstered. Two Emergency Call Operators (at a cost of \$89,676) and two Communications & Data Specialists (at a cost of \$92,640) are being added. These positions will help with the volume of calls for service and the need for improved and quickly-generated statistical reports.
- Two additional Parking Regulation Enforcement Officers (PREO's) and a Scofflaw Enforcer are being added at a cost of \$134,514. This additional staffing is part of a multi-pronged approach to increase enforcement in the neighborhoods, as well as the business district.
- To further enhance scofflaw enforcement and collections, the City will contract with a private vendor, at a cost of \$581,250, to implement the PayLock delinquency abatement system. Using mobile license plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue that will be generated by this program is conservatively estimated at \$1.1 million, greatly exceeding the costs.
- Clean streets and sidewalks, especially in the neighborhoods, greatly affect the quality of life for City residents. However, the demand for services often significantly exceeds the available resources. To properly staff the street cleaning equipment currently sitting idle and to keep sidewalk receptacles emptied on a more frequent basis, seven Equipment Operator IV's (at a cost of \$312,297) and two Equipment Operator II's (at a cost of \$85,612) are being added in Public Works. In addition, chronic staffing shortages in the trash collection operation caused by previous budget cuts are being rectified with the restoration of six Sanitation Worker positions (at a cost of \$270,840). Currently, management has to borrow manpower from the already understaffed Street Cleaning division to maintain trash collection operations.
- Greater emphasis on reducing quality-of-life violations and nuisances, especially in the area of housing, has led to the need for expanded field inspections. To meet that demand, three Code Enforcement Inspector positions were added to L&I. With the increased volume of construction activity throughout the City, but especially that anticipated along the waterfront, an additional Building Code Enforcement Inspector is also needed. To support these new positions and the greater volume of activity from existing staff, an Administrative Clerk I was added. The total cost of these five new positions is \$272,778.

- As a result of funding reductions by the Federal government to the Community Development Block Grant (CDBG), five Code Enforcement Officers in L&I that had been funded entirely by the CDBG Fund will now be funded completely by the General Fund at a cost of \$327,519. Also, other support costs in the CDBG Fund that were eliminated, such as Internal Services, were prorated mostly into the General Fund with an impact of about \$127,000. Lastly, three recent vacancies in Real Estate & Housing that were CDBG-funded positions were eliminated.
- Debt Service increased a net \$1.1 million. Borrowing for the Revised FY 2004 Capital Program added \$2.7 million, while declines in existing debt service and the recent refunding of past bond issues partially offset that increase by \$1.6 million.
- A \$500,000 project account was created in the Mayor's Office to implement the recommendations of the Hope Commission, with funding targeted for youth programming, such as Challenge Grants, as well as economic development activities.
- Spending on outside legal services has increased by \$540,000. \$440,000 is to cover the cost of possible litigation over the contract fee calculation for the privatized operation of the sewage treatment plant. The remaining \$100,000 of the increase in legal fees is to assist the Finance Department with targeted revenue collections.
- Electricity was originally increased \$423,000 in the Proposed Budget to cover Delmarva Power's anticipated 40% rate hike once deregulation ended on May 1, 2006. However, because of a subsequent reduction of a State grant (used to pay for electricity for street lighting) and a rate increase closer to 55%, an additional \$763,920 for electricity was added to the Contingency Fund by Council amendment, bringing the total increase to almost \$1.2 million.
- There is \$235,000 budgeted (an increase of \$163,000) to cover a full year of the fixed costs of the City-owned Rock Manor Golf Course, such as debt service, utilities, and maintenance, while it is closed during the renovations being done as part of the larger DELDOT transportation project on Route 202.
- As part of a greater focus on human resources development, a \$30,000 set-aside will be created to provide home buying assistance to City employees, and an additional \$67,000 will bolster the Personnel Department's employee training budget.
- Total Internal Services increased almost \$650,000. This is a result of a \$217,495 rise in Data Processing, reflecting the costs of the ongoing system conversion and improvements to the network; a \$163,378 increase in Motor Vehicle Costs, due mainly to rising fuel costs; almost \$113,000 more in Mapping and Word Processing related to building the Geographic Information System; about \$73,000 more in Workers' Compensation, reflecting overall employee salary increases; and almost \$65,000 more in Telephone, resulting from the reallocation of costs from other Funds (mainly Water/Sewer) based on actual usage.

General Fund Revenues

Total General Fund Revenue, before the transfer from the Wilmington Parking Authority, is expected to increase by a net \$21,744,013 or 22.6% over the Fiscal Year (FY) 2006 Budget. The net change from Budget to Budget (FY 2007 vs. FY 2006) can be broken down as follows:

<u>REVENUE</u>	<u>CHANGE</u>	<u>TOTAL</u>
• State Pension Contribution	<i>Reclassification</i>	\$ 6,410,000
• County Seat Relief Package	<i>New \$6,243,807</i>	\$ 6,243,807
• Interest Earnings	<i>Up \$3,065,929</i>	\$ 4,365,929
• Wage & Net Profits Tax	<i>Up \$2,275,944</i>	\$ 46,274,069
• Parking Tickets/Booting	<i>Up \$1,900,000</i>	\$ 3,400,000
• Task Force Revenues	<i>Up \$710,000</i>	\$ 4,157,500
• Other Revenues	<i>Up \$500,000</i>	\$ 4,372,533
• Franchise Fees	<i>Up \$485,333</i>	\$ 2,313,333
• Licenses, Permits and Fees	<i>Up \$423,000</i>	\$ 3,501,500
• Real Estate Transfer Tax	<i>Up \$134,000</i>	\$ 3,500,000
• Head Tax	<i>Down \$404,000</i>	\$ 2,114,000

State Pension Contribution

This is the revenue side of the accounting change outlined previously at the start of the Budget Discussion. To comply with the City Auditor’s recent re-interpretation of GASB pronouncement #24 (concerning “on-behalf payments”), special pension grants from the State of Delaware that had been booked in previous years as direct revenues into the Police and Fire pension trust funds must now be accounted for in the General Fund. As a result, for FY 2007 the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero.

County Seat Relief Package is the bundle of escalating revenue enhancements authorized by 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 provides diversified revenue support to the three county seats in the State of Delaware. The FY 2007 projections provided by the State Finance Secretary’s Office include \$2,983,140 for a payment in lieu of taxes (PILOT) for State-owned properties in the City (which are normally exempt from the City property tax), and \$3,260,667 as a part of the local share of the State’s Uniform Commercial Code (UCC) filing fees.

Interest Earnings are projected to rise almost \$3.1 million, to a total of \$4,365,929, resulting from realized and expected interest rate hikes, along with the availability of significantly larger cash balances to invest due to recent operating surpluses and capital bond proceeds.

The growth in the **Wage and Net Profits Tax** is tempered by the likely effects of the recent acquisition of MBNA by Bank of America. Though no official statements have been released, strong likelihood exists that significant job cuts and/or salary reductions will occur as a result of this merger. The second quarter FY 2006 Wage Tax projection was used as the starting point for projecting the FY 2007 figure. First, \$2 million in revenue was taken off that base as a worst-case scenario of Bank of America job and salary cuts. Then, a 3% growth factor was applied (attributed mainly to expected general salary increases) to the new base. Finally, \$750,000 was added as a result of the Finance Department's "Plan for Change" initiative to enhance collection efforts in this area. Net Profits revenue is expected to increase by 3% over the FY 2006 projection.

Parking Tickets/Booting

With additional staffing and a multi-pronged approach to increasing enforcement and collection (as part of the implementation of the Finance department's "Plan for Change"), Parking Tickets revenue is forecast to rebound sharply from the decline of recent years. Already, the FY 2006 second quarter shows an increase of \$300,000. With an additional \$500,000 forecast as a result of the more focused approach, parking ticket revenue is projected to increase \$800,000, to a new total of \$2.3 million in FY 2007.

To further enhance scofflaw enforcement and collections, the City will contract with a private vendor to implement the PayLock delinquency abatement system. Using mobile licence plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue from implementing this program is conservatively estimated at \$1.1 million, greatly exceeding the cost of \$581,250.

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's). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

For FY 2007, three of the four components of the Task Force Revenues are projected to increase in total by \$710,000, while the fourth component, Corporate Filing Fees, is expected to remain level at \$1.1 million. LLC Filing Fees are up \$300,000, to a total of \$1,725,000, matching the FY 2006 second quarter projection. Lodging Tax and Natural Gas Tax are forecast to grow by 2.5% above the FY 2006 projected levels, to new totals of \$512,000 and \$820,000 respectively, a combined increase of \$410,000. Total Task Force revenues for FY 2007 will be \$4,157,500.

Other Revenues will increase by \$500,000, the expected amount of the landfill tipping fees rebate from the Delaware Solid Waste Authority (DSWA). Due to an accounting change, the annual Delaware Solid Waste Authority landfill tipping fees rebate will be booked as a revenue, rather than as a reimbursement credited to the landfill fees account. This increases the Public Works department budget by \$500,000, but the net effect to the General Fund bottom line is zero.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues of cable television service sales in the City. In Wilmington, Delmarva Power is the sole provider of electricity and Comcast is the only provider of cable service. Delmarva Power makes an annual franchise payment each January calculated on the sales for the preceding calendar year. The FY 2007 electricity franchise payment was calculated to rise by the weighted average of 4 months at 4% and 8 months at 50% (reflecting the large rate hike in May of 2006) or 34.67% for the year. Before applying the 34.67% increase, \$72,000 was first added to yield an adjusted electricity franchise revenue base of \$1.1 million. After applying the 34.67% rate hike, the total electricity franchise payment is forecast to increase to \$1,481,333. Comcast, which pays its franchise fee on current sales (remitted quarterly to the City) is expected to raise rates 4% next year, yielding a FY 2007 total payment of \$832,000, up \$32,000 from FY 2006.

Licenses, Permits and Fees revenue will rise a total of \$423,000, incorporating the \$375,000 increase to the FY 2006 second quarter projections for Business Licenses and Building Permits, and reflecting expected strong continued building activity and renovations in the Downtown Business District, as well as at the Riverfront and in the Ship's Tavern District. Another \$48,000 was added to account for 3% projected growth in the Building Permits and Fire Plan Review Fees in FY 2007.

Real Estate Transfer Tax revenues topped out at more than \$6 million in both Fiscal Years 2004 and 2005, as the frenzied activity in both commercial and residential property sales hit a peak. That level has proven to be unsustainable in the long-run, as indicated by revenues in the second quarter of FY 2006 that are only half of those of the first quarter. The FY 2007 projection of \$3.5 million excludes the skewing effects of one-time sales of large commercial buildings and the turnover caused by speculative investment activity in the residential market, but still recognizes that activity has permanently expanded as a result of growth in the residential and commercial markets, especially at the Riverfront.

Head Tax is slated to decrease by \$404,000 from the FY 2006 Budget. Even before the Bank of America buyout of MBNA, preparatory staffing reductions at MBNA, along with reductions at Dupont, helped contribute to a FY 2006 second quarter decrease of \$200,000. Although about 300 new jobs are expected to be created from other businesses in the City, a worst-case scenario of an additional elimination of 2,000 jobs is projected for Bank of America. The result is a projected net decline in employment of 1,700 jobs and the loss of \$204,000 in head taxes.

Water/Sewer Fund

Before getting into the financial details of the Water/Sewer Fund, I want to first elaborate on an initiative of which we are particularly proud. This Administration came into office five years ago with a strong focus on basic infrastructure, and more particularly, on the modernization of the City's water and sewer infrastructure. Of equal concern was how to better protect the environment from pollutants that flow into the Brandywine and Christina Rivers during rainstorms as a result of the City's combined sewer overflow (CSO) problem. Using City, State, and Federal funds, work has begun on a state-of-the art computerized system called Real Time Control that aggressively addresses the CSO issue.

The Real Time Control system takes the miles of the City's passive underground piping system and converts it to a dynamically controlled system through the use of rain gauges, water level and flow sensors, and regulators. This will maximize the sewage collection system's capacity by controlling the direction, flow, and volume of stormwater, much like street signals control the flow of rush hour traffic.

When Real Time Control is implemented, Wilmington will join just a handful of progressive cities in North America that are employing this cutting edge technology to avoid the pollution of their rivers. This project will allow the City to not only meet, but to exceed, current Federal standards for CSO. Other strategies to reduce CSO pollution levels almost always involve large, costly, and disruptive underground containment structures like the one in Canby Park. For this reason, we are embracing the less disruptive, but highly effective, Real Time Control technology.

Water/Sewer Expenditures

- The FY 2007 operating budget expenditures total **\$45,663,489** – up \$4,026,162 or 9.7% from FY 2006. A significant portion of this increase is the rise in the contract cost to operate and maintain capital improvements at our sewage treatment plant, which has risen \$1.55 million. Additionally, Personal Services increased \$221,357 as a result of contractual salary adjustments and higher pension actuarial targets.
- Electricity was increased \$765,250 to cover Delmarva Power's 55% rate hike once deregulation ended on May 1, 2006.
- Reflecting a recent change in accounting treatment, customer refunds resulting from adjustments to prior years' water bills will be paid from a new \$500,000 budget expense account. Previously, prior period refunds were booked as reductions to the current year's revenues, skewing the revenue projection process. The net effect to the bottom line of the Water/Sewer Fund will be zero.
- Substantial across-the-board price hikes by the providers of the bulk chemicals and specialty materials needed to filter, purify, and test drinking water will increase the cost of these supplies by \$278,500.
- There is a \$271,000 increase related to the disposal of the City's sewage sludge. The City had an agreement with the Delaware Solid Waste Authority to use the sludge as landfill cover for the re-contouring of the now-closed Pigeon Point landfill. Because this special usage of the sludge could soon be disallowed by the State, the City will be forced to use higher priced disposal methods.
- Debt Service increased a net \$104,000. Borrowing for the Revised FY 2004 Capital Program added \$1.9 million, while declines in existing debt service and recent refunding of past bond issues offset that increase by nearly \$1.8 million. This increase includes the City's continued aggressive pursuit of an accelerated combined sewer overflow mitigation using Real Time Control, along with finished water filtration and supply improvements that exceed EPA standards and contribute to the stability of Northern New Castle County's water supply during times of drought.

- Postage costs related to water billing and revenue collection increased a total of \$54,555, reflecting higher new postage rates and the planned installation of a digital mail system.
- As part of the Finance department's "Plan for Change", two new Senior Financial Analyst positions were created (evenly split-funded between the General and Water/Sewer Funds), along with shifting in half of the cost of the Senior Financial Officer position. The Finance Deputy Director position was increased from 50% Water/Sewer funding to 60%. Offsetting these staffing increases was the elimination of three meter-reader positions (all three 100% Water/Sewer Fund) in anticipation of the completion of the automated-read water meter replacement program. The net change to staffing as a result of the above is a decrease of 1.4 full-time equivalent positions. The "Plan for Change" will employ multiple strategies to improve billing and collections, resulting in at least \$500,000 more in annual revenue.
- Seven Equipment Operator IV positions have been transferred out of the Water/Sewer Fund at a savings of \$348,597. These positions, originally moved into the Water/Sewer Fund in FY 2003 to reflect the costs of efforts to minimize combined sewer overflow into waterways by keeping storm sewers free from debris, will now join the larger, more flexible General Fund workforce focused on keeping the neighborhoods clean.

Water/Sewer Revenues

Total Water/Sewer revenue is expected to increase \$4,688,392, or 11.5%, to a total of \$45,602,459. There is no expected change in overall water consumption, but there are adjustments to rates and the contractual sewage treatment fee to New Castle County.

Infrastructure investments and operational improvements are essential to preserve and enhance our water quality and to protect the environment. These important, but costly commitments cannot be covered by the existing level of revenues. The FY 2007 Budget raises water and sewage fees 15% as part of a four-year plan of rate changes that will ensure adequate cash flow for infrastructure investment and prevent operating deficits in the Water/Sewer fund.

The Direct User Fees portion of revenues is projected to increase to \$29,360,336 from \$25,095,944 last fiscal year. This increase of \$4,264,392 is attributable to the effects of the increase in rates and an estimated \$500,000 more in collections resulting from the implementation of the Finance Department's "Plan for Change". Even with the rate increase, City users will still benefit from prices lower than those offered by surrounding private water utilities and the New Castle County government.

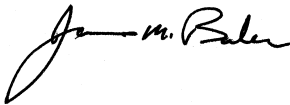
The City's contract to provide sewage treatment for New Castle County (NCC) allows for an annual inflation adjustment of 2.75% per year. The fee to NCC for FY 2007 will be \$15,841,000, up \$424,000 from the FY 2006 Budget. The City will also receive \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. This reimbursement is the same as last year.

CONCLUSION

The FY 2007 Budget capitalizes on our greatly improved financial picture. It expands and enhances a number of fundamental services essential to the health, safety, and welfare of the citizens we are privileged to serve. It also attempts to do so in a way that is affordable and sustainable, all the while recognizing the approaching round of labor negotiations and being ever mindful of the unpredictability of shocks to the local and national economy.

When speaking of the future, philosopher Bertrand Russell once said, “One must care about the world one will not see.” Some of the improvements to the City’s services, systems, and citizens’ lives that are enabled by this budget may not show immediate benefits. While some may take years to come to fruition, all are designed to produce a cleaner, safer, and more hopeful City, not just for today, but for years to come.

Respectfully,

A handwritten signature in black ink, appearing to read "James M. Baker". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James M. Baker
Mayor

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2007

General Fund

Important Note:

An accounting change deemed necessary by the City Auditor has a skewing and inflating effect on the presentation of the FY 2007 General Fund Budget that is not related to any true change in actual revenues expenditures or operations. To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in all previous years as direct revenues into the Police and Fire pension trust funds must now be accounted for in the General Fund. As a result, for FY 2007 the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero.

- The Fiscal Year (FY) 2007 operating budget expenditures total **\$116,071,883** – up \$19,380,339 or 20.0% from FY 2006 (see note above). The expansion and diversification of the City's revenues resulting from the Governor's Task Force and County Seat Relief packages have greatly improved the City's financial strength and stability. For the first time in a number of years, the FY 2007 budget provides the large-scale level of resources necessary to focus on and expand the fundamental direct City services most important to the citizens. This is especially evident in the Police, Public Works, and Licenses & Inspections (L&I) departments.
- With the necessary funding resources now available, the Police department is expanding community-based policing to the entire force and will be implementing a Yale University-developed Child Development Centered Policing (CDCP) program to help get at the root of crime. Fifteen Police Officers are being added to the force at a cost of \$918,245. \$150,000 in funding will be used to fully implement the CDCP program, the first phase of which had been paid by a one-time grant last fiscal year. To assist Police management in the proper training of officers, a Community Policing Expert consultant will be hired at a cost of \$50,000.
- Support operations in the Police department are also being bolstered. Two Emergency Call Operators (at a cost of \$89,676) and two Communications & Data Specialists (at a cost of \$92,640) are being added. These positions will help with the volume of calls for service and the need for improved and quickly-generated statistical reports.
- Two additional Parking Regulation Enforcement Officers (PREO's) and a Scofflaw Enforcer are being added at a cost of \$134,514. This additional staffing is part of a multi-pronged approach to increase enforcement in the neighborhoods, as well as the business district.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2007

General Fund (continued)

- To further enhance scofflaw enforcement and collections, the City will contract with a private vendor, at a cost of \$581,250, to implement the PayLock delinquency abatement system. Using mobile licence plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue that will be generated by this program is conservatively estimated at \$1.1 million, greatly exceeding the costs.
- Clean streets and sidewalks, especially in the neighborhoods, greatly affect the quality of life for City residents. However, the demand for services often significantly exceeds the available resources. To properly staff the street cleaning equipment currently sitting idle and to keep sidewalk receptacles emptied on a more frequent basis, seven Equipment Operator IV's (at a cost of \$312,297) and two Equipment Operator II's (at a cost of \$85,612) are being added in Public Works. In addition, chronic staffing shortages in the trash collection operation caused by previous budget cuts are being rectified with the restoration of six Sanitation Worker positions (at a cost of \$270,840). Currently, management has to borrow manpower from the already understaffed Street Cleaning division to maintain trash collection operations.
- Related to the point above, Seven Equipment Operator IV positions have been transferred back into the General Fund from the Water/Sewer Fund at a total cost of \$348,597. These positions, originally moved into the Water/Sewer Fund in FY 2003 to reflect the costs of efforts to minimize combined sewer overflows into waterways by keeping storm sewers free from debris, will now join into the larger, more flexible workforce focused on keeping the neighborhoods clean.
- Greater emphasis on reducing quality-of-life violations and nuisances, especially in the area of housing, has led to the need for expanded field inspections. To meet that demand, three Code Enforcement Inspector positions were added to L&I. With the increased volume of construction activity throughout the City, but especially that anticipated along the waterfront, an additional Building Code Enforcement Inspector is also needed. To support these new positions and the greater volume of activity from existing staff, an Administrative Clerk I was added. The total cost of these five new positions is \$272,778.
- As a result of funding reductions by the Federal government to the Community Development Block Grant (CDBG), five Code Enforcement Officers in L&I that had been funded entirely by the CDBG Fund will now be funded completely by the General Fund at a cost of \$327,519. Also, other support costs in the CDBG Fund that were eliminated, such as Internal Services, were prorated mostly into the General Fund with an impact of about \$127,000. Lastly, three recent vacancies in Real Estate & Housing that were CDBG-funded positions were eliminated.
- Debt Service increased a net \$1.1 million. Borrowing for the Revised FY 2004 Capital Program added \$2.7 million, while declines in existing debt service and the recent refunding of past bond issues partially offset that increase by \$1.6 million.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2007

General Fund (continued)

- A \$500,000 project account was created in the Mayor's Office to implement the recommendations of the Hope Commission, with funding targeted for youth programming, such as Challenge Grants, as well as economic development activities.
- Due to an accounting change, the annual Delaware Solid Waste Authority landfill tipping fees rebate will be booked as a revenue rather than as a reimbursement credited to the landfill fees account. This increases the Public Works department budget by \$500,000, but the net effect to the General Fund bottom line is zero.
- Spending on outside legal services has increased by \$540,000. \$440,000 is to cover the cost of possible litigation over the contract fee calculation for the privatized operation of the sewage treatment plant. The remaining \$100,000 of the increase in legal fees is to assist the Finance Department with targeted revenue collections.
- Electricity was originally increased \$423,000 in the Proposed Budget to cover Delmarva Power's anticipated 40% rate hike once deregulation ended on May 1, 2006. However, because of a subsequent reduction of a State grant (used to pay for electricity for street lighting) and a rate increase closer to 55%, an additional \$763,920 for electricity was added to the Contingency Fund by Council amendment, bringing the total increase to almost \$1.2 million.
- There is \$235,000 budgeted (an increase of \$163,000) to cover a full year of the fixed costs of the City-owned Rock Manor Golf Course, such as debt service, utilities, and maintenance, while it is closed during the renovations being done as part of the larger DELDOT transportation project on Route 202.
- As part of a greater focus on human resources development, a \$30,000 set-aside will be created to provide home buying assistance to City employees, and an additional \$67,000 will bolster the Personnel Department's employee training budget.
- Reflecting a recent change in accounting treatment, taxpayer refunds resulting from adjustments to prior years' property tax bills will be paid from a new \$75,000 budget expense account. Previously, prior period refunds were booked as reductions to the current year revenues, skewing the revenue projection process. The net effect to the bottom line of the General Fund will be zero.
- Total Internal Services increased almost \$650,000. This is a result of a \$217,495 rise in Data Processing, reflecting the costs of the ongoing system conversion and improvements to the network; a \$163,378 increase in Motor Vehicle Costs, due mainly to rising fuel costs; almost \$113,000 more in Mapping and Word Processing related to building the Geographic Information System; about \$73,000 more in Workers' Compensation, reflecting overall employee salary increases; and almost \$65,000 more in Telephone, resulting from the reallocation of costs from other Funds (mainly Water/Sewer) based on actual usage.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2007

General Fund (continued)

- The Operating Contingency and the Snow & Weather Emergency accounts have been increased to more realistic levels that better reflect past experience. The Operating Contingency Fund was originally approved at \$300,000, up from \$150,000 last year. However, a subsequent amendment by City Council added \$763,920 to cover electricity rate hikes due to the end of deregulation in Delaware and \$300,000 for some Council initiatives, bringing the amended total Contingency Fund budget to \$1,363,920. The Snow and Weather Emergency account increased from \$30,000 last year to a new total of \$100,000 this year.

- There is no increase in the Property Tax rate.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2007

Water/Sewer Fund

- The FY 2007 operating budget expenditures total **\$45,663,489** – up \$4,026,162 or 9.7% from FY 2006. Accounting for a significant portion of this increase is the contract to operate and maintain capital improvements at the sewage treatment plant, which has risen \$1.55 million. Additionally, Personal Services increased \$221,357 as a result of contractual salary adjustments and higher pension actuarial targets.
- Reflecting a recent change in accounting treatment, customer refunds resulting from adjustments to prior years' water bills will be paid from a new \$500,000 budget expense account. Previously, prior period refunds were booked as reductions to the current year's revenues, skewing the revenue projection process. The net effect to the bottom line of the Water/Sewer Fund will be zero.
- Electricity was increased \$765,250 to cover Delmarva Power's 55% rate hike once deregulation ended in May 1, 2006.
- Substantial across-the-board price hikes by the providers of the bulk chemicals and specialty materials needed to filter, purify, and test drinking water will increase the cost of these supplies by \$278,500.
- There is a \$271,000 increase related to the disposal of the City's sewage sludge. The City had an agreement with the Delaware Solid Waste Authority to use the sludge as landfill cover for the re-contouring of the now-closed Pigeon Point landfill. Because this special usage of the sludge could soon be disallowed by the State, the City will be forced to use higher priced disposal methods.
- Debt Service increased a net \$104,000. Borrowing for the Revised FY 2004 Capital Program added \$1.9 million, while declines in existing debt service and recent refunding of past bond issues offset that increase by nearly \$1.8 million. This increase includes the City's continued aggressive pursuit of an accelerated Combined Sewer Overflow (CSO) mitigation program, along with finished water filtration and supply improvements that exceed EPA standards and contribute to the stability of Northern New Castle County's water supply during times of drought.
- Postage costs related to water billing and revenue collection increased a total of \$54,555, reflecting higher new postage rates and the planned installation of a digital mail system.
- The FY 2007 Budget raises water and sewage rates 15% as part of a four year plan of rate increases to prevent further operating deficits in the Water/Sewer fund and ensure adequate cash flow for infrastructure investment. Even with the rate increase, City users will still benefit from prices lower than those offered by surrounding private water utilities and the New Castle County sewage authority.

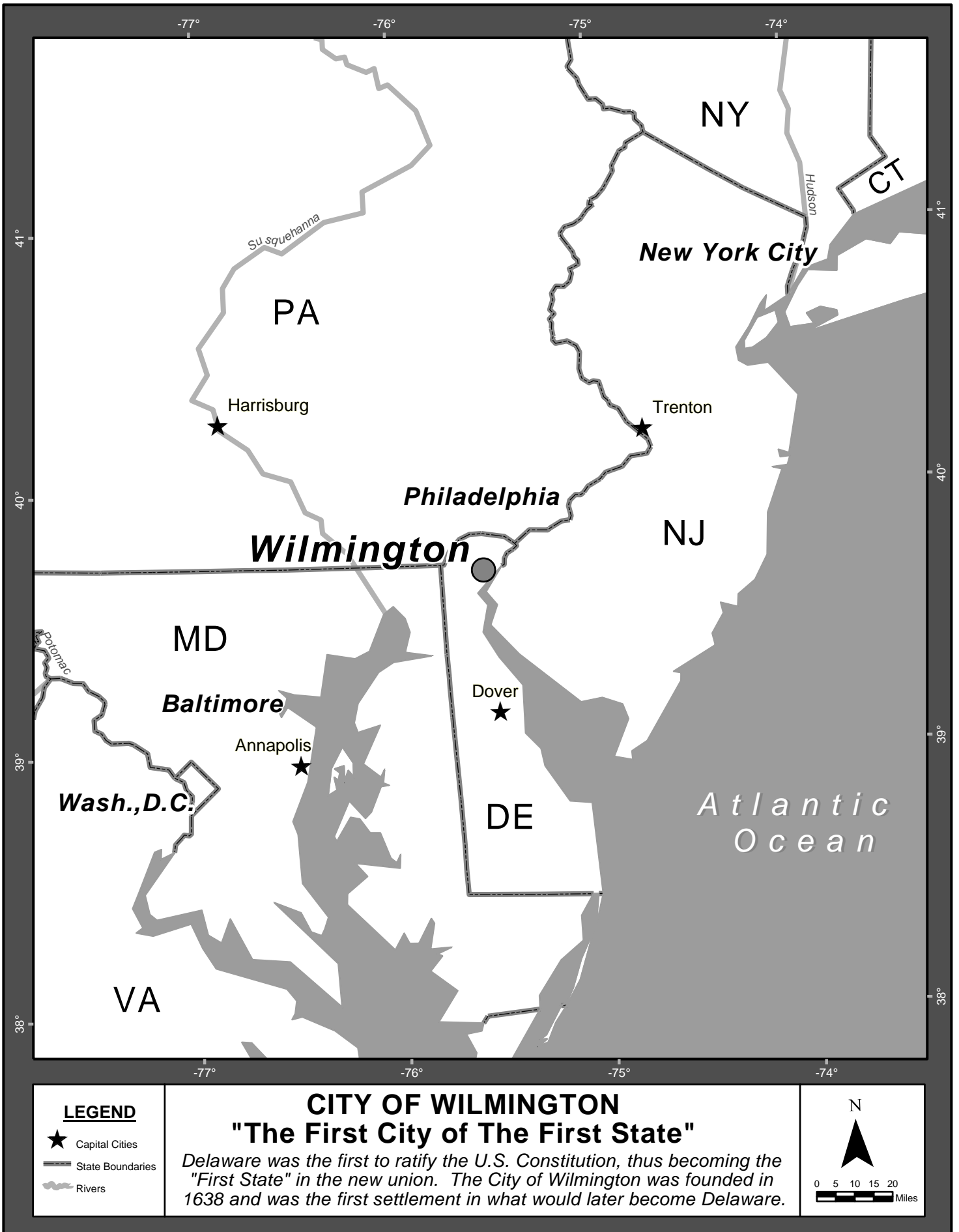
BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2007

Water/Sewer Fund (continued)

- As part of the Finance department's "Plan for Change", two new Senior Financial Analyst positions were created (evenly split-funded between the General and Water/Sewer Funds), along with shifting in half of the cost of the Senior Financial Officer position. The Finance Deputy Director position was increased from 50% Water/Sewer funding to 60%. Offsetting these staffing increases was the elimination of three meter-reader positions (all three 100% Water/Sewer Fund) in anticipation of the completion of the automated-read water meter replacement program. The net change to staffing as a result of the above is a decrease of 1.4 full-time equivalent positions. The "Plan for Change" will employ multiple strategies to improve billing and collections, resulting in at least \$500,000 more in annual revenue.
- Seven Equipment Operator IV positions have been transferred out of the Water/Sewer Fund at a savings of \$348,597. These positions, originally moved into the Water/Sewer Fund in FY 2003 to reflect the costs of efforts to minimize combined sewer overflows into waterways by keeping storm sewers free from debris, will now join into the larger, more flexible General Fund workforce focused on keeping the neighborhoods clean.

Commerce Fund

- The operating budget expenditures total **\$6,756,640** – down \$220,906 or -3.2% from FY 2006.
- The position of Community Development Manager was transferred from the Department of Real Estate and Housing to the Office of Economic Development at cost of \$78,712. The Community Development Manager will work primarily in the Disadvantaged Business Enterprise function.
- Debt Service declined a net \$256,509. Bond funding for the Revised FY 2004 Capital Program added \$59,896, while declines in existing debt service and recent refunding of past bond issues saved \$316,405.
- Consultants decreased a net \$53,000, reflecting the elimination of the Heritage Resources liaison for a savings of \$80,000, while \$27,000 was added to increase support for the Disadvantaged Business and Main Street Program activities.
- Funding for the annual contribution to the Greater Wilmington Convention and Visitors Bureau was increased \$7,000, from \$23,000 to a new total of \$30,000.
- Staffing increased by one to new total of eight.



WILMINGTON FACTS & FIGURES

The City of Wilmington is located on the western bank of the Delaware River in the northeast corner of the State of Delaware, almost at the mid-point between New York City and Washington, D.C. The City is the largest municipality in the State and on the Delmarva Peninsula and is the 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 limited commuter flights, along with a full schedule of freight services. The Philadelphia International Airport lies thirty minutes north by car. The Wilmington Port is a full-service Port handling cargo for many regional, national and international firms.

The Wilmington Primary Metropolitan Statistical Area (PMSA) includes portions of two states (Cecil County, Maryland and New Castle County, Delaware). 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>1990 Population</u>	<u>2000 Population</u>	<u>% Change</u>	<u>Land Area (sq. mile)</u>	<u>2000 Population Density (sq. mile)</u>
City	71,529	72,664	1.6%	10.8	6,728
New Castle County	441,946	500,265	13.2%	426.0	1,174
Wilmington PMSA	513,587	586,216	14.1%	775.0	756
State of Delaware	666,168	783,600	17.6%	1,955.0	401

Population

The 2000 US Census indicates that the City's population increased by 1.6% from 1990 to 2000. This continues the trend of growth first revealed in the 1990 Census, after decades of population decline that began after WWII. New Castle County, the Wilmington PMSA, and the State have recorded significant increases in population starting from 1970.

POPULATION TRENDS

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
City of Wilmington	80,386	70,195	71,529	72,664
Dwelling Units	29,965	30,506	31,244	32,138
State of Delaware	548,104	594,338	666,168	783,600
Wilmington PMSA	499,493	523,221	513,587	586,216
New Castle County	385,856	398,115	441,946	500,265

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

PERCENT OF POPULATION BY AGE GROUP	
19 YEARS AND YOUNGER	28.7%
20 TO 24 YEARS	7.0%
25 TO 34 YEARS	16.4%
35 TO 44 YEARS	15.6%
45 TO 54 YEARS	12.2%
55 TO 64 YEARS	7.5%
65 YEARS AND OLDER	12.6%
MEDIAN AGE OF POPULATION (YEARS)	33.7

PERCENT OF HOUSEHOLDS BY ANNUAL INCOME	
\$24,999 AND UNDER	36.4%
\$25,000 TO \$34,999	13.3%
\$35,000 TO \$49,999	16.1%
\$50,000 TO \$74,999	16.1%
\$75,000 TO \$99,999	8.3%
\$100,000 AND OVER	9.8%
MEDIAN HOUSEHOLD INCOME	\$35,116

Source: U.S. Census Bureau, Census 2000

WILMINGTON EMPLOYMENT TRENDS

City residents only

Year	Labor Force	Employed	Unemployed	Unemployment Rate
1981	35,775	31,906	3,869	10.8%
1982	36,752	32,822	3,930	10.7%
1983	36,098	32,225	3,873	10.7%
1984	36,484	33,966	2,518	6.9%
1985	31,400	29,200	2,200	7.0%
1986	31,400	29,400	2,000	6.4%
1987	31,800	30,500	1,300	4.1%
1988	32,334	31,142	1,192	3.7%
1989	33,617	32,188	1,429	4.3%
1990	34,859	33,009	1,850	5.3%
1991	34,149	31,786	2,363	6.9%
1992	34,204	31,762	2,442	7.1%
1993	34,226	32,171	2,055	6.0%
1994	34,326	32,514	1,812	5.3%
1995	32,963	31,222	1,741	5.3%
1996	32,726	31,174	1,552	4.7%
1997	35,235	33,298	1,937	5.5%
1998	34,993	33,374	1,619	4.6%
1999	34,858	33,275	1,583	4.5%
2000	33,567	32,096	1,471	4.4%
2001	33,437	31,758	1,679	5.0%
2002	33,033	31,083	1,950	5.9%
2003	32,566	30,836	1,730	5.3%
2004	32,644	30,559	2,085	6.4%
2005	32,829	30,771	2,058	6.3%

Data from 2005 back to 1990 have been adjusted to incorporate Census population controls.

Source: Delaware Department of Labor, Current Employment Statistics Program, 2005

WILMINGTON PMSA EMPLOYMENT BY INDUSTRY

	2002		2003		2004		2005		2002-2005
	Number	%	Number	%	Number	%	Number	%	% Change
TOTAL (Non-Agricultural)	342,500	100%	340,000	100%	346,100	10266 60%	348,300	100%	1.7%
Professional & Business Services*	54,800	16.0%	54,300	16.0%	57,300	16.6%	57,100	16.4%	4.2%
Government	47,000	13.7%	45,900	13.5%	46,600	13.5%	48,200	13.8%	2.6%
Education, & Health	40,100	11.7%	41,200	12.1%	42,400	12.3%	43,400	12.5%	8.2%
Retail Trade	38,900	11.4%	38,900	11.4%	38,700	11.2%	39,200	11.3%	0.8%
Financial Activities*	41,100	12.0%	39,700	11.7%	38,900	11.2%	38,900	11.2%	-5.4%
Leisure And Hospitality	27,000	7.9%	27,400	8.1%	28,200	8.1%	28,700	8.2%	6.3%
Manufacturing	27,600	8.1%	26,800	7.9%	26,100	7.5%	24,800	7.1%	-10.1%
Construction	19,500	5.7%	19,400	5.7%	20,400	5.9%	20,700	5.9%	6.2%
Other Services	13,700	4.0%	13,900	4.1%	14,600	4.2%	14,900	4.3%	8.8%
Wholesale Trade	12,100	3.5%	12,400	3.6%	13,300	3.8%	13,300	3.8%	9.9%
Transportation & Utilities	13,700	4.0%	13,500	4.0%	13,300	3.8%	13,100	3.8%	-4.4%
Information Technology	7,000	2.0%	6,600	1.9%	6,300	1.8%	6,000	1.7%	-14.3%

*A category definition change took place in 2003 that reclassified a major portion of Professional & Business Services jobs as now belonging under Financial Activities.

Source: Delaware Department of Labor Estimates, Current Employment Statistics Program, 2005

MAJOR AREA EMPLOYERS

The top twenty-five largest employers within commuting distance of the City of Wilmington.

Employer	Business	Employees
Bank of America (formerly MBNA)	Banking	9,700
Dupont	Chemicals and Energy	9,200
State of Delaware (Non-education)	State Government	7,400
Christiana Care Health Services	Hospital/Healthcare Complex	7,200
J P Morgan Chase Inc.	Banking	5,900
University of Delaware	Higher Education	5,600
AstraZeneca Inc.	Pharmaceuticals/Chemicals	4,700
Christiana School District	Public Education	3,100
A.I. Dupont Institute	Children's Hospital/Healthcare	2,700
Happy Harry's Inc.	Pharmacy Retail Chain	2,300
DaimlerChrysler Corp.	Automotive Assembly	2,100
Wilmington Trust Co.	Banking	2,100
New Castle County Government	County Government	2,000
Red Clay School District	Public Education	2,000
General Motors Corp.	Automotive Assembly	1,900
Integrity Staffing	Temporary Employment Agency	1,900
Brandywine School District	Public Education	1,600
United States Postal Service	Mail Service	1,600
Delaware Park	Racetrack/Slot Machine Gambling	1,400
Colonial School District	Public Education	1,300
COMCAST	Cable Television/Internet Service	1,300
Dade Behring, Inc.	Electro-medical Apparatus	1,300
YMCA	Civic/Social Services	1,300
City of Wilmington	Municipal Government	1,200
Home Depot	Retail Chain	1,200

Source: Delaware Department of Labor, Current Employment Statistics Program, 2005

Largest Real Estate Taxpayers in the City of Wilmington
Fiscal Year 2007

Name	Property	Taxable Assessment	% of Total Taxable Assessment
Bank of America	Corporate Headquarters	\$90,931,700	4.1%
Delmarva Power	Electric & Gas Utility	81,904,600	3.7%
MacQuarie BDN Christina	Office Building	63,704,500	2.9%
Hercules	Corporate Headquarters	58,084,300	2.6%
Dupont	Corporate Headquarters	55,152,300	2.5%
Tatten Partners	Office Building	54,823,300	2.5%
1201 Market Street LLC	Office Building	51,775,000	2.3%
Verizon	Communications	42,720,500	1.9%
HUB Properties Trust	Office Building	36,128,200	1.6%
Rodney Square Investors LP	Office Building	27,054,360	1.2%
100 West Street Corporation	Office Building	25,749,900	1.2%
Brandywine Office Investment	Office Building	24,729,500	1.1%
TRC One Rodney Square	Office Building	15,113,600	0.7%
Total		\$627,871,760	28.4%

Source: City of Wilmington Revenue Division

New Construction Permits Issued

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Single-Family	199	70	133	133	56
Multi-Family	0	0	1	1	0
Non-Residential	6	8	4	3	23
TOTAL	205	78	138	137	79

Total Value of New Construction Activity

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Residential	\$ 20,226,000	\$ 10,910,016	\$ 20,740,844	\$ 20,020,844	\$ 8,200,300
Non-Residential	\$ 46,460,100	\$ 3,630,220	\$ 23,175,504	\$ 23,895,504	\$ 73,633,246
TOTAL	\$ 66,686,100	\$ 14,540,236	\$ 43,916,348	\$ 43,916,348	\$ 81,833,546

Renovation Construction Permits Issued

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Residential	2,606	3,602	3,307	3,483	3,428
Non-Residential	1,177	1,012	1,518	1,223	1,026
TOTAL	3,783	4,614	4,825	4,706	4,454

Total Value of Renovation Construction Activity

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Residential	\$ 13,782,383	\$ 23,854,761	\$ 17,589,049	\$ 20,231,167	\$ 25,941,524
Non-Residential	\$ 92,396,597	\$131,885,291	\$156,171,933	\$ 112,601,178	\$ 156,171,933
TOTAL	\$106,178,980	\$155,740,052	\$173,760,982	\$ 132,832,345	\$ 182,113,457

ECONOMIC DEVELOPMENT ACTIVITY

In 1981, the State of Delaware introduced the Financial Center Development Act that made Delaware the location of choice for major financial institutions to relocate their operations centers. These companies offer a diversity of services: consumer lending and credit cards; commercial lending and cash management; and corporate services and financing. Back in 1981, conventional wisdom was to locate many of these facilities in the suburbs, where land was considerably cheaper. Today, smart business leaders, including those from banking, law, chemical and financial services companies are continuing a recent trend of moving back to the City.

Wilmington offers some unique opportunities because of the advantages of its proximity to a large skilled workforce, its economies of scale, and its access to commercial, legal and governmental centers of operation. The City also sits astride the main north-south fibre optic trunk line along the Atlantic seaboard. These competitive advantages have helped employment in the City increase by 10% in the past three years alone.

City Lures New Employers, Jobs, and Wage Taxes

The City has worked diligently to bring in about 11,500 new jobs over the past ten years. Businesses have moved into Wilmington as a result of economic development incentives provided by the City, which used to consist of property and head tax abatements. More recently, the City adopted the use of special cash incentives as a new tactic in pursuit of an expanded employment base. These incentives take the form of targeted cash advances and grants to alleviate relocation costs (such as moving expenses, equipment installations and workforce development) for businesses moving into the City. These cash incentives are keyed to, and dependent upon, the maintenance of an agreed upon base of employees for an extended number of years. Depending on the mix of incentives involved in any given agreement, the City's cash outlay is paid back by increased wage tax revenues within 20 to 36 months. It is important to note that the funds for the incentives do not come from the General Fund, but from a special economic development fund that was created from the mortgage proceeds of the 1996 sale of the Port of Wilmington to the State of Delaware.

The incentive program has encouraged major new employers, including ING Direct, Barclay's Bank (formerly Juniper Bank), and AAA Mid-Atlantic Corporate headquarters, to move or expand operations within the City. The City has also sharpened its focus on employers with a workforce of 25 to 100 employees, succeeding in luring several of these smaller firms to settle in Wilmington. In FY 2005 alone, these incentives resulted in the same-year creation of 1,363 new jobs, the commitment of an additional 1,513 new jobs over the ensuing 18 months, and the retention of 975 jobs. The program has generated strong momentum for ongoing business development in Wilmington and provided additional wage tax revenues for the General Fund that far exceed the amount of the incentives and tax abatements granted.

The City's aggressive policy of economic incentives and expedited regulatory reviews, along with Wilmington's distinct advantages as the State's only major city, have enabled the City to achieve widespread recognition as the location of choice for doing business in Delaware.

State of the Art Telecommunications Capability and Highspeed Train Travel

One of the distinct advantages of the City of Wilmington in attracting financial services operations is its telecommunications capacity. Fibre optics are shedding a whole new light on Wilmington for data centers and 800 long-distance toll-free telephone exchange users. Three telecommunications companies have installed fibre optic distribution cables throughout the City, positioning Wilmington as one of the most competitively networked locations on the eastern seaboard for providing state-of-the-art telecommunication expansion capability. Fibre optics provide a faster, completely secure means of communicating information and provide disaster recovery that is 99.8% certain. Not only do these installed fibre optic cables offer Wilmington's businesses virtually unlimited future telecommunications expansion capability, these cables also make the cost of locating an operations center in the City more competitive than anywhere else in the region, thus reducing

business operations overhead. This is particularly true for 800 exchange users and bank operations centers, according to telecommunications experts.

One can travel on AMTRAK'S highspeed line from Wilmington to Manhattan in less than two hours, the same amount of time as a commuter train from Princeton to Manhattan. Because of its strategic location midway between New York and Washington DC, AMTRAK's Wilmington station is among the ten most heavily traveled train stations in the country. In 1999, AMTRAK opened its new national training center west of Frawley Stadium near the Christina Waterfront, where it instructs between 1,500 and 2,500 engineers, mechanics, conductors and customer service personnel. The City of Wilmington annexed over five acres from New Castle County and expended over \$600,000 in infrastructure improvements to help AMTRAK make its National Training Center a reality. Adding its Highspeed National Training Center to its Locomotive Shop and National Operations Center, all in Wilmington, speaks volumes for the City's strategic location along the Northeast Corridor.

Wilmington's Riverfront

Riverfront development in Wilmington is expanding at an accelerated pace. Since 1996, \$250 million from the State and City has been expended to jumpstart development along the former industrial wasteland on the banks of the Christina River in south Wilmington. The Riverfront Development Corporation (the joint City and State entity charged with managing development along the riverfront) has reported that the amount of private investment dollars flowing into the area has increased dramatically. In 2005, private investment surpassed public investment for the first time.

Over the last three years, several successful restaurants have opened: *Joe's Crab Shack*, the national theme restaurant; *Iron Hill Brewery*, a regional favorite; *Harry's Seafood Grille*, the immensely popular and elegant seafood restaurant owned and operated by a local and nationally recognized restaurateur; and the high-end *Conley-Ward's Steakhouse*, which features expansive outdoor bar seating on a scenic bend in the river. These restaurant openings, combined with the already established outlet shops, demonstrate that the City is becoming a dining and attractions hub, with increasing numbers of people now enjoying Wilmington's Riverfront.

Connecting all these attractions is the creatively designed and historically marked 1.3 mile-long Riverwalk, allowing visitors and residents alike to witness the continuing changes and development happening right before their eyes. In June 2005, AAA Mid-Atlantic moved its corporate headquarters and 350 jobs from Philadelphia, where it had been located for 105 years, to a highly-visible, newly-constructed building on a portion of the city's former Public Works Storage and Maintenance Yard. Ground was broken in June 2006, for the Justison Landing project, which encompasses the balance of the former Yard's eight acres, together with an adjacent seven acres acquired by the State. Justison Landing will be privately developed into a \$350 million mixed-use community of 700 residential units, 75,000 square feet of retail space, and 300,000 square feet of office space.

The Riverfront continues to be an inviting option for those businesses seeking large amounts of office space in suburban-like settings, a segment of the market where the City could not previously compete. In addition to the AAA office development, ING Direct and Barclay's Bank have both prospered and expanded dramatically over the past four years. ING Direct has seen such spectacular growth that it has expanded to the former Pennsylvania Railroad Building (a Frank Furness architectural specimen) adjacent to the AMTRAK Station, as well as to a building in the northern section of the Central Business District (CBD) to accommodate another 400 employees. Barclay's Bank will occupy a new 270,000 square foot building across the street from its Riverfront headquarters in order to accommodate an additional 600 new employees over the next four years. For various smaller employers, the conversion and expansion of a former shipbuilding office near Frawley stadium has provided unique space options and flexibility.

The beautifully landscaped Tubman-Garrett Riverfront Park has solidified the linkage of the AMTRAK station area with the Riverfront's growing cultural attractions and its baseball stadium, clubs, restaurants, outlet shops and the newly expanded and renovated Chase Center on the Riverfront. The Riverfront Farmers Market, situated between the headquarters of ING Direct and *Harry's Seafood Grille*, continues to be an attractive amenity and shopping convenience for commuters and residents alike.

One of the most notable and striking developments of all at the Riverfront is *Christina Landing*. Barely a concept a little more than two years ago, *Christina Landing*, located on the south bank of the Christina River across from the AMTRAK Station and Tubman-Garrett Park, is now a prominent residential community in great demand. All of its 65 townhouses sold out before construction was completed. A 22-story apartment tower has been erected, and a 25-story condominium tower is under construction and scheduled for occupancy in late summer 2007. The condo tower is more than 60% pre-sold. The success of this project has spurred the same developer to take on and begin the Justison Landing project previously mentioned.

Downtown Development

The Riverfront is not the only area of the City experiencing new development. The area of the CBD known as Lower Market Street is continuing in the process of a tremendous, though extremely difficult, transformation. The nearby \$140 million New Castle County State Courthouse continues to attract small law firms and related supporting businesses to the area, though at a slower pace than the Christina Riverfront developments.

Across King Street from the new Courthouse, the developer of a formerly City-owned square block has begun work on a project that combines new construction on an office tower of 150,000 square feet with historically-preserved older structures. Phase I of the nearby Ships Tavern District of historically-preserved and reconstructed buildings is complete, with approximately 80% of its 85 upper-level residential units occupied and 35% of its street-level retail space occupied. However, the challenges of developing older structures to qualify for federal *and* state historic tax credits have been more difficult and slower than originally projected. Even so, at least four new smaller developments within this six-block district are now under way or under contract, and another project that was just completed has relocated 125 employees into a single structure in August 2005.

Three new developments underway downtown that merited special mention in recent years, the two former Dupont Company office buildings and the renovation and residential conversion of the 600,000 square foot former Delaware Trust Building, have continued to grow and prosper. The former Delaware Trust Building conversion into a 275-unit luxury apartment building known as the *Residences at Rodney Square*, reminiscent of Philadelphia's Rittenhouse Square, is now complete and 85% occupied. Indeed, the increased desire for downtown living that was hoped would emerge has not only occurred, but is far exceeding expectations.

In 2002 the City persuaded the renowned 1970's-era folk and rock guitarist David Bromberg to relocate his present-day business (as an internationally respected classical string and violin appraiser, procurer, collector and dealer) from Chicago to Wilmington. Living above their shop in a building renovated by the City, David and his sculptor wife, Nancy Josephson, have sparked a number of new artistic endeavors and amenities in the central Market Street area. One of these is the expansion of the Delaware College of Art and Design's residential student program. Originally consisting of several dispersed apartment units about a ½ mile away from the college, the new program is a 102-unit residential apartment complex across the street from the school that has created the beginnings of a small college campus with creative youth bringing life to the CBD after business hours.

Two new office structures are currently underway in the western gateway near I-95 and are scheduled for completion in May 2007. A 225,000 square foot new office building at Delaware Ave and Washington Street will house the venerable local banking institution, Wilmington Savings Fund Society (WSFS). The new building will allow WSFS to consolidate hundreds of its employees now disbursed throughout the suburbs into a new,

much larger headquarters in the City. This new structure will also house a large law firm and the main downtown branch of the United States Post Office. Across 11th Street from the WSFS Center, Blue Cross Blue Shield Delaware (BCBSDE) is consolidating its city and suburban operations into a tower being built above the Corporate Plaza Garage. When finished the tower will house 700 BCBSDE employees of which 465 will be relocated from the suburbs.

These new physical developments only tell part of the story. They, and the new jobs and amenities that have accompanied them, have sparked a new excitement and sense of pride in the City of Wilmington not felt in more than 20 years. The City's recent economic development successes have justified the aggressive marketing campaign theme launched in 2002 entitled *Advantage Wilmington – You'll Like the Companies We Keep*.

CITY-WIDE STRATEGIC PLAN

LONG-TERM POLICY GOALS AND OBJECTIVES

1. MANAGE CITY GOVERNMENT EFFECTIVELY

- A. Maintain fiscal prudence and responsibility.
- B. Increase responsiveness to citizens.
- C. Increase level of customer service satisfaction.
- D. Enforce and reward accountability through all levels of operations.
- E. Increase City employee morale and productivity.

2. FOSTER BUSINESS AND ECONOMIC DEVELOPMENT

- A. Expand the City's employment base.
- B. Increase manufacturing and reuse of brownfields.
- C. Increase entrepreneurship opportunities.
- D. Enhance retail services on downtown Market Street.
- E. Improve traffic patterns and transportation links to neighborhoods.
- F. Support development activities along the City's waterfront.

3. IMPROVE THE QUALITY OF LIFE AT THE NEIGHBORHOOD LEVEL

- A. Increase quality and affordability of housing for low-moderate income families.
- B. Increase home ownership.
- C. Increase and/or improve traditional City services (i.e. trash pickup, street repairs, etc.)
- D. Increase services and recreation opportunities for youth and families.
- E. Reduce crime and increase citizens' sense of safety and security.

4. UNIFY THE CITY

- A. Foster respect for cultural and ethnic diversity.
- B. Increase the presence and use of the arts.

STATEMENT OF BUDGET POLICIES

1. The City Code requires the operating budget to be "balanced" or operating expenditures must be equal to revenues plus prior years' accumulated surplus. Wilmington's budget policy extends the code to include the following:
 - 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 Budget Policy #6). This policy limits tax increases because prior years' surplus are used prior to revenue enhancements.
 - 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 revenues to sustain water and sewer operations.
 - 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 produce a profit. Profitability is important in risk management because a catastrophic equity reserve must be established. When its catastrophic reserve is established, a balanced budget should be maintained.
2. A target of 80% or more of the General Fund or operating budget should represent direct essential services to the citizens such as Police, Fire, Public Works, Parks & Recreation and L & I.
3. Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in the Consumer Price Index (CPI). Cost containment must 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.
4. Revenue generation will be derived from various sources with the primary focus on economic development activities. Increases in our tax base rather than our tax rates is the objective; however, real estate tax rates and various user charges must be periodically adjusted for CPI increases. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 90% or greater, collectively.
5. 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.
6. Because the City's operating strategies regarding economic development, cost containment and debt management are aggressive, Wilmington's financial position shall be managed conservatively. The following strategies are deployed:
 - The City shall maintain a Budget Reserve Account or "Rainy Day Account" of at least 5% of the General Fund Operating Budget. The Budget Reserve is an equity reserve held for emergencies.

- Operating contingencies shall be budgeted annually for general miscellaneous contingencies, snow removal and contingencies due to new or increased business activity.
 - Provisions for pension expenses shall include amounts for current expenses and an appropriation for prior unfunded pension liabilities.
 - The Risk Management Fund or Self-Insurance Fund shall maintain an equity reserve for catastrophic losses, in addition to the actuarially calculated loss liability.
7. The City has and continues to maintain and fund a pro-active infrastructure replacement program. 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 are reviewed annually and planned maintenance or replacement is scheduled.
8. The City shall make maximum use of private resources. Utilization of private resources can be categorized as follows:
- Public/Private Partnerships--Private sector funding combined with public sector funding can be utilized to solve many quality of life problems. The "partnership" approach has been effectively utilized in supporting housing and cultural activities. The replacement of lost federal funding with public/private partnerships is a goal.
 - Privatization--When services can be provided more effectively and/or at a lesser cost through the private sector, such resources should be deployed.

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 28.

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 One 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 extending review process that includes the Personnel 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. 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. Copies of the Approved Budget Book are normally available at the start of the fiscal year through OMB 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

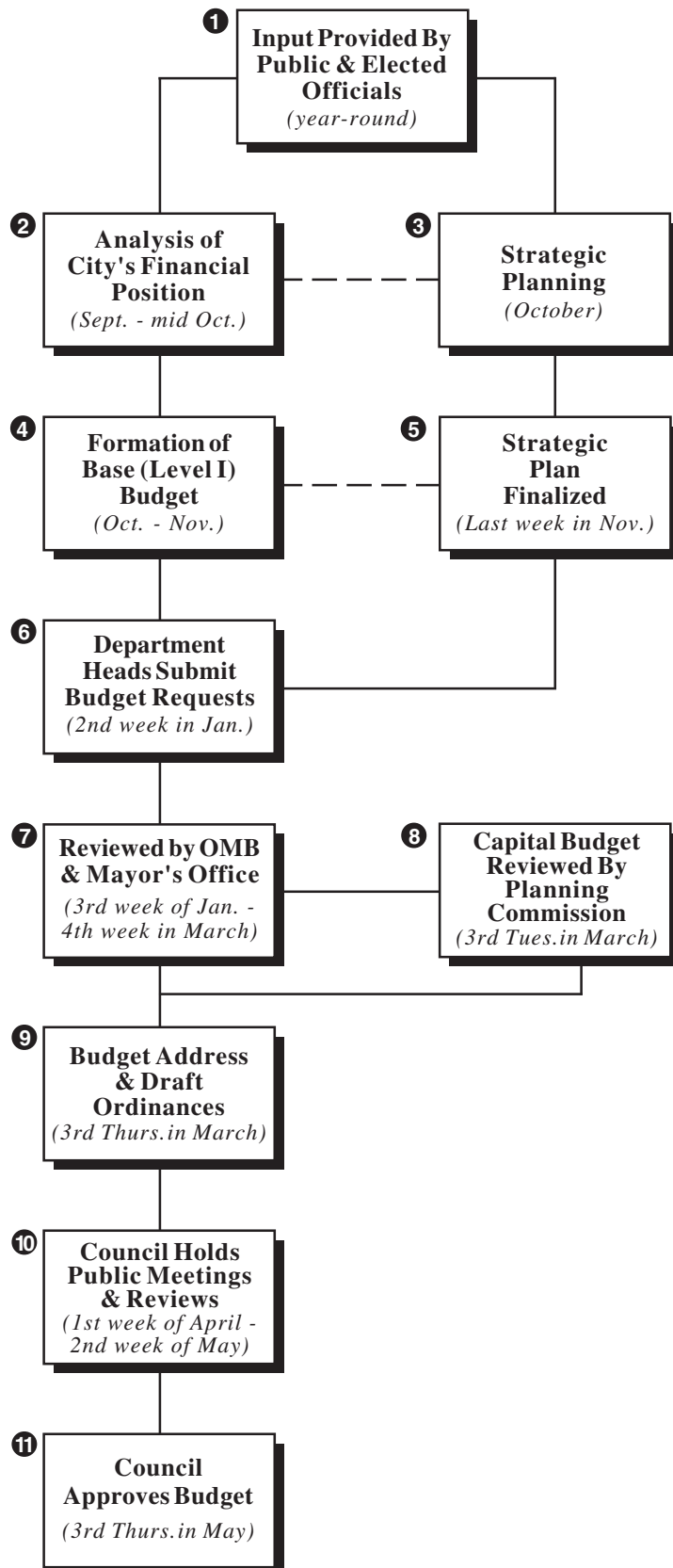
The City's budget is prepared using the same basis of accounting methods and procedures utilized to prepare the Comprehensive Annual Financial Report. The City's Comprehensive Annual Financial Statement for FY 2002 was awarded the Certificate of Achievement in financial reporting by the Government Financial 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 five major funds: The General, Special, Water/Sewer, Commerce and Internal Service funds for both budgeting and accounting purposes (**please see Description of Funds on page 35**). 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, Commerce and Special funds are budgeted and operate under a **modified accrual basis** in which only the major revenues sources (i.e. Wage Tax, Property Tax, Licenses & Permits) are recorded when earned (not when cash is received) and all expenditures, except fixed assets, 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 expenditures are recorded when recognized 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:

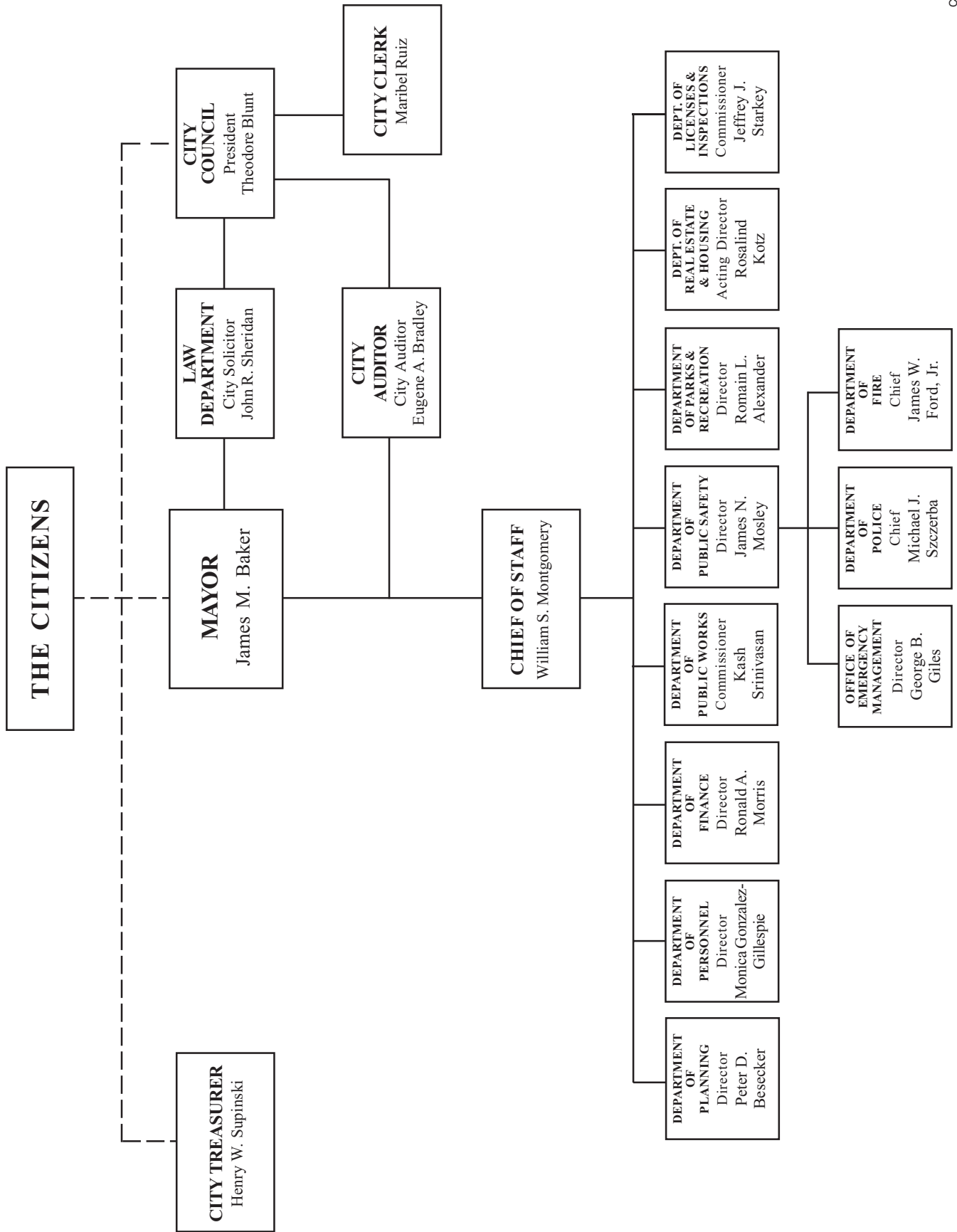
- Depreciation of fixed assets is budgeted and expensed in the Water/Sewer and Internal Service funds. In the General and Commerce Funds, however, no depreciation is budgeted or expensed, rather the *total cost* of fixed asset acquisitions are budgeted and then expensed when purchased.
- The total cost of fixed asset acquisitions in the Water/Sewer and Internal Service Funds are also budgeted, but only to establish a 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 and Commerce funds.

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 to seven year strategic plans.
- 4 OMB develops a baseline budget from historical data, trends, local economy and strategic plans.
- 5 Department Heads finalize Strategic Plan.
- 6 Based on Strategic Plan results and baseline budget or 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 City Council must approve a balanced budget by June 1 or 30 days prior to start of fiscal year.

CITY OF WILMINGTON ORGANIZATION CHART



DESCRIPTION OF TERMS USED IN THIS BOOK

Account Group: A group of similarly related expense 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 paid or collected.

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.

Assessed Valuation: A value that is established for real property for use as a basis for levying property tax. (Property values are assessed by New Castle County).

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 uses the Accrual Basis and Modified Accrual Basis.

Bond: A written promise to pay a sum of money on a specific date at a specified rate of interest. The most common types, general obligation and revenue bonds, are most frequently used for construction of large capital projects such as buildings, streets, and sewers.

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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.

Capitalization: In the Enterprise 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 budget purposes the purchase needs to be specified for City Council and the public.

Capital Program: A six-year plan for the purpose 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 **C**ommunity **D**evelopment **B**lock **G**rant from the United States Department of Housing and Urban Development. 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 reserve for snow removal, unplanned operating expenses and additions to the budget reserve account. As per City ordinance, the budget reserve account is to be used by the City in dire emergency and represents up to 5% of General Fund revenues.

Debt Limit: A statutory limit on the amount of debt that an issuer may incur or have outstanding.

Debt Service: Principal and interest payments on borrowed funds.

Deficit: This occurs when total expenditures for an entity exceed total revenues.

Department: A major component of City Government with administrative and managerial responsibility for a function or group of related functions and operations. Examples include the Police Department and the Parks and Recreation Department.

Depreciation: The cost of a fixed asset expensed over its useful life.

Designated Fund Equity: Reserved fund balance representing amounts that are legally identified for a specific purpose, such as to pay debt or encumbrances.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Expenditure/Expense: Payment for 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.

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 five major funds: General, Water/Sewer, Commerce, Special and Internal Services. **Please see the section entitled Description of Funds on page 35 for more information.**

Fund Balance: The difference between assets and liabilities in a governmental fund, such as the General Fund.

FY: Abbreviation for “Fiscal Year”.

GAAP (Generally Accepted Accounting Principles): Rules that govern the accounting profession.

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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Grants and Fixed Charges: An activity with a limited time span and purpose often financed by Federal or State contributions, and usually include payments to a third party agency.

HOPWA: A grant entitled **H**ousing **O**pportunities for **P**ersons **W**ith **A**IDS 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: The account group made up of 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.

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: **L**ocal **L**aw **E**nforcement **B**lock **G**rant 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 same as the Accrual Basis except that some minor revenue sources and all fixed asset purchases are recorded on a **Cash Basis**.

Net Assets: The difference between assets and liabilities in proprietary funds, such as the Water/Sewer 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 from the Water/Sewer Fund to the General Fund.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Ordinance: A formal legislative enactment by City Council which has the full force and effect of law within the boundaries of the City.

Performance Indicator: Statistical measurements of the relative success toward achieving an objective.

Personal Services: Includes salaries and all other human resource related allotments, such as overtime, medical insurance, social security, etc.

Principal: The face amount of a note or bond, which the issuer promises to pay.

Projections (Revenues/Expenditures): An estimate of revenues or expenditures based on trend analysis, the study of economic conditions, and patterns of spending and income generation.

Property Tax: A levy based on a set percentage of the assessed value of real estate.

Proprietary Funds: Funds used to account for business-type activities.

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 (not taxes) from the project being financed or the entity doing the borrowing, such as a water/sewer system.

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. The City is self insured up to \$2 million. For claims that are higher, the City carries a catastrophic insurance policy with a third party insurer.

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.

Undesignated Fund Equity: Fund balance monies not earmarked for a specific purpose.

User Fee: A charge for the provision of a service usually correlated to the level of usage, such as water/sewer fees.

DESCRIPTION OF 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 Funds** are contributions in trust which investment earnings and principal, if needed, are used in the maintenance and improvement of specific City-owned parks.
- **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.
- **Job Training Partnership Act (JTPA)** was a U.S. Department of Labor program used to employ City youth in private and public sector jobs during the summer season. This program was eliminated and replaced with the Workforce Investment Board in the year 2000.
- **Home Partnership Funds** are federal funds which address a variety of housing assistance programs to benefit low-to-moderate income City residents.
- **Pension Trusts Funds** reflect the contributions in trust, investment earnings and financial activity of the City's five employee pension plans.
- **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 FUNDS

(continued)

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, along with sewage treatment and disposal activities. Expenditures regarding these activities are funded by water and sewer service charges.

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

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

As a result, the Commerce Fund is no longer classified as an Enterprise Fund, but as a Special Revenue fund. As such, debt service expense for principal repayment is now charged and depreciation expense is dropped. The reimbursement of Commerce Fund debt service from the State now includes having to book the principal portion of the reimbursement as revenue, whereas in previous years only the interest portion of the debt reimbursement was considered revenue.

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

All of the City's Major Funds, described above, are appropriated through the Budget Process and approved by City Council through City Ordinance.

BUDGET

SUMMARY

**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2003 - FY 2007**

REVENUES	ACTUAL FY2003	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
General Fund					
Taxes	\$76,895,976	\$83,768,168	\$86,217,457	\$82,176,625	\$84,667,902
Fees & Fines	6,182,017	5,263,212	6,919,335	5,403,500	7,726,500
Interest & Other	5,864,613	8,581,676	9,895,191	8,620,033	25,549,769
Transfers In	2,275,000	1,275,000	275,010	500,000	275,000
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	91,217,606	98,888,056	103,306,993	96,700,158	118,219,171
Water/Sewer Fund					
Direct User Charges	23,276,378	22,913,101	23,055,235	25,095,944	29,360,336
New Castle County Charges	14,612,124	15,003,123	15,405,124	15,818,123	16,242,123
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	37,888,502	37,916,224	38,460,359	40,914,067	45,602,459
Commerce Fund					
Direct User Charges	0	51,259	0	0	0
Interest & Other	7,330,865	6,906,950	6,003,505	3,986,864	4,162,832
Transfer from General Fund	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	7,330,865	8,958,209	6,003,505	3,986,864	4,162,832
Special Funds					
Federal/State Grants	12,432,860	13,525,124	18,185,227	14,642,184	14,503,261
Other Sources	<u>1,650,570</u>	<u>1,603,509</u>	<u>2,446,502</u>	<u>1,801,305</u>	<u>1,801,305</u>
Subtotal	14,083,430	15,128,633	20,631,729	16,443,489	16,304,566
Total Revenues	\$ 150,520,403	\$ 160,891,122	\$ 168,402,586	\$ 158,044,578	\$ 184,289,028

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2003 - FY 2007**

EXPENDITURES	ACTUAL FY2003	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
General Fund					
Personal Services	\$60,720,541	\$60,680,849	\$65,834,017	\$64,122,935	\$76,104,592
M. S. & E.	24,278,082	15,230,053	22,367,613	21,417,187	27,479,396
Debt Service	9,238,480	8,310,949	8,720,317	10,687,522	11,835,245
Other	357,938	363,469	373,737	463,900	652,650
Transfer to Commerce Fund	0	2,000,000	0	0	0
Subtotal	94,595,041	86,585,320	97,295,684	96,691,544	116,071,883
Water/Sewer Fund					
Personal Services	7,394,251	7,684,331	8,721,499	8,350,296	8,571,653
M. S. & E.	21,266,042	19,166,401	25,772,420	24,230,575	33,701,298
Debt Service	3,734,541	3,307,582	3,064,567	4,386,959	4,491,041
Other	5,042,042	5,070,169	830,496	4,669,497	(1,100,503)
Transfer to General Fund	2,500,000	1,000,000	0	225,000	0
Subtotal	39,936,876	36,228,483	38,388,982	41,862,327	45,663,489
Commerce Fund					
Personal Services	487,381	545,160	592,968	585,110	678,175
M. S. & E.	344,493	332,580	566,833	467,162	409,700
Debt Service	5,738,341	5,852,477	5,465,745	5,925,274	5,668,765
Subtotal	6,570,215	6,730,217	6,625,546	6,977,546	6,756,640
Special Funds					
Personal Services	2,790,269	2,906,115	7,632,424	5,427,767	5,867,785
M. S. & E.	5,369,542	6,213,204	6,640,401	5,612,951	4,650,602
Other	5,923,619	6,009,314	6,358,904	5,402,771	5,786,179
Subtotal	14,083,430	15,128,633	20,631,729	16,443,489	16,304,566
Total Expenditures	\$ 155,185,562	\$ 144,672,653	\$ 162,941,941	\$ 161,974,906	\$ 184,796,578
INCOME (LOSS)					
General Fund	(3,377,435)	12,302,736	6,011,309	8,614	2,147,288
Water/Sewer Fund	(2,048,374)	1,687,741	71,377	(948,260)	(61,030)
Commerce Fund	760,650	2,227,992	(622,041)	(2,990,682)	(2,593,808)
Special Funds	0	0	0	0	0
Total Income (Loss)	\$ (4,665,159)	\$ 16,218,469	\$ 5,460,645	\$ (3,930,328)	\$ (507,550)

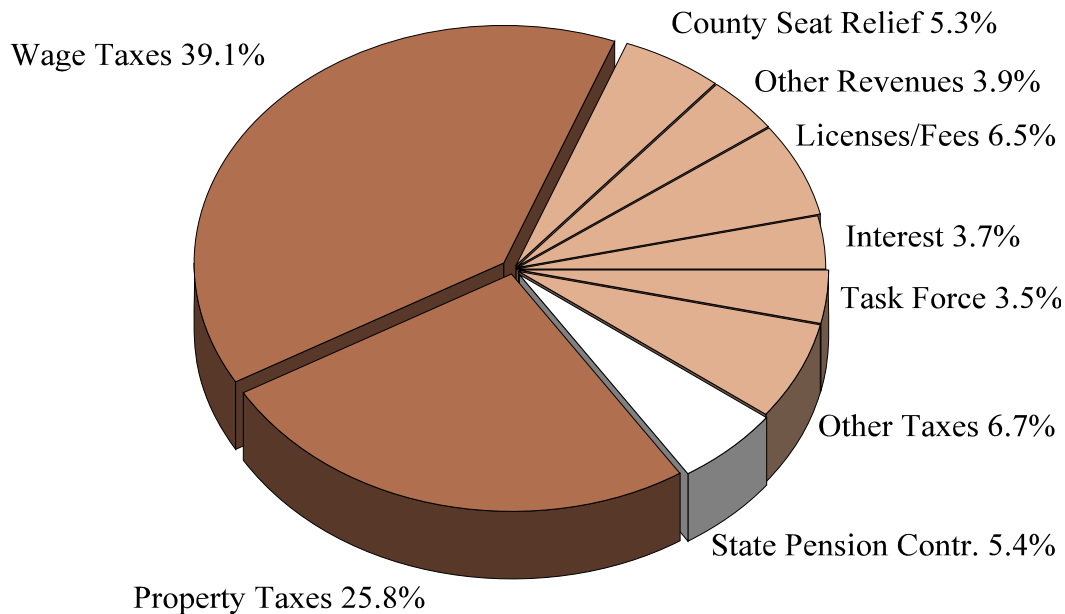
SUMMARY OF GENERAL FUND FISCAL YEAR 2007

<u>Revenues</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Wage Tax	\$44,270,947	\$47,348,120	\$43,998,125	\$46,274,069	5.2%	71
Property Tax	29,068,010	28,414,882	30,466,500	30,466,500	0.0%	72
Other Taxes	10,429,211	10,454,455	7,712,000	7,927,333	2.8%	73
Licenses, Permits, Fees & Fines	5,263,212	6,919,335	5,403,500	7,726,500	43.0%	74
Interest	813,364	1,538,286	1,300,000	4,365,929	235.8%	75
Other Revenues	4,864,956	4,375,306	3,872,533	4,372,533	12.9%	76
Task Force Revenues	2,903,356	3,981,599	3,447,500	4,157,500	20.6%	77
County Seat Relief	0	0	0	6,243,807	N/A	77
State Pension Contr.	N/A	N/A	N/A	6,410,000	N/A	1
Transfers In/(Out)	<u>1,275,000</u>	<u>275,010</u>	<u>500,000</u>	<u>275,000</u>	<u>-45.0%</u>	79
Total Revenues	<u>\$98,888,056</u>	<u>\$103,306,993</u>	<u>\$96,700,158</u>	<u>\$118,219,171</u>	<u>22.3%</u>	

* See page listed for further detailed information.

Other Taxes include Franchise Fees, Head Tax and Real Estate Transfer Tax. Other Revenues include indirect cost allocations, miscellaneous user charges, rental fees, the DSWA rebate, 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".

General Fund Revenues Fiscal Year 2007



SUMMARY OF GENERAL FUND FISCAL YEAR 2007

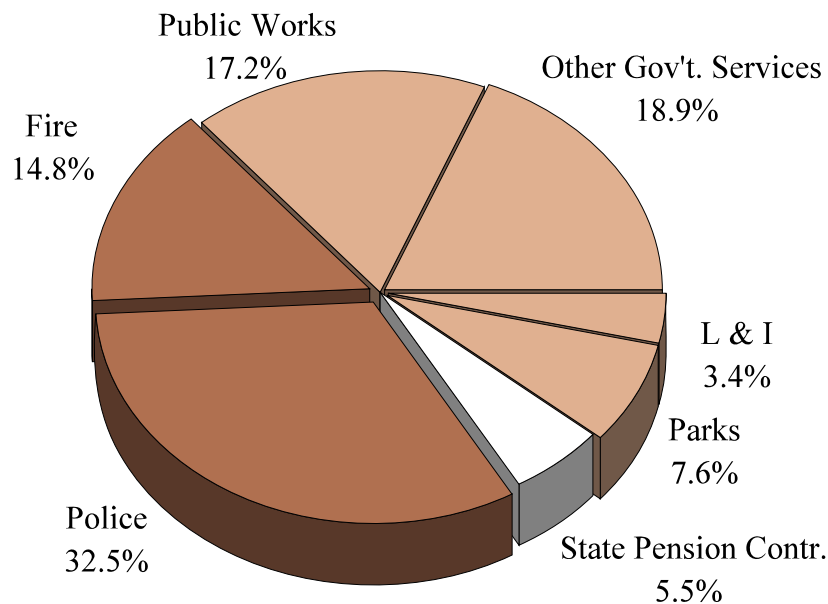
<u>Expenditures</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Mayor's Office**	\$3,724,642	\$4,220,599	\$4,489,980	\$5,560,706	23.8%	89
Council	1,874,827	2,061,540	2,130,070	2,523,072	18.5%	105
Treasurer	330,982	352,631	361,108	379,005	5.0%	109
Planning	1,104,683	1,259,588	1,254,575	1,385,891	10.5%	116
Auditing	515,809	556,893	528,775	548,903	3.8%	124
Law	1,911,985	2,080,954	2,228,848	2,832,692	27.1%	131
Municipal Court	5,473	0	0	0	0.0%	137
Finance**	2,666,304	3,158,989	3,019,000	4,276,142	41.6%	139
Personnel	1,235,976	1,326,049	1,353,828	1,512,351	11.7%	150
Licenses & Inspections	2,479,033	2,848,401	2,983,491	3,976,237	33.3%	162
Parks & Recreation	6,863,350	7,732,568	8,230,624	8,820,396	7.2%	170
Fire	14,655,172	16,748,812	16,635,093	17,220,081	3.5%	179
Police**	32,742,528	37,838,543	35,638,330	37,709,056	5.8%	188
Public Works	13,447,398	15,502,805	16,124,402	19,958,692	23.8%	198
Real Estate & Housing	1,027,158	1,607,312	1,533,420	1,494,739	-2.5%	212
State Pension Contr. ‡	N/A	N/A	N/A	6,410,000	N/A	1
Contingent Reserves***	0	0	180,000	1,463,920	122.2%	89
Total Expenditures	<u>\$84,585,320</u>	<u>\$97,295,684</u>	<u>\$96,691,544</u>	<u>\$116,071,883</u>	<u>20.0%</u>	

* See page listed for further detailed information. ‡ See Special Note on page one detailing the State Pension Contributions.

** In FY 2004, the divisions of OMB and Parking Enforcement were transferred from the Finance department to the Mayor's Office and Police department respectively.

*** FY 2007 includes \$763,920 for electricity, \$300,000 for operating contingencies, \$100,000 for snow and weather emergencies, and \$300,000 for City Council initiatives per 7/6/06 Budget Amendment.

General Fund Expenditures Fiscal Year 2007



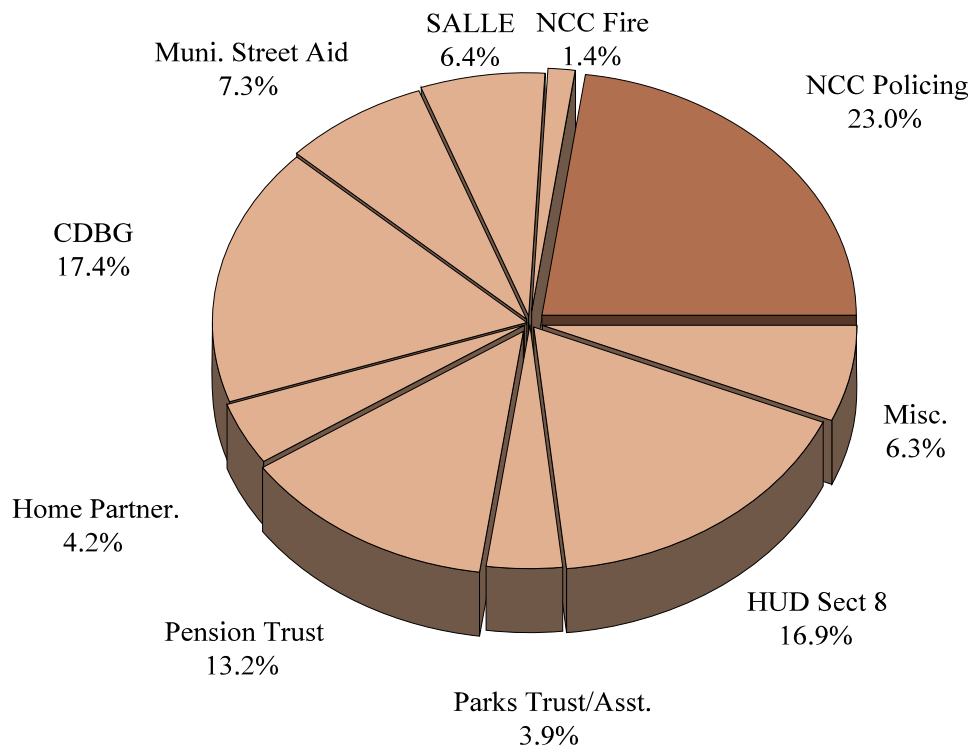
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2007

<u>Revenues</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Municipal Street Aid	\$1,458,741	\$1,827,199	\$2,005,710	\$1,197,182	-40.3%	80
CDBG	3,260,547	4,110,157	3,337,804	2,834,692	-15.1%	80
HUD Section 8	2,716,965	2,636,531	2,431,814	2,760,757	13.5%	80
NCC Police Grant	0	3,246,550	3,414,892	3,742,750	9.6%	81
NCC Fire Grant	586,598	13,408	400,000	225,000	-43.8%	81
Parks Assistance	1,167,314	1,198,924	489,832	489,832	0.0%	81
Parks Trust Fund	75,045	80,954	150,429	154,319	2.6%	82
SALLE/LLEBG	913,448	2,136,355	645,868	1,038,443	60.8%	82
Pension Trusts	1,515,835	2,446,502	1,801,305	2,148,002	19.2%	82
Home Partnership	1,122,302	505,761	723,736	682,135	-5.7%	83
Miscellaneous Grants	<u>2,311,838</u>	<u>2,429,388</u>	<u>1,042,099</u>	<u>1,031,454</u>	<u>-1.0%</u>	83
Total Revenues	<u>\$15,128,633</u>	<u>\$20,631,729</u>	<u>\$16,443,489</u>	<u>\$16,304,566</u>	<u>-0.8%</u>	

* See page listed for further detailed information.

Special Funds Revenue consist of supplemental revenues derived from non-taxation sources such as Federal and State grants and endowments.

Special Funds Revenues Fiscal Year 2007



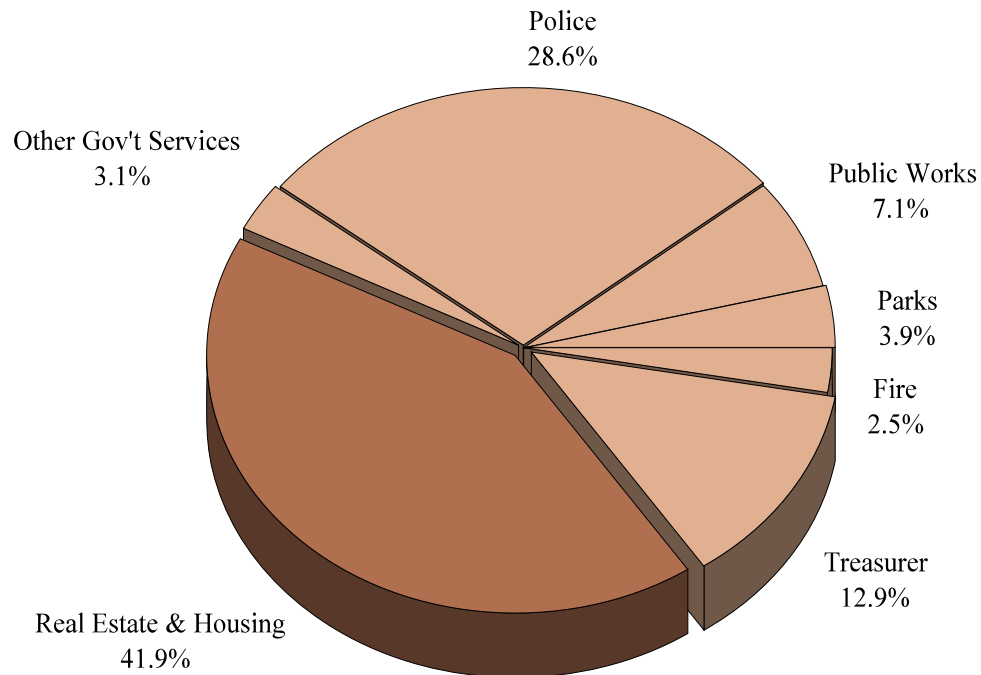
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2007

<u>Expenditures</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Mayor's Office	\$634,583	\$251,145	\$42,405	\$48,937	15.4%	90
Treasurer	1,515,835	2,446,502	1,801,305	2,148,002	19.2%	110
Planning	74,798	61,633	83,234	47,171	-43.3%	116
Finance	53,127	58,249	0	0	0.0%	140
Licenses & Inspections	377,228	479,812	353,602	0	-100.0%	162
Parks & Recreation	1,277,359	1,279,878	640,261	644,151	0.6%	170
Fire	1,240,060	944,530	587,000	419,361	-28.6%	180
Police	926,809	5,382,905	4,060,760	4,781,193	17.7%	188
Public Works	1,458,741	1,827,199	2,005,710	1,197,182	-40.3%	199
Real Estate & Housing	<u>7,570,093</u>	<u>7,899,876</u>	<u>6,869,212</u>	<u>7,018,569</u>	<u>2.2%</u>	212
Total Expenditures	<u>\$15,128,633</u>	<u>\$20,631,729</u>	<u>\$16,443,489</u>	<u>\$16,304,566</u>	<u>-0.8%</u>	

* See page listed for further detailed information.

Total expenditures are equal to total revenues (the grants or trust allocations). Therefore, there is no income, fund balance or change in fund balance for the Special Funds.

Special Funds Expenditures Fiscal Year 2007

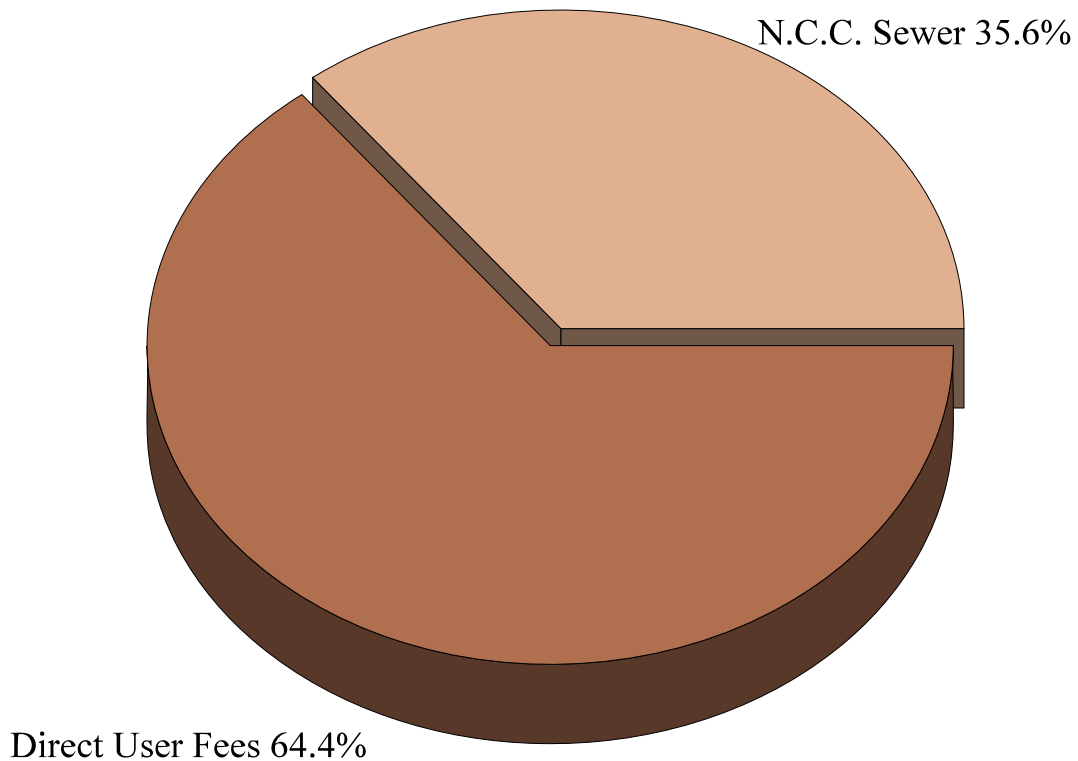


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2007**

<u>Revenues</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Direct User Fees	\$22,913,101	\$23,055,235	\$25,095,944	\$29,360,336	17.0%	84
New Castle County Sewer Services	<u>15,003,123</u>	<u>15,405,124</u>	<u>15,818,123</u>	<u>16,242,123</u>	<u>2.7%</u>	85
Total Revenues	<u>\$37,916,224</u>	<u>\$38,460,359</u>	<u>\$40,914,067</u>	<u>\$45,602,459</u>	<u>11.5%</u>	

* See page listed for further detailed information.

**Water/Sewer Fund Revenues
Fiscal Year 2007**

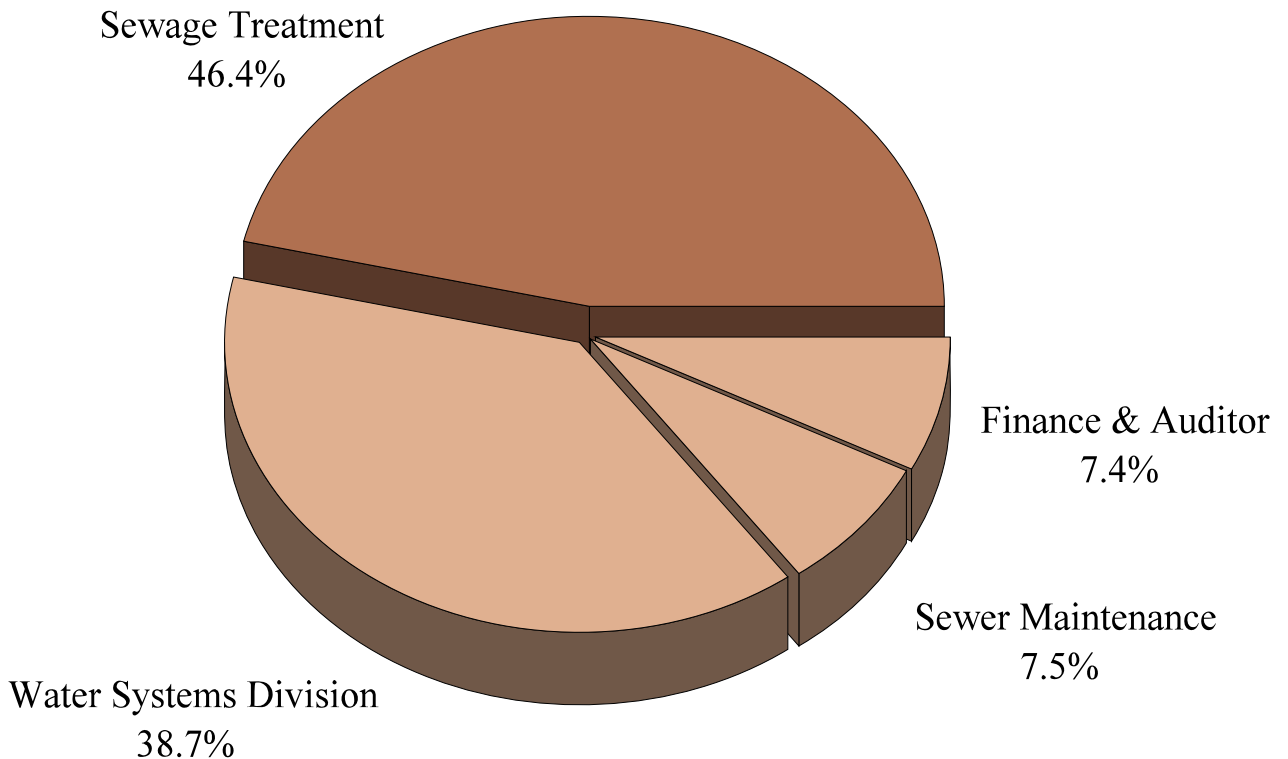


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2007**

<u>Expenditures</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Auditing	\$84,160	\$55,349	\$54,400	\$54,400	0.0%	124
Finance	2,242,797	2,498,549	2,650,471	3,333,424	25.8%	140
Public Works	32,901,526	35,835,084	38,932,456	42,275,665	8.6%	198
Total Expenditures	<u>\$35,228,483</u>	<u>\$38,388,982</u>	<u>\$41,637,327</u>	<u>\$45,663,489</u>	<u>9.7%</u>	

* See page listed for further detailed information.

**Water/Sewer Fund Expenditures
Fiscal Year 2007**



**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2007**

<u>Revenues</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
State Debt Reimbursement	\$4,866,950	\$4,203,505	\$3,986,864	\$4,162,832	4.4%	86
Miscellaneous Revenues	51,259	0	0	0	0.0%	86
Gain on Sale of Port	<u>2,040,000</u>	<u>1,800,000</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	86
Total Revenues	<u>\$6,958,209</u>	<u>\$6,003,505</u>	<u>\$3,986,864</u>	<u>\$4,162,832</u>	<u>4.4%</u>	

* See page listed for further detailed information.

The Port of Wilmington was sold to the State of Delaware in Fiscal Year 1996. Revenues received from the State were the sale proceeds and reimbursement of the previously existing Commerce Fund debt which remained on the City's books.

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

As a result, the Commerce Fund is no longer classified as an Enterprise Fund, but as a Special Revenue fund. As such, debt service expense for principal repayment is now charged and depreciation expense is dropped. The reimbursement of Commerce Fund debt service from the State now includes having to book the principal portion of the reimbursement as revenue, whereas in previous years only the interest portion of the debt reimbursement was considered revenue.

**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2007**

<u>Expenditures</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Mayor's Office	\$777,659	\$946,166	\$1,194,144	\$1,369,699	14.7%	90
Commerce	<u>5,952,558</u>	<u>5,679,380</u>	<u>5,783,402</u>	<u>5,386,941</u>	<u>-6.9%</u>	227
Total Expenditures	<u>\$6,730,217</u>	<u>\$6,625,546</u>	<u>\$6,977,546</u>	<u>\$6,756,640</u>	<u>-3.2%</u>	

* See page listed for further detailed information.

SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2007

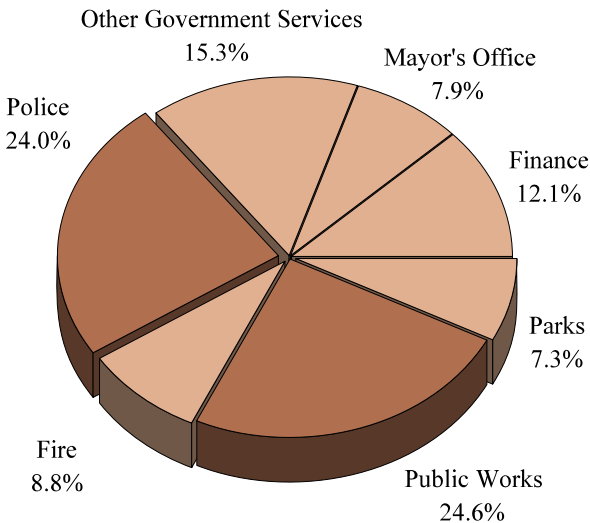
<u>Expenditures**</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Budget FY 2006</u>	<u>Budget FY 2007</u>	<u>Percent Change FY'07-'06</u>	<u>Page Reference*</u>
Mayor's Office***	\$3,686,285	\$3,952,595	\$4,327,687	\$4,657,628	7.6%	91
Finance***	0	0	3,253	3,174	-2.4%	140
Personnel (Risk Mgmt., Work. Comp., Health)	7,767,061	15,592,817	14,567,626	15,031,988	3.2%	150
Public Works (Motor Vehicle)	<u>3,663,968</u>	<u>3,813,882</u>	<u>4,754,849</u>	<u>4,932,871</u>	<u>3.7%</u>	199
Total Expenditures	<u>\$15,117,314</u>	<u>\$23,359,294</u>	<u>\$23,653,415</u>	<u>\$24,625,661</u>	<u>4.1%</u>	

* See page listed for further detailed information.

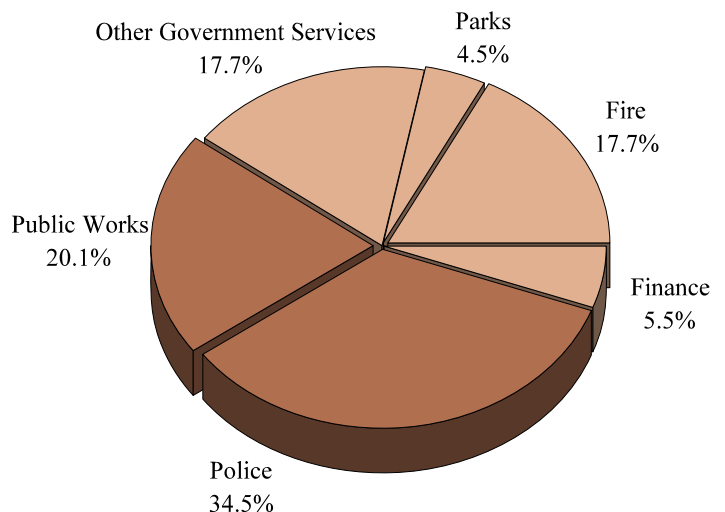
** Revenues for the Internal Service Funds are derived from charges to the operating budgets of the various departments. Revenues must meet expenditures at year end and, therefore, no surplus or deficit may result.

*** In FY 2004, the Divisions of Data Processing and Communications were transferred from the Finance department to the Mayor's Office. In FY 2007, the remaining Internal Services in Finance were transferred to the Mayor's Office. For ease of comparison, prior years' Finance costs (except for Bond Issuance) are shown combined into the Mayor's Office.

Administrative Services FY '07 Internal Service Charge Allocations



Self-Insurance Program FY '07 Internal Service Charge Allocations



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	FUND	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2006	2007	2008	2009	2010	2011		
PARKS AND RECREATION	G	2,877.5	0	1,980	0	1,810	0	6,667.5	6,667.5
	O	17.5	0	750	0	0	0	0	767.5
PUBLIC WORKS	G	8,010	0	5,205	0	5,560	0	18,775	18,775
	W	30,395	0	22,460	0	20,985	0	73,840	73,840
FIRE	G	1,120	0	0	0	0	0	1,120	1,120
FINANCE	G	876	0	304	0	314	0	1,494	1,494
	W	912	0	674	0	630	0	2,216	2,216
	C	15	0	15	0	15	0	45	45
TRANSPORTATION	G	1,850	0	1,700	0	1,600	0	5,150	5,150
	O	12,150	0	9,900	0	8,400	0	0	30,450
OFFICE OF THE MAYOR	G	2,850	0	0	0	0	0	2,850	2,850
	C	500	0	500	0	500	0	1,500	1,500
REAL ESTATE & HOUSING	G	1,200	0	1,250	0	1,500	0	3,950	3,950
TOTAL BY FUND	G	18,783.5	0	10,439	0	10,784	0	40,006.5	40,006.5
	O	12,167.5	0	10,650	0	8,400	0	0	31,217.5
	W	31,307	0	23,134	0	21,615	0	76,056	76,056
	C	515	0	515	0	515	0	1,545	1,545
GRAND TOTAL		62,773	0	44,738	0	41,314	0	117,607.5	148,825

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2007**

**TOTAL NUMBER OF EMPLOYEES
ALL FUNDS**

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Mayor's Office	33.00	45.00	45.00	46.00	59.00	13.00
Council	26.00	25.00	29.00	29.00	29.00	0.00
Treasurer	6.00	6.00	6.00	7.00	7.00	0.00
Planning	10.00	10.00	10.00	11.00	11.00	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	18.00	19.00	20.00	20.00	20.00	0.00
Finance	101.00	68.00	69.00	67.00	60.00	(7.00)
Personnel	21.00	21.00	21.00	21.00	21.00	0.00
Licenses & Inspections	35.00	36.00	37.00	39.00	44.00	5.00
Parks & Recreation	52.00	52.00	52.00	52.00	53.00	1.00
Fire	176.00	176.00	176.00	176.00	177.00	1.00
Police	344.00	368.00	377.00	386.00	407.00	21.00
Public Works	212.00	212.00	212.00	212.00	227.00	15.00
Real Estate & Housing	24.00	21.00	21.00	20.00	16.00	(4.00)
Municipal Court	0.00	0.00	0.00	0.00	0.00	0.00
Commerce	0.00	0.00	0.00	0.00	0.00	0.00
Youth & Families	<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>1,063</u>	<u>1,064</u>	<u>1,080</u>	<u>1,091</u>	<u>1,136</u>	<u>45.00</u>

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2007

GENERAL FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Mayor's Office	22.69	26.54	26.54	26.54	27.50	0.96
Council	26.00	25.00	29.00	29.00	29.00	0.00
Treasurer	2.92	2.92	2.92	3.42	3.42	0.00
Planning	7.60	9.60	9.60	10.60	10.60	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	18.00	19.00	20.00	20.00	20.00	0.00
Finance	54.30	29.30	30.40	30.30	33.70	3.40
Personnel	14.00	14.00	14.00	14.00	14.00	0.00
Licenses & Inspections	28.20	29.20	30.03	34.00	44.00	10.00
Parks & Recreation	52.00	52.00	52.00	52.00	53.00	1.00
Fire	176.00	176.00	176.00	176.00	177.00	1.00
Police	343.00	363.00	365.00	330.00	352.00	22.00
Public Works	102.25	99.50	99.50	99.50	121.50	22.00
Real Estate & Housing	3.00	2.81	2.76	2.80	1.60	(1.20)
Municipal Court	0.00	0.00	0.00	0.00	0.00	0.00
Youth & Families	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>854.96</u>	<u>853.87</u>	<u>862.75</u>	<u>833.16</u>	<u>892.32</u>	<u>59.16</u>

SPECIAL FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Mayor's Office	3.20	1.96	1.46	0.46	0.50	0.04
Treasurer	3.08	3.08	3.08	3.58	3.58	0.00
Planning	2.40	0.40	0.40	0.40	0.40	0.00
Law	0.00	0.00	0.00	0.00	0.00	0.00
Finance	0.00	1.00	0.90	0.00	0.00	0.00
Licenses and Inspections	6.80	6.80	6.97	5.00	0.00	(5.00)
Real Estate and Housing	21.00	18.19	18.24	17.20	14.40	(2.80)
Parks and Recreation	0.00	0.00	0.00	0.00	0.00	0.00
Police	1.00	5.00	12.00	56.00	55.00	(1.00)
TOTAL	<u>37.48</u>	<u>36.43</u>	<u>43.05</u>	<u>82.64</u>	<u>73.88</u>	<u>(8.76)</u>

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2007

WATER/SEWER FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Finance	28.70	28.70	28.70	27.70	26.30	(1.40)
Public Works	<u>109.75</u>	<u>112.50</u>	<u>112.50</u>	<u>112.50</u>	<u>105.50</u>	<u>(7.00)</u>
TOTAL	<u>138.45</u>	<u>141.20</u>	<u>141.20</u>	<u>140.20</u>	<u>131.80</u>	<u>(8.40)</u>

COMMERCE FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Commerce	0.00	0.00	0.00	0.00	0.00	0.00
Mayor's Office	<u>7.11</u>	<u>7.50</u>	<u>8.00</u>	<u>7.00</u>	<u>8.00</u>	<u>1.00</u>
TOTAL	<u>7.11</u>	<u>7.50</u>	<u>8.00</u>	<u>7.00</u>	<u>8.00</u>	<u>1.00</u>

INTERNAL SERVICE FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Budget FY2006</u>	<u>Budget FY2007</u>	<u>Net Change FY'07-'06</u>
Mayor's Office	0.00	9.00	9.00	12.00	23.00	11.00
Personnel	7.00	7.00	7.00	7.00	7.00	0.00
Finance	<u>18.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>(9.00)</u>
TOTAL	<u>25.00</u>	<u>25.00</u>	<u>25.00</u>	<u>28.00</u>	<u>30.00</u>	<u>2.00</u>
TOTAL ALL FUNDS	<u>1,063</u>	<u>1,064</u>	<u>1,080</u>	<u>1,091</u>	<u>1,136</u>	<u>45.00</u>

Actual and Projected

Fund Balances and
Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2007**

Fund Balance Activity	Actual FY 2005	Estimated FY 2006	Projected FY 2007
Fund Balance as of July 1	\$25,740,545	\$31,751,854	\$39,616,502
Excess of Revenues Over/(Under) Expenditures	5,736,299	7,589,648	1,872,288
Other Financing Sources/(Uses):			
Transfer from/(to) Water/Sewer Fund	-	-	-
Transfer from/(to) Wilmington Parking Authority	275,010	275,000	275,000
Transfer from/(to) Commerce Fund	-	-	-
Total Other Financing Sources/(Uses)	275,010	275,000	275,000
Net Change in Fund Balance	6,011,309	7,864,648	2,147,288
Total Fund Balance as of June 30	<u>\$31,751,854</u>	<u>\$39,616,502</u>	<u>\$41,763,790</u>

Summary of Fund Balance

Permanent Investment Reserves	\$12,440,414	\$16,372,738	\$17,446,382
Budget Reserves	19,311,440	23,243,764	24,317,408
Total Fund Balance as of June 30	<u>\$31,751,854</u>	<u>\$39,616,502</u>	<u>\$41,763,790</u>

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2007**

Fund Net Assets Activity	Actual FY 2005	Estimated FY 2006	Projected FY 2007
Net Assets as of July 1	\$81,666,622	\$81,946,324	\$83,304,930
Excess of Revenues Over/(Under) Expenditures	3,123,245	5,745,565	4,430,011
Non-Operating Revenues/(Expenses)			
Interest Expense	(3,051,868)	(4,386,959)	(4,491,041)
Other	<u>208,325</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenues/(Expenses)	(2,843,543)	(4,386,959)	(4,491,041)
Income/(Loss) Before Transfers	279,702	1,358,606	(61,030)
Transfer from/(to) General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	279,702	1,358,606	(61,030)
Total Net Assets as of June 30	<u>\$81,946,324</u>	<u>\$83,304,930</u>	<u>\$83,243,900</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$90,773,133	\$91,452,436	\$91,421,921
Unrestricted	<u>(8,826,809)</u>	<u>(8,147,506)</u>	<u>(8,178,021)</u>
Total Fund Net Assets as of June 30	<u>\$81,946,324</u>	<u>\$83,304,930</u>	<u>\$83,243,900</u>

**FUND BALANCE
COMMERCE FUND
FISCAL YEAR 2007**

Fund Balance Activity	Actual FY 2005	Estimated FY 2006	Projected FY 2007
Fund Balance as of July 1	\$13,484,998	\$12,786,316	\$9,795,634
Excess of Revenues Over/(Under) Expenditures	(2,422,041)	(2,990,682)	(2,593,808)
Other Financing Sources/(Uses)			
Proceeds from the Sale of Assets	1,800,000	-	-
Transfer from/(to) General Fund	-	-	-
Net Accounting Adjustments	<u>(76,641)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	1,723,359	0	0
Net Change in Fund Balance	(698,682)	(2,990,682)	(2,593,808)
Total Fund Balance of June 30	<u>\$12,786,316</u>	<u>\$9,795,634</u>	<u>\$7,201,826</u>
 Summary of Fund Balance			
Economic Development Reserves	<u>\$12,786,316</u>	<u>\$9,795,634</u>	<u>\$7,201,826</u>
Total Fund Balance as of June 30	<u>\$12,786,316</u>	<u>\$9,795,634</u>	<u>\$7,201,826</u>

**CONSOLIDATED FUND BALANCE & NET ASSETS
GENERAL, WATER/SEWER & COMMERCE FUNDS
FISCAL YEAR 2007**

Fund Balance & Net Assets Activity	Actual FY 2005	Estimated FY 2006	Projected FY 2007
Fund Balance & Net Assets as of July 1	\$120,892,165	\$126,484,494	\$132,717,066
Excess of Revenues Over/(Under) Expenditures	6,437,503	10,344,531	3,708,491
Total Other Financing Sources/(Uses)	1,998,369	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(2,843,543)	(4,386,959)	(4,491,041)
Operating Transfer from Water Fund to General Fund	-	-	-
Change in Fund Balance & Net Assets	5,592,329	6,232,572	(507,550)
Total Fund Balance & Net Assets as of June 30	\$126,484,494	\$132,717,066	\$132,209,516

Summary of Fund Balance & Net Assets

Permanent Investment Reserves	\$12,440,414	\$16,372,738	\$17,446,382
Budget Reserves	19,311,440	23,243,764	24,317,408
Invested in Capital Assets, Net of Related Debt	90,773,133	91,452,436	91,421,921
Unrestricted	(8,826,809)	(8,147,506)	(8,178,021)
Economic Development Reserves	12,786,316	9,795,634	7,201,826
Total Fund Balance & Net Assets as of June 30	\$126,484,494	\$132,717,066	\$132,209,516

City of Wilmington General Fund

ACTUAL & PROJECTED REVENUES AND EXPENDITURES

<u>Revenue Type</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Projected FY 2006</u>	<u>Budget FY 2007</u>	<u>Projected FY 2008</u>	<u>Projected FY 2009</u>
Wage & Net Profits Tax	\$44,270,947	\$47,348,120	\$46,198,125	\$46,274,069	\$48,125,032	\$50,050,033
Property Tax	29,068,010	28,414,882	30,466,500	30,466,500	30,878,500	30,878,500
Real Estate Transfer Tax	6,033,039	6,021,220	4,566,000	3,500,000	4,640,000	4,036,515
Head Tax	2,500,666	2,433,334	2,318,000	2,114,000	2,150,000	2,186,000
Franchise Tax	1,895,506	1,999,901	1,828,000	2,313,333	2,515,280	2,615,891
Licenses, Permits, Fees & Fines	5,263,212	6,919,335	6,078,500	7,726,500	7,779,030	7,833,136
Interest Income	813,364	1,538,286	2,500,000	4,365,929	5,303,079	4,393,248
Indirect Costs	2,784,660	2,784,660	2,784,533	2,784,533	2,784,533	2,784,533
Other Miscellaneous Revenues	2,080,296	1,590,646	1,088,000	1,588,000	1,588,000	1,588,000
Task Force Revenues	2,903,356	3,981,599	4,037,500	4,157,500	4,390,813	4,424,958
County Seat Relief Package	N/A	N/A	3,358,442	6,243,807	7,741,586	10,669,139
State Pension Contribution	N/A	N/A	N/A	6,410,000	6,410,000	6,410,000
Total Revenues	\$97,613,056	\$103,031,983	\$105,223,600	\$117,944,171	\$124,305,852	\$127,869,952

<u>Expenditure Type</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Salaries and Wages	\$45,915,753	\$47,518,733	\$47,036,354	\$50,713,729	\$55,041,211	\$57,242,860
Health Benefits	7,008,371	7,253,363	7,616,031	8,792,593	9,644,960	10,223,658
Pension and Retirement	5,717,574	8,640,929	7,425,045	7,337,290	8,011,772	8,412,361
Other Employee Benefits	2,039,151	2,420,992	2,570,992	2,850,980	3,010,022	3,130,422
Equipment & Services	9,580,452	10,313,603	10,611,797	16,209,320	15,367,611	15,776,821
General Liability	(2,481,899)	1,178,442	1,202,011	1,168,874	1,198,096	1,228,048
Workers' Compensation	1,632,194	4,627,055	4,719,596	2,504,109	2,579,232	2,682,402
Internal Services	6,499,306	6,248,513	6,560,939	7,597,093	7,976,948	8,375,795
Debt Service	8,310,949	8,720,317	9,427,287	11,835,245	12,911,299	12,845,256
Special Purpose	363,469	373,737	463,900	652,650	663,091	438,794
State Pension Contribution	N/A	N/A	N/A	6,410,000	6,410,000	6,410,000
Total Expenditures	\$84,585,320	\$97,295,684	\$97,633,952	\$116,071,883	\$122,814,241	\$126,766,416
Operating Surplus/(Deficit)	\$13,027,736	\$5,736,299	\$7,589,648	\$1,872,288	\$1,491,611	\$1,103,536
Net Adj. & Transfers In/(Out)	(724,942)	275,010	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$12,302,794	\$6,011,309	\$7,864,648	\$2,147,288	\$1,766,611	\$1,378,536
Total Fund Balance	\$25,740,545	\$31,751,854	\$39,616,502	\$41,763,790	\$43,530,401	\$44,908,937

ASSUMPTIONS USED IN PROJECTIONS

BASE YEAR

For Fiscal Year (FY) 2007, the Approved Budget is shown and is the base year upon which the FY 2008-2009 projections are built. A series of assumptions, outlined below, are applied. In general, we have sought to use prudent, moderately conservative assumptions. 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 detail below. FY 2006 embodies estimated year-end results that have been reviewed by the Wilmington Economic & Financial Advisory Council and the City's Expenditure Review Board.

GENERAL INFLATION ASSUMPTION

Most national projections for growth in the Consumer Price Index - All Urban Consumers (CPI-U) are at or below 2.50% for the period 2007 to 2009. The May 15, 2006 release of the Survey of Professional Forecasters projects CPI-U growth of 2.35% percent in 2007, with long-range expectations of 2.50% per year. Conducted by the Federal Reserve Bank of Philadelphia, this is the oldest quarterly survey of macroeconomic forecasts in the United States.

Year	Survey of Professional Forecasters Projected Annual CPI-U Increase
2006	2.62%
2007	2.35%
2008	2.35%
2009	2.50%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 15, 2006

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has tended to mirror national cost-of-living growth in recent years. The projections that follow include a default assumption for overall City inflationary pressures of 2.50% per year. However, it should be noted that this is only the default assumption; most cost categories have a variety of overriding assumptions included.

REVENUES

Wage Tax. (FY 2007 Base Year: \$46,274,069 — 39.1% of total revenues) The growth in the Wage and Net Profits Tax is tempered by the likely effects of the recent acquisition of MBNA by Bank of America. Though no official statements have been released, strong likelihood exists that significant job cuts and/or salary reductions will occur as a result of this merger. The second quarter FY 2006 Wage Tax projection was used as the starting point for projecting the FY 2007 budget figure. First, \$2 million in revenue was taken off that base as a worst-case scenario of Bank of America job and salary cuts. Then, a 3% growth factor was applied (attributed mainly to expected general salary increases) to the new base. Finally, \$750,000 was added as a result of the Finance Department's "Plan for Change" initiative to enhance collection efforts in this area.

Statewide, in their June 2006 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected a 4.7% growth for FY 2007 in the roughly equivalent State Personal Income 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, a somewhat more conservative out-year growth factor is necessary. With a disproportionate density of credit card operations and projected downsizing continuing at Bank of America, volatility of the City's single largest revenue source remains high. Given the above, City Wage Tax receipts are projected to grow an annual average of 4.0% starting in FY 2008.

Property Tax. (FY 2007 Base Year: \$30,466,500 — 25.8% of total revenues) In FY 2002 and FY 2003, the City adopted property tax rate increases of 9.9% per year to help provide for financial stability. These were not enough and thus there was another 6.9% increase in the rate for FY 2006. Given this significant upward adjustment for local property owners and the receipt of new on-going State revenues, the City has established a policy goal of maintaining stable rates throughout the plan period (FY 2007-2009). However, there will be growth in the tax base due to specific new construction projects coming on line starting in FY 2008. Also, some modest fluctuations can occur due to variances in enforcement and collection rates.

Real Estate Transfer Tax. (FY 2007 Base Year: \$3,500,000 — 3.0% of total revenues) Given the character of Wilmington's real estate base, change in City transfer tax revenues is driven primarily by individual, large commercial transactions. Accordingly, such receipts tend to be very volatile — swinging from \$1.5 million in FY 1997, up to \$2.4 million in FY 1998, then to nearly \$3.2 million in FY 1999, but then back down to \$2.7 million in FY 2000 and \$2.3 million in FY 2001.

True to its volatile nature, FY 2002 revenue rose again to more than \$4.2 million, only to see FY 2003 drop back down to \$3.3 million. Real Estate Transfer Tax revenues hit all-time highs of over \$6 million in both FY 2004 and FY 2005, as the frenzied activity in both commercial and residential property sales hit a peak. Although that level is unsustainable in the long-run (FY 2006 is projected to be down over \$1.4 million from FY 2005), base activity has expanded as a result of growth in both the residential and commercial markets, especially at the riverfront.

The FY 2007 net base of \$3.5 million factors out the effects of one-time sales of large commercial buildings and the turnover caused by speculative investment activity in the residential market. Given the above, and further concerns about rising interest rates, we have projected annual growth of 6% on the adjusted base through FY 2009. Expansion to the base is shown with the sales of the 183 units of the Christina Landing Phase II condominium tower starting in FY 2008 (and continuing into each year), with an estimated annual sales turnover rate of 12.5%. Also, FY 2008 includes the effect of the purchase of the new luxury homes of the Sienna Hall development on Kentmere Parkway.

Head Tax. (FY 2007 Base Year: \$2,114,000 — 1.8% of total revenues) As a flat tax of \$10 per month, per employee, Head Tax revenues are driven directly by overall employment levels within the City. It is expected that increased hiring activities by some new businesses locating within the City will be largely overshadowed by downsizing at Dupont and Bank of America (formerly MBNA). As a result, Head Tax reflects a net of 300 additional jobs each year beginning in FY 2008, but the FY 2007 base was reduced by a net 1,700 jobs to account for the above mentioned downsizing.

Franchise Tax. (FY 2007 Base Year: \$2,313,333— 2.0% of total revenues) This revenue stream consists of 2% of the gross revenues from electricity sales in the City and 5% of the gross revenues of cable television service sales in the City. In Wilmington, Delmarva Power is the sole provider of electricity and Comcast is the only provider of cable television service. Delmarva Power makes an annual franchise payment in January of each year calculated on the sales for the preceding calendar year. The FY 2007 electricity franchise payment was calculated to rise by the weighted average of 4 months at 4% and 8 months at 50% (reflecting large rate hikes in May of 2006 due to deregulation in Delaware) or 34.67% for the year. Before applying the 34.67% increase, \$72,000 was first added to yield an adjusted electricity franchise revenue base of \$1.1 million. After applying the 34.67% rate hike, the total electricity franchise payment is forecast to increase to \$1,481,333 for FY 2007, rise by the weighted average of 11.4% in FY 2008, and then grow by 4% each year thereafter. Comcast, which pays its franchise fee on current sales (remitted quarterly to the City) has a budget base of \$832,000 and will increase by 4% each year starting in FY 2008.

Licenses, Permits, Fees, and Fines. (FY 2007 Base Year: \$7,726,500 — 6.5% of total revenues) The Building Permits & Fire Plan Review Fees portion of this revenue source (with a base of \$1,700,000) will grow annually by 3%, reflecting expected strong continued building activity and renovations in the Downtown Business District, as well as at the Riverfront and in the Ship's Tavern District. The Finance department's "Plan for Change" improvements add a permanent \$500,000 to the Parking Tickets base and \$1.1 million more in collections from expanded vehicle booting starting in FY 2007. Flat revenues are assumed across the rest of the plan period for the remaining categories of Licenses and Fines revenue.

Interest Income. (FY 2007 Base Year: \$4,365,929 — 3.7% of total revenues) Interest revenue in FY 2007 is budgeted at \$1.9 million over the FY 2006 projection, rising to a total of \$4,365,929. This is a result of realized and expected interest rate hikes, along with the availability of significantly larger cash balances to invest due to recent operating surpluses and capital bond proceeds. For projection purposes, the interest rate used for cash investments is 4.75% in FY 2007, increases by 25 basis points each year, and assumes the following additions to the investment base:

A weighted annual average of \$15 million dollars from the unspent portion of the FY 2006 Capital Borrowing will be invested for FY 2007.

A weighted annual average of \$5 million dollars from the remaining unspent portion of the FY 2006 Capital Borrowing, along with a weighted average of \$44 million of the unspent portion for six months from the assumed FY 2008 Capital Borrowing, will be invested for FY 2008.

A weighted annual average of \$5 million from the remaining unspent portion of the assumed FY 2008 Capital Borrowing will be invested for FY 2009.

Indirect Costs. (FY 2007 Base Year: \$2,784,533 — 2.4% of total revenues) This line item primarily consists of overhead allocations to the Water/Sewer Fund for services provided by the General Fund. This line item has been locked by agreement, until such time that a new comprehensive indirect cost plan is issued.

Other Miscellaneous Revenues. (FY 2007 Base Year: \$1,588,000 — 1.3% of total revenues) This category includes the Delaware Solid Waste Authority landfill tipping fees rebate to the City of \$500,000, revenues from site and facility rentals, and may capture other minor sources. No growth is assumed.

Task Force Revenues. (FY 2007 Base Year: \$4,157,500 — 3.5% of total revenues) These consist of three recent revenue sources that were created as a result of the Governor's Task Force and 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's). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

For FY 2007, three of the four components of the Task Force Revenues are projected to increase in total by \$710,000, while the fourth component, Corporate Filing Fees, is expected to remain level at \$1.1 million. LLC Filing Fees is up \$300,000, to a total of \$1,725,000, matching the FY 2006 second quarter projection. Lodging Tax and Natural Gas Tax are forecast to grow by 2.5% above the FY 2006 projected levels, to new totals of \$512,000 and \$820,000 respectively, for a combined increase of \$410,000. Beyond FY 2007, Task Force Revenues are projected to increase by 2.5% per year on just the Lodging Tax and Natural Gas Tax components, with the Corporate and LLC Filing Fees remaining level.

County Seat Relief Package. (FY 2007 Base Year: \$6,243,807 — 5.3% of total revenues) This is a bundle of escalating revenue enhancements authorized by 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 provides diversified revenue support to the three county seats in the State of Delaware. The FY 2007 projections provided by the State Finance Secretary's Office include \$2,983,140 for a payment in lieu of taxes (PILOT) for State-owned properties in the City (which are normally exempt from the City property tax), and \$3,260,667 as a part of the local share of the State's Uniform Commercial Code (UCC) filing fees. In FY 2008, two more revenue streams come online: Statutory Trust Filing Fees and New Castle County Corporate Filing Fees. Combined, the State Finance Secretary's Office projects the total of the four revenue streams that make up the County Seat Relief Package to be \$7,741,586 in FY 2008 and \$10,669,139 in FY 2009.

State Pension Contribution. (FY 2007 Base Year: \$6,410,000 — 5.4% of total revenues) To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in previous years as direct revenues into the Police and Fire pension trust funds must now be accounted for in the General Fund. As a result, for FY 2007, the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero. The payments are forecast to remain the same through the projection period.

Transfers from other Funds. (FY 2007 Base Year: \$275,000 — 0.2% of total revenues) The City has strived to eliminate the amount of transfer revenues from the Water/Sewer Fund. This action has been favorably viewed by independent credit rating agencies, which generally maintain that such transfers should be minimal and stable, if implemented at all. Consistent with this policy, the FY 2007 Budget eliminates a transfer from the Water/Sewer Fund. It is assumed that there will be no Water/Sewer transfer annually through the Plan period. No growth is projected in the annual \$275,000 allocation from the Wilmington Parking Authority.

EXPENDITURES

Salaries and Wages. (FY 2007 Base Year: \$50,713,729 — 43.7% of total expenditures) All of the City's labor contracts with its employee unions will have expired by the end of FY 2007. It is these contracts that form the basis for the Salaries and Wages projections. In general, it will be the City's goal to limit annual cost-of-living increases to an average of 3% for FY 2008 and 4% for FY 2009.

However, there is another issue that will increase costs above and beyond simple salary adjustments in the future. A tremendous impact to this expense category (and to Health Benefits and Pensions) will occur in FY 2008 when the New Castle County Policing Grant ends. At that time, 43 police officers will be transferred back to the General Fund at a cost to Salaries and Wages of almost \$2.4 million. This expense will continue to FY 2009 and beyond, and will grow with the projected cost-of-living increases.

Health Benefits, Active Employees. (FY 2007 Base Year: \$8,792,593 — 7.6% of total expenditures) The *2006 Segal Health Plan Cost Trend Survey* indicates that a slowing in the rate of health plan cost increases is expected to continue in 2006. Locally, the City's self-insured health benefits program cost changes have paralleled national trends, with the City experiencing much smaller increases (down sharply from the 12% to 15% per year in past budgets) over the last two fiscal years. In addition, to further mitigate costs, the City recently implemented a new 3-Tier Prescription Drug Program, with higher co-payments in place of the previous 2-Tier Program. This change is yielding about \$600,000 in cost savings annually. Factoring in all of the above, the City's Risk Manager has assumed out-year cost growth of 6% per year.

As detailed above under Salaries and Wages, the end of the New Castle County Policing Grant will result in the transfer to the General Fund of 43 police officers in FY 2008. The cost of health coverage for those transferred officers will be almost \$325,000, and is included in the FY 2008 base, growing at 6% annually.

Pension and Retirement. (FY 2007 Base Year: \$7,337,290 — 6.3% of total expenditures) Required employer pension contributions had been below historical norms in recent years as the City enjoyed the benefit of extraordinary investment returns during the late 1990s. However, the scale of more recent portfolio losses have warranted increased contribution levels. Based on the results of an Experience Study by the City Treasurer's Office, in consultation with the City's Actuary, a one-time infusion of \$3 million was added to the actuary funding targets in FY 2005 and the long-term actuarial assumptions were recast. The Actuary has incorporated 5% annual growth in the pension funding targets for the foreseeable future.

Again, as detailed above under Salaries and Wages, the end of the New Castle County Policing Grant will have an effect beginning in FY 2008. The \$308,000 pension cost for the transferred police officers is added to the base in FY 2008, increasing 5% in FY 2009.

Other Employee Benefits. (FY 2007 Base Year: \$2,850,980 — 2.5% of total expenditures) This category consists primarily of payroll taxes, with additional costs including life insurance and post-retirement medical coverage. Such costs in the aggregate should generally track salary increases. Accordingly, inflationary factors of 3% in FY 2008 and 4% in FY 2009 have been applied.

There is a modest impact to this category in FY 2008 of \$73,512 (carrying over to FY 2009 and beyond) due to the end of the New Castle County Police Grant. Because the City does not have to withhold Social Security taxes for police officers, the increase is due to less costly Medtax withholding and basic life insurance.

Equipment and Services. (FY 2007 Base Year: \$16,209,320 — 14.0% of total expenditures) This is a relatively broad grouping of expenditures that includes cost centers such as professional services contracts, landfill fees and utilities, along with basic materials, supplies, and equipment. In general, managers have demonstrated an ability to effectively contain aggregate costs across these categories. However, certain initiatives and unfunded mandates have increased the base by \$4 million, and those new costs are incorporated in the FY 2007 Budget and beyond. These include security for City buildings and facilities, increased shared maintenance costs for the aging City/County building, the traffic safety and pothole repair program, enhanced revenue collection methods, and perhaps most critical, a huge electricity rate increase. For purposes of projecting, electricity was segregated out and analyzed separately.

As a result of deregulation in Delaware, electricity rates for the City rose 55% on May 1, 2006. In conjunction with that rate increase, an annual State grant award used for City street lighting electricity costs was drastically reduced. The new General Fund electricity cost base for FY 2007 jumped to \$1,603,859 (up from \$417,000) and is then projected to increase 4% each year starting in FY 2008.

Excluding electricity and one-time initiatives of \$1,240,000, the remaining base of this expenditure grouping is expected to respond to overall inflationary pressures of 2.5% per year.

General Liability. (FY 2007 Base Year: \$1,168,974 — 1.0% 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 has recently experienced extreme volatility from year-to-year. For example, in FY 2004 General Liability expense was booked as a negative or contra-expense of \$2.5 million (a swing of \$6 million from FY 2003, when a \$3.5 million expense was recorded). It was determined that incomplete data given to the actuary was largely to blame for this significant swing. Consequently, an internal audit and various management changes have led to a more focused effort in this area. We have used the FY 2007 Risk Manager's internal premium calculations as the basis for the FY 2007 Budget. Because of tighter controls, this expense is projected to increase by 2.5% annually.

Workers' Compensation. (FY 2007 Base Year: \$2,504,109 — 2.2% of total expenditures) Actual expenditures recognized in this category have also experienced extreme volatility from year-to-year. Consequently, a six-year weighted average (FY 2000-2005) of actual expenditures (excluding a one-time payment of \$1.9 million made in FY 2002 to wipe out prior years' accumulated fund deficits) was used as a base for forecasting purposes beginning in FY 2007, with annual growth thereafter to parallel projected growth in Wages and Salaries.

Internal Services. (FY2007 Base Year: \$7,597,093 — 6.5% of total expenditures) This category encompasses various expenditures generally incurred by operating departments, but budgeted centrally. This includes charges for motor vehicles; telephone and radio usage; postage; data processing; word processing; and mapping & graphics. In the Budget Book summaries, Internal Services also includes General Liability and Workers' Compensation; however for this projection they are analyzed separately above.

The City is in the midst of a badly overdue comprehensive Information Technology upgrade and expansion program that will increase Data Processing costs by over 19% a year over the next three fiscal years. For the other services making up the rest of the category, it is assumed that ordinary annual inflationary pressures of 2.5% will be present. This results in a weighted average growth of 5% per year for the Internal Services category as a whole (excluding General Liability and Workers' Compensation).

Debt Service. (FY2007 Base Year: \$ 11,835,245 — 10.2% of total expenditures) Debt Service is based on existing debt schedules and the new borrowing to fund the FY 2004 Revised General Fund Capital Program that took place in January of 2006. Assumed is a \$20 million borrowing to take place mid-year in FY 2008, with a bond interest rate of 4.5% for FY 2008. New debt service is calculated to be level over 20 years, with semiannual payments, and no capitalization of interest. It is also assumed that the variable rate portion of the January 2006 borrowing will be paid off by the end of FY 2008.

Special Purpose. (FY2007 Base Year: \$652,650 — 0.6% of total expenditures) The majority of this relatively small expenditure category routinely funds services provided by the Delaware SPCA, with limited additional City funding for such institutions as the Wilmington Institute Free Library and the Wilmington Arts Commission. However, For FY 2007 and FY 2008, there is an added commitment of \$235,000 to cover the annual fixed costs (such as debt service, utilities and maintenance) of the Rock Manor Golf Course while it is closed during the renovations being done as part of the larger DELDOT transportation project on Route 202. Special Purpose assumes 2.5% annual growth on a FY 2007 base adjusted to net out the \$235,000 for Rock Manor Golf Course.

State Pension Contribution. (FY 2007 Base Year: \$6,410,000 — 5.5% of total expenditures) To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in previous years as direct revenues into the Police and Fire pension trust funds must be now accounted for in the General Fund. As a result, for FY 2007, the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero. The payments are forecast to remain the same through the projection period.

FISCAL YEAR 2007 REVENUES

Overview

GENERAL FUND

General Fund Revenue before the transfer from the Wilmington Parking Authority is expected to increase by a net \$21,744,013 or 22.6% over the Fiscal Year (FY) 2006 Budget. The net change from Budget to Budget (FY 2007 vs. FY 2006) can be broken down as follows:

<u>REVENUE</u>	<u>CHANGE</u>	<u>TOTAL</u>
• State Pension Contribution	<i>Reclassification</i>	\$ 6,410,000
• County Seat Relief Package	<i>New \$6,243,807</i>	\$ 6,243,807
• Interest Earnings	<i>Up \$3,065,929</i>	\$ 4,365,929
• Wage & Net Profits Tax	<i>Up \$2,275,944</i>	\$ 46,274,069
• Parking Tickets/Booting	<i>Up \$1,900,000</i>	\$ 3,400,000
• Task Force Revenues	<i>Up \$710,000</i>	\$ 4,157,500
• Other Revenues	<i>Up \$500,000</i>	\$ 4,372,533
• Franchise Fees	<i>Up \$485,333</i>	\$ 2,313,333
• Licenses, Permits and Fees	<i>Up \$423,000</i>	\$ 3,501,500
• Real Estate Transfer Tax	<i>Up \$134,000</i>	\$ 3,500,000
• Head Tax	<i>Down \$404,000</i>	\$ 2,114,000

State Pension Contribution

An accounting change deemed necessary by the City Auditor has an inflating effect on the presentation of the FY 2007 General Fund Budget that is not related to any true change in actual revenues or expenditures. To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in previous years as direct revenues into the Police and Fire pension trust funds must now be accounted for in the General Fund. As a result, for FY 2007 the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero.

County Seat Relief Package is a bundle of escalating revenue enhancements authorized by 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 provides diversified revenue support to the three county seats in the State of Delaware. The FY 2007 projections provided by the State Finance Secretary's Office include \$2,983,140 for a payment in lieu of taxes (PILOT) for State-owned properties in the City (which are normally exempt from the City property tax), and \$3,260,667 as a part of the local share of the State's Uniform Commercial Code (UCC) filing fees.

Interest Earnings are projected to rise almost \$3.1 million, to a total of \$4,365,929, resulting from realized and expected interest rate hikes, along with the availability of significantly larger cash balances to invest due to recent operating surpluses and capital bond proceeds.

FISCAL YEAR 2007 REVENUES

Overview

GENERAL FUND (continued)

The growth in the **Wage and Net Profits Tax** is tempered by the likely effects of the recent acquisition of MBNA by Bank of America. Though no official statements have been released, strong likelihood exists that significant job cuts and/or salary reductions will occur as a result of this merger. The second quarter FY 2006 Wage Tax projection was used as the starting point for projecting the FY 2007 figure. First, \$2 million in revenue was taken off that base as a worst-case scenario of Bank of America job and salary cuts. Then, a 3% growth factor was applied (attributed mainly to expected general salary increases) to the new base. Finally, \$750,000 was added as a result of the Finance Department's "Plan for Change" initiative to enhance collection efforts in this area. Net Profits revenue is expected to increase by 3% over the FY 2006 projection.

Parking Tickets/Booting

With additional staffing and a multi-pronged approach to increasing enforcement and collection (as part of the implementation of the Finance department's "Plan for Change"), Parking Tickets revenue is forecast to rebound sharply from the decline of recent years. Already, the FY 2006 second quarter shows an increase of \$300,000. With an additional \$500,000 forecast as a result of the more focused approach, parking ticket revenue is projected to increase \$800,000, to a new total of \$2.3 million in FY 2007.

To further enhance scofflaw enforcement and collections, the City will contract with a private vendor to implement the PayLock delinquency abatement system. Using mobile licence plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue from implementing this program is conservatively estimated at \$1.1 million, greatly exceeding the cost of \$581,250.

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's). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

For FY 2007, three of the four components of the Task Force Revenues are projected to increase in total by \$710,000, while the fourth component, Corporate Filing Fees, is expected to remain level at \$1.1 million. LLC Filing Fees are up \$300,000, to a total of \$1,725,000, matching the FY 2006 second quarter projection. Lodging Tax and Natural Gas Tax are forecast to grow by 2.5% above the FY 2006 projected levels, to new totals of \$512,000 and \$820,000 respectively, a combined increase of \$410,000. Total Task Force revenues for FY 2007 will be \$4,157,500.

Other Revenues will increase by \$500,000, the expected amount of the landfill tipping fees rebate from the Delaware Solid Waste Authority (DSWA). Due to an accounting change, the annual Delaware Solid Waste Authority landfill tipping fees rebate will be booked as a revenue, rather than as a reimbursement credited to the landfill fees account. This increases the Public Works department budget by \$500,000, but the net effect to the General Fund bottom line is zero.

FISCAL YEAR 2007 REVENUES

Overview

GENERAL FUND (continued)

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues of cable television service sales in the City. In Wilmington, Delmarva Power is the sole provider of electricity and Comcast is the only provider of cable service. Delmarva Power makes an annual franchise payment in January of each year calculated on the sales for the preceding calendar year. The FY 2007 electricity franchise payment was calculated to rise by the weighted average of 4 months at 4% and 8 months at 50% (reflecting the large rate hike in May of 2006) or 34.67% for the year. Before applying the 34.67% increase, \$72,000 was first added to yield an adjusted electricity franchise revenue base of \$1.1 million. After applying the 34.67% rate hike, the total electricity franchise payment is forecast to increase to \$1,481,333. Comcast, which pays its franchise fee on current sales (remitted quarterly to the City) is expected to raise rates 4% next year, yielding a FY 2007 total payment of \$832,000, up \$32,000 from FY 2006.

Licenses, Permits and Fees revenue will rise a total of \$423,000, mainly as a result of a \$375,000 increase to the FY 2006 second quarter projections for Business Licenses and Building Permits. Another \$48,000 was added to account for 3% projected growth in the Building Permits and Fire Plan Review Fees in FY 2007.

Real Estate Transfer Tax revenues topped out at more than \$6 million in both Fiscal Years 2004 and 2005, as the frenzied activity in both commercial and residential property sales hit a peak. That level has proven to be unsustainable in the long-run, as indicated by revenues in the second quarter of FY 2006 that are only half of those of the first quarter. The FY 2007 projection of \$3.5 million excludes the skewing effects of one-time sales of large commercial buildings and the turnover caused by speculative investment activity in the residential market, but still recognizes that activity has permanently expanded as a result of growth in the residential and commercial markets, especially at the Riverfront.

Head Tax is slated to decrease by \$404,000 from the FY 2006 Budget. Even before the Bank of America buyout of MBNA, preparatory staffing reductions at MBNA, along with reductions at Dupont, helped contribute to a FY 2006 second quarter decrease of \$200,000. Although about 300 new jobs are expected to be created from other businesses in the City, a worst-case scenario of an additional elimination of 2,000 jobs is projected for Bank of America. The result is a projected net decline in employment of 1,700 jobs and the loss of \$204,000 in head taxes.

FISCAL YEAR 2007 REVENUES

Overview

WATER/SEWER FUND

Water/Sewer Direct Users Fees are projected to increase to \$29,360,336 from \$25,095,944 last fiscal year. This \$4,264,392 increase in revenue is attributable to the effects of an increase in water and sewer rates, and a forecasted \$500,000 increase in collections resulting from the implementation of the Finance Department's "Plan for Change." The FY 2007 Budget raises water and sewage rates 15% as part of a four year plan of rate increases to prevent further operating deficits in the Water/Sewer fund and to ensure adequate cash flow for infrastructure investment. Even with the rate increase, City users will still benefit from prices lower than those offered by surrounding private water utilities and the New Castle County sewage authority.

The City's contract to provide sewage treatment for New Castle County (NCC) allows for an annual inflation adjustment of 2.75% per year. The fee to NCC for FY 2007 will be \$15,841,000, up \$424,000 from the FY 2006 Budget. The City will also receive \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. This reimbursement is the same as last year.

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

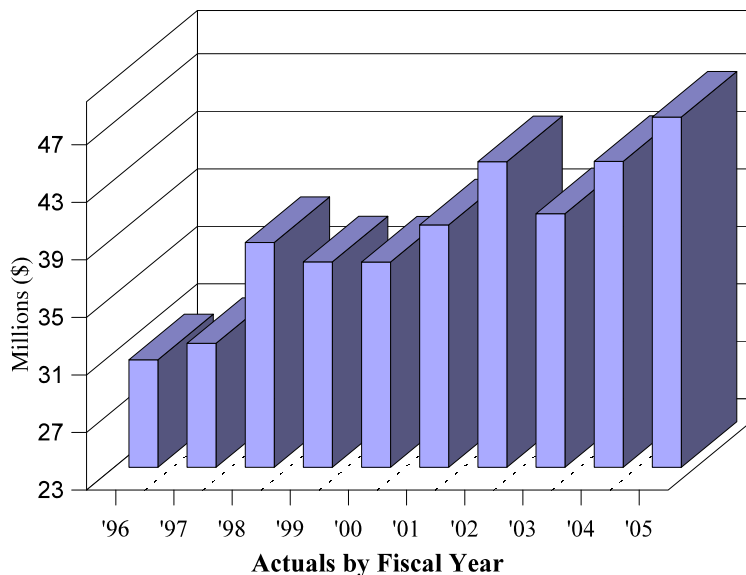
WAGE & NET PROFITS TAX

Basis: Growth of local economy

Critical Assumption: The growth in the Wage and Net Profits Tax is tempered by the likely effects of the recent acquisition of MBNA by Bank of America. Though no official statements have been released, strong likelihood exists that significant job cuts and/or salary reductions will occur as a result of this merger. The second quarter FY 2006 Wage Tax projection was used as the starting point for projecting the FY 2007 figure. First, \$2 million in revenue was taken off that base as a worst-case scenario of Bank of America job and salary cuts. Then, a 3% growth factor was applied (attributed mainly to expected general salary increases) to the new base. Finally, \$750,000 was added as a result of the Finance Department's "Plan for Change" initiative to enhance collection efforts in this area. Net Profits revenue is expected to increase by 3% over the FY 2006 projection.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$44,270,947	\$47,348,120	\$43,998,125	\$46,198,125	\$46,274,069

Wage & Net Profits Tax Revenue



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

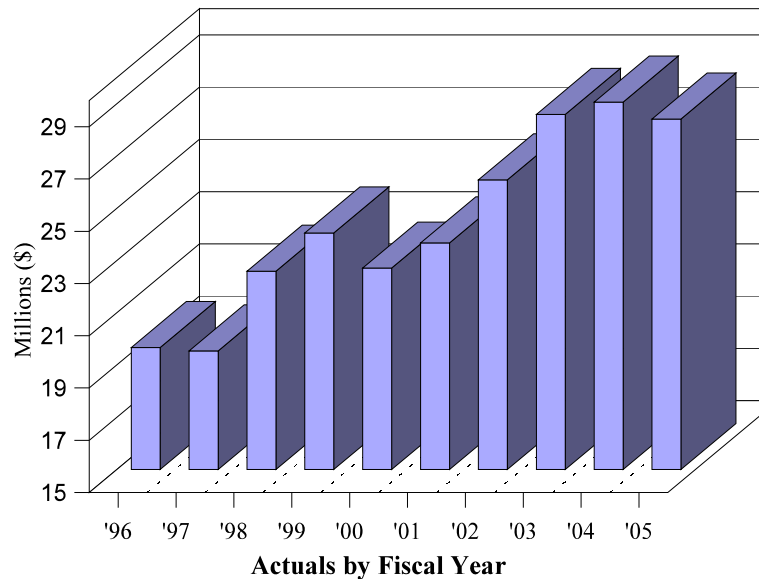
PROPERTY TAX

Basis: Assessment Roles

Critical Assumption: No Property Tax rate increase has been proposed. As such, no change is projected for Property Tax revenue for FY 2007.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$29,068,010	\$28,414,882	\$30,466,500	\$30,466,500	\$30,466,500

Property Tax Revenue



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

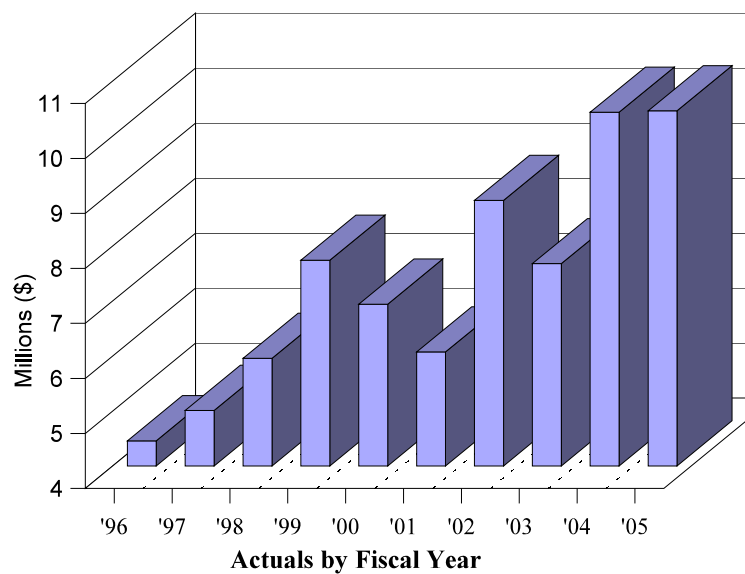
OTHER TAXES

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

Critical Assumption: Franchise Fees for cable and electricity are expected to climb as a result of higher user charges to Comcast and Delmarva customers. Cable rates are projected to increase by 4%, while electric rates are forecasted to rise by nearly 35%, resulting in additional revenue of \$32,000 and \$381,333 respectively, along with an the FY 2006 increase in the base projection of \$72,000. The FY 2007 Real Estate Transfer Tax projection of \$3.5 million excludes the skewing effects of one-time sales of large commercial buildings and the turnover caused by speculative investment activity in the residential market, but still recognizes that activity has permanently expanded, especially at the Riverfront. Head Tax is projected to fall \$404,000, with a worst-case scenario of an additional elimination of 2,000 jobs projected for Bank of America.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$10,429,211	\$10,454,455	\$7,712,000	\$8,712,000	\$7,927,333

Other Taxes



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

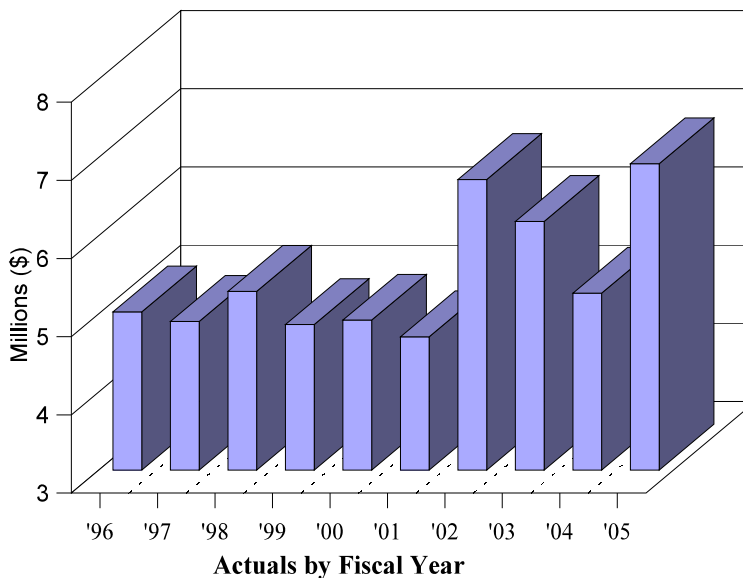
LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

Critical Assumption: Licenses, Permits and Fees revenue is expected to rise a total of \$423,000, mainly as a result of a \$375,000 increase to the FY 2006 second quarter projections for Business Licenses and Building Permits. Another \$48,000 was added to account for 3% projected growth in the Building Permits and Fire Plan Review Fees in FY 2007. Parking Tickets revenue is forecasted to rebound sharply from the decline of recent years. The FY 2006 second quarter shows an increase of \$300,000, and an additional \$500,000 is anticipated resulting from additional staffing and the implementation of the Finance department’s “Plan for Change”, a multi-pronged approach to increase enforcement and collections. To further enhance scofflaw enforcement and collections, the City will contract with a private vendor to implement the PayLock delinquency abatement system. Using mobile licence plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue from implementing this program is estimated at \$1.1 million.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$5,263,212	\$6,919,335	\$5,403,500	\$6,078,500	\$7,726,500

Licenses, Permits, Fees & Fines



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

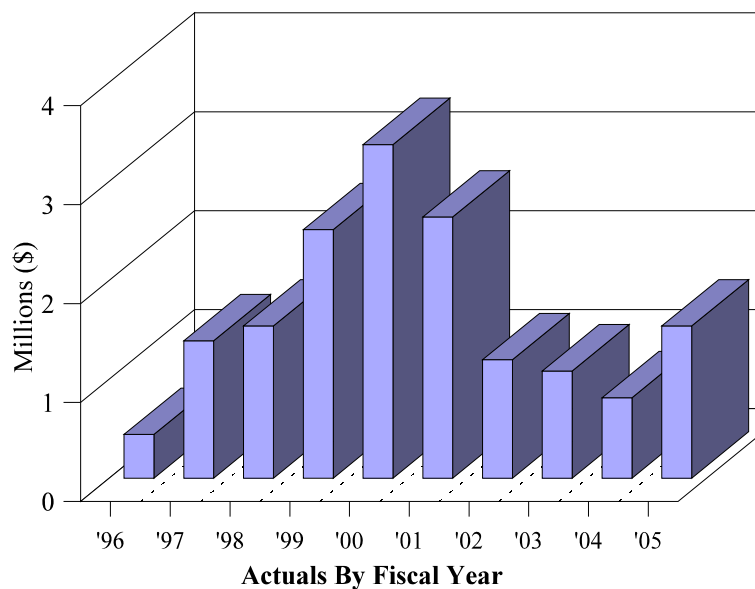
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond Issuance

Critical Assumption: Interest earnings are projected to rise by \$3,065,929 over the FY 2006 budgeted amount as a result of higher interest rates, along with the availability of significantly larger cash balances to invest due to recent operating surpluses and capital bond proceeds.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$813,364	\$1,538,286	\$1,300,000	\$2,500,000	\$4,365,929

Interest Revenue



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

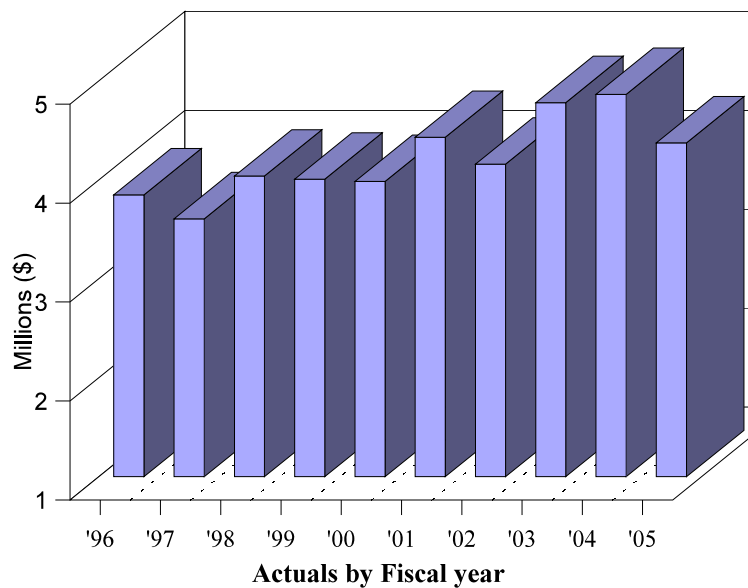
OTHER REVENUES

Basis: Trend analysis/Contractual/Agreement with State

Critical Assumption: Other Revenues include Rentals, Concessions, General Government Charges, along with Indirect Costs and Miscellaneous Revenue. The single largest item is the \$2.78 million Indirect Cost revenue from the Water/Sewer Fund. All five of the major categories in Other Revenues are expected to remain at FY 2006 budgeted levels. However, there is a new revenue category of \$500,000, which is the expected amount of the landfill tipping fees rebate from the Delaware Solid Waste Authority (DSWA). Due to an accounting change, the annual DSWA landfill tipping fees rebate will be booked as a revenue rather than as a reimbursement credited to the landfill fees account. This increases the Public Works department budget by \$500,000, but the net effect to the General Fund bottom line is zero.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$4,864,956	\$4,375,306	\$3,872,533	\$3,872,533	\$4,372,533

Other Revenues



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

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 in response to the Governor’s Task Force in Fiscal Year 2004. As a result, each County Seat (Wilmington is the County Seat of New Castle County) in the State receives the revenue derived by a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. For FY 2007, three of the four components of the Task Force Revenues are projected to increase in total by \$710,000, while the fourth component, Corporate Filing Fees, is expected to remain level at \$1.1 million. LLC Filing Fees are up \$300,000, to a total of \$1,725,000, matching the FY 2006 second quarter projection. Lodging Tax and Natural Gas Tax are forecast to grow by 2.5% above the FY 2006 projected levels, to new totals of \$512,000 and \$820,000 respectively, a combined increase of \$410,000.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$2,903,356	\$3,981,599	\$3,447,500	\$4,037,500	\$4,157,500

COUNTY SEAT RELIEF

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 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) that 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 provides diversified revenue support to the three county seats in the State of Delaware. The FY 2007 projections provided by the State Finance Secretary’s Office include \$2,983,140 for a payment in lieu of taxes (PILOT) for State-owned properties in the City (which are normally exempt from the City property tax), and \$3,260,667 as a part of the local share of the State’s Uniform Commercial Code (UCC) filing fees.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$0	\$0	\$0	\$3,358,442	\$6,243,807

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

STATE PENSION CONTRIBUTIONS

Basis: Estimates from the Delaware State Board of Pension Trustees and the Office of Pensions

Critical Assumption: To comply with the City Auditor's recent re-interpretation of GASB pronouncement #24 (concerning "on-behalf payments"), special pension grants from the State of Delaware that had been booked in previous years as direct revenues into the Police and Fire pension trust funds must be now accounted for in the General Fund. As a result, for FY 2007, the \$6,410,000 in expected State pension grants is budgeted as a General Fund revenue, while on the expenditure side, the \$6,410,000 payment into the pension trust funds is budgeted as a General Fund expense in the Police and Fire departments. The net change to the General Fund budget bottom line is zero.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$0	\$0	\$0	\$0	\$6,410,000

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2007

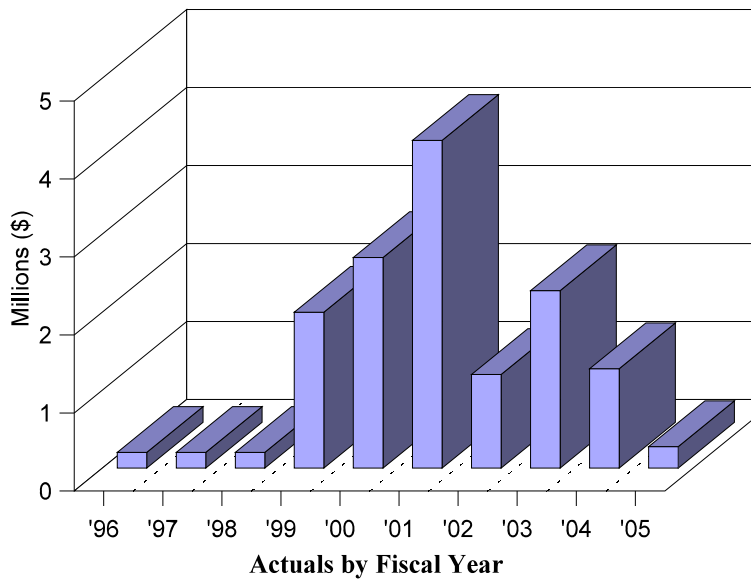
TRANSFERS AND PRIOR YEARS' SURPLUS

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

Critical Assumption: FY 2007 will feature a transfer only from the Wilmington Parking Authority (WPA) in the amount of \$275,000. The transfer from the Water/Sewer Fund has been discontinued to avoid sending that fund into a larger deficit.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$1,275,000	\$275,010	\$500,000	\$275,000	\$275,000

Transfers & Prior Years' Surplus



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2007

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: This State of Delaware grant for FY 2007 is expected to decrease significantly from the FY 2006 budgeted level.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$1,458,741	\$1,827,199	\$2,005,710	\$1,197,182	\$1,197,182

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: CDBG Federal Funds continue to fall and will decrease by a little more than \$502,000 from FY 2006.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$3,260,547	\$4,110,157	\$3,337,804	\$3,337,804	\$2,834,692

HUD SECTION 8 GRANT

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The amount of the award has remained the same as in FY 2006, but is utilizing approximately \$330,000 in reprogrammed funds from a prior year.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$2,716,965	\$2,636,531	\$2,431,814	\$2,431,814	\$2,760,757

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2007

NEW CASTLE COUNTY POLICE GRANT

Basis: New Castle County (NCC) Award Letter

Critical Assumption: This award is part of a larger, multi-year commitment to provide support for City policing operations.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$0	\$3,246,550	\$3,414,892	\$3,414,892	\$3,742,750

NEW CASTLE COUNTY FIRE GRANT

Basis: New Castle County (NCC) Award Letter

Critical Assumption: This funding is provided for miscellaneous uses such as supplemental apparatus purchasing and ambulance subsidy payments. Because of NCC's budget deficit, this grant has been slashed by 46% for FY 2007.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$586,598	\$13,408	\$400,000	\$418,000	\$225,000

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used mainly for the Summer Food Program and are slated to remain at the prior year level.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$1,167,314	\$1,198,924	\$489,832	\$489,832	\$489,832

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2007

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 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$75,045	\$80,954	\$150,429	\$150,429	\$154,319

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 rise by nearly \$400,000 for FY 2007.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$913,448	\$2,136,355	\$645,868	\$645,868	\$1,038,443

PENSION TRUSTS

Basis: Estimates from Pension Coordinator

Critical Assumption: Funding represents an amount equal to the expected administrative costs of the various pension plans of the City and is derived from the income of the pooled pension assets.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$1,515,835	\$2,446,502	\$1,801,305	\$1,801,305	\$2,148,002

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2007

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is funded through HUD and is expected to be funded at approximately \$41,000 less in FY 2007.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$1,122,302	\$505,761	\$723,736	\$723,736	\$682,135

MISCELLANEOUS GRANTS

Basis: Federal grant award letters/State of Delaware grant award letter

Critical Assumption: Miscellaneous Grants is a combined total of two larger Federal grants and two smaller State grants. The Federal grants, Housing Opportunities for People With AIDS (HOPWA) and Emergency Shelter, along with the Local Emergency Planning Committee (LEPC) and State Fire Grants, are expected to remain at nearly the same levels as FY 2006.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$2,311,838	\$2,429,388	\$1,042,099	\$1,042,099	\$1,031,454

REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2007

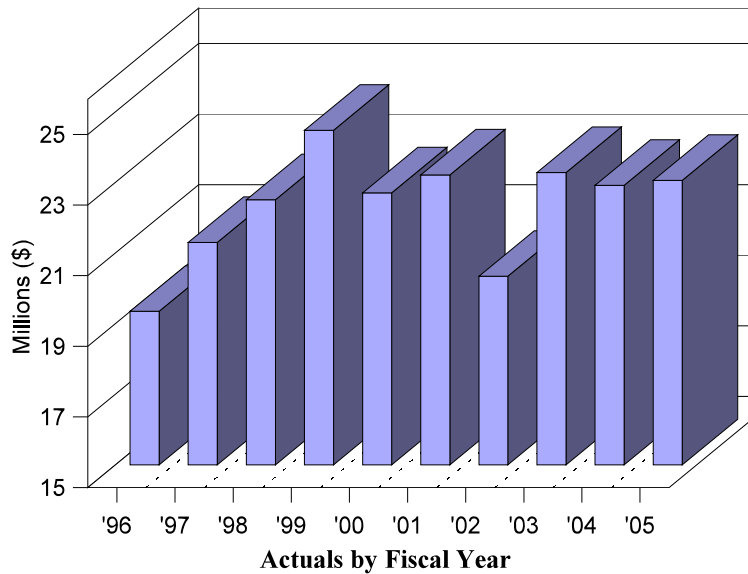
DIRECT USER FEES

Basis: Trend analysis/Management Initiatives/Re-metering program

Critical Assumption: A 15% rate increase for all users has been applied for FY 2007. This increase will generate approximately \$3.76 million above the FY 2006 budgeted number. Another \$500,000 has been added to the budget with the implementation of the Finance Department’s “Plan for Change” to enhance collection efforts, for a total increase of \$4,264,392.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$22,913,101	\$23,055,235	\$25,095,944	\$25,095,944	\$29,360,336

Direct User Fees



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2007

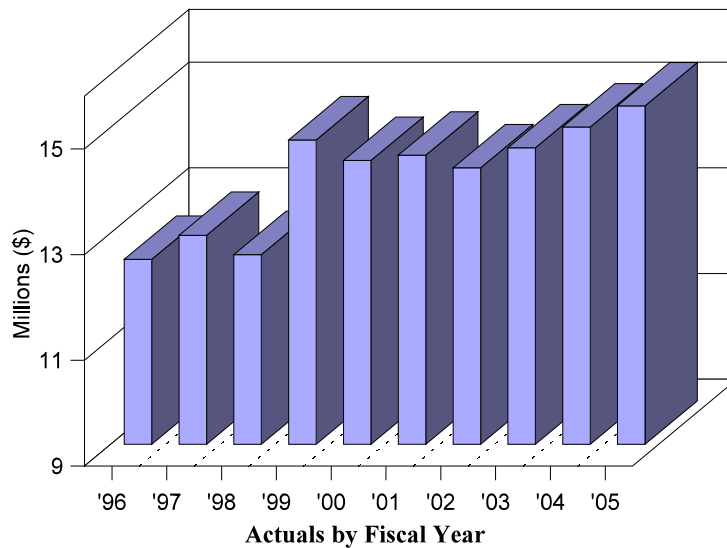
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: The City's contract to provide sewage treatment for New Castle County (NCC) allows for an annual inflation adjustment of 2.75% per year. The fee from NCC for FY 2007 will be \$15,841,000, up \$424,000 from the FY 2006 Budget. The City will also receive \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. This reimbursement is the same as last year.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$15,003,123	\$15,405,124	\$15,818,123	\$15,818,123	\$16,242,123

NCC Sewer Services



REVENUE PROJECTIONS AND CRITICAL ASSUMPTIONS

Commerce Fund Revenues Fiscal Year 2007

PORT DEBT REIMBURSEMENT FROM STATE OF DELAWARE

Critical Assumption: See Note Below.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$4,866,950	\$4,203,505	\$3,986,864	\$3,986,864	\$4,162,832

MISCELLANEOUS

Critical Assumption: See Note Below.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$51,259	\$0	\$0	\$0	\$0

GAIN ON SALE OF PORT TO STATE OF DELAWARE

Critical Assumption: Recalculated Gain on Sale was fully amortized in FY 2005. FY 2006 and beyond goes to zero.

FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2006 Projected	FY 2007 Budget
\$2,040,000	\$1,800,000	\$0	\$0	\$0

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 an annual mortgage payment) and reimbursement of the previously existing Commerce Fund debt which remained on the City's books.

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

As a result, the Commerce Fund is no longer classified as an Enterprise Fund, but as a Special Revenue fund. As such, debt service expense for principal repayment is now charged and depreciation expense is dropped. The reimbursement of Commerce Fund debt service from the State now includes having to book the principal portion of the reimbursement as revenue, whereas in previous years only the interest portion of the debt reimbursement was considered revenue.

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2007

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.

Rate: \$1.3969 per one-hundred dollars of assessed value.

HEAD TAX

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

Rate: \$10.00 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 transfer.

Rate: 1.50%

FRANCHISE TAX

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

Rate: 2% on electrical service; 2% on natural gas; 5% on cable television service.

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2007
(Continued)

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% 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, Community Affairs, Cultural Affairs, Management and Budget, Information Systems, Communications, and Economic Development.

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS MAYOR'S OFFICE	ACTUAL FY2004*	ACTUAL FY2005*	BUDGET FY2006*	APPROVED FY2007
Personal Services	3,746,513	3,902,406	3,993,218	4,474,928
Materials, Supplies & Equipment	3,910,197	3,901,163	3,889,827	4,707,312
Internal Services	544,448	609,756	748,417	826,157
Debt Service	639,539	873,674	1,274,018	1,338,217
Special Purpose	77,740	55,000	127,000	290,000
Contingent Reserves	0	0	180,000	1,463,920
Depreciation	103,471	233,000	181,956	181,956
Capitalization	<u>(198,739)</u>	<u>(204,494)</u>	<u>(160,220)</u>	<u>(181,600)</u>
TOTAL	<u>8,823,169</u>	<u>9,370,505</u>	<u>10,234,216</u>	<u>13,100,890</u>
STAFFING LEVELS	54.00	54.00	55.00	59.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	1,912,264	2,006,261	2,022,837	2,217,876
Materials, Supplies & Equipment	807,214	873,733	861,872	1,541,950
Internal Services	356,899	458,985	532,397	604,600
Debt Service	593,265	826,620	945,874	906,280
Special Purpose	<u>55,000</u>	<u>55,000</u>	<u>127,000</u>	<u>290,000</u>
TOTAL	<u>3,724,642</u>	<u>4,220,599</u>	<u>4,489,980</u>	<u>5,560,706</u>
STAFFING LEVELS	26.543	26.543	26.543	27.500

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Contingency	0	0	150,000	1,363,920
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>100,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>180,000</u>	<u>1,463,920</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	0	0	0	0
Materials, Supplies & Equipment	0	0	0	0
Internal Services	0	0	0	0
Special Purpose	<u>4,735</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>4,735</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

ENTERPRISE COMMUNITY FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	103,313	39,118	0	0
Materials, Supplies & Equipment	7,254	0	0	0
Special Projects	<u>18,005</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>128,572</u>	<u>39,118</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	1.00	1.00	0.00	0.00

U.S. DEPARTMENT OF COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	33,695	0	0	0
Materials, Supplies & Equipment	<u>103,667</u>	<u>57,984</u>	<u>0</u>	<u>0</u>
TOTAL	<u>137,362</u>	<u>57,984</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.50	0.00	0.00	0.00

COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	545,160	592,968	585,110	678,175
Materials, Supplies & Equipment	210,054	341,901	413,167	393,886
Internal Services	22,445	11,297	21,995	15,814
Debt Service	<u>0</u>	<u>0</u>	<u>173,872</u>	<u>281,824</u>
TOTAL	<u>777,659</u>	<u>946,166</u>	<u>1,194,144</u>	<u>1,369,699</u>
STAFFING LEVELS	7.50	8.00	7.00	8.00

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	83,369	96,318	42,405	48,937
Materials, Supplies & Equipment	280,468	57,725	0	0
Internal Services	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>363,914</u>	<u>154,043</u>	<u>42,405</u>	<u>48,937</u>
STAFFING LEVELS	0.457	0.457	0.457	0.500

INTERNAL SERVICES FUNDS MAYOR'S OFFICE	ACTUAL FY2004*	ACTUAL FY2005*	BUDGET FY2006*	APPROVED FY2007
Personal Services	1,068,712	1,167,741	1,342,866	1,529,940
Materials, Supplies & Equipment	2,501,540	2,569,820	2,614,788	2,771,476
Internal Services	165,027	139,474	194,025	205,743
Debt Service	46,274	47,054	154,272	150,113
Depreciation	103,471	233,000	181,956	181,956
Capitalization	<u>(198,739)</u>	<u>(204,494)</u>	<u>(160,220)</u>	<u>(181,600)</u>
TOTAL	<u>3,686,285</u>	<u>3,952,595</u>	<u>4,327,687</u>	<u>4,657,628</u>
STAFFING LEVELS	18.00	18.00	21.00	23.00

* In FY 2004, the Divisions of Data Processing and Communications were transferred from the Finance department to the Mayor's Office. In FY 2007, the remaining Internal Services in Finance will be transferred to the Mayor's Office. For ease of comparison, the prior years' costs and staffing of the Mayor's Office and Finance department are shown combined (except for Bond Issuance costs). For uncombined staffing levels, see summary of staffing starting on page 50.

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The cumulative effects of COLA's, higher pension costs, and some minor upgrades are the major contributors to a \$195,039 Personal Services increase. A new Communications Assistant position in Mayor's Office Administration accounts for \$71,760 of this change.
- The Mayor's Office has requested an additional \$500,000 in order to implement the recommendations of the Hope Commission, which includes funding for youth programming such as Challenge Grants, as well as economic development activities.
- The Office of Emergency Management has requested \$33,600 in order to temporarily rent the additional space required for the storage of Weapons of Mass Destruction response equipment. This equipment will be moved to the new Public Works Yard upon its completion.
- Mayor's Office Administration has requested an additional \$30,500 for consultants, which includes a healthcare consultant, a lobbyist, a writing assistant, and an ADA consultant. Similarly, the Office of Cultural Affairs has requested an additional \$31,000 for consultant services to relieve pressures on Office staff and provide support in marketing, program coordination and execution, and implementation of the Mayor's cultural initiatives.
- Due to uncertainty in the level of corporate sponsorship, the Office of Cultural Affairs has asked for an additional \$50,000 in order to maintain existing programs and events at their current levels.
- Spending on grants to non-profit groups is budgeted to increase by \$40,000 in order to maintain grant commitments to a number of organizations and events, including the Hispanic and Italian Festivals, the Boys and Girls Club, and the Council of Jazz Advocates.
- Mayor's Office Administration has added an additional \$10,000 for food, due to increased need for food during a variety of meetings and events with outside organizations and the business community.
- The City continues to pay a number of costs for the Rock Manor Golf Course, which is closed during the State's ongoing Blue Ball Transportation project on Route 202. Total costs in this area are budgeted to increase from \$72,000 to \$235,000. This increase is due, in part, to the City's need to cover the Course's costs for a full year, rather than the seven months required in FY 2006. Additional increases are the result of higher debt service, maintenance, and utility costs.
- The Mayor's Office has requested a \$1,283,920 increase in the General Fund Contingent Reserves. This increase combines a \$763,920 addition to cover higher electricity costs throughout the General Fund, as well as \$150,000 to operate neighborhood cameras, \$60,000 for a grant to the Red Cross, and \$90,000 for job readiness training and youth initiatives. The balance of the increase is divided between a \$150,000 increase for unanticipated expenses and an additional \$70,000 for snow and weather emergencies. Based on past experience, these requests are expected to more accurately reflect actual needs.
- Total debt service payments in the Mayor's Office General Fund are budgeted to decrease by \$39,594. This is the result of lower total debt service on the bonds funding the 2004 Revised Capital Budget.

COMMERCE FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In order to assist with the Disadvantaged Business Enterprise program, funding for the Community Development Manager has been transferred from the Department of Real Estate and Housing to the Office of Economic Development, resulting in a personal services increase of \$78,712. The cumulative effect of COLA's, higher pension costs, and some minor upgrades contributed to an additional \$14,353 personal services increase.
- The Office of Economic Development has requested an additional \$27,440 in advertising funding in order to broaden the City's exposure in various print and radio outlets, as well as provide advertising funding for the Minority Small Business Enterprise Office and the Advantage Wilmington program.
- Spending on consultants is budgeted to decrease, on net, by \$53,000. This is the result of the elimination of the Heritage Resources liaison, for a savings of \$80,000, coupled with additional spending on consultants for projects such as the Main Street Program.
- Debt Service is budgeted to increase by \$107,952, a change of 62%. This is due mainly to increased payments on existing debt service, plus smaller increases as a result of new borrowing for the \$500,000 Economic Development Project Fund in the FY 2004 Revised Capital Budget.
- Funding for the annual contribution to the Greater Wilmington Convention and Visitors Bureau is budgeted to increase by \$7,000 to a total of \$30,000.

INTERNAL SERVICE FUNDS MAJOR FUND CHANGES FROM PRIOR YEAR

- For FY 2007, the Internal Services formerly housed under the Finance Department have been moved to Mayor's Office Information Systems. This move includes Word Processing, Mail, Duplication and Reproduction, and Mapping and Graphics, although some debt service costs remain in Finance. The charts and graphs in this document, as well as the major funding changes discussed below, combine the Mayor's Office and Finance department information technology spending.
- Total Information Systems personal services spending is budgeted to increase by \$187,074, which includes the cumulative effect of COLA's, higher pension costs, some minor upgrades, and the addition of new positions. These include an IT Office Assistant, at a total cost of \$43,304, as well as a Telephony Analyst, at total cost of \$56,025.
- The Information Systems budget includes a number of increased requests for office equipment rentals and printing supplies. Duplication and Reproduction has requested \$165,000 for copier rentals, an increase of \$10,608 over FY 2006. Likewise, Mapping and Graphics has requested \$85,000 for printing expenses, an increase of \$15,000 over FY 2006.
- In total, Information Systems has requested a net reduction of \$10,000 for consulting services. This includes \$20,000 for network software audits by Data Processing (a reduction of \$20,000 from FY 2006) as well a request by Communications for \$10,000 in new spending on 311 system consulting.
- Total communications and utilities charges, which includes telephone and postage costs, are budgeted for a net increase of \$11,876. This is largely the result of a \$25,000 increase in postal charges, due to higher postal rates. Partially offsetting this is a net \$12,705 decrease in Communication's telephone charges, primarily due to lower telephone rates. Communication's request, however, includes \$21,000 in new spending for Verizon connectivity at the new Public Works yard, as well as approximately \$12,000 for network access for the Fire Department's Mobile Data Terminals.
- Mail Service has requested \$46,500 to implement a digital mail processing system.
- Data Processing has requested a number of major changes. The largest involves a total of \$415,500 for machinery and equipment, \$118,700 over FY 2006. This includes the rewiring of the City/County Building at a cost of \$140,000, as well as new PC's, servers, and related equipment. This is partially offset by a \$130,000 reduction in new software purchases.
- Data Processing's budget also contains a variety of other changes. These include a \$28,650 net increase in miscellaneous charges and services, which primarily consists of an additional \$10,600 in charges from the City's internet provider, a \$15,000 increase in facilities management costs, and the implementation of a new T1 line at a cost of \$6,500. Data Processing has also requested an additional \$64,150 for printing and advertising, which includes \$37,500 for outsourcing bill printing services and \$30,000 for purchasing the hardware and software for a document imaging system.
- Communications has requested a net decrease of \$33,500 for repairs to equipment, which is largely the result of a \$57,560 spending reduction made possible due to the addition of the new Telephony Analyst position. Similarly, Communications has also requested a \$7,120 reduction in replacement parts, and a net reduction of \$19,000 for Machinery and Equipment.

SPECIAL FUNDS MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Office of Emergency Management has increased its requests for Personal Services expenditures from the Local Emergency Planning Committee Fund by \$6,532. The General Fund, however, now bears a slightly larger share of the OEM's personal services spending, as this spending is now divided equally between both funds.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	1,515,890	1,495,444	1,601,735	1,701,550
Temporary Salaries	2,030	10,161	16,000	9,000
Acting Out of Classification	0	1,992	0	0
Sick Leave Bonus	0	150	0	0
Overtime/Special Events	628	130	0	0
Internet Reimbursement	213	765	720	720
Pension Contribution	67,758	164,095	83,239	140,233
Social Security	93,918	91,894	98,940	104,307
Medicare Tax	22,070	21,808	23,468	24,804
Hospitalization	197,769	201,119	216,821	243,605
Life Insurance	2,864	1,539	3,043	8,682
Pension Healthcare	9,124	17,164	13,147	19,251
Personal Services Adjustment	0	0	(34,276)	(34,276)
TOTAL PERSONAL SERVICES	1,912,264	2,006,261	2,022,837	2,217,876
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	62,778	84,613	113,700	113,360
Communications & Utilities	1,058	1,920	1,214	5,572
Transportation	18,042	21,306	36,425	38,425
Rentals	11,552	3,841	26,875	60,475
Contracted Maintenance Repairs	330	2,703	3,529	3,009
Professional Fees	153,917	120,514	131,000	192,500
Other Fees	166,074	233,717	170,600	220,600
Memberships & Registrations	29,610	23,277	37,710	44,530
Miscellaneous Services	64,212	110,327	72,000	42,000
Office & General Supplies	3,871	6,877	9,319	8,179
Miscellaneous Parts	58,311	73,753	81,000	91,000
Equipment	31,445	12,019	7,000	12,300
Fixed Assets	4,362	448	1,500	0
Miscellaneous Projects	50,982	46,100	50,000	550,000
Community Activities	150,670	132,318	120,000	160,000
TOTAL M., S. & E.	807,214	873,733	861,872	1,541,950
 <u>INTERNAL SERVICES</u>				
Administrative Services	439,965	392,169	476,460	548,294
Self-Insurance	(83,066)	66,816	55,937	56,306
TOTAL INTERNAL SERVICES	356,899	458,985	532,397	604,600

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Principal Payments	190,849	433,276	493,253	446,761
Interest Payments	<u>402,416</u>	<u>393,344</u>	<u>452,621</u>	<u>459,519</u>
TOTAL DEBT SERVICE	593,265	826,620	945,874	906,280
 <u>SPECIAL PURPOSE</u>				
Wilmington Arts Commission	55,000	55,000	55,000	55,000
Rock Manor Golf Course	<u>0</u>	<u>0</u>	<u>72,000</u>	<u>235,000</u>
TOTAL SPECIAL PURPOSE	55,000	55,000	127,000	290,000

DEPARTMENT: OFFICE OF THE MAYOR

FUND: CONTINGENT RESERVES

CONTINGENT RESERVES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Contingency	0	0	150,000	1,363,920
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>100,000</u>
CONTINGENT RESERVES TOTAL	0	0	180,000	1,463,920
 GENERAL FUND TOTAL	 <u>3,724,642</u>	 <u>4,220,599</u>	 <u>4,669,980</u>	 <u>7,024,626</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	0	0	0	0
Social Security	0	0	0	0
Medicare Tax	0	0	0	0
Hospitalization	0	0	0	0
Life Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	0	0	0	0
 <u>MATERIALS, SUPPLIES, & EQUIPMENT</u>				
Printing & Advertising	0	0	0	0
Transportation	0	0	0	0
Fixed Assets	0	0	0	0
Memberships & Registrations	0	0	0	0
Office & General Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M.,S.,&E.	0	0	0	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	0	0	0	0
Self-Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	0	0	0	0
 <u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>4,735</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	4,735	0	0	0
 CDBG FUND TOTAL				
	<u>4,735</u>	<u>0</u>	<u>0</u>	<u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: ENTERPRISE COMMUNITY

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	72,091	30,188	0	0
Temporary Salaries	10,122	0	0	0
Internet Reimbursements	27	0	0	0
Pension Contribution	3,101	1,377	0	0
Social Security	5,229	2,205	0	0
Medicare Tax	1,223	437	0	0
Hospitalization	11,402	4,911	0	0
Life Insurance	<u>118</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	103,313	39,118	0	0
 <u>MATERIALS, SUPPLIES, & EQUIPMENT</u>				
Printing & Advertising	0	0	0	0
Transportation	330	0	0	0
Professional Fees	6,505	0	0	0
Memberships & Registrations	0	0	0	0
Miscellaneous Services	419	0	0	0
Office and General Supplies	0	0	0	0
Food	0	0	0	0
Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M.,S.,&E.	7,254	0	0	0
 <u>SPECIAL PURPOSE</u>				
Community Activities	<u>18,005</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	18,005	0	0	0
 ENTERPRISE COMMUNITY				
FUND TOTAL	<u>128,572</u>	<u>39,118</u>	<u>0</u>	<u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: U.S. DEPT. COMMERCE

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	27,945	0	0	0
Pension Contribution	1,168	0	0	0
Social Security	1,757	0	0	0
Hospitalization	2,427	0	0	0
Medicare Tax	<u>398</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	33,695	0	0	0
 <u>MATERIALS, SUPPLIES, & EQUIPMENT</u>				
Printing & Advertising	0	3,367	0	0
Communications and Utilities	0	68	0	0
Transportation	1,101	0	0	0
Professional Fees	97,946	54,390	0	0
Memberships & Registrations	50	0	0	0
Miscellaneous Supplies	0	159	0	0
Fixed Assets	<u>4,570</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S., &E.	103,667	57,984	0	0
 U.S. DEPT. COMMERCE				
FUND TOTAL	<u>137,362</u>	<u>57,984</u>	<u>0</u>	<u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: COMMERCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	416,952	430,162	444,241	503,792
Acting Out of Classification	505	1,015	0	0
Internet Reimbursements	180	0	0	0
Pension Contribution	22,544	52,398	27,640	45,197
Social Security	25,802	26,436	27,360	30,944
Medicare Tax	6,043	6,207	6,441	7,306
Hospitalization	68,118	71,035	72,574	82,762
Life Insurance	815	764	801	2,575
Pension Healthcare	<u>4,201</u>	<u>4,951</u>	<u>6,053</u>	<u>5,601</u>
TOTAL PERSONAL SERVICES	545,160	592,968	585,110	678,177
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	49,644	59,495	76,960	104,400
Communications & Utilities	425	315	2,100	2,100
Transportation	2,276	2,975	7,000	10,000
Rentals	0	5,000	6,300	5,040
Contracted Maintenance Repairs	92	13,726	307	246
Professional Fees	110,029	223,225	273,000	220,000
Memberships & Registrations	6,964	4,766	9,000	11,500
Miscellaneous Services	3,230	535	5,000	4,000
Office & General Supplies	3,322	1,345	4,000	3,600
Miscellaneous Materials	1,270	329	5,500	2,000
Equipment	276	75	1,000	1,000
Fixed Assets	0	202	0	0
Community Activities	23,000	23,000	23,000	30,000
Miscellaneous Projects	<u>9,526</u>	<u>6,913</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	210,054	341,901	413,167	393,886
 <u>INTERNAL SERVICES</u>				
Administrative Services	21,377	10,229	20,931	14,750
Self-Insurance	<u>1,068</u>	<u>1,068</u>	<u>1,064</u>	<u>1,064</u>
TOTAL INTERNAL SERVICES	22,445	11,297	21,995	15,814
 <u>DEBT SERVICE</u>				
Principal Payments	0	0	79,121	87,570
Interest Payments	<u>0</u>	<u>0</u>	<u>94,751</u>	<u>194,254</u>
TOTAL DEBT SERVICE	0	0	173,872	281,824
 COMMERCE FUND TOTAL	 <u>777,659</u>	 <u>946,166</u>	 <u>1,194,144</u>	 <u>1,369,701</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: EMERGENCY MANAGEMENT & SPC

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
<u>PERSONAL SERVICES</u>				
Regular Salaries	68,353	74,977	34,001	37,695
Overtime	0	1,974	0	0
Pension Contribution	0	364	1,700	3,317
Social Security	3,752	4,890	2,108	2,337
Medicare Tax	878	1,144	493	547
Hospitalization	10,258	12,786	4,050	4,498
Life Insurance	128	129	53	193
Pension Healthcare	<u>0</u>	<u>54</u>	<u>0</u>	<u>350</u>
TOTAL PERSONAL SERVICES	83,369	96,318	42,405	48,937
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	59,886	8,024	0	0
Communications & Utilities	51	322	0	0
Transportation	0	0	0	0
Professional Fees	138,820	3,525	0	0
Memberships & Registrations	0	15,950	0	0
Miscellaneous Services	1,077	0	0	0
Office & General Supplies	1,539	5,358	0	0
Miscellaneous Materials	15,933	8,740	0	0
Fixed Assets	29,161	15,806	0	0
Miscellaneous Projects	<u>34,001</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	280,468	57,725	0	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	77	0	0	0
 EMERGENCY MANAGEMENT & SPC FUND TOTAL				
	<u>363,914</u>	<u>154,043</u>	<u>42,405</u>	<u>48,937</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	826,380	861,021	987,202	1,099,643
Temporary Salaries	3,389	1,634	5,000	0
Acting Out of Class	570	1,315	0	0
Sick Leave Bonus	800	1,150	600	0
Overtime	54	0	1,500	0
Internet Reimbursements	945	895	1,100	1,620
Pension Contribution	45,395	72,077	62,942	114,675
Social Security	51,481	53,531	61,688	68,178
Medicare Tax	12,041	12,534	14,427	15,947
Hospitalization	130,322	159,223	201,139	208,170
Life Insurance	1,879	1,913	2,361	5,607
Pension Healthcare	0	1,320	4,857	16,100
Accrued Sick/Vacation	<u>(4,544)</u>	<u>1,128</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	1,068,712	1,167,741	1,342,866	1,529,940
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	87,486	61,534	84,026	163,255
Communications & Utilities	840,836	842,346	879,941	891,817
Transportation	2,700	1,935	4,700	16,615
Rentals of Office Equipment	156,474	124,770	159,892	170,000
Contracted Maintenance Repairs	167,314	132,182	220,436	192,098
Professional Fees	203,416	156,459	40,000	35,000
Other Fees	0	360	2,000	2,000
Memberships & Registrations	42,120	38,742	43,950	44,229
Miscellaneous Services	254,610	299,590	316,190	344,112
Office & General Supplies	105,094	109,414	132,794	139,182
Uniforms & Related Equipment	0	0	0	2,100
Miscellaneous Parts	48,515	47,255	69,239	80,368
Equipment	8,355	28,089	4,600	23,600
Fixed Assets	<u>584,620</u>	<u>727,144</u>	<u>657,020</u>	<u>667,100</u>
TOTAL M., S. & E.	2,501,540	2,569,820	2,614,788	2,771,476
 <u>INTERNAL SERVICES</u>				
Administrative Services	153,468	127,330	181,873	193,455
Self-Insurance	<u>11,559</u>	<u>12,144</u>	<u>12,152</u>	<u>12,288</u>
TOTAL INTERNAL SERVICES	165,027	139,474	194,025	205,743

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
DEBT SERVICE				
Interest Payments	<u>46,274</u>	<u>47,054</u>	<u>154,272</u>	<u>150,113</u>
TOTAL DEBT SERVICE	46,274	47,054	154,272	150,113
OTHER				
Capitalized Expenditures	(198,739)	(204,494)	(160,220)	(181,600)
Depreciation	<u>103,471</u>	<u>233,000</u>	<u>181,956</u>	<u>181,956</u>
TOTAL OTHER	(95,268)	28,506	21,736	356
INTERNAL SERVICES FUND TOTAL	<u>3,686,285</u>	<u>3,952,595</u>	<u>4,327,687</u>	<u>4,657,628</u>

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 and tasks which City Council deems necessary and required for the proper discharge of its duties.

PRIORITIES FOR FISCAL YEAR 2007
<ul style="list-style-type: none"> • As an elective legislature for a home rule city, Wilmington City Council's priorities continually reflect, through its regulatory and budgetary enactments, the aspirations of the Citizens of Wilmington. These priorities are implicit in the programs adopted and set in the annual operating and capital budgets for the City of Wilmington.

SUMMARY OF FUNDING FOR CITY COUNCIL

GENERAL FUND CITY COUNCIL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	1,219,787	1,477,868	1,463,852	1,560,817
Materials, Supplies & Equipment	443,575	339,205	385,900	630,960
Internal Services	81,180	121,851	129,032	157,003
Debt Service	23,722	17,979	31,286	31,292
Special Purpose	<u>106,563</u>	<u>104,637</u>	<u>120,000</u>	<u>143,000</u>
TOTAL	<u>1,874,827</u>	<u>2,061,540</u>	<u>2,130,070</u>	<u>2,523,072</u>
STAFFING LEVELS	25.00	29.00	29.00	29.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The cumulative effect of COLA's, higher pension costs, and other employee benefits contributed to a \$96,965 Personal Services increase. \$10,400 of this increase involved additional temporary staff, including a receptionist.
- The total request for Miscellaneous Services has increased by \$194,500 to a total of \$300,500. This includes funds for Council support of community activities, as well as Councilmember discretionary funds. The budget also provides for a \$24,000 increase in Community Activities funds, which includes Councilmember scholarship funds.
- Council has requested a total of \$23,000 in Special Purpose items. This includes an additional \$9,000 for the Wilmington Institute Free Library, in order to augment audio-visual materials and equipment, and \$14,000 in other Special Purpose spending in order to cover the costs of academic awards and miscellaneous projects.
- The office of the City Clerk has requested an additional \$20,000 in order to hire a consultant who can provide legal support on emerging technology, telecommunication, wireless internet, and FCC issues.
- The total request for Memberships and Registrations has increased by \$4,500 to \$40,100. This increase is largely the result of an additional \$2,500 for National League of Cities membership dues, combined with a \$1,500 increase for magazine subscriptions by the City Clerk's office.
- The office of the City Clerk has requested an additional \$2,000 for office furniture and equipment, including chairs, file cabinets, and a fax machine.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY 2007
<u>PERSONAL SERVICES</u>				
Regular Salaries	958,203	1,089,542	1,163,330	1,217,060
Temporary Salaries	21,887	15,273	20,000	31,578
Sick Leave Bonus	0	150	0	0
Overtime	0	0	0	0
Internet Reimbursements	900	1,125	2,700	1,980
Pension Contribution	33,803	120,479	52,093	69,917
Social Security	60,214	67,814	73,366	77,342
Medicare Tax	14,083	15,860	17,158	18,090
Hospitalization	121,238	145,277	176,164	188,617
Life Insurance	2,457	2,396	2,905	6,110
Pension Healthcare	7,002	19,952	10,090	20,303
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(53,954)</u>	<u>(70,180)</u>
TOTAL PERSONAL SERVICES	1,219,787	1,477,868	1,463,852	1,560,817
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	18,044	12,424	20,400	21,400
Communications & Utilities	28	0	0	0
Transportation	8,845	9,065	0	0
Rentals	3,600	1,200	2,400	2,400
Contracted Maintenance Repairs	6,817	14,695	22,500	22,500
Professional Fees	140,112	2,300	23,000	43,000
Memberships & Registrations	22,988	10,521	35,600	40,100
Miscellaneous Services	72,352	73,507	106,000	300,500
Office & General Supplies	5,898	9,671	10,000	10,000
Wearing Apparel & Safety	0	2,290	1,500	500
Miscellaneous Parts	19,106	16,870	36,500	36,560
Equipment	2,560	2,865	3,000	5,000
Fixed Assets	6,535	39,912	35,000	35,000
Community Activities	136,690	143,885	90,000	114,000
Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	443,575	339,205	385,900	630,960
<u>INTERNAL SERVICES</u>				
Administrative Services	97,190	101,667	113,932	141,732
Self-Insurance	<u>(16,010)</u>	<u>20,184</u>	<u>15,100</u>	<u>15,271</u>
TOTAL INTERNAL SERVICES	81,180	121,851	129,032	157,003

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Principal Payments	9,327	10,281	20,575	21,746
Interest Payments	<u>14,395</u>	<u>7,698</u>	<u>10,711</u>	<u>9,546</u>
TOTAL DEBT SERVICE	23,722	17,979	31,286	31,292
 <u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	64,000	64,000	64,000	73,000
Other	<u>42,563</u>	<u>40,637</u>	<u>56,000</u>	<u>70,000</u>
TOTAL SPECIAL PURPOSE	106,563	104,637	120,000	143,000
 GENERAL FUND TOTAL	 <u>1,874,827</u>	 <u>2,061,540</u>	 <u>2,130,070</u>	 <u>2,523,072</u>

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 2007
<ul style="list-style-type: none"> • To improve the City's overall Debt Management Program and the City's debt position through the use of the new MUNIS system. • To further automate bank reconciliation processes in order to enhance the accuracy and timeliness of completed reconciliations. • To complete work necessary for compliance with GASB pronouncement #45, which includes requirements on Other Post-Employment Benefits (OPEB).

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	539,540	1,425,827	551,029	579,873
Materials, Supplies & Equipment	780,107	856,387	1,011,157	1,063,091
Internal Services	527,170	516,919	600,227	884,043
Depreciation	0	0	0	0
TOTAL	<u>1,846,817</u>	<u>2,799,133</u>	<u>2,162,413</u>	<u>2,527,007</u>
STAFFING LEVELS	6.00	6.00	7.00	7.00

GENERAL FUND CITY TREASURER	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	243,231	266,391	265,955	282,166
Materials, Supplies & Equipment	28,714	28,955	22,045	23,970
Internal Services	59,037	57,285	73,108	72,869
TOTAL	<u>330,982</u>	<u>352,631</u>	<u>361,108</u>	<u>379,005</u>
STAFFING LEVELS	2.92	2.92	3.42	3.42

PENSION TRUSTS FUNDS CITY TREASURER	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	296,309	1,159,436	285,074	297,707
Materials, Supplies & Equipment	751,393	827,432	989,112	1,039,121
Internal Services	468,133	459,634	527,119	811,174
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,515,835</u>	<u>2,446,502</u>	<u>1,801,305</u>	<u>2,148,002</u>
STAFFING LEVELS	3.08	3.08	3.58	3.58

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Largely due to the cumulative effect of COLA's and higher employee benefit costs, Personal Services increased \$28,844 (\$16,211 General Fund, \$12,633 Pension Funds). Additionally, the Department has increased personal services adjustments by \$5,767 in order to provide one-time salary adjustments to a number of staff.
- Travel costs increased by \$3,101 (\$2,100 General Fund, \$1,001 Pension Funds) in order to send staff to the Government Finance Officers Association annual conference, as well as other training and seminars.
- Professional fees in the pension funds increased by a net \$52,498. This includes a \$109,999 increase in consultants, which combines the actuary fees, pension statement advisement and valuation, and pension healthcare consultations necessary for the FY 2007 biannual pension valuation. Offsetting decreases include a \$5,000 reduction in accounting fees for the annual audit and reconciliation, and a \$52,501 decrease in trustee fees.
- An additional \$285,750 has been added to self-insurance costs in the Pension Healthcare Fund. This increase represents the first step towards meeting the actuarially determined Annual Required Contribution (ARC) pursuant to the requirements of GASB pronouncement #45.

CITY TREASURER PERFORMANCE INDICATORS

Goal #1: Enhanced overall pension administration.

Objective: Provide 10 comprehensive analyses to the Pension Boards, demonstrating asset performance and financial position for each pension fund.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-A and 1-B on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY2005 ACTUAL	FY 2006 PROJECTED	FY2006 ACTUAL	FY 2007 PROJECTED
Number of Reports Given to Each Pension Board	12	10	10	10	10

Goal #2: Efficient cash management of all the City's funds.

Objective: 85% of bank accounts reconciled within 15 days of receipt of monthly statements.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, 1-C and 1-E on page 21.

CRITICAL INDICATOR	FY2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY2007 PROJECTED
Percentage of Accounts Reconciled Per Month	85%	85%	90%	80%	85%

Goal #3: To ensure that all pension funds are actuarially sound.

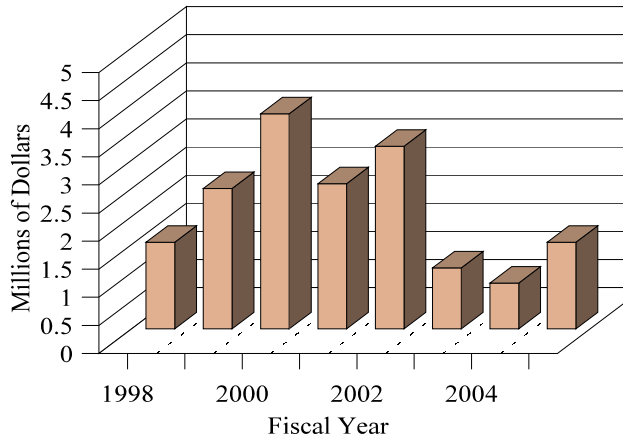
Objective: Decrease unfunded liability.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Unfunded Liability (in \$ millions)	\$80	\$76	\$80	\$111	\$108

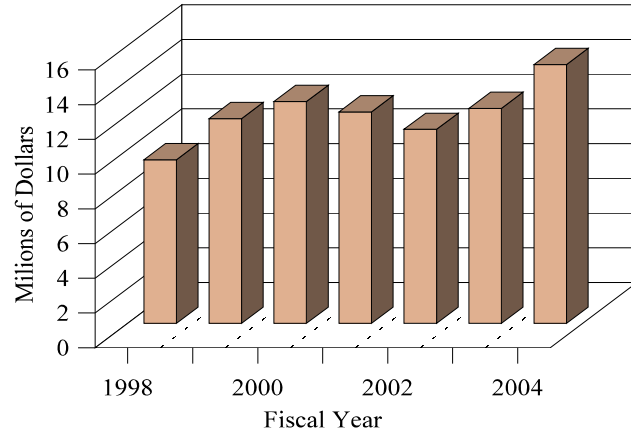
City Treasurer Performance Trends

General Fund Investment Income



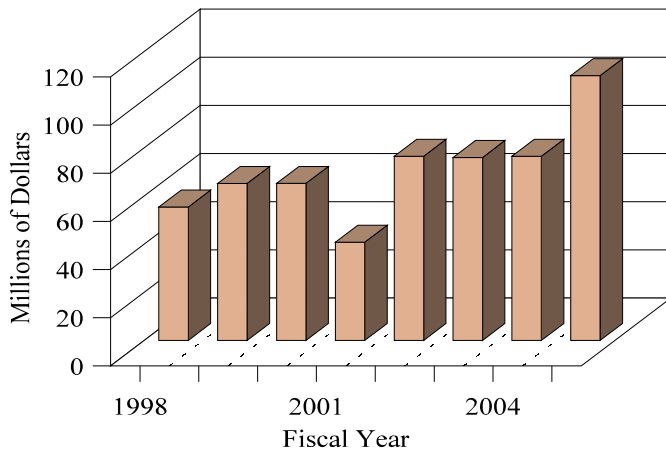
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of just over \$1.8 million per year since FY 2001. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2003 and FY 2004, though additional revenues and a return to the bond market for capital borrowing helped increase interest earnings for FY 2005.

Deferred Compensation Fund



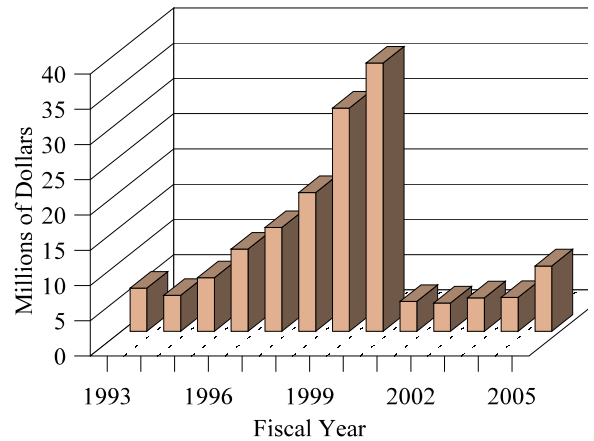
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis. The fund has increased by 34% in the last five years.

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 in 2005 due to an actuarial study that tested the original 1979 assumptions. While adjustments were made to the assumptions, the City's ability and willingness to fund the ARC remain ongoing.

Pension Fund Investment Income



Strict adherence to prudent investment guidelines have enabled the City's pension fund to earn high income levels when the stock market is performing well. Even with the dramatic fall in stock market prices in 2001 and subsequent market adjustments, the City has been able to minimize losses during these down years. The market rebounded somewhat in 2005, as reflected in the earnings for that year.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
<u>PERSONAL SERVICES</u>				
Regular Salaries	189,257	186,932	204,848	207,612
Temporary Salaries	24	0	0	0
Sick Leave Bonus	300	100	0	0
Internet Reimbursement	211	391	390	390
Pension Contribution	11,709	35,632	16,769	29,383
Social Security	11,593	11,339	12,483	12,597
Medicare Tax	2,727	2,689	2,970	3,011
Hospitalization	25,561	26,843	33,576	30,577
Life Insurance	324	328	377	1,062
Pension Healthcare	1,525	2,137	2,198	2,394
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(7,656)</u>	<u>(4,860)</u>
TOTAL PERSONAL SERVICES	243,231	266,391	265,955	282,166
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	498	498	500	400
Transportation	0	0	0	2,100
Professional Fees	13,426	13,576	0	0
Other Fees	11,439	13,894	20,100	19,625
Memberships & Registrations	354	682	945	1,345
Office & General Supplies	500	600	500	500
Equipment	<u>2,497</u>	<u>(295)</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	28,714	28,955	22,045	23,970
<u>INTERNAL SERVICES</u>				
Administrative Services	58,647	49,176	68,369	68,016
Self-Insurance	<u>390</u>	<u>8,109</u>	<u>4,739</u>	<u>4,853</u>
TOTAL INTERNAL SERVICES	59,037	57,285	73,108	72,869
GENERAL FUND TOTAL	<u>330,982</u>	<u>352,631</u>	<u>361,108</u>	<u>379,005</u>

DEPARTMENT: CITY TREASURER

FUND: PENSION TRUSTS

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	192,762	197,989	219,292	223,859
Temporary Salaries	48	0	0	0
Acting out of Classification	0	0	0	0
Internet Reimbursement	233	149	330	331
Accrued Vacation Pay	893	1,461	0	0
Pension Contribution	9,903	13,100	13,903	23,531
Social Security	11,520	12,105	13,377	13,604
Medicare Tax	2,713	2,877	3,180	3,247
Hospitalization	23,578	29,131	35,224	28,547
Life Insurance	351	348	396	1,143
Pension Healthcare	54,308	902,276	1,404	2,506
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(2,032)</u>	<u>939</u>
TOTAL PERSONAL SERVICES	296,309	1,159,436	285,074	297,707
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	989	790
Transportation	1,447	2,715	3,000	4,001
Rentals	0	0	192	153
Repairs to Equipment	0	0	335	335
Professional Fees	670,251	803,627	965,000	1,017,498
Other Fees	64,437	14,311	12,500	12,500
Memberships & Registrations	1,816	1,865	2,810	2,816
Office & General Supplies	707	436	900	720
Miscellaneous Parts	181	152	386	308
Equipment	4,005	4,326	0	0
Fixed Assets	<u>8,549</u>	<u>0</u>	<u>3,000</u>	<u>0</u>
TOTAL M., S. & E.	751,393	827,432	989,112	1,039,121
 <u>INTERNAL SERVICES</u>				
Administrative Services	22,766	17,100	26,147	24,431
Self-Insurance	<u>445,367</u>	<u>442,534</u>	<u>500,972</u>	<u>786,743</u>
TOTAL INTERNAL SERVICES	468,133	459,634	527,119	811,174
 <u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER	0	0	0	0
 PENSION TRUSTS FUNDS TOTAL	 <u>1,515,835</u>	 <u>2,446,502</u>	 <u>1,801,305</u>	 <u>2,148,002</u>

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 neighborhood comprehensive development plans, land use regulations, economic development strategies, and demographic and social impact studies. In addition, the Department serves as the principal liaison between City government, community organizations, and planning councils, working in partnership with these groups in the development of neighborhood plans. The department assists in the identification of community needs, the determination of governmental priorities, and the design of programs.

PRIORITIES FOR FISCAL YEAR 2007

- Continue to provide high quality routine planning services, such as subdivision reviews, environmental/historical preservation reviews, curb cut reviews, waterfront reviews, parking lot landscaping reviews, demolition reviews, and staff support to various planning related boards and commissions.
- Continue to update the City's thirteen Neighborhood Comprehensive Development Plans.
- Begin the implementation phase of the Neighborhood Plan for the Southbridge community in cooperation with the State and the community.
- Continue to expand the number of in-house reviews of work being conducted within the City's historic districts by developing standardized policies for the Design Review and Preservation Commission to adopt.
- Address zoning issues through formal amendments to the Zoning Code and/or map, before land use conflicts arise.
- Continue timely responses to City Council requests for rezoning analyses, land use studies and other planning related projects.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PLANNING	FY2004	FY2005	FY2006	FY2007
Personal Services	762,725	802,639	823,653	861,027
Materials, Supplies & Equipment	56,164	62,085	34,595	58,027
Internal Services	159,821	251,962	307,910	325,020
Debt Service	<u>200,771</u>	<u>204,535</u>	<u>171,651</u>	<u>188,988</u>
TOTAL	<u>1,179,481</u>	<u>1,321,221</u>	<u>1,337,809</u>	<u>1,433,062</u>
STAFFING LEVELS	10.00	10.00	11.00	11.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PLANNING	FY2004	FY2005	FY2006	FY2007
Personal Services	720,402	755,427	779,108	815,783
Materials, Supplies & Equipment	51,891	60,715	32,695	56,100
Internal Services	131,619	238,911	271,121	325,020
Debt Service	<u>200,771</u>	<u>204,535</u>	<u>171,651</u>	<u>188,988</u>
TOTAL	<u>1,104,683</u>	<u>1,259,588</u>	<u>1,254,575</u>	<u>1,385,891</u>
STAFFING LEVELS	9.60	9.60	10.60	10.60

COMMUNITY DEVELOPMENT	ACTUAL	ACTUAL	BUDGET	APPROVED
BLOCK GRANT FUND (CDBG)	FY2004	FY2005	FY2006	FY2007
DEPARTMENT OF PLANNING	FY2004	FY2005	FY2006	FY2007
Personal Services	42,323	47,212	44,545	45,244
Materials, Supplies & Equipment	4,273	1,370	1,900	1,927
Internal Services	<u>28,202</u>	<u>13,051</u>	<u>36,789</u>	<u>0</u>
TOTAL	<u>74,798</u>	<u>61,633</u>	<u>83,234</u>	<u>47,171</u>
STAFFING LEVELS	0.40	0.40	0.40	0.40

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Department has requested a total of \$8,600 in order to hire consultants that can provide ad hoc assistance on projects such as West Side surveying, Justison Landing and Seventh Street Peninsula.
- \$10,600 has been budgeted for continuing the ongoing project of transferring paper records onto CD and microfilm in order to safely store them in case of fire or other accident.
- Internal Services in the General Fund increased by \$53,899 to \$325,020. This is mainly due to higher Data Processing charges.
- Debt service went up \$17,337 as a result of the structure of the existing debt schedules.

CDBG FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Internal Services charged to CDBG decreased from \$36,789 to zero. Due to reduction in Federal Funds, CDBG will not be charged for Internal Services. These will instead be prorated back to the General Fund.

DEPARTMENT OF PLANNING PERFORMANCE INDICATORS

Goal #1: The development, implementation and maintenance of land use and planning policies which address the social, cultural and economic needs of City residents.

Objective: To strengthen planning programs through the development of strategic planning activities and other initiatives. To develop strategies which address historic preservation, waterfront areas, the central business district, neighborhoods, and economic development sectors. To facilitate interdepartmental coordination and cooperation toward this end.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 2-F, and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Special Projects	17	17	17	18	18
Neighborhood Notebooks	2	1	1	1	3
Comprehensive Plans	2	1	1	1	1

DEPARTMENT OF PLANNING

PERFORMANCE INDICATORS

Goal #2: To provide high quality routine planning services to further the development, implementation and maintenance of land use and planning policies which address the social, cultural and economic needs of City residents.

Objective: Process all submitted reviews and cases within thirty days of the receipt of all necessary materials.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-B on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Environmental and 106 Reviews	400	484	500	517	500
Planning Commission and Design Review Cases (includes internal reviews)	350	372	350	327	325
Other Site Plan Reviews (Curb Cuts, ETAP, Waterfront, Subdivisions & Demolitions)	60	119	80	126	110

Goal #3: The development, implementation and maintenance of land use and planning policies which address the social, cultural and economic needs of City residents.

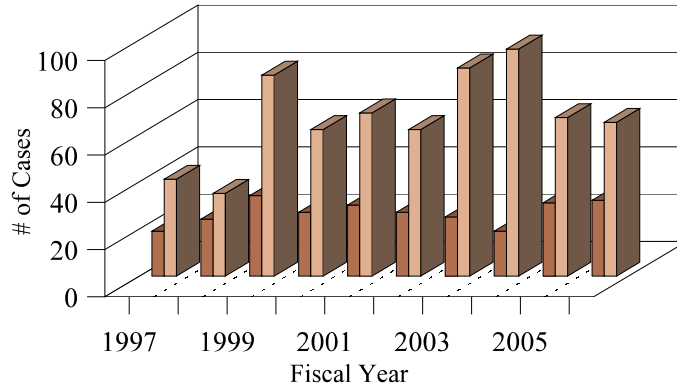
Objective: Complete economic development and special planning projects that will promote development in the City.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-F on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY2007 PROJECTED
Economic Development Projects	5	5	5	5	5
Special Planning Projects	11	11	12	12	11

Department of Planning Performance Trends

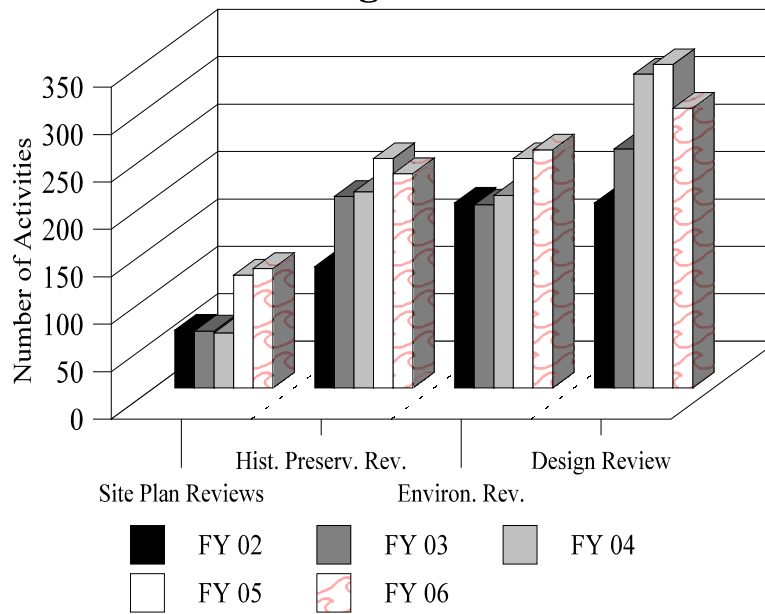
Commission Activities



- Planning Commission Cases
- Design Review & Preservation Cases

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

Planning Activities



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PLANNING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	559,178	542,680	590,872	613,230
Temporary Salaries	14,366	20,621	20,000	20,000
Acting Out of Class	0	0	0	370
Internet Reimbursements	0	540	0	540
Pension Contribution	28,948	69,327	34,269	45,816
Social Security	35,495	34,896	37,874	39,283
Medicare Tax	8,301	8,161	8,858	9,188
Hospitalization	70,470	71,409	91,874	86,457
Life Insurance	1,007	1,024	1,216	3,134
Pension Healthcare	2,637	6,769	3,801	7,421
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(9,656)</u>	<u>(9,656)</u>
TOTAL PERSONAL SERVICES	720,402	755,427	779,108	815,783
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,093	2,474	1,500	2,500
Communications & Utilities	65	28	192	154
Transportation	1,079	333	1,500	2,000
Contracted Maintenance Repairs	6	0	77	100
Professional Fees	28,333	30,139	0	10,100
Other Fees	6,796	6,796	6,796	6,796
Memberships & Registrations	5,009	6,703	5,930	8,400
Miscellaneous Services	0	10,000	10,620	10,600
Office & General Supplies	4,888	3,184	5,600	7,850
Miscellaneous Parts	283	0	480	600
Fixed Assets	0	0	0	2,500
Equipment	<u>4,339</u>	<u>1,058</u>	<u>0</u>	<u>4,500</u>
TOTAL M., S. & E.	51,891	60,715	32,695	56,100
<u>INTERNAL SERVICES</u>				
Administrative Services	210,280	194,177	229,211	283,014
Self-Insurance	<u>(78,661)</u>	<u>44,734</u>	<u>41,910</u>	<u>42,006</u>
TOTAL INTERNAL SERVICES	131,619	238,911	271,121	325,020
<u>DEBT SERVICE</u>				
Principal Payments	110,781	118,822	97,157	116,189
Interest Payments	<u>89,990</u>	<u>85,713</u>	<u>74,494</u>	<u>72,799</u>
TOTAL DEBT SERVICE	200,771	204,535	171,651	188,988
GENERAL FUND TOTAL	<u>1,104,683</u>	<u>1,259,588</u>	<u>1,254,575</u>	<u>1,385,891</u>

DEPARTMENT: PLANNING

FUND: CDBG

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	20,787	21,304	21,948	21,776
Temporary Salaries	17,067	17,131	18,095	17,758
Clothing Allowance	197	0	0	0
Pension Contribution	872	3,090	1,049	1,916
Social Security	2,438	2,382	2,483	2,451
Medicare Tax	566	557	580	573
Hospitalization	353	332	344	379
Pension Healthcare	0	30	0	280
Life Insurance	43	2,386	46	111
TOTAL PERSONAL SERVICES	42,323	47,212	44,545	45,244
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	0	118	0	1,172
Professional Fees	3,000	0	0	0
Memberships & Registrations	248	610	800	455
Office & General Supplies	<u>1,025</u>	<u>642</u>	<u>1,100</u>	<u>300</u>
TOTAL M., S. & E.	4,273	1,370	1,900	1,927
 <u>INTERNAL SERVICES</u>				
Administrative Services	28,202	11,563	35,300	0
Self-Insurance	<u>0</u>	<u>1,488</u>	<u>1,489</u>	<u>0</u>
TOTAL INTERNAL SERVICES	28,202	13,051	36,789	0
 CDBG FUND TOTAL	 <u>74,798</u>	 <u>61,633</u>	 <u>83,234</u>	 <u>47,171</u>

AUDITING DEPARTMENT

The mission of the City Auditor's Office is to promote honest, effective and fully accountable City government. The primary objective of the City Auditor's Office 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 Auditing 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 Auditing 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 2007

- 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 an awareness among City employees that the maintenance of good internal controls is the responsibility of all employees.
- Follow up on prior Audits to assure complete, monitored, and effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness and results.
- Continue the development of the knowledge, skills and job satisfaction of the 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 AUDITING DEPARTMENT

TOTAL ALL FUNDS AUDITING DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	335,567	385,739	345,421	368,111
Materials, Supplies & Equipment	225,347	190,724	184,220	185,000
Internal Services	39,055	35,779	53,534	50,192
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>599,969</u>	<u>612,242</u>	<u>583,175</u>	<u>603,303</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

GENERAL FUND AUDITING DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	335,567	385,739	345,421	368,111
Materials, Supplies & Equipment	141,187	135,375	129,820	130,600
Internal Services	<u>39,055</u>	<u>35,779</u>	<u>53,534</u>	<u>50,192</u>
TOTAL	<u>515,809</u>	<u>556,893</u>	<u>528,775</u>	<u>548,903</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

WATER/SEWER FUND AUDITING DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	84,160	55,349	54,400	54,400
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>84,160</u>	<u>55,349</u>	<u>54,400</u>	<u>54,400</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The cumulative effect of COLA's, higher pension costs, and other employee benefits contributed to a \$22,690 Personal Services increase. This includes a \$1,000 stipend for staff members receiving a Certified Government Auditor certification.
- A request for new chairs, a shredder, and a storage cabinet resulted in a \$1,200 increase in equipment spending.

NOTE ON PERFORMANCE INDICATORS

Prior to January 2004, when the Delaware State Legislature amended the City Charter, the Auditing Department had primarily been responsible for reviewing the accuracy, appropriateness, and proper authorization of every cash disbursement made by the City. Following the Charter change, the Auditing Department has taken on expanded responsibilities, and new Performance Indicators have been developed to track the Department's performance in meeting these responsibilities. It is for this reason that several of the Performance Indicators only provide projections and actuals for fiscal years subsequent to 2005. In future presentations, the Performance Indicators will provide results for the three most recent fiscal years.

AUDITING DEPARTMENT

PERFORMANCE INDICATORS

Goal #1: To continue to development of an internal audit function that is in compliance with the Institute of Internal Auditors' (IIA) Standards for the Professional Practices of Internal Auditing and the National Association of Local Government Auditors (NALGA) auditing standards.

Objective: Ensure department is in compliance with IIA and NALGA Standards.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, and 1-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percentage of Professional Auditing Standards Meeting Full Compliance	90%	90%	100%	90%	90%

Goal #2: Provide ongoing comprehensive review of the controls over City's fiscal and operational management.

Objective: Issue four comprehensive audit reports covering major City functions/transaction cycles to include payroll.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, 1-D, and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Audit Reports Issued	1	1	5	5	4

Goal #3: To continue the development of a department of highly trained, competent, and professional staff to set example for all other City departments to follow.

Objective: Provide each staff member with at least 40 hours of continuing professional education, and ensure that the training includes A 133 requirements.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-C and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Technical Training Hours	80	82	40	40	40

* See Note on Page 125.

Goal #4: Assist departments/divisions of the City Government in strengthening internal controls to mitigate the chances of misappropriation of assets.

Objective: Audit, on a sample basis, the cash receipts and disbursement process. Provide recommendations to improve the process. Prior to year-end, monitor the process and determine the percentage of recommendations that have been implemented.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, 1-C, and 1-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percentage of cash processing departments monitored prior to year-end	N/A*	N/A*	100%	50%	50%
Percentage of recommendations implemented	N/A*	N/A*	75%	50%	75%

Goal #5: Ensure all departments understand that risk management is everyone's responsibility and that they should identify the risks applicable to their areas and assist in identifying controls to minimize those risks.

Objective: Provide training to five departments/divisions to assist them with performing a risk control self-assessment

Goal #6 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, 1-C, 1-D and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Departments that received training	N/A*	N/A*	5	2	5

* See Note on Page 125.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDITING DEPARTMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2004	FY2005	FY2006	FY2007
Regular Salaries	264,695	285,089	293,156	297,811
Temporary Salaries	0	0	0	0
Internet Reimbursements	503	420	900	900
Pension Contribution	12,067	32,749	14,658	26,207
Social Security	16,277	17,343	18,176	18,427
Medicare Tax	3,807	4,056	4,251	4,319
Hospitalization	35,114	42,539	44,131	48,469
Life Insurance	595	569	576	1,521
Pension Healthcare	2,509	2,974	3,616	3,500
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(34,043)</u>	<u>(33,043)</u>
TOTAL PERSONAL SERVICES	335,567	385,739	345,421	368,111
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	3,571	4,420	5,600	5,600
Rentals	0	0	0	0
Professional Fees	127,590	114,000	115,600	115,600
Other Fees	0	1,188	420	0
Memberships & Registrations	7,339	7,764	7,500	7,500
Office & General Supplies	510	535	700	700
Equipment	2,177	2,477	0	1,200
Fixed Assets	<u>0</u>	<u>4,991</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	141,187	135,375	129,820	130,600
<u>INTERNAL SERVICES</u>				
Administrative Services	40,756	31,128	50,817	47,425
Self-Insurance	<u>(1,701)</u>	<u>4,651</u>	<u>2,717</u>	<u>2,767</u>
TOTAL INTERNAL SERVICES	39,055	35,779	53,534	50,192
GENERAL FUND TOTAL	<u>515,809</u>	<u>556,893</u>	<u>528,775</u>	<u>548,903</u>

DEPARTMENT: AUDITING DEPARTMENT**FUND: WATER/SEWER**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Professional Fees	84,160	53,000	54,400	54,400
Fixed assets	<u>0</u>	<u>2,349</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	84,160	55,349	54,400	54,400
<u>OTHER</u>				
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER	0	0	0	0
WATER/SEWER FUND TOTAL	<u>84,160</u>	<u>55,349</u>	<u>54,400</u>	<u>54,400</u>

LAW DEPARTMENT

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

PRIORITIES FOR FISCAL YEAR 2007
<ul style="list-style-type: none"> • Provide quality legal counsel to all City departments, boards, and commissions and to City Council to ensure that all phases of City Government are providing services to the public in all communities throughout the City as mandated by the City Code; eliminate or minimize potential litigation against the City by providing legal advice on a regular and ongoing basis. • Ensure the enforcement of the ordinances of the City and other 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 an ongoing basis to minimize the costs associated with litigation claims against the City. • Assist all departments in carrying out the City's mandates under state and federal law applicable to municipalities. • Provide legal advice and representation regarding the City's business and economic development and neighborhood planning initiatives, including issues involving environmental impact. • Draft ordinances to revise the City Code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2004	FY2005	FY2006	FY2007
Personal Services	1,404,313	1,582,128	1,575,419	1,674,813
Materials, Supplies & Equipment	401,868	378,634	497,835	1,008,127
Internal Services	<u>105,804</u>	<u>120,192</u>	<u>155,594</u>	<u>149,752</u>
TOTAL	<u>1,911,985</u>	<u>2,080,954</u>	<u>2,228,848</u>	<u>2,832,692</u>
STAFFING LEVELS	19.00	20.00	20.00	20.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- COLA's and higher employee benefit costs are the major contributors to an \$99,394 Personal Services increase. The Department has revised its organizational structure in an effort to provide a more formalized management framework and encourage retention of professional staff. As such, four Assistant City Solicitor (Grade E-07) positions have been upgraded, with two upgraded to First Assistant City Solicitor (Grade E-09) and two upgraded to Senior Assistant City Solicitor (Grade E-08). There are no salary adjustments attached to these grade and title changes. The Personal Services request also includes \$15,000 for merit increases to recognize individual exemplary job performance.
- Spending on legal services has increased by \$540,000. This increase is due to the addition of \$440,000 in legal fees to assist Public Works in a sewage treatment plant contract dispute, and the addition of \$100,000 in legal fees to assist the Finance Department with targeted revenue collections.
- The Department has requested minor spending adjustments in a number of areas, including a \$2,800 reduction in emergency temporary staffing, a \$3,775 reduction for furniture and office equipment, and a \$2,176 increase in other fees due to higher annual Lexis charges.
- Spending on fixed assets has been eliminated, a reduction of \$26,475 from FY 2006. This is due to the completion of a project to replace worn carpeting and perform other renovations in the department during FY 2006.

LAW DEPARTMENT PERFORMANCE INDICATORS

Goal #1: Minimize court costs relating to monitions and litigation cases.

Objective: Recover 25% of annual appropriation for court cost.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY2007 PROJECTED
Percentage of Court Cost recovered	25%	34%	25%	59%	25%

Goal #2: Continue efforts towards collection of delinquent property taxes and water/sewer fees.

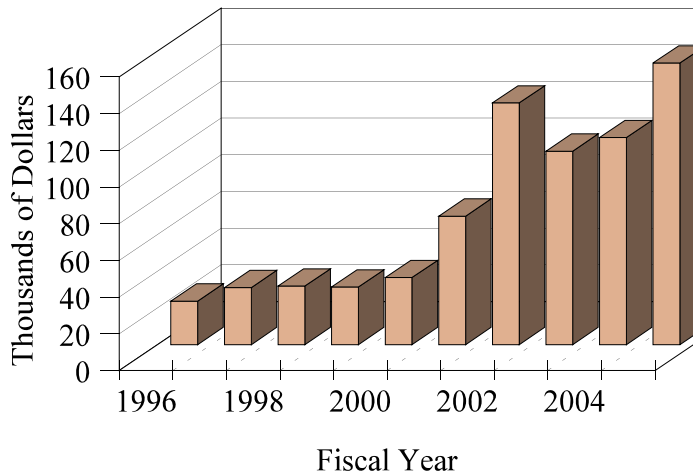
Objective: Maintain filing of writs of monition/vend ex monitions against tax-delinquent property owners at no less than 100 filings.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of filings	100	145	100	193	100

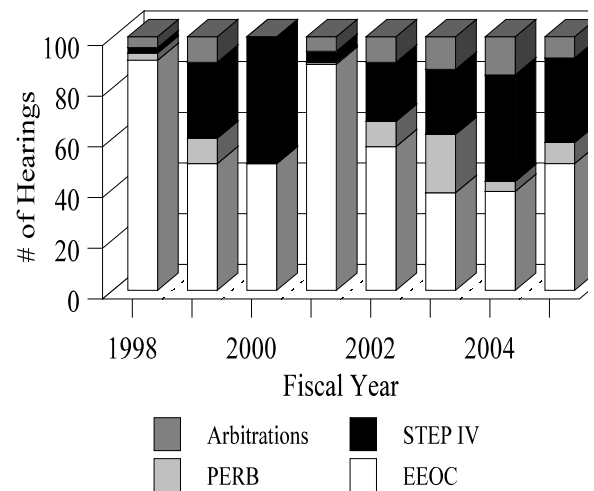
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



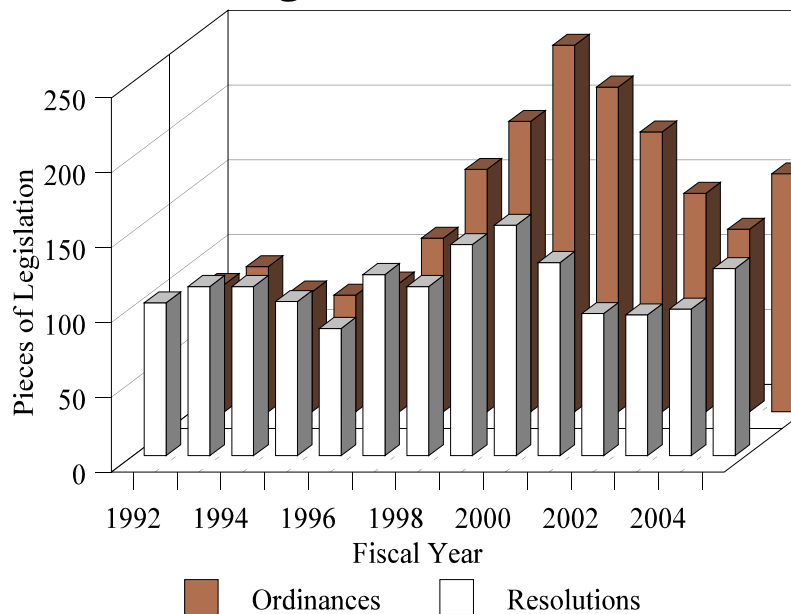
Emphasis continues to be placed on housing code enforcement and prosecution to maintain the quality of existing housing stock and to improve the living conditions of City residents.

Administrative Hearings Employment & Labor



A single incident related to voluntary police overtime resulted in 120 EEOC filings in 1998 and 130 filings in 2001. Each police officer involved in the matter elected to file his/her claim separately rather than having all claims consolidated into a single action.

Legislation Drafted



The demand for legislative drafting services is reflected above. Although the demand for these services increases in 2005, it is anticipated that future demand will decline due to a Council reorganization which allows for greater resolution of issues while still in committee.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	1,133,345	1,206,177	1,253,090	1,280,146
Temporary Salaries	0	3,459	8,320	8,320
Acting Out of Classification	0	0	0	0
Internet Reimbursement	780	1,750	0	0
Pension Contribution	51,505	127,123	69,783	117,413
Social Security	69,700	74,317	77,470	79,203
Medicare Tax	16,308	17,438	18,291	18,682
Hospitalization	122,439	135,539	153,151	154,040
Life Insurance	2,201	2,136	2,245	6,517
Pension Healthcare	8,035	14,189	11,579	14,002
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(18,510)</u>	<u>(3,510)</u>
TOTAL PERSONAL SERVICES	<u>1,404,313</u>	<u>1,582,128</u>	<u>1,575,419</u>	<u>1,674,813</u>
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	656	422	1,050	990
Communications & Utilities	107	195	400	400
Transportation	6,215	3,423	5,700	5,700
Contracted Maintenance Repair	248	0	1,370	1,096
Professional Fees	313,070	280,661	358,470	895,670
Other Fees	45,850	39,065	61,770	63,946
Memberships & Registrations	22,727	26,531	32,300	33,800
Office & General Supplies	2,458	2,937	3,200	3,200
Equipment	4,314	18,517	7,100	3,325
Fixed Assets	<u>6,223</u>	<u>6,883</u>	<u>26,475</u>	<u>0</u>
TOTAL M., S. & E.	<u>401,868</u>	<u>378,634</u>	<u>497,835</u>	<u>1,008,127</u>
 <u>INTERNAL SERVICES</u>				
Administrative Services	115,310	87,484	136,623	130,417
Self-Insurance	<u>(9,506)</u>	<u>32,708</u>	<u>18,971</u>	<u>19,335</u>
TOTAL INTERNAL SERVICES	<u>105,804</u>	<u>120,192</u>	<u>155,594</u>	<u>149,752</u>
 GENERAL FUND TOTAL	 <u><u>1,911,985</u></u>	 <u><u>2,080,954</u></u>	 <u><u>2,228,848</u></u>	 <u><u>2,832,692</u></u>

MUNICIPAL COURT

Municipal Court's mission was to assure all cases heard before the court were processed within all statutory guidelines in an unbiased and timely manner, while assuring that the principles found in the Constitution of the United States and the State of Delaware were upheld.

Municipal Court had processed all misdemeanors committed within the limits of the City of Wilmington and conducted all preliminary hearings for felonies and related misdemeanors committed within the City limits.

SUMMARY OF FUNDING FOR MUNICIPAL COURT

GENERAL FUND MUNICIPAL COURT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	5,473	0	0	0
Materials, Supplies & Equipment	0	0	0	0
Internal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>5,473</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Municipal Court was merged into the State of Delaware Court System in May 1998, at the end of Fiscal Year 1998. Wilmington had been the only local government in the State of Delaware mandated to operate and fund its own court. As part of the agreement with the State, the City (over a four year phase-in period) paid the differences in salaries and benefits for employees that transferred over to the State.
- The \$5,473 listed under FY 2004 is the result of a retroactive parity wage settlement given to former City employees, including those of the now-defunct Municipal Court.

DEPARTMENT OF FINANCE

The mission of the Department of Finance is to manage the fiscal activities of the City in order 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 2007
<ul style="list-style-type: none"> • Restructure the department to improve operations/customer service. • Implement MUNIS financial system modules--Property Tax, Utility Billing, Business Licenses and Wage Tax. • Improve the City's collection performance and reduce outstanding receivables. • Attain the GFOA's Certificate of Achievement For Excellence in Financial Reporting. • Advance internal controls to improve timely and accurate financial data/reporting.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS DEPARTMENT OF FINANCE	ACTUAL FY2004*	ACTUAL FY2005	BUDGET FY2006*	APPROVED FY2007
Personal Services	3,320,890	3,698,698	3,544,738	3,990,774
Materials, Supplies & Equipment	896,835	920,876	762,260	2,111,686
Internal Services	666,080	1,026,318	1,046,036	1,279,248
Debt Service	59,375	57,849	297,500	208,842
Capitalization	(5,230)	0	0	0
Depreciation/Amortization	<u>24,278</u>	<u>12,046</u>	<u>22,190</u>	<u>22,190</u>
TOTAL	<u>4,962,228</u>	<u>5,715,787</u>	<u>5,672,724</u>	<u>7,612,740</u>
STAFFING LEVELS	<u>59.00</u>	<u>60.00</u>	<u>58.00</u>	<u>60.00</u>

GENERAL FUND DEPARTMENT OF FINANCE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	1,816,144	2,058,219	1,934,993	2,238,068
Materials, Supplies & Equipment	526,909	514,795	374,961	1,202,205
Internal Services	297,151	560,734	519,678	727,411
Debt Service	<u>26,100</u>	<u>25,241</u>	<u>189,368</u>	<u>108,458</u>
TOTAL	<u>2,666,304</u>	<u>3,158,989</u>	<u>3,019,000</u>	<u>4,276,142</u>
STAFFING LEVELS	<u>29.30</u>	<u>30.40</u>	<u>30.30</u>	<u>33.70</u>

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF FINANCE	FY2004	FY2005	FY2006	FY2007
Personal Services	1,451,619	1,582,230	1,609,745	1,752,706
Materials, Supplies & Equipment	369,926	406,081	387,299	909,481
Internal Services	368,929	465,584	526,358	551,837
Debt Service	33,275	32,608	104,879	97,210
Capitalization	(5,230)	0	0	0
Depreciation/Amortization	<u>24,278</u>	<u>12,046</u>	<u>22,190</u>	<u>22,190</u>
TOTAL	<u>2,242,797</u>	<u>2,498,549</u>	<u>2,650,471</u>	<u>3,333,424</u>
STAFFING LEVELS	28.70	28.70	27.70	26.30

COMMUNITY DEVELOPMENT	ACTUAL	ACTUAL	BUDGET	APPROVED
BLOCK GRANT (CDBG)	FY2004	FY2005	FY2006	FY2007
DEPARTMENT OF FINANCE	FY2004	FY2005	FY2006	FY2007
Personal Services	<u>53,127</u>	<u>58,249</u>	<u>0</u>	<u>0</u>
TOTAL	<u>53,127</u>	<u>58,249</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	1.00	0.90	0.00	0.00

INTERNAL SERVICES FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF FINANCE	FY2004*	FY2005	FY2006*	FY2007
Debt Service	<u>0</u>	<u>0</u>	<u>3,253</u>	<u>3,174</u>
TOTAL	<u>0</u>	<u>0</u>	<u>3,253</u>	<u>3,174</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

* In FY 2004, the Divisions of Data Processing and Communications were transferred from the Finance department to the Mayor's Office. In FY 2007, the remaining Internal Services in Finance will be transferred to the Mayor's Office. For ease of comparison, the prior years' costs and staffing of the Mayor's Office and Finance department are shown combined in the Mayor's Office (except for Bond Issuance costs). For uncombined staffing levels, see summary of staffing starting on page 50.

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In FY 2007, the Finance Department intends to fully implement its “Plan for Change,” which employs multiple strategies to improve billing and collections. As part of this plan, the Finance Department undertook a number of personnel adjustments, including the addition of five new staff during FY 2006 and the upgrade and reclassification of another staff member. This contributed significantly to the net Personal Services General Fund increase of \$319,319 in FY 2007. A major element of this increase was the addition of two Senior Financial Analysts, each at a total cost of \$93,221 divided equally between General and Water/Sewer Funds. Finance also added three Account Entry Clerks, at \$45,474 each. Additionally, during FY 2006 the Department had upgraded and reclassified an Accounting Supervisor to a Senior Financial Officer. However, half of this position’s cost will be shifted to the Water/Sewer Fund for FY 2007, resulting in a decrease of \$28,050 for the General Fund relative to FY 2006. Finance expects to see the net Personal Services costs more than offset by \$500,000 or more in additional revenue due to ongoing improvements made as a result of implementing the “Plan”.
- Finance has budgeted \$32,488 in Temporary Salaries in order to hire two interns for revenue and collections projects in the Administration Division. This total is divided equally between the General and Water Funds.
- Due to heavier burdens on staff members during tax filing, particularly for those staff dealing with W2, net profits tax, refund and Earned Income Tax processing, the Department has requested a total of \$49,200 in Overtime.
- Travel and Subsistence costs totaled \$13,000 in order to send staff to the Government Finance Officers Association Conference for training in Comprehensive Annual Financial Report (CAFR) preparation and other topics.
- In order to develop a CD-ROM supplement to the CAFR, Finance has requested \$36,400 in Miscellaneous Charges; an additional \$11,000 for this project is budgeted in the Water/Sewer Fund.
- Reflecting a recent change in account treatment, taxpayer refunds resulting from adjustments to prior years’ property tax bills will be paid from a new \$75,000 budget expense account. Previously, prior period refunds were booked as reductions to the current year revenues, skewing the revenue projection process. The net effect to bottom line of the General Fund will be zero.
- As a result of the transfer of ticket and red light billing functions, \$110,000 was moved out of Police and into Finance. All costs associated with the collection of Parking Ticket Revenue will be consolidated into the Finance Department, resulting in a total of \$300,000 in Data Processing Direct Charges. This will permit all related billings functions to be included in one account.
- To further enhance scofflaw enforcement and collections, Finance will contract with a private vendor, at a cost of \$581,250, to implement the PayLock delinquency abatement system. Using mobile licence plate recognition cameras and software, along with self-releasing computerized vehicle boots, it is projected that the number of scofflaw vehicles found and booted will increase from a few hundred per year to over 5,000. The additional revenue from implementing this program, conservatively estimated at \$1.1 million, greatly exceed the costs.

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

- Debt service decreased \$80,910, down to \$108,458. This change is due to a significant reduction in principal payments for the Revised FY 2004 Capital Program.

WATER/SEWER FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- As part of the “Plan for Change,” the Finance Department undertook a number of personnel adjustments, including the addition of two new positions during FY 2006, the upgrade and reclassification of another staff member, and the elimination of three positions. This contributed to the net Personal Services Water/Sewer Fund increase of \$159,205. (For details, please see the first two bullet points in the General Fund section above) The three meter-reader positions (one of which was vacant) were eliminated in anticipation of the completion of the automated-read water meter replacement program, resulting in a savings of \$135,596.
- The Central Case Assistant, Grade H, was upgraded to Grade I at a cost of \$8,036, and a Customer Service Representative II was re-titled as a “Settlement Clerk”, with no salary or grade change.
- In order to develop a CD-ROM supplement to the CAFR, Finance has requested \$11,000 in Miscellaneous Charges; an additional \$36,400 for this project is budgeted in the General Fund.
- Reflecting a recent change in accounting treatment, customer refunds resulting from adjustments to prior years’ water bills will be paid from a new \$500,000 budget expense account. Previously, prior period refunds were booked as reductions to the current year’s revenues, skewing the revenue projection process. The net effect to the bottom line of the Water/Sewer Fund will be zero.
- In Internal Services, Postage costs related to water billing and revenue collection increased a total of \$52,171 because of the new higher postage rates and the planned installation of a digital mail system.

INTERNAL SERVICES FUNDS MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In FY 2004, the Divisions of Data Processing and Communications were transferred from the Finance department to the Mayor’s Office. In FY 2007, the remaining Internal Services Funds in Finance will be transferred to the Mayor’s Office. For ease of comparison, the prior years’ costs and staffing of the Mayor's Office and Finance department are shown combined in the Mayor’s Office (except for Bond Issuance costs).

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Increase dollars collected on delinquent earned income tax accounts to \$1,000,000.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Dollars Collected	\$650,000	\$665,000	\$700,000	\$624,129	\$1,000,000

Goal #2: To maximize the efficient utilization of the available cash processing resources.

Objective: 59% of payments processed automatically by the lockbox service.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Numbers of Payments Processed	120,000	133,894	140,033	141,600	142,000
Percentage of Payments Processed	50%	58%	60%	59%	59%

Goal #3: To provide the public with information about the financial condition of the City in a manner that reflects the highest standards of financial reporting.

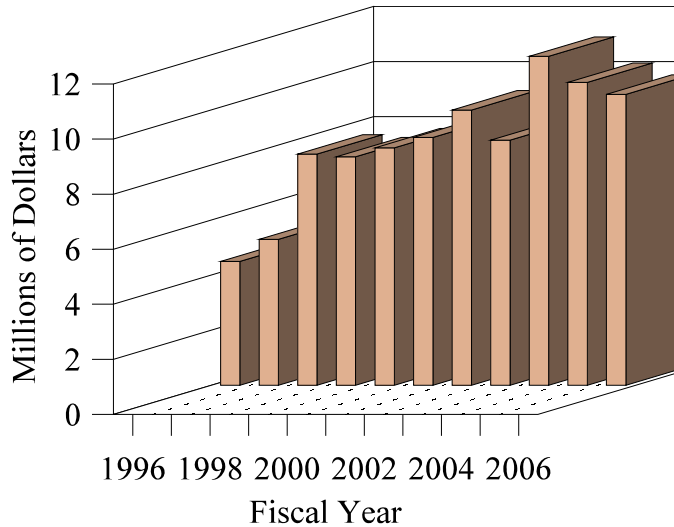
Objective: To receive the GFOA Certificate of Excellence in Financial Reporting.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-D and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	1	1	1	Pending	1

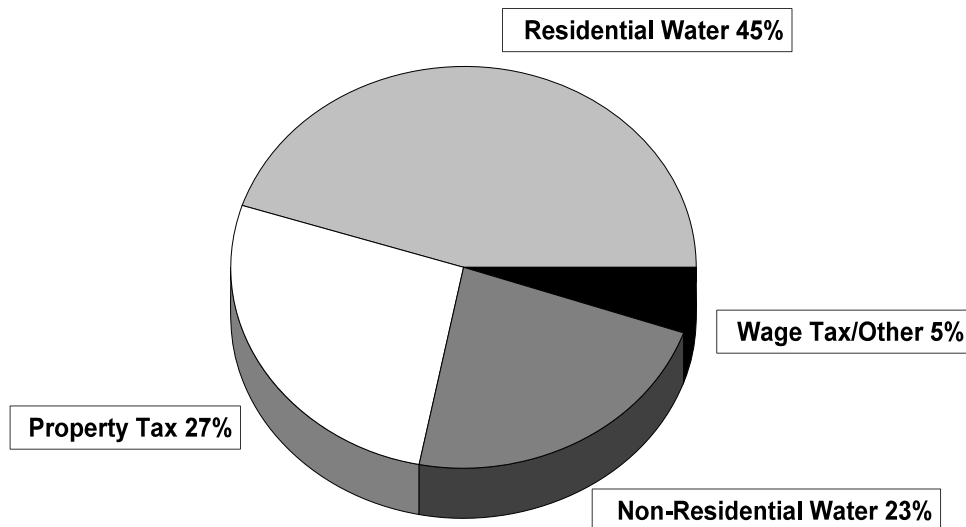
Department of Finance Performance Trends

Delinquent Enforcement Annual Collections



The Delinquent Enforcement Division is responsible for collecting delinquent net profit, property and wage taxes, business licenses fees and water bills. Since its inception in 1988, over \$82 million has been received as a result of the division's efforts. Over \$10 million in delinquent accounts were collected in FY 2006.

Delinquent Accounts Collections By Revenue Type FY 2006



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	1,326,591	1,447,349	1,442,850	1,605,644
Temporary Salaries	1,263	0	5,000	17,790
Acting Out of Class	452	680	0	0
Sick Leave Bonus	1,400	1,830	3,000	2,400
Overtime	50,873	58,918	55,000	49,200
Meal Allowance	5,126	5,346	8,050	10,000
Clothing Allowance	13	0	0	0
Internet Reimbursement	2,388	1,817	3,179	2,164
Pension Contribution	72,105	154,983	97,130	161,691
Social Security	84,839	91,192	94,098	105,119
Medicare Tax	19,841	21,363	22,042	24,648
Hospitalization	239,808	249,955	276,238	314,604
Life Insurance	3,089	3,180	3,328	8,179
Pension Healthcare	8,356	21,606	12,041	23,592
Personal Services Adjustment	0	0	(86,963)	(86,963)
TOTAL PERSONAL SERVICES	1,816,144	2,058,219	1,934,993	2,238,068
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	40,852	35,150	48,290	49,290
Communications & Utilities	10,776	10,036	15,162	16,494
Transportation	5,326	9,345	7,950	14,250
Contracted Maintenance Repairs	350	0	924	876
Professional Fees	24,390	64,996	23,000	21,000
Other Fees	121	0	0	0
Memberships & Registrations	7,656	13,223	17,755	16,525
Miscellaneous Services	408,099	336,663	245,500	988,450
Office & General Supplies	7,936	7,156	7,120	8,005
Miscellaneous Parts	0	1,820	400	320
Property Tax Refunds	0	0	0	75,000
Equipment	7,678	30,261	8,360	11,610
Fixed Assets	13,725	6,145	500	385
TOTAL M., S. & E.	526,909	514,795	374,961	1,202,205
<u>INTERNAL SERVICES</u>				
Administrative Services	405,616	474,573	447,617	654,871
Self-Insurance	(108,465)	86,161	72,061	72,540
TOTAL INTERNAL SERVICES	297,151	560,734	519,678	727,411

DEPARTMENT: FINANCE

FUND: GENERAL

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
DEBT SERVICE				
Principal Payments	15,070	14,810	88,321	13,994
Interest Payments	<u>11,030</u>	<u>10,431</u>	<u>101,047</u>	<u>94,464</u>
TOTAL DEBT SERVICE	26,100	25,241	189,368	108,458
GENERAL FUND TOTAL	<u>2,666,304</u>	<u>3,158,989</u>	<u>3,019,000</u>	<u>4,276,142</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
PERSONAL SERVICES				
Regular Salaries	1,087,609	1,087,278	1,176,633	1,236,490
Temporary Salaries	1,200	0	5,500	23,158
Acting Out of Class	479	365	500	500
Sick Leave Bonus	600	720	1,100	3,500
Overtime	11,366	8,132	13,000	13,000
Meal Allowance	1,333	845	2,350	4,700
Clothing Allowance	2,238	2,000	2,650	1,250
Internet Reimbursements	1,392	1,319	2,246	2,146
Accrued Sick/Vacation	(245)	2,448	0	0
Pension Contribution	51,551	175,718	69,301	124,465
Social Security	69,023	70,440	75,120	79,890
Medicare Tax	16,141	16,492	17,576	18,749
Hospitalization	203,977	195,481	237,650	220,162
Life Insurance	2,667	2,379	2,821	6,284
Pension Healthcare	<u>2,288</u>	<u>18,613</u>	<u>3,298</u>	<u>18,412</u>
TOTAL PERSONAL SERVICES	1,451,619	1,582,230	1,609,745	1,752,706

DEPARTMENT: FINANCE

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Printing & Advertising	8,886	6,751	14,206	15,320
Communications & Utilities	0	277	1,098	1,100
Transportation	2,006	2,649	2,750	5,250
Contracted Maintenance Repairs	0	2,017	1,636	1,404
Professional Fees	43,734	46,800	15,000	15,000
Memberships & Registrations	2,267	2,197	6,650	9,900
Miscellaneous Services	22	48,267	40,000	55,200
Office & General Supplies	2,209	3,148	3,456	4,396
Wearing Apparel & Safety Supplies	4,518	4,516	6,600	5,300
Miscellaneous Parts	11,914	1,414	5,920	5,807
Supporting Services	276,684	279,156	276,683	276,683
Utility Billing Refunds	0	0	0	500,000
Equipment	12,456	8,889	13,300	14,121
Fixed Assets	<u>5,230</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	369,926	406,081	387,299	909,481
 INTERNAL SERVICES				
Administrative Services	405,807	409,808	485,683	510,649
Self-Insurance	<u>(36,878)</u>	<u>55,776</u>	<u>40,675</u>	<u>41,188</u>
TOTAL INTERNAL SERVICE	368,929	465,584	526,358	551,837
 DEBT SERVICE				
Interest Payment	31,289	32,607	104,879	97,210
Other Fiscal Charges	<u>1,986</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE	33,275	32,608	104,879	97,210
 OTHER				
Capitalization	(5,230)	0	0	0
Depreciation	<u>24,278</u>	<u>12,046</u>	<u>22,190</u>	<u>22,190</u>
TOTAL OTHER	19,048	12,046	22,190	22,190
 WATER/SEWER FUND TOTAL	 <u>2,242,797</u>	 <u>2,498,549</u>	 <u>2,650,471</u>	 <u>3,333,424</u>

DEPARTMENT: FINANCE

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	45,890	41,441	0	0
Internet Reimbursements	155	136	0	0
Pension Contribution	2,786	12,919	0	0
Social Security	2,799	2,523	0	0
Medicare Tax	654	591	0	0
Hospitalization	751	574	0	0
Life Insurance	<u>92</u>	<u>65</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	<u>53,127</u>	<u>58,249</u>	<u>0</u>	<u>0</u>
 CDBG FUND TOTAL	 <u>53,127</u>	 <u>58,249</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: FINANCE

FUND: INTERNAL SERVICES

DEBT SERVICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Interest Payments	<u>0</u>	<u>0</u>	<u>3,253</u>	<u>3,174</u>
TOTAL DEBT SERVICE	<u>0</u>	<u>0</u>	<u>3,253</u>	<u>3,174</u>

DEPARTMENT OF PERSONNEL

The mission of the Department of Personnel is to provide the necessary human resources to City Departments in order to promote the highest quality work force, 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. Additionally, it serves as the focal point for interaction with the City's collective bargaining units.

The Department also administers the City's Risk Management and Employee Benefits Programs.

PRIORITIES FOR FISCAL YEAR 2007
<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 a harmonious and effective working relationships with all the bargaining units affiliated with the City of Wilmington. • Manage the City's risk exposure by implementing more effective personnel practices, health and safety, and claims management programs. • Provide management and employee training to continue to develop the City's work force and enhance productivity. • Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PERSONNEL

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PERSONNEL	FY2004	FY2005	FY2006	FY2007
Personal Services	1,380,586	1,447,752	1,442,266	1,529,536
Materials, Supplies & Equipment	1,543,233	1,153,040	1,683,315	1,506,732
Internal Services	229,027	235,264	276,528	316,954
Depreciation	18,516	13,546	15,166	15,166
Special Purpose	<u>5,831,675</u>	<u>14,069,264</u>	<u>12,504,179</u>	<u>13,175,951</u>
TOTAL	<u>9,003,037</u>	<u>16,918,866</u>	<u>15,921,454</u>	<u>16,544,339</u>
STAFFING LEVELS	21.00	21.00	21.00	21.00

GENERAL FUND DEPARTMENT OF PERSONNEL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	951,935	999,052	974,770	1,036,254
Materials, Supplies & Equipment	87,535	108,185	138,327	179,914
Internal Services	<u>196,506</u>	<u>218,812</u>	<u>240,731</u>	<u>296,183</u>
TOTAL	<u>1,235,976</u>	<u>1,326,049</u>	<u>1,353,828</u>	<u>1,512,351</u>
STAFFING LEVELS	14.00	14.00	14.00	14.00

RISK MANAGEMENT FUND DEPARTMENT OF PERSONNEL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	94,284	96,491	98,422	103,236
Materials, Supplies & Equipment	1,162,477	793,050	1,184,712	948,289
Internal Services	19,323	7,600	23,000	9,429
Depreciation	18,129	13,031	13,102	13,102
Special Purpose	<u>(4,403,375)</u>	<u>(281,024)</u>	<u>0</u>	<u>0</u>
TOTAL	<u>(3,109,162)</u>	<u>629,148</u>	<u>1,319,236</u>	<u>1,074,056</u>
STAFFING LEVELS	1.30	1.30	1.30	1.30

WORKERS' COMPENSATION FUND DEPARTMENT OF PERSONNEL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	259,854	281,107	293,531	309,811
Materials, Supplies & Equipment	292,741	230,233	360,236	377,529
Internal Services	10,642	7,497	10,445	9,638
Depreciation	0	0	1,549	1,549
Special Purpose	<u>1,316,210</u>	<u>4,940,501</u>	<u>2,230,150</u>	<u>2,230,150</u>
TOTAL	<u>1,879,447</u>	<u>5,459,338</u>	<u>2,895,911</u>	<u>2,928,677</u>
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH & WELFARE FUND DEPARTMENT OF PERSONNEL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	74,513	71,102	75,543	80,235
Materials, Supplies & Equipment	480	21,572	40	1,000
Internal Services	2,556	1,355	2,352	1,704
Depreciation	387	515	515	515
Special Purpose	<u>8,918,840</u>	<u>9,409,787</u>	<u>10,274,029</u>	<u>10,945,801</u>
TOTAL	<u>8,996,776</u>	<u>9,504,331</u>	<u>10,352,479</u>	<u>11,029,255</u>
STAFFING LEVELS	1.20	1.20	1.20	1.20

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

- The cumulative effects of COLA's, higher pension costs, and one salary adjustment are the major contributors to a \$63,984 increase in Personal Services. This includes the \$1,200 salary increase for the Labor Relations and Classification Manager.
- As a result of revisions to the Federal Labor Standards Act (FLSA), a number of positions were redefined as non-exempt, making them eligible for paid overtime. Personnel has budgeted \$11,430 to cover the overtime costs for newly eligible positions in the Department.
- Spending on Consultants is budgeted to increase by \$29,100, to a new total of \$100,000. This total combines \$10,000 for a Leadership Training seminar and \$10,000 for Constituent Services training; \$67,000 for employee development and training; and \$3,000 for the Employee Assistance Program. Additionally, the Consultants budget includes \$10,000 for the ongoing employee compensation study, which involves an evaluation of all non-uniform positions, the creation of benchmarks and market comparisons, and the development of recommendations for adjustments to the wage scale.
- The Department has requested \$21,500 in Additions and Improvements to Buildings in order to replace worn carpet.
- Internal services costs increased by a net of \$55,452, to a total of \$296,183. This is mainly due to higher Word Processing, Duplication, and Mapping & Graphics costs.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
RISK MANAGEMENT FUND**

- Total Insurance costs decreased to \$911,474, a reduction of \$214,170. This is due in part to the sale of Layton Home, which resulted in a \$31,100 decrease in Fire Insurance and a \$8,040 decrease in Liability Insurance. Overall, insurance spending has continued to trend downward, with Insurance Claims declining by \$158,000, Other Insurance by \$7,000, and Unemployment Insurance by \$10,000.
- The Department has budgeted \$27,500 for Consultants in the Risk Management Fund. This includes \$20,000 for RiskMaster software support, as well as \$7,500 towards the \$15,000 annual actuarial study. The remaining \$7,500 for this study is included in the Workers' Compensation Fund.
- Internal services decreased by a \$9,429, to a total of \$13,571. This is mainly due to reduced spending on Data Processing.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
WORKERS' COMPENSATION FUND**

- \$102,500 has been allotted for spending on Consultants. This includes \$80,000 for a Third Party Administrator, \$15,000 for Delaware Safety Council training, and \$7,500 for a portion of the annual actuarial study. The remaining \$7,500 for the actuarial study is included in the Risk Management Fund.
- Medical fees decreased to \$80,000, down from \$160,000 in FY 2006. These funds cover the cost of random drug testing, annual physicals for Police Officers and Firefighters, as well as drug screening of new hires. A new vendor will provide these services more efficiently and at a lower cost by taking advantage of innovations such as a mobile lab unit.
- As the result of a City-wide ergonomics review, \$25,000 has been earmarked to upgrade unsatisfactory office equipment and improve general working conditions.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
HEALTH AND WELFARE FUND**

- Self Insurance costs increased by \$671,772, mainly due to a \$482,212 projected increase in Medical Costs, combined with an additional \$34,560 for Dental, \$75,000 for Life Insurance, and \$80,000 for Long-term Disability.

DEPARTMENT OF PERSONNEL

PERFORMANCE INDICATORS

Goal #1: Continue to promote a harmonious working relationship with all the bargaining units affiliated with the City of Wilmington.

Objective: Limit the number of labor grievances by administering collective bargaining agreements in a fair and consistent manner.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Grievances	23	19	21	25	29

Goal #2: Increase employee skill levels necessary to perform essential class functions.

Objective: Conduct 90 training workshops.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Training Workshops	70	66	70	75	90

DEPARTMENT OF PERSONNEL

PERFORMANCE INDICATORS

Goal #3: Identify and measure all property, net income, liability and personnel loss exposures.

Objective: Project the claims frequency for workers compensation and property, auto, police, professional and public officials' liability.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Claims Frequency	300	270	244	139	150

Goal #4: Recognize and reward employees for exemplary contributions to the City of Wilmington.

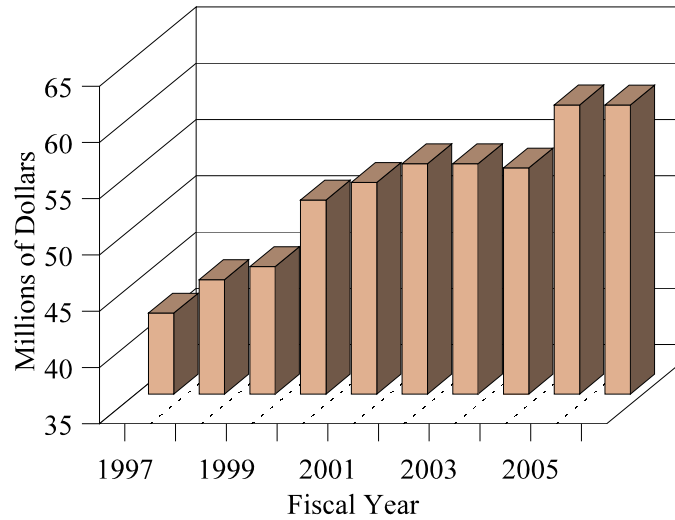
Objective: Reward employees nominated by their peers and for length of service with the City.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-D, and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Employees Awarded	250	267	260	273	250

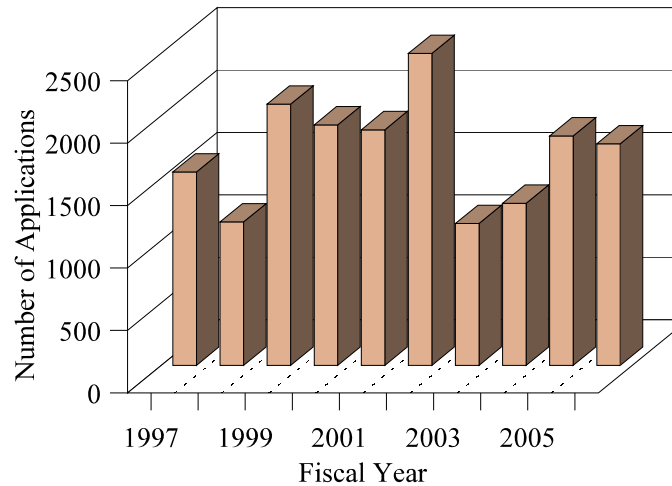
Department of Personnel Performance Trends

Payroll - All Employees



Since FY 1998, the City has added a net total of 102 positions (almost all in Police and Fire) to staff critical functions. That, along with labor contract settlements is reflected in the significant increase in total payroll costs.

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: PERSONNEL

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2004	FY2005	FY2006	FY2007
Regular Salaries	739,228	713,001	739,987	767,902
Sick Leave Bonus	300	400	900	0
Overtime	0	13,994	0	11,430
Internet Reimbursements	1,020	825	1,042	1,620
Pension Contribution	33,982	85,517	41,535	59,774
Social Security	45,408	44,831	45,999	48,250
Medicare Tax	10,620	10,485	10,758	11,301
Hospitalization	112,857	116,237	129,699	128,388
Life Insurance	1,482	1,462	1,575	3,912
Pension Healthcare	4,788	10,050	6,899	9,801
Personal Services Adjustment	<u>2,250</u>	<u>2,250</u>	<u>(3,624)</u>	<u>(6,124)</u>
TOTAL PERSONAL SERVICES	951,935	999,052	974,770	1,036,254
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	346	3,639	2,046	4,178
Transportation	3,103	6,100	3,000	3,000
Insurance	0	0	0	655
Rentals	735	0	0	0
Contracted Maintenance Repairs	0	0	282	226
Professional Fees	36,000	38,942	82,780	109,000
Other Fees	1,086	449	4,800	4,800
Memberships & Registrations	12,592	13,008	16,972	13,320
Office & General Supplies	2,887	7,851	3,264	3,111
Miscellaneous Parts	19,707	15,881	16,655	13,424
Fixed Assets	449	5,905	0	21,500
Equipment	<u>10,630</u>	<u>16,410</u>	<u>8,528</u>	<u>6,700</u>
TOTAL M., S. & E.	87,535	108,185	138,327	179,914
 <u>INTERNAL SERVICES</u>				
Administrative Services	198,659	210,259	235,254	290,600
Self-Insurance	<u>(2,153)</u>	<u>8,553</u>	<u>5,477</u>	<u>5,583</u>
TOTAL INTERNAL SERVICES	196,506	218,812	240,731	296,183
 <u>GENERAL FUND TOTAL</u>	 <u>1,235,976</u>	 <u>1,326,049</u>	 <u>1,353,828</u>	 <u>1,512,351</u>

DEPARTMENT: PERSONNEL

FUND: RISK MANAGEMENT

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	67,800	68,769	71,401	74,054
Overtime	532	1,746	0	0
Internet Reimbursements	75	99	0	0
Compensated Absences	1,648	(2,713)	0	0
Pension Contribution	4,229	6,181	5,491	6,836
Social Security	3,850	4,295	4,427	4,591
Medicare Tax	900	1,005	1,035	1,074
Hospitalization	15,107	16,867	16,120	16,393
Life Insurance	143	145	150	378
Pension Healthcare	0	97	798	910
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,000)</u>	<u>(1,000)</u>
TOTAL PERSONAL SERVICES	94,284	96,491	98,422	103,236
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	41	33
Transportation	0	1,352	2,500	2,000
Insurance	1,113,322	747,372	1,125,644	911,474
Contracted Maintenance Repairs	0	0	465	372
Professional Fees	48,495	31,784	55,000	27,500
Memberships & Registrations	288	2,894	200	1,000
Miscellaneous Services	372	(165)	262	210
Office & General Supplies	0	394	600	2,000
Equipment	<u>0</u>	<u>9,419</u>	<u>0</u>	<u>3,700</u>
TOTAL M., S. & E.	1,162,477	793,050	1,184,712	948,289

DEPARTMENT: PERSONNEL

FUND: RISK MANAGEMENT

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Administrative Services	18,411	6,688	22,087	8,504
Self-Insurance	<u>912</u>	<u>912</u>	<u>913</u>	<u>925</u>
TOTAL INTERNAL SERVICES	19,323	7,600	23,000	9,429
 <u>OTHER</u>				
Depreciation	<u>18,129</u>	<u>13,031</u>	<u>13,102</u>	<u>13,102</u>
TOTAL OTHER	18,129	13,031	13,102	13,102
 <u>SPECIAL PURPOSE</u>				
Claims Expense	<u>(4,403,375)</u>	<u>(281,024)</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	(4,403,375)	(281,024)	0	0
 RISK MANAGEMENT FUND				
TOTAL	<u>(3,109,162)</u>	<u>629,148</u>	<u>1,319,236</u>	<u>1,074,056</u>

DEPARTMENT: PERSONNEL

FUND: WORKERS' COMPENSATION

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	204,173	223,462	225,841	230,127
Acting Out of Classification	131	0	0	0
Overtime	122	499	0	2,285
Internet Reimbursements	180	90	0	0
Compensated Absences	1,959	(5,628)	0	0
Pension Contribution	10,364	9,271	13,125	20,546
Social Security	12,592	13,746	14,002	14,410
Medicare Tax	2,945	3,215	3,275	3,371
Hospitalization	26,956	35,577	34,066	34,746
Life Insurance	432	540	505	1,176
Pension Healthcare	<u>0</u>	<u>335</u>	<u>2,717</u>	<u>3,150</u>
TOTAL PERSONAL SERVICES	259,854	281,107	293,531	309,811

DEPARTMENT: PERSONNEL

FUND: WORKERS' COMPENSATION

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Printing & Advertising	982	0	1,045	836
Insurance	177,541	128,354	150,000	160,000
Rentals	0	0	28	22
Contracted Maintenance Repairs	434	310	1,512	1,210
Professional Fees	102,889	89,072	175,000	182,500
Memberships & Registrations	1,192	2,780	2,700	4,000
Office & General Supplies	508	631	951	761
Miscellaneous Parts	4,099	4,062	4,000	3,200
Equipment	<u>5,096</u>	<u>5,024</u>	<u>25,000</u>	<u>25,000</u>
TOTAL M., S. & E.	292,741	230,233	360,236	377,529
 <u>INTERNAL SERVICES</u>				
Administrative Services	8,830	5,685	8,626	7,774
Self-Insurance	<u>1,812</u>	<u>1,812</u>	<u>1,819</u>	<u>1,864</u>
TOTAL INTERNAL SERVICES	10,642	7,497	10,445	9,638
 <u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>1,549</u>	<u>1,549</u>
TOTAL OTHER	0	0	1,549	1,549
 <u>SPECIAL PURPOSE</u>				
Workers' Compensation	<u>1,316,210</u>	<u>4,940,501</u>	<u>2,230,150</u>	<u>2,230,150</u>
TOTAL SPECIAL PURPOSE	1,316,210	4,940,501	2,230,150	2,230,150
 WORKERS' COMPENSATION				
FUND TOTAL	<u>1,879,447</u>	<u>5,459,338</u>	<u>2,895,911</u>	<u>2,928,677</u>

DEPARTMENT: PERSONNEL

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	54,135	53,384	55,064	55,889
Overtime	0	463	0	2,285
Internet Reimbursements	270	216	0	0
Compensated Absences	2,254	(2,003)	0	0
Pension Contribution	3,413	3,090	4,317	5,170
Social Security	3,314	3,300	3,414	3,607
Medicare Tax	775	772	798	844
Hospitalization	10,221	11,658	11,148	11,314
Life Insurance	131	133	138	286
Pension Healthcare	0	89	664	840
TOTAL PERSONAL SERVICES	74,513	71,102	75,543	80,235
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	251	41	0	0
Professional Fees	0	21,531	0	0
Miscellaneous Parts	229	0	0	0
Office & General Supplies	0	0	40	1,000
TOTAL M., S. & E.	480	21,572	40	1,000
<u>INTERNAL SERVICES</u>				
Administrative Services	1,944	743	1,736	1,074
Self-Insurance	612	612	616	630
TOTAL INTERNAL SERVICES	2,556	1,355	2,352	1,704
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	8,918,840	9,409,787	10,274,029	10,945,801
TOTAL SPECIAL PURPOSE	8,918,840	9,409,787	10,274,029	10,945,801
<u>OTHER</u>				
Depreciation	387	515	515	515
TOTAL OTHER	387	515	515	515
HEALTH AND WELFARE				
FUND TOTAL	<u>8,996,776</u>	<u>9,504,331</u>	<u>10,352,479</u>	<u>11,029,255</u>

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 mandate compliance with all laws and ordinances this department is empowered to enforce.

The Department performs mandated activities to inspect all rental properties, issues Limitation of Occupancy Notifications and Certificates of Use and Occupancy, registers vacant houses, establishes rent withholding escrow accounts, conducts inspections, and reviews and approves specifications for renovation and new construction. It also performs systematic inspections of the Market Street Mall.

PRIORITIES FOR FISCAL YEAR 2007

- Implement new enforcement teams for the City of Wilmington.
- Develop and implement new instant ticketing process.
- Implement new rental housing inspections.
- Increase fees for the department.
- Reduce the number of vacant structures by vigorous enforcement of the Vacant Property Ordinance.
- Aggressive enforcement in demolishing properties that are a blight to the community.
- Explore ways to coordinate lead paint enforcement with appropriate State of Delaware agencies.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	2,079,954	2,410,531	2,486,627	2,935,463
Materials, Supplies & Equipment	175,392	293,855	143,101	344,045
Internal Services	375,801	383,769	444,905	438,306
Debt Service	23,208	25,958	38,825	38,773
Special Purpose	201,906	214,100	216,900	219,650
TOTAL	<u>2,856,261</u>	<u>3,328,213</u>	<u>3,330,358</u>	<u>3,976,237</u>
STAFFING LEVELS	36.00	37.00	39.00	44.00

GENERAL FUND DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	1,705,494	1,950,831	2,159,532	2,935,463
Materials, Supplies & Equipment	175,392	293,855	143,101	344,045
Internal Services	373,033	363,657	425,133	438,306
Debt Service	23,208	25,958	38,825	38,773
Special Purpose	201,906	214,100	216,900	219,650
TOTAL	<u>2,479,033</u>	<u>2,848,401</u>	<u>2,983,491</u>	<u>3,976,237</u>
STAFFING LEVELS	29.20	30.03	34.00	44.00

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	374,460	459,700	327,095	0
Materials, Supplies & Equipment	0	0	6,735	0
Internal Services	2,768	20,112	19,772	0
TOTAL	<u>377,228</u>	<u>479,812</u>	<u>353,602</u>	<u>0</u>
STAFFING LEVELS	6.80	6.97	5.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- A greater emphasis on reducing quality-of-life violations and nuisances, especially in the area of housing, has led to the need for expanded field inspections. To meet these needs, five additional positions have been added at a total cost of \$272,778. This includes three new Code Enforcement Inspectors, at a total cost of \$163,836. Similarly, due to the increased volume of construction activity throughout the city, as well as the anticipated development along the Riverfront, the Department has added a Building Code Enforcement Inspector at a total cost of \$61,956. Additionally, a new Administrative Clerk I, at a total cost of \$46,986, will provide support for the new Code Enforcement Inspectors.
- As a result of funding reductions to the Community Development Block Grant (CDBG) by the Federal government, five Code Enforcement Officers in L&I that had been funded entirely by the CDBG fund will now be funded completely by the General Fund at a cost of \$327,519.
- Overtime costs increased to \$47,000 due to a number of factors, including the need for additional coverage for sanitation inspections during the summer months, increased pre-rental inspections, and more concentrated efforts in the neighborhoods.
- A total of \$5,000 has been budgeted for hiring an independent contractor to process summonses to property owners.
- In order for employees and management to maintain International Certification Council certifications and keep abreast of current practices, policies, and laws, a total of \$20,000 has been budgeted for registration fees.
- The Department has requested a total of \$14,000 for uniforms and related expenses, primarily due to a 3% increase in rental costs and the need for uniforms for new employees.
- To remove vacant buildings from a number of the City's neighborhoods, the Department has increased its demolition budget by \$175,000, to a new total of \$250,000.
- The budget includes a total of \$13,000 for furniture, including cabinets, desks, and chairs for new employees and existing staff.

DEPARTMENT OF LICENSES AND INSPECTIONS PERFORMANCE INDICATORS

Goal #1: Reduce lead-based paint hazards in dwelling units.

Objective: Perform 120 Lead-based Paint Residential inspections and testing.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 3-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Lead-based Paint Inspections	120	55	120	0	120

Goal #2: Improve Housing Stock of the City.

Objective: Perform at least 28,000 building inspections.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-A and 3-B on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Building Inspections	23,000	26,400	28,000	28,100	28,000

Goal #3: Protect the general welfare of the public from vacant buildings and structures.

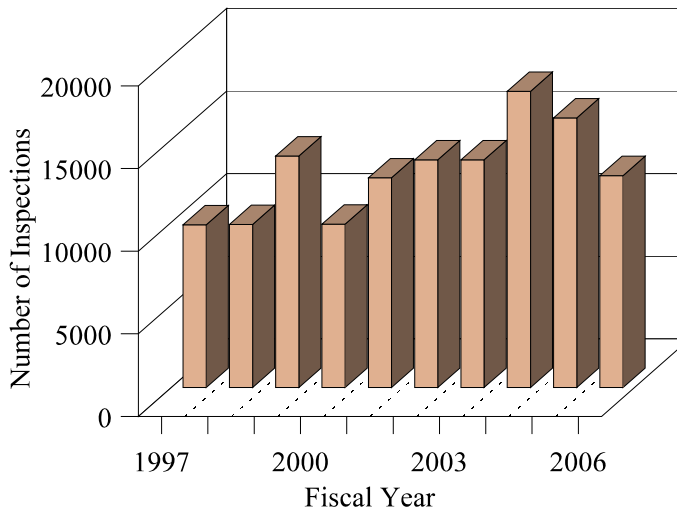
Objective: Complete at least 8,000 vacant structure inspections.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Vacant Property Inspections	8,000	7,765	8,000	6,426	8,000

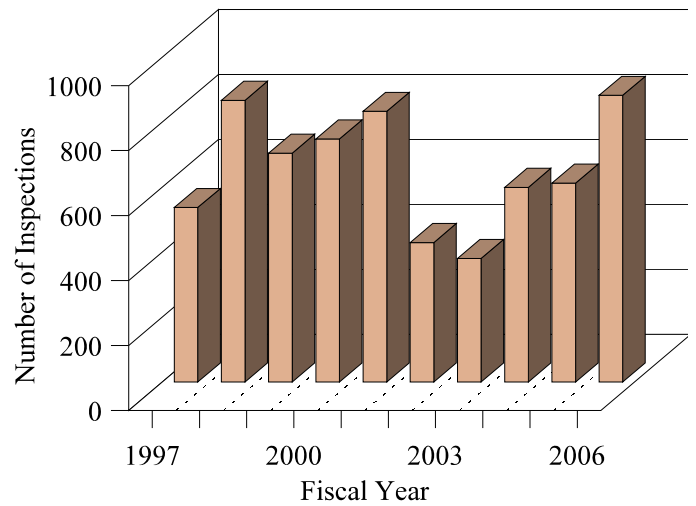
Department of Licenses and Inspections Performance Trends

Housing Inspections



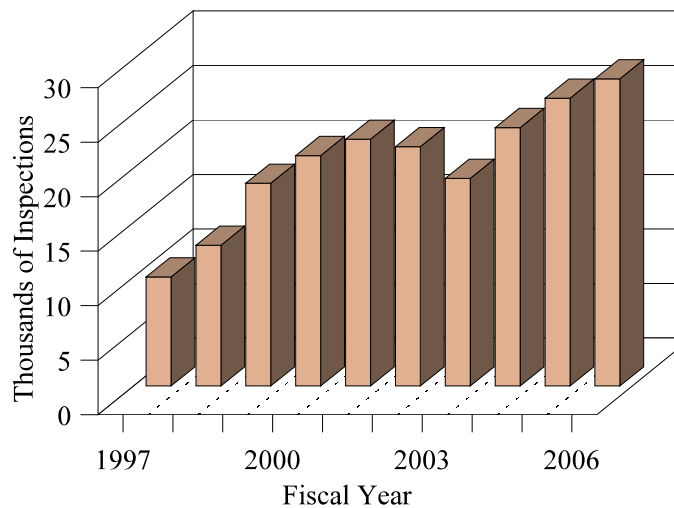
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property.

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 has allowed the number of inspections to increase dramatically since FY 1996, back to historically high levels.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	1,279,733	1,316,719	1,579,226	2,055,168
Temporary Salaries	2,453	7,785	8,400	9,100
Acting Out of Classification	2,818	1,811	2,500	2,000
Sick Leave Bonus	963	780	1,000	0
Overtime	29,260	31,710	21,960	47,000
Civilian Holiday-Overtime	0	177	0	0
Meal Allowance	944	490	1,000	1,000
Clothing Allowance	5,138	4,504	6,250	10,000
Internet Reimbursements	1,174	1,710	720	1,620
Pension Contribution	59,967	209,746	88,358	184,948
Social Security	80,601	84,333	101,479	130,937
Medicare Tax	18,851	19,723	23,742	30,644
Hospitalization	212,077	241,273	347,999	457,440
Life Insurance	3,014	2,844	3,849	10,503
Pension Healthcare	8,501	20,126	12,250	30,804
Personal Services Adjustment	<u>0</u>	<u>7,100</u>	<u>(39,201)</u>	<u>(35,701)</u>
TOTAL PERSONAL SERVICES	1,705,494	1,950,831	2,159,532	2,935,463

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	6,097	3,656	5,200	7,660
Communications & Utilities	0	18	51	1,500
Transportation	228	3,467	3,000	3,000
Rentals	0	200	365	292
Contracted Maintenance Repairs	0	12,550	0	0
Professional Fees	39,683	12,433	4,000	4,000
Other Fees	2,915	4,175	13,075	5,000
Memberships & Registration	9,924	23,620	16,690	24,000
Office & General Supplies	6,943	9,530	6,500	9,300
Wearing Apparel & Safety Supplies	14,137	15,291	13,103	21,800
Miscellaneous Parts	3,191	1,855	3,117	2,493
Construction & Repairs	61,921	203,365	75,000	250,000
Equipment	7,557	2,515	3,000	13,000
Fixed Assets	3,471	1,180	0	2,000
Towing & Impounding of Vehicles	<u>19,325</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	175,392	293,855	143,101	344,045

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Administrative Services	365,961	316,986	398,715	432,200
Self-Insurance	<u>7,072</u>	<u>46,671</u>	<u>26,418</u>	<u>6,106</u>
TOTAL INTERNAL SERVICES	373,033	363,657	425,133	438,306
 <u>DEBT SERVICE</u>				
Principal Payments	12,301	19,041	29,770	31,656
Interest Payments	<u>10,907</u>	<u>6,917</u>	<u>9,055</u>	<u>7,117</u>
TOTAL DEBT SERVICE	23,208	25,958	38,825	38,773
 <u>SPECIAL PURPOSE</u>				
Delaware SPCA	<u>201,906</u>	<u>214,100</u>	<u>216,900</u>	<u>219,650</u>
TOTAL SPECIAL PURPOSE	201,906	214,100	216,900	219,650
 GENERAL FUND TOTAL	 <u>2,479,033</u>	 <u>2,848,401</u>	 <u>2,983,491</u>	 <u>3,976,237</u>

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: CDBG

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	276,014	327,762	222,929	0
Acting Out of Class	65	103	0	0
Sick Leave Bonus	637	720	0	0
Meal Allowance	76	50	0	0
Overtime	1,302	1,659	9,240	0
Clothing Allowance	738	1,871	1,250	0
Internet Reimbursement	311	315	900	0
Pension Contribution	12,854	22,251	15,067	0
Social Security	18,631	21,476	13,822	0
Medicare Tax	4,357	5,022	3,232	0
Hospitalization	58,807	77,175	58,079	0
Personal Services Adjustment	0	0	2,000	0
Pension-Healthcare	0	570	0	0
Life Insurance	<u>668</u>	<u>726</u>	<u>576</u>	<u>0</u>
TOTAL PERSONAL SERVICES	374,460	459,700	327,095	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Memberships and Registration	0	0	3,310	0
Office & General Supplies	0	0	500	0
Wearing Apparel & Supplies	<u>0</u>	<u>0</u>	<u>2,925</u>	<u>0</u>
TOTAL M., S. & E.	0	0	6,735	0

DEPARTMENT: LICENSES AND INSPECTIONS**FUND: CDBG**

INTERNAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Administrative Services	2,768	2,268	2,950	0
Self-Insurance	<u>0</u>	<u>17,844</u>	<u>16,822</u>	<u>0</u>
TOTAL INTERNAL SERVICES	2,768	20,112	19,772	0
CDBG FUND TOTAL	<u>377,228</u>	<u>479,812</u>	<u>353,602</u>	<u>0</u>

DEPARTMENT OF PARKS & RECREATION

The Department of Parks and Recreation is responsible for the coordination, planning and operation of a comprehensive recreation/leisure program in the City of Wilmington. It provides a variety of safe and enjoyable recreational areas and programs designed to afford cultural, social, educational and athletic opportunities. The department also maintains the lands and facilities under its jurisdiction to ensure the continuation of attractive park areas through effective management.

PRIORITIES FOR FISCAL YEAR 2007
<ul style="list-style-type: none"> • Develop and implement a Citywide Youth Sport Standard, to be used by all youth sports agencies and organizations. • Develop a long-term beautification plan for all City Parks and Plazas. • Increase the number of training opportunities for departmental staff. • Expand the number of non-traditional programs and activities being offered by the department. • Expand and increase the number of recreational opportunities for the physically-challenged population. • Expand collaborative programs and activities with outside agencies and organizations. • Seek grant opportunities to continue program initiatives with the assistance of revenue sources outside the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS AND RECREATION

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2004	FY2005	FY2006	FY2007
Personal Services	3,754,010	4,078,684	3,942,774	4,326,391
Materials, Supplies & Equipment	2,002,308	2,089,878	1,667,467	1,645,922
Internal Services	544,866	1,082,439	1,101,121	1,050,248
Debt Service	1,804,525	1,761,445	2,159,523	2,441,986
Special Purpose	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>8,140,709</u>	<u>9,012,446</u>	<u>8,870,885</u>	<u>9,464,547</u>
STAFFING LEVELS	52.00	52.00	52.00	53.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2004	FY2005	FY2006	FY2007
Personal Services	3,319,687	3,684,471	3,669,118	4,048,845
Materials, Supplies & Equipment	1,197,476	1,207,417	1,304,295	1,282,750
Internal Services	541,662	1,079,235	1,097,688	1,046,815
Debt Service	<u>1,804,525</u>	<u>1,761,445</u>	<u>2,159,523</u>	<u>2,441,986</u>
TOTAL	<u>6,863,350</u>	<u>7,732,568</u>	<u>8,230,624</u>	<u>8,820,396</u>
STAFFING LEVELS	52.00	52.00	52.00	53.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2004	FY2005	FY2006	FY2007
Personal Services	364,173	317,949	157,725	157,725
Materials, Supplies & Equipment	<u>803,141</u>	<u>880,975</u>	<u>332,107</u>	<u>332,107</u>
TOTAL	<u>1,167,314</u>	<u>1,198,924</u>	<u>489,832</u>	<u>489,832</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2004	FY2005	FY2006	FY2007
Personal Services	70,150	76,264	115,931	119,821
Materials, Supplies & Equipment	1,691	1,486	31,065	31,065
Internal Services	<u>3,204</u>	<u>3,204</u>	<u>3,433</u>	<u>3,433</u>
TOTAL	<u>75,045</u>	<u>80,954</u>	<u>150,429</u>	<u>154,319</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

CDBG FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2004	FY2005	FY2006	FY2007
Special Purpose	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- One new position has been created in the Anderson Community Center Division. A Clerk II, with a projected first-year cost of \$42,091 including benefits, will be utilized during evenings and weekends where a critical void now exists.
- Pensions increased by \$85,000 across all divisions in the department, and is attributable to a redistribution among the contribution targets for the civilian pension plans, as determined by the Actuary.
- Transportation expenditures are slated to increase by \$6,000 to allow for some additional staff training opportunities.
- An increase of more than \$9,000 in Rentals has been appropriated for some specialty equipment usage in the Maintenance Division and for additional bus rental costs in the Youth and Families Division.
- Temporary Agencies, included within Professional Fees, have decreased by more than \$108,000. Recent changes to the guidelines governing the duration of part-time staffers will allow the Department to greatly trim its costs paid to outside agencies.
- Conversely, Temporary Salaries have increased by \$181,560 to hire internally necessary part-time staff, and also allow for some limited expansion of programs at the Anderson Community Center and the Youth and Families Division.
- Miscellaneous Services will rise by \$14,000, and is earmarked to fund a security needs assessment at the Anderson Community Center.
- Wearing Apparel appropriations have been increased by \$15,000 and will include funding for some additional protective clothing and safety equipment for the Maintenance Division's employees.
- Funding for \$25,000 in recreation equipment has been included for the Anderson Community Center. Some aging physical fitness gear will be replaced, along with the purchase of some new equipment.
- Debt Service for FY 2007 will increase by more than \$282,000 as a result of funding the FY 2004 Revised Capital Budget.

DEPARTMENT OF PARKS AND RECREATION PERFORMANCE INDICATORS

Goal #1: Improve the quality of life for seniors through recreational and health programs.

Objective: Expand and increase senior programs.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Senior Programs Implemented	14	14	15	15	16

Goal #2: Decrease youth violence/crime rate through alternative activities.

Objective: Provide sufficient recreational and athletic programs to divert youth behavior.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 3-D and 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Park Sites Operated	22	22	24	24	25
% Increase in Participation of Departmental Sports Leagues	30%	30%	30%	30%	32%

Goal #3: Increase female participation in recreation programs.

Objective: Implement programs targeted for female participants.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
# of Female targeted programs Implemented	25	25	30	30	31

Goal #4: To provide programming that prepares and empowers City youths for better citizenship.

Objective: Creation of youth-led projects.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-B and 3-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of youth-led projects	6	6	8	7	8

Goal #5: To increase diversity in program participation.

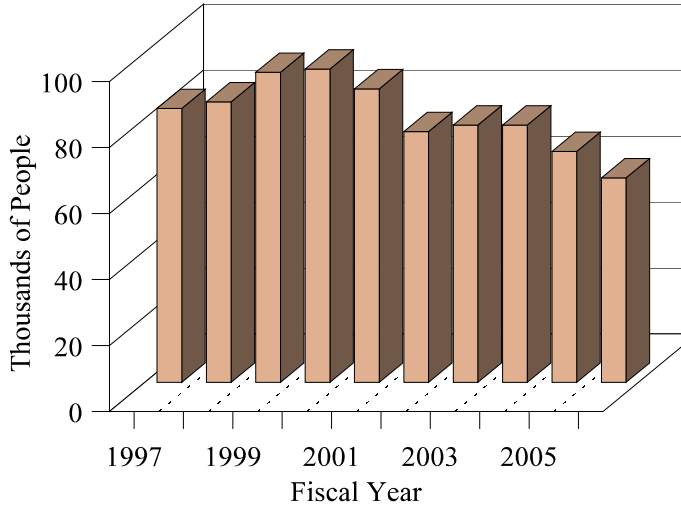
Objective: Provide at least 4 family-oriented information fairs throughout the City.

Goal #5 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of family inclusive information fairs held	8	10	12	10	12

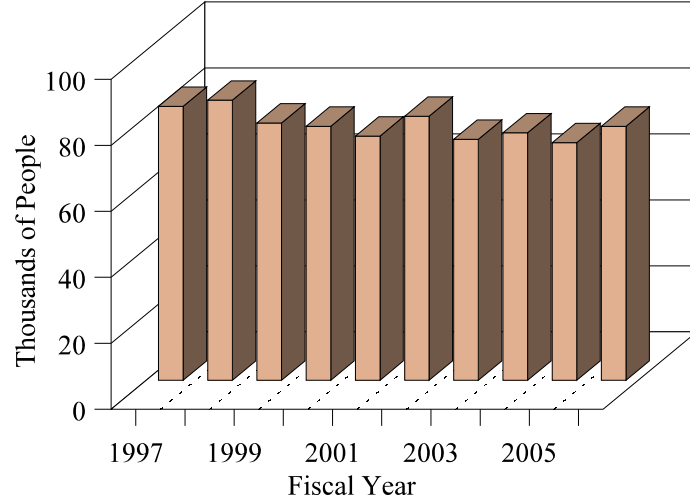
Department of Parks and Recreation Performance Trends

Pool Attendance



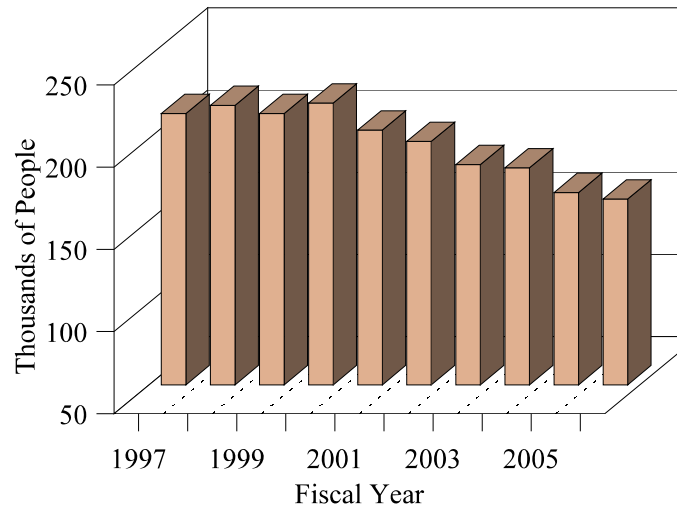
Pool attendance can fluctuate due to factors such as weather and the length of the school year.

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 FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	1,860,378	1,827,414	2,029,136	2,091,590
Temporary Salaries	621,733	785,052	751,463	933,023
Acting Out of Class	5,501	12,875	4,000	3,500
Sick Leave Bonus	900	900	600	600
Overtime	145,929	134,726	118,500	120,500
Meal Allowance	4,364	3,972	5,000	4,000
Clothing Allowance	10,539	180	0	0
Internet Reimbursements	1,020	735	500	500
Pension Contribution	88,157	322,996	120,131	205,551
Social Security	163,919	170,823	179,194	195,929
Medicare Tax	39,056	39,917	41,908	45,843
Hospitalization	355,543	348,949	472,875	485,711
Life Insurance	4,518	4,285	5,341	10,651
Pension Healthcare	18,130	31,647	26,127	37,104
Personal Services Adjustment	0	0	(85,657)	(85,657)
TOTAL PERSONAL SERVICES	3,319,687	3,684,471	3,669,118	4,048,845

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	16,388	14,444	18,880	18,000
Communications & Utilities	181,252	222,963	193,465	194,196
Transportation	10,941	13,302	17,823	23,880
Rentals	67,838	60,385	71,782	81,065
Contracted Maintenance	51,588	85,447	102,455	99,285
Professional Fees	412,512	369,141	370,791	262,611
Other Fees	150,622	120,558	135,000	145,000
Memberships & Registrations	14,887	12,759	19,390	20,890
Miscellaneous Services	71,176	73,853	108,010	122,310
Office & General Supplies	17,601	17,174	23,091	23,189
Wearing Apparel & Safety Supplies	29,777	36,276	32,796	48,000
Miscellaneous Parts	129,337	114,268	142,332	148,800
Petroleum & Chemicals	3,906	14,660	17,650	19,650
Construction & Repairs	17,700	12,383	20,660	20,960
Equipment	10,989	25,049	14,170	42,750
Fixed Assets	10,962	14,755	16,000	12,164
TOTAL M., S. & E.	1,197,476	1,207,417	1,304,295	1,282,750

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Administrative Services	692,952	552,986	755,194	698,074
Self-Insurance	<u>(151,290)</u>	<u>526,249</u>	<u>342,494</u>	<u>348,741</u>
TOTAL INTERNAL SERVICES	541,662	1,079,235	1,097,688	1,046,815
 <u>DEBT SERVICE</u>				
Principal Payments	1,119,940	1,215,911	1,430,588	1,616,264
Interest Payments	<u>684,585</u>	<u>545,534</u>	<u>728,935</u>	<u>825,722</u>
TOTAL DEBT SERVICE	1,804,525	1,761,445	2,159,523	2,441,986
 GENERAL FUND TOTAL	 <u>6,863,350</u>	 <u>7,732,568</u>	 <u>8,230,624</u>	 <u>8,820,396</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Temporary Salaries	337,942	294,075	146,517	146,517
Social Security	21,837	19,413	9,084	9,084
Medicare Tax	<u>4,394</u>	<u>4,461</u>	<u>2,124</u>	<u>2,124</u>
TOTAL PERSONAL SERVICES	364,173	317,949	157,725	157,725
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	46,526	0	0
Transportation	11,298	27,501	2,000	2,000
Communications & Utilities	4	63	2,200	2,200
Rentals	10,581	10,310	10,300	10,300
Other Fees	10,093	3,508	0	0
Memberships & Registrations	0	11,700	0	0
Miscellaneous Services	146,465	212,446	0	0
Office & General Supplies	2,561	1,359	4,000	4,000
Wearing Apparel & Safety Supplies	401	2,488	0	0
Miscellaneous Parts	569,726	422,471	313,607	313,607
Fixed Assets	4,512	4,074	0	0
Miscellaneous Projects	<u>47,500</u>	<u>138,529</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	803,141	880,975	332,107	332,107
 PARKS ASSISTANCE FUND TOTAL	 <u>1,167,314</u>	 <u>1,198,924</u>	 <u>489,832</u>	 <u>489,832</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	39,629	43,296	66,794	68,946
Temporary Salaries	9,921	12,470	2,500	2,500
Overtime	6,299	2,729	14,000	14,000
Internet Reimbursements	45	45	0	0
Social Security	2,853	3,288	4,389	5,143
Medicare Tax	667	769	1,027	1,203
Pensions	0	1,550	3,340	3,700
Life Insurance	0	0	85	221
Hospitalization	<u>10,736</u>	<u>12,117</u>	<u>23,796</u>	<u>24,108</u>
TOTAL PERSONAL SERVICES	70,150	76,264	115,931	119,821
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,691	1,486	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	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
TOTAL M., S. & E.	1,691	1,486	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>3,204</u>	<u>3,204</u>	<u>3,433</u>	<u>3,433</u>
TOTAL INTERNAL SERVICES	3,204	3,204	3,433	3,433
 PARKS TRUST FUND TOTAL	 <u>75,045</u>	 <u>80,954</u>	 <u>150,429</u>	 <u>154,319</u>

DEPARTMENT: PARKS & RECREATION

FUND: CDBG

SPECIAL PURPOSE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Miscellaneous Projects	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
CDBG FUND TOTAL	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

DEPARTMENT: PARKS & RECREATION

FUND: CDBG

PROJECTS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
FY 2004 Expenditures	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROJECTS	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

DEPARTMENT OF FIRE

The mission of the Fire Department is to protect the lives and property of the citizens of Wilmington through fire suppression, emergency medical services, rescue operations, fire prevention activities and education, enforcement of fire codes, safety inspections and arson investigations.

PRIORITIES FOR FISCAL YEAR 2007
<ul style="list-style-type: none"> • Provide additional training for firefighters to meet National Registry Level standards. • Increase firefighter safety through the upgrade of the department's self-contained breathing apparatus. • Minimize expenditures for Acting-Out-Of-Class and Overtime. • Provide continued fire safety education to senior citizens through the free smoke detector program and implementation of a limited, free carbon monoxide detector program for qualifying seniors.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS FIRE DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	12,945,022	13,740,683	13,931,589	18,850,944
Materials, Supplies & Equipment	1,542,266	1,232,017	1,100,950	649,072
Internal Services	789,431	2,182,264	1,525,991	1,679,941
Debt Service	618,513	538,378	663,563	669,485
TOTAL	<u>15,895,232</u>	<u>17,693,342</u>	<u>17,222,093</u>	<u>21,849,442</u>
STAFFING LEVELS	176.00	176.00	176.00	177.00

GENERAL FUND FIRE DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	12,823,464	13,543,928	13,931,589	14,415,944
Materials, Supplies & Equipment	423,764	484,242	513,950	454,711
Internal Services	789,431	2,182,264	1,525,991	1,679,941
Debt Service	618,513	538,378	663,563	669,485
TOTAL	<u>14,655,172</u>	<u>16,748,812</u>	<u>16,635,093</u>	<u>17,220,081</u>
STAFFING LEVELS	176.00	176.00	176.00	177.00

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT *	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,210,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,210,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

* See Special Note on page one for details.

STATE FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	<u>96,547</u>	<u>231,194</u>	<u>187,000</u>	<u>194,361</u>
TOTAL	<u>96,547</u>	<u>231,194</u>	<u>187,000</u>	<u>194,361</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

NEW CASTLE COUNTY FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	0	0	0	225,000
Materials, Supplies & Equipment	<u>586,598</u>	<u>13,408</u>	<u>400,000</u>	<u>0</u>
TOTAL	<u>586,598</u>	<u>13,408</u>	<u>400,000</u>	<u>225,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	121,558	196,755	0	0
Materials, Supplies & Equipment	<u>435,357</u>	<u>503,173</u>	<u>0</u>	<u>0</u>
TOTAL	<u>556,915</u>	<u>699,928</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Regular Salaries increased by \$410,000 as a result of the scheduled cost of living adjustment specified in the labor contract with Local 1590, and the cost of the new position outlined below.
- An additional uniformed Captain position has been created to oversee the Department's information technology needs and resources at a cost of \$87,382, and will increase the authorized strength to 172.
- An appropriation of \$10,000 has been budgeted in Temporary Salaries to supplement the full-time clerical staff in the department.
- Pension Contributions have decreased by \$368,000, as the funding target set by the City's actuary has been adjusted for recent experience.
- Overtime has been increased by \$325,000, as a result of the new firefighter shift configuration that went into effect the second half of Fiscal Year 2006. The new schedule, known as "24/72", reduces a firefighter's weekly hours worked, from an average of 48, down to 42. Conversely, additional Overtime is required to continue compliance with minimum manning requirements for the Department.
- The new shift schedule also entails a stipulation to substitute scheduled officers who are off with a "rank for rank" replacement. This practice will result in the near elimination of Acting Out of Class expenditures, from \$68,000 to \$9,000.
- Shift Differential has been increased by almost \$16,000 reflecting recent actual expenditures.
- Utility Costs, for Electricity and Gas (for heating), have been increased by a total of \$13,000 to meet anticipated costs.
- Travel appropriations have increased \$3,000 to allow for expenditures related to staff training.
- Professional Fees have risen by \$30,000 to cover the expenses of the bi-annual promotional testing.
- Miscellaneous Services is slated to increase by \$17,500 to address HVAC and other station maintenance needs.
- Wearing Apparel & Safety Equipment costs will decrease by \$10,000. A one-time supplemental appropriation had been included in the prior year to purchase protective vests for EMT-B certified firefighters.
- The Fixed Asset account, funded for \$110,000 in FY 2006 as a one-time supplement to Capital funds used for apparatus replacement, has been reduced to zero.

FIRE DEPARTMENT PERFORMANCE INDICATORS

Goal #1: Limit the extent of damage and injury caused by fire.

Objective: Increase the percentage rate of confinement to room of origin to 97%.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-C, 3-C and 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Fires Contained to room of origin	98%	95%	98%	94%	98%

Goal #2: Increase public safety and heighten public awareness.

Objective: Conduct building inspections and instruct citizens through prevention education programs.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B and 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Number of Building Inspections	1,000	1,029	1,000	945	350
Citizens Educated	35,000	40,889	35,000	19,012	19,000

Goal #3: Rapid suppression of fires to minimize associated danger and structural damage.

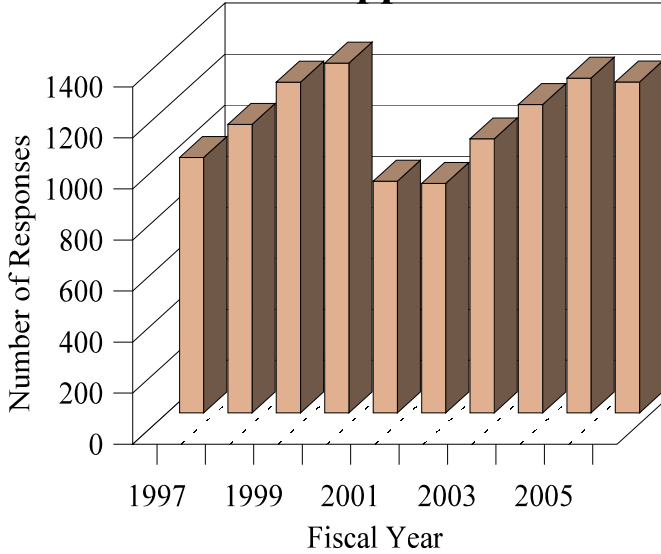
Objective: Maintain the average response time for fires to two minutes or less.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-C and 3-D on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Average Fire Response Time	2 minutes	2 minutes & 29 seconds	2 minutes	2 minute & 49 seconds	2 minutes & 30 seconds

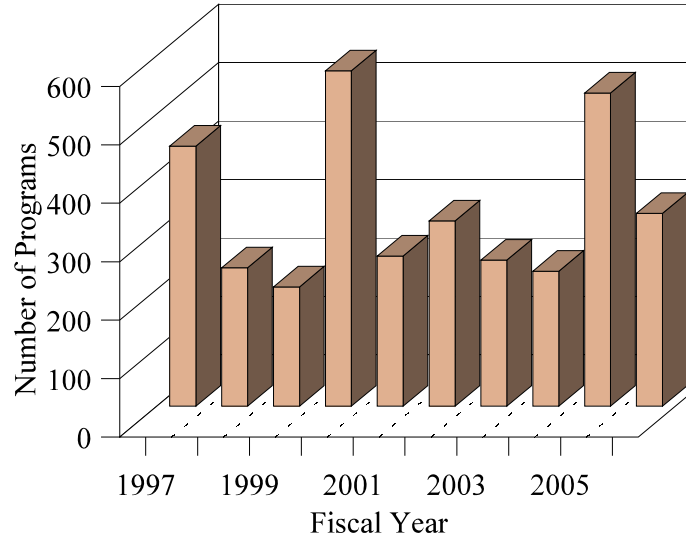
Fire Department Performance Trends

Basic Life Support Alarms



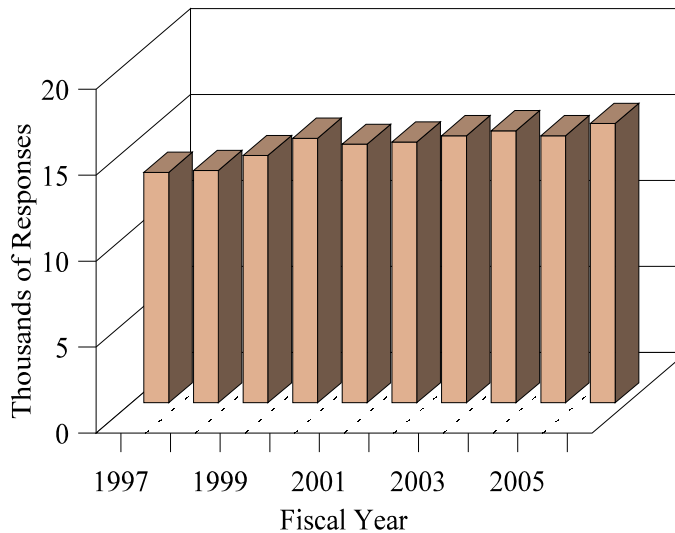
Total Basic Life Support alarms have risen steadily. In 1996, the department contracted with a private vendor in an attempt to reduce its BLS runs. In FY 2001, the vendor supplied a third unit which temporarily reduced the number, but the upward trend continues.

Fire Prevention Division



Increased public education through group prevention presentations is one of the department's goals and contributes to fire safety.

Total Responses



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	9,064,126	9,681,825	9,506,925	9,917,296
Temporary Salaries	19,460	15,680	0	10,000
Acting Out of Class	67,534	75,278	68,000	9,000
Shift Differential	74,311	79,343	65,000	80,750
Sick Leave Bonus	200	0	0	0
Overtime	691,843	668,372	1,025,000	1,350,000
Holiday Pay	998	0	0	0
Meal Allowance	30	0	0	0
Clothing Allowance	75	0	0	0
Internet Reimbursements	6,390	5,985	7,340	6,980
Pension Contribution	666,219	600,012	844,577	367,563
Social Security	15,667	11,438	12,612	12,761
Medicare Tax	89,553	96,363	97,473	109,131
Hospitalization	1,635,850	1,707,495	1,743,584	1,831,500
Life Insurance	15,471	1,043	20,251	50,403
County/Municipal Pension Contribution	402,930	472,621	510,908	619,545
Pension Healthcare	72,807	128,473	104,919	126,015
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>
TOTAL PERSONAL SERVICES	12,823,464	13,543,928	13,931,589	14,415,944

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	546	960	1,925	1,940
Communications & Utilities	95,830	96,908	100,512	113,410
Transportation	2,422	8,960	9,000	12,000
Contracted Maintenance Repairs	32,374	47,469	36,320	36,256
Professional Fees	79,325	49,928	58,000	88,000
Memberships & Registrations	39,308	58,106	48,200	48,200
Miscellaneous Services	45,054	22,953	33,431	50,996
Office & General Supplies	18,459	19,161	18,268	20,114
Wearing Apparel & Safety Supplies	45,319	39,347	50,102	40,082
Miscellaneous Parts	59,446	43,870	41,792	34,713
Construction & Repairs	2,455	7,749	3,000	5,000
Equipment	3,226	88,831	3,400	4,000
Fixed Assets	<u>0</u>	<u>0</u>	<u>110,000</u>	<u>0</u>
TOTAL M., S. & E.	423,764	484,242	513,950	454,711

DEPARTMENT: FIRE

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Administrative Services	661,157	762,898	714,074	847,875
Self-Insurance	<u>128,274</u>	<u>1,419,366</u>	<u>811,917</u>	<u>832,066</u>
TOTAL INTERNAL SERVICES	789,431	2,182,264	1,525,991	1,679,941
<u>DEBT SERVICE</u>				
Principal Payments	391,347	355,676	425,965	430,700
Interest Payments	<u>227,166</u>	<u>182,702</u>	<u>237,598</u>	<u>238,785</u>
TOTAL DEBT SERVICE	618,513	538,378	663,563	669,485

DEPARTMENT: FIRE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
State Pension Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,210,000</u>
TOTAL PERSONAL SERVICES	0	0	0	4,210,000
GENERAL FUND TOTAL	<u>14,655,172</u>	<u>16,748,812</u>	<u>16,635,093</u>	<u>21,430,081</u>

DEPARTMENT: FIRE

FUND: STATE FIRE GRANT

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Professional Fees	0	0	40,000	0
Memberships & Registrations	2,726	7,227	30,000	0
Wearing Apparel & Safety Supplies	257	0	50,000	0
Miscellaneous Parts	2,361	19,097	67,000	0
Equipment	76,318	56,316	0	0
Fixed Assets	<u>14,885</u>	<u>148,554</u>	<u>0</u>	<u>194,361</u>
TOTAL M., S. & E.	96,547	231,194	187,000	194,361
STATE FIRE GRANT TOTAL	<u>96,547</u>	<u>231,194</u>	<u>187,000</u>	<u>194,361</u>

DEPARTMENT: FIRE

FUND: NEW CASTLE COUNTY FIRE GRANT

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Overtime	0	0	0	225,000
TOTAL PERSONAL SERVICES	0	0	0	225,000
MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Professional Fees	0	0	40,000	0
Memberships & Registrations	0	0	30,000	0
Wearing Apparel & Safety Supplies	81,450	13,402	150,000	0
Miscellaneous Parts	0	0	167,000	0
Fixed Assets	429,828	6	13,000	0
Miscellaneous Projects	75,320	0	0	0
TOTAL M., S. & E.	586,598	13,408	400,000	0
NEW CASTLE COUNTY FIRE GRANT TOTAL	<u>586,598</u>	<u>13,408</u>	<u>400,000</u>	<u>225,000</u>

DEPARTMENT: FIRE

FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Overtime	121,558	196,755	0	0
TOTAL PERSONAL SERVICES	121,558	196,755	0	0
MATERIALS, SUPPLIES & EQUIPMENT				
Professional Fees	19,593	17,418	0	0
Miscellaneous Services	226,197	168,198	0	0
Equipment	178,107	266,118	0	0
Fixed Assets	11,460	51,439	0	0
TOTAL M. S. & E.	435,357	503,173	0	0
FEDERAL EMERG. MGT. & OTHER MISC. GRANTS TOTAL	<u>556,915</u>	<u>699,928</u>	<u>0</u>	<u>0</u>

DEPARTMENT OF POLICE

The vision of the Department of Police is to make Wilmington communities safe and secure through a partnership of the people and those responsible for their public safety. To achieve this vision, 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 2007
<ul style="list-style-type: none"> • Reduce crime. • Reduce illegal drugs. • 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 DEPARTMENT OF POLICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	29,330,933	34,955,250	32,740,335	37,387,376
Materials, Supplies & Equipment	1,812,190	2,796,557	1,784,360	2,035,968
Internal Services	1,588,312	4,547,217	4,241,826	4,307,208
Debt Service	<u>937,902</u>	<u>922,424</u>	<u>932,569</u>	<u>959,697</u>
TOTAL	<u>33,669,337</u>	<u>43,221,448</u>	<u>39,699,090</u>	<u>44,690,249</u>
STAFFING LEVELS	368.00	377.00	386.00	407.00

GENERAL FUND DEPARTMENT OF POLICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	29,038,586	31,021,868	29,442,219	31,274,025
Materials, Supplies & Equipment	1,178,036	1,348,340	1,769,360	1,915,770
Internal Services	1,588,004	4,545,911	3,494,182	3,559,564
Debt Service	<u>937,902</u>	<u>922,424</u>	<u>932,569</u>	<u>959,697</u>
TOTAL	<u>32,742,528</u>	<u>37,838,543</u>	<u>35,638,330</u>	<u>37,709,056</u>
STAFFING LEVELS	363.00	365.00	330.00	352.00

STATE PENSION CONTRIBUTIONS DEPARTMENT OF POLICE *	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,200,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,200,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

* See Special Note on page one for details.

SALLE & OTHER SPECIAL GRANT FUNDS DEPARTMENT OF POLICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	292,347	721,273	645,868	918,245
Materials, Supplies & Equipment	620,793	1,413,776	0	120,198
Internal Services	<u>308</u>	<u>1,306</u>	<u>0</u>	<u>0</u>
TOTAL	<u>913,448</u>	<u>2,136,355</u>	<u>645,868</u>	<u>1,038,443</u>
STAFFING LEVELS	5.00	12.00	13.00	12.00

COMMUNITY POLICING FUND DEPARTMENT OF POLICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	<u>13,361</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>13,361</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

NCC SPECIAL POLICING FUND DEPARTMENT OF POLICE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	0	3,212,109	2,652,248	2,995,106
Materials, Supplies & Equipment	0	34,441	15,000	0
Internal Services	<u>0</u>	<u>0</u>	<u>747,644</u>	<u>747,644</u>
TOTAL	<u>0</u>	<u>3,246,550</u>	<u>3,414,892</u>	<u>3,742,750</u>
STAFFING LEVELS	0.00	0.00	43.00	43.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Fifteen new Patrol Officers will be added to the General Fund in FY 2007 at a cost of \$918,245. Also, a Patrol Officer position previously funded through a Criminal Justice Council Grant has been eliminated. Lastly, one additional “School Resource” Patrol Officer will be added and increases the department’s authorized strength to 322 uniformed positions.
- For FY 2007, the number of officers paid through the New Castle County Policing Grant will continue at 43. This \$15 million grant awarded the City is slated to be exhausted during FY 2008.
- Two new Emergency Call Operator positions have been added in the Communications Division at a projected total cost of \$89,676, while two new Communications and Data Specialists are set to be added in the Support Division at a first-year cost of \$92,640.
- Two additional Parking Regulation Enforcement Officers (PREO’s) and one Scofflaw Enforcer have been added to address issues of parking and to process abandoned vehicle tows. The costs for these positions in total is expected to be \$134,514.
- Regular Overtime has been increased by \$121,400 to \$1,550,000, and includes a \$400,000 appropriation for weapons and drug enforcement.
- Shift Differential and Holiday Pay will rise by \$45,000 and \$34,900 respectively due to higher base salaries and additional officers.
- Costs for the County/Municipal Pension Plan will rise by more than \$226,000 due to a higher contribution rate set forth by the State Board of Pension Trustees.
- Special Events Overtime will increase by \$50,000 based on scheduled City events.
- Printing & Advertising allocations have been increased to allow for additional recruiting initiatives.
- Communications & Utility Costs are slated to decrease by nearly \$24,000 due to the elimination of some one-time costs associated with the installation of additional downtown surveillance cameras.
- An increase of \$13,000 in the Transportation appropriation will fund ancillary costs of training and the implementation of community-based policing concepts.
- Consultant Costs, included within Professional Fees, will increase by \$116,000 to help implement a Yale University-developed program of Child Development Centered Policing, and provide for a community policing expert to train officers.
- Miscellaneous Services will decrease by a net of \$53,900 as a result of two factors: The transfer of the FY 2006 appropriation of \$110,000 in Data Processing costs back to the Finance Department, and an increase of almost \$44,000 for microfilming of police personnel files.
- The increase of \$14,600 in Office & General Supplies will fund the purchase of replacement batteries for the Department’s 50 portable defibrillators.

DEPARTMENT OF POLICE PERFORMANCE INDICATORS

Goal #1: Reduce Crime.

Objective: Reduce Part I Crimes Against Persons by 5%

Goal #1 corresponds with the City's Strategic Plan, Policy Statement 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percentage change in the number of Part I Crimes Against Persons	-5%	+0.8%	-5%	-4.2%	-5%
Number of Part I Crimes	807	856	813	820	779

Goal #2: Improve the Quality of Life in Wilmington

Objective: Aggressively Enforce Laws against the Sale and Possession of Illegal Drugs.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percentage change in number of Drug Arrests	+5%	+29%	+5%	-19%	+5%
Number of Drug Arrests	1,210	1,485	1,559	1,199	1,259

Goal #3: Improve Traffic Safety

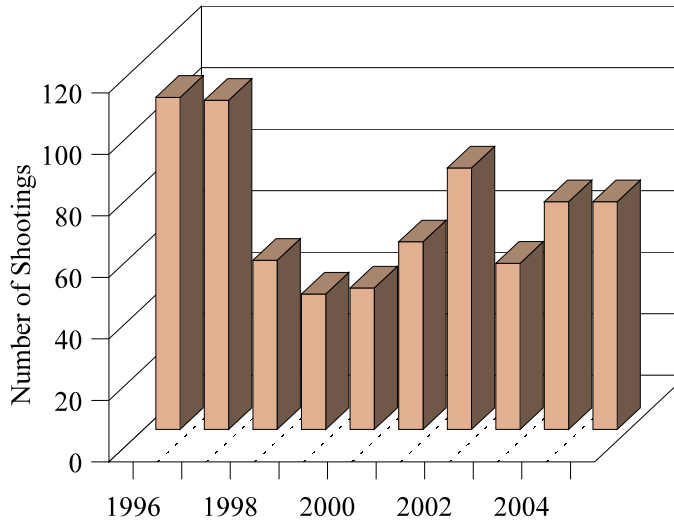
Objective: Reduce Traffic Accidents by 10%

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percentage change in the number of traffic accidents	-10%	-16.3%	-10%	-20%	-10%
Number of traffic accidents	3,237	3,010	2,709	2,165	1,948

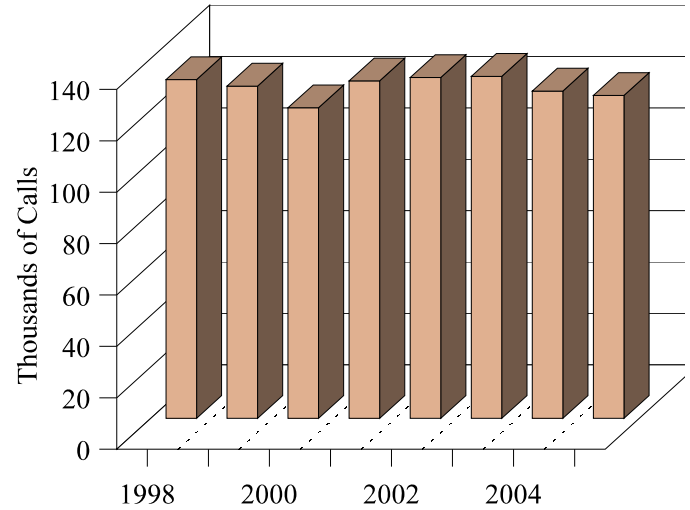
Department of Police Performance Trends

Shootings in Wilmington



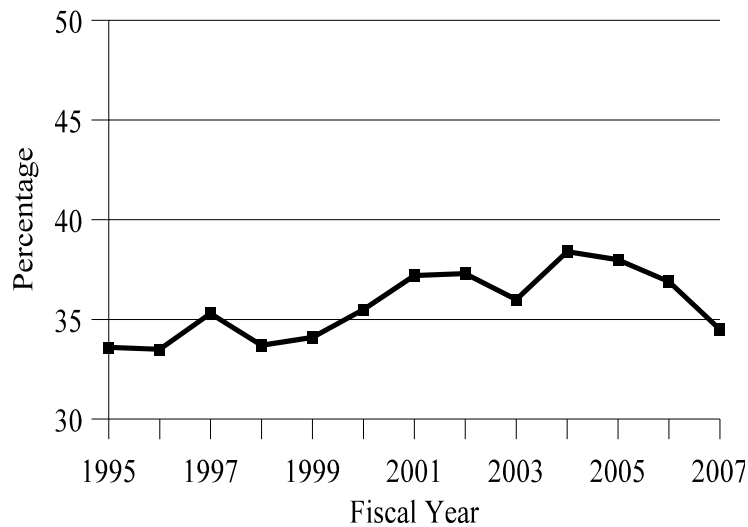
Firearm violence, while spiking in 2004, has decreased significantly from a record high in 1996. The department continues to focus resources toward this area.

911 Calls Resulting in Dispatch



Calls for police services, though declining slightly last year, place significant demands on existing resources. Aggressive enforcement efforts will continue to benefit public safety.

Police Budget as a % of Total General Fund Operating Budget



The Department's General Fund budget has again been supplemented with substantial grant funds for FY 2007, but remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	17,659,185	17,503,171	17,765,844	18,638,753
Temporary Salaries	395,251	507,170	448,000	456,000
Acting Out of Class	12,003	5,927	18,000	10,000
Shift Differential	617,279	610,820	596,000	641,000
Shooting Days	0	2,089	0	0
Sick Leave Bonus	3,400	2,713	3,500	3,800
Overtime	1,471,522	1,750,483	1,416,600	1,538,000
Holiday Pay	648,946	885,984	698,100	733,000
Civilian Holiday-Overtime	75,908	81,099	80,000	82,000
Court Overtime	45,745	36,899	43,400	48,400
Special Events Overtime	274,392	210,424	300,000	350,000
Meal Allowance	15,803	12,994	14,400	14,400
Clothing Allowance	47,206	72,907	1,500	3,000
Internet Reimbursements	10,445	9,259	10,000	10,000
Pension Contribution	3,351,699	4,583,353	3,923,884	3,932,425
Social Security	199,192	225,311	224,748	235,300
Medicare Tax	247,122	286,090	244,727	270,539
Hospitalization	3,113,504	3,117,661	3,282,421	3,589,766
Life Insurance	32,961	9,039	37,417	95,230
County/Municipal Pension Contribution	690,319	853,340	721,784	948,079
Pension Healthcare	126,704	255,135	182,589	245,028
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(570,695)</u>	<u>(570,695)</u>
TOTAL PERSONAL SERVICES	29,038,586	31,021,868	29,442,219	31,274,025

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Printing & Advertising	14,291	31,140	61,000	76,600
Communications & Utilities	185,429	240,189	366,500	342,600
Transportation	5,732	8,608	7,000	20,000
Rentals	30,757	48,941	50,380	52,380
Contracted Maintenance Repairs	52,609	41,769	68,740	113,100
Professional Fees	123,992	52,862	162,000	278,000
Other Fees	231,504	310,193	278,350	279,350
Memberships & Registrations	10,311	10,503	15,350	15,500
Miscellaneous Services	164,675	170,550	384,340	330,440
Office & General Supplies	55,156	61,127	73,100	87,700
Wearing Apparel & Safety Supplies	158,367	123,603	191,500	191,500
Miscellaneous Parts	88,251	71,508	99,500	107,000
Equipment	26,064	27,661	11,600	21,600
Fixed Assets	<u>30,898</u>	<u>149,686</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,178,036	1,348,340	1,769,360	1,915,770

INTERNAL SERVICES

Administrative Services	1,681,017	1,636,347	1,720,484	1,773,689
Self-Insurance	<u>(93,013)</u>	<u>2,909,564</u>	<u>1,773,698</u>	<u>1,785,875</u>
TOTAL INTERNAL SERVICES	1,588,004	4,545,911	3,494,182	3,559,564

DEBT SERVICE

Principal Payments	605,330	662,225	667,419	727,215
Interest Payments	<u>332,572</u>	<u>260,199</u>	<u>265,150</u>	<u>232,482</u>
TOTAL DEBT SERVICE	937,902	922,424	932,569	959,697

DEPARTMENT: POLICE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
State Pension Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,200,000</u>
TOTAL PERSONAL SERVICES	0	0	0	2,200,000

GENERAL FUND TOTAL	<u>32,742,528</u>	<u>37,838,543</u>	<u>35,638,330</u>	<u>39,909,056</u>
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DEPARTMENT: POLICE

FUND: SALLE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	54,905	287,660	461,864	596,783
Temporary Salaries	28,041	32,580	0	0
Shift Differential	1,703	18,027	19,666	95,000
Overtime	186,140	280,708	0	0
Holiday Pay	0	8,359	21,645	30,000
Court Overtime	441	2,610	0	0
Meal Allowance	35	1,664	0	0
Pension Contribution	0	24	1,570	20,843
Social Security	4,075	3,562	1,947	0
Medicare Tax	1,511	5,637	6,915	8,654
Hospitalization	11,490	47,036	77,100	92,986
Life Insurance	421	77	1,139	3,051
County/Municipal Pension Contribution	3,585	32,512	54,022	62,528
Pension Healthcare	<u>0</u>	<u>817</u>	<u>0</u>	<u>8,401</u>
TOTAL PERSONAL SERVICES	292,347	721,273	645,868	918,245
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	65,394	13,742	0	0
Transportation	39,363	56,467	0	0
Rentals	13,200	10,380	0	0
Professional Fees	57,380	35,247	0	0
Memberships & Registrations	31,679	40,554	0	0
Miscellaneous Services	31,605	32,729	0	0
Office & General Supplies	3,635	2,026	0	0
Wearing Apparel & Safety Supplies	16,239	135,100	0	0
Miscellaneous Parts	7,535	5,934	0	0
Equipment	221,373	51,242	0	120,198
Fixed Assets	<u>133,390</u>	<u>1,030,355</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	620,793	1,413,776	0	120,198
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>308</u>	<u>1,306</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	308	1,306	0	0
 <u>SALLE FUND TOTAL</u>	 <u>913,448</u>	 <u>2,136,355</u>	 <u>645,868</u>	 <u>1,038,443</u>

DEPARTMENT: POLICE

FUND: COMMUNITY POLICING

<u>MATERIALS, SUPPLIES & EQUIPMENT</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Wearing Apparel & Safety Supplies	<u>13,361</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	13,361	0	0	0
 COMMUNITY POLICING FUND				
TOTAL	<u>13,361</u>	<u>0</u>	<u>0</u>	<u>0</u>

DEPARTMENT: POLICE

FUND: NCC SPECIAL POLICING FUND

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	0	2,570,981	1,874,691	2,104,340
Shift Differential	0	107,835	82,000	85,000
Overtime	0	262,320	28,000	30,000
Holiday Pay	0	86,308	93,734	100,000
Court Overtime	0	4,948	0	5,000
Meal Allowance	0	150	0	0
Clothing Allowance	0	250	0	0
Internet Reimbursement	0	405	0	0
Medicare Tax	0	8,978	26,459	30,514
Hospitalization	0	101,492	307,439	306,426
Life Insurance	0	50	4,954	10,754
County/Municipal Pension Contribution	0	66,812	234,971	292,969
Pension Healthcare	<u>0</u>	<u>1,580</u>	<u>0</u>	<u>30,103</u>
TOTAL PERSONAL SERVICES	0	3,212,109	2,652,248	2,995,106
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	0	6,553	0	0
Professional Fees	0	27,888	0	0
Equipment	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>
TOTAL M., S. & E.	0	34,441	15,000	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	0	0	522,644	522,644
Self-Insurance	<u>0</u>	<u>0</u>	<u>225,000</u>	<u>225,000</u>
TOTAL INTERNAL SERVICES	0	0	747,644	747,644
 NCC POLICING FUND TOTAL	<u>0</u>	<u>3,246,550</u>	<u>3,414,892</u>	<u>3,742,750</u>

DEPARTMENT OF PUBLIC WORKS

The mission of the Department of Public Works is to deliver essential services necessary to sustain and protect the health and safety of City residents.

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

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

PRIORITIES FOR FISCAL YEAR 2007

- Construction of Combined Sewer Overflow #27 and Rockford Road improvements. Complete design of Real Time Control System.
- Resurface 3 miles of City streets, improving the ride comfort rating to satisfactory or above.
- Support neighborhood legislator-initiated Transportation Enhancement projects.
- Initiate deconstruction of Delaware Center for Contemporary Arts (DCCA) Building.
- Complete one-half of the construction of the Market Street Project Phase III.
- Monitor on-going construction of Cool Spring Reservoir enclosure.
- Replace 15% of the City Motor Vehicle Fleet, while maintaining fleet availability of 96%.
- Initiate the design phase of a new water-testing laboratory.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	11,214,645	12,946,473	12,122,819	13,546,161
Materials, Supplies & Equipment	29,031,138	30,126,062	33,959,850	39,524,235
Internal Services	2,712,454	5,637,225	5,557,375	4,879,026
Debt Service	6,754,892	6,399,354	8,883,548	9,883,391
Capitalization	(4,537,399)	(4,668,156)	(5,110,000)	(5,770,000)
Depreciation	<u>6,295,903</u>	<u>6,538,012</u>	<u>6,403,825</u>	<u>6,301,597</u>
TOTAL	<u>51,471,633</u>	<u>56,978,970</u>	<u>61,817,417</u>	<u>68,364,410</u>
STAFFING LEVELS	212.00	212.00	212.00	227.00

GENERAL FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	4,981,933	5,807,204	5,382,268	6,727,214
Materials, Supplies & Equipment	4,080,843	4,403,853	4,306,204	5,808,298
Internal Services	1,035,788	2,026,899	2,037,727	2,107,643
Debt Service	<u>3,348,834</u>	<u>3,264,849</u>	<u>4,398,203</u>	<u>5,315,537</u>
TOTAL	<u>13,447,398</u>	<u>15,502,805</u>	<u>16,124,402</u>	<u>19,958,692</u>
STAFFING LEVELS	99.50	99.50	99.50	121.50

WATER/SEWER FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	6,232,712	7,139,269	6,740,551	6,818,947
Materials, Supplies & Equipment	22,830,782	23,254,583	27,062,535	30,815,031
Internal Services	17,933	1,590,823	1,309,983	1,370,549
Debt Service	3,274,307	3,031,959	4,282,080	4,393,831
Capitalization	(4,500,099)	(4,607,046)	(5,110,000)	(5,770,000)
Depreciation	<u>5,045,891</u>	<u>5,425,496</u>	<u>4,647,307</u>	<u>4,647,307</u>
TOTAL	<u>32,901,526</u>	<u>35,835,084</u>	<u>38,932,456</u>	<u>42,275,665</u>
STAFFING LEVELS	112.50	112.50	112.50	105.50

MOTOR VEHICLE FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	2,119,513	2,467,626	2,591,111	2,900,906
Internal Services	199,992	192,304	203,955	203,652
Debt Service	131,751	102,546	203,265	174,023
Capitalization	(37,300)	(61,110)	0	0
Depreciation	<u>1,250,012</u>	<u>1,112,516</u>	<u>1,756,518</u>	<u>1,654,290</u>
TOTAL	<u>3,663,968</u>	<u>3,813,882</u>	<u>4,754,849</u>	<u>4,932,871</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	<u>1,458,741</u>	<u>1,827,199</u>	<u>2,005,710</u>	<u>1,197,182</u>
TOTAL	<u>1,458,741</u>	<u>1,827,199</u>	<u>2,005,710</u>	<u>1,197,182</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- In the Street Cleaning Division, seven Equipment Operator IV's and two Equipment Operator II's will be added at a first-year cost of \$397,909. These positions will support the goal of cleaner streets, along with more frequent pick-up of sidewalk trash receptacles. To partially offset the cost of the new positions, Overtime has been cut by \$40,000 in the Division, and \$230,000 of Temporary Agencies was eliminated.
- Seven Equipment Operator IV positions have been transferred from the Water/Sewer Fund into the General Fund at a total cost of \$348,597. These positions had originally been moved into the Water/Sewer Fund to account for costs associated with keeping storm sewers free from debris to minimize combined sewer overflows into waterways.
- The Rubbish Collection Division will be bolstered by six new Sanitation Workers at a projected cost of \$270,840. Staffing for the current route structure has been continually supplemented with workers "borrowed" from other divisions, causing inefficient operations in those areas.
- Allocations for Hospitalization have increased more than \$283,000 due mainly to the additional personnel to be hired.
- Due to a significant reduction in Municipal Street Aid funds provided by the State, the budget for Communications and Utilities was increased by \$425,000. This increase would be greater based on electricity rate hikes, but a pending energy audit will identify possible savings through bulk energy purchases and other methods.
- Rentals have increased by more than \$35,000. This is a contingency plan for storage of equipment in the event that the new Public Works Yard facility is not completed on a timely basis.
- Contracted Maintenance will increase by \$334,000 and will be used to supplement the Annual Minor Street Repairs project in the Capital Budget.
- Other Fees will climb by more than \$26,000. A slight increase in the amount of refuse tonnage sent to the Delaware Solid Waste Authority (DSWA) is expected. And due to an accounting change, the annual DSWA Landfill Fees Rebate will be booked as a revenue, rather than a credit to the Landfill Fees expense account. Though this change increases the Public Works Department budget by \$500,000, the net effect to the General Fund is zero.
- Miscellaneous Services are slated to increase by \$130,000. The department will utilize this appropriation to supplement manpower used for the pick-ups from sidewalk trash receptacles.
- An increase of more than \$27,000 in Miscellaneous Parts will fund the purchase of supplies for repairs to ornamental street lighting.
- The allocation for Construction & Repairs has increased by \$10,000 due to a rise in road salt costs.
- Debt Service costs have risen by more than \$917,000 as a result of borrowing for the FY 2004 Revised Capital Program.

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

- Regular Salaries will decrease by \$100,000. Wage increases negotiated in the recent labor contracts were offset by the transfer of seven Equipment Operator IV's to the General Fund (see below).
- Seven Equipment Operator IV positions have been transferred back into the General Fund from the Water/Sewer Fund at a total savings of \$348,597. These positions, originally moved into the Water/Sewer Fund in FY 2003 to reflect the costs of efforts of keeping storm sewers free from debris and thus minimizing combined sewer overflows into waterways, will now join into the larger, more flexible workforce focused on keeping the neighborhoods clean.
- Temporary Salaries have been decreased by \$38,000 as less part-time clerical assistance will be required in the department.
- Pensions increased by \$203,000 across all divisions in the department, and is attributable to a redistribution among the contribution targets for the civilian pension plans.
- Utilities have increased by some \$789,000 due to significant rate increases for both electricity and fuel oil (for heating).
- Rental Costs for the Water/Sewer Fund also include an amount for cold storage in the event of a delay in the completion of the Public Works Yard facility.
- Contracted Maintenance will climb by \$72,000 in anticipation of higher building maintenance costs.
- Miscellaneous Services have been increased by \$1.85 million. The cost of the contract to operate and maintain capital improvements at the sewage treatment plant has risen \$1.55 million. Also, there is a \$271,000 increase related to the disposal of sewage sludge. The City may be forced to use higher priced disposal methods if the State disallows the use of the sludge as a landfill cover.
- Petroleum & Chemicals will rise by \$278,500, as there have been substantial across-the-board price hikes by the suppliers of bulk chemicals and specialty materials needed to filter, purify, and test drinking water.
- Fixed Asset expenditures will grow by \$660,000 to fund needed water line improvements, valve and hydrant replacements, and to purchase GIS program software.
- Debt Service costs have increased by approximately \$100,000. Funding for the FY 2004 Revised Capital Program added \$1.9 million, while declines in existing debt service and refunding of past bond issues offset that increase by \$1.8 million.

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

- Utility costs for both Electricity and Gas (for heat) have risen by a total of \$19,000.
- Contracted Maintenance is slated to rise by nearly \$80,000 to cover body repairs to vehicles.
- Consultant costs, included within Professional Fees, are slated to fall by \$19,000 as the cost for fleet administrative services is expected to decrease.
- Miscellaneous Services, covering motor vehicle repairs, will increase by \$46,000.
- Petroleum & Chemicals has increased by \$180,000 as the cost of motor vehicle fuels has dramatically risen.

DEPARTMENT OF PUBLIC WORKS PERFORMANCE INDICATORS

Goal #1: Provide a systematic plan for special pick-up services.

Objective: Schedule and coordinate approximately 13,500 requests for special pick-ups.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 1-D and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Special Pick-Ups	14,000	13,400	16,000	12,154	13,500

Goal #2: Provide leaf collection as required.

Objective: Collect at least 280 tons of leaves from streets, sidewalks and alleys.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Tons of Leaves	400	425	400	162	280

Goal #3: Assure that City roadways are safe and passable.

Objective: Construct, repair and maintain City streets and alleyways.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 2-E and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Street Repairs (tons of "hot mix")	450	248	400	310	350

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #4: Minimize flooding problems and sewer backups.

Objective: Inspect and clean selected sewers to maintain full capacity, thereby averting backups during storm events.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Flood Problems	0	0	0	1	1

Goal #5: Generate treated wastewater that is protective of water quality needs in the Delaware River.

Objective: Zero tolerance for violating discharge limits.

Goal #5 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Violations of Discharge Limits	0	0	0	0	0

Goal #6: Produce and deliver potable water meeting quality standards protective of human health, and meeting pressure and aesthetic standards engendering a high degree of customer satisfaction.

Objective: No violations of primary drinking water standards anywhere in the system.

Goal #6 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Violations of EPA's Safe Drinking Water Act	0	0	0	0	0

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #7: Provide an operable fleet of City-owned vehicles and equipment through an outstanding preventative maintenance program.

Objective: Reduce the number of major and time-consuming breakdowns of equipment and vehicles through at least 2,500 inspections.

Goal #7 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 1-E on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Preventative Maintenance Inspections	1,400	1,525	1,500	2,300	2,500

Goal #8: Minimize waste disposal costs.

Objective: Reduce landfill tipping fees through recycling.

Goal #8 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Percent Tipping Fee Savings	1.0%	0.5%	1.0%	1.0%	10%
Tipping Fees Saved	\$24,500	\$12,250	\$24,500	\$22,500	\$250,000

Goal #9: Assure that all City streets are cleaned.

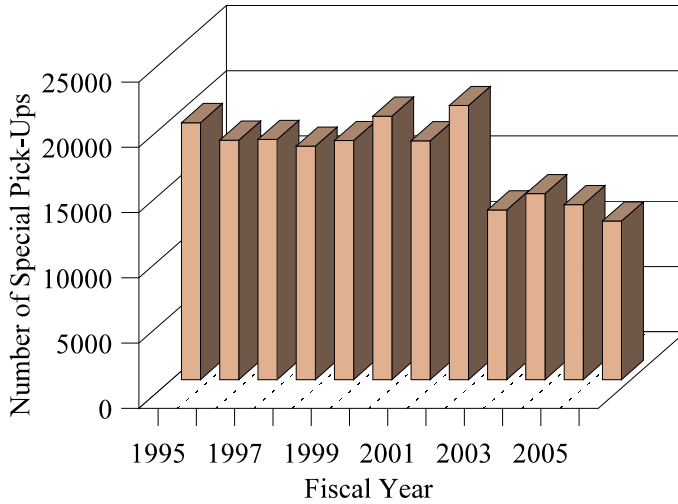
Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,500 tons of debris.

Goal #9 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	4,500	4,500	4,600	5,100	5,500

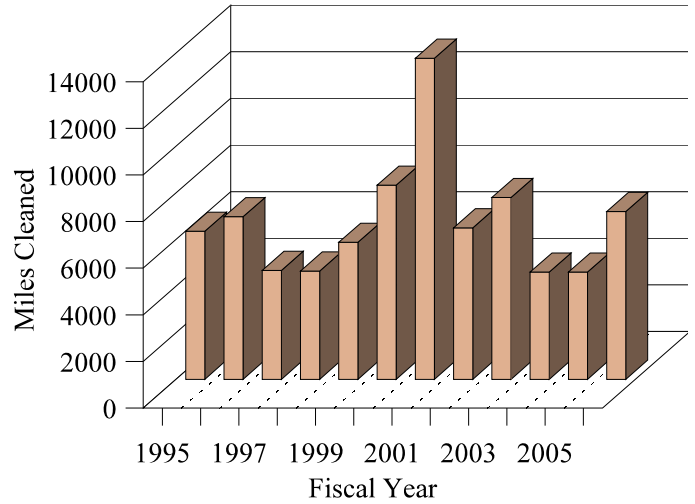
Department of Public Works Performance Trends

Special Pick-Ups



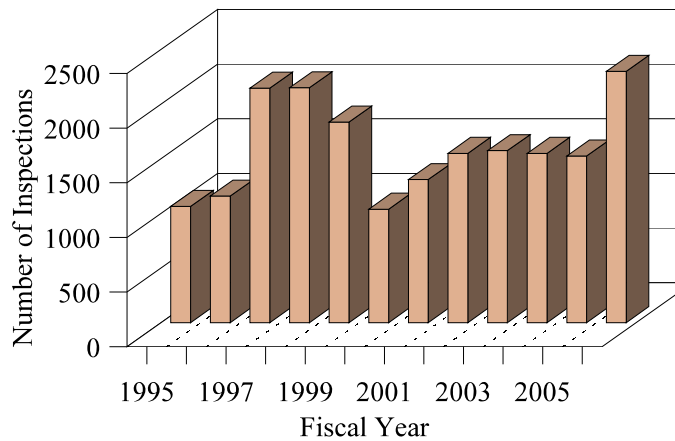
Special pick-ups involve items other than normal household trash, such as refrigerators, tires, and furniture.

Miles of Streets Cleaned



Aggressive management is required to maintain City streets in a litter free condition. FY 2001 reflects an expanded Spring Operation Clean Sweep program.

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 FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	3,094,275	3,172,520	3,330,525	4,065,910
Temporary Salaries	751	14,356	7,800	9,000
Acting Out of Class	24,098	16,183	25,200	25,464
Sick Leave Bonus	6,500	5,263	8,400	8,400
Overtime	541,471	592,368	525,000	506,791
Holiday Pay	87,653	81,836	85,000	85,000
Meal Allowance	25,288	25,143	21,700	25,000
Internet Reimbursements	1,072	1,705	680	2,180
Pension Contribution	140,795	708,771	198,529	421,447
Social Security	228,575	235,766	246,734	293,951
Medicare Tax	53,725	55,356	57,740	68,794
Hospitalization	742,977	825,005	939,465	1,220,970
Life Insurance	9,002	8,788	9,901	20,764
Pension Healthcare	25,751	64,144	37,109	85,058
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(111,515)</u>	<u>(111,515)</u>
TOTAL PERSONAL SERVICES	4,981,933	5,807,204	5,382,268	6,727,214

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	2,795	9,488	12,942	15,300
Communications & Utilities	69,115	70,854	80,080	505,300
Transportation	2,117	90	2,000	3,500
Rentals	157,561	493,097	67,089	102,600
Contracted Maintenance Repairs	888,805	831,763	974,342	1,308,620
Professional Fees	422,495	417,558	443,700	433,700
Other Fees	1,842,605	1,820,843	2,520,250	2,556,500
Memberships & Registrations	1,605	1,337	3,700	4,300
Miscellaneous Services	336,407	331,683	379,400	523,000
Office & General Supplies	5,655	4,769	8,552	9,900
Wearing Apparel & Safety Supplies	11,196	18,093	24,335	25,120
Miscellaneous Parts	90,303	90,724	86,814	114,308
Construction & Repairs	225,222	262,252	170,000	180,000
Equipment	12,772	10,370	12,500	12,650
Fixed Assets	12,190	40,932	20,500	13,500
Landfill Fees Rebate	<u>0</u>	<u>0</u>	<u>(500,000)</u>	<u>0</u>
TOTAL M., S. & E.	4,080,843	4,403,853	4,306,204	5,808,298

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Administrative Services	(440,087)	1,397,594	1,582,859	1,648,837
Self-Insurance	<u>1,475,875</u>	<u>629,305</u>	<u>454,868</u>	<u>458,806</u>
TOTAL INTERNAL SERVICES	1,035,788	2,026,899	2,037,727	2,107,643
<u>DEBT SERVICE</u>				
Principal Payments	2,004,553	2,033,077	2,521,967	3,021,755
Interest Payments	<u>1,344,281</u>	<u>1,231,772</u>	<u>1,876,236</u>	<u>2,293,782</u>
TOTAL DEBT SERVICE	3,348,834	3,264,849	4,398,203	5,315,537
GENERAL FUND TOTAL	<u>13,447,398</u>	<u>15,502,805</u>	<u>16,124,402</u>	<u>19,958,692</u>

DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	4,046,195	4,164,221	4,209,170	4,108,571
Temporary Salaries	5,685	6,945	48,000	10,000
Acting Out of Class	7,141	4,817	8,000	8,500
Shift Differential	8,781	9,878	10,000	10,000
Sick Leave Bonus	7,000	7,438	7,900	8,200
Overtime	734,765	736,935	731,994	734,334
Holiday Pay	6,227	5,550	8,000	8,000
Meal Allowance	25,305	25,390	28,398	28,898
Internet Reimbursements	2,710	2,191	3,360	3,560
Accrued Vacation Pay	(916)	9,551	0	0
Pension Contribution	189,920	856,531	261,504	464,586
Social Security	302,441	309,270	311,493	306,851
Medicare Tax	71,151	73,038	72,884	71,813
Hospitalization	784,664	843,250	985,283	962,654
Life Insurance	10,572	10,532	11,642	20,972
Pension Healthcare	31,071	73,732	44,774	73,859
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,851)</u>	<u>(1,851)</u>
TOTAL PERSONAL SERVICES	6,232,712	7,139,269	6,740,551	6,818,947

DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Printing & Advertising	73,570	31,170	39,462	36,594
Communications & Utilities	925,666	1,038,863	1,019,996	1,808,800
Transportation	4,493	6,148	6,400	15,900
Rentals	29,405	54,942	34,632	58,470
Contracted Maintenance Repairs	1,728,828	1,947,188	1,958,121	2,030,550
Professional Fees	1,912,242	1,264,848	1,916,625	1,877,000
Other Fees	171,728	178,832	216,000	239,000
Memberships & Registrations	21,579	54,308	35,650	51,300
Miscellaneous Services	10,251,895	10,820,234	13,335,178	15,187,006
Office & General Supplies	12,031	9,611	15,528	18,422
Wearing Apparel & Safety Supplies	16,284	16,120	16,000	29,500
Miscellaneous Parts	95,002	132,371	152,869	180,743
Petroleum & Chemicals	462,800	490,692	542,500	821,000
Construction & Repairs	67,680	70,929	133,098	148,770
Supporting Services	2,507,976	2,507,976	2,507,976	2,507,976
Equipment	49,504	23,305	22,500	34,000
Fixed Assets	<u>4,500,099</u>	<u>4,607,046</u>	<u>5,110,000</u>	<u>5,770,000</u>
TOTAL M., S. & E.	22,830,782	23,254,583	27,062,535	30,815,031
 <u>INTERNAL SERVICES</u>				
Administrative Services	(529,072)	552,373	584,033	639,010
Self-Insurance	<u>547,005</u>	<u>1,038,450</u>	<u>725,950</u>	<u>731,539</u>
TOTAL INTERNAL SERVICES	17,933	1,590,823	1,309,983	1,370,549
 <u>DEBT SERVICE</u>				
Amortized Bond Issue & Discount	30,489	2,166	118,736	118,736
Interest Payments	3,053,174	2,791,428	3,892,859	4,004,610
Other Fiscal Charges	<u>190,644</u>	<u>238,365</u>	<u>270,485</u>	<u>270,485</u>
TOTAL DEBT SERVICE	3,274,307	3,031,959	4,282,080	4,393,831
 <u>OTHER</u>				
Capitalization	(4,500,099)	(4,607,046)	(5,110,000)	(5,770,000)
Depreciation	<u>5,045,891</u>	<u>5,425,496</u>	<u>4,647,307</u>	<u>4,647,307</u>
TOTAL OTHER	545,792	818,450	(462,693)	(1,122,693)
 WATER/SEWER FUND TOTAL	 <u>32,901,526</u>	 <u>35,835,084</u>	 <u>38,932,456</u>	 <u>42,275,665</u>

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Communications & Utilities	38,428	36,109	40,168	59,176
Transportation	1,182	978	1,500	1,200
Rentals	62,921	49,736	41,600	49,024
Contracted Maintenance Repairs	433,742	380,944	440,240	518,192
Professional Fees	42,114	90,200	79,000	60,000
Memberships & Registrations	1,519	1,532	1,400	1,245
Miscellaneous Services	1,164,411	1,328,033	1,509,567	1,555,295
Office & General Supplies	0	0	640	512
Miscellaneous Parts	3,302	294	3,872	3,162
Petroleum & Chemicals	300,699	518,690	473,124	653,100
Construction & Repairs	21,100	0	0	0
Equipment	12,795	0	0	0
Fixed Assets	<u>37,300</u>	<u>61,110</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	2,119,513	2,467,626	2,591,111	2,900,906
<u>INTERNAL SERVICES</u>				
Administrative Services	67,752	60,064	71,711	71,408
Self-Insurance	<u>132,240</u>	<u>132,240</u>	<u>132,244</u>	<u>132,244</u>
TOTAL INTERNAL SERVICES	199,992	192,304	203,955	203,652
<u>DEBT SERVICE</u>				
Interest Payments	<u>131,751</u>	<u>102,546</u>	<u>203,265</u>	<u>174,023</u>
TOTAL DEBT SERVICE	131,751	102,546	203,265	174,023
<u>OTHER</u>				
Capitalized Expenditures	(37,300)	(61,110)	0	0
Depreciation	<u>1,250,012</u>	<u>1,112,516</u>	<u>1,756,518</u>	<u>1,654,290</u>
TOTAL OTHER	1,212,712	1,051,406	1,756,518	1,654,290
MOTOR VEHICLE FUND TOTAL	<u>3,663,968</u>	<u>3,813,882</u>	<u>4,754,849</u>	<u>4,932,871</u>

DEPARTMENT: PUBLIC WORKS

FUND: MUNICIPAL STREET AID

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Communications & Utilities	1,272,859	1,788,417	2,005,710	1,197,182
Fixed Assets	<u>185,882</u>	<u>38,782</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,458,741	1,827,199	2,005,710	1,197,182
MUNICIPAL STREET AID FUND TOTAL	<u>1,458,741</u>	<u>1,827,199</u>	<u>2,005,710</u>	<u>1,197,182</u>

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 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 2007

- Continue to administer the emergency repair program to prevent major deterioration in existing properties.
- Continue to address neglected and vacant properties in the City by working with other departments on the Vacant Property Working Group to acquire, dispose and demolish vacant properties.
- Allocate and oversee funding to the Wilmington Housing Partnership (WHP) for housing projects in targeted neighborhood revitalization areas.
- Allocate and oversee funding to subrecipients in the Housing and Transitional Housing Strategy.
- Complete prior year activities in a timely manner and meet all federal expenditure requirements.
- Continue to strengthen monitoring procedures to assure program compliance.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	1,273,860	1,591,139	1,334,730	1,159,213
Materials, Supplies & Equipment	492,877	285,873	332,941	332,738
Internal Services	144,831	138,384	175,530	60,429
Debt Service	734,109	1,132,888	1,156,660	1,174,749
Special Purpose	<u>5,951,574</u>	<u>6,358,904</u>	<u>5,402,771</u>	<u>5,786,179</u>
TOTAL	<u>8,597,251</u>	<u>9,507,188</u>	<u>8,402,632</u>	<u>8,513,308</u>
STAFFING LEVELS	21.00	21.00	20.00	16.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	202,569	303,980	175,854	99,213
Materials, Supplies & Equipment	36,048	126,949	136,000	166,000
Internal Services	54,432	43,495	64,906	54,777
Debt Service	<u>734,109</u>	<u>1,132,888</u>	<u>1,156,660</u>	<u>1,174,749</u>
TOTAL	<u>1,027,158</u>	<u>1,607,312</u>	<u>1,533,420</u>	<u>1,494,739</u>
STAFFING LEVELS	2.81	2.76	2.80	1.60

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	973,618	1,199,080	1,066,027	975,460
Materials, Supplies & Equipment	113,270	87,704	104,681	60,976
Internal Services	90,399	89,323	104,972	0
Special Purpose	<u>1,538,372</u>	<u>2,134,356</u>	<u>1,625,288</u>	<u>1,751,085</u>
TOTAL	<u>2,715,659</u>	<u>3,510,463</u>	<u>2,900,968</u>	<u>2,787,521</u>
STAFFING LEVELS	16.70	16.58	15.87	13.28

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	42,091	45,444	70,169	59,409
Materials, Supplies & Equipment	28,504	26,161	2,204	8,805
Special Purpose	<u>1,051,707</u>	<u>434,156</u>	<u>651,363</u>	<u>613,921</u>
TOTAL	<u>1,122,302</u>	<u>505,761</u>	<u>723,736</u>	<u>682,135</u>
STAFFING LEVELS	0.58	0.63	0.96	0.76

SECTION 8 FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	38,568	20,324	0	0
Materials, Supplies & Equipment	301,019	42,260	86,162	96,133
Internal Services	0	5,566	5,652	5,652
Special Purpose	<u>2,377,378</u>	<u>2,568,381</u>	<u>2,340,000</u>	<u>2,658,972</u>
TOTAL	<u>2,716,965</u>	<u>2,636,531</u>	<u>2,431,814</u>	<u>2,760,757</u>
STAFFING LEVELS	0.63	0.63	0.00	0.00

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	13,945	18,334	18,267	19,546
Materials, Supplies & Equipment	12,444	2,784	2,823	824
Special Purpose	<u>884,367</u>	<u>1,115,511</u>	<u>681,910</u>	<u>658,630</u>
TOTAL	<u>910,756</u>	<u>1,136,629</u>	<u>703,000</u>	<u>679,000</u>
STAFFING LEVELS	0.23	0.33	0.30	0.28

EMERGENCY SHELTER GRANT (ESG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Personal Services	3,069	3,977	4,413	5,585
Materials, Supplies & Equipment	1,592	15	1,071	0
Special Purpose	<u>99,750</u>	<u>106,500</u>	<u>104,210</u>	<u>103,571</u>
TOTAL	<u>104,411</u>	<u>110,492</u>	<u>109,694</u>	<u>109,156</u>
STAFFING LEVELS	0.05	0.07	0.07	0.08

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Due to Rental Quality Initiative Functions being down-sized and transferred to the Department of Licenses and Inspections, the Community Development Manager position (salary and benefits of \$78,713) is no longer needed in the Department of Real Estate and Housing and has been moved to the Economic Development Division of the Mayor's Office to enhance the Disadvantaged and Minority Business Program.
- As part of a program to encourage City residency and human resources development, the Department has allocated a total of \$30,000 to provide financial assistance to City employees purchasing a home in the City of Wilmington.
- Debt service increased by \$18,089, to a new total of \$1,174,749. This was the result of both increased payments on existing debt service and new borrowing for the Revised FY 2004 Capital Program.

SECTION 8 FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Department budgeted a total of \$96,133 in consultant costs in order to pay the administrative fees of both the Terry Apartments (\$49,549) and the Quaker Hill Apartments (\$46,584).
- Housing Assistance Payments received a one-time increase of \$318,972 in order to account for unexpended funds carried over from FY 2006.

CDBG FUNDS MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Due to the reduction in Federal Funds, the Department developed a Consolidated Plan Budget which eliminated three vacant positions from Real Estate and Housing for a savings of \$146,486. They include the salary and benefits of an Account Clerk III at \$43,324; a Senior Rehabilitation Specialist at \$52,997 and a Senior Rehabilitation Loan Specialist at \$50,165.
- A total of \$19,936 was designated for consulting fees in order to continue a number of activities, including vacant property mapping, loan automation, and management of the redevelopment of the former Prestwyk Apartment site.
- In order to pay the costs of the A-133 audit on Federal Funds and grants, the Department budgeted a total of \$23,769 in accounting fees.
- Internal service spending decreased from \$104,972 in FY 2006 down to zero. Due to the reduction in Federal Funds, the CDBG Fund will not be charged for internal services. These will instead be prorated back to the General Fund.

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

- Collectively, the HOME, HOPWA, and ESG Funds decreased \$66,169, down to a total of \$1,470,291. The funding for these programs has been cut by the Federal Government.

DEPARTMENT OF REAL ESTATE AND HOUSING PERFORMANCE INDICATORS

Goal #1: Housing Rehabilitation Program: Preservation of Existing Occupied Housing

Objective: Rehabilitate 317 occupied housing units through the City.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Emergency/Critical Repair Program (CDBG)	50	42	60	48	45
Housing Rehabilitation (State: HRLP)	24	7	8	25	15
Housing Acquisition and Rehabilitation (HOME)*	36	27	15	31	51
Special HUD Vacant Grant (EDI)	0	0	0	9	0
Section 8 Acquisition Rehab	0	0	0	8	0
HOPWA-Rehab	0	0	0	16	0
Tax Credit Projects (HOME)**	50	18	16	0	0
CDBG Acquisition and Housing Rehab*	14	16	15	58	30
Facade	147	141	177	94	125
De-lead Delaware	0	0	17	2	48
Corner Vacants	8	6	8	7	3
Total Occupied Rehabs	329	257	316	298	317

* Allocated to Wilmington Housing Partnership in FY 2007

** Program ended in FY 2005

DEPARTMENT OF REAL ESTATE AND HOUSING PERFORMANCE INDICATORS

Goal #2: Eliminate slums and blighted properties that lead to substandard living conditions.

Objective: Reduce the number of properties in RE&H property inventory to 89.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Vacant Properties Acquired	15	21	25	22	12
Vacant Properties Disposed	30	49	15	22	37
Structures/Lots in Property Inventory	127	114	124	114	89

Goal #3: Administer Grants to meet Human Service and Facilities Needs.

Objective: Administer funding for 21 human service projects

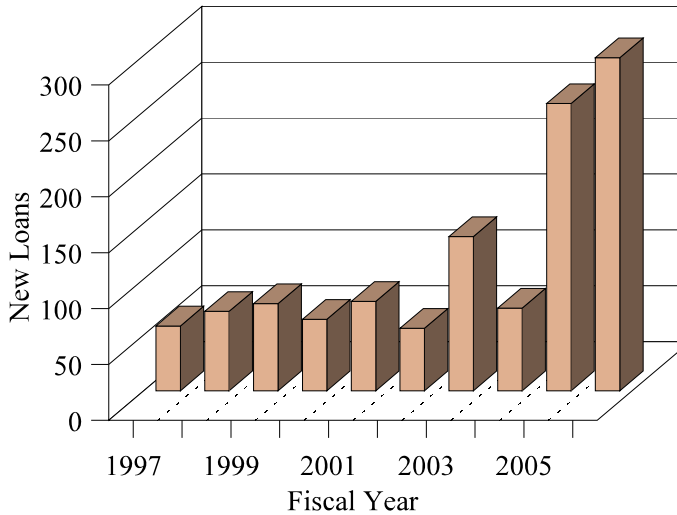
Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 21.

CRITICAL INDICATOR	FY 2005 PROJECTED	FY 2005 ACTUAL	FY 2006 PROJECTED	FY 2006 ACTUAL	FY 2007 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	21	21	18	18	18
Youth and Family Grants (CDBG)*	10	10	0	0	0
Fair Housing Grants (CDBG)	2	3	3	3	3
Capital Facility Projects	0	4	4	4	0
Total Number of Contracts	33	38	25	25	21

*Program ended in FY 2006

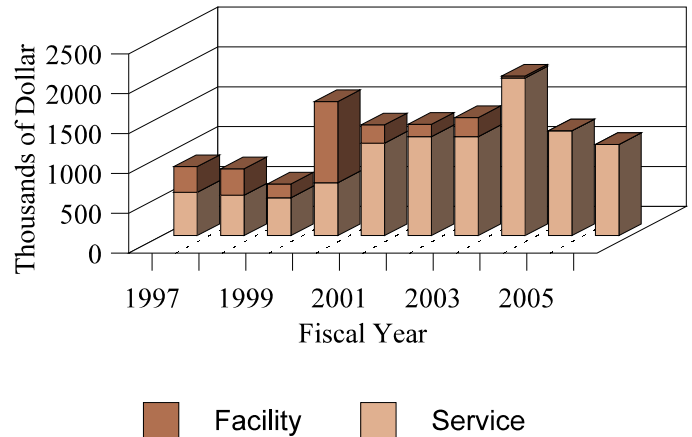
Department of Real Estate and Housing Performance Trends

Housing Rehabilitation Loans



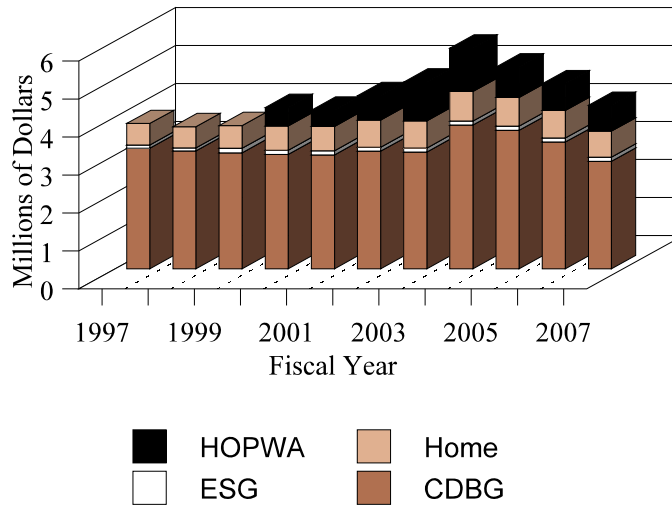
Housing Rehabilitation Loans are made to owner-occupants and investors. Funding is from CDBG, HOME, Federal Lead Paint Reduction Grant and State HRLP. The increase in FY 2005 is due to the Facade Program Project, where an entire city block is done at one time, averaging \$2,500 per unit.

Public Service/Public Facility Grants



This chart represents federally funded projects. Public Facilities Grants were phased out in FY 2004.

Federal Funding Levels



HOPWA was first funded in FY 2000. Funding from the four Federal Fund sources declined by 12% from FY 2006 to FY 2007.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	160,856	152,300	137,928	79,889
Sick Leave Bonus	15	0	0	0
Internet Reimbursements	88	46	0	0
Pension Contribution	5,611	100,185	7,398	7,298
Social Security	9,364	22,965	8,551	4,953
Medicare Tax	2,192	2,138	2,000	1,158
Hospitalization	23,164	24,062	26,316	12,449
Life Insurance	306	307	321	408
Pension Healthcare	973	1,977	1,402	1,120
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,062)</u>	<u>(8,062)</u>
TOTAL PERSONAL SERVICES	202,569	303,980	175,854	99,213
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	0	217	0	0
Printing and Advertising	0	2,500	0	0
Rentals	358	0	0	0
Miscellaneous Services	2,211	4,864	6,000	6,000
Wearing App & Safety	266	0	0	0
Miscellaneous Services	690	0	0	0
Equipment	5,851	500	0	0
Fixed Assets	647	3,415	0	0
Community Activities	<u>26,025</u>	<u>115,453</u>	<u>130,000</u>	<u>160,000</u>
TOTAL M., S. & E.	36,048	126,949	136,000	166,000
<u>INTERNAL SERVICES</u>				
Administrative Services	55,921	41,069	63,192	53,039
Self-Insurance	<u>(1,489)</u>	<u>2,426</u>	<u>1,714</u>	<u>1,738</u>
TOTAL INTERNAL SERVICES	54,432	43,495	64,906	54,777
<u>DEBT SERVICE</u>				
Principal Payments	223,812	631,523	646,697	650,648
Interest Payments	<u>510,297</u>	<u>501,365</u>	<u>509,963</u>	<u>524,101</u>
TOTAL DEBT SERVICE	734,109	1,132,888	1,156,660	1,174,749
GENERAL FUND TOTAL	<u>826,593</u>	<u>1,607,312</u>	<u>1,533,420</u>	<u>1,494,739</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2004</u>	<u>ACTUAL FY2005</u>	<u>BUDGET FY2006</u>	<u>APPROVED FY2007</u>
Regular Salaries	732,178	<u>775,359</u>	798,739	709,727
Temporary Salaries	20,634	22,092	25,000	30,000
Sick Leave Bonus	285	0	0	0
Internet Reimbursements	861	781	0	0
Pension Contribution	37,144	200,048	51,563	64,124
Social Security	46,841	49,592	51,072	45,864
Medicare Tax	15,147	11,598	11,941	10,727
Hospitalization	118,767	136,621	125,882	102,107
Pension-Healthcare	0	1,198	0	9,296
Life Insurance	<u>1,761</u>	<u>1,791</u>	<u>1,830</u>	<u>3,615</u>
TOTAL PERSONAL SERVICES	973,618	1,199,080	1,066,027	975,460
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	2,711	2,165	2,000	2,000
Communications & Utilities	364	989	500	500
Transportation	2,670	2,201	4,000	4,000
Rentals	0	237	150	400
Contracted Maintenance Repairs	0	14	0	0
Professional Fees	62,181	56,500	72,031	34,076
Other Fees	364	2,191	3,000	3,000
Memberships & Registrations	6,162	7,385	6,500	6,500
Miscellaneous Services	3,313	3,633	3,500	3,500
Office & General Supplies	3,145	3,613	3,000	3,000
Wearing Apparel & Safety	2,221	2,808	3,000	3,000
Equipment	12,283	4,012	1,000	1,000
Fixed Assets	<u>17,856</u>	<u>1,956</u>	<u>6,000</u>	<u>0</u>
TOTAL M., S. & E.	113,270	87,704	104,681	60,976
<u>INTERNAL SERVICES</u>				
Administrative Services	90,399	84,055	99,700	0
Self-Insurance	<u>0</u>	<u>5,268</u>	<u>5,272</u>	<u>0</u>
TOTAL INTERNAL SERVICES	90,399	89,323	104,972	0
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>1,538,372</u>	<u>2,134,356</u>	<u>1,625,288</u>	<u>1,751,085</u>
TOTAL SPECIAL PURPOSE	1,538,372	2,134,356	1,625,288	1,751,085
CDBG FUND TOTAL	<u>2,715,659</u>	<u>3,510,463</u>	<u>2,900,968</u>	<u>2,787,521</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Brandywine Council Outreach			38,912	36,577
CDBG Eligible Housing			400,000	0
Clearance			388,839	380,000
DE Center for Justice Short-Term Housing			29,184	27,433
Disposition & Property Management			0	33,845
Eastlawn Human Services Emergency Shelter			14,592	13,716
Emergency/Critical Repairs Program			300,000	0
Facade Program			60,000	0
Fair Housing (to be determined by RFP)			30,000	30,000
Homeless Planning Council			20,000	18,800
Lutheran Community Services for the Homeless			24,320	22,861
Ministry of Caring/Hope House I			24,222	22,769
Ministry of Caring/Hope II and III			32,220	30,287
Ministry of Caring/House of Joseph I			18,103	17,017
Property Repair Fund			0	300,000
Rental Quality Initiative (CLASI)			0	50,000
Salvation Army "Code Purple" Cold Weather			13,840	8,904
SBM Housing Supportive Services			14,592	0
Street Trees (DCH)			60,000	60,000
WEDCO (fee for loan collections)			30,000	30,000
West End Neighborhood House Lifelines Transit			34,048	32,005
Wilmington Housing Partnership			0	550,000
YWCA Home Life Mngt. Transitional Housing			92,416	86,871
FY 2004 Expenditures	1,538,372		0	0
FY 2005 Expenditures	<u>0</u>	<u>2,134,356</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>1,538,372</u>	<u>2,134,356</u>	<u>1,625,288</u>	<u>1,751,085</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	31,985	33,636	51,401	43,095
Internet Reimbursements	5	95	0	0
Pension Contribution	1,903	2,238	4,343	4,013
Social Security	1,729	1,999	3,187	2,672
Medicare Tax	405	467	745	624
Hospitalization	6,001	6,893	10,386	8,253
Pension-Healthcare	0	47	0	532
Life Insurance	63	69	107	220
TOTAL PERSONAL SERVICES	42,091	45,444	70,169	59,409
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	28,504	26,161	2,204	8,805
TOTAL M., S. & E.	28,504	26,161	2,204	8,805
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	1,051,707	434,156	651,363	613,921
TOTAL SPECIAL PURPOSE	1,051,707	434,156	651,363	613,921
HOME PARTNERSHIP FUND TOTAL	<u>1,122,302</u>	<u>505,761</u>	<u>723,736</u>	<u>682,135</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
CHDO Set-aside			108,561	102,320
HOME Eligible Housing Activities			542,802	511,601
FY 2004 Expenditures	1,051,707		0	0
FY 2005 Expenditures	0	434,156	0	0
GRANTS & FIXED CHARGES TOTAL	<u>1,051,707</u>	<u>434,156</u>	<u>651,363</u>	<u>613,921</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: SECTION 8

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	31,020	7,327	0	0
Internet Reimbursements	4	6	0	0
Pension Contribution	1,364	12,362	0	0
Social Security	2,006	250	0	0
Medicare Tax	469	58	0	0
Hospitalization	3,640	305	0	0
Pension-Healthcare	0	7	0	0
Life Insurance	<u>65</u>	<u>9</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	38,568	20,324	0	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Acquisition	300,000	0	0	0
Professional Fees	<u>1,019</u>	<u>42,260</u>	<u>86,162</u>	<u>96,133</u>
TOTAL M., S. & E.	301,019	42,260	86,162	96,133
<u>INTERNAL SERVICES</u>				
Self-Insurance	0	228	0	0
Administrative Services	<u>0</u>	<u>5,338</u>	<u>5,652</u>	<u>5,652</u>
TOTAL INTERNAL SERVICES	0	5,566	5,652	5,652
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>2,377,378</u>	<u>2,568,381</u>	<u>2,340,000</u>	<u>2,658,972</u>
TOTAL SPECIAL PURPOSE	2,377,378	2,568,381	2,340,000	2,658,972
SECTION 8 FUND TOTAL	<u>2,716,965</u>	<u>2,636,531</u>	<u>2,431,814</u>	<u>2,760,757</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOPWA

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	11,635	15,021	14,872	15,501
Internet Reimbursements	19	26	0	0
Pension Contribution	617	868	1,091	1,391
Social Security	756	954	922	961
Medicare Tax	177	223	216	225
Hospitalization	716	1,183	1,131	1,194
Pension-Healthcare	0	34	0	196
Life Insurance	<u>25</u>	<u>25</u>	<u>35</u>	<u>78</u>
TOTAL PERSONAL SERVICES	13,945	18,334	18,267	19,546
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>12,444</u>	<u>2,784</u>	<u>2,823</u>	<u>824</u>
TOTAL M. S. & E.	12,444	2,784	2,823	824
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>884,367</u>	<u>1,115,511</u>	<u>681,910</u>	<u>658,630</u>
TOTAL SPECIAL PURPOSE	884,367	1,115,511	681,910	658,630
HOPWA FUND TOTAL	<u>910,756</u>	<u>1,136,629</u>	<u>703,000</u>	<u>679,000</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Catholic Charities Homeless Prevention			38,912	36,577
Cecil County Emergency Assistance			21,402	24,036
DE HIV Consortium Housing Assistance			568,092	534,006
Ministry of Caring-House of Joseph II			53,504	50,294
SBA Housing Supportive Services			0	13,717
FY 2004 Expenditures	884,367		0	0
FY 2005 Expenditures	<u>0</u>	<u>1,115,511</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>884,367</u>	<u>1,115,511</u>	<u>681,910</u>	<u>658,630</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: ESG

PERSONAL SERVICES	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Regular Salaries	2,558	3,260	3,601	4,429
Internet Reimbursements	5	6	0	0
Pension Contribution	133	185	250	398
Social Security	166	207	223	275
Medicare Tax	39	48	52	64
Hospitalization	163	259	279	341
Pension Healthcare	<u>0</u>	5	0	56
Life Insurance	<u>5</u>	<u>7</u>	<u>8</u>	<u>22</u>
TOTAL PERSONAL SERVICES	3,069	3,977	4,413	5,585
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>1,592</u>	<u>15</u>	<u>1,071</u>	<u>0</u>
TOTAL M. S. & E	1,592	15	1,071	0
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>99,750</u>	<u>106,500</u>	<u>104,210</u>	<u>103,571</u>
TOTAL SPECIAL PURPOSE	99,750	106,500	104,210	103,571
EMERGENCY SHELTER GRANT				
FUND TOTAL	<u>104,411</u>	<u>110,492</u>	<u>109,694</u>	<u>109,156</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Salvation Army Emergency Housing			67,244	63,209
Salvation Army Emergency Housing			0	5,741
Sojourners Place Transitional Housing			36,966	34,748
FY 2004 Expenditures	99,750		0	0
FY 2005 Expenditures	<u>0</u>	<u>106,500</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>99,750</u>	<u>106,500</u>	<u>104,210</u>	<u>103,698</u>

DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed new commerce and industry within the City of Wilmington while working to retain existing businesses. It also managed and marketed 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 principal 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 provided by the State Transportation Fund and given to the City as final consideration and in lieu of all future outstanding payments that were obligated by the Port to be made to the City as a result of the Fiscal Year 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 Fiscal Year 2002 to Fiscal Year 2005. However, the reimbursement of debt was not affected by this new agreement.

As a result of reclassifying the Commerce Fund from an Enterprise Fund to a Special Revenue Fund, principal payments will now be expensed, whereas when it was an Enterprise Fund, only interest payments were expensed. Therefore, both interest and principal payments are budgeted.

SUMMARY OF FUNDING FOR THE COMMERCE FUND

COMMERCE FUND DEPARTMENT OF COMMERCE	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Materials, Supplies & Equipment	100,081	213,635	32,000	0
Debt Service	5,852,477	5,465,745	5,751,402	5,386,941
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>5,952,558</u>	<u>5,679,380</u>	<u>5,783,402</u>	<u>5,386,941</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: COMMERCE

MATERIALS, SUPPLIES, & EQUIPMENT	ACTUAL FY2004	ACTUAL FY2005	BUDGET FY2006	APPROVED FY2007
Professional Fees	0	0	0	0
Communications & Utilities	19,130	10,270	16,000	0
Insurance	0	0	0	0
Contracted Maintenance	1,637	177,599	16,000	0
Other Fees	0	0	0	0
Miscellaneous Services	8,543	0	0	0
Fixed Assets/Add. & Imp. to Bldg.	70,771	25,766	0	0
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	100,081	213,635	32,000	0
<u>DEBT SERVICE</u>				
Amortized Bond Issue & Discount	0	0	0	0
Principal Payments	3,978,072	4,080,206	4,064,033	4,382,362
Interest Payments	1,874,405	1,385,539	1,417,124	1,004,579
Other Fiscal Charges	<u>0</u>	<u>0</u>	<u>270,245</u>	<u>0</u>
TOTAL DEBT SERVICE	5,852,477	5,465,745	5,751,402	5,386,941
<u>OTHER</u>				
Depreciation	0	0	0	0
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER	0	0	0	0
COMMERCE FUND TOTAL	<u>5,952,558</u>	<u>5,679,380</u>	<u>5,783,402</u>	<u>5,386,941</u>

CAPITAL IMPROVEMENTS PROGRAM

AND

CAPITAL BUDGET

FOR

FISCAL YEARS 2006 - 2011

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 2006 - FY 2011 period.

II. A Guide to the Capital Improvements Program

A. The 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 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. Improvement of City-owned property, including new construction, site improvements, additions and rehabilitation of existing structures. However, only rehabilitation projects exceeding \$2,000 are considered capital projects.
3. Major replacement facilities, such as roofs, heating, plumbing, and electrical systems.
4. Preliminary studies and surveys pursuant to acquisition, construction or rehabilitation of City-owned property.
5. Purchase of specialized equipment and furniture for public improvements when first erected or acquired.
6. Cash contributions when necessary to fulfill the City's obligation in federally-assisted programs of a capital nature.
7. Improvements to City-owned public utilities, such as sewers, water mains, fire hydrants, streets, and catch basins.
8. 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 improvement 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 2006 - 2011

The proposed six year Capital Budget and Capital Improvements Program totals \$148,825,000, with the FY 2006 Capital Budget representing \$62,773,000 and the five year Program adding \$86,052,000. A breakdown of these costs and the project descriptions are provided in the following pages.

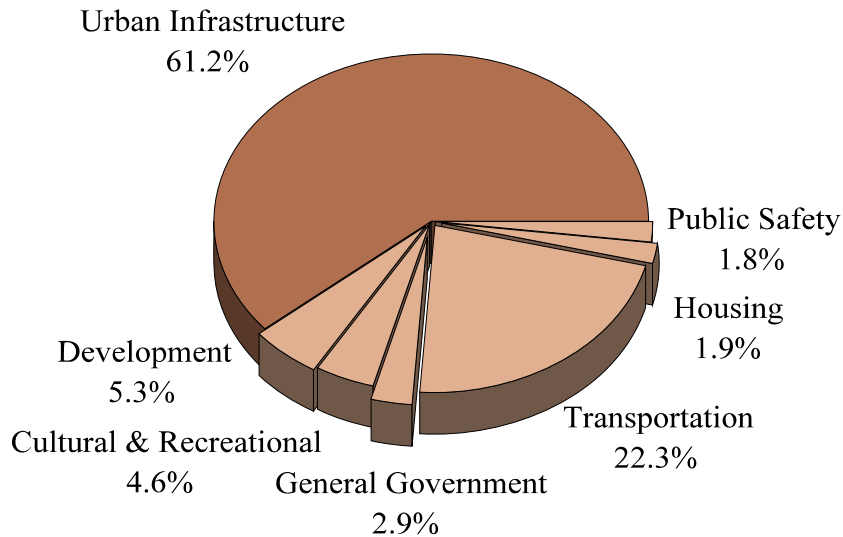
G. Impact of Capital Spending on the Operating Budget

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 cost that would result from bonds issued to fund the Capital Budget would be \$6,813,333.

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).

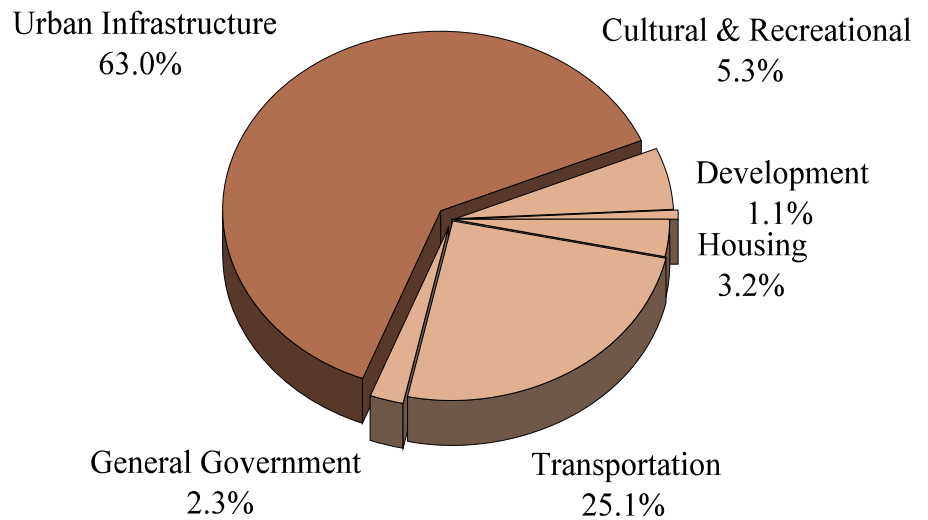
Capital Budget Allocations

Fiscal Years 2006-2007



Capital Program Allocations

Fiscal Years 2008-2011



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	FUND	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2006	2007	2008	2009	2010	2011	
PARKS AND RECREATION	G	2,877.5	0	1,980	0	1,810	0	6,667.5
	O	17.5	0	750	0	0	0	767.5
PUBLIC WORKS	G	8,010	0	5,205	0	5,560	0	18,775
	W	30,395	0	22,460	0	20,985	0	73,840
FIRE	G	1,120	0	0	0	0	0	1,120
FINANCE	G	876	0	304	0	314	0	1,494
	W	912	0	674	0	630	0	2,216
	C	15	0	15	0	15	0	45
TRANSPORTATION	G	1,850	0	1,700	0	1,600	0	5,150
	O	12,150	0	9,900	0	8,400	0	30,450
OFFICE OF THE MAYOR	G	2,850	0	0	0	0	0	2,850
	C	500	0	500	0	500	0	1,500
REAL ESTATE & HOUSING	G	1,200	0	1,250	0	1,500	0	3,950
TOTAL BY FUND	G	18,783.5	0	10,439	0	10,784	0	40,006.5
	O	12,167.5	0	10,650	0	8,400	0	31,217.5
	W	31,307	0	23,134	0	21,615	0	76,056
	C	515	0	515	0	515	0	1,545
GRAND TOTAL		62,773	0	44,738	0	41,314	0	148,825

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

SUMMARY: DEPARTMENTAL FUNDS RECOMMENDED BY EXPENDITURE CATEGORY

NAME OF DEPARTMENT	EXPENDITURE CATEGORY	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2006	2007	2008	2009	2010	2011		
PARKS AND RECREATION	UE	2,175	0	1,045	0	1,075	0	4,295	4,295
	RE	720	0	1,685	0	735	0	2,372.5	3,140
PUBLIC WORKS	NS	2,800	0	2,800	0	2,800	0	8,400	8,400
	NR	1,000	0	1,500	0	1,000	0	3,500	3,500
	UE	17,600	0	8,000	0	6,500	0	32,100	32,100
	RE	17,005	0	15,365	0	16,245	0	48,615	48,615
FIRE	RE	1,120	0	0	0	0	0	1,120	1,120
FINANCE	NS	180	0	137	0	144	0	461	461
	NR	30	0	45	0	30	0	105	105
	UE	689	0	322	0	275	0	1,286	1,286
	RE	904	0	489	0	510	0	1,903	1,903
TRANSPORTATION	UE	14,000	0	11,600	0	10,000	0	5,150	35,600
OFFICE OF THE MAYOR	NS	2,000	0	500	0	500	0	3,000	3,000
	UE	1,350	0	0	0	0	0	1,350	1,350
REAL ESTATE & HOUSING	NS	1,200	0	1,250	0	1,500	0	3,950	3,950
TOTAL BY CATEGORY	New Service	6,180	0	4,687	0	4,944	0	15,811	15,811
	New Replace Existing	1,030	0	1,545	0	1,030	0	3,605	3,605
	Upgrade Existing	35,814	0	20,967	0	17,850	0	44,181	74,631
	Restore Existing	19,749	0	17,539	0	17,490	0	54,010.5	54,778
GRAND TOTAL		62,773	0	44,738	0	41,314	0	117,607.5	148,825

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

PARKS & RECREATION DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR											
	FUND	EXPENDITURE CATEGORY	FISCAL YEARS							TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2006	2007	2008	2009	2010	2011			
General Park Improvements	G	UE	380	0	410	0	440	0	1,230	1,230	
Spencer Plaza Renovations	G	UE	495	0	0	0	0	0	495	495	
Plaza, Fountains, & Site Renovations	G	UE	390	0	0	0	0	0	390	390	
Anderson Center Renov. - Phases III & IV	G	RE	380	0	380	0	430	0	1,190	1,190	
Swimming Pool & Boathouse Renovations	G	UE	230	0	230	0	230	0	690	690	
Ballfield & Swimming Pool Fencing	G	RE	275	0	275	0	275	0	825	825	
Monument Restorations	G	UE	275	0	0	0	0	0	275	275	
City Squares & Beautification	G	UE	405	0	405	0	405	0	1,215	1,215	
East 7th St. Boat Ramp Engineering & Repair	G	RE	17.5	0	250	0	0	0	267.5	267.5	
	O		17.5	0	750	0	0	0	0	767.5	
Parks Identification/Signage Project	G	RE	30	0	30	0	30	0	90	90	
TOTAL BY FUND			2,877.5	0	1,980	0	1,810	0	6,667.5	6,667.5	
	O		17.5	0	750	0	0	0	0	767.5	
TOTAL PARKS AND RECREATION FUNDS			2,895	0	2,730	0	1,810	0	6,667.5	7,435	

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	FUND	EXPENDITURE CATEGORY	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2006	2007	2008	2009	2010	2011		
Street Paving & Reconstruction	G	RE	5,610	0	4,405	0	4,760	0	14,775	14,775
City/County Building Renovations	G	UE	2,100	0	500	0	500	0	3,100	3,100
Traffic Signs, Signals & Equipment	G	RE	300	0	300	0	300	0	900	900
Annual Water Improvements	W	RE	2,500	0	3,000	0	3,000	0	8,500	8,500
Large Transmission Main Projects	W	NR	1,000	0	1,500	0	1,000	0	3,500	3,500
Pumping Improvements	W	RE	2,000	0	1,000	0	1,000	0	4,000	4,000
Porter Filter Plant Improvements	W	UE	3,000	0	1,500	0	1,500	0	6,000	6,000
Hoopes Dam	W	UE	3,500	0	2,000	0	500	0	6,000	6,000
Brandywine Filter Plant Improvements	W	UE	1,000	0	4,000	0	4,000	0	9,000	9,000
Cool Springs Reservoir	W	UE	8,000	0	0	0	0	0	8,000	8,000
Architectural Rehabilitation	W	RE	1,000	0	1,000	0	1,500	0	3,500	3,500
Brandywine Raceway Rehabilitation	W	RE	1,000	0	1,000	0	1,000	0	3,000	3,000
CSO # 27 & Rockford Rd. Construction	W	NS	2,000	0	2,000	0	2,000	0	6,000	6,000
Annual Minor Sewage Construction & Drainage	W	RE	2,595	0	2,600	0	2,625	0	7,820	7,820
City Sewer Construction	W	NS	800	0	800	0	800	0	2,400	2,400
Sewer Improvements	W	RE	2,000	0	2,060	0	2,060	0	6,120	6,120
TOTAL BY FUND	G		8,010	0	5,205	0	5,560	0	18,775	18,775
	W		30,395	0	22,460	0	20,985	0	73,840	73,840
TOTAL PUBLIC WORKS FUNDS			38,405	0	27,665	0	26,545	0	92,615	92,615

CAPITAL IMPROVEMENTS PROGRAM
 FISCAL YEARS 2006-2011
 (000 omitted)

FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

EXPENDITURE	FUND	CATEGORY	FISCAL YEARS					TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2006	2007	2008	2009	2010		
Fire Station Renovations	G	RE	1,000	0	0	0	0	0	1,000
Fire Station Painting	G	RE	120	0	0	0	0	0	120
TOTAL BY FUND	G		1,120	0	0	0	0	0	1,120
TOTAL FIRE FUNDS			1,120	0	0	0	0	0	1,120

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental
 Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

FUND	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR PERIOD	TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
	2006	2007	2008	2009	2010	2011			
Five Percent For Art	339	0	0	0	0	0	339	339	339
Cost of Bond Issue (General Fund)	537	0	304	0	314	0	1,155	1,155	1,155
Cost of Bond Issue (Water/Sewer Fund)	912	0	674	0	630	0	2,216	2,216	2,216
Cost of Bond Issue (Commerce Fund)	15	0	15	0	15	0	45	45	45
TOTAL BY FUND	876	0	304	0	314	0	1,494	1,494	1,494
	912	0	674	0	630	0	2,216	2,216	2,216
	15	0	15	0	15	0	45	45	45
TOTAL FINANCE FUNDS	1,803	0	993	0	959	0	3,755	3,755	3,755

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

DIVISION OF TRANSPORTATION: PROGRAM RECOMMENDATION BY FISCAL YEAR

	FUND	EXPENDITURE CATEGORY	FISCAL YEARS								TOTAL LOCAL FUNDS 6 YEAR PERIOD	TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2006	2007	2008	2009	2010	2011					
Wilmington Signal Improvements - Phase II	G	UE	250	0	100	0	0	0	0	0	350	350	
	O		3,750	0	1,500	0	0	0	0	0	0	5,250	
Neighborhood Transportation Enhancements	G	UE	400	0	400	0	400	0	400	0	1,200	1,200	
	O		3,600	0	3,600	0	3,600	0	3,600	0	0	10,800	
Wilmington Transportation Initiatives	G	UE	1,200	0	1,200	0	1,200	0	1,200	0	3,600	3,600	
	O		4,800	0	4,800	0	4,800	0	4,800	0	0	14,400	
TOTAL BY FUND	G		1,850	0	1,700	0	1,600	0	1,600	0	5,150	5,150	
	O		12,150	0	9,900	0	8,400	0	8,400	0	0	30,450	
TOTAL TRANSPORTATION FUNDS			14,000	0	11,600	0	10,000	0	10,000	0	5,150	35,600	

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

	FUND	EXPENDITURE CATEGORY	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2006	2007	2008	2009	2010	2011		
N.P.C.'s Infrastructure Support	G	UE	600	0	0	0	0	0	600	600
Grand Opera House	G	UE	750	0	0	0	0	0	750	750
Diamond State Sports & Learning (Community) Center	G	NS	1,500	0	0	0	0	0	1,500	1,500
Economic Development Project Fund	C	NS	500	0	500	0	500	0	1,500	1,500
TOTAL BY FUND			2,850	0	0	0	0	0	2,850	2,850
	C		500	0	500	0	500	0	1,500	1,500
TOTAL MAYOR'S OFFICE FUNDS			3,350	0	500	0	500	0	4,350	4,350

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2006-2011
(000 omitted)

REAL ESTATE & HOUSING DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

EXPENDITURE	FUND	CATEGORY	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
			2006	2007	2008	2009	2010	2011		
Housing Partnership	G	NS	250	0	500	0	500	0	1,250	1,250
Acquisition & Demolition	G	NS	950	0	750	0	1,000	0	2,700	2,700
TOTAL BY FUND	G		1,200	0	1,250	0	1,500	0	3,950	3,950
TOTAL REAL ESTATE & HOUSING FUNDS			1,200	0	1,250	0	1,500	0	3,950	3,950

Fund: G - General; W - Water/Sewer; C - Commerce; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See pages 232-233)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2006 - 2011

A. PARKS AND RECREATION

1. General Park Improvements

Budget Request: \$380,000.
Program Request: \$850,000.

Budget: Ongoing City-wide facility improvements to include playground equipment renewals, additions and improvements, and infrastructure improvements (paving, court resurfacing and miscellaneous projects), to meet the necessary safety standards.

Program: Ongoing.

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

2. Spencer Plaza Renovations

Budget Request: \$495,000.
Program Request: \$0.

Budget: Funds to address the complete renovation of the site, including paving, drainage, landscaping, seating and design. Engineering study is underway to develop a conceptual plan for the site.

Program: None.

<i>Annual Debt Service Impact</i>	\$36,185
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. Plaza, Fountains and Site Renovations

Budget Request: \$390,000.
Program Request: \$0.

Budget: Repairs and upgrades, including electrical lighting tile work, pumps and copings for decorative downtown fountains.

Program: None.

<i>Annual Debt Service Impact</i>	\$28,509
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. **Anderson Center Renovation Phase III and IV**

Budget Request: \$380,000.
Program Request: \$810,000.

Budget: Continued renovation work to all building systems for the William Hicks Anderson Center, including HVAC, roofing, security, fire suppression and fencing.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$27,778
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$5,000)

5. **Swimming Pool and Bathhouse Renovations**

Budget Request: \$230,000.
Program Request: \$460,000.

Budget: Various upgrades (plumbing, electrical, etc.) to City pools. Installation of toddler wading pool with separate filtering system at Price's Run Pool.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$16,813
<i>Annual Operational Impact Personal Services</i>	(\$3,000)
<i>Annual Operational Impact M. S. & E.</i>	(\$4,000)

6. **Ballfield and Swimming Pool Fencing**

Budget Request: \$275,000.
Program Request: \$550,000.

Budget: Replacement of aging fences, backstops and dugouts at athletic and swimming facilities to address safety and security issues.

Program: Replacement of deteriorating tile pavers and steps in the Spencer Plaza to address safety and ADA accessibility issues. Replace trees and pavement along French Street as needed.

<i>Annual Debt Service Impact</i>	\$20,102
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

7. **Monument Restoration**

Budget Request: \$275,000.
Program Request: \$0.

Budget: Cleaning and restoration of various monuments, including site work, landscaping, lighting and paving improvements.

Program: None.

<i>Annual Debt Service Impact</i>	\$20,102
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$500

8. **City Squares and Beautification**

Budget Request: \$405,000.
Program Request: \$810,000.

Budget: Planning and installation of various design and landscape elements at parks, along medians and in community squares throughout the City, at the recommendation of the City's Beautification Commission.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$29,606
<i>Annual Operational Impact Personal Services</i>	\$6,000
<i>Annual Operational Impact M. S. & E.</i>	\$3,000

9. **East 7th Street Boat Ramp Engineering and Repair**

Budget Request: \$17,500.
Program Request: \$250,000.

Budget: Funds for engineering study and repairs to address the existing damage to the concrete boat ramp on the East 7th Street Peninsula.

Program: Replacement and/or repairs to the boat ramp and security gate.

<i>Annual Debt Service Impact</i>	\$1,279
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

10. **Parks Identification / Signage Project**

Budget Request: \$30,000.
Program Request: \$60,000.

Budget: Replacement and standardization of park identification signage for City-wide park locations.

Program: Ongoing

<i>Annual Debt Service Impact</i>	\$2,193
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

B. PUBLIC WORKS DEPARTMENT

1. **Street Paving and Reconstruction**

Budget Request: \$5,610,000.
Program Request: \$9,165,000.

Budget: To provide funds for routine street paving and reconstruction of deteriorated roadways throughout the City to maintain infrastructure.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$410,091
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. **City/County Building Renovations**

Budget Request: \$2,100,000.
Program Request: \$1,000,000.

Budget: To provide for the City's share of costs associated with the renovation to the City/County Building, including Council Chambers and Lobby, security and systems upgrades.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$153,510
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$3,000)

3. **Traffic Signs, Signals and Equipment**

Budget Request: \$300,000.
Program Request: \$600,000.

Budget: To provide for the purchase of traffic controllers, traffic signals, traffic poles and street light poles to maintain the existing traffic control system.

Program: Ongoing.

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

4. **Annual Water System Improvements**

Budget Request: \$2,500,000.
Program Request: \$6,000,000.

Budget: To provide for the annual cleaning and lining of water mains, new and replacement mains, service line renewal, valve/hydrant maintenance program, and the purchase of all appurtenances (i.e., hydrants, valves, etc.) necessary to maintain the distribution system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$100,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$20,000

5. **Large Transmission Main Projects (48" Water Main)**

Budget Request: \$1,000,000.
Program Request: \$2,500,000.

Budget: Replacement of the 48" finished water transmission main to assure reliability.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$40,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

6. **Pumping Improvements**

Budget Request: \$2,000,000.
Program Request: \$2,000,000.

Budget: To rehabilitate existing finished water and raw water pumps and electrical systems within the water system.

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>

7. **Porter Filter Plant Improvements**

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

Budget: Treatment improvements necessary to meet the new Safe Drinking Water Act regulations for water quality and to improve operational efficiency. Continuous monitoring of real time data through the SCADA system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$120,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. **Hoopes Dam**

Budget Request: \$3,500,000.
Program Request: \$2,500,000.

Budget: To provide for improvements such as reinforcing dam stability, modifying overflow and spillway, and reconfiguring the outlet works to insure properly functioning operation and safe storage.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$140,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. **Brandywine Filter Plant Improvements**

Budget Request: \$1,000,000.

Program Request: \$8,000,000.

Budget: To upgrade the Brandywine Filter Plant by implementing ultra-filtration membranes as the treatment process using SRF monies.

Program: Ongoing.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

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

10. **Cool Spring Reservoir**

Budget Request: \$8,000,000.

Program Request: \$0.

Budget: Additional funding for the necessary improvements to the Cool Spring Reservoir which address aging infrastructure and public security concerns.

Program: None.

Annual Debt Service Impact \$320,000

Annual Operational Impact Personal Services \$0

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

11. **Architectural Rehabilitation**

Budget Request: \$1,000,000.

Program Request: \$2,500,000.

Budget: Architectural repairs and restoration of historical structures in the water system.

Program: Ongoing.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

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

12. **Brandywine Raceway Rehabilitation**

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Structural, hydraulic and architectural repairs to the 200 year old raceway which connects the Brandywine Filter Plant and Pumping Station to the Brandywine Creek.

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>(\$5,000)</i>

13. **CSO #27 & Rockford Road Construction**

Budget Request: \$2,000,000.
Program Request: \$4,000,000.

Budget: Funding for the partial separation and storage of CSO #27; and the Rockford Road sewer separation project.

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. **Annual Minor Sewer Construction and Drainage**

Budget Request: \$2,595,000.
Program Request: \$5,225,000.

Budget: To provide for repairs to sewer laterals, sewer mains, castings (i.e., manholes, storm drains, lampholes and monument boxes), and main extensions where needed, in order to maintain the sewer infrastructure for wastewater and storm water throughout the City, and to provide for new sewer connections for residences and businesses.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$103,800</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$1,500</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$3,000</i>

15. **City Sewer Construction**

Budget Request: \$800,000.
Program Request: \$1,600,000.

Budget: Funding of the City's contribution towards public housing projects, including the mitigation of flooding.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$32,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

16. **Sewer Improvements**

Budget Request: \$2,000,000.
Program Request: \$4,120,000.

Budget: Rehabilitate and replace deteriorated sewer infrastructure, mitigate exfiltration and prevent collapse of streets above deteriorated sewers.

Program: Ongoing.

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

C. FIRE DEPARTMENT

1. **Fire Station Renovation/Refurbishing**

Budget Request: \$1,000,000.
Program Request: \$0.

Budget: Planned building renovations to fire stations at 400 West 2nd Street, 400 New Castle Avenue, 333 East 30th Street, 2200 N. Tatnall Street, and 224 N. Union Street to include HVAC systems, living areas, apparatus areas and restrooms.

Program: None.

<i>Annual Debt Service Impact</i>	\$73,100
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$2,000)

2. **Fire Station Painting**

Budget Request: \$120,000.
Program Request: \$0.

Budget: Paint interior and exterior of City Fire Stations #1, #2, #3, #4, #5 and #6.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$8,772
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

D. DEPARTMENT OF FINANCE

The figures provided in the budget and program summary sheets for Five Percent for Art, Cost of Bond Issue/General Fund, and Cost of Bond Issue/Water/Sewer Fund, are not related to specific capital projects and as such are not identified in this chapter; rather, they represent the costs associated with fund borrowing (bond counsel and other related fees).

E. DIVISION OF TRANSPORTATION

1. **Wilmington Signal Improvements - Phase II**

Budget Request: \$250,000. (Other Funds: \$3,750,000)
Program Request: \$100,000. (Other Funds: \$1,500,000)

Budget: To provide for the City's twenty percent local matching funds for enhancements related to the Intelligent Transportation/Traffic Management Systems (ITMS).

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$18,275
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. **Neighborhood Transportation Enhancements (TE)**

Budget Request: \$400,000. (Other Funds: \$3,600,000)
Program Request: \$800,000. (Other Funds: \$7,200,000)

Budget: To provide City funds towards the local match to leverage projects being co-sponsored by legislators and DeIDOT in various neighborhoods throughout the City.

Program: Ongoing.

Annual Debt Service Impact \$29,240
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. **Wilmington Transportation Initiatives**

Budget Request: \$1,200,000. (Other Funds: \$4,800,000)
Program Request: \$2,400,000. (Other Funds: \$9,600,000)

Budget: To provide twenty percent local matching funds to leverage projects generated through the Wilmington Initiatives, a partnership of the City, DeIDOT and Wilmapco. Projects are located in the Central Business District and along various arterial corridors.

Program: Ongoing.

Annual Debt Service Impact \$87,720
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

F. OFFICE OF THE MAYOR

1. **Neighborhood Planning Councils Infrastructure Support**

Budget Request: \$600,000.
Program Request: \$0.

Budget: Funds to be allocated for the development of neighborhood improvement projects by the City's Neighborhood Planning Councils.

Program: None.

Annual Debt Service Impact \$43,860
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. **Grand Opera House**

Budget Request: \$750,000.
Program Request: \$0.

Budget: Funding to assist in the building expansion of the Grand Opera House.

Program: None.

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

3. **Diamond State Sports and Learning (Community) Center**

Budget Request: \$1,500,000.
Program Request: \$0.

Budget: Acquisition of land, design and construction of a sports complex, training and community facility.

Program: None.

<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

4. **Economic Development Project Fund**

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

Budget: Provide for a strategic fund to be used to attract new businesses to the City and retain existing businesses that will employ large numbers of people in targeted sectors.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$36,550
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

G. REAL ESTATE AND HOUSING

1. Housing Partnership

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

Budget: Funds enabling acquisition, demolition, and renovation of vacant property or new construction on vacant or cleared parcels for residential use.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$18,275
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Acquisition and Demolition

Budget Request: \$950,000.
Program Request: \$1,750,000.

Budget: Funding to enable the purchase of land and/or structures, including demolition costs, to develop residential properties in areas not being addressed by the Housing Partnership.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$69,445
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

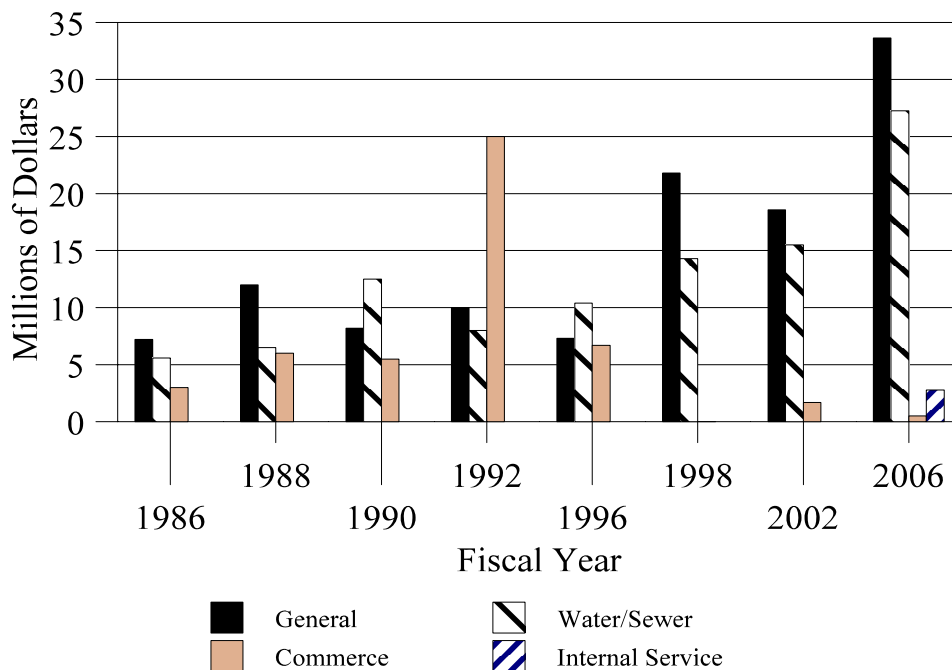
CAPITAL BORROWING & DEBT MANAGEMENT

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1986 and ending in 2006. Amounts shown were expended on capital projects within the stated fund. In fiscal years 1989, 1994, 2002 and 2005, the City issued bonds solely to refinance (at lower interest rates) past obligations. These refinancings are not included in the graph. In fiscal years 1987, 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds. For instance, the increase in funding allotted to the General Fund, from 1986 to 1988, was primarily due to the construction of the City's Public Safety Building. From 1988 to 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 growth in borrowing during 2006 reflects similar goals, with increases in the General and Water/Sewer Funds resulting from a variety of capital improvements including Christina Landing development and the relocation of the City's Public Works Yard.

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 1988 the City purchased and installed a new crane. Two years later the City added a berth, purchased eighteen adjacent acres, and renovated space occupied by Volkswagen of America (a major lessee). 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.

20 Year Historical Borrowing



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 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 revenue supported debt found in the Water/Sewer and Commerce Funds. With the Fiscal Year 2007 General Fund Operating Budget totaling \$116,071,883, the budgeted debt service of \$11,835,245 is well below the 17.5% legal debt limit of \$20,312,580.

The requirements that debt be structured to attempt to create roughly level debt service (in other words, the combined principal and interest payments total the same amount for the life of the borrowing), be opportunistic in regard to market conditions and special issues, and take advantage of refinancing opportunities is indicative of the City's conservative approach in its policy on debt management. An aggressive position is employed for special issues that generate fee income, or serve as economic development incentives.

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 the support from outside financial and legal specialists that form the City's Bond Council.

The City sometimes uses short-term obligations (e.g. Bond Anticipation Notes, Capital Lease, 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. For fixed asset purchases, infrastructure maintenance, and capital improvement projects, general obligation bonds are issued. Prior to the issuance of any short or long-term obligations, the City considers the effect on the financial position, the ability to repay, and the State of Delaware imposed legal debt limit.

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
FISCAL YEARS 2000-2027**

The four tables below depict past and future amounts of debt service payments broken out by principal and interest. Principal and interest are also combined as total debt service, and that total debt service is shown as a percentage of the annual budget. Fiscal Years 2000 through 2006 figures are actual payments. Fiscal Years 2007 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rate on balances outstanding as of June 30, 2006, is 4.40% for the General Fund, 4.40% for the Water/Sewer Fund, 4.53% for the Commerce Fund, and 3.38% for the Internal Service Funds.

GENERAL FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2000	\$5,320,342	\$3,909,908	\$9,230,250	10.9%
FY 2001	4,730,062	3,732,656	8,462,718	10.0%
FY 2002	4,400,837	3,315,055	7,715,892	8.5%
FY 2003	5,350,625	3,887,855	9,238,480	9.8%
FY 2004	4,683,310	3,627,639	8,310,949	9.8%
FY 2005	5,495,828	3,146,154	8,641,982	9.4%
FY 2006	5,828,167	3,340,630	9,168,797	9.5%
FY 2007	7,076,928	4,758,317	11,835,245	10.2%
FY 2008	7,617,540	4,202,023	11,819,563	9.7%
FY 2009	8,139,916	1,980,040	10,119,956	8.0%
FY 2010	8,526,470	1,578,989	10,105,459	7.7%
FY 2011	7,618,436	3,013,933	10,632,369	7.9%
FY 2012	4,061,009	2,803,815	6,864,824	5.0%
FY 2013	3,587,450	2,638,430	6,225,880	4.4%
FY 2014	3,755,821	2,466,747	6,222,568	4.3%
FY 2015	3,804,869	2,280,185	6,085,054	4.1%
FY 2016	3,748,397	2,093,727	5,842,124	3.9%
FY 2017	3,934,970	1,903,503	5,838,473	3.8%
FY 2018	4,681,392	1,728,741	6,410,133	4.0%
FY 2019	3,148,542	1,470,508	4,619,050	2.8%
FY 2020	3,298,189	1,315,363	4,613,552	2.8%
FY 2021	3,466,797	1,150,897	4,617,694	2.7%
FY 2022	3,640,327	977,069	4,617,396	2.6%
FY 2023	3,821,315	794,239	4,615,554	2.6%
FY 2024	4,275,000	559,598	4,834,598	2.6%
FY 2025	4,500,000	339,285	4,839,285	2.6%
FY 2026	4,730,000	111,069	4,841,069	2.5%
FY 2027	0	0	0	0.0%
TOTAL	\$133,242,539	\$63,126,375	\$196,368,914	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
FISCAL YEARS 2000-2027
(Continued)**

WATER/SEWER FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2000	\$4,997,030	\$3,906,135	\$8,903,165	27.8%
FY 2001	5,495,232	3,748,951	9,244,183	28.4%
FY 2002	3,421,565	3,201,175	6,622,740	18.8%
FY 2003	5,352,362	3,734,541	9,086,903	24.3%
FY 2004	5,730,750	3,307,582	9,038,332	25.6%
FY 2005	4,498,287	3,064,567	7,562,854	19.5%
FY 2006	4,441,282	4,386,959	8,828,241	21.2%
FY 2007	4,974,390	4,491,041	9,465,431	20.7%
FY 2008	6,482,194	3,558,461	10,040,655	21.5%
FY 2009	6,360,301	3,275,330	9,635,631	20.1%
FY 2010	6,638,592	2,978,927	9,617,520	19.6%
FY 2011	4,078,274	2,752,282	6,830,556	13.6%
FY 2012	4,237,460	2,561,368	6,798,828	13.2%
FY 2013	3,636,814	2,406,631	6,043,444	11.4%
FY 2014	3,778,537	2,252,815	6,031,353	11.1%
FY 2015	3,855,620	2,086,796	5,942,416	10.7%
FY 2016	3,867,611	1,918,996	5,786,607	10.2%
FY 2017	3,374,196	1,746,824	5,121,020	8.8%
FY 2018	3,021,987	1,613,797	4,635,784	7.7%
FY 2019	2,904,242	1,431,319	4,335,561	7.1%
FY 2020	2,947,862	1,276,213	4,224,075	6.7%
FY 2021	3,475,236	1,111,910	4,587,146	7.1%
FY 2022	3,646,923	938,283	4,585,205	6.9%
FY 2023	4,952,111	755,585	5,707,696	8.4%
FY 2024	4,050,000	531,235	4,581,235	6.6%
FY 2025	4,260,000	323,188	4,583,188	6.4%
FY 2026	4,475,000	106,809	4,581,809	6.3%
FY 2027	0	0	0	0.0%
TOTAL	\$118,953,858	\$63,467,719	\$182,421,577	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
FISCAL YEARS 2000-2027
(Continued)**

COMMERCE FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2000	\$3,413,451	\$3,108,850	\$6,522,301	157.1%
FY 2001	3,775,933	2,785,052	6,560,985	178.0%
FY 2002	3,562,574	2,439,593	6,002,167	180.6%
FY 2003	3,805,992	1,932,349	5,738,341	87.3%
FY 2004	3,978,072	1,874,405	5,852,477	87.0%
FY 2005	4,080,206	1,511,875	5,592,081	74.9%
FY 2006	4,413,399	1,511,875	5,925,274	84.9%
FY 2007	4,469,932	1,198,833	5,668,765	83.9%
FY 2008	4,667,085	991,986	5,659,071	83.5%
FY 2009	3,079,620	811,711	3,891,331	77.3%
FY 2010	3,212,612	659,732	3,872,344	76.8%
FY 2011	2,052,215	533,723	2,585,938	68.3%
FY 2012	2,134,076	443,338	2,577,415	67.7%
FY 2013	1,088,214	374,864	1,463,078	53.7%
FY 2014	1,098,967	321,467	1,420,434	52.4%
FY 2015	1,119,354	266,728	1,386,082	51.1%
FY 2016	1,106,492	211,149	1,317,641	49.2%
FY 2017	1,102,002	155,063	1,257,065	47.4%
FY 2018	440,072	117,692	557,764	28.1%
FY 2019	457,200	99,025	556,225	27.6%
FY 2020	475,755	79,843	555,598	27.0%
FY 2021	496,450	59,477	555,927	26.6%
FY 2022	517,621	37,940	555,561	26.1%
FY 2023	539,024	15,087	554,111	25.6%
FY 2024	0	0	0	0.0%
TOTAL	\$55,086,319	\$21,541,656	\$76,627,975	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
FISCAL YEARS 2000-2027
(Continued)**

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2007	\$220,000	\$109,533	\$329,533	10.0%
FY 2008	285,743	127,613	413,356	9.8%
FY 2009	275,083	117,858	392,941	9.6%
FY 2010	285,661	108,274	393,935	11.1%
FY 2011	313,922	98,064	411,986	11.4%
FY 2012	325,945	86,594	412,539	11.1%
FY 2013	342,823	74,556	417,379	11.0%
FY 2014	354,990	61,952	416,942	10.7%
FY 2015	367,735	48,218	415,953	10.4%
FY 2016	385,625	33,487	419,111	10.2%
FY 2017	58,514	24,309	82,823	2.0%
FY 2018	61,548	21,164	82,712	1.9%
FY 2019	65,016	17,856	82,872	1.9%
FY 2020	68,195	14,686	82,881	1.8%
FY 2021	71,518	11,277	82,795	1.8%
FY 2022	75,130	7,701	82,831	1.7%
FY 2023	78,883	3,944	82,827	1.7%
FY 2024	0	0	0	0.0%
TOTAL	\$3,636,330	\$967,086	\$4,603,416	

Note: Prior to FY 2007, there were no major bond-funded Internal Service projects.

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
FISCAL YEARS 2000-2027
(Continued)**

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2000	\$13,730,823	\$10,924,893	\$24,655,716	20.4%
FY 2001	14,001,227	10,266,659	24,267,886	20.0%
FY 2002	11,384,976	8,955,823	20,340,799	15.7%
FY 2003	14,508,979	9,554,745	24,063,724	17.4%
FY 2004	14,392,132	8,809,626	23,201,758	18.3%
FY 2005	14,074,321	7,722,596	21,796,917	15.8%
FY 2006	14,682,848	9,239,464	23,922,312	16.5%
FY 2007	16,741,250	10,557,724	27,298,974	15.9%
FY 2008	19,052,562	8,880,083	27,932,645	15.5%
FY 2009	17,854,920	6,184,939	24,039,858	13.1%
FY 2010	18,663,335	5,325,922	23,989,257	12.7%
FY 2011	14,062,847	6,398,002	20,460,849	10.7%
FY 2012	10,758,490	5,895,115	16,653,605	8.5%
FY 2013	8,655,300	5,494,481	14,149,781	7.1%
FY 2014	8,988,316	5,102,981	14,091,297	6.9%
FY 2015	9,147,578	4,681,927	13,829,505	6.6%
FY 2016	9,108,126	4,257,358	13,365,484	6.2%
FY 2017	8,469,682	3,829,699	12,299,381	5.6%
FY 2018	8,204,999	3,481,394	11,686,393	5.2%
FY 2019	6,575,000	3,018,708	9,593,708	4.2%
FY 2020	6,790,001	2,686,105	9,476,106	4.0%
FY 2021	7,510,001	2,333,561	9,843,562	4.1%
FY 2022	7,880,001	1,960,993	9,840,993	4.0%
FY 2023	9,391,333	1,568,855	10,960,188	4.3%
FY 2024	8,325,000	1,090,833	9,415,833	3.7%
FY 2025	8,760,000	662,473	9,422,473	3.6%
FY 2026	9,205,000	217,878	9,422,878	3.5%
FY 2027	0	0	0	0.0%
TOTAL	\$310,919,046	\$149,102,836	\$460,021,882	

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY DEPARTMENT**

GENERAL FUND

DEPARTMENT	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET FY 2006	BUDGET FY2007
CITY COUNCIL	\$20,779	\$23,721	\$17,978	\$31,286	\$31,292
% Departmental Expenses	1.1%	1.3%	0.9%	1.5%	1.2%
FINANCE	22,006	26,100	25,241	189,368	108,458
% Departmental Expenses	0.7%	1.0%	0.8%	6.3%	2.5%
MAYOR'S OFFICE	689,251	593,265	826,619	945,874	906,280
% Departmental Expenses	16.8%	15.9%	19.6%	20.3%	12.9%
PARKS & RECREATION	1,948,302	1,804,525	1,761,446	2,159,523	2,441,987
% Departmental Expenses	24.3%	26.3%	22.8%	26.2%	27.7%
FIRE	631,745	618,513	538,378	663,563	669,484
% Departmental Expenses	3.9%	4.2%	3.2%	4.0%	3.1%
POLICE	1,003,088	937,902	922,425	932,569	959,697
% Departmental Expenses	2.8%	2.9%	2.4%	2.6%	2.4%
PUBLIC WORKS	3,486,063	3,348,834	3,264,849	4,398,203	5,315,538
% Departmental Expenses	21.5%	24.9%	21.1%	27.3%	26.6%
REAL ESTATE & HOUSING	1,136,727	734,109	1,132,887	1,156,660	1,174,749
% Departmental Expenses	76.7%	71.5%	70.5%	75.4%	78.6%
LICENSES & INSPECTIONS	23,194	23,208	25,957	38,825	38,773
% Departmental Expenses	1.0%	0.9%	0.9%	1.3%	1.0%
PLANNING	277,325	200,772	204,535	171,651	188,988
% Departmental Expenses	23.0%	18.2%	16.2%	13.7%	13.6%
TOTAL DEBT SERVICE	\$9,238,480	\$8,310,949	\$8,720,315	\$10,687,522	\$11,835,245
% General Fund	9.8%	9.8%	9.0%	11.1%	10.2%
LEGAL DEBT SERVICE LIMIT	\$16,554,132	\$14,802,431	\$17,026,743	\$16,921,020	\$20,312,580
% General Fund Budget	17.5%	17.5%	17.5%	17.5%	17.5%

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY FUND
(continued)**

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET FY 2006	BUDGET FY 2007
FINANCE	\$50,694	\$33,275	\$32,608	\$104,879	\$97,210
% of Department Expenses	2.3%	1.5%	1.3%	4.0%	3.4%
PUBLIC WORKS	3,683,847	3,274,307	3,029,793	4,282,080	4,275,095
% of Department Expenses	10.5%	10.0%	8.5%	11.0%	10.1%
TOTAL DEBT SERVICE	\$3,734,541	\$3,307,582	\$3,062,401	\$4,386,95	\$4,372,305
% of Water/Sewer Fund	10.0%	9.4%	8.0%	10.5%	9.6%

COMMERCE FUND

COMMERCE DEPT.	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET FY 2006	BUDGET FY 2007
TOTAL DEBT SERVICE	\$5,738,341	\$5,852,477	\$5,465,745	\$5,925,274	\$5,601,402
% of Commerce Fund	87.3%	87.0%	82.5%	84.9%	82.9%

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.

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY FUND**
(continued)

INTERNAL SERVICE (IS) FUNDS

INTERNAL SERVICES*	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET FY 2006	BUDGET FY 2007
TOTAL DEBT SERVICE	\$0	\$0	\$0	\$0	\$329,533
% of IS Funds	0.0%	0.0%	0.0%	0.0%	10.0%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET FY 2006	BUDGET FY 2007
TOTAL DEBT SERVICE	\$18,711,362	\$17,471,008	\$19,485,222	\$20,999,755	\$27,410,354
% of All Funds	13.5%	13.8%	14.1%	14.5%	16.0%

* Includes debt service from Data Processing and Communications Funds.

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.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1991-2006**

Fiscal Year	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise/ Internal Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1991	\$1,781,645,838	\$145,030,530	\$90,167,826	\$54,862,704	3.1%	\$767
1992	1,923,457,356	174,599,488	110,721,089	63,878,399	3.3%	893
1993	1,952,025,133	166,307,896	111,424,476	54,883,420	2.8%	767
1994	1,988,610,076	181,062,413	119,239,454	61,822,959	3.1%	864
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.1%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.2%	873
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.6%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.7%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.7%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.6%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.4%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.8%	1,119
2003	2,114,078,568	203,138,615	120,481,101	82,657,514	3.9%	1,138
2004	2,182,337,973	189,561,244	112,254,817	77,306,427	3.5%	1,064
2005	2,134,545,304	167,185,002	89,496,803	77,688,199	3.6%	1,069
2006	2,213,839,948	165,151,588	95,230,053	69,921,535	3.2%	995

TOTAL DEBT BALANCES BY YEAR
On the City's Outstanding General Obligation Bond Issues

Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Commerce Fund Debt	Internal Service Funds Debt	Total Debt
2007	\$97,433,370	\$86,960,417	\$28,056,691	\$3,675,771	\$216,126,249
2008	90,356,440	80,042,960	23,586,759	3,416,331	197,402,490
2009	82,738,900	73,560,766	18,919,674	3,130,588	178,349,928
2010	74,598,984	67,200,465	15,840,054	2,855,505	160,495,008
2011	66,072,514	60,561,873	12,627,442	2,569,844	141,831,673
2012	58,454,078	56,483,599	10,575,227	2,255,922	127,768,826
2013	54,393,069	52,246,139	8,441,151	1,929,977	157,397,583
2014	50,805,619	48,609,325	7,352,937	1,587,154	108,355,035
2015	47,049,798	44,830,788	6,253,970	1,232,164	99,366,720
2016	43,244,929	40,975,168	5,134,616	864,429	90,219,142
2017	39,496,532	37,107,557	4,028,124	478,804	81,111,017
2018	35,561,562	33,733,361	2,926,122	420,290	72,641,335
2019	30,880,170	30,711,374	2,486,050	358,742	64,436,336
2020	27,731,628	27,807,132	2,028,850	293,726	57,861,336
2021	24,433,439	24,859,270	1,553,095	225,531	58,905,928
2022	20,966,642	21,384,034	1,056,645	154,013	43,561,334
2023	17,326,315	17,737,111	539,024	78,883	35,681,333
2024	13,505,000	12,785,000	0	0	26,290,000
2025	9,230,000	8,735,000	0	0	17,965,000
2026	4,730,000	4,475,000	0	0	9,422,878
2027	0	0	0	0	0