

City of Wilmington Delaware



Annual Budget

James M. Baker
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2010 • Approved by City Council • June 18, 2009

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, 2008.

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
Award*

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City of Wilmington

Delaware

For the Fiscal Year Beginning

July 1, 2008

A handwritten signature in black ink, appearing to read "K. L. R. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos", positioned above the title "Executive Director".

Executive Director

CITY ADMINISTRATION

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

THE COUNCIL

President - Norman D. Griffiths

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2nd District Ernest Congo, II	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 Stephen L. Martelli
At Large Michael A. Brown, Sr.	At Large Charles M. Freel
At Large Justen A. Wright	At Large Loretta Walsh

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Charlotte B. Barnes, City Council Chief of Staff

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Kash Srinivasan
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Director of Parks and Recreation
Director of Planning
City Auditor
Director of Real Estate and Housing
Director of Economic Development Office
Director of Human Resources
Director of Finance
Director of Public Safety
Chief of Fire
City Solicitor
Commissioner of Public Works
Commissioner of Licenses and Inspections
Chief of Police

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Matthew J. Razze
Robert G. Winkeler
Rosalie B. Suber
Arthur F. Jenkins, III

Budget Director

Senior Analyst/Systems Coordinator
Senior Analyst
Budget Analyst II
Budget Analyst II

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FISCAL YEAR 2010 BUDGET MESSAGE

THE CURRENT FISCAL CRISIS

We are experiencing the most disturbing economic climate since the Great Depression of the 1930s. Needless to say, the Fiscal Year (FY) 2010 Budget was the most difficult spending plan we have had to assemble in my eight years as Mayor of the City of Wilmington. This should come as no surprise because Wilmington has not been spared from the many hardships facing cities, counties and states across the country.

The City's problems began in Fall 2008 when the world economic crisis rippled down to the local level, causing a dramatic drop in the amount of projected revenues. We saw sharp decreases in a number of areas, including real estate transfer tax, investment income, building permits, franchise fees, and in the State revenue sharing corporate filing fees. To get through the current fiscal year (FY 2009) that ends June 30, 2009, we cut expenditures as dramatically as we could, but we are still projected to have to use about \$4 to \$5 million dollars from our Budget Reserve account (currently with a balance of about \$15 million) to close the gap. And that gap would have been much worse if it was not for the \$3.8 million in one-time revenue received from the sale of a parcel of City-owned riverfront property to a private developer. It is not known how long this recession will last, but it is certain that for the next number of years the budget decisions we make will be much harder and much more complicated for all concerned.

There is a bright spot. It has become abundantly clear that we made the correct decision to give the Finance Department all the resources it requested for its "Plan for Change" to collect delinquent revenue. In just a few short years, a cumulative total of more than \$30 million has been collected from delinquent taxpayers. The City's financial problems would be far worse today, and the solutions would be near unbearable, if it were not for this successful collection effort. But, even so, the solutions to our ongoing budget problems will still be tough, unwelcome and unpopular, but absolutely necessary.

GUIDING PRINCIPLES IN BUILDING THE FY 2010 BUDGET

Before presenting the spending details, it is important to outline the principles that guided the crafting of the FY 2010 Budget.

- ◆ First, everyone had to have a role in balancing the budget, including every City employee and administrator, every community group or individual receiving some type of government funding, and every citizen. This had to be a shared burden.
- ◆ We wanted to avoid balancing the budget by laying-off City employees. When layoffs are proposed, they inevitably lead to calls for across-the-board cuts that unnecessarily disrupt the levels of service provided to citizens. Past experience has shown us that layoffs are costly, time consuming, and seldom achieve their intended purpose.
- ◆ The budget was not to be balanced simply by reducing people or programs by an amount equal to the projected deficit. Plainly put, we couldn't just cut our way out of this crisis. The budget had to be balanced through a combination of a reduction in expenditures, revenue increases, and the continuation of the aggressive delinquent collections process.
- ◆ All Department Heads were to aggressively pursue any and all Federal stimulus funds that could help ease the City's financial struggles.
- ◆ It was imperative that we avoid using the Budget Reserve account, the City's "Rainy Day Fund", to balance the FY 2010 budget. Given the uncertain scope and duration of the world fiscal crisis, we more than likely will need those reserves to get through the next few years.
- ◆ Finally, it was necessary that we strive not to undo the recent progress and prosperity experienced by the City. As best we could, the FY 2010 Budget was to continue to promote business and residential growth because these actions help sustain government services and strengthen the City's financial base. We did not want to abandon the people and programs that helped create or retain thousands of new jobs and new homeownership opportunities in the past eight years.

BUDGET DISCUSSION

THE GENERAL FUND

When we began the FY 2010 Budget process, we were faced with a number of troubling and unavoidable new expenses, along with precipitous drops in many of our important revenue sources. To avoid a massive budget deficit, we had to make some very tough choices.

The choices we had to make are similar to the tough decisions that governments all over the country have had to make in the current economic climate. If there is less revenue, expenditures have to be reduced as much as possible, up to the point when it becomes necessary for reasons of public safety, the fiscal strength of the government, and the City's future, to find new revenue.

General Fund Expenditures

- The Fiscal Year (FY) 2010 operating budget expenditures total **\$145,605,707** – up \$3,969,335 or 2.8% from FY 2009. However, it is important to note that this increase occurred only after having to absorb over \$6 million in costs for the operations of the now defunct Commerce Fund. In addition to having to offset the \$6 million in Commerce Fund expenses, other mandatory cost increases in areas such as police compensatory time, landfill fees, and litigation costs put greater pressure on the budget. Together, those cost increases, in conjunction with an \$8 million decline in revenues, necessitated further reductions during the budget process that totaled over \$9 million, affecting nearly every department and cost category in the City.
- As part of the reductions necessary to help balance the budget, no allowance was made for wage increases. The Mayor’s Office met with all union leadership to discuss the situation, and all but the Firefighters union eventually agreed to no salary increases for FY 2010. As part of a compromise with the unions, anniversary-based step increases will continue. However, because the Firefighters union did not agree to forgo any of its salary increases, we were forced to eliminate eight firefighter positions in order to cover the costs. The total amount saved by suspending wage increases is about \$1.8 million.
- The Police Academy Class that was planned to begin this June has been cancelled. Budgeted authorized strength for FY 2010 is being lowered from 341 to 326 sworn officers to match the current level of actual manpower. The effect on the budget of funding 15 fewer officer positions is a savings of almost \$1 million.
- The City Treasurer, working closely with the City’s Actuary, developed a plan that allowed the City to amortize an 18% increase to the pension funding targets caused by the recent sharp declines in the pension investment portfolios. By doing so, the City avoided an additional increase to pension costs of over \$1 million.
- The federal Byrne Grant has allowed the City to maintain several Police Department programs in FY 2010 which otherwise would have been eliminated due to budget constraints. These include the Camera Watch program, Child Development Community Policing (CDCP), and a comprehensive weapons upgrade and replacement program. With the grant support, the nearly \$990,000 total cost of these three programs was able to be transferred out of the General Fund.
- City-wide, Overtime has been reduced over 20% or \$1 million from last fiscal year’s levels. The Fire and Police Departments, by far the largest users of overtime in the City, saw the bulk of the total decrease. While still allowing for contractual items that often trigger overtime (such as minimum manning requirements and special events) reductions of \$680,000 and \$173,900 were obtained from the Fire and Police Departments respectively.
- Non-contractual community services support funding, grants to agencies, and scholarships have been sharply reduced in the Mayor’s Administrative Division, saving a total of \$568,000.
- Temporary Salaries throughout the City were reduced by \$88,500. Along with a \$169,500 reduction in registration fees and professional development related travel expenses, a total of \$258,000 was eliminated in the FY 2010 budget.

- The Street Cut Program, an initiative that was planned to begin last fiscal year, will be largely suspended in FY 2010, resulting in the deletion of two vacant Construction Inspector positions and the avoidance of related engineering and software costs. Total savings as a result will be \$282,000.
- In order to properly account for and reduce the massive amounts of Police compensatory time that had been allowed to accrue over many years, contractual revisions were recently agreed upon by the City and the Police union whereby periodic payouts are now mandatory for certain levels of compensatory time earned, but not taken. To cover this new policy, \$775,000 was added to the Police Department budget.
- A mid-FY 2009 expansion of the Finance Department's Plan for Change added six new positions to the Earned Income Tax Division to focus on the collection of delinquent and omitted wage and net profits tax revenues. Along with the new positions, there were also funds provided to support corporate auditing and collection expenses. In total, about \$695,000 of those costs have been carried over to the FY 2010 budget. The expected return on this initiative is a total of \$14 million in Wage and Net Profits revenue by the end of FY 2011.
- The City is following through on its \$15 million commitment to the Upstairs Fund urban renewal program on Market Street (of which the Queen Theater project is a part). \$747,500 in interest expense has been added to the Economic Development Office's debt service budget, reflecting the use of a special draw down, interest-only loan that will be fixed out in later years through a capital bond issuance. Projected revenues of \$739,329 resulting from the program will nearly offset the additional debt service cost in FY 2010. If not for the Upstairs Fund Program special borrowing, total Debt Service in the General Fund (before the merge with the Commerce Fund) would have decreased by \$493,000 in FY 2010.
- Because of the collapsed market demand for recycled goods, the cost of the City's recycling program will increase by \$250,000 or 43% due to a new \$25 per ton recyclables disposal charge. In addition, due to increased trash tonnage, landfill fees have increased by a net \$87,100.
- Staffing decreased by a net total of just under 20.5 Full-Time Equivalent (FTE) positions. Changes that added 14 FTEs were more than offset by nearly 34.5 other FTE reductions. The 14 FTE additions are in the Office of Economic Development and the Finance Department. Nine positions in the Office of Economic Development that were formerly funded out of the now defunct Commerce Fund were moved into the General Fund. Also, five of the six positions added mid-FY 2009 in the Finance Department to enhance collections were carried over into FY 2010.

The nearly 34.5 FTE reductions are spread across several departments. In the Police Department, 15 vacant Patrol Officer positions were eliminated, and one Youth Intervention Specialist was transferred to the federal Byrne Grant. In the Fire Department, eight firefighter positions were eliminated due to layoffs needed to offset the cost of the Firefighters union's salary increase demands. Public Works eliminated two vacant positions related to the suspended Street Cut Program, along with another vacant Administrative Clerk position. In the Parks Department, five vacancies, a Public Health Advocate, an Administrative Coordinator, and three Mechanics were eliminated. L&I eliminated a vacant Mechanical Code Enforcement Supervisor and a vacant Code Enforcement Inspector. Lastly, the reallocation among the General, Water/Sewer, and Special Funds of various split-funded positions in the Real Estate & Housing and Finance Departments resulted in a net decrease of 0.48 FTE.

General Fund Revenues

The effects of the severe economic downturn were projected to reduce base revenues by \$8 million in FY 2010. Because cost reductions and efficiency initiatives alone could not balance the budget, a number of proposed tax, fee, and citation increases were necessary. These are detailed in the discussion below. After taking these actions (and the merger of the Commerce Fund) into account, total revenue before transfers and the use of prior year surplus designations is projected to increase by a net \$3,878,509, or 2.7%, over the FY 2009 Budget to a new total of \$145,289,683. The net change from Budget to Budget (FY 2010 vs. FY 2009) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$3,293,931	\$35,862,806
Fines	3,097,514	9,422,514
Other Governments	2,828,820	10,152,420
Wage & Net Profit Taxes	2,737,729	58,015,387
Other Revenues	400,000	4,922,533
Licenses, Permits and Fees	1,877	4,399,777
Task Force Revenue	(700,000)	4,178,000
Interest	(2,000,000)	2,250,000
County Seat Relief Package	(2,631,362)	7,492,067
Other Taxes	(3,150,000)	8,594,179
TOTAL	\$3,878,509	\$145,289,683

Property Taxes are projected to increase by a net \$3.3 million. The current economic climate and some other negative impacts led to the lowering of the FY 2009 revenue projection by about \$1.3 million, a reduction that is carried over into FY 2010. Specifically, build-out and sales of housing units at the Justison Landing project have come to a virtual halt. In addition, several large commercial properties recently waged successful assessment appeals, resulting in a further decrease to the City's taxable property base. To offset the \$1.3 million decrease, and to help balance the budget, a 15% Property Tax increase (worth approximately \$4.6 million) has been approved for FY 2010. The effect on the average homeowner will be an increase of about \$7.25 per month.

Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines)

Criminal/Traffic Fines revenue is projected to total \$3.2 million in FY 2010, up \$890,000 from the FY 2009 Budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. With the addition of ten red-light cameras, revenue from red-light camera fines is projected to rise more than \$400,000 over the FY 2009 budget. A further rise in revenue of \$490,000 is anticipated because of a \$35 increase to the red-light fines. There is no change expected to the \$550,000 portion of the base attributed to miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program.

Parking Tickets/Booting Fines revenue is forecast to increase by \$2.2 million above the FY 2009 budgeted level. Revenues in this category will be enhanced by several factors: a second boot van added in the mid-FY 2009, a proposed \$15 increase to parking citations, and projected boot van efficiency gains.

Other Governments had previously consisted of only the State Pension Contribution, a pass-through grant of \$7,323,600 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2010, the grant amount remains unchanged. New to this revenue category is the State Port Debt Reimbursement in the amount of \$2,828,820. This Reimbursement had been booked previously in the now defunct Commerce Fund. As planned, all Commerce Fund operations, activities, revenues and expenditures have been absorbed into the General Fund.

Wage and Net Profits Tax

The FY 2010 Wage Tax projection for FY 2010 is \$54.1 million, a \$2.7 million net increase over FY 2009. The weak economy is expected to decrease the City's taxable wage base by roughly 5% or \$208 million, equating to a loss of \$2.6 million in Wage Tax revenue for FY 2010. However, in an effort to enhance collections through its Plan for Change, the Finance Department has accelerated its timetable to garner delinquent and omitted taxes owed to the City. An additional \$5 million above the FY 2009 budget is expected to be collected in FY 2010 through specialized audits and reviews that were begun as part of a mid-FY 2009 initiative. Lastly, the Economic Development Office projects that the Upstairs Fund Program will generate nearly \$338,000 in additional revenue, mostly on construction wages.

Net Profits Tax revenue is projected to remain steady at nearly \$4 million. A total of \$300,000 was added to the base in FY 2009 as a result of successful use of CPA firms to conduct corporate audits. This amount has been carried forth as part of the \$4 million base.

Other Revenues will increase by an expected \$400,000, largely due to the realization of the False Alarm Reduction Program revenues coupled with a \$100,000 increase in Miscellaneous Revenue.

Licenses, Permits and Fees revenue is projected to be \$4.4 million in FY 2010, about the same as the FY 2009 budget. Business Licenses show a \$300,000 increase above the FY 2009 Budget due to continued compliance audits and increased field monitoring. Fees are slated to rise by \$400,000 due to a \$0.50 per hour increase in Parking Meter rates throughout the City. Unfortunately, the increase in Business Licenses and Fees are completely offset by a projected \$705,000 decline in Permits, as building activity has slowed considerably.

Task Force Revenues are the three 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 2010, two of the four components of the Task Force Revenues are projected to decrease from the FY 2009 Budget: Corporate Filings by \$200,000 and Limited Liability Corporate (LLC) Filings by \$500,000. The total for all Task Force Revenues for FY 2010 is projected to be \$4,178,000, down \$700,000.

Because of further drastic cuts in interest rates, the Treasurer's Office has substantially reduced its **Interest Earnings** forecast for FY 2010. The benefit of investing the unspent proceeds from the City's bond issuance last year, while offsetting the reduction in rates somewhat, is not nearly large enough to prevent the FY 2010 total from dropping \$2 million from the FY 2009 Budget. The FY 2010 projection for interest earnings is \$2.25 million.

The County Seat Relief Package is a bundle of escalating revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that builds on the work of the 2003 Governor's Task Force (see Task Force Revenues section), which recognized that the City's long-term financial stability required a stronger and more diversified revenue stream. Like the Task Force revenues, the County Seat Relief Package was intended to provide diversified revenue support to the three county seats in the State of Delaware.

The FY 2010 projections total \$7.5 million. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City; \$3.2 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is down \$2.3 million or almost 42% from the FY 2009 budget); \$800,000 in Statutory Trust Filing Fees (down \$200,000 or 20% from the FY 2009 budget); and roughly \$1.0 million in New Castle County Corporate Filing Fees (down \$125,000 or almost 11% from the FY 2009 budget). In total, there is a more than \$2.6 million decrease in the County Seat Relief Package revenues from the FY 2009 budget.

Other Taxes (consists of Real Estate Transfer Tax, Head Tax and Franchise Fees)

Real Estate Transfer Tax revenues have taken a sharp downward turn during FY 2009. Declining property values has not been enough to spur renewed activity in this sector. As a result, FY 2009 revenues have seen a \$3.6 million or 50% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2010.

Head Tax revenue is projected to increase \$1 million over the FY 2009 budget. As part of the comprehensive package of revenue enhancements needed to help balance the budget, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax is projected to yield an additional \$600,000 in FY 2010. It should be noted that because the change becomes effective midway through the fiscal year, the \$600,000 is half of the \$1.2 million annual amount of additional revenue expected from this increase. Another \$400,000 in Head Tax revenue is expected as a result of the Finance Department's Plan for Change audits.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV

service. For FY 2010, a \$550,000 decrease is projected from the FY 2009 budget of \$2.3 million, reflecting the realization that a favorable legal settlement of the current dispute with Delmarva Power over the calculation of the franchise fee for electricity is not anticipated.

In total, **Other Taxes** are projected to decrease \$3.15 million for FY 2010.

THE WATER/SEWER FUND

The FY 2010 operating budget expenditures total **\$54,466,563** – up \$1,098,130 or 2.1% from FY 2009. Despite increasing fiscal stress, it was deemed necessary that the FY 2010 budget continue to support certain high-priority initiatives begun in recent years. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern New Castle County's water supply during times of drought.

Water/Sewer Fund Expenditures

- Contractual maintenance and operational services costs increased by over \$1 million. The single biggest item is a \$520,000 increase in the contract with Veolia to operate and maintain the City's sewage treatment plant. The increase in the contract is pegged to changes in mutually agreed upon inflation indices, including the Producer Price Index and a regional electricity cost index. In addition, maintaining the Real Time Control system infrastructure will cost \$300,000, with an additional \$100,000 needed for the related radar supported rainfall data system. Lastly, pump upgrades and the addition of a sludge storage bunker at the Wastewater Treatment Plant added another \$70,000 and \$71,400 respectively.
- Because of the structure of existing debt schedules, interest costs will increase by almost \$762,000 in FY 2010. And as was the case the last two fiscal years, to conserve cash flow in the Fund, the purchase of all fixed assets (infrastructure), unless funded by a grant, must be done through the bond supported Capital Program.
- The cost of chemicals used to purify and treat drinking water and reduce the levels of pollutants in treated sewage continues to rise in price well above the general rate of inflation. This year, chemical costs increased another \$350,000, to a new total of \$1,300,000.
- As a result of the completion of some one-time projects and related analytical studies, significant reductions totaling \$916,000 or 22% were made to the Professional Fees category in the Public Works Department. This included decreases of \$636,000 in engineering fees, \$190,000 in consultants fees, and \$150,000 in legal fees.
- Staffing decreased by a net 2.5 FTE positions. In the Public Works Department, three vacancies were deleted: a Technical Maintenance Mechanic I, a CSO Systems Supervisor, and an Equipment Operator II. Slightly offsetting the decreases above was the reallocation of a position in the Delinquent Accounts Division of the Finance Department from 100% General Fund to split-funding of 50% General Fund and 50% Water/Sewer Fund.
- The FY 2010 Budget raises water and sewage rates by 20% and stormwater fees by 10%. The weighted average rate increase to City customers is 18.21%

Water/Sewer Fund Revenues

Total Water/Sewer Fund revenues are projected to increase \$6.2 million, from \$53.6 million last year, to a new total of \$59.8 million in FY 2010. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, New Castle County (NCC) Sewer, Interest, and Rentals. While each of these categories is affected by different factors, it is the overall rate structure of the Fund that must be immediately addressed to avoid an imminent crisis. Over the past ten years, rates have not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund has been subsidizing the Water/Sewer Fund's cash shortages. This has led to a situation where nearly all the cash reserves in the General Fund have been depleted, leading the City on the path to insolvency if nothing is done. To rectify this, a multi-year plan of prudent rate increases (starting in FY 2010) has been proposed that will allow the Water/Sewer Fund to become a self-sufficient enterprise fund again.

Water/Sewer User Fees

A 5.2% reduction in consumption was projected for FY 2009 and is expected to continue. More important, in order to address the dire cash situation discussed previously above, a 20% increase in Water/Sewer User Fees has been approved for FY 2010. This rate increase (part of a multi-year plan of increases) is expected to generate an additional \$5.1 million of revenue in FY 2010, bringing the total to \$33.94 million. The average residential homeowner's bill will go up about \$4 per month. Even with the increase, the City will still have the lowest rates in the region.

Stormwater Billings

The stormwater property fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$4.4 million. A clean-up of the Utility Billing files has added \$600,000 to that base, bringing the total to \$5.0 million. For FY 2010, a 10% increase in stormwater fees has been approved that will increase the total to \$5.5 million. The average residential homeowner's bill will go up about \$1 per month.

New Castle County Sewer

The City's contract to provide sewage treatment for New Castle County expired at the end of FY 2007. A fairly-priced contractual fee for FY 2008, FY 2009, and FY 2010 has yet to be agreed upon with NCC. Based on higher forecasted operating costs and the escalation history of prices over the last five years (both of which were much greater than the 2.75% annual inflation factor allowed by the previous contract), a base fee of about \$18.9 million for FY 2010 has been requested. The City completed mediation, and has given its final arguments in arbitration with NCC regarding this matter. The City also receives \$401,000 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. That reimbursement will also be the same as last year.

Interest and Rentals

Previously, all interest earned on City cash balances, regardless of source, was booked as revenue to the General Fund. Starting in FY 2008, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2010, interest is projected to remain at \$250,000. Rental income, which is derived by charging fees to telecommunications companies that rent space on the City's water tanks for antennae and transmitters, is projected to stay level at \$770,000. The combined total revenue projected in FY 2010 for this category is \$1.02 million.

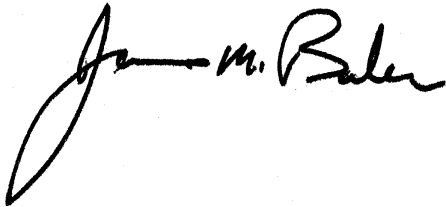
CONCLUSION

The FY 2010 Budget is painful in many ways, but I believe it is a balanced approach for dealing with the current economic climate. There is no way to avoid adding to the burden placed on everyone's shoulders to keep the City government and our wonderful City moving in a positive direction. But, in spite of the many challenges, I feel strongly that we will weather this storm and return to better days. Wilmington is, after all, a great City with great people and great institutions. Although, as responsible administrators of the city government we must be conservative and plan for next year and beyond as though those better days are still somewhere in the future, we should endeavor to celebrate the wonderful growth of our City and not dwell solely on this climate of concern.

Together, over the past eight years, we have made sound, logical, and forward-thinking decisions about expenditures and the revenue needed to keep Wilmington safe, clean, green, inviting, enjoyable and attractive to our own citizens and visitors alike. As we move forward through Fiscal Year 2010 and beyond, we will continue to make sound, logical and forward-thinking decisions. Only now, we will have to do it in a new world that is battered and bruised, and in dire need of our collective wisdom, understanding and creativity.

As friends, neighbors and Wilmingtonians, we must continue to work together to ensure that our City emerges from the current fiscal crisis stronger than ever. We must all have faith and confidence that there is a better tomorrow in store for Wilmington. All of us have made it a great City, and together we will continue to make it a world-class City.

Respectfully,

A handwritten signature in black ink that reads "James M. Baker". The signature is written in a cursive style with a large, sweeping initial "J" and a distinct "M." before the last name "Baker".

James M. Baker
Mayor

WILMINGTON

FACTS & FIGURES



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</u> <u>Population</u>	<u>2000</u> <u>Population</u>	<u>%</u> <u>Change</u>	<u>Land Area</u> <u>(sq. mile)</u>	<u>2000</u> <u>Population</u> <u>Density</u> <u>(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	25.1%
20 TO 24 YEARS	6.3%
25 TO 34 YEARS	15.8%
35 TO 44 YEARS	14.2%
45 TO 54 YEARS	14.4%
55 TO 64 YEARS	11.3%
65 YEARS AND OLDER	12.8%
MEDIAN AGE OF POPULATION (YEARS)	36.8

PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (2007 Inflation-Adjusted Dollars)	
\$24,999 AND UNDER	36.2%
\$25,000 TO \$34,999	12.2%
\$35,000 TO \$49,999	15.1%
\$50,000 TO \$74,999	14.0%
\$75,000 TO \$99,999	9.2%
\$100,000 AND OVER	13.3%
AVERAGE HOUSEHOLD INCOME	\$56,908
MEDIAN HOUSEHOLD INCOME	\$36,284

Source: U.S. Census Bureau, 2005-2007 American Community Survey

WILMINGTON EMPLOYMENT TRENDS

City residents only

Year	Labor Force	Employed	Unemployed	Unemployment Rate
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	33,471	31,806	1,665	5.0%
2002	32,809	30,884	1,925	5.9%
2003	32,278	30,597	1,681	5.2%
2004	32,285	30,304	1,981	6.1%
2005	32,125	30,242	1,883	5.9%
2006	32,222	30,563	1,659	5.1%
2007	32,537	30,667	1,870	5.7%
2008	32,832	30,404	2,428	7.4%

Source: Delaware Department of Labor, Local Area Unemployment Statistics, 2008

WILMINGTON PMSA EMPLOYMENT BY INDUSTRY

	2005		2006		2007		2008		2005-2008
	Number	%	Number	%	Number	%	Number	%	% Change
TOTAL (Non-Agricultural)	347,900	100%	352,200	100%	353,600	100%	350,700	100%	0.8%
Professional & Business Services	57,300	16.5%	55,900	15.9%	55,200	15.6%	53,600	15.3%	-6.5%
Government	48,000	13.8%	48,800	13.9%	48,900	13.8%	49,800	14.2%	3.8%
Education & Health	43,600	12.5%	45,100	12.8%	47,300	13.4%	49,100	14.0%	12.6%
Retail Trade	39,100	11.2%	39,100	11.1%	38,600	10.9%	37,100	10.6%	-5.1%
Financial Activities	39,100	11.2%	39,200	11.1%	40,900	11.6%	40,900	11.7%	4.6%
Leisure And Hospitality	28,800	8.3%	29,200	8.3%	29,200	8.3%	29,400	8.4%	2.1%
Manufacturing	23,900	6.9%	24,600	7.0%	24,100	6.8%	22,600	6.4%	-5.4%
Construction	20,900	6.0%	22,100	6.3%	21,100	6.0%	20,100	5.7%	-3.8%
Other Services	14,900	4.3%	15,300	4.3%	15,300	4.3%	15,300	4.4%	2.7%
Wholesale Trade	13,300	3.8%	13,200	3.7%	13,000	3.7%	12,700	3.6%	-4.5%
Transportation & Utilities	13,100	3.8%	13,800	3.9%	13,900	3.9%	13,900	4.0%	6.1%
Information Technology	5,900	1.7%	5,900	1.7%	6,100	1.7%	6,200	1.8%	5.1%

Source: Delaware Department of Labor Estimates, Current Employment Statistics Program, 2008

MAJOR AREA EMPLOYERS

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

Employer	Business	Employees
State of Delaware (Non-education)	State Government	15,000
Christiana Care Health Services	Hospital/Healthcare Complex	10,550
Dupont	Chemicals and Energy	8,100
Bank Of America (formerly MBNA)	Banking	7,000
Chase Bank USA, N.A.	Banking	6,000
AstraZeneca Inc.	Pharmaceuticals/Chemicals	4,500
University of Delaware	Higher Education	4,036
Citibank Delaware	Banking	3,000
A.I. Dupont Institute	Children's Hospital/Healthcare	2,797
Christiana School District	Public Education	2,641
Wilmington Trust Co.	Banking	2,297
YMCA	Civic/Social Services	2,148
Happy Harry's Inc./ Walgreen's	Retail Pharmacy	2,000
Red Clay School District	Public Education	1,860
Comcast	Communications	1,600
PNC Bank	Banking	1,550
New Castle County Government	County Government	1,500
Brandywine School District	Public Education	1,482
Amtrak	National Railroad	1,400
Colonial School District	Public Education	1,400
Delaware Park	Entertainment Facility	1,350
Verizon Delaware	Telecommunications	1,261
ING Direct	Financial Services	1,253
Barclay Card	Financial Services	1,200
City of Wilmington	Municipal Government	1,200

Source: Delaware Business Ledger, Book of Lists, February 2009

Largest Real Estate Taxpayers in the City of Wilmington
Fiscal Year 2010

Name	Property	Taxable Assessment	% of Total Taxable
Buccini Pollin Group 100 West Tenth Street	Office and Luxury Residential	\$105,571,700	4.79%
Delmarva Power	Electric & Gas Utility	82,768,900	3.76%
Bank of America	Corporate Headquarters	78,568,900	3.57%
MacQuarie BDN Christina III	Office Building	59,471,900	2.70%
Hercules, Inc.	Corporate Headquarters	58,084,300	2.64%
E.I Dupont de Nemours & Co, Inc.	Corporate Headquarters	52,839,800	2.35%
1201 Market Street LLC	Office Building	51,775,000	2.40%
HUB Properties Trust	Office Building	31,152,500	1.41%
222 Delaware Partners, LP	Office Building	27,608,600	1.25%
Rodney Square Investors LP	Office Building	27,054,360	1.23%
100 West Tenth Street Corporation	Office Building	22,386,600	1.02%
TRC One Rodney Square LLC	Office Building	15,113,600	0.69%
Total		\$612,396,160	27.81%

Source: City of Wilmington Revenue Division

Ten Largest Wage Tax Withholders in the City of Wilmington

Name	Withholdings Calendar Year 2008	% of Total
JP Morgan Chase	4,352,450	9.0%
State of Delaware	3,254,443	6.7%
Bank of America (formerly MBNA)	2,905,488	6.0%
E.I. du Pont de Nemours & Co.	1,965,275	4.1%
Christiana Care	1,614,538	3.3%
Wilmington Trust Company	1,588,783	3.3%
Barclays/Juniper Bank	1,525,324	3.1%
ING Bank	1,237,478	2.6%
Richards, Layton & Finger, P.A.	946,406	2.0%
City of Wilmington	900,778	1.9%
Total	\$20,290,963	42.0%

Source: City of Wilmington Revenue Division

New Construction Permits Issued

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Single-Family	131	56	139	68	61
Multi-Family	1	0	1	0	3
Non-Residential	7	23	8	10	22
TOTAL	139	79	148	78	86

Source: Department of L&I

Total Value of New Construction Activity

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Residential	\$ 16,149,144	\$ 11,520,300	\$ 13,048,613	\$ 9,550,632	\$ 10,206,865
Non-Residential	\$ 55,504,884	\$ 70,313,246	\$116,655,011	\$ 12,133,900	\$ 35,543,146
TOTAL	\$ 71,654,028	\$ 81,833,546	\$129,703,624	\$ 21,684,532	\$ 45,750,011

Source: Department of L&I

Renovation Construction Permits Issued

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Residential	3,483	3,428	3,400	2,157	2,935
Non-Residential	1,223	1,026	850	419	732
TOTAL	4,706	4,454	4,250	2,576	3,667

Source: Department of L&I

Total Value of Renovation Construction Activity

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Residential	\$ 20,231,167	\$ 25,941,524	\$ 85,578,457	\$ 23,940,194	\$ 21,132,548
Non-Residential	\$112,601,178	\$156,171,933	\$183,450,255	\$ 134,242,886	\$ 84,352,813
TOTAL	\$132,832,345	\$182,113,457	\$269,028,712	\$ 158,183,080	\$ 105,485,361

Source: Department of L&I

ECONOMIC DEVELOPMENT ACTIVITY

From Colonial times, Wilmington has been a regional center of commerce and industrial activity. Through the mid-20th century, corporations were attracted to Wilmington because of Delaware's favorable business climate and its reputation for a fair, predictable, and effective judicial system, rooted in the State Court of Chancery. Inexpensive power and ready access to markets stimulated the growth of heavy industries such as foundries and steel-fabricating, leather-finishing, shipbuilding, and manufacture of chemicals and industrial products.

As with many other Northeastern cities in the decades after the end of World War II, Wilmington endured a flight of businesses and residents to the suburbs. But over the last 20 years the City has rebounded dramatically as the result of state action that stimulated the growth of banking and financial services, scientific research, and a distinguished legal community. Also, Wilmington's favorable location in the Northeast Corridor, midway between New York City and Washington, D.C., with easy access to air, rail, highway, and water service, is an acknowledged advantage in site selection.

A business incentive program supported by a Strategic Fund, introduced in 2002, has recruited or retained 26 businesses, providing almost 6,000 jobs. Streamlined review processes, tax abatements, and aggressive brownfield redevelopment programs spurred \$2 billion investment in business and residential development since 2002. Even with the economic challenges now facing it, Wilmington has been able to maintain momentum toward its goal to be recognized as a World Class City.

The mission of the Office of Economic Development (OED) is to achieve a diversified local economy for the City of Wilmington by supporting the growth of commerce and industry, to increase job opportunities, and improve the quality of life for Wilmington residents and visitors. Emphasis is given to business attraction and retention, site selection and development assistance, inter-departmental and multi-agency project management, economic research and development, and small and minority business development. To achieve its mission, OED is engaged in:

- Management of the City business incentive program and the Strategic Investment Fund;
- Management of the Christina Gateway and Wilmington Urban Development Action Grant (UDAG) non-profit development corporations and their loan agreements and administration;
- Provision of rapid site redevelopment, which often require new infrastructure and the coordination of local, State, and Federal agencies;
- Formulation of policies and legislation to support responsible commercial and residential development;
- Small business development services in conjunction with the Delaware Small Business Development Center (SBDC), the Wilmington Economic Development Corporation (WEDCO), and the local Small Business Development Administration (SBA).

The City has realized a number of successes with public/private partnership models and has, since 2002, developed an enterprising policy of gap-financing for private projects. This approach has permitted the flexibility to respond to diverse private sector opportunities and to leverage City funding with an acceptable degree of risk. The result has been a minimum four-to-one private to public funding ratio, with a favorable

record of support from State Departments of Transportation and Environmental Control. Recent economic development projects have been across a wide range of areas, including infrastructure improvements, cultural & tourist amenities, Downtown development, and large institutional investments.

Infrastructure Improvement

Many economic development projects include the creation of new infrastructure or the improvement of existing infrastructure to facilitate and accommodate future development. Infrastructure improvements include:

- \$2.5 million relocation and installation of new storm water management facilities in South Wilmington to provide capacity for over 100 acres of land on south and eastern sides of the Christina River
- Seven-block utility upgrade on North Market Street to accommodate future residential and retail development, and a change to two-way traffic
- \$9 million project to elevate South Market Street out of the flood plain and to accommodate the redevelopment of over 50 acres of Riverfront property to the east of the Christina River
- Assembly, clean-up, and redevelopment of 10 acres of brownfields between S. Market and S. Walnut Streets into the Christina Crossing Shopping Center, adding 150,000 square feet of new retail space including a new 80,000 square foot supermarket
- Relocation of the City's Public Works Yard and redevelopment of the former 16-acre site including:
 - ◆ \$15 million brownfield remediation.
 - ◆ \$175 million for a new transportation grid resulting in three new City blocks and 9 new one acre development sites on the west side of the Christina River.
 - ◆ Completion of two development parcels of the Justison Landing residential complex, adding 335 new residential units and 27,000 square feet of retail space.
 - ◆ City Land transaction completed and three additional shovel-ready development parcels.
- 9th Street Transportation Enhancement Project to facilitate traffic flow into and around the downtown area, and to support existing and future residential and retail activities on 9th street.
- Downtown Circulation Study, to evaluate and analyze downtown traffic in light of current needs, anticipated development, and opportunities to expand multi-modal.

Cultural & Tourist Amenities

The Office of Economic Development seeks to expand cultural and tourist amenities in the Downtown and Riverfront areas and make Wilmington a regional entertainment destination. Major projects in this area include:

- The Peterson Wildlife refuge, a \$16.5 million, 212 acre wildlife refuge and educational center located on the Christina River, near Frawley Stadium.
- The \$21 million redevelopment of the Queen Theater into a live music venue and broadcast radio station operated by World Café Live and WXPB.
- The Delaware Children's Museum, a 37,000 square foot educational facility on the Wilmington Riverfront that is estimated to attract over 135,000 visitors annually.

- The planned South Wilmington Storm Water Project, which will also create attractive open space and recreational amenities for the entire City.

Downtown Development:

- The newly established Upstairs Program, seeded with \$15.5 million of General Obligation Bond proceeds, provides gap financing to spur comprehensive renovations of historic buildings and reduce second and third story vacancies in the Market Street historic district. Initial \$15 million in financing has been awarded for work to be completed by the end of 2010.
- A 450-space parking garage and a \$13 million historic renovation of the east side of the 300 block of Market Street have been completed. This work complements the previously completed restoration of the Ships Tavern District.
- Completion of the new Blue Cross Blue Shield headquarters at 800 Delaware Avenue added 280,000 square feet of Class “A” office space to the central business district, that is 100% occupied.
- Completion of the new WSFS building at 500 Delaware Ave. added 371,222 square feet of Class “A” office space and 550 structured parking spaces to the central business district, that is 75% occupied.
- Completion of the new Renaissance Building at 400 King Street adding 150,000 square feet of Class “A” office space in the Court House area, that is 60% occupied.

Institutional Investments

Medical and educational institutions have recently made investments in the City of Wilmington. The Christiana Care Health System has embarked on a \$205 million expansion and renovation of its 10-acre Wilmington Campus. Expected to be completed in five years, this expansion will double the size of its emergency room; accommodate 30 new single-patient rooms; provide the capacity for 90 additional beds; provide 51,000 square feet of professional office space; and create an estimated 2,000 construction jobs and 594 new permanent jobs.

The Delaware College of Art and Design, located Downtown on Market Street, has transformed roughly 3,200 square feet of previously underutilized ground floor space into a new student center, including a lounge area for recreational use, study, and student gatherings. In addition, the student bookstore was formalized just off of the main lobby to the student housing center. The cost of the project was roughly \$500,000, and culminated with a ribbon cutting ceremony dedicating the space as the Tatiana Copeland Student Center. The College is also beginning work on an expansion of its residential student housing, with the details still being worked out at this time.

Conclusion

The City’s aggressive policy of economic incentives and creative gap-financing, along with its favorable location in the Northeast Corridor, have enabled Wilmington to achieve widespread recognition as Delaware’s business center and the entry point to the mid-Atlantic; but the creation of new jobs tells only part of the story. The continued transformation of the Riverfront and the growth of residential development have generated activity, excitement and sense of pride in Wilmington.



CITIZEN'S GUIDE TO THE BUDGET PROCESS

The Budget Process

For a one page summary of the budget process please see the Budget Process Calendar on Page 19.

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

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

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

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

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

All materials and instructions necessary for department heads to craft their budget requests are given to them during the Budget Kick-off meeting, which is held the first week in December. Part of the material they receive includes the Level I Budget developed by OMB. It should be noted that requests for staffing increases or position upgrades go through an additional 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. WEFAC was created in 1994 and is comprised of twelve members appointed by the Mayor. Its membership consists of business and financial leaders from banks and other businesses in the Wilmington area. WEFAC's primary functions are to advise the Mayor on revenue projections and trends, and to provide a sounding board on issues of urban economics. It is important to note that, by law, City Council cannot alter the Mayor's revenue budget projections.

After the Finance Committee has completed its hearings, meetings are held in which City Council and the Administration leadership finalize agreement on the Budget. By the third Thursday in May, City Council votes on the Budget. By law, City Council must approve a balanced Budget by June 1st. For the Budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits. 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 230.**

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 2008 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 Appropriated Funds on page 24**). 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.

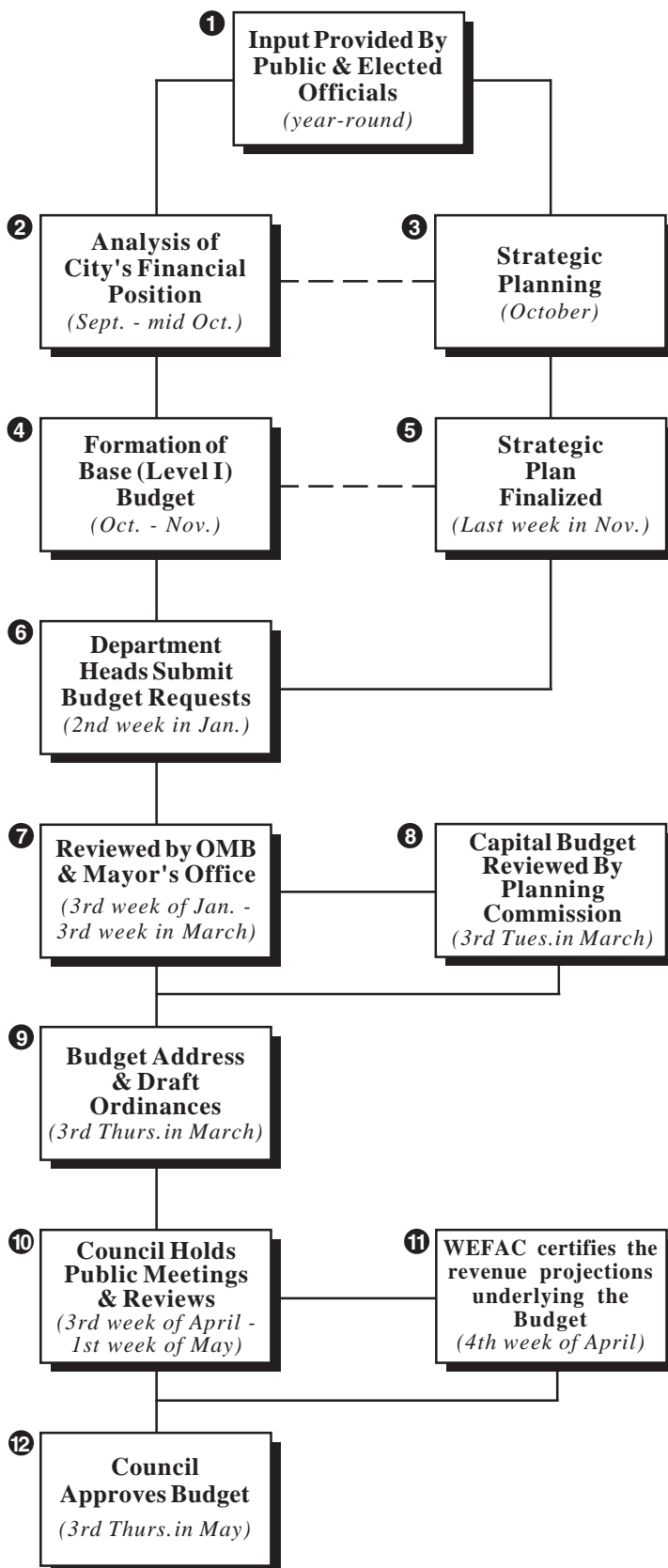
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, Commerce and Special funds are budgeted and operate under a **modified accrual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

are recognized when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out). The Water/Sewer and Internal Service funds are budgeted and operate under the **accrual method** (used by most businesses) in which all revenues and expenses are recorded when recognized (i.e. when earned for revenues and when incurred for expenses), rather than when cash is collected or paid out.

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

- Depreciation of fixed assets is budgeted and expensed in the Water/Sewer and Internal Service funds. In the General 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-year strategic plans.
- 4 OMB develops a baseline or Level I budget from historical data, trends, local economy and strategic plans.
- 5 Department Heads finalize Strategic Plan.
- 6 Based on Strategic Plan results and Level I amounts, departments submit budget requests to OMB.
- 7 During departmental meetings, OMB and the Mayor's Office review and evaluate requests, making recommendations as to funding.
- 8 The Planning Commission, a board of appointed citizens (5) and City officials (2), reviews and recommends a Capital Budget and Program to City Council.
- 9 The Mayor submits budget (operating and capital), revenue projections and tax rates for next fiscal year to City Council.
- 10 The Finance Committee of City Council holds public meetings on Mayor's proposed budget for each City Dept.
- 11 The Wilmington Economic and Financial Advisory Council (WEFAC) reviews, analyzes and certifies the revenue projections underlying the Budget. WEFAC consists of regional business, financial, and academic leaders appointed by the Mayor.
- 12 The City Council must approve a balanced budget by June 1 or 30 days prior to start of fiscal year.

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

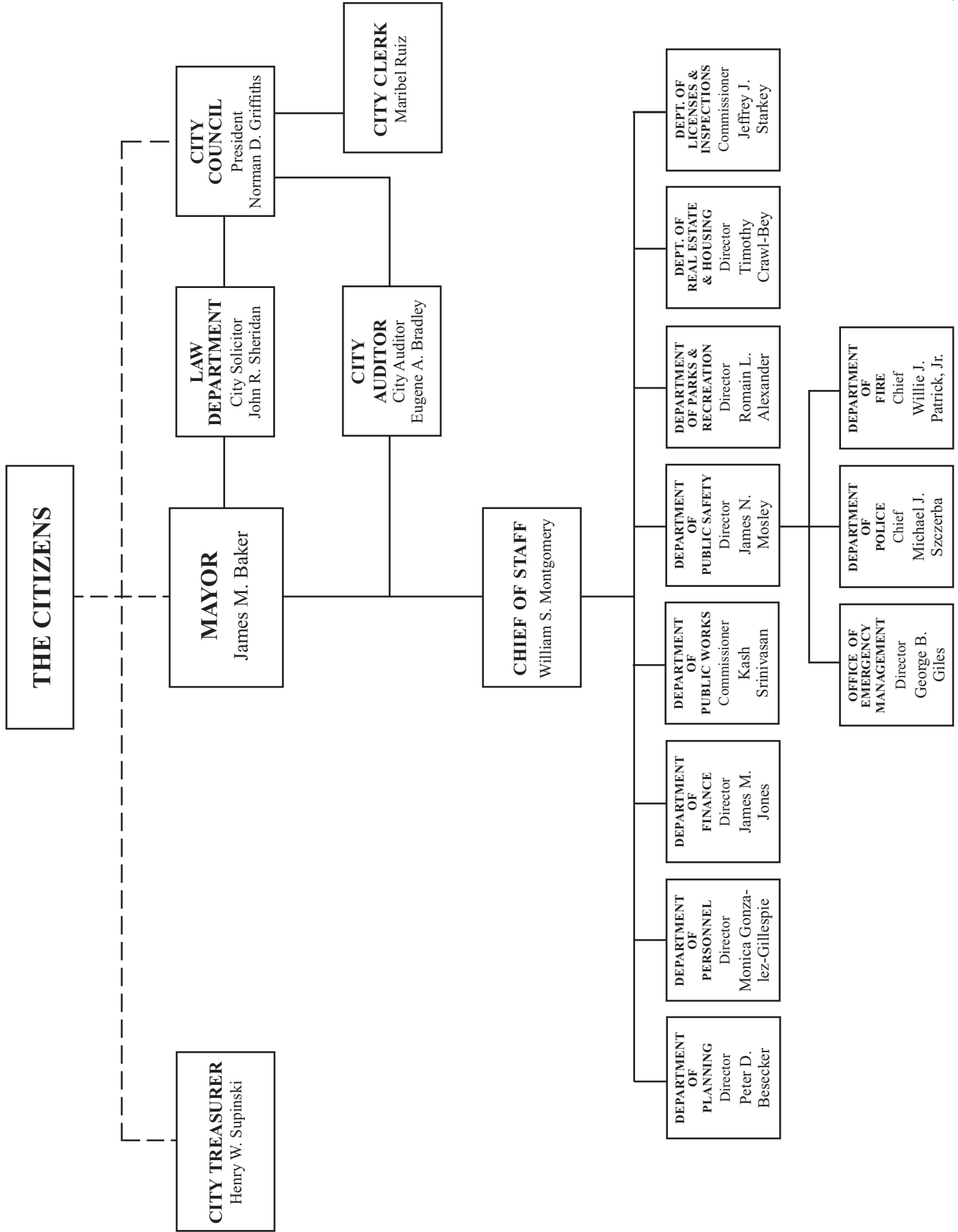
- A. Increase quality and affordability of housing for low-moderate income families.
- B. Increase home ownership.
- C. Increase and/or improve traditional City services (i.e. trash pickup, street repairs, etc.)
- D. Increase services and recreation opportunities for youth and families.
- E. Reduce crime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

STATEMENT OF FINANCIAL 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. Our financial 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 Policy #2). 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 cash flow to sustain water and sewer operations and the necessary infrastructure.
 - Internal Service Funds shall be budgeted at break-even with internal charges equal to expenditures. The Risk Management Fund shall be an exception in that this fund should, if possible, produce a positive fund balance. The building of a positive fund balance is important in risk management because a catastrophic fund balance reserve must be established. When the catastrophic reserve is established at an actuarially determined level, a balanced budget should be maintained.
2. Wilmington's financial position shall be managed conservatively. The following strategies shall be deployed:
 - The City shall maintain a Budget Reserve Account or "Rainy Day Account" equal to 10% of the General Fund Operating Budget. The Budget Reserve is to be used only in emergencies as declared by the Mayor and approved by a two-thirds majority vote of City Council.
 - 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 fund balance reserve for catastrophic losses, in addition to the actuarially calculated liability.
3. A target of 80% or more of the General Fund or operating budget should represent direct essential services to the citizens such as Police, Fire, Public Works, Parks & Recreation and L & I.
4. Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such the Consumer Price Index (CPI) or Producer Price Index (PPI). Cost containment should be achieved without elimination of services or programs. New programs should be implemented only through cost savings from existing programs. Innovation and new technology must be utilized to achieve the most cost effective service delivery.

5. Revenue generation will be derived from various sources with the primary focus on economic development activities. The broadening of the tax base rather than increases to tax rates is the objective; however, real estate tax rates and various user charges should be periodically adjusted to account for inflation. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 95% or greater.
6. All components of Wilmington's infrastructure, including roads, water/wastewater transmission lines, water and sewer treatment plants, traffic signals, parks, public property, bridges, street lighting, reservoirs and other capital assets shall be reviewed quarterly and planned maintenance or replacement shall be approved by the Planning Commission and included in the City's Capital Budget and Program. Unexpended funds from previous Capital Budgets shall be reviewed quarterly to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount of new borrowing.
7. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law.
8. The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

CITY OF WILMINGTON ORGANIZATION CHART



DESCRIPTION OF APPROPRIATED FUNDS

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

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

- **State Aid to Local Law Enforcement (SALLE) Funds** are State of Delaware grants to be used for specific policing programs.
- **Parks Trust Fund** shown in the budget reflects contributions to the City from trusts to be used in the maintenance and improvement of specific City-owned parks. Only the contribution from the trusts to the City are appropriated and shown in the budget.
- **Municipal Street Aid Fund** reflects the fiscal activities regarding a special State of Delaware appropriation for Street maintenance.
- **Parks Assistance Fund** represents City activities in summer youth programs, senior programs, and other recreational and meal programs funded through federal and state grants.
- **HUD Section 8 Funds** are used exclusively for rental subsidies for aged and economically disadvantaged persons. Funding is obtained from the U.S. Department of Housing and Urban Development.
- **Community Development Block Grant (CDBG) Funds** are federally-funded activities administered by City staff and subrecipients for urban renewal and development.
- **Home Partnership Funds** are federal funds which address a variety of housing assistance programs to benefit low-to-moderate income City residents.
- **Pension Administration Funds** shown in the budget reflect the costs related to the administration of the City's five employee pension plans. The pension fiduciary trust funds themselves (including pension payroll and investment income) are not appropriated by City Council, but are controlled by an independent Board of Pensions.
- **Emergency Shelter Grant** is designed to improve the quality of emergency shelters for the homeless. Funding for this program is awarded through the United States Department of Housing and Urban Development.
- **Local Law Enforcement Block Grant (LLEBG)** is awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.
- **New Castle County (NCC) Police Grant; NCC Fire Grant** are grants provided by New Castle County for supporting City policing operations, new Fire apparatus, and ambulance subsidy payments.
- **Delaware State Fire Grant** is provided by the State of Delaware to all fire departments throughout the State to assist them in purchasing specialized gear and equipment and to provide funding for specific safety training programs.
- **Byrne Grant** is a federal award to support interdisciplinary activities to prevent and control crime. The award increased dramatically in FY 2010.

DESCRIPTION OF APPROPRIATED 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 dictated, however, that the remaining fund balance of the Commerce Fund had to be used by the City exclusively for economic development activities. Thus, it was the mandated policy that the fund balance of the Commerce fund continue to be drawn down for economic development activities until the fund balance was depleted. Once the fund balance was spent down, as planned, those economic development activities and costs would be merged into the General Fund.

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

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

- **Administrative Services:** Communications; Data Processing; Duplication and Reproduction; Mail Services; Mapping and Graphics; Motor Vehicle; Word Processing.
- **Self-Insurance:** Risk Management; Workers' Compensation; Health and Welfare

Funding Appropriation

The City's Non-Special Funds are appropriated through the Budget Process and approved by City Council through City Ordinance. While most of the City's Special Funds are also appropriated through the budget process, there are notable exceptions, such as the Pension and Parks Trust funds. While a small portion of administrative costs related to these two funds is appropriated and shown in the budget, the large majority of activities, revenues, and costs of these funds are controlled by legally independent boards and trusts, and are not appropriated through the budget process. Only those Funds (or portions of Funds) in which the City Council can appropriate expenditures are included in the budget document.



BUDGET

SUMMARY

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2010

The General Fund

- The Fiscal Year (FY) 2010 operating budget expenditures total **\$145,605,707** – up \$3,969,335 or 2.8% from FY 2009. However, it is important to note that this increase occurred only after having to absorb over \$6 million in costs for the operations of the now defunct Commerce Fund. In addition to having to offset the \$6 million in Commerce Fund expenses, other mandatory cost increases in areas such as police compensatory time, landfill fees, and litigation costs put greater pressure on the budget. Together, those cost increases, in conjunction with an \$8 million decline in revenues, necessitated further reductions during the budget process that totaled over \$9 million, affecting nearly every department and cost category in the City.
- As part of the reductions necessary to help balance the budget, no allowance was made for wage increases. The Mayor’s Office met with all union leadership to discuss the situation, and all but the Firefighters union agreed to no salary increases for FY 2010. As part of a compromise with the other unions, anniversary-based salary step increases will continue. However, the Firefighters union would not agree to forgo any of its salary increases, thus causing the elimination of eight firefighter positions in order to cover the costs. The total amount saved by suspending wage increases, along with the needed firefighter layoffs is about \$1.8 million.
- The Police Academy Class that was planned to begin this June has been cancelled. Budgeted authorized strength for FY 2010 is being lowered from 341 to 326 sworn officers to match the current level of actual manpower. The effect on the budget of funding 15 fewer officer positions is a savings of almost \$1 million.
- The City Treasurer, working closely with the City’s Actuary, developed a plan that allowed the City to amortize an 18% increase to the pension funding targets caused by the recent sharp declines in the pension investment portfolios. By doing so, the City avoided an additional increase to pension costs of over \$1 million.
- The federal Byrne Grant has allowed the City to maintain several Police Department programs in FY 2010 which otherwise would have been eliminated due to budget constraints. These include the Camera Watch program, Child Development Community Policing (CDCP), and a comprehensive weapons upgrade and replacement program. With the grant support, the nearly \$990,000 total cost of these three programs was able to be transferred out of the General Fund.
- City-wide, Overtime has been reduced over 20% or \$1 million from last fiscal year’s levels. The Fire and Police Departments, by far the largest users of overtime in the City, saw the bulk of the total decrease. While still allowing for contractual items that often trigger overtime (such as minimum manning requirements and special events) reductions of \$680,000 and \$173,900 were obtained from the Fire and Police Departments respectively.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2010

The General Fund (continued)

- Non-contractual community services support funding, grants to agencies, and scholarships have been sharply reduced in the Mayor's Administrative Division, saving a total of \$568,000.
- Temporary Salaries throughout the City were reduced by \$88,500. Along with a \$169,500 reduction in registration fees and professional development related travel expenses, a total of \$258,000 of discretionary spending was eliminated in the FY 2010 budget.
- The Street Cut Program, an initiative that was planned to begin last fiscal year, will be largely suspended in FY 2010, resulting in the deletion of two vacant Construction Inspector positions and the avoidance of related engineering and software costs. Total savings as a result will be \$282,000.
- In order to properly account for and reduce the massive amounts of Police compensatory time that had been allowed to accrue over many years, contractual revisions were recently agreed upon by the City and the Police union whereby periodic payouts are now mandatory for certain levels of compensatory time earned but not taken. To cover this new policy, \$775,000 was added to the Police Department budget.
- A mid-FY 2009 expansion of the Finance Department's Plan for Change added six new positions to the Earned Income Tax Division to focus on the collection of delinquent and omitted wage and net profits tax revenues. Along with the new positions, there were also funds provided to support corporate auditing and collection expenses. In total, about \$695,000 of those costs have been carried over to the FY 2010 budget. The expected return on this initiative is a total of \$14 million in Wage and Net Profits revenue by the end of FY 2011.
- The City is following through on its \$15 million commitment to the Upstairs Fund urban renewal program on Market Street (of which the Queen Theater project is a part). \$747,500 in interest expense has been added to the Economic Development Office's debt service budget, reflecting the use of a special draw down, interest-only loan that will be fixed out in later years through a capital bond issuance. Projected revenues of \$739,329 resulting from the program will nearly offset the additional debt service cost in FY 2010. If not for the Upstairs Fund Program special borrowing, total Debt Service in the General Fund (before the merge with the Commerce Fund) would have decreased by \$493,000 in FY 2010.
- Because of the collapsed market demand for recycled goods, the cost of the City's recycling program will increase by \$250,000 or 43% due to a new \$25 per ton recyclables disposal charge. In addition, due to increased trash tonnage, landfill fees have increased by a net \$87,100.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2010

The General Fund (continued)

- Staffing decreased by a net total of just under 20.5 Full-Time Equivalent (FTE) positions. Changes that added 14 FTEs were more than offset by nearly 34.5 other FTE reductions.

The 14 FTE additions are in the Office of Economic Development and the Finance Department. Nine positions in the Office of Economic Development that were formerly funded out of the now defunct Commerce Fund were moved into the General Fund. Also, five of the six positions added mid-FY 2009 in the Finance Department to enhance collections were carried over into FY 2010.

The nearly 34.5 FTE reductions are spread across several departments. In the Police Department, 15 vacant Patrol Officer positions were eliminated, and one Youth Intervention Specialist was transferred to the federal Byrne Grant. In the Fire Department, eight firefighter positions were eliminated due to layoffs needed to offset the cost of the Firefighters union's salary increase demands. Public Works eliminated two vacant positions related to the suspended Street Cut Program, along with another vacant Administrative Clerk position. In the Parks Department, five vacancies, a Public Health Advocate, an Administrative Coordinator, and three Mechanics were eliminated. Licenses & Inspections eliminated a vacant Mechanical Code Enforcement Supervisor and a vacant Code Enforcement Inspector. Lastly, the reallocation among the General, Water/Sewer, and Special Funds of various split-funded positions in the Real Estate & Housing and Finance Departments resulted in a net decrease of 0.48 FTE.

- Because of the severe impact of the current economic decline on City revenues, cost reductions and efficiency initiatives alone could not balance the budget. Along with other fee and citation increases, there is a 15% Property Tax rate increase.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2010

The Water/Sewer Fund

- The FY 2010 operating budget expenditures total **\$54,466,563** – up \$1,098,130 or 2.1% from FY 2009. Despite increasing fiscal stress, it was deemed necessary that the FY 2010 budget continue to support certain high-priority initiatives begun in recent years. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern New Castle County’s water supply during times of drought.
- Contractual maintenance and operational services costs increased by over \$1 million. The single biggest item is a \$520,000 increase in the contract with Veolia to operate and maintain the City’s sewage treatment plant. The increase in the contract is pegged to changes in mutually agreed upon inflation indices, including the Producer Price Index and a regional electricity cost index. In addition, maintaining the Real Time Control system infrastructure will cost \$300,000, with an additional \$100,000 needed for the related radar supported rainfall data system. Lastly, pump upgrades and the addition of a sludge storage bunker at the Wastewater Treatment Plant added another \$70,000 and \$71,400 respectively.
- Because of the structure of existing debt schedules, debt service costs will increase by almost \$762,000 in FY 2010. And as was the case the last two fiscal years, to conserve cash flow in the Fund, the purchase of all fixed assets (infrastructure), unless funded by a grant, must be done through the bond supported Capital Program.
- The cost of chemicals used to purify and treat drinking water and reduce the levels of pollutants in treated sewage continues to rise in price well above the general rate of inflation. This year, chemical costs increased another \$350,000, to a new total of \$1,300,000.
- As a result of the completion of some one-time projects and related analytical studies, significant reductions totaling \$916,000 or 22% were made to the Professional Fees category in the Public Works Department. This included decreases of \$636,000 in engineering fees, \$190,000 in consultants fees, and \$150,000 in legal fees.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2010

The Water/Sewer Fund (continued)

- Staffing decreased by a net 2.5 FTE positions. In the Public Works Department, three vacancies were deleted: a Technical Maintenance Mechanic I, a CSO Systems Supervisor, and an Equipment Operator II. Slightly offsetting the decreases above was the reallocation of a position in the Delinquent Accounts Division of the Finance Department from 100% General Fund to split-funding of 50% General Fund and 50% Water/Sewer Fund.

- The FY 2010 Budget raises water and sewage rates by 20% and stormwater fees by 10%. The weighted average rate increase to City customers is 18.21%. More detail as to the necessity of this and other planned rate increases in the future is provided in the Revenues Overview of the Budget Book.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2010

The Commerce Fund

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

- In FY 2009 the Commerce Fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund. The cost to the General Fund for FY 2010 is a total of \$6,023,867 (\$2,377,600 for the Economic Development Office and \$3,646,267 for Port Debt Service).

**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2006 - FY 2010**

REVENUES	ACTUAL FY2006	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
General Fund					
Taxes	\$95,364,457	\$92,297,981	\$94,108,451	\$99,590,712	\$102,472,372
Permits, Fees & Fines	8,100,564	9,109,357	9,808,760	10,722,900	13,822,291
Other	7,943,123	9,864,911	8,373,156	8,772,533	10,001,353
Task Force Revenues	4,481,453	4,853,882	4,762,980	4,878,000	4,178,000
County Seat Relief	3,634,486	6,682,189	8,002,777	10,123,429	7,492,067
State Pension Contributions	6,742,705	7,323,607	7,468,406	7,323,600	7,323,600
Transfers In	275,000	275,000	275,000	275,000	275,000
Prior Year Surplus	0	0	0	750,000	0
Subtotal	126,541,788	130,406,927	132,799,530	142,436,174	145,564,683
Water/Sewer Fund					
Direct User Charges	25,276,063	33,398,882	33,367,866	33,268,413	39,423,981
New Castle County Charges	15,818,123	16,242,123	16,677,751	19,321,940	19,321,940
Other	0	6,288,875	1,107,784	1,020,000	1,020,000
Subtotal	41,094,186	55,929,880	51,153,401	53,610,353	59,765,921
Commerce Fund					
Direct User Charges	10,088	0	0	0	0
Port Debt Reimbursement	8,987,339	1,598,003	1,124,962	2,832,098	0
Miscellaneous	1,567,500	0	1,360	0	0
Subtotal	10,564,927	1,598,003	1,126,322	2,832,098	0
Special Funds					
Fed./State/County Grants	14,508,291	12,937,508	12,954,610	7,572,965	7,110,071
Other	2,206,853	2,057,303	2,178,579	2,612,114	2,670,909
Subtotal	16,715,144	14,994,811	15,133,189	10,185,079	9,780,980
Total Revenues	\$194,916,045	\$202,929,621	\$200,212,442	\$209,063,704	\$215,111,584

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2006 - FY 2010**

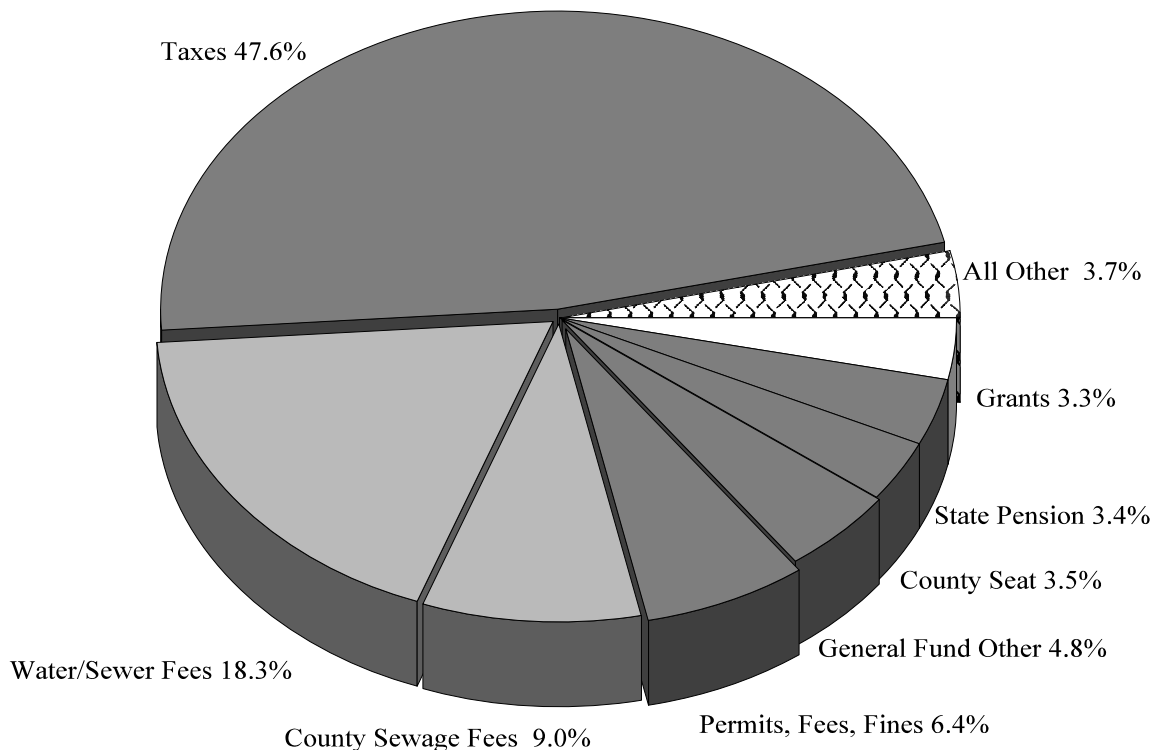
EXPENDITURES	ACTUAL FY2006	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
General Fund					
Personal Services	\$71,447,176	\$80,401,889	\$83,762,498	\$91,387,155	\$90,923,788
M. S. & E.	22,413,741	30,814,805	26,345,544	36,083,176	35,377,300
Debt Service	9,207,313	11,590,117	11,784,442	13,093,932	17,415,753
Other	440,594	688,247	809,673	1,072,109	1,888,866
Subtotal	103,508,824	123,495,058	122,702,157	141,636,372	145,605,707
Water/Sewer Fund					
Personal Services	8,183,657	8,316,531	9,630,491	9,590,532	9,541,915
M. S. & E.	23,526,453	28,149,039	28,300,613	32,629,610	33,014,404
Debt Service	4,765,174	3,893,068	4,409,703	4,988,453	5,750,406
Other	5,090,091	6,307,970	5,644,453	6,159,838	6,159,838
Subtotal	41,565,375	46,666,608	47,985,260	53,368,433	54,466,563
Commerce Fund					
Personal Services	569,200	649,889	647,030	794,272	0
M. S. & E.	206,016	207,364	1,563,938	1,581,905	0
Debt Service	7,232,749	5,782,102	5,764,041	4,083,917	0
Subtotal	8,007,965	6,639,355	7,975,009	6,460,094	0
Special Funds					
Personal Services	7,038,023	5,541,364	6,330,638	2,507,918	2,335,486
M. S. & E.	4,551,471	4,626,720	6,538,981	3,370,636	4,281,646
Other	5,125,650	4,826,727	2,263,570	4,306,525	3,163,848
Subtotal	16,715,144	14,994,811	15,133,189	10,185,079	9,780,980
Total Expenditures	\$169,797,308	\$191,795,832	\$193,795,615	\$211,649,978	\$209,853,250
INCOME (LOSS)					
General Fund	23,032,964	6,911,869	10,097,373	799,802	(41,024)
Water/Sewer Fund	(471,189)	9,263,272	3,168,141	241,920	5,299,358
Commerce Fund	2,556,962	(5,041,352)	(6,848,687)	(3,627,996)	0
Special Funds	0	0	0	0	0
Total Income (Loss)	\$25,118,737	\$11,133,789	\$6,416,827	(\$2,586,274)	\$5,258,334

**SUMMARY ALL FUNDS COMBINED
FISCAL YEAR 2010**

Revenues	Actual FY 2007	Actual FY 2008	Budget FY 2009	Budget FY 2010	Percent Change FY'10-'09	Page Reference*
Taxes	\$92,297,981	\$94,108,451	\$99,590,712	\$102,472,372	2.9%	38
Permits, Fees, Fines	9,109,357	9,808,760	10,722,900	13,822,291	28.9%	38
Task Force Revenues	4,853,882	4,762,980	4,878,000	4,178,000	-14.4%	38
County Seat Relief	6,682,189	8,002,777	10,123,429	7,492,067	-26.0%	38
State Pension Contr.	7,323,607	7,468,406	7,323,600	7,323,600	0.0%	38
General Fund Other	10,139,911	8,648,156	9,797,533	10,276,353	4.9%	38
Water/Sewer Fees	33,398,882	33,367,866	33,268,413	39,423,981	18.5%	42
County Sewage Fees	16,242,123	16,677,751	19,321,940	19,321,940	0.0%	42
Water/Sewer Other	6,288,875	1,107,784	1,020,000	1,020,000	0.0%	42
Port Debt Reimburse.	1,598,003	1,126,322	2,832,098	0	-100.0%	44
Special Funds Grants	12,937,508	12,954,610	7,572,965	7,110,071	-6.1%	40
Special Funds Other	<u>2,057,303</u>	<u>2,178,579</u>	<u>2,612,114</u>	<u>2,670,909</u>	<u>2.3%</u>	40
Total Revenues	<u>\$202,929,621</u>	<u>\$200,212,442</u>	<u>\$209,063,704</u>	<u>\$215,111,584</u>	<u>2.9%</u>	

* See page listed for further information and details.

Revenues All Funds Fiscal Year 2010

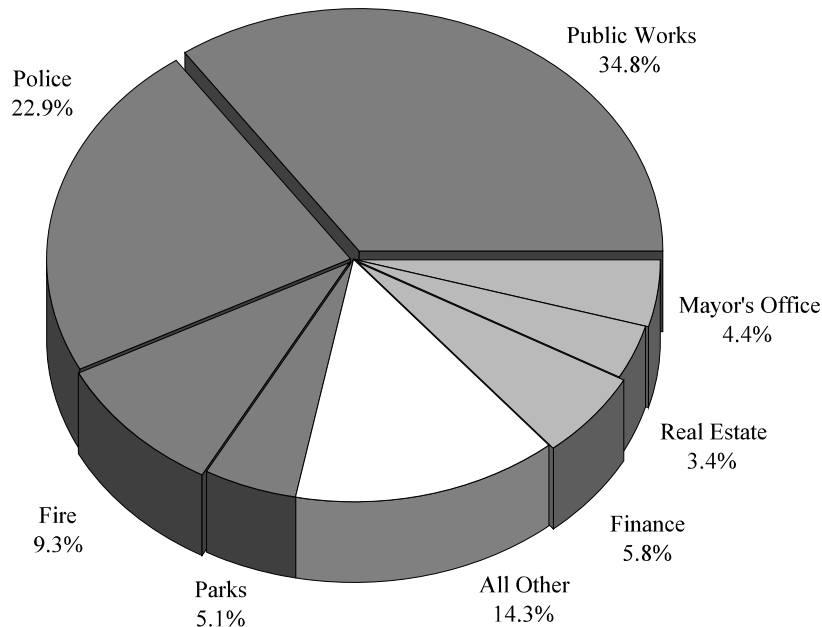


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2010

<u>Expenditures</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Mayor's Office	\$7,331,202	\$10,033,365	\$10,182,198	\$9,243,622	-9.2%	97
Council	2,711,086	2,683,096	2,861,689	2,673,742	-6.6%	109
Treasurer	2,396,294	2,502,378	2,939,119	2,982,616	1.5%	113
Planning	1,591,757	1,596,085	1,964,945	1,840,197	-6.3%	120
Auditing	643,253	654,684	730,071	739,847	1.3%	128
Law	3,412,844	2,777,746	3,000,181	3,111,496	3.7%	133
Finance	7,166,774	8,555,885	10,869,741	12,207,692	12.3%	139
Human Resources	1,617,315	1,548,197	2,000,933	1,895,103	-5.3%	149
Licenses & Inspections	4,015,595	4,130,771	4,925,318	4,564,773	-7.3%	162
Parks & Recreation	11,506,199	11,316,422	11,135,137	10,609,204	-4.7%	169
Fire	20,314,660	17,961,414	20,602,432	19,582,538	-5.0%	179
Police	45,197,183	45,852,287	48,071,869	48,115,200	0.1%	187
Public Works	64,425,185	66,409,637	73,699,623	72,980,301	-1.0%	198
Real Estate & Housing	6,796,635	4,976,412	7,224,026	7,115,295	-1.5%	214
Commerce (Port Debt)	5,346,243	5,328,830	3,694,096	3,646,267	-1.3%	227
State Pension Contr.	7,323,607	7,468,406	7,323,600	7,323,600	0.0%	180 & 188
Contingent Reserves	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>1,221,757</u>	<u>187.5%</u>	97
Total	<u>\$191,795,832</u>	<u>\$193,795,615</u>	<u>\$211,649,978</u>	<u>\$209,853,250</u>	<u>-0.8%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2010



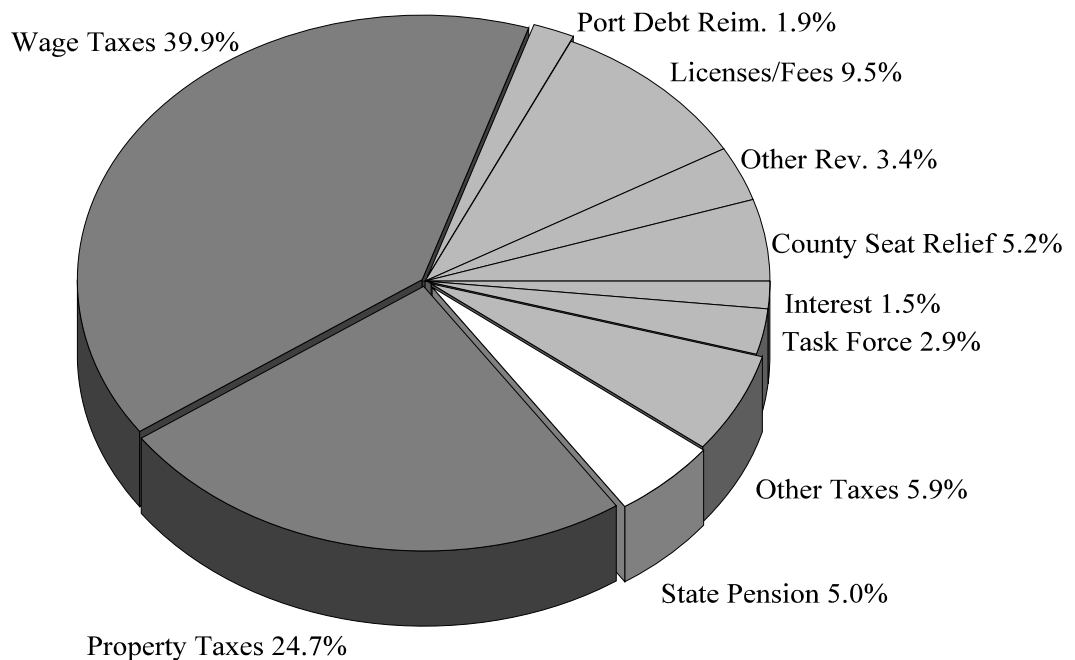
SUMMARY OF GENERAL FUND FISCAL YEAR 2010

<u>Revenues</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Wage Tax	\$51,930,463	\$54,391,443	\$55,277,658	\$58,015,387	5.0%	75
Property Tax	30,227,452	30,503,671	32,568,875	35,862,806	10.1%	76
Other Taxes	10,140,066	9,213,337	11,744,179	8,594,179	-26.8%	77
Licenses, Permits, Fees & Fines	9,109,357	9,808,760	10,722,900	13,822,291	28.9%	78
Interest	5,234,150	3,324,430	4,250,000	2,250,000	-47.1%	79
Other Revenues	4,630,761	5,048,726	4,522,533	4,922,533	8.8%	80
Task Force Revenues	4,853,882	4,762,980	4,878,000	4,178,000	-14.4%	81
County Seat Relief	6,682,189	8,002,777	10,123,429	7,492,067	-26.0%	82
State Pension Contr.	7,323,607	7,468,406	7,323,600	7,323,600	0.0%	83
Port Debt Reimburse.	0	0	0	2,828,820	N/A	83
Prior Yr Desig./Surplus	0	0	750,000	0	-100.0%	84
Transfers In/(Out)	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>0.0%</u>	84
Total Revenues	<u>\$130,406,927</u>	<u>\$132,799,530</u>	<u>\$142,436,174</u>	<u>\$145,564,683</u>	<u>2.2%</u>	

* See page listed for further information and details.

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

General Fund Revenues Fiscal Year 2010



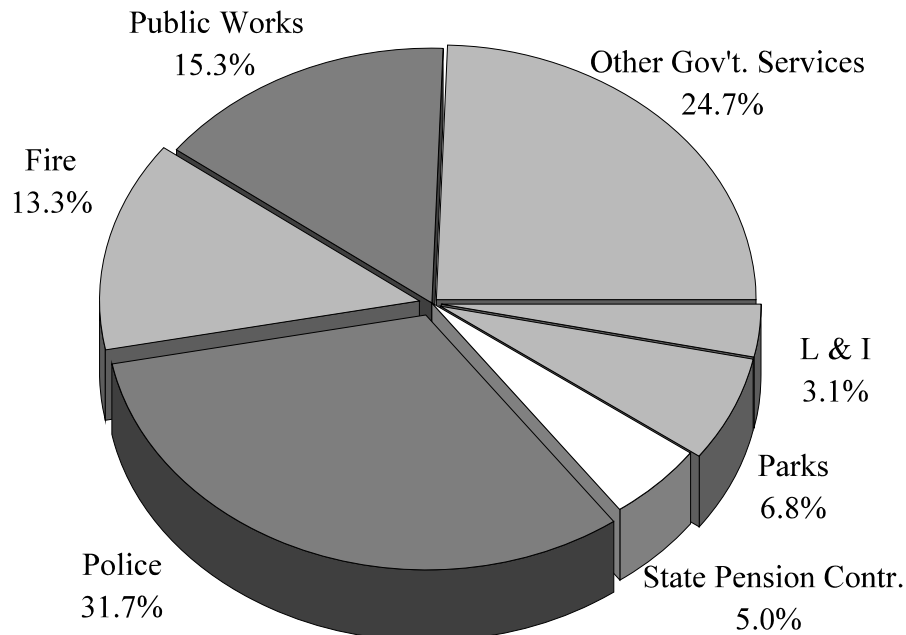
SUMMARY OF GENERAL FUND FISCAL YEAR 2010

<u>Expenditures</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Mayor's Office [^]	\$5,788,574	\$7,269,116	\$7,361,169	\$9,188,271	24.8%	97
Council	2,711,086	2,683,096	2,861,689	2,673,742	-6.6%	109
Treasurer	419,533	423,988	461,126	463,209	0.5%	113
Planning	1,527,256	1,537,205	1,908,460	1,782,453	-6.6%	120
Auditing	589,033	601,884	673,871	681,047	1.1%	128
Law	3,409,363	2,727,869	3,000,181	3,111,496	3.7%	134
Finance	4,592,718	5,439,337	7,386,897	8,542,550	15.6%	140
Human Resources	1,617,315	1,548,197	2,000,933	1,895,103	-5.3%	150
Licenses & Inspections	3,990,529	4,111,445	4,925,318	4,564,773	-7.3%	162
Parks & Recreation	10,270,353	9,797,793	10,488,212	9,944,898	-5.2%	170
Fire	19,676,762	17,254,810	20,402,244	19,382,350	-5.0%	179
Police	40,416,911	39,953,888	47,117,027	46,169,699	-2.0%	188
Public Works	19,643,796	20,189,713	22,614,984	22,237,680	-1.7%	198
Real Estate & Housing	1,518,222	1,695,410	2,685,661	2,776,812	3.4%	214
Commerce (Port Debt) [^]	0	0	0	3,646,267	N/A	227
State Pension Contr.	7,323,607	7,468,406	7,323,600	7,323,600	0.0%	180 & 188
Contingent Reserves ^{^^}	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>1,221,757</u>	<u>187.5%</u>	97
Total Expenditures	<u>\$123,495,058</u>	<u>\$122,702,157</u>	<u>\$141,636,372</u>	<u>\$145,605,707</u>	<u>2.8%</u>	

* See page listed for further information and details. ^ See note on page 44.

^{^^} FY 2010 includes \$702,000 for employee step increases, \$300,000 for operating contingencies, \$94,757 for the FED UP program and \$125,000 for snow and weather emergencies.

General Fund Expenditures Fiscal Year 2010



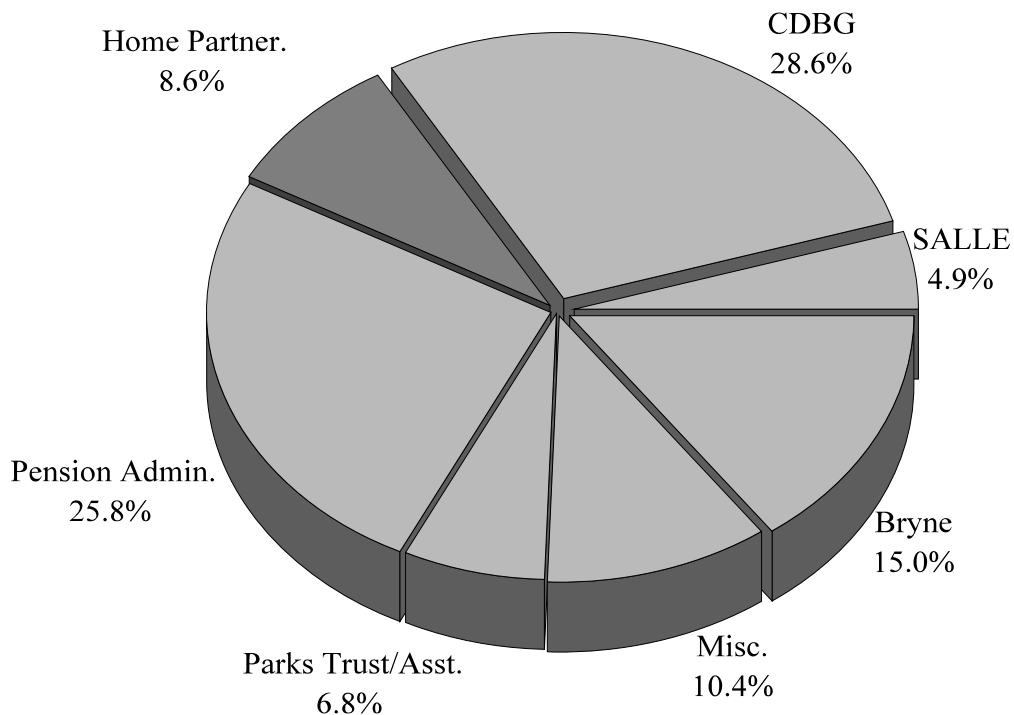
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2010

<u>Revenues</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Municipal Street Aid	\$743,057	\$1,404,012	\$1,255,250	\$0	-100.0%	85
CDBG	2,250,364	2,711,581	3,227,208	2,797,208	-13.3%	85
HUD Section 8	1,924,446	0	0	0	0.0%	85
NCC Police Grant	3,620,921	4,612,137	0	0	0.0%	86
Parks Assistance	1,155,304	1,418,440	512,804	512,804	0.0%	86
Parks Trust Fund	80,542	100,189	134,121	151,502	13.0%	86
SALLE/LLEBG	1,122,497	1,157,283	954,842	479,786	-49.8%	87
Pension Admin.	1,976,761	2,078,390	2,477,993	2,519,407	1.7%	87
Home Partnership	331,614	51,045	654,769	839,047	28.1%	87
Bryne Grant	65,401	198,182	0	1,465,715	N/A	88
Miscellaneous Grants	<u>1,723,904</u>	<u>1,401,930</u>	<u>968,092</u>	<u>1,015,511</u>	<u>-11.5%</u>	88
Total Revenues	<u>\$14,994,811</u>	<u>\$15,133,189</u>	<u>\$10,185,079</u>	<u>\$9,780,980</u>	<u>-4.0%</u>	

* See page listed for further information and details.

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

Special Funds Revenues Fiscal Year 2010



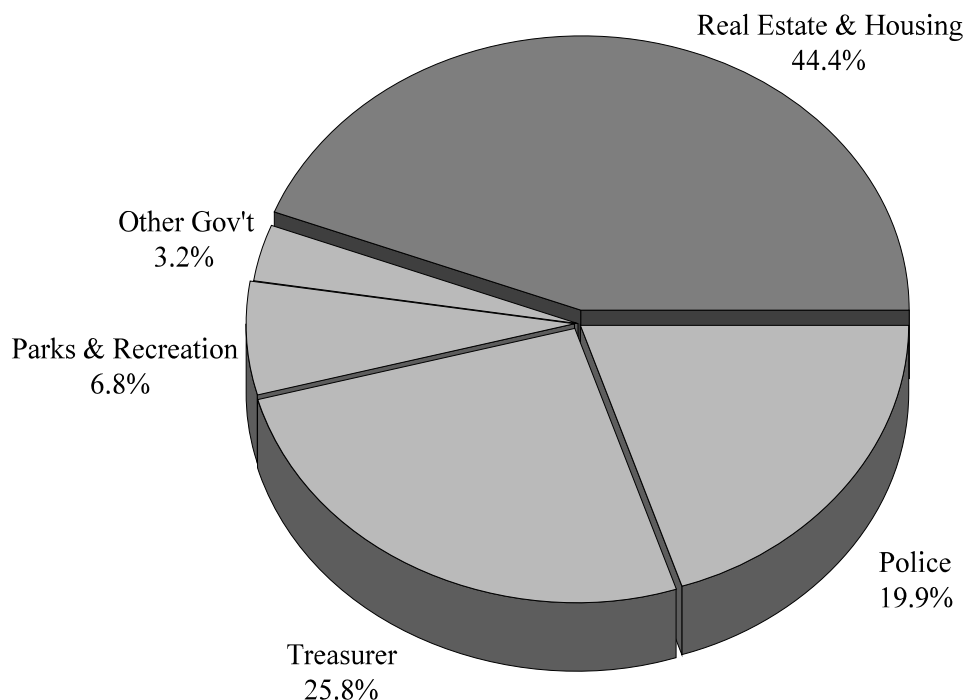
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2010

<u>Expenditures</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Mayor's Office	\$249,516	\$118,070	\$55,031	\$55,351	0.6%	98
Treasurer	1,976,761	2,078,390	2,477,993	2,519,407	1.7%	114
Planning	64,501	58,880	56,485	57,744	2.2%	120
Law	3,481	49,877	0	0	0.0%	134
Licenses & Inspections	25,066	19,326	0	0	0.0%	162
Parks & Recreation	1,235,846	1,518,629	646,925	664,306	2.7%	170
Fire	637,898	706,604	200,188	200,188	0.0%	180
Police	4,780,272	5,898,399	954,842	1,945,501	103.8%	188
Public Works	743,057	1,404,012	1,255,250	0	-100.0%	199
Real Estate & Housing	<u>5,278,413</u>	<u>3,281,002</u>	<u>4,538,365</u>	<u>4,338,483</u>	<u>-4.4%</u>	214
Total Expenditures	<u>\$14,994,811</u>	<u>\$15,133,189</u>	<u>\$10,185,079</u>	<u>\$9,780,980</u>	<u>-4.0%</u>	

* See page listed for further information and details.

For these Special Funds, total expenditures are equal to total revenues for purposes of appropriation. Therefore, there is no income, fund balance or change in fund balance.

Special Funds Expenditures Fiscal Year 2010



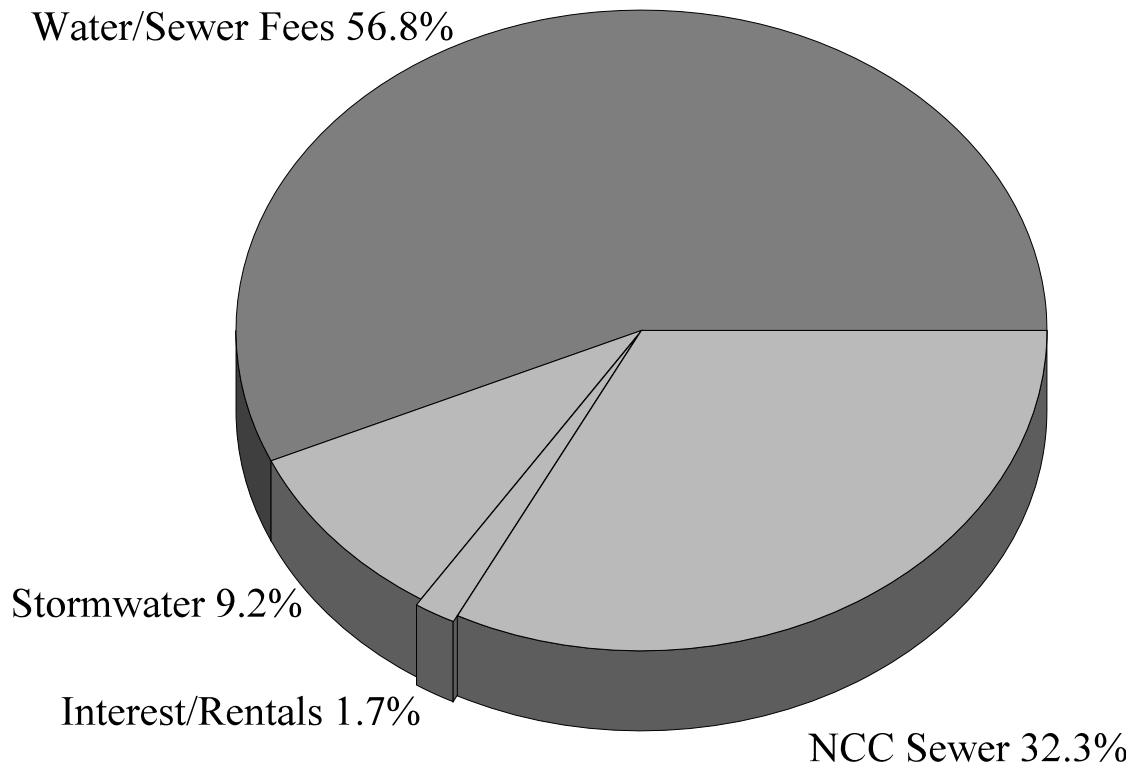
SUMMARY OF WATER/SEWER FUND FISCAL YEAR 2010

<u>Revenues</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Water/Sewer						
User Fees	\$31,442,712	\$28,441,981	\$28,887,270	\$33,944,724	17.5%	89
Stormwater Billings	1,956,170	4,925,885	4,381,143	5,479,257	25.1%	90
New Castle County						
Sewer Services	16,242,123	16,677,751	19,321,940	19,321,940	0.0%	91
Interest**	500,000	377,746	250,000	250,000	0.0%	92
Rentals**	788,875	730,038	770,000	770,000	0.0%	93
Transfer In	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	93
Total Revenues	<u>\$55,929,880</u>	<u>\$51,153,401</u>	<u>\$53,610,353</u>	<u>\$59,765,921</u>	<u>11.5%</u>	

* See page listed for further information and details.

** Before FY 2007, all interest earned on City cash balances, regardless of source, was booked as revenue to the General Fund. To help bolster the Water/Sewer Fund, interest revenue now earned on cash flow produced by Water/Sewer Fund activities will stay in the Water/Sewer Fund. In addition, water/sewer related land and water tank rental revenues will also stay in the Fund.

Water/Sewer Fund Revenues Fiscal Year 2010

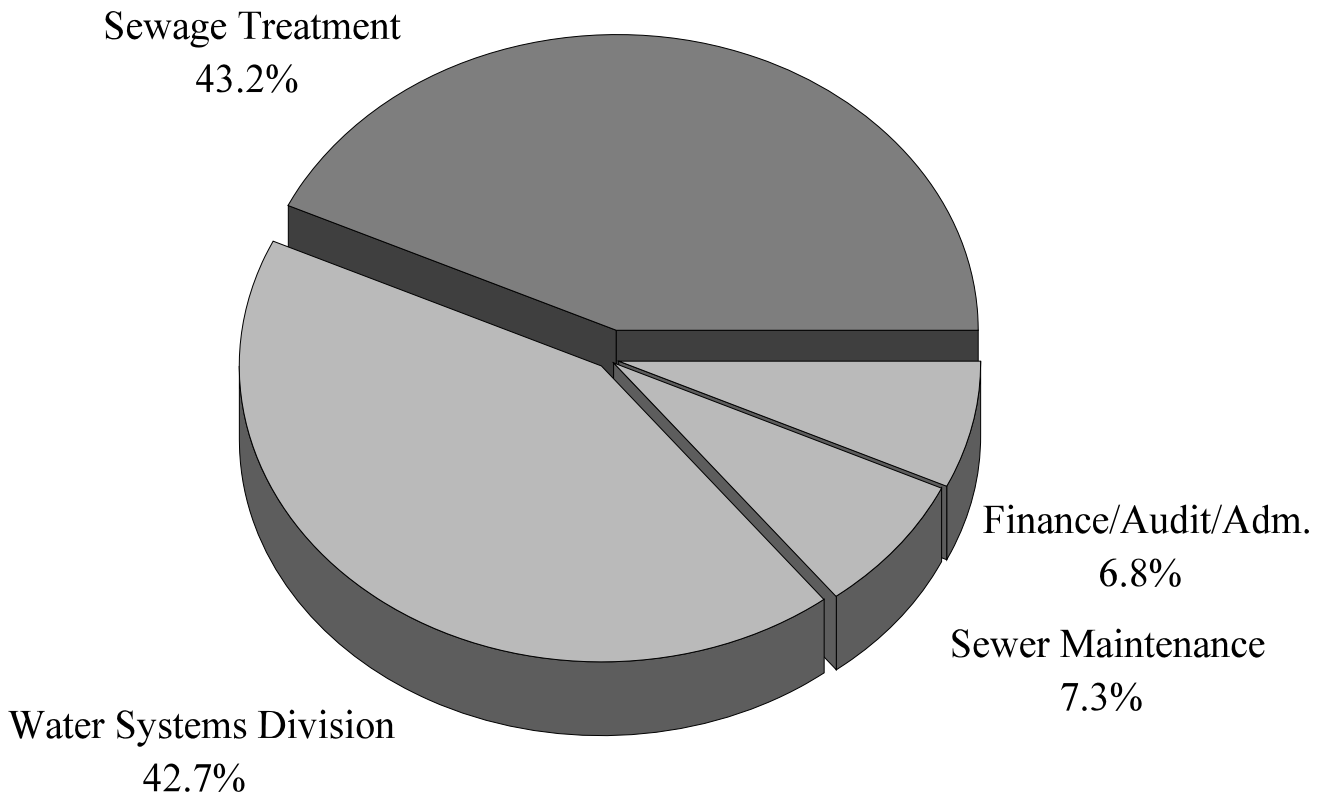


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2010**

<u>Expenditures</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Auditing	\$54,220	\$52,800	\$56,200	\$58,800	4.6%	128
Finance	2,574,056	3,116,548	3,482,844	3,665,142	5.2%	140
Public Works	44,038,332	44,815,912	49,829,389	50,742,621	1.8%	198
Total Expenditures	<u>\$46,666,608</u>	<u>\$47,985,260</u>	<u>\$53,368,433</u>	<u>\$54,466,563</u>	<u>2.1%</u>	

* See page listed for further information and details.

**Water/Sewer Fund Expenditures
Fiscal Year 2010**



**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2010**

<u>Revenues</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
State Debt Reimbursement	\$1,189,934	\$1,124,962	\$2,832,098	\$0	-100.0%	94
Miscellaneous	0	1,360	0	0	0.0%	94
Gain on Sale of Land	<u>408,069</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	94
Total Revenues	<u>\$1,598,003</u>	<u>\$1,126,322</u>	<u>\$2,832,098</u>	<u>\$0</u>	<u>-100.0%</u>	

* See page listed for further information and details.

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

In FY 2009 the Commerce Fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund. The cost to the General Fund for FY 2010 is a total of \$6,023,867 (\$2,377,600 for the Economic Development Office and \$3,646,267 for Port Debt Service).

**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2010**

<u>Expenditures</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Mayor's Office	\$1,293,112	\$2,646,179	\$2,765,998	\$0	-100.0%	98
Commerce	<u>5,346,243</u>	<u>5,328,830</u>	<u>3,694,096</u>	<u>0</u>	<u>-100.0%</u>	227
Total Expenditures	<u>\$6,639,355</u>	<u>\$7,975,009</u>	<u>\$6,460,094</u>	<u>\$0</u>	<u>-100.0%</u>	

* See page listed for further information and details.

In FY 2009 the Commerce Fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund. The cost to the General Fund for FY 2010 is a total of \$6,023,867 (\$2,377,600 for the Economic Development Office and \$3,646,267 for Port Debt Service).

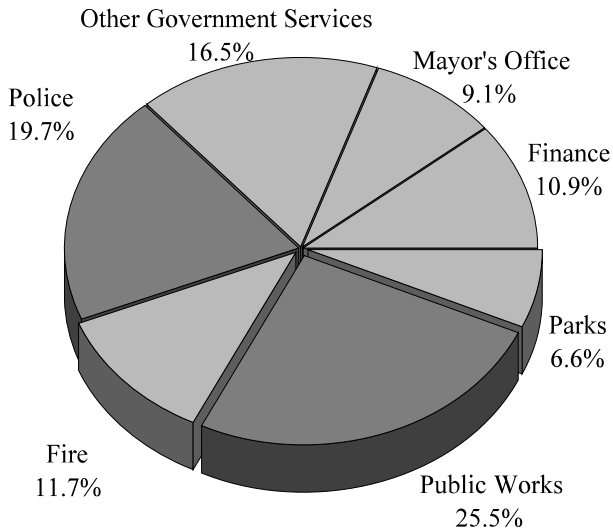
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2010

<u>Expenditures**</u>	<u>Actual FY 2007</u>	<u>Actual FY 2008</u>	<u>Budget FY 2009</u>	<u>Budget FY 2010</u>	<u>Percent Change FY'10-'09</u>	<u>Page Reference*</u>
Mayor's Office	\$4,736,672	\$5,240,158	\$7,003,722	\$6,676,491	-4.7%	98
Human Resources (Risk Mgmt., Work. Comp., Health)	18,715,179	12,387,582	18,609,658	18,825,137	1.2%	150
Public Works (Motor Vehicle)	<u>6,066,523</u>	<u>6,479,507</u>	<u>7,323,480</u>	<u>6,851,562</u>	<u>-6.4%</u>	199
Total Expenditures	<u>\$29,518,374</u>	<u>\$24,107,247</u>	<u>\$32,936,860</u>	<u>\$32,353,190</u>	<u>-1.8%</u>	

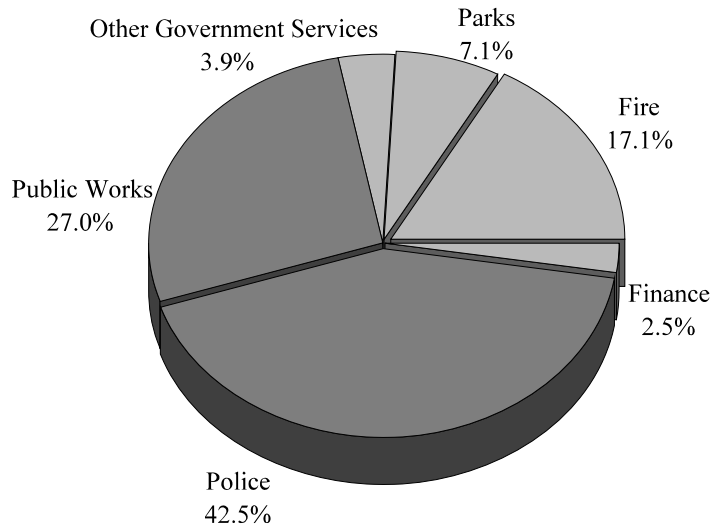
* See page listed for further information and details.

** 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.

Administrative Services FY '10 Internal Service Charge Allocations



Self-Insurance Program FY '10 Internal Service Charge Allocations



**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
PARKS AND RECREATION	G	\$2,890,500	\$0	\$2,815,500	\$0	\$2,815,500	\$0	\$8,521,500	\$8,521,500
	O	160,000	0	150,000	0	150,000	0	0	460,000
PUBLIC WORKS	G	9,500,000	0	9,200,000	0	9,200,000	0	27,900,000	27,900,000
	W	62,150,000	0	37,830,000	0	13,480,000	0	113,460,000	113,460,000
HUMAN RESOURCES	G	900,000	0	0	0	0	0	900,000	900,000
FIRE	G	11,462,000	0	900,000	0	625,000	0	12,987,000	12,987,000
POLICE	G	500,000	0	0	0	4,750,000	0	5,250,000	5,250,000
FINANCE	G	1,051,000	0	593,000	0	629,000	0	2,273,000	2,273,000
	W	1,865,000	0	1,135,000	0	404,000	0	3,404,000	3,404,000
TRANSPORTATION	G	4,050,000	0	3,550,000	0	325,000	0	7,925,000	7,925,000
	O	2,000,000	0	0	0	0	0	0	2,000,000
OFFICE OF THE MAYOR	G	4,931,000	0	2,653,000	0	2,653,000	0	10,237,000	10,237,000
	O	1,000,000	0	0	0	0	0	0	1,000,000
REAL ESTATE & HOUSING	G	800,000	0	650,000	0	600,000	0	2,050,000	2,050,000
TOTAL BY FUND	G	\$36,084,500	\$0	\$20,361,500	\$0	\$21,597,500	\$0	\$78,043,500	\$78,043,500
	O	3,160,000	0	150,000	0	150,000	0	0	3,460,000
	W	64,015,000	0	38,965,000	0	13,884,000	0	116,864,000	116,864,000
GRAND TOTAL		\$103,259,500	\$0	\$59,476,500	\$0	\$35,631,500	\$0	\$194,907,500	\$198,367,500

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

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE CATEGORY

NAME OF DEPARTMENT	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
	2010	2011	2012	2013	2014	2015	
PARKS AND RECREATION							
NS	\$405,000	\$0	\$405,000	\$0	\$405,000	\$0	\$1,215,000
UE	985,000	0	985,000	0	985,000	0	2,955,000
RE	1,660,500	0	1,575,500	0	1,575,500	0	4,811,500
PUBLIC WORKS							
NS	14,550,000	0	16,110,000	0	800,000	0	31,460,000
NR	13,000,000	0	3,000,000	0	3,000,000	0	19,000,000
UE	23,000,000	0	11,020,000	0	1,880,000	0	35,900,000
RE	21,100,000	0	16,900,000	0	17,000,000	0	55,000,000
HUMAN RESOURCES							
NS	450,000	0	0	0	0	0	450,000
NR	450,000	0	0	0	0	0	450,000
FIRE							
NR	2,150,000	0	900,000	0	625,000	0	3,675,000
UE	9,312,000	0	0	0	0	0	9,312,000
POLICE							
NS	0	0	0	0	4,500,000	0	4,500,000
UE	500,000	0	0	0	250,000	0	750,000
FINANCE							
NS	619,000	0	586,000	0	263,000	0	1,467,000
NR	573,000	0	207,000	0	119,000	0	899,000
UE	1,041,000	0	381,000	0	95,000	0	1,517,000
RE	683,000	0	554,000	0	557,000	0	1,794,000
TRANSPORTATION							
NR	5,500,000	0	3,000,000	0	325,000	0	8,825,000
UE	550,000	0	550,000	0	0	0	1,100,000
OFFICE OF THE MAYOR							
NS	5,931,000	0	2,653,000	0	2,653,000	0	11,237,000
REAL ESTATE & HOUSING							
NS	300,000	0	350,000	0	400,000	0	1,050,000
UE	500,000	0	300,000	0	200,000	0	1,000,000
TOTAL BY CATEGORY							
NS	\$22,255,000	\$0	\$20,104,000	\$0	\$9,021,000	\$0	\$50,379,000
NR	21,673,000	0	7,107,000	0	4,069,000	0	30,849,000
UE	35,888,000	0	13,236,000	0	3,410,000	0	52,084,000
RE	23,443,500	0	19,029,500	0	19,132,500	0	61,595,500
GRAND TOTAL	\$103,259,500	\$0	\$59,476,500	\$0	\$35,632,500	\$0	\$194,907,500

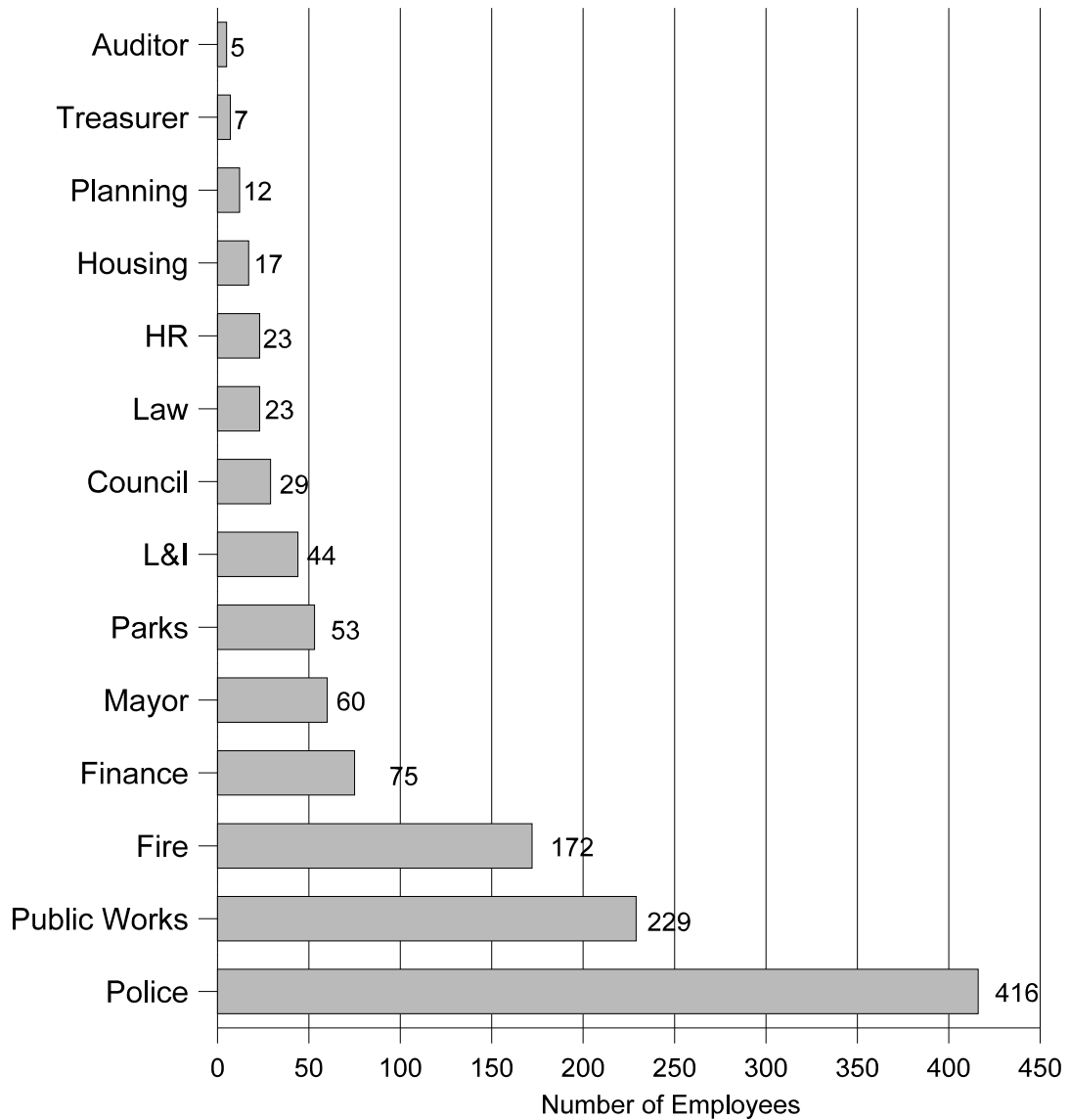
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2010

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Mayor's Office	46.00	61.00	60.00	60.00	60.00	0.00
Council	29.00	29.00	29.00	29.00	29.00	0.00
Treasurer	7.00	7.00	7.00	7.00	7.00	0.00
Planning	11.00	11.00	11.00	12.00	12.00	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	20.00	21.00	22.00	23.00	23.00	0.00
Finance	67.00	60.00	68.00	70.00	75.00	5.00
Human Resources	21.00	22.00	22.00	23.00	23.00	0.00
Licenses & Inspections	39.00	44.00	45.00	46.00	44.00	(2.00)
Parks & Recreation	52.00	53.00	54.00	58.00	53.00	(5.00)
Fire	176.00	177.00	179.00	180.00	172.00	(8.00)
Police	386.00	407.00	429.00	431.00	416.00	(15.00)
Public Works	212.00	228.00	231.00	235.00	229.00	(6.00)
Real Estate & Housing	<u>20.00</u>	<u>16.00</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>0.00</u>
TOTAL	<u>1,091</u>	<u>1,141</u>	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>(31.00)</u>
Total Employees per every 1,000 Persons in City Population	<u>14.98</u>	<u>15.67</u>	<u>16.19</u>	<u>16.42</u>	<u>16.00</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2010
(ALL FUNDS)**



Nearly 74% (or 861) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2010

GENERAL FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Mayor's Office	26.54	27.50	29.50	29.50	38.50	9.00
Council	29.00	29.00	29.00	29.00	29.00	0.00
Treasurer	3.42	3.42	3.42	3.42	3.42	0.00
Planning	10.60	10.60	10.60	11.60	11.60	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	20.00	21.00	22.00	23.00	23.00	0.00
Finance	30.30	33.70	38.85	39.75	44.25	4.50
Human Resources	14.00	15.00	15.00	16.00	16.00	0.00
Licenses & Inspections	34.00	44.00	45.00	46.00	44.00	(2.00)
Parks & Recreation	52.00	53.00	54.00	58.00	53.00	(5.00)
Fire	176.00	177.00	179.00	180.00	172.00	(8.00)
Police	330.00	352.00	369.00	424.00	408.00	(16.00)
Public Works	99.50	121.50	124.00	129.25	126.25	(3.00)
Real Estate & Housing	<u>2.80</u>	<u>1.60</u>	<u>2.20</u>	<u>2.41</u>	<u>2.43</u>	<u>0.02</u>
TOTAL	<u>833.16</u>	<u>894.32</u>	<u>926.57</u>	<u>996.93</u>	<u>976.45</u>	<u>(20.48)</u>

SPECIAL FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Mayor's Office	0.46	0.50	0.50	0.50	0.50	0.00
Treasurer	3.58	3.58	3.58	3.58	3.58	0.00
Planning	0.40	0.40	0.40	0.40	0.40	0.00
Licenses and Inspections	5.00	0.00	0.00	0.00	0.00	0.00
Real Estate and Housing	17.20	14.40	14.80	14.59	14.57	(0.02)
Police	<u>56.00</u>	<u>55.00</u>	<u>60.00</u>	<u>7.00</u>	<u>8.00</u>	<u>1.00</u>
TOTAL	<u>82.64</u>	<u>73.88</u>	<u>79.28</u>	<u>26.07</u>	<u>27.05</u>	<u>0.98</u>

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2010

WATER/SEWER FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Finance	27.70	26.30	29.15	30.25	30.75	0.50
Public Works	<u>112.50</u>	<u>106.50</u>	<u>107.00</u>	<u>105.75</u>	<u>102.75</u>	<u>(3.00)</u>
TOTAL	<u>140.20</u>	<u>132.80</u>	<u>136.15</u>	<u>136.00</u>	<u>133.50</u>	<u>(2.50)</u>

COMMERCE FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Mayor's Office	<u>7.00</u>	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>(9.00)</u>
TOTAL	<u>7.00</u>	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>(9.00)</u>

INTERNAL SERVICE FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2006</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Budget FY2009</u>	<u>Budget FY2010</u>	<u>Net Change FY'10-'09</u>
Mayor's Office	12.00	25.00	21.00	21.00	21.00	0.00
Human Resources	7.00	7.00	7.00	7.00	7.00	0.00
Finance	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>28.00</u>	<u>32.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>0.00</u>
TOTAL ALL FUNDS	<u>1,091</u>	<u>1,141</u>	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>(31.00)</u>

Actual and Projected Fund Balances and Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2010**

Fund Balance Activity	Actual FY 2008	Estimated FY 2009	Projected FY 2010
Fund Balance as of July 1	\$51,603,947	\$60,035,085	\$40,314,164
Excess of Revenues Over/(Under) Expenditures	9,822,374	(3,008,153)	(316,024)
Other Financing Sources/(Uses):			
Transfer from/(to) Water/Sewer Fund	-	-	-
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds *	(1,666,236)	(14,000,000)	-
Transfer from/(to) Commerce Fund *	-	(2,987,768)	-
Total Other Financing Sources/(Uses)	(1,391,236)	(16,712,768)	275,000
Net Change in Fund Balance	8,431,138	(19,720,921)	(41,024)
Total Fund Balance as of June 30	<u>\$60,035,085</u>	<u>\$40,314,164</u>	<u>\$40,273,140</u>

Summary of Fund Balance

Special Designation Reserves	\$19,571,599	\$1,000,000	\$0
Budget Reserves	15,200,256	15,641,015	16,110,245
Undesignated Reserves	<u>25,263,230</u>	<u>23,673,149</u>	<u>24,162,895</u>
Total Fund Balance as of June 30	<u>\$60,035,085</u>	<u>\$40,314,164</u>	<u>\$40,273,140</u>

* Because of the substantial surplus at the end of FY 2006, the Administration and Council set aside \$20,378,110 in Fund Balance, designated to be spent for specific purposes of a one-time nature in subsequent years. In FY 2009, \$9 million of the designations was used to replenish the Economic Strategic Fund and \$5 million to create a special Housing Opportunities Fund. These are shown as transfers to Other Funds.

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2010**

Fund Net Assets Activity	Actual FY 2008	Estimated FY 2009	Projected FY 2010
Net Assets as of July 1	\$82,814,962	\$86,854,673	\$88,418,610
Excess of Revenues Over/(Under) Expenditures	8,069,615	6,871,258	10,799,764
Non-Operating Revenues/(Expenses)			
Interest Expense	(4,308,950)	(5,557,321)	(5,750,406)
Other	<u>279,046</u>	<u>250,000</u>	<u>250,000</u>
Total Non-Operating Revenues/(Expenses)	(4,029,904)	(5,307,321)	(5,500,406)
Income/(Loss) Before Transfers	4,039,711	1,563,937	5,299,358
Transfer from/(to) General Fund	-	-	-
Change in Net Assets	4,039,711	1,563,937	5,299,358
Total Net Assets as of June 30	<u>\$86,854,673</u>	<u>\$88,418,610</u>	<u>\$93,717,968</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$102,115,411	\$102,115,411	\$102,115,411
Unrestricted	<u>(15,260,738)</u>	<u>(13,696,801)</u>	<u>(8,397,443)</u>
Total Fund Net Assets as of June 30	<u>\$86,854,673</u>	<u>\$88,418,610</u>	<u>\$93,717,968</u>

**FUND BALANCE
COMMERCE FUND
FISCAL YEAR 2010**

Fund Balance Activity	Actual FY 2008	Estimated FY 2009	Projected FY 2010
Fund Balance as of July 1	\$8,620,524	\$178,878	\$0
Excess of Revenues Over/(Under) Expenditures	(11,530,299)	(3,166,646)	
Other Financing Sources/(Uses)			
Proceeds from the Sale of Assets	500,000	-	-
Transfer from/(to) General Fund	-	2,987,768	-
Net Accounting Adjustments & Other Transfers	<u>2,588,653</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	3,088,653	2,987,768	0
Net Change in Fund Balance	(8,441,646)	(178,878)	0
Total Fund Balance of June 30	<u>\$178,878</u>	<u>\$0</u>	<u>\$0</u>

Summary of Fund Balance

Economic Development Reserves	<u>\$178,878</u>	<u>\$0</u>	<u>\$0</u>
Total Fund Balance as of June 30	<u>\$178,878</u>	<u>\$0</u>	<u>\$0</u>

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

In FY 2009 the Commerce Fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund. It is projected in FY 2009 that \$2,987,768 will be transferred from the General Fund to the Commerce Fund to erase the remaining deficit and close-out the Fund.

**CONSOLIDATED FUND BALANCE & NET ASSETS
GENERAL, WATER/SEWER & COMMERCE FUNDS
FISCAL YEAR 2010**

Fund Balance & Net Assets Activity	Actual FY 2008	Estimated FY 2009	Projected FY 2010
Fund Balance & Net Assets as of July 1	\$143,039,433	\$147,068,636	\$128,732,774
Excess of Revenues Over/(Under) Expenditures	6,361,690	696,459	10,483,740
Total Other Financing Sources/(Uses)	1,697,417	(13,725,000)	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(4,029,904)	(5,307,321)	(5,500,406)
Operating Transfer to Water Fund from General Fund	-	-	-
Change in Fund Balance & Net Assets	4,029,203	(18,335,862)	5,258,334
Total Fund Balance & Net Assets as of June 30	<u>\$147,068,636</u>	<u>\$128,732,774</u>	<u>\$133,991,108</u>

Summary of Fund Balance & Net Assets

Special Designation Reserves	\$19,571,599	\$1,000,000	\$0
Budget Reserves	15,200,256	15,641,015	16,110,245
Undesignated Reserves	25,263,230	23,673,149	24,162,895
Invested in Capital Assets, Net of Related Debt	102,115,411	102,115,411	102,115,411
Unrestricted	(15,260,738)	(13,696,801)	(8,397,443)
Economic Development Reserves	178,878	0	0
Total Fund Balance & Net Assets as of June 30	<u>\$147,068,636</u>	<u>\$128,732,774</u>	<u>\$133,991,108</u>

City of Wilmington General Fund

ACTUAL & PROJECTED REVENUES AND EXPENDITURES

<u>Revenue Type</u>	<u>Actual FY 2008</u>	<u>Projected FY 2009</u>	<u>Budget FY 2010</u>	<u>Projected FY 2011</u>	<u>Projected FY 2012</u>	<u>Projected FY 2013</u>	<u>Projected FY 2014</u>
Wage & Net Profits Tax	\$54,391,443	\$57,277,658	\$58,015,387	\$57,368,329	\$57,934,800	\$59,404,954	\$61,655,377
Property Tax	30,503,671	31,068,875	35,862,806	35,882,811	35,905,245	35,909,694	35,909,694
Real Estate Transfer Tax	4,978,122	3,552,313	3,552,313	\$3,374,697	\$3,492,812	\$3,580,132	\$3,669,635
Head Tax	2,420,998	2,586,000	3,186,000	3,822,000	3,858,000	3,930,000	4,002,000
Franchise Tax	1,814,217	1,855,866	1,855,866	2,026,623	2,067,155	2,108,498	2,161,211
Licenses, Permits, Fees & Fines	9,808,760	11,097,900	13,822,291	13,429,973	13,490,160	13,564,189	13,602,314
Interest Income	3,324,430	2,250,000	2,250,000	1,668,288	1,711,744	1,921,174	2,186,197
Indirect Costs	2,784,660	2,784,533	2,784,533	2,784,533	2,784,533	2,784,533	2,784,533
Other Miscellaneous Revenues	2,264,066	5,950,500	2,138,000	2,138,000	2,138,000	2,138,000	2,138,000
Task Force Revenues	4,762,980	4,178,000	4,178,000	4,393,600	4,742,492	5,098,930	5,461,078
County Seat Relief Package	8,002,778	7,492,067	7,492,067	7,727,784	7,852,599	7,984,747	8,120,098
Other Governments	7,468,406	7,323,600	10,152,420	10,024,227	10,169,770	9,211,884	9,398,779
Total Revenues	\$132,524,531	\$137,417,312	\$145,289,683	\$144,640,866	\$146,147,309	\$147,636,734	\$151,088,916

<u>Expenditure Type</u>	<u>Actual FY 2008</u>	<u>Projected FY 2009</u>	<u>Budget FY 2010</u>	<u>Projected FY 2011</u>	<u>Projected FY 2012</u>	<u>Projected FY 2013</u>	<u>Projected FY 2014</u>
Salaries and Wages	\$56,363,203	\$64,397,420	\$62,166,000	\$65,633,690	\$67,599,050	\$69,640,169	\$71,302,496
Health Benefits	8,823,008	9,757,915	10,104,257	10,942,394	11,817,658	12,762,939	13,783,893
Pension and Retirement	8,105,369	8,956,821	9,990,070	11,063,056	11,831,364	12,653,640	13,533,875
Other Employee Benefits	3,002,512	3,676,602	1,339,861	1,831,795	1,900,981	1,980,402	1,759,483
Equipment & Services	17,191,117	17,554,837	20,789,407	19,562,616	19,836,544	20,251,607	20,675,319
General Liability	2,315,945	1,258,006	1,259,152	1,284,335	1,310,022	1,336,222	1,362,947
Workers' Compensation	-2,826,253	2,734,486	2,742,867	2,839,093	2,924,082	3,011,335	3,100,909
Internal Services	9,664,735	12,118,948	11,807,631	12,068,301	12,335,287	12,608,766	12,888,920
Debt Service	11,784,442	11,777,029	17,415,753	16,457,977	12,321,183	10,946,795	11,278,841
Special Purpose	809,673	638,615	667,109	1,087,176	1,107,892	1,129,023	1,150,576
State Pension Contribution	7,468,406	7,554,786	7,323,600	7,705,882	7,859,999	8,017,199	8,177,543
Total Expenditures	\$122,702,157	\$140,425,465	\$145,605,707	\$150,476,314	\$150,844,062	\$154,338,098	\$159,014,801
Operating Surplus/(Deficit)	\$9,822,374	(\$3,008,153)	(\$316,024)	(\$5,835,448)	(\$4,696,753)	(\$6,701,364)	(\$7,925,885)
Net Adj. & Transfers In/(Out)	(1,391,236)	(16,712,768)	275,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$8,431,138	(\$19,720,921)	(\$41,024)	(\$5,560,448)	(\$4,421,753)	(\$6,426,364)	(\$7,650,885)
Total Fund Balance	\$60,035,085	\$40,314,164	\$40,273,140	\$34,712,691	\$30,290,938	\$23,864,574	\$16,213,689

ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS

BASE YEAR

Each year the Office of Management and Budget develops a 5-year revenue and expenditure projection which covers the budget year (Fiscal Year 2010) and well as the next four outyears (Fiscal Years 2011-2014). For Fiscal Year (FY) 2010, the Approved Budget is shown and is the base year upon which the FY 2011-2014 projections are built. In general, we have sought to use prudent, conservative assumptions when developing these projections. Of course, with every budget line item, some risks are present. In areas of particular known risk, we have sought to identify these concerns in the detail below. FY 2010 embodies projected year-end revenues that have been reviewed by the Wilmington Economic & Financial Advisory Council, as well as the year-end expenditure estimates presented to the Expenditure Review Board.

GENERAL INFLATION ASSUMPTIONS

The Office of Management and Budget relies on the Survey of Professional Forecasters for its general inflation projections. Conducted by the Federal Reserve Bank of Philadelphia, this survey is the oldest quarterly survey of macroeconomic forecasts in the United States. The May 15, 2009 release projects a roughly flat CPI growth of 0.4% in calendar year 2009, followed by steadily increasing inflation 2010 and 2011. Median long-range expectations for CPI growth are 2.2% per year.

Calendar Year	Survey of Professional Forecasters Projected Annual CPI Increase
2009	0.4%
2010	1.8%
2011	2.2%
2012	2.2%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 15, 2009

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. Therefore the projections that follow include a default assumption for overall City inflationary pressures of 2.0% per year. *However, it should be noted that this is only the default assumption; most cost categories have a variety of overriding assumptions included.*

OUTYEAR PROJECTION ASSUMPTIONS - REVENUES

Wage & Net Profit Taxes (FY 2010 Base Year: \$58,015,387 - 39.9% of total revenues)

The FY 2010 Wage Tax projection for FY 2010 is \$54.1 million, a \$2.7 million net increase. The weak economy is expected to decrease the City's taxable wage base by roughly 5% or \$208 million, equating to a loss of \$2.6 million in Wage Tax revenue for FY 2010. However, in an effort to enhance collections through its Plan for Change, the Finance Department has accelerated its timetable to garner delinquent and omitted taxes owed to the City. An additional nearly \$5 million above the FY 2009 budget is expected to be collected in FY 2010 through specialized audits and reviews that were begun as part of a mid-FY 2009 initiative. The Finance Department has projected that these audits, reviews and collection programs will continue to realize significant additional revenues over the next several years. For FY 2011, \$4.0 million is forecasted, with declining, but still sizable amounts of \$3 million in FY 2012, and \$2.5 million projected for FY 2013 and 2014. Lastly, the Economic Development Office projects that the Upstairs Fund Program will generate nearly \$338,000 in additional revenue in FY 2010, mostly on construction wages.

Net Profits Tax revenue is projected to remain steady at nearly \$4 million. A total of \$300,000 was added to the base in FY 2009 as a result of the successful use of CPA firms to conduct corporate audits. This amount has been carried forth as part of the \$4 million base.

In their June 2009 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 1.0% *negative* growth for FY 2010 and 3.5% for FY 2011 in the withholdings of State Personal Income Tax, a tax roughly equivalent to the City Wage Tax. However, due to the City's high concentration of certain business sectors, as well as corporate headquarter locations that are associated with relatively volatile executive bonus compensation, volatility of the City's single largest revenue source remains high. As such, a somewhat more conservative out-year growth factor is necessary. Given the above, coupled with the fact that the City's recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to *fall* by 1.0% in FY 2011. Positive growth of 2.5% in FY 2012, 3% in FY 2013 and 3.5% in FY 2014 is projected.

Property Tax (FY 2010 Base Year: \$35,862,806 - 24.6% of total revenues)

The current economic climate and some other negative impacts led to the lowering of the FY 2009 revenue projection by about \$1.3 million, a reduction that was carried over into FY 2010. Specifically, build-out and sales of housing units at the Justison Landing project have come to a virtual halt. In addition, several large commercial properties recently waged successful assessment appeals, resulting in a further decrease to the City's taxable property base. To offset the \$1.3 million decrease, and to help balance the budget, a 15% Property Tax increase (worth approximately \$4.6 million) was adopted for FY 2010. There is no further increase in the property tax rate and revenues for the entire projection period. However, nominal revenues have been added beginning in FY 2011 for the Upstairs/Queen Theater Project.

Real Estate Transfer Tax (FY 2010 Base Year: \$3,552,313 - 2.4% of total revenues)

Real Estate Transfer Tax revenues had taken a sharp downward turn during FY 2009. Declining property values were not enough to spur renewed activity in this sector. As a result, FY 2009 revenues had seen a \$3.6 million or 50% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2010 and fall further in FY 2011 before climbing slightly each year thereafter.

Head Tax (FY 2010 Base Year: \$3,186,000 - 2.2% of total revenues)

Head Tax revenues are driven directly by overall employment levels within the City. For FY 2010, Head Tax revenue is projected to increase \$1 million over the FY 2009 budget. As part of the comprehensive package of revenue enhancements needed to help balance the budget, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax is projected to yield an additional \$600,000 in FY 2010. Because the change becomes effective midway through the fiscal year, the \$600,000 is half of the \$1.2 million annual amount of additional revenue expected from this increase. Another \$400,000 in Head Tax revenue is expected as a result of the Finance Department's Plan for Change audits. For FY 2011 and beyond, the full \$1.2 million resulting from the \$5.00 increase is included. It is also expected that increased hiring activities by new businesses locating within the City will be somewhat offset by some smaller reductions at existing businesses. As a result, Head Tax reflects a net of 200 additional jobs in FY 2011, and a net of 400 jobs annually beginning in FY 2012.

Franchise Tax (FY 2010 Base Year: \$1,855,866 - 1.3% of total revenues)

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2010, a \$550,000 decrease is projected from the FY 2009 budget of \$2.3 million, reflecting the realization that a favorable legal settlement of the current dispute with Delmarva Power over the calculation of the franchise fee for electricity is not anticipated. Moderate growth of both these sources is forecasted in FY 2011, and at a rate of 2% beginning in FY 2012.

Licenses, Permits, Fees, and Fines (FY 2010 Base Year: \$13,822,291 - 9.5% of total revenues)

Licenses, Permits and Fees revenue is projected to be \$4.4 million in FY 2010, about the same as the FY 2009 budget. Business Licenses show a \$300,000 increase above the FY 2009 Budget due to continued compliance audits and increased field monitoring. Fees are slated to rise by \$400,000 due to a \$0.50 per hour increase in Parking Meter rates throughout the City. Unfortunately, the increase in Business Licenses and Fees is completely offset by a projected \$705,000 decline in Building Permits.

Criminal/Traffic Fines revenue is projected to total \$3.2 million in FY 2010, up \$890,000 from the FY 2009 Budget. This revenue category consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. With the addition of ten red-light cameras, revenue from red-light camera fines is projected to rise more than \$400,000 over the FY 2009 budget. A further rise in revenue of \$490,000 is anticipated because of a \$35 increase to the red-light fines. There is no change expected to the \$550,000 portion of the base attributed to miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program.

Parking Tickets/Booting Fines revenue is forecast to increase by \$2.2 million above the FY 2009 budgeted level. Revenues in this category will be enhanced by several factors: a second boot van added in the mid-FY 2009, a \$15 increase to parking citations, and projected boot van efficiency gains.

The Permits & Fees portion of this revenue source (with a base of \$2.43 million) is projected to mirror most other revenue categories, that is, falling slightly in FY 2011, but growing modestly thereafter. Flat revenues are assumed in the outyears for the Licenses and Fines category.

Interest Income (FY 2010 Base Year: \$2,250,000 - 1.5% of total revenues)

Because of further drastic cuts in interest rates by the Federal Reserve, the Treasurer's Office has substantially reduced its Interest Earnings forecast for FY 2010. The benefit of investing the unspent proceeds from the City's bond issuance last year, while offsetting the reduction in rates somewhat, is not nearly large enough to prevent the FY 2010 total from dropping \$2 million from the FY 2009 Budget, to a total of \$2.25 million. For projection purposes, an interest rate of 1.0% in FY 2010 is increased by 12.5 basis points each year and assumes the following additions to the investment base:

1. A weighted average of \$10 million from the remaining unspent portion of the FY 2008 Capital Borrowing, plus a weighted average of \$5 million from an assumed FY 2010 Capital Borrowing will be invested in FY 2011.
2. A weighted average of \$5 million from the unspent portion of an assumed FY 2012 Capital Borrowing will be invested in FY 2013.

In addition, for FY 2011 through FY 2014, the projected annual increases or decreases in fund balance (surpluses or deficits) are added or subtracted from the investment base.

Indirect Costs (FY 2010 Base Year: \$2,784,533 - 1.9% 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 2010 Base Year: \$2,138,000 - 1.5% of total revenues)

Other Miscellaneous Revenues will increase by an expected \$400,000 over the FY 2009 Budget, largely due to the realization of the False Alarm Reduction Program revenues coupled with a \$100,000 increase in Miscellaneous Revenue. No outyear growth is forecasted in these Revenues.

Task Force Revenues (FY 2010 Base Year: \$4,178,000 - 2.9% of total revenues)

Task Force Revenues are the three 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 2010, two of the four components of the Task Force Revenues are projected to decrease from the FY 2009 Budget: Corporate Filings by \$200,000 and Limited Liability Corporate (LLC) Filings by \$500,000. All other Task Force Revenues are projected to remain level for FY 2010, resulting in a total of \$4,178,000 for this category, down \$700,000 from FY 2009. For the out-years, Corporate Filings and LLC revenue has been increased by 7.7% and 7.0% in FY 2011 and FY 2012 respectively, in tandem with the State's estimation of growth, and then by 4% and 3% for the last two years of the projection. Lodging Tax, along with the Natural Gas Franchise Fee have been forecasted to remain level during FY 2011, and increase at 1%, 1.5% and 1.5% for Fiscal Years 2012, 2013 and 2014 respectively.

County Seat Relief Package (FY 2010 Base Year: \$7,492,067 - 5.1% of total revenues)

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), 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 2010 projection totals \$7.5 million, a decrease of more than \$2.6 million from the FY 2009 budget. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City; \$3.2 million as part of the State's Uniform Commercial Code (UCC) Filing Fees (down \$2.3 million or almost 42% from the FY 2009 budget); \$800,000 in Statutory Trust Filing Fees (down \$200,000 or 20% from the FY 2009 budget); and roughly \$1.0 million in New Castle County Corporate Filing Fees (down \$125,000 or almost 11% from the FY 2009 budget). Excluding the PILOT, the State is estimating out-year growth at 2.7% and 2.9% for FY 2011 and FY 2012 respectively. FY 2013 and 2014 have been increased by 3.0% each year. There is however a \$1.0 million annual cap on the Statutory Trust Filing Fees.

Other Governments (FY 2010 Base Year: \$10,152,420 - 7.0% of total revenues)

Other Governments had previously consisted of only the State Pension Contribution, a pass-through grant of \$7,323,600 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2010, the grant amount remains unchanged with out-year increases of 2% beginning in FY 2011. New to this revenue category is the State Port Debt Reimbursement in the amount of \$2,828,820. This Reimbursement, which is per the appropriate debt schedule, had been booked previously in the now defunct Commerce Fund. The State Pension Contribution has been increased by roughly 2% per year beginning in FY 2011.

Net Adjustments & Transfers (FY 2010 Base Year: \$275,000 - 0.2% of total revenues)

There are no prior year designations in FY 2010. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000. No increase is forecasted throughout the projection period.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2010 Base Year: \$62,166,000 - 42.7% of total expenditures)

As of the beginning of FY 2010, the City has reached contract agreements with all five of its unions. As part of the reductions necessary to help balance the budget, all but the Firefighters union have agreed to no wage increases during FY 2010. Eight Firefighter positions were eliminated in order to cover these wage increase costs. In a compromise with the other unions, anniversary-based salary step increases will continue. The total amount saved by suspending wage increases, along with the necessary firefighter layoffs, is about \$1.8 million. General Fund step increases (budgeted in the contingent reserves for FY 2010; see the Equipment and Services category below) will cost approximately \$602,000 during FY 2010.

These contracts, as well as estimates of the non-union employee costs, form the basis for the Salaries and Wages projections. Due to budgetary constraints, as well as the pay scale changes built into recent contract agreements, annual cost-of-living increases are projected to be limited to an average of 2.5% for FY 2011 and 2.0% for FY 2012-2014. Step increases are also projected to grow at similar rates, with all step increase costs subsequent to FY 2010 being budgeted in Salaries and Wages.

Also included in the FY 2011-2014 projection are the estimated salary costs associated with the 16 new police officers planned to be hired under the federally funded COPS grant. For this projection, it is assumed that the City will not retain the officers hired under the grant after January 2014. The total salaries and wage cost of these officers over this period is \$2.6 million.

Health Benefits, Active Employees (FY 2010 Base Year: \$10,104,257 - 6.9% of total expenditures)

The 2009 Segal Health Plan Cost Trend Survey indicates that growth in health plan costs, while increasing at a rate at least double the CPI, have slowed in recent years. Locally, the City's self-insured health benefits program has paralleled national trends, with the City experiencing smaller increases in recent fiscal years (down sharply from the 12% to 15% per year in past budgets). The City's 3-Tier Prescription Drug Program, first implemented in FY 2006, serves to further restrain these costs. In addition, in FY 2009 the City implemented an employee contribution for health benefits. These health benefit contributions have now expanded to all bargaining units and non-union employees, resulting in an annual savings of approximately \$300,000 per year. Considering these factors, the City's Risk Manager has estimated out-year annual cost growth of 8%.

Pension and Retirement (FY 2010 Base Year: \$9,990,070 - 6.9% 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 recent portfolio losses have warranted increased contribution levels. The City Treasurer, working closely with the City's Actuary, developed a plan that allowed the City to amortize an 18% increase to the pension funding targets caused by the recent sharp declines in the pension investment portfolios. By doing so, the City avoided an additional increase to FY 2010 pension costs of over \$1 million. However, this smoothing results in a 4% increase to pension contributions over the next five years as the amortized increases are paid down.

Per the Treasurer's Office, the projection includes an additional 3% increase to account for other cost increases (including the cost of COLAs and step increases) resulting in a total Pension and Retirement cost increase of 7% for FY 2011-2014.

Also included in the FY 2011-2014 projection are the estimated pension and retirement costs associated with the 16 new police officers planned to be hired under the federally funded COPS grant. For this projection, it is assumed that the City will not retain the officers hired under the grant after January 2014. The total pension and retirement cost of these officers over this period is \$1.67 million.

Other Employee Benefits (FY 2010 Base Year: \$1,339,861 - 0.9% of total expenditures)

This category consists primarily of payroll taxes, with additional costs including life insurance and post-retirement medical coverage. These costs in the aggregate are projected to generally follow salary increases.

Equipment and Services (FY 2010 Base Year: \$20,789,407 - 14.3% of total expenditures)

This is a relatively broad grouping of expenditures that includes costs such as professional services contracts, landfill fees, and utilities, as well as basic materials, supplies, and equipment. In general, managers have demonstrated an ability to effectively contain aggregate Equipment and Services costs. Likewise, in order to balance the FY 2010 budget, departments eliminated a net \$445,000 in spending. These cost reductions are incorporated into the FY 2011 projection and beyond.

For this projection, the contingent reserve and the snow and weather emergencies reserve are included in the Equipment and Services category (although they are budgeted separately in the Budget Book summaries). While these reserves increased by almost \$800,000 in the FY 2010 budget due to the one-time inclusion of City-wide employee step increases, reserves are projected to decline back to their combined FY 2009 level of \$425,000 in each of the years subsequent to FY 2010.

To more accurately estimate future costs, electricity is analyzed separately, resulting in a FY 2010 General Fund electricity base cost of \$1.59 million. Electricity rates in subsequent years are projected to increase at 2.75% per year, per Energy Information Administration growth projections. In addition, the projection assumes electricity cost savings due to the guaranteed energy performance contract with Honeywell; these savings are equal to approximately \$286,000 per year for FY 2011 through FY 2014.

In addition, the City expects to see significant increases to landfill disposal fees upon the conclusion of current contract with the Delaware Solid Waste Authority at the end of FY 2010. For this projection, a permanent \$425,000 increase in disposal fees has been added to the base equipment and services expenditures beginning in FY 2011. The landfill fees rebate is expected to remain unchanged.

Excluding reserves and electricity the remaining base of this expenditure grouping is expected to respond to overall inflationary pressures of 2.0% per year.

General Liability (FY 2010 Base Year: \$1,259,152 - 0.9% of total expenditures)

Being self-insured, the City relies heavily on an actuary to annually review claims experience and rate potential liability. Once an accrued liability figure is determined, it is compared to that of the previous fiscal year. Changes in the liability figure on the balance sheet result in changes to the expenses booked under General Liability in the income statement. As a result, this cost category has experienced extreme volatility in recent years. For example, in the prior three years, booked General Liability has jumped by \$3.5 million from FY 2006 to FY 2007, then decreased by \$1.4 million in FY 2008. It has been determined that incomplete data given to the actuary was largely to blame for these significant swings. Consequently, an internal audit and various management changes have been implemented in an attempt to achieve greater accuracy and stability in this area. As a result of these tighter controls, this expense is projected to increase by 2.0% annually.

Workers' Compensation (FY 2010 Base Year: \$2,742,867 - 1.9% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been highly volatile from year to year. The FY 2010 budget, which is derived from these expenditures, was used as a base for forecasting purposes. Annual growth is projected to parallel growth in Salaries and Wages.

Internal Services (FY 2010 Base Year: \$11,807,631 - 8.1% of total expenditures)

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

The City is in the midst of a comprehensive information technology upgrade and expansion program that has resulted in double-digit increases to Data Processing costs in recent years. However, as the core elements of this program have been implemented, ongoing cost increases should be significantly smaller. As such, Data Processing costs are estimated to increase by 2.0% for each year subsequent to FY 2010.

In addition, Motor Vehicle costs, which had increased significantly in recent years, have declined in the FY 2010 budget due to limited vehicle purchases, updated depreciation calculations, and reduced gasoline and diesel fuel cost growth. These fuel cost increases are projected to continue at 4.5% for each year subsequent to FY 2010, per Energy Information Administration growth projections. All other Motor Vehicle costs are expected to grow by 2.0% annually.

For the other services making up the rest of the category, it is assumed that average annual inflationary pressures of 2.0% will apply. This results in a weighted average growth of approximately 2.2% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for FY 2011-2014.

Debt Service (FY 2010 Base Year: \$17,415,753 - 12.0% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Finance Department. Due to the depletion of the Commerce Fund, the FY 2010 General Fund base also includes \$1.2 million in Office of Economic Development debt service, as well as \$3.6 million in Port of Wilmington debt service. Part of this Office of Economic Development debt is a budgeted partial-year debt service payment of \$747,500 for the Upstairs Fund Market Street urban renewal program, with full-year debt service payments of \$1.18 million in FY 2011 through 2014. No new borrowing for the Upstairs Fund is assumed to take place during the projection period.

Additional debt service has been included for the guaranteed energy performance contract with Honeywell, with a projected cost of approximately \$169,000 for FY 2011 through 2014. However, the cost of this debt service is projected to be fully offset by related electricity cost savings.

Capital budget related new borrowing of \$10 million is assumed to take place early in FY 2011, with an additional \$10 million borrowed early in FY 2013. New debt service is assumed to have a bond interest rate of 4.5% and be level over 20 years, with semi-annual payments and no capitalization of interest. It should be noted that due to the timing of these borrowings, only one half-year of debt service is paid on the new borrowings in FY 2011 and 2013, with full-year debt service payments beginning in the following fiscal year.

Special Purpose (FY 2010 Base Year: \$667,109 - 0.5% of total expenditures)

This relatively small expenditure category funds services provided by the Delaware SPCA, the Wilmington Institute Free Library, and the Wilmington Arts Commission. Special Purpose also includes the City's ongoing commitment to the now-reopened Rock Manor Golf Course. Due to the conversion of Rock Manor related debt into general obligation bonds, the Special Purpose costs related to Rock Manor are expected to decline to \$51,400 in FY 2011, and remain at this level through FY 2014. All other Special Purpose spending assumes 2.0% annual growth on the FY 2010 base, net of the Rock Manor commitment.

State Pension Contribution (FY 2010 Base Year: \$7,323,600 - 5.0% of total expenditures)

The State Pension Contribution, the grant from the State that is now booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, remained level at \$7,323,600 for FY 2010. An equal and offsetting amount is budgeted as an expenditure in the Police and Fire Departments, equal to \$4,548,900 in Fire and \$2,774,700 in Police. These payments are forecast to grow by 2.0% beginning in FY 2011.

A Special Note Concerning the FY 2009 Net Adjustments & Transfers In/(Out)

This category includes a net \$16.7 million in below-line transfers from the General Fund to other funds. The bulk of these transfers consist of two FY 2009 one-time designations: \$9 million used to replenish the Economic Strategic Fund, and \$5 million for the creation of a special Housing Opportunities Fund. Also included under this category is a \$3 million transfer to cover the costs of closing the Commerce Fund. Slightly offsetting these transfers out is a \$275,000 transfer in from the Wilmington Parking Authority.

FISCAL YEAR 2010 REVENUES

Overview

GENERAL FUND

The effects of the severe economic downturn were projected to reduce base revenues by \$8 million in FY 2010. Because cost reductions and efficiency initiatives alone could not balance the budget, a number of tax, fee, and citation increases were necessary. These are detailed in the discussion below. After taking these actions (and the merger of the Commerce Fund) into account, total revenue before transfers and the use of prior year surplus designations is projected to increase by a net \$3,878,509, or 2.7%, over the FY 2009 Budget to a new total of \$145,289,683. The net change from Budget to Budget (FY 2010 vs. FY 2009) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$3,293,931	\$35,862,806
Fines	3,097,514	9,422,514
Other Governments	2,828,820	10,152,420
Wage & Net Profit Taxes	2,737,729	58,015,387
Other Revenues	400,000	4,922,533
Licenses, Permits and Fees	1,877	4,399,777
Task Force Revenue	(700,000)	4,178,000
Interest	(2,000,000)	2,250,000
County Seat Relief Package	(2,631,362)	7,492,067
Other Taxes	(3,150,000)	8,594,179
TOTAL	\$3,878,509	\$145,289,683

Property Taxes are projected to increase by a net \$3.3 million. The current economic climate and some other negative impacts led to the lowering of the FY 2009 revenue projection by about \$1.3 million, a reduction that is carried over into FY 2010. Specifically, build-out and sales of housing units at the Justison Landing project have come to a virtual halt. In addition, several large commercial properties recently waged successful assessment appeals, resulting in a further decrease to the City's taxable property base. To offset the \$1.3 million decrease, and to help balance the budget, a 15% Property Tax increase (worth approximately \$4.6 million) has been adopted for FY 2010. The effect on the average homeowner will be an increase of about \$7.25 per month.

FISCAL YEAR 2010 REVENUES

Overview

GENERAL FUND (continued)

Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines)

Criminal/Traffic Fines revenue is projected to total \$3.2 million in FY 2010, up \$890,000 from the FY 2009 Budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. With the addition of ten red-light cameras, revenue from red-light camera fines is projected to rise more than \$400,000 over the FY 2009 budget. A further rise in revenue of \$490,000 is anticipated because of a \$35 increase to the red-light fines. There is no change expected to the \$550,000 portion of the base attributed to miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program.

Parking Tickets/Booting Fines revenue is forecast to increase by \$2.2 million above the FY 2009 budgeted level. Revenues in this category will be enhanced by several factors: a second boot van added in the mid-FY 2009, a \$15 increase to parking citations, and projected efficiency gains of the second boot van.

Other Governments had previously consisted of only the State Pension Contribution, a pass-through grant of \$7,323,600 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2010, the grant amount remains unchanged. New to this revenue category is the State Port Debt Reimbursement in the amount of \$2,828,820. This Reimbursement had been booked previously in the now defunct Commerce Fund. As planned, all Commerce Fund operations, activities, revenues and expenditures have been absorbed into the General Fund.

Wage and Net Profits Tax

The FY 2010 Wage Tax projection for FY 2010 is \$54.1 million, a \$2.7 million net increase over FY 2009. The weak economy is expected to decrease the City's taxable wage base by roughly 5% or \$208 million, equating to a loss of \$2.6 million in Wage Tax revenue for FY 2010. However, in an effort to enhance collections through its Plan for Change, the Finance Department has accelerated its timetable to garner delinquent and omitted taxes owed to the City. An additional \$5 million above the FY 2009 budget is expected to be collected in FY 2010 through specialized audits and reviews that were begun as part of a mid-FY 2009 initiative. Lastly, the Economic Development Office projects that the Upstairs Fund Program will generate nearly \$338,000 in additional revenue, mostly on construction wages.

Net Profits Tax revenue is projected to remain steady at nearly \$4 million. A total of \$300,000 was added to the base in FY 2009 as a result of successful use of CPA firms to conduct corporate audits. This amount has been carried forth as part of the \$4 million base.

Other Revenues will increase by an expected \$400,000, largely due to the realization of the False Alarm Reduction Program revenues coupled with a \$100,000 increase in Miscellaneous Revenue.

FISCAL YEAR 2010 REVENUES

Overview

GENERAL FUND (continued)

Licenses, Permits and Fees revenue is projected to be \$4.4 million in FY 2010, about the same as the FY 2009 budget. Business Licenses show a \$300,000 increase above the FY 2009 Budget due to continued compliance audits and increased field monitoring. Fees are slated to rise by \$400,000 due to a \$0.50 per hour increase in Parking Meter rates throughout the City. Unfortunately, the increase in Business Licenses and Fees are completely offset by a projected \$705,000 decline in Permits, as building activity has slowed considerably.

Task Force Revenues are the three 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 2010, two of the four components of the Task Force Revenues are projected to decrease from the FY 2009 Budget: Corporate Filings by \$200,000 and Limited Liability Corporate (LLC) Filings by \$500,000. The total for all Task Force Revenues for FY 2010 is projected to be \$4,178,000, down \$700,000.

Because of further drastic cuts in interest rates by the Federal Reserve, the Treasurer's Office has substantially reduced its **Interest Earnings** forecast for FY 2010. The benefit of investing the unspent proceeds from the City's bond issuance last year, while offsetting the reduction in rates somewhat, is not nearly large enough to prevent the FY 2010 total from dropping \$2 million from the FY 2009 Budget. The FY 2010 projection for interest earnings is \$2.25 million.

The County Seat Relief Package is a bundle of escalating revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that builds on the work of the 2003 Governor's Task Force (see Task Force Revenues section), which recognized that the City's long-term financial stability required a stronger and more diversified revenue stream. Like the Task Force revenues, the County Seat Relief Package was intended to provide diversified revenue support to the three county seats in the State of Delaware.

The FY 2010 projections total \$7.5 million. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City; \$3.2 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is down \$2.3 million or almost 42% from the FY 2009 budget); \$800,000 in Statutory Trust Filing Fees (down \$200,000 or 20% from the FY 2009 budget); and roughly \$1.0 million in New Castle County Corporate Filing Fees (down \$125,000 or almost 11% from the FY 2009 budget). In total, there is a more than \$2.6 million decrease in the County Seat Relief Package revenues from the FY 2009 budget.

Other Taxes (consists of Real Estate Transfer Tax, Head Tax and Franchise Fees)

Real Estate Transfer Tax revenues have taken a sharp downward turn during FY 2009. Declining property values has not been enough to spur renewed activity in this sector. As a result, FY 2009 revenues have seen a \$3.6 million or 50% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2010.

FISCAL YEAR 2010 REVENUES

Overview

GENERAL FUND (continued)

Head Tax revenue is projected to increase \$1 million over the FY 2009 budget. As part of the comprehensive package of revenue enhancements needed to help balance the budget, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax is projected to yield an additional \$600,000 in FY 2010. It should be noted that because the change would become effective midway through the fiscal year, the \$600,000 is half of the \$1.2 million annual amount of additional revenue expected from this increase. Another \$400,000 in Head Tax revenue is expected as a result of the Finance Department's Plan for Change audits.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2010, a \$550,000 decrease is projected from the FY 2009 budget of \$2.3 million, reflecting the realization that a favorable legal settlement of the current dispute with Delmarva Power over the calculation of the franchise fee for electricity is not expected during FY 2010.

In total, Other Taxes are projected to decrease \$3.15 million for FY 2010.

FISCAL YEAR 2010 REVENUES

Overview

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase \$6.2 million, from \$53.6 million last year, to a new total of \$59.8 million in FY 2010. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, New Castle County (NCC) Sewer, Interest, and Rentals. While each of these categories is affected by different factors, it is the overall rate structure of the Fund that must be immediately addressed to avoid an imminent crisis. Over the past ten years, rates have not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund has been subsidizing the Water/Sewer Fund's cash shortages. This has led to a situation where nearly all the cash reserves in the General Fund have been depleted, leading the City on the path to insolvency if nothing is done. To rectify this, a multi-year plan of prudent rate increases (starting in FY 2010) has been proposed that will allow the Water/Sewer Fund to become a self-sufficient enterprise fund again.

Water/Sewer User Fees

A 5.2% reduction in consumption was projected for FY 2009 and is expected to continue. More important, in order to address the dire cash situation discussed previously above, a 20% increase in Water/Sewer User Fees has been adopted for FY 2010. This rate increase (part of a multi-year plan of increases) is expected to generate an additional \$5.1 million of revenue in FY 2010, bringing the total to \$33.94 million. The average residential homeowner's bill will go up about \$4 per month. Even with the increase, the City will still have the lowest rates in the region.

Stormwater Billings

The stormwater property fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$4.4 million. A clean-up of the Utility Billing files has added \$600,000 to that base, bringing the total to \$5.0 million. For FY 2010, a 10% increase in stormwater fees has been approved which will increase the total to \$5.5 million. The average residential homeowner's bill will go up about \$1 per month.

New Castle County Sewer

The City's contract to provide sewage treatment for New Castle County expired at the end of FY 2007. A fairly-priced contractual fee for FY 2008, FY 2009, and FY 2010 has yet to be agreed upon with NCC. Based on higher forecasted operating costs and the escalation history of prices over the last five years (both of which were much greater than the 2.75% annual inflation factor allowed by the previous contract), a base fee of about \$18.9 million for FY 2010 has been requested. The City completed mediation, and has given its final arguments in arbitration with NCC regarding this matter. The City also receives \$401,000 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. That reimbursement will also be the same as last year.

FISCAL YEAR 2010 REVENUES

Overview

WATER/SEWER FUND (continued)

Interest and Rentals

Previously, all interest earned on City cash balances, regardless of source, was booked as revenue to the General Fund. Starting in FY 2008, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2010, interest is projected to remain at \$250,000. Rental income, which is derived by charging fees to telecommunications companies that rent space on the City's water tanks for antennae and transmitters, is projected to stay level at \$770,000. The combined total revenue projected in FY 2010 for this category is \$1.02 million.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

WAGE & NET PROFITS TAX

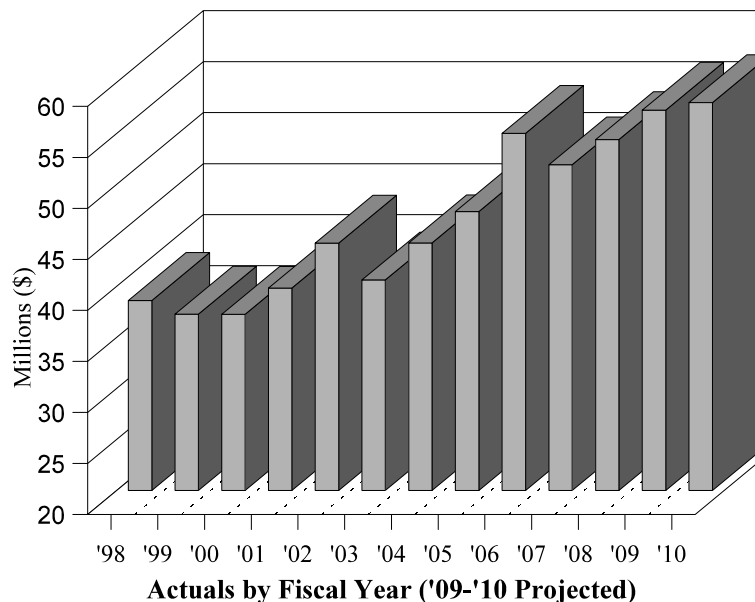
Basis: Growth of local economy

Critical Assumption: The FY 2010 Wage Tax projection for FY 2010 is \$54.1 million, a \$2.7 million net increase. The weak economy is expected to decrease the City's taxable wage base by roughly 5% or \$208 million, equating to a loss of \$2.6 million in Wage Tax revenue for FY 2010. However, in an effort to enhance collections through its Plan for Change, the Finance Department has accelerated its timetable to garner delinquent and omitted taxes owed to the City. An additional \$5 million above the FY 2009 budget is expected to be collected in FY 2010 through specialized audits and reviews that were begun as part of a mid-FY 2009 initiative. Lastly, the Economic Development Office projects that the Upstairs Fund Program will generate nearly \$338,000 in additional revenue, mostly on construction wages.

Net Profits Tax revenue is projected to remain steady at nearly \$4 million. A total of \$300,000 was added to the base in FY 2009 as a result of successful use of CPA firms to conduct corporate audits. This amount has been carried forth as part of the \$4 million base.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$51,930,463	\$54,391,443	\$55,277,658	\$57,277,658	\$58,015,387

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

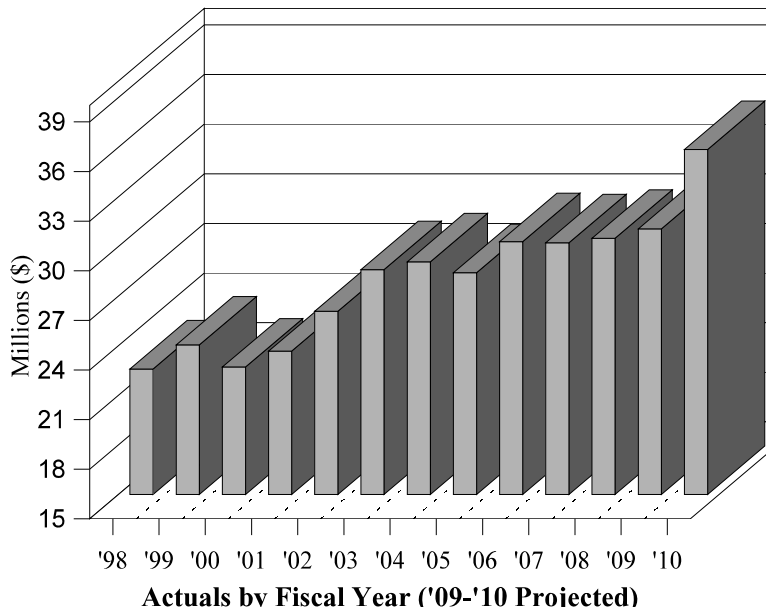
PROPERTY TAX

Basis: Assessment Rolls

Critical Assumption: Property Taxes are projected to increase by a net \$3.3 million. The current economic climate and some other negative impacts led to the lowering of the FY 2009 revenue projection by about \$1.3 million, a reduction that is carried over into FY 2010. Specifically, build-out and sales of housing units at the Justison Landing project have come to a virtual halt. In addition, several large commercial properties recently waged successful assessment appeals, resulting in a further decrease to the City's taxable property base. To offset the \$1.3 million decrease, and to help balance the budget, a 15% Property Tax increase (worth approximately \$4.6 million) has been adopted for FY 2010. The effect on the average homeowner will be an increase of about \$7.25 per month.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$30,227,452	\$30,503,671	\$32,568,875	\$31,068,875	\$35,862,806

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

OTHER TAXES

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

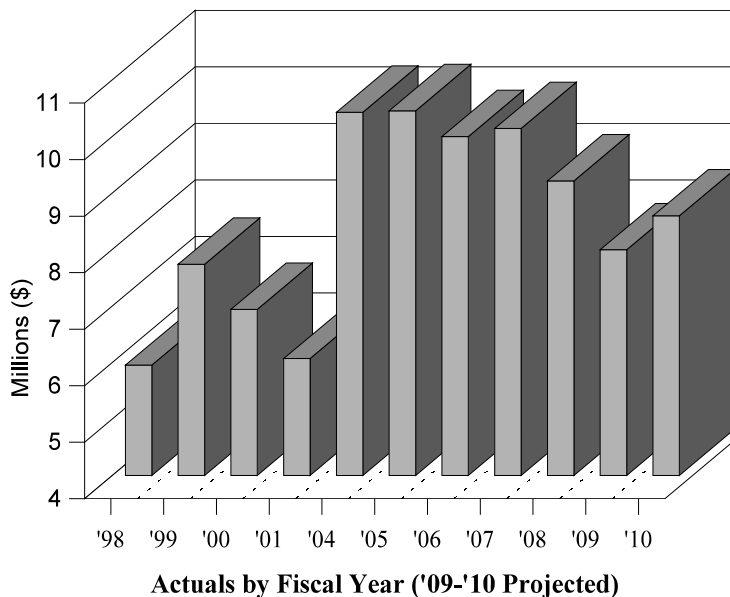
Critical Assumption: Real Estate Transfer Tax revenues have taken a sharp downward turn during FY 2009. Declining property values have not been enough to spur renewed activity in this sector. As a result, FY 2009 revenues have seen a \$3.6 million or 50% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2010.

Head Tax revenue is projected to increase \$1 million over the FY 2009 budget. As part of the comprehensive package of revenue enhancements needed to help balance the budget, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax is projected to yield an additional \$600,000 in FY 2010. It should be noted that because the change becomes effective midway through the fiscal year, the \$600,000 is half of the \$1.2 million annual amount of additional revenue expected from this increase. Another \$400,000 in Head Tax revenue is expected as a result of the Finance Department's Plan for Change audits.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2010, a \$550,000 decrease is projected from the FY 2009 budget of \$2.3 million, reflecting the realization that a favorable legal settlement of the current dispute with Delmarva Power over the calculation of the franchise fee for electricity is not expected during FY 2010. In total, Other Taxes are projected to decrease \$3.15 million for FY 2010.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$10,140,066	\$9,213,337	\$11,744,179	\$7,994,179	\$8,594,179

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

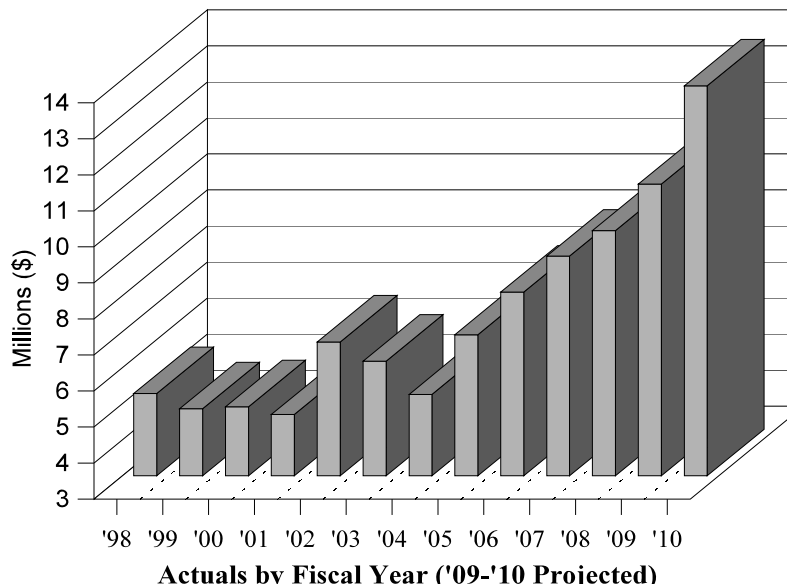
Critical Assumption: Licenses, Permits and Fees revenue is projected to be \$4.4 million in FY 2010, about the same as the FY 2009 budget. Business Licenses show a \$300,000 increase above the FY 2009 Budget due to continued compliance audits and increased field monitoring. Fees are slated to rise by \$400,000 due to a \$0.50 per hour increase in Parking Meter rates throughout the City. Unfortunately, the increases in Business Licenses and Fees are completely offset by a projected \$705,000 decline in Building Permits.

Criminal/Traffic Fines revenue is projected to total \$3.2 million in FY 2010, up \$890,000 from the FY 2009 Budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. With the addition of ten red-light cameras, revenue from red-light camera fines is projected to rise more than \$400,000 over the FY 2009 budget. A further rise in revenue of \$490,000 is anticipated because of a \$35 increase to the red-light fines. There is no change expected to the \$550,000 portion of the base attributed to miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program.

Parking Tickets/Booting Fines revenue is forecast to increase by \$2.2 million above the FY 2009 budgeted level. Revenues in this category will be enhanced by several factors: a second boot van added in the mid-FY 2009, a \$15 increase to parking citations, and projected efficiency gains of the second boot van.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$9,109,357	\$9,808,760	\$10,722,900	\$11,097,900	\$13,822,291

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

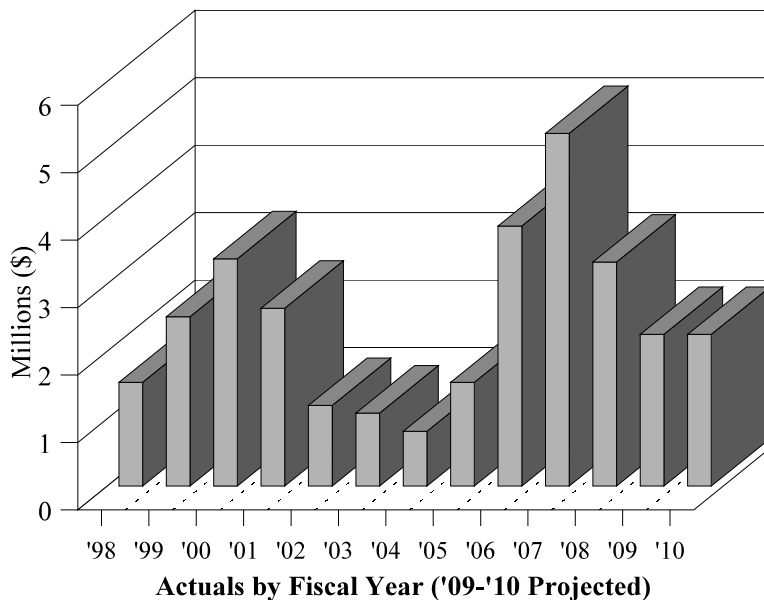
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond Issuance

Critical Assumption: Because of further drastic cuts in interest rates by the Federal Reserve, the Treasurer's Office has substantially reduced its Interest Earnings forecast for FY 2010. The benefit of investing the unspent proceeds from the City's bond issuance last year, while offsetting the reduction in rates somewhat, is not nearly large enough to prevent the FY 2010 total from dropping \$2 million from the FY 2009 Budget. The FY 2010 projection for interest earnings is \$2.25 million.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$5,234,150	\$3,324,430	\$4,250,000	\$2,250,000	\$2,250,000

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

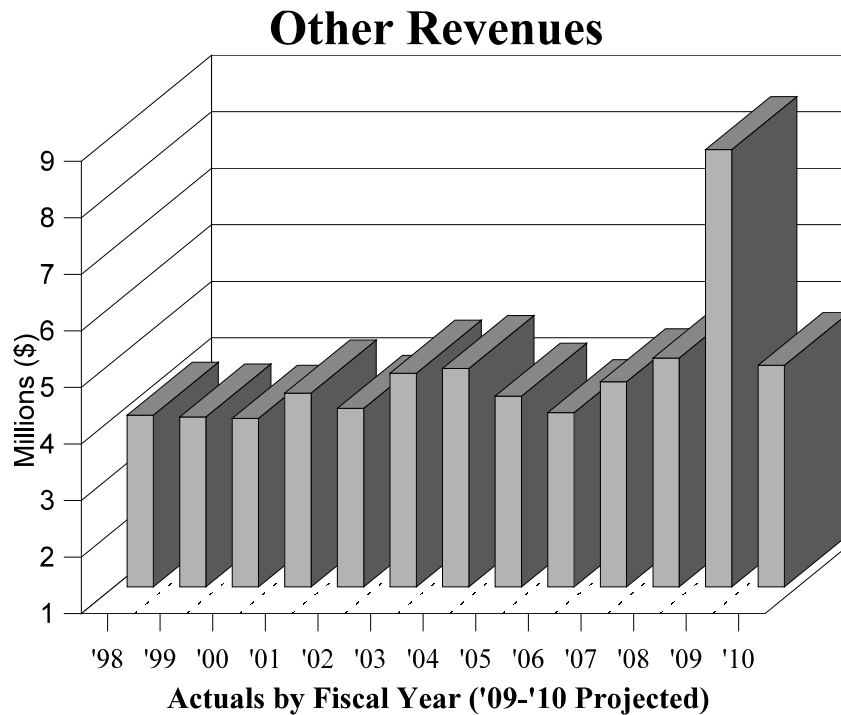
General Fund Revenues Fiscal Year 2010

OTHER REVENUES

Basis: Trend analysis/Contractual/Agreement with State

Critical Assumption: Other Revenues will increase by an expected \$400,000 over the FY 2009 Budget, largely due to the realization of the False Alarm Reduction Program revenues coupled with a \$100,000 increase in Miscellaneous Revenue. The FY 2009 Projection includes a one-time land sale payment of \$3.8 million related to the Justison Landing project.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$4,630,761	\$5,048,726	\$4,522,533	\$8,735,033	\$4,922,533



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

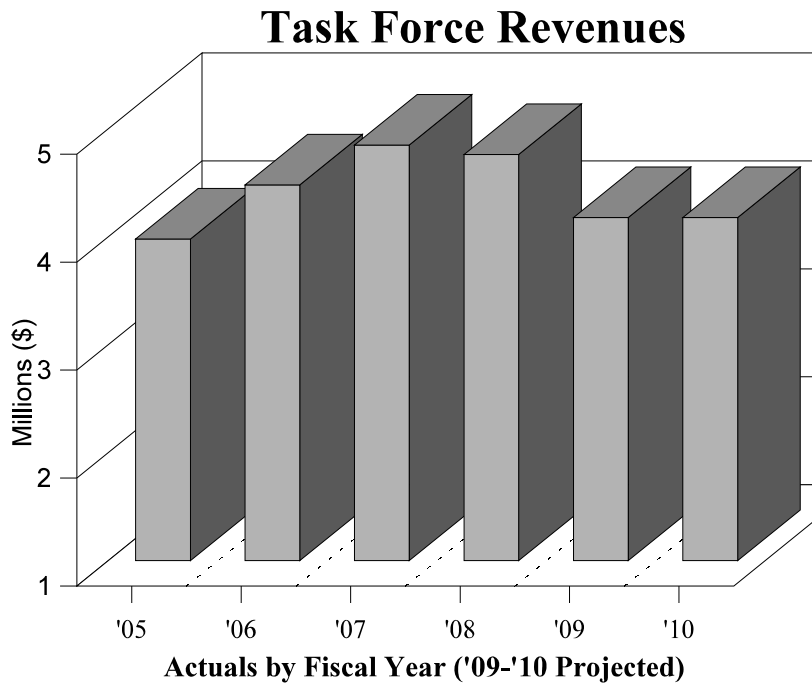
General Fund Revenues Fiscal Year 2010

TASK FORCE REVENUES

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

Critical Assumption: Task Force Revenues are the three 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 2010, two of the four components of the Task Force Revenues are projected to decrease from the FY 2009 Budget: Corporate Filings by \$200,000 and Limited Liability Corporate (LLC) Filings by \$500,000. The total for all Task Force Revenues for FY 2010 is projected to be \$4,178,000, down \$700,000.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$4,853,882	\$4,762,980	\$4,878,000	\$4,178,000	\$4,178,000



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

COUNTY SEAT RELIEF PACKAGE

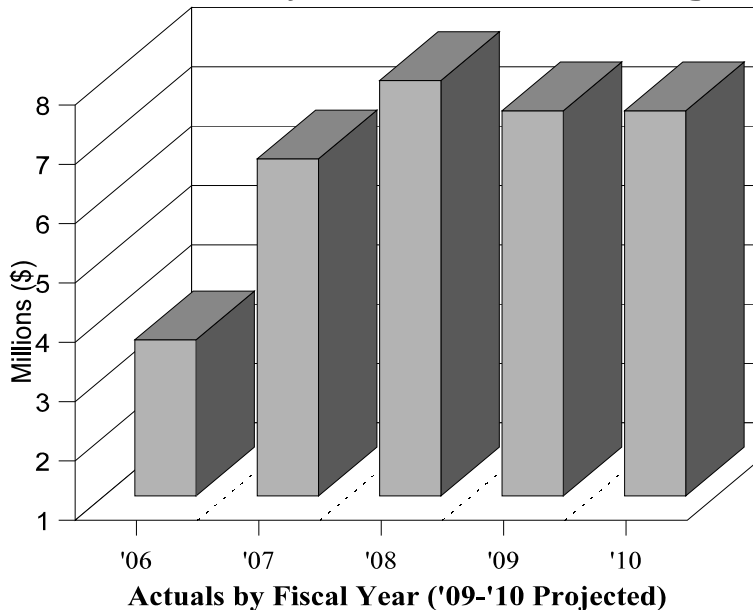
Basis: Estimates from the State Finance Secretary’s Office

Critical Assumption: The County Seat Relief Package is a bundle of escalating revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that builds on the work of the 2003 Governor’s Task Force (see Task Force Revenues section), which recognized that the City’s long-term financial stability required a stronger and more diversified revenue stream. Like the Task Force revenues, the County Seat Relief Package was intended to provide diversified revenue support to the three county seats in the State of Delaware.

The FY 2010 projections total \$7.5 million. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City; \$3.2 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is down \$2.3 million or almost 42% from the FY 2009 budget); \$800,000 in Statutory Trust Filing Fees (down \$200,000 or 20% from the FY 2009 budget); and roughly \$1.0 million in New Castle County Corporate Filing Fees (down \$125,000 or almost 11% from the FY 2009 budget). In total, there is a more than \$2.6 million decrease in the County Seat Relief Package revenues from the FY 2009 budget.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$6,682,189	\$8,002,777	\$10,123,429	\$7,492,067	\$7,492,067

County Seat Relief Package



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

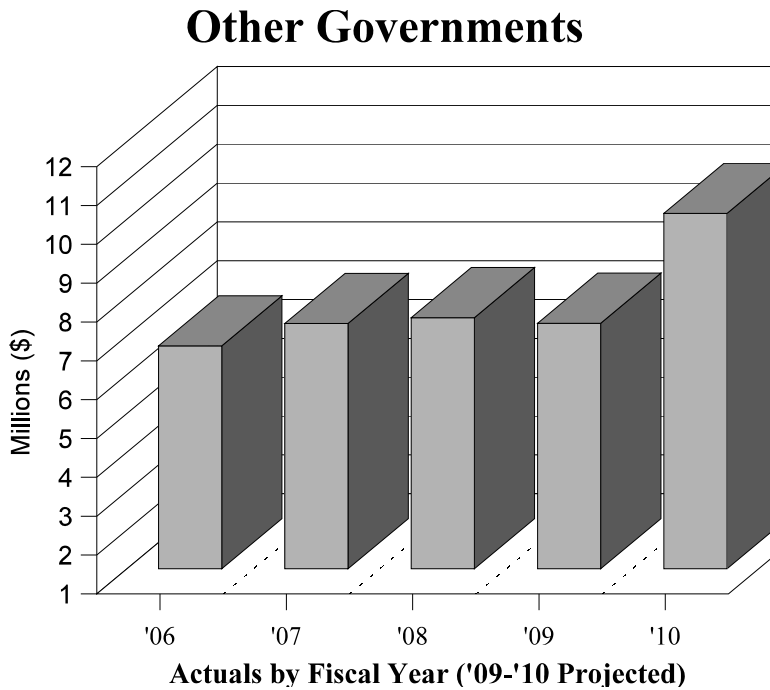
General Fund Revenues Fiscal Year 2010

OTHER GOVERNMENTS

Basis: Estimates from the Delaware State Board of Pension Trustees and Current Debt Schedules

Critical Assumption: Other Governments had previously consisted of only the State Pension Contribution, a pass-through grant of \$7,323,600 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2010, the grant amount remains unchanged. New to this revenue category is the State Port Debt Reimbursement in the amount of \$2,828,820. This Reimbursement had been booked previously in the now defunct Commerce Fund. As planned, all Commerce Fund operations, activities, revenues and expenditures have been absorbed into the General Fund.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$7,323,607	\$7,468,406	\$7,323,600	\$7,323,600	\$10,152,420



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2010

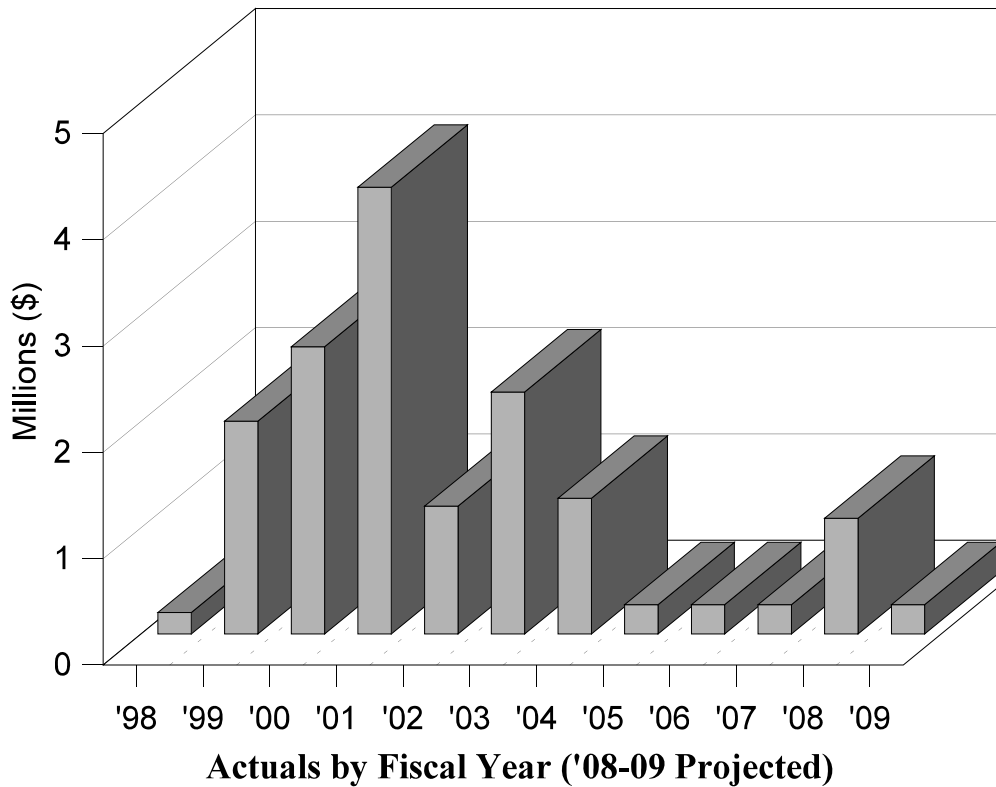
TRANSFERS AND PRIOR YEARS' SURPLUS

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

Critical Assumption: There are no prior year designations in FY 2010. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$275,000	\$275,000	\$1,025,000	\$1,025,000	\$275,000

Transfers & Prior Years' Surplus



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2010

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: Due to the State's own fiscal crisis, the Municipal Street Aid Program was not funded for FY 2010.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$743,057	\$1,404,012	\$1,255,250	\$1,255,250	\$0

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: CDBG Federal Funds will decrease approximately \$430,000 from FY 2009.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$2,250,364	\$2,711,581	\$3,227,208	\$3,227,208	\$2,797,208

HUD SECTION 8 GRANT

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding and the responsibility for monitoring existing Section 8 properties was transferred to the Delaware State Housing Authority July 1, 2007.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,924,446	\$0	\$0	\$0	\$0

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2010

NEW CASTLE COUNTY POLICE GRANT

Basis: New Castle County (NCC) Award Letter

Critical Assumption: This award was part of a larger, multi-year commitment to provide support for City policing operations and was exhausted at the end of FY 2008.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$3,620,921	\$4,612,137	\$0	\$0	\$0

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 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,155,304	\$1,418,440	\$512,804	\$512,804	\$512,804

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 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$80,542	\$100,189	\$134,121	\$134,121	\$151,502

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2010

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

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

Critical Assumption: These grants are anticipated to decrease by more than \$475,000 for FY 2010.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,122,497	\$1,157,283	\$954,842	\$954,842	\$479,786

PENSION ADMIN.

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 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,976,761	\$2,078,390	\$2,477,993	\$2,477,993	\$2,519,407

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to be funded at approximately \$184,000 more than FY 2009.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$331,614	\$51,045	\$654,769	\$654,769	\$839,047

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2010

BYRNE GRANT

Basis: Federal grant award letters

Critical Assumption: The Edward Byrne Memorial Justice Assistance Grant is a federal award to support activities to prevent and control crime. The award increased dramatically for FY 2010.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$65,401	\$198,182	\$0	\$61,608	\$1,465,715

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 in total expected to increase slightly from FY 2009 levels.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,723,904	\$1,401,930	\$968,092	\$968,092	\$1,015,511

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2010

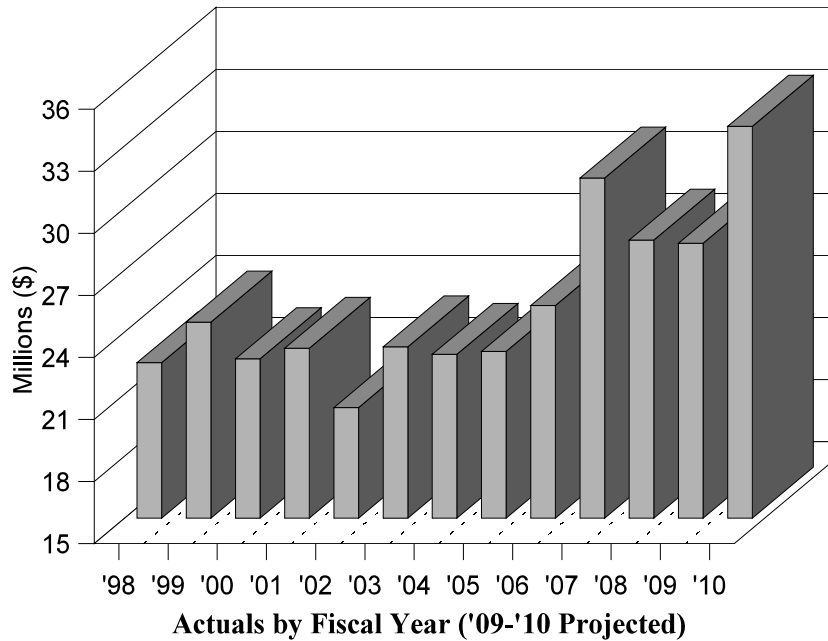
WATER/SEWER USER FEES

Basis: Trend analysis/Management Initiatives/Proposed Rate Increases

Critical Assumption: A 5.2% reduction in consumption was projected for FY 2009 and is expected to continue. More important, in order to address a dire cash situation, a 20% increase in Water/Sewer User Fees has been adopted for FY 2010. This rate increase (part of a multi-year plan of increases) is expected to generate an additional \$5.7 million of revenue in FY 2010, but with the \$600,000 base adjustment downward in FY 2009 carried forward, the net new total for FY 2010 will be \$33.94 million. The average residential homeowner's bill will go up about \$4 per month. Even with the increase, the City will still have the lowest rates in the region.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$31,442,712	\$28,441,981	\$28,887,270	\$28,287,270	\$33,944,724

Water/Sewer User Fees



Beginning in 2007, Sewer User Fees were decreased as a result of the new separate Stormwater Billings Fee.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

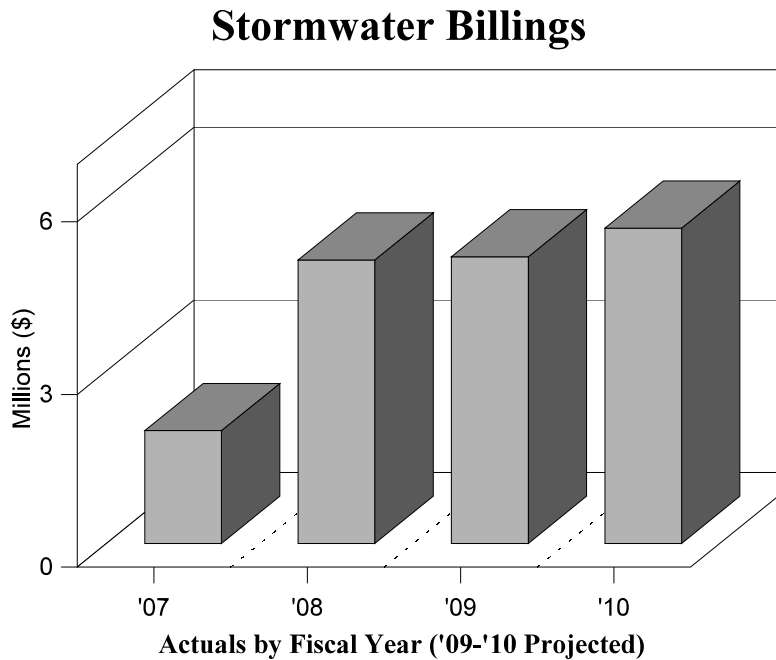
Water/Sewer Fund Revenues Fiscal Year 2010

STORMWATER BILLINGS

Basis: Trend analysis/Management Initiatives/Proposed Rate Increase

Critical Assumption: The stormwater property fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$4.4 million. A clean-up of the Utility Billing files has added \$600,000 to that base, bringing the total to \$5.0 million. For FY 2010, a 10% increase in stormwater fees has been implemented that will increase the total to \$5.5 million. The average residential homeowner's bill will go up about \$1 per month.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,956,170	\$4,925,885	\$4,381,143	\$4,981,143	\$5,479,257



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2010

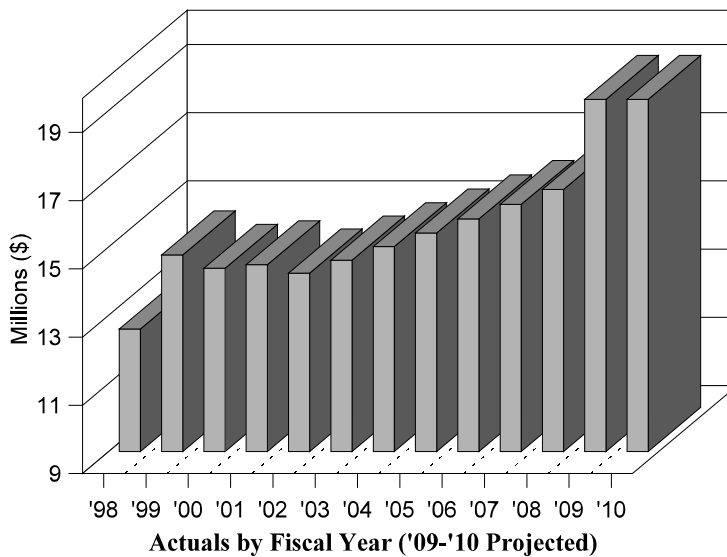
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: The City's contract to provide sewage treatment for New Castle County expired at the end of FY 2007. A fairly-priced contractual fee for FY 2008, FY 2009, and FY 2010 has yet to be agreed upon with NCC. Based on higher forecasted operating costs and the escalation history of prices over the last five years (both of which were much greater than the 2.75% annual inflation factor allowed by the previous contract), a base fee of about \$18.9 million for FY 2010 has been requested. The City completed mediation, and has given its final arguments in arbitration with NCC regarding this matter. The City also receives \$401,000 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows. That reimbursement will also be the same as last year.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$16,242,123	\$16,677,751	\$19,321,940	\$19,321,940	\$19,321,940

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2010

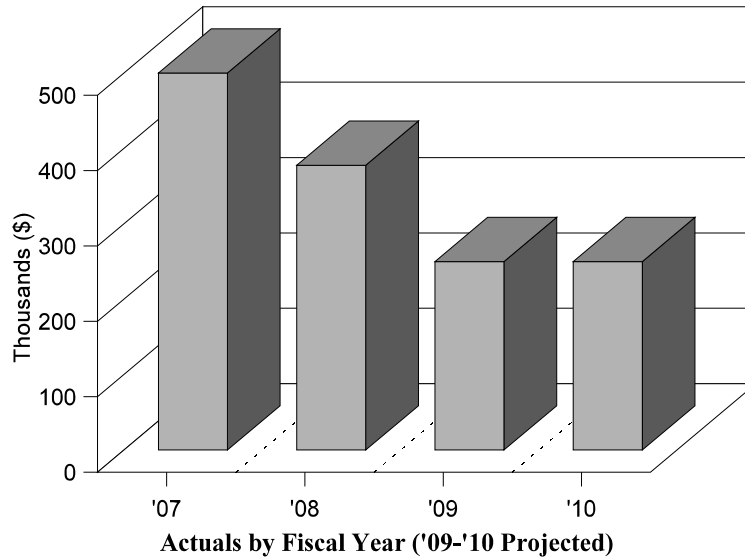
INTEREST

Basis: Trend analysis/Cash flow analysis

Critical Assumption: Previously, all interest earned on City cash balances, regardless of source, was booked as revenue to the General Fund. Starting in FY 2008, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2010, interest is projected to remain at \$250,000.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$500,000	\$377,746	\$250,000	\$250,000	\$250,000

Interest Income



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

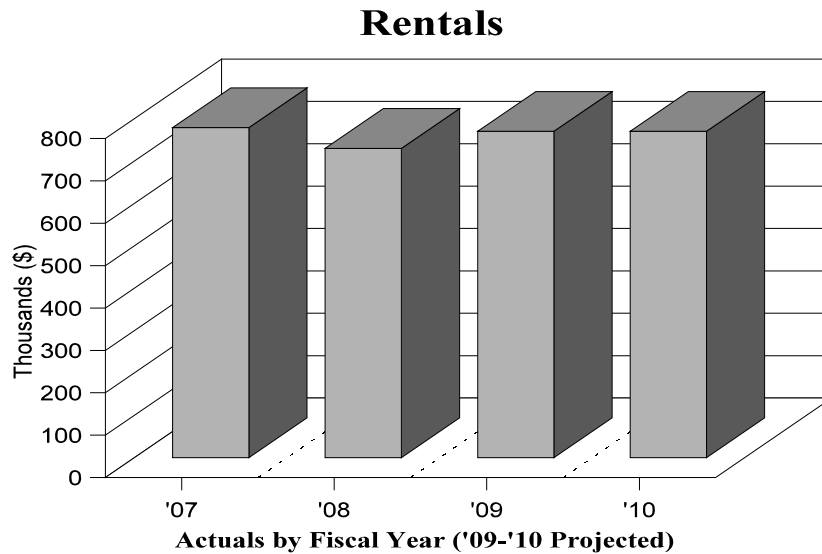
Water/Sewer Fund Revenues Fiscal Year 2010

RENTALS

Basis: Lease/Contracts

Critical Assumption: Rental income, which is derived by charging fees to telecommunications companies that rent space on the City’s water tanks for antennae and transmitters, is projected to stay level at \$770,000.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$788,875	\$730,038	\$770,000	\$770,000	\$770,000



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

TRANSFERS IN

Basis: As appropriated by the Mayor and City Council on an as-needed basis.

Critical Assumption: In FY 2007, a one-time transfer from General Fund Equity was authorized to stabilize the cash position of the Water/Sewer Fund. There is no transfer budgeted for FY 2010.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$5,000,000	\$0	\$0	\$0	\$0

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Commerce Fund Revenues Fiscal Year 2010

PORT DEBT REIMBURSEMENT FROM STATE OF DELAWARE

Critical Assumption: In FY 2006, the State prepaid the City the entire FY 2007, and most of the FY 2008, amount owed for Debt Reimbursement. The FY 2009 and 2010 figures represent the amounts agreed to on the original schedule. For FY 2010 this revenue is being moved into the General Fund. See note below.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$1,189,934	\$1,124,962	\$2,832,098	\$2,832,098	\$0

MISCELLANEOUS

Critical Assumption: Smaller other miscellaneous revenue as booked by the Finance Department.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$0	\$1,360	\$0	\$0	\$0

GAIN ON SALE OF ASSETS

Critical Assumption: In FY 2007, a gain was recognized on the sale of 400 N. Walnut St.

FY 2007 Actual	FY 2008 Actual	FY 2009 Budget	FY 2009 Projected	FY 2010 Budget
\$408,069	\$0	\$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 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 dictated, however, that the remaining fund balance of the Commerce Fund had to be used by the City exclusively for economic development activities. Thus, it was the mandated policy that the fund balance of the Commerce fund continue to be drawn down for economic development activities until the fund balance was depleted. Once the fund balance was spent down, as planned, those economic development activities and costs would be merged into the General Fund.

In FY 2009 the Commerce Fund balance was depleted, and as a result, in FY 2010 all economic development activities and costs, along with the Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund. The cost to the General Fund for FY 2010 is a total of \$6,061,367 (\$2,415,100 for the Economic Development Office and \$3,646,267 for Port Debt Service).

**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2010**

WAGE TAX

- Base:** Individual gross earned income of City residents.
Individual gross earned income of non-City residents working within the City limits.
- Rate:** 1.25%

NET PROFIT TAX

- Base:** Net profit of sole proprietors and partnerships within the City limits.
- Rate:** 1.25%

PROPERTY TAX

- Base:** 100% of the assessed value of land and buildings within City limits. Because the last systematic County-wide reassessment was done based on 1983 market value dollars, all present-day assessments are calculated and reported using 1983 dollar values.
- Rate:** \$1.6064 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 (being raised to \$15.00 effective 1/1/2010) per employee per month on the total number of employees minus 5 (e.g., business with 20 employees is assessed on 15 employees).

REAL ESTATE TRANSFER TAX

- Base:** Selling price of Real Estate assessed at time of settlement.
- Rate:** 1.50%

CITY OF WILMINGTON
TAX RATES FOR Fiscal Year 2010
(Continued)

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.

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, Integrated Technologies, Communications, and Economic Development.

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS* MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	4,510,596	4,708,248	5,020,395	5,018,059
Materials, Supplies & Equipment	4,353,596	7,942,477	8,644,880	6,334,755
Internal Services	910,472	915,530	1,152,622	1,261,218
Debt Service	1,600,457	1,464,491	1,978,829	2,774,720
Special Purpose	307,768	468,681	274,560	294,560
Contingent Reserves	0	0	425,000	1,221,757
Depreciation	437,925	408,335	583,634	568,512
Capitalization	<u>(52,940)</u>	<u>(634,237)</u>	<u>(469,000)</u>	<u>(331,710)</u>
TOTAL	<u>12,067,874</u>	<u>15,273,525</u>	<u>17,610,920</u>	<u>17,141,871</u>
STAFFING LEVELS	61.00	60.00	60.00	60.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	2,229,557	2,504,032	2,579,818	3,372,772
Materials, Supplies & Equipment	1,625,125	2,658,590	2,216,012	1,929,648
Internal Services	684,061	694,768	826,217	937,556
Debt Service	942,062	943,046	1,464,562	2,653,736
Special Purpose	<u>307,768</u>	<u>468,681</u>	<u>274,560</u>	<u>294,560</u>
TOTAL	<u>5,788,574</u>	<u>7,269,116</u>	<u>7,361,169</u>	<u>9,188,271</u>
STAFFING LEVELS	27.50	29.50	29.50	38.50

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Contingency	0	0	300,000	1,096,757
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>1,221,757</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

U.S. DEPARTMENT OF COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	0	0	0	0
Materials, Supplies & Equipment	<u>22,488</u>	<u>10,216</u>	<u>0</u>	<u>0</u>
TOTAL	<u>22,488</u>	<u>10,216</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	649,889	647,030	794,272	0
Materials, Supplies & Equipment	181,257	1,534,649	1,548,450	0
Internal Services	26,107	29,289	33,455	0
Debt Service	<u>435,859</u>	<u>435,211</u>	<u>389,821</u>	<u>0</u>
TOTAL	<u>1,293,112</u>	<u>2,646,179</u>	<u>2,765,998</u>	<u>0</u>
STAFFING LEVELS	8.00	9.00	9.00	0.00

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	93,690	95,524	55,031	55,351
Materials, Supplies & Equipment	133,338	12,330	0	0
Internal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>227,028</u>	<u>107,854</u>	<u>55,031</u>	<u>55,351</u>
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUNDS MAYOR'S OFFICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,537,460	1,461,662	1,591,274	1,589,936
Materials, Supplies & Equipment	2,391,388	3,726,692	4,880,418	4,405,107
Internal Services	200,304	191,473	292,950	323,662
Debt Service	222,536	86,234	124,446	120,984
Depreciation	437,925	408,335	583,634	568,512
Capitalization	<u>(52,940)</u>	<u>(634,237)</u>	<u>(469,000)</u>	<u>(331,710)</u>
TOTAL	<u>4,736,672</u>	<u>5,240,158</u>	<u>7,003,722</u>	<u>6,676,491</u>
STAFFING LEVELS	25.00	21.00	21.00	21.00

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

- As planned, the Commerce Fund has exhausted the funds remaining from the sale of the Port of Wilmington, and all Commerce Fund activities have been rolled into the General Fund. Consequently, \$2,337,600 in spending for the Office of Economic Development is now part of the General Fund. This includes nine positions which have now been moved to the General Fund.
- Excluding the nine employees moved from the Commerce Fund, total Personal Services increased by \$20,204, due mainly to increases in pension contributions. The Personal Services attributable to former Commerce Fund employees decreased by \$21,522, largely due to changes in projected healthcare costs. No new positions were added.
- Total non-Economic Development Community Activities costs decreased by \$636,000. The single largest reduction is to Hope Commission funding, which has been reduced to \$250,000 from last year's total of \$500,000. Other Miscellaneous Projects and Grants activities, such as WEDCO, Red Cross, WECEC, and various festivals and parades, saw smaller reductions totaling \$386,000.
- The Operating Contingency has been increased to a new total of \$1,096,757. The bulk of this increase, \$702,000, is intended to cover the costs of employee step increases and will be transferred to a number of funds and divisions citywide. In addition, \$94,757 has been added for the FED UP program.
- Relative to FY 2009, total Office of Economic Development spending has decreased by \$428,400. This is the net result of a number of changes, including the conclusion of a \$1 million grant to St. Francis Hospital and Christiana Care. This is partially offset by new debt service for the Queen Theatre development and the Upstairs Project (\$112,500 and \$635,000, respectively).

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

- As planned, the Commerce Fund has exhausted the funds remaining from the sale of the Port of Wilmington. All Office of Economic Development activities have been rolled into the General Fund, for a total General Fund increase of \$2,337,600. As a result of this move, the Commerce Fund budget for FY 2010 is now zero.

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

- Total positions in the Internal Service funds remained unchanged. Total Personal Services costs decreased by a net \$1,338, due to a \$20,000 reduction in Temporary Salaries which was largely offset by increases in Salaries and Pensions.
- Machinery and Equipment costs in Data Processing increased by \$386,200, to a new total of \$442,000. This increase is due to a number of items, including network upgrades and maintenance, virtual environment and document imaging infrastructure, and offsite disaster recovery hardware.
- Due to increased usage and cost of cellphones and landlines, as well as the addition of Voice over Internet (VoIP) technology, Telephone Direct Charge costs in the Communications division have increased \$79,725, to a new total of \$738,062.
- Other costs throughout the Internal Services funds saw significant decreases. The Consultants line in Data Processing was reduced by \$256,320, due mainly to decreases in Diamond project management costs, the elimination of disaster recovery consulting services, and postponement of the 311 program. In the Communications Division, Machinery and Equipment decreased by a net \$137,290, due to a reduction in the number of replacement radios; this decrease was partially offset by the addition of a program to upgrade to Municipal Complex to VoIP technology.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,611,103	1,861,139	1,969,208	2,560,493
Temporary Salaries	5,374	120	5,000	5,000
Acting Out of Classification	192	0	0	0
Sick Leave Bonus	0	1,600	0	0
Overtime/Special Events	0	457	0	0
Internet Reimbursement	0	900	1,470	720
Pension Contribution	205,844	197,659	188,041	265,999
Social Security	99,403	114,774	120,617	156,491
Medicare Tax	23,392	26,992	28,583	36,990
Hospitalization	241,255	270,138	261,730	330,579
Life Insurance	8,372	9,603	10,240	13,304
Pension Healthcare	34,622	20,650	25,665	38,500
Deferred Comp Contribution	0	0	3,540	0
Personal Services Adjustment	0	0	(34,276)	(35,304)
TOTAL PERSONAL SERVICES	2,229,557	2,504,032	2,579,818	3,372,772
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	91,236	212,624	149,100	196,600
Communications & Utilities	3,844	7,888	6,572	36,497
Transportation	26,747	44,773	54,000	40,500
Rentals	77,451	28,499	39,510	54,510
Contracted Maintenance Repairs	975	2,541	3,009	4,215
Professional Fees	179,757	244,271	165,000	335,000
Other Fees	10,687	2,449	116,900	125,650
Memberships & Registrations	29,517	42,582	56,200	65,590
Miscellaneous Services	44,448	50,243	54,000	57,700
Office & General Supplies	5,873	6,572	11,321	16,416
Wearing Apparel and Safety	80	0	0	0
Miscellaneous Parts	82,302	123,645	119,200	107,670
Construction and Repairs	0	17,356	20,000	10,000
Equipment	44,379	46,041	6,200	3,200
Fixed Assets	0	7,731	0	3,100
Miscellaneous Projects	687,977	1,006,802	1,055,000	718,000
Community Activities	339,852	814,573	360,000	155,000
TOTAL M., S. & E.	1,625,125	2,658,590	2,216,012	1,929,648
 <u>INTERNAL SERVICES</u>				
Administrative Services	559,748	656,910	765,420	876,104
Self-Insurance	124,313	37,858	60,797	61,452
TOTAL INTERNAL SERVICES	684,061	694,768	826,217	937,556

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Principal Payments	465,648	514,164	893,191	1,173,644
Interest Payments	<u>476,414</u>	<u>428,881</u>	<u>571,371</u>	<u>1,480,092</u>
TOTAL DEBT SERVICE	942,062	943,046	1,464,562	2,653,736
 SPECIAL PURPOSE				
Wilmington Arts Commission	72,768	53,681	61,200	73,200
Rock Manor Golf Course	<u>235,000</u>	<u>415,000</u>	<u>213,360</u>	<u>221,360</u>
TOTAL SPECIAL PURPOSE	307,768	468,681	274,560	294,560

DEPARTMENT: OFFICE OF THE MAYOR

FUND: CONTINGENT RESERVES

CONTINGENT RESERVES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Contingency	0	0	300,000	1,096,757
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
CONTINGENT RESERVES TOTAL	0	0	425,000	1,221,757
 GENERAL FUND TOTAL	 <u>5,788,574</u>	 <u>7,269,116</u>	 <u>7,786,169</u>	 <u>10,410,428</u>

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	0	0	0	0
Pension Contribution	0	0	0	0
Social Security	0	0	0	0
Hospitalization	0	0	0	0
Medicare Tax	<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
Communications and Utilities	0	0	0	0
Transportation	3,429	0	0	0
Professional Fees	19,059	9,840	0	0
Memberships & Registrations	0	376	0	0
Miscellaneous Supplies	0	0	0	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S., & E.	22,488	10,216	0	0
 U.S. DEPT. COMMERCE FUND				
TOTAL	<u>22,488</u>	<u>10,216</u>	<u>0</u>	<u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: COMMERCE

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	474,926	458,152	579,112	0
Temporary Salaries	0	17,723	0	0
Acting Out of Classification	265	808	0	0
Overtime	0	272	0	0
Internet Reimbursements	0	0	0	0
Pension Contribution	49,197	46,456	55,316	0
Social Security	29,781	29,516	35,852	0
Medicare Tax	6,914	6,903	8,385	0
Hospitalization	80,868	78,577	103,686	0
Life Insurance	2,337	2,323	3,011	0
Pension Healthcare	5,601	6,300	7,830	0
Deferred Comp Contribution	0	0	1,080	0
TOTAL PERSONAL SERVICES	649,889	647,030	794,272	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	61,640	68,128	83,000	0
Communications & Utilities	318	4,655	150	0
Transportation	3,482	6,325	8,600	0
Rentals	21,160	14,268	15,000	0
Contracted Maintenance Repairs	0	0	157	0
Professional Fees	149,723	321,084	191,500	0
Memberships & Registrations	6,523	24,197	16,500	0
Miscellaneous Services	26,506	5,349	5,996	0
Office & General Supplies	4,036	2,162	9,267	0
Miscellaneous Materials	2,314	3,296	3,280	0
Equipment	464	6,476	1,500	0
Fixed Assets	(131,774)	107	5,500	0
Community Activities	36,865	1,030,000	1,138,000	0
Miscellaneous Projects	0	48,603	70,000	0
TOTAL M., S. & E.	181,257	1,534,649	1,548,450	0
<u>INTERNAL SERVICES</u>				
Administrative Services	24,348	28,043	32,309	0
Self-Insurance	1,759	1,246	1,146	0
TOTAL INTERNAL SERVICES	26,107	29,289	33,455	0
<u>DEBT SERVICE</u>				
Principal Payments	321,069	340,699	189,699	0
Interest Payments	114,790	94,512	200,122	0
TOTAL DEBT SERVICE	435,859	435,211	389,821	0
COMMERCE FUND TOTAL	<u>1,293,112</u>	<u>2,646,179</u>	<u>2,765,998</u>	<u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: EMERGENCY MANAGEMENT & SPC

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	80,253	38,085	42,198	42,169
Temporary Salaries	0	40,817	0	0
Overtime	0	0	0	0
Pension Contribution	0	0	3,988	4,259
Social Security	4,935	4,697	2,616	2,606
Medicare Tax	1,154	1,122	612	610
Hospitalization	7,348	10,804	4,903	4,988
Life Insurance	0	0	219	219
Deferred Compensation	0	0	60	0
Pension Healthcare	0	0	435	500
TOTAL PERSONAL SERVICES	93,690	95,524	55,031	55,351
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	0	0
Communications & Utilities	773	0	0	0
Transportation	0	0	0	0
Rentals	0	0	0	0
Contracted Maintenance	0	0	0	0
Other Fees	0	0	0	0
Professional Fees	126,570	0	0	0
Memberships & Registrations	0	0	0	0
Miscellaneous Services	0	0	0	0
Office & General Supplies	1,327	0	0	0
Wearing Apparel and Safety	576	0	0	0
Miscellaneous Materials	4,092	0	0	0
Fixed Assets	0	0	0	0
Equipment	0	0	0	0
Miscellaneous Projects	0	0	0	0
TOTAL M., S. & E.	133,338	0	0	0
<u>INTERNAL SERVICES</u>				
Administrative Services	0	0	0	0
Self-Insurance	0	0	0	0
TOTAL INTERNAL SERVICES	0	0	0	0
EMERGENCY MANAGEMENT & SPC FUND TOTAL	<u>227,028</u>	<u>95,524</u>	<u>55,031</u>	<u>55,351</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,088,485	1,021,880	1,116,559	1,128,485
Temporary Salaries	0	0	20,000	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	1,200	0	0
Overtime	6,853	7,171	0	4,972
Internet Reimbursements	135	555	0	0
Pension Contribution	135,732	136,628	125,704	136,681
Social Security	69,525	63,576	70,326	69,894
Medicare Tax	16,259	14,907	16,446	16,345
Hospitalization	190,411	196,270	215,642	206,700
Life Insurance	5,331	4,882	5,807	5,859
Pension Healthcare	16,101	14,700	18,270	21,000
Deferred Comp Contribution	0	0	2,520	0
Accrued Sick/Vacation	8,628	(107)	0	0
TOTAL PERSONAL SERVICES	1,537,460	1,461,662	1,591,274	1,589,936
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	98,624	137,249	185,310	144,088
Communications & Utilities	808,129	816,134	972,760	1,061,992
Transportation	15,769	30,300	36,680	14,250
Rentals of Office Equipment	106,914	95,265	167,000	165,600
Contracted Maintenance Repairs	207,712	204,400	431,308	289,407
Professional Fees	85,240	716,621	930,280	702,960
Other Fees	200,785	53	2,000	2,000
Memberships & Registrations	27,109	26,880	43,160	20,564
Miscellaneous Services	75,482	276,348	389,400	468,060
Office & General Supplies	130,843	181,711	160,912	185,495
Uniforms & Related Equipment	2,029	1,641	2,100	1,680
Miscellaneous Parts	126,446	116,571	142,194	105,370
Equipment	344,123	489,281	487,315	297,931
Fixed Assets	162,183	634,238	929,999	945,710
TOTAL M., S. & E.	2,391,388	3,726,692	4,880,418	4,405,107
 <u>INTERNAL SERVICES</u>				
Administrative Services	186,724	187,732	279,653	310,365
Self-Insurance	13,580	3,741	13,297	13,297
TOTAL INTERNAL SERVICES	200,304	191,473	292,950	323,662

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
DEBT SERVICE				
Amortization	7,300	7,214	30,972	6,512
Interest Payments	<u>215,236</u>	<u>79,021</u>	<u>93,474</u>	<u>114,472</u>
TOTAL DEBT SERVICE	222,536	86,234	124,446	120,984
OTHER				
Capitalized Expenditures	(52,940)	(634,237)	(469,000)	(331,710)
Depreciation	<u>437,925</u>	<u>408,335</u>	<u>583,634</u>	<u>568,512</u>
TOTAL OTHER	384,985	(225,902)	114,634	236,802
INTERNAL SERVICES FUND				
TOTAL	<u>4,736,672</u>	<u>5,240,158</u>	<u>7,003,722</u>	<u>6,676,491</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 2010
<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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,650,987	1,634,271	1,712,323	1,702,431
Materials, Supplies & Equipment	706,621	727,068	750,760	577,126
Internal Services	191,453	185,414	242,339	242,131
Debt Service	19,271	19,238	29,767	25,554
Special Purpose	<u>142,754</u>	<u>117,105</u>	<u>126,500</u>	<u>126,500</u>
TOTAL	<u>2,711,086</u>	<u>2,683,096</u>	<u>2,861,689</u>	<u>2,673,742</u>
STAFFING LEVELS	29.00	29.00	29.00	29.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased by a net \$9,892. Attrition was increased \$72,091 to offset salary and benefit costs for a vacant Producer/Director position in the Cable and Communications Division, in lieu of eliminating this position. The department-wide elimination of the Personal Services Adjustment (\$84,112) also contributed to the decrease. Offsetting these reductions was an increase in salaries and wages (\$109,108) and related benefits (\$42,789) over FY 2009 budgeted levels.
- Materials, Supplies and Equipment decreased by a net \$173,634. As part of the City's cost saving efforts, Miscellaneous Project expenses in the Legislative division were reduced \$38,500, along with Consultant fees in both the Legislative and Clerk divisions, which were reduced by \$15,000 and \$10,000 respectively. \$50,000 was transferred from the Legislative Division's Miscellaneous Projects account to the Parks department in support of the summer youth program. Miscellaneous Charges were also decreased in the Cable and Communications Division due to nonrecurring start-up (\$12,000) and monthly service fees (\$36,000) budgeted in FY 2009 for the TELVUE Access Channel.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY 2010
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,196,457	1,206,414	1,237,591	1,346,259
Temporary Salaries	6,199	15,296	30,520	30,560
Sick Leave Bonus	0	0	0	400
Internet Reimbursements	0	120	2,700	2,700
Pension Contribution	106,887	89,403	86,603	107,186
Social Security	73,959	75,237	78,126	84,827
Medicare Tax	17,297	17,608	18,272	19,839
Hospitalization	207,652	204,138	209,552	219,135
Life Insurance	5,994	6,105	6,318	6,903
Pension Healthcare	36,542	19,950	25,230	29,000
Deferred Comp Contribution	0	0	3,480	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>13,931</u>	<u>(144,378)</u>
TOTAL PERSONAL SERVICES	1,650,987	1,634,271	1,712,323	1,702,431
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	18,556	12,771	24,250	24,251
Transportation	20,934	22,874	10,000	5,000
Rentals	2,230	1,810	4,000	4,200
Contracted Maintenance Repairs	18,962	19,271	22,500	22,500
Professional Fees	525	7,539	50,000	25,000
Memberships & Registrations	27,128	22,381	39,600	29,300
Miscellaneous Services	15,652	5,865	52,000	7,000
Office & General Supplies	6,117	6,166	11,806	10,625
Wearing Apparel & Safety	1,738	3,512	2,000	2,250
Miscellaneous Parts	30,309	41,917	38,104	39,000
Equipment	5,348	26,251	2,500	17,500
Fixed Assets	22,216	46,078	35,000	20,000
Community Activities	<u>536,906</u>	<u>510,633</u>	<u>459,000</u>	<u>370,500</u>
TOTAL M., S. & E.	706,621	727,068	750,760	577,126
 <u>INTERNAL SERVICES</u>				
Administrative Services	160,388	192,069	225,810	235,695
Self-Insurance	<u>31,065</u>	<u>(6,655)</u>	<u>16,529</u>	<u>6,436</u>
TOTAL INTERNAL SERVICES	191,453	185,414	242,339	242,131

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Principal Payments	11,601	12,609	12,145	7,547
Interest Payments	<u>7,670</u>	<u>6,629</u>	<u>17,622</u>	<u>18,007</u>
TOTAL DEBT SERVICE	19,271	19,238	29,767	25,554
<u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	73,000	100,000	100,000	100,000
Other	<u>69,754</u>	<u>17,105</u>	<u>26,500</u>	<u>26,500</u>
TOTAL SPECIAL PURPOSE	142,754	117,105	126,500	126,500
GENERAL FUND TOTAL	<u>2,711,086</u>	<u>2,683,096</u>	<u>2,861,689</u>	<u>2,673,742</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 2010
<ul style="list-style-type: none"> • Explore methods to automate functions, such as internally producing the annual employee pension statements. • To further automate bank reconciliation processes in order to enhance the accuracy and timeliness of completed reconciliations. • Document procedures for pension payroll processing and other functions in the Pension Division.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	639,137	646,470	641,122	639,424
Materials, Supplies & Equipment	1,054,589	1,090,842	1,195,347	995,270
Internal Services	104,572	98,345	152,650	147,922
Other	<u>597,996</u>	<u>666,721</u>	<u>950,000</u>	<u>1,200,000</u>
TOTAL	<u>2,396,294</u>	<u>2,502,378</u>	<u>2,939,119</u>	<u>2,982,616</u>
STAFFING LEVELS	7.00	7.00	7.00	7.00

GENERAL FUND CITY TREASURER	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	313,538	316,751	311,718	313,147
Materials, Supplies & Equipment	25,383	29,796	34,545	33,045
Internal Services	<u>80,612</u>	<u>77,441</u>	<u>114,863</u>	<u>117,017</u>
TOTAL	<u>419,533</u>	<u>423,988</u>	<u>461,126</u>	<u>463,209</u>
STAFFING LEVELS	3.42	3.42	3.42	3.42

PENSION ADMIN. FUNDS CITY TREASURER	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	325,599	329,719	329,404	326,277
Materials, Supplies & Equipment	1,029,206	1,061,046	1,160,802	962,225
Internal Services	23,960	20,904	37,787	30,905
Other	<u>597,996</u>	<u>666,721</u>	<u>950,000</u>	<u>1,200,000</u>
TOTAL	<u>1,976,761</u>	<u>2,078,390</u>	<u>2,477,993</u>	<u>2,519,407</u>
STAFFING LEVELS	3.58	3.58	3.58	3.58

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services have decreased by a total of \$1,698 across the Pension and General Funds. Slight increases Pension and Pension Healthcare costs, along with Salaries for scheduled employee step raises were more than offset by decreases in Deferred Compensation Contributions, Hospitalization and Personal Services Adjustments.
- General Fund Trustee Fees related to bond issuance have fallen by \$5,500.
- Miscellaneous Services are slated to increase by \$4,000. Most of this is related to an increase in the cost of unlimited deposit insurance from the FDIC passed on by the City's banking institutions.
- Total Professional Fees in the Pension Funds will fall by almost \$199,000. Consultant costs for the bi-annual pension valuations are not necessary for FY 2010, and Trustee Fees, based on the value of all pension funds managed, have fallen by \$78,600.
- The significant decrease in managed Pension Funds due to slumping investment markets is also responsible for increased Pension funding targets. However, the City Treasurer, working with the City's actuary, developed and implemented a plan to "smooth" an 18% increase in the pension targets over a multi-year period, avoiding an over \$1 million increase in costs for FY 2010.
- To come into compliance with GASB pronouncement #45, which includes requirements on Other Post-Employment Benefits (OPEB), the annual funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$1.2 million for FY 2010.
- Total Internal Services for both the General and Pension Funds, based on actual expenditures in FY 2008, have decreased by roughly \$4,700.

**CITY TREASURER
PERFORMANCE INDICATORS**

Goal #1: Enhanced overall pension administration.

Objective: Provide 10 comprehensive analyses to the investment sub-committee of the Pension Board, demonstrating asset performance and financial positions for each pension fund.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-A and 1-B on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY2008 ACTUAL	FY 2009 PROJECTED	FY2009 ACTUAL	FY 2010 PROJECTED
Number of Reports Given to Each Pension Board	10	10	10	10	10

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

Objective: 90% 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY2008 ACTUAL	FY 2009 PROJECTED	FY2009 ACTUAL	FY 2010 PROJECTED
Percentage of Accounts Reconciled Per Month	85%	85%	90%	85%	90%

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

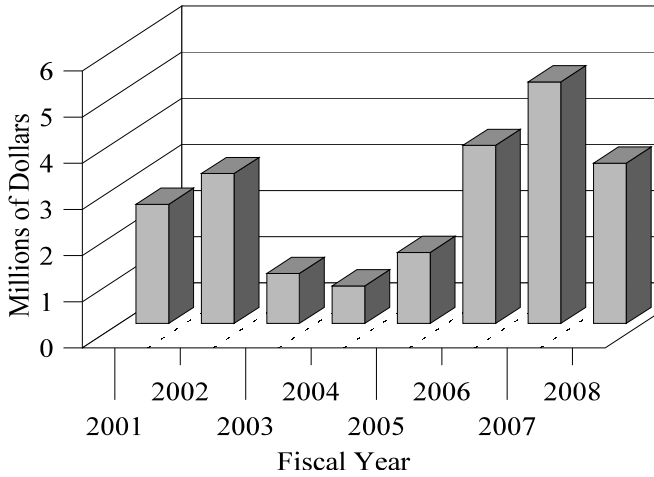
Objective: Maintain the unfunded liability at \$120 million during the current recession.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY2008 ACTUAL	FY 2009 PROJECTED	FY2009 ACTUAL	FY 2010 PROJECTED
Unfunded Liability (in \$ millions)	\$105	\$119	\$105	\$121	\$120

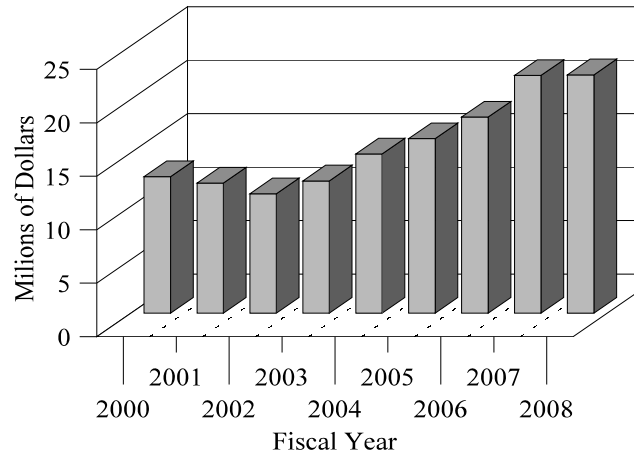
City Treasurer Performance Trends

General Fund Investment Income



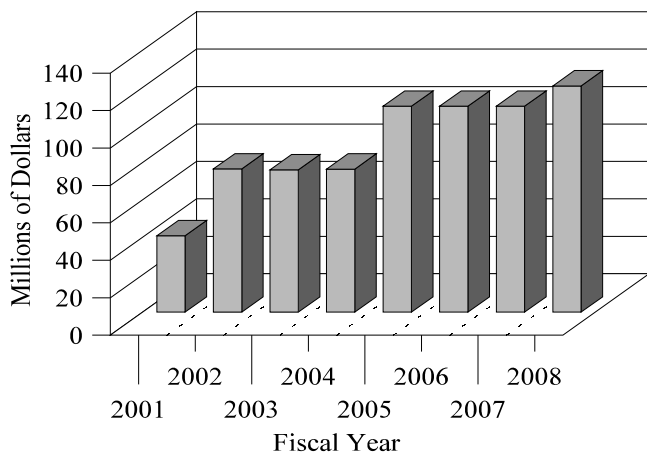
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of just over \$1.9 million per year since FY 2001. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2003 and FY 2004. Additional revenues and a return to the bond market for capital borrowing helped increase interest earnings for FY 2006 thru FY 2008.

Deferred Compensation Fund



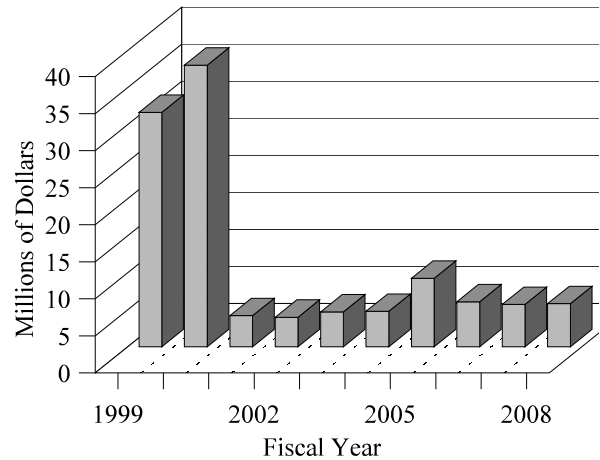
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis. The fund has increased by 53% in the last five years.

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 FY 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 enable the City's pension fund to earn high income levels when the stock market is performing well. In spite of the dramatic fall in stock market prices in FY 2001 and subsequent market adjustments, the City has been able to minimize losses during these down years.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	213,326	221,274	228,864	230,622
Sick Leave Bonus	0	300	0	0
Internet Reimbursement	45	315	390	390
Pension Contribution	42,351	40,985	32,923	35,764
Social Security	13,042	13,397	13,852	13,734
Medicare Tax	3,076	3,159	3,262	4,035
Hospitalization	36,297	33,806	33,332	31,869
Life Insurance	1,093	1,121	1,193	1,199
Pension Healthcare	4,308	2,394	2,972	3,420
Deferred Compensation Contribution	0	0	410	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(5,480)</u>	<u>(7,886)</u>
TOTAL PERSONAL SERVICES	<u>313,538</u>	<u>316,751</u>	<u>311,718</u>	<u>313,147</u>
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	321	128	320	320
Transportation	2,021	0	3,600	3,600
Professional Fees	0	27,428	26,430	20,930
Other Fees	21,623	10	0	0
Memberships & Registrations	918	951	1,745	1,745
Miscellaneous Services	0	985	1,000	5,000
Office & General Supplies	500	294	1,200	1,200
Equipment	<u>0</u>	<u>0</u>	<u>250</u>	<u>250</u>
TOTAL M., S. & E.	<u>25,383</u>	<u>29,796</u>	<u>34,545</u>	<u>33,045</u>
 <u>INTERNAL SERVICES</u>				
Administrative Services	73,272	80,806	109,578	111,732
Self-Insurance	<u>7,340</u>	<u>(3,365)</u>	<u>5,285</u>	<u>5,285</u>
TOTAL INTERNAL SERVICES	<u>80,612</u>	<u>77,441</u>	<u>114,863</u>	<u>117,017</u>
 GENERAL FUND TOTAL	 <u><u>419,533</u></u>	 <u><u>423,988</u></u>	 <u><u>461,126</u></u>	 <u><u>463,209</u></u>

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
Regular Salaries	229,451	235,284	246,690	248,851
Internet Reimbursement	1,680	0	331	510
Accrued Vacation Pay	(519)	12,250	0	0
Pension Contribution	31,890	29,930	27,255	29,858
Social Security	15,936	14,311	15,046	14,935
Medicare Tax	3,323	3,371	3,536	3,552
Hospitalization	34,041	30,871	31,128	25,789
Life Insurance	1,178	1,196	1,281	1,295
Pension Healthcare	8,619	2,506	3,118	3,580
Deferred Compensation Contribution	0	0	429	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>590</u>	<u>(2,093)</u>
TOTAL PERSONAL SERVICES	325,599	329,719	329,404	326,277
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	128	507	406
Transportation	3,833	3,749	4,500	4,500
Rentals	153	0	98	78
Contracted Maintenance	0	0	214	200
Professional Fees	1,010,446	1,030,020	1,138,500	939,900
Other Fees	11,987	18,987	12,500	12,500
Memberships & Registrations	1,790	3,290	2,720	2,765
Office & General Supplies	317	683	760	750
Miscellaneous Parts	364	800	751	876
Equipment	<u>316</u>	<u>3,389</u>	<u>252</u>	<u>250</u>
TOTAL M.S. & E.	1,029,206	1,061,046	1,160,802	962,225
 <u>INTERNAL SERVICES</u>				
Administrative Services	22,590	19,772	36,707	29,825
Self-Insurance	<u>1,370</u>	<u>1,132</u>	<u>1,080</u>	<u>1,080</u>
TOTAL INTERNAL SERVICES	23,960	20,904	37,787	30,905
 <u>OTHER</u>				
Self Insurance Costs	<u>597,996</u>	<u>666,721</u>	<u>950,000</u>	<u>1,200,000</u>
TOTAL OTHER	597,996	666,721	950,000	1,200,000
 PENSION ADMIN. FUNDS TOTAL	 <u>1,976,761</u>	 <u>2,078,390</u>	 <u>2,477,993</u>	 <u>2,519,407</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 2010

- 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.
- Implement regulatory changes in support of the Mayor's Climate Change Initiative.
- Update the comprehensive plans for Price's Run/Riverside, Midtown Brandywine and Baynard Boulevard.
- Assist in the development of a Master Plan for West Center City.
- Prepare one National Register nomination of a significant historic property.
- Process, in a timely fashion, approximately 450 environmental and historic reviews as required by HUD.
- Update the Department's GIS (Geographic Information System) with a new server and data.
- Begin the application process and award the second round of capital funds to the Neighborhood Planning Councils.
- Complete at least four major research projects addressing areas of concern for the Planning Department, the Mayor's Office and City Council.
- Continue timely responses to City Council requests for rezoning analyses, land use studies, and other planning related projects.
- Address zoning issues through amendments to the zoning code and/or maps, before land use conflicts arise.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING

TOTAL ALL FUNDS DEPARTMENT OF PLANNING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	933,956	938,952	1,068,167	1,035,621
Materials, Supplies & Equipment	54,379	117,532	106,602	52,710
Internal Services	374,580	315,540	446,453	392,653
Debt Service	<u>228,842</u>	<u>224,061</u>	<u>343,723</u>	<u>359,213</u>
TOTAL	<u>1,591,757</u>	<u>1,596,085</u>	<u>1,964,945</u>	<u>1,840,197</u>
STAFFING LEVELS	11.00	11.00	12.00	12.00

GENERAL FUND DEPARTMENT OF PLANNING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	871,104	880,072	1,011,682	977,877
Materials, Supplies & Equipment	52,730	117,532	106,602	52,710
Internal Services	374,580	315,540	446,453	392,653
Debt Service	<u>228,842</u>	<u>224,061</u>	<u>343,723</u>	<u>359,213</u>
TOTAL	<u>1,527,256</u>	<u>1,537,205</u>	<u>1,908,460</u>	<u>1,782,453</u>
STAFFING LEVELS	10.60	10.60	11.60	11.60

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPARTMENT OF PLANNING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	62,852	58,880	56,485	57,744
Materials, Supplies & Equipment	<u>1,649</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>64,501</u>	<u>58,880</u>	<u>56,485</u>	<u>57,744</u>
STAFFING LEVELS	0.40	0.40	0.40	0.40

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

- Due to the elimination of a summer intern, the Temporary Salaries account has decreased by \$5,256.
- As part of the reduction necessary to balance the budget, the Consultants account has been lowered from \$50,000 to \$20,000. The remaining funds will be used for the purchase of consulting services to assist with the GIS/ArcIMS software upgrade.
- Previously, monies had been budgeted in the Miscellaneous Charges account for file archiving. This will not be funded in FY 2010, thereby reducing the account by \$10,600 to zero.
- The Internal Services Account Group decreased by a net \$53,800, due to the reduction in costs for Data Processing (\$44,591) and Mapping and Graphics (\$14,906). These reductions partially offset the increased usage of Word Processing (\$15,534).
- Debt Service went up by \$15,490 due to increases in existing debt service.

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Special Projects	15	15	16	18	16
Neighborhood Notebooks	2	2	2	3	2
Comprehensive Plans	2	1	3	2	2

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 450 Environmental Reviews, 330 Planning Commission and Design Review Cases, and 95 Other Site Plan Reviews.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-B on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Environmental and 106 Reviews	450	503	500	425	450
Planning Commission and Design Review Cases (includes internal reviews)	350	339	340	320	330
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions & parking lots)	105	105	100	80	95

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

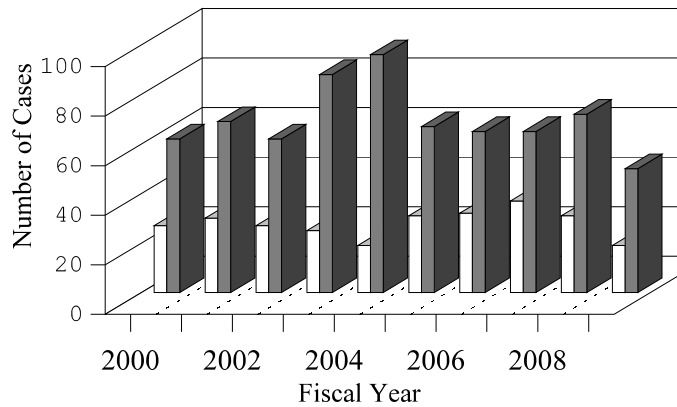
Objective: Complete 6 economic development and 12 special planning projects that will promote development in the City.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-F on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY2010 PROJECTED
Economic Development Projects	5	6	6	8	6
Special Planning Projects	10	11	12	14	12

Department of Planning Performance Trends

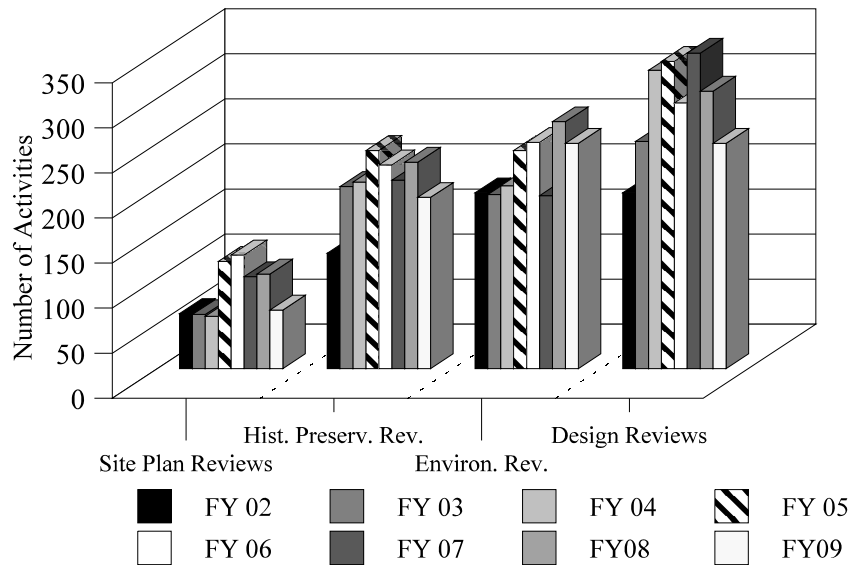
Commission Activities



- 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 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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	603,847	629,575	733,275	717,341
Temporary Salaries	19,758	31,841	22,778	17,522
Acting Out of Class	0	0	416	455
Overtime	0	0	300	0
Internet Reimbursements	456	285	500	500
Pension Contribution	75,521	65,314	71,627	79,148
Social Security	38,625	40,342	46,724	45,327
Medicare Tax	9,035	9,435	10,927	10,600
Hospitalization	107,444	92,677	119,613	101,600
Life Insurance	3,062	3,183	3,814	3,730
Pension Healthcare	13,356	7,420	10,092	11,600
Deferred Comp Contribution	0	0	1,272	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(9,656)</u>	<u>(9,946)</u>
TOTAL PERSONAL SERVICES	871,104	880,072	1,011,682	977,877
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	10,121	3,512	3,400	2,720
Communications & Utilities	304	163	250	200
Transportation	366	618	4,900	2,725
Contracted Maintenance Repairs	0	0	1,344	1,075
Professional Fees	1,277	76,305	52,000	22,000
Other Fees	6,796	0	0	0
Memberships & Registrations	10,696	7,414	10,950	8,000
Miscellaneous Services	10,187	7,910	10,600	0
Office & General Supplies	5,000	2,708	7,342	5,874
Miscellaneous Parts	239	634	1,920	1,720
Equipment	7,744	11,472	7,100	1,600
Community Activities	<u>0</u>	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>
TOTAL M., S. & E.	52,730	117,532	106,602	52,710
<u>INTERNAL SERVICES</u>				
Administrative Services	273,258	273,940	401,193	347,393
Self-Insurance	<u>101,322</u>	<u>41,600</u>	<u>45,260</u>	<u>45,260</u>
TOTAL INTERNAL SERVICES	374,580	315,540	446,453	392,653
<u>DEBT SERVICE</u>				
Principal Payments	116,910	125,848	251,321	279,670
Interest Payments	<u>111,932</u>	<u>98,213</u>	<u>92,402</u>	<u>79,543</u>
TOTAL DEBT SERVICE	228,842	224,061	343,723	359,213
GENERAL FUND TOTAL	<u>1,527,256</u>	<u>1,537,205</u>	<u>1,908,460</u>	<u>1,782,453</u>

DEPARTMENT: PLANNING

FUND: CDBG

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
PERSONAL SERVICES				
Regular Salaries	33,378	22,441	23,679	23,886
Temporary Salaries	16,909	25,798	21,142	21,855
Pension Contribution	3,445	1,822	2,238	2,413
Social Security	2,500	2,987	2,774	2,823
Medicare Tax	585	699	649	660
Hospitalization	5,586	4,766	5,484	5,583
Pension Healthcare	280	97	348	400
Deferred Comp Contribution	0	0	48	0
Life Insurance	<u>169</u>	<u>270</u>	<u>123</u>	<u>124</u>
TOTAL PERSONAL SERVICES	62,852	58,880	56,485	57,744
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	776	0	0	0
Memberships & Registrations	680	0	0	0
Office & General Supplies	<u>193</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,649	0	0	0
CDBG FUND TOTAL	<u>64,501</u>	<u>58,880</u>	<u>56,485</u>	<u>57,744</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 2010

- 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 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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	235,764	403,636	425,968	426,749
Materials, Supplies & Equipment	344,554	192,734	212,600	225,100
Internal Services	<u>62,935</u>	<u>58,314</u>	<u>91,503</u>	<u>87,998</u>
TOTAL	<u>643,253</u>	<u>654,684</u>	<u>730,071</u>	<u>739,847</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

GENERAL FUND AUDITING DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	235,764	403,636	425,968	426,749
Materials, Supplies & Equipment	290,334	139,934	156,400	166,300
Internal Services	<u>62,935</u>	<u>58,314</u>	<u>91,503</u>	<u>87,998</u>
TOTAL	<u>589,033</u>	<u>601,884</u>	<u>673,871</u>	<u>681,047</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

WATER/SEWER FUND AUDITING DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Materials, Supplies & Equipment	<u>54,220</u>	<u>52,800</u>	<u>56,200</u>	<u>58,800</u>
TOTAL	<u>54,220</u>	<u>52,800</u>	<u>56,200</u>	<u>58,800</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Professional Fees increased \$19,200 due to an increase in Consultant expenses for peer reviews and expansion of the fraud hotline (\$8,800). Accounting fees also rose (\$20,400), reflecting the increase in the Annual Audit contract with McBride Shopa and the transfer of expenses for the A133 Audit from the Parks, Police, and Real Estate and Housing Departments to the Auditing Department. Offsetting these increases was a reduction in Temporary Agency costs (\$10,000).
- Travel and Subsistence decreased (\$5,000) along with Memberships and Registrations (\$4,000) to reflect the City's ongoing cost saving initiative. Auditing staff agreed to attend only the continuing education and training required to maintain professional certifications and licenses.

AUDITING DEPARTMENT

PERFORMANCE INDICATORS

Goal #1: To continue the 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 Generally Accepted Government Auditing Standards.

Objective: Ensure the Auditing department is in 100% compliance with IIA and GAGAS.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, and 1-C on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Percentage of Professional Auditing Standards Met with Full Compliance	100%	95%	100%	95%	100%

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

Objective: Issue ten (10) comprehensive audit reports covering major City functions/transaction cycles including Capital Projects and Information Technology.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-B, 1-D, and 1-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Audit Reports Issued	7	13	10	11	10

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

Objective: Provide each staff member with at least 20 hours of continuing professional education, as minimally required by Government Accounting Standards, 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Technical Training Hours	40	40	30	30	30

AUDITING DEPARTMENT PERFORMANCE INDICATORS

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

Objective: Audit, on a sample basis, the cash receipts and disbursement process. Provide recommendations to improve the process. Prior to year-end, monitor 50% of the cash processing departments and determine if 75% of recommendations 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Percentage of cash processing departments monitored prior to year-end	50%	50%	50%	50%	50%
Percentage of recommendations implemented	75%	75%	75%	75%	75%

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDITING DEPARTMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2007	FY2008	FY2009	FY2010
Regular Salaries	165,852	299,961	347,583	347,004
Internet Reimbursements	225	405	900	900
Pension Contribution	22,123	30,140	33,164	36,362
Social Security	10,173	18,478	21,339	21,233
Medicare Tax	2,379	4,309	4,989	4,966
Hospitalization	28,325	45,329	44,292	45,057
Life Insurance	827	1,514	1,795	1,792
Pension Healthcare	5,860	3,500	4,350	4,500
Deferred Comp Contribution	0	0	600	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(33,044)</u>	<u>(35,065)</u>
TOTAL PERSONAL SERVICES	235,764	403,636	425,968	426,749
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	3,731	10,917	10,300	5,300
Professional Fees	275,992	113,950	128,800	148,000
Other Fees	0	0	0	0
Memberships & Registrations	9,045	13,207	15,000	11,000
Office & General Supplies	504	933	1,100	800
Equipment	1,062	927	1,200	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
TOTAL M., S. & E.	290,334	139,934	156,400	166,300
<u>INTERNAL SERVICES</u>				
Administrative Services	58,122	60,269	88,497	86,107
Self-Insurance	<u>4,813</u>	<u>(1,955)</u>	<u>3,006</u>	<u>1,891</u>
TOTAL INTERNAL SERVICES	62,935	58,314	91,503	87,998
GENERAL FUND TOTAL	<u>589,033</u>	<u>601,884</u>	<u>673,871</u>	<u>681,047</u>

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY 2009	APPROVED FY2010
Professional Fees	<u>54,220</u>	<u>52,800</u>	<u>56,200</u>	<u>58,800</u>
TOTAL M., S. & E.	54,220	52,800	56,200	58,800
WATER/SEWER FUND TOTAL	<u>54,220</u>	<u>52,800</u>	<u>56,200</u>	<u>58,800</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 to 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 2010
<ul style="list-style-type: none"> • Provide quality legal counsel to City departments, boards, and commissions and to City Council, ensuring all aspects of City Government are providing services to the public as mandated by the City Code. • Eliminate or minimize potential litigation against the City by providing legal advice on an ongoing basis. • Ensure the enforcement of Ordinances and other City laws within the City's jurisdiction, including the Housing, Building and Sanitation Codes and nuisance laws, and ensure collection of all debts, taxes and accounts due the City. • Encourage City departments to seek the advice and counsel of the Law Department on a regular basis to minimize the costs associated with litigation claims against the City. • Assist all departments in carrying out State and Federal law applicable to the City. • Provide legal advice and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts. • Draft Ordinances revising the City Code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,834,250	2,037,193	2,182,251	2,152,955
Materials, Supplies & Equipment	1,413,370	608,618	596,412	740,015
Internal Services	<u>165,224</u>	<u>131,935</u>	<u>221,518</u>	<u>218,526</u>
TOTAL	<u>3,412,844</u>	<u>2,777,746</u>	<u>3,000,181</u>	<u>3,111,496</u>
STAFFING LEVELS	21.00	22.00	23.00	23.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2007	FY2008	FY2009	FY2010
Personal Services	1,830,769	1,987,566	2,182,251	2,152,955
Materials, Supplies & Equipment	1,413,370	608,618	596,412	740,015
Internal Services	<u>165,224</u>	<u>131,685</u>	<u>221,518</u>	<u>218,526</u>
TOTAL	<u>3,409,363</u>	<u>2,727,869</u>	<u>3,000,181</u>	<u>3,111,496</u>
STAFFING LEVELS	21.00	22.00	23.00	23.00

BYRNE GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2007	FY2008	FY2009	FY2010
Personal Services	3,481	49,627	0	0
Internal Services	<u>0</u>	<u>250</u>	<u>0</u>	<u>0</u>
TOTAL	<u>3,481</u>	<u>49,877</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased \$29,296 to more accurately reflect the less than budgeted salary and benefit increases received by a number of Executive and Managerial employees in FY 2009. A reduction to Temporary Salaries (\$6,240) and the elimination of the City's one-time Deferred Compensation Contribution (\$2,640) also contributed to lowering costs.
- Legal fees rose \$170,000 due to an increase in costs related to telecommunications (\$25,000) and the utility franchise dispute (\$150,000), while funds for general legal advise were trimmed by \$5,000.
- Miscellaneous Charges fell \$14,300 due to the elimination of the costs related to a one-time purchase of PDF editing software in FY 2009.
- Internal Service expenses experienced reductions totaling \$2,992 as a result of decreased Word Processing (\$7,446), Mapping and Graphics (\$1,633), and Telephone (\$1,024) usage. An increase in Data Processing costs (\$7,324) partially offset the aforementioned decreases.

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY2010 PROJECTED
Percentage of Court Cost recovered	25%	63%	25%	72%	25%

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

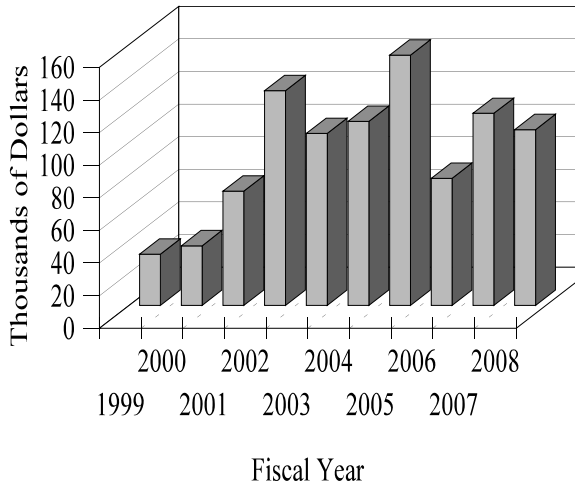
Objective: File no less than 100 writs of monition/vend ex monitions against tax-delinquent property owners.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of filings	100	657	100	658	100

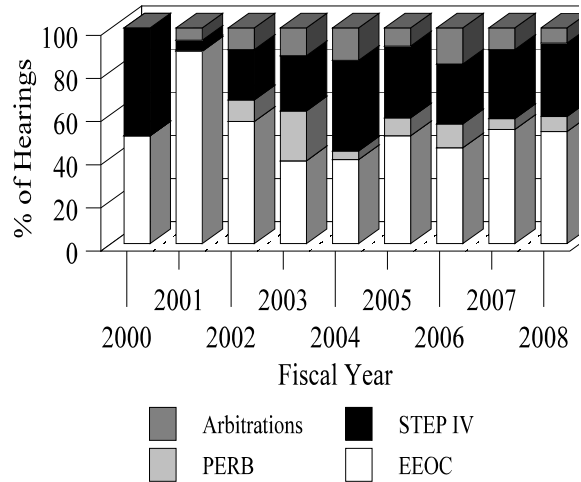
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



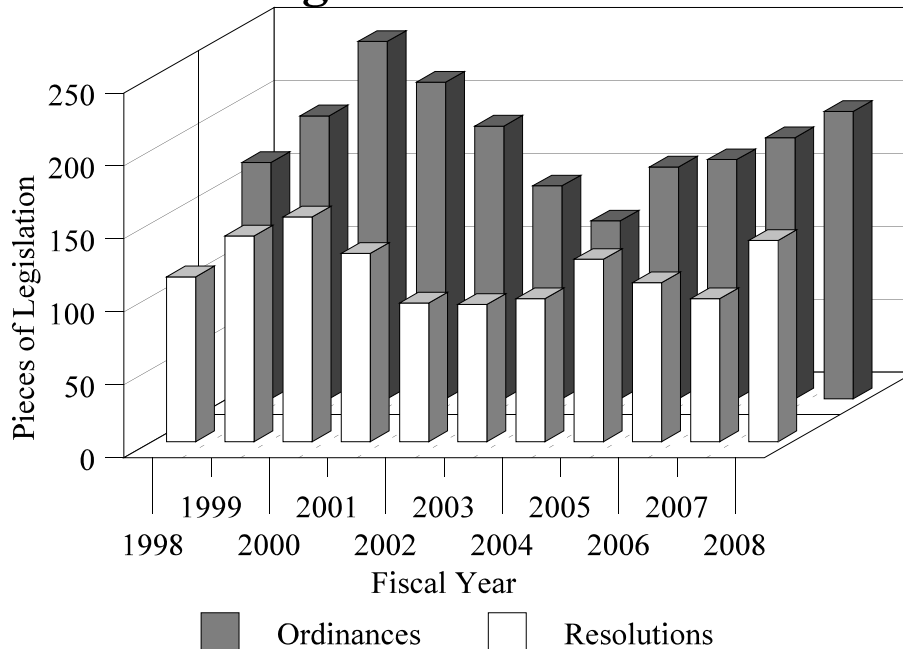
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

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 increased from FY 2005 to FY 2008, it is anticipated that future demand will decline due to City Council's reorganization, allowing for greater resolution of issues while still in Committee.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,324,198	1,495,638	1,667,189	1,639,679
Temporary Salaries	3,632	5,619	16,120	9,880
Internet Reimbursement	615	735	0	3,060
Overtime	4,399	125	0	0
Pension Contribution	178,826	173,771	169,634	181,086
Social Security	82,135	92,586	102,815	100,012
Medicare Tax	19,243	21,685	24,307	23,624
Hospitalization	185,820	174,571	186,928	183,203
Life Insurance	6,699	7,436	8,618	8,476
Pension Healthcare	25,202	15,400	20,010	23,000
Personal Services Adjustment	0	0	(16,010)	(19,065)
Deferred Compensation Contribution	<u>0</u>	<u>0</u>	<u>2,640</u>	<u>0</u>
TOTAL PERSONAL SERVICES	1,830,769	1,987,566	2,182,251	2,152,955
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	832	748	1,390	1,390
Communications & Utilities	270	0	400	320
Transportation	2,053	647	5,700	4,200
Contracted Maintenance Repair	0	0	1,000	400
Professional Fees	1,264,772	399,877	348,630	1,000
Other Fees	113,095	128,663	125,000	513,500
Memberships & Registrations	25,271	29,903	38,400	130,000
Miscellaneous Services	0	41,722	66,305	31,000
Office & General Supplies	3,248	3,140	6,187	52,005
Equipment	<u>3,829</u>	<u>3,918</u>	<u>3,400</u>	<u>6,200</u>
TOTAL M., S. & E.	1,413,370	608,618	596,412	740,015
<u>INTERNAL SERVICES</u>				
Administrative Services	132,104	137,830	196,814	197,520
Self-Insurance	<u>33,120</u>	<u>(6,145)</u>	<u>24,704</u>	<u>21,006</u>
TOTAL INTERNAL SERVICES	165,224	131,685	221,518	218,526
GENERAL FUND TOTAL	<u>3,409,363</u>	<u>2,727,869</u>	<u>3,000,181</u>	<u>3,111,496</u>

DEPARTMENT: LAW**FUND: BRYNE GRANT**

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	3,234	42,203	0	0
Social Security	200	2,617	0	0
Medicare Tax	47	612	0	0
Hospitalization	0	4,036	0	0
Life Insurance	<u>0</u>	<u>159</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	3,481	49,627	0	0
INTERNAL SERVICES				
Workers Compensation	<u>0</u>	<u>250</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	0	250	0	0
BRYNE GRANT FUND TOTAL	<u>3,481</u>	<u>49,877</u>	<u>0</u>	<u>0</u>

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 2010
<ul style="list-style-type: none"> • Continue to grow the City's revenue base through audits and collections. • Continue to reassert and reinvent the role of the Purchasing Division by leveraging technology and bid/contract management. • Collaborate with other City Departments, agencies, and external organizations to create and improve working relationships/partnerships; improve timely and accurate financial data/reporting. • Attain the GFOA's Certificate of Achievement For Excellence in Financial Reporting and similar awards to advance the City's financial reputation locally and nationally. • Increase Citywide revenue collections and opportunities by creating and implementing new strategies, tactics and legislation. • Advance the use of technology to provide additional and broader service levels to our residents and businesses. • Develop policies and organizational management strategies to improve communications to our stakeholders, rate payers and constituents.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS DEPARTMENT OF FINANCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	4,072,071	4,716,343	5,229,500	5,680,594
Materials, Supplies & Equipment	1,919,348	2,726,177	4,076,073	4,971,588
Internal Services	1,175,355	1,149,365	1,563,018	1,548,785
Debt Service	0	1,174	0	5,575
Depreciation/Amortization	0	0	1,150	1,150
TOTAL	<u>7,166,774</u>	<u>8,593,059</u>	<u>10,869,741</u>	<u>12,207,692</u>
STAFFING LEVELS	60.00	68.00	70.00	75.00

GENERAL FUND DEPARTMENT OF FINANCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	2,450,785	2,649,699	3,038,450	3,394,740
Materials, Supplies & Equipment	1,418,749	2,176,703	3,430,712	4,375,723
Internal Services	723,184	648,935	917,735	766,512
Debt Service	0	1,174	0	5,575
TOTAL	<u>4,592,718</u>	<u>5,476,511</u>	<u>7,386,897</u>	<u>8,542,550</u>
STAFFING LEVELS	33.70	38.85	39.75	44.25

WATER/SEWER FUND DEPARTMENT OF FINANCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,621,286	2,066,644	2,191,050	2,285,854
Materials, Supplies & Equipment	500,599	549,474	645,361	595,865
Internal Services	452,171	500,430	645,283	782,273
Depreciation/Amortization	0	0	1,150	1,150
TOTAL	<u>2,574,056</u>	<u>3,116,548</u>	<u>3,482,844</u>	<u>3,665,142</u>
STAFFING LEVELS	26.30	29.15	30.25	30.75

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$356,290 due to additional salary and benefit costs for five (5) employees in the Earned Income Tax Division, added mid-year as an amendment to the FY 2009 Budget. A change in the allocation of a Tax Manager position in the Delinquent Accounts division, once solely charged to the General Fund, but now funded equally between the General and Water/Sewer Fund, decreased expenses by \$46,882.
- The largest changes to Materials, Supplies, & Equipment relate to the Plan for Change initiative, where increased revenue collections create a corresponding increase in collection expenses. Parking Citations (\$540,004), Legal (\$458,500), and Wage and Head Tax (\$227,000) Commissions increased in tandem with the projected revenue generated for these collection efforts.
- The Professional Fees Category increased by \$129,950 related to a rise in costs for Temporary Agency expenses (\$96,700) to hire technical and administrative support for corporate audits, as well as Legal expenses (\$48,000) to cover the cost of a Legal Assistant for assessment and appeals, exemptions, and incentives. Offsetting these increases is a \$14,750 reduction for Consultants for the annual physical inventory of assets, as well as suspension of an operations analysis of possible parking re-zoning.
- Building or Land Rental expenses increased \$60,000 in the Earned Income Tax division to cover the Custom House Lease agreement for a full year.
- Fixed Assets decreased \$37,300 primarily due to the elimination of \$30,800 for a one-time purchase of a new telephone system in FY 2009.
- Internal Services decreased \$151,223, reflecting the decline in usage of Data Processing (\$194,350) and Mapping and Graphics (\$6,947). These decreases were offset by increases in Postage (\$15,929) and Word Processing (16,406).

WATER/SEWER FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services rose \$94,804 as a result of an upgraded Meter Reader position (E-7) to Meter Reader Coordinator (G-7), higher than budgeted salaries in FY 2009 for the Utility Billing Supervisor and Customer Service Consultant, and a change in the allocation of a Tax Manager position in the Delinquent Accounts division, once solely charged to the General Fund, is now funded equally between the General and Water/Sewer Fund, adding \$46,882. Lastly, an increase in Pension Contributions added \$25,125.
- Materials, Supplies & Equipment decreased by a net \$49,496, largely due to the reduction in consultant legal service expenses in the Delinquent Accounts and Central Cashier divisions (\$66,750). Offsetting the reduction was an increase of \$23,568 in advertising costs for radio, newspaper ads and constituent notices. Temporary agency costs also rose \$41,300 for assistance in processing early delinquent letters and wage tax payments.
- Internal Services increased \$136,990 due to greater use of Data Processing (\$141,712), Motor Vehicle (\$12,123), and Telephone (\$3,865) services. These increases were offset by a decrease in Postage (\$20,710).

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Increase dollars collected on delinquent earned income tax accounts to \$10,000,000.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 20. The associated objective was revised for FY 2010; previously, the objective for this goal was "Increase dollars collected on delinquent earned income tax accounts to \$4,500,000."

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Dollars Collected	\$3,200,000	\$3,250,000	\$4,500,000	\$7,701,860	\$10,000,000

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

Objective: 42% of payments processed automatically by lockbox.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 20. The associated objective was revised for FY 2010; previously, the objective for this goal was "48% of payments processed automatically by the lockbox service and/or remote deposit."

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Numbers of Payments Processed	192,000	105,785	180,000	116,787	150,000
Percentage of Payments Processed	80%	29%	48%	29%	42%

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.

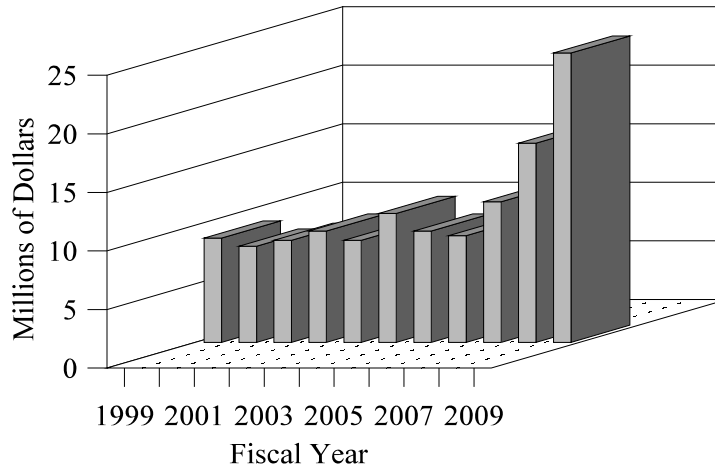
Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-D and 1-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

Department of Finance

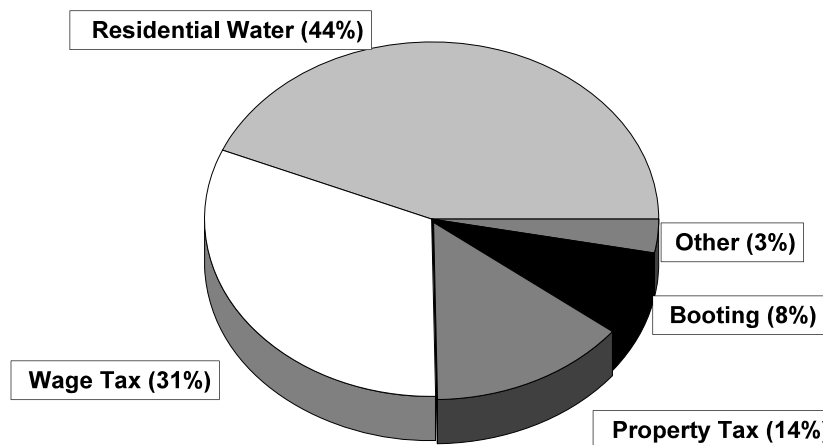
Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$24.7 million in delinquent accounts were collected in FY 2009. This includes \$7.7 million collected in wage tax audits, an increase of almost \$15 million over FY 2008.

Delinquent Collections by Revenue Type FY 2008



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,606,218	1,718,189	2,127,398	2,361,592
Temporary Salaries	29,000	66,879	34,272	19,100
Acting Out of Class	119	579	0	0
Sick Leave Bonus	115	2,685	3,210	2,010
Overtime	100,399	139,910	83,700	121,875
Meal Allowance	5,086	6,952	7,550	11,550
Internet Reimbursement	1,384	2,442	5,572	5,500
Parking Reimbursement	0	0	0	0
Pension Contribution	228,593	194,004	226,353	268,532
Social Security	105,283	119,479	140,161	153,342
Medicare Tax	25,150	27,976	32,826	35,904
Hospitalization	299,027	335,531	414,104	448,410
Life Insurance	7,948	8,602	11,026	12,248
Pension Healthcare	42,463	26,471	34,580	44,250
Personal Services Adjustment	0	0	(86,964)	(89,573)
Deferred Compensation	0	0	4,662	0
TOTAL PERSONAL SERVICES	2,450,785	2,649,699	3,038,450	3,394,740
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	40,696	53,730	63,664	102,840
Communications & Utilities	11,131	7,885	16,413	16,180
Transportation	9,697	15,427	28,320	19,900
Rentals	0	0	0	60,000
Contracted Maintenance Repairs	372	467	15,882	16,020
Professional Fees	49,606	126,984	120,250	250,200
Memberships & Registrations	12,346	52,388	73,230	67,350
Miscellaneous Services	1,250,012	1,886,656	3,022,000	3,809,352
Office & General Supplies	8,366	10,650	17,109	16,268
Miscellaneous Parts	0	13,703	3,804	4,063
Property Tax Refunds	22,209	0	0	0
Equipment	12,432	7,881	26,740	7,550
Fixed Assets	1,882	932	43,300	6,000
TOTAL M., S. & E.	1,418,749	2,176,703	3,430,712	4,375,723
<u>INTERNAL SERVICES</u>				
Administrative Services	561,461	630,348	839,400	739,265
Self-Insurance	161,723	18,587	78,335	27,247
TOTAL INTERNAL SERVICES	723,184	648,935	917,735	766,512

DEBT SERVICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Principal Payments	0	0	0	20
Interest Payments	0	1,174	0	5,555
TOTAL DEBT SERVICE	0	1,174	0	5,575
GENERAL FUND TOTAL	<u>4,592,718</u>	<u>5,476,511</u>	<u>7,386,897</u>	<u>8,542,550</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,123,635	1,234,818	1,474,683	1,553,889
Temporary Salaries	1,549	13,144	28,920	17,400
Acting Out of Class	81	1,324	0	0
Shift Differential	0	0	0	0
Sick Leave Bonus	405	1,190	690	690
Overtime	48,722	112,046	51,500	57,038
Meal Allowance	4,195	8,777	4,150	6,250
Clothing Allowance	1,125	1,250	1,250	1,250
Internet Reimbursements	889	11	2,808	2,520
Accrued Sick/Vacation	(29,482)	85,881	0	0
Pension Contribution	149,493	172,498	169,444	194,596
Social Security	75,172	83,045	96,167	100,200
Medicare Tax	17,134	19,491	22,543	23,474
Hospitalization	204,505	227,186	301,426	289,734
Life Insurance	5,451	5,987	7,652	8,063
Pension Healthcare	18,412	99,996	26,320	30,750
Deferred Compensation	0	0	3,497	0
TOTAL PERSONAL SERVICES	<u>1,621,286</u>	<u>2,066,644</u>	<u>2,191,050</u>	<u>2,285,854</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Printing & Advertising	6,727	14,213	17,052	42,520
Communications & Utilities	29	0	1,149	900
Transportation	2,169	2,875	11,680	3,400
Contracted Maintenance Repairs	3,159	85	3,088	3,852
Professional Fees	15,541	73,638	130,750	105,300
Memberships & Registrations	1,186	14,077	44,315	31,700
Miscellaneous Services	47,864	113,215	82,500	78,500
Office & General Supplies	5,537	5,136	14,044	15,200
Wearing Apparel & Safety Supplies	1,612	4,798	5,340	5,560
Miscellaneous Parts	2,087	2,646	6,800	7,300
Supporting Services	276,684	276,684	276,683	276,683
Utility Billing Refunds	123,601	0	0	0
Equipment	14,403	42,107	33,960	20,450
Fixed Assets	<u>0</u>	<u>0</u>	<u>18,000</u>	<u>4,500</u>
TOTAL M., S. & E.	500,599	549,474	645,361	595,865
<u>INTERNAL SERVICES</u>				
Administrative Services	390,682	492,767	600,677	737,687
Self-Insurance	<u>61,489</u>	<u>7,663</u>	<u>44,606</u>	<u>44,586</u>
TOTAL INTERNAL SERVICE	452,171	500,430	645,283	782,273
<u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL OTHER	0	0	1,150	1,150
WATER/SEWER FUND TOTAL	<u>2,574,056</u>	<u>3,116,548</u>	<u>3,482,844</u>	<u>3,665,142</u>

DEPARTMENT OF HUMAN RESOURCES

The mission of the Department of Human Resources is to provide the necessary human resources to City Departments in order to promote and maintain the highest quality work force, a productive work environment, and 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 2010
<ul style="list-style-type: none"> • Enhance the delivery of human resources services to City departments through the implementation of revised legislation, policies and procedures, and management information systems. • Promote harmonious and effective working relationships with all employee groups within 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 guidance training 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 HUMAN RESOURCES

TOTAL ALL FUNDS*				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,651,144	1,646,380	1,901,410	1,839,437
Materials, Supplies & Equipment	3,176,616	3,538,976	3,918,491	3,161,960
Internal Services	325,388	309,758	436,540	426,888
Debt Service	0	3,063	31,458	19,391
Depreciation	128	128	2,192	64
Special Purpose	<u>15,179,218</u>	<u>8,437,476</u>	<u>14,320,500</u>	<u>15,272,500</u>
TOTAL	<u>20,332,494</u>	<u>13,935,779</u>	<u>20,610,591</u>	<u>20,720,240</u>
STAFFING LEVELS	22.00	22.00	23.00	23.00

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

GENERAL FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,147,503	1,148,280	1,338,610	1,291,059
Materials, Supplies & Equipment	165,401	113,041	220,226	195,460
Internal Services	304,411	283,814	410,639	389,193
Debt Service	0	3,063	31,458	19,391
TOTAL	<u>1,617,315</u>	<u>1,548,197</u>	<u>2,000,933</u>	<u>1,895,103</u>
STAFFING LEVELS	15.00	15.00	16.00	16.00

RISK MANAGEMENT FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	105,097	120,142	117,165	114,013
Materials, Supplies & Equipment	2,605,449	2,864,986	2,717,115	2,140,960
Internal Services	7,664	20,045	10,032	28,599
Depreciation	128	128	128	64
Special Purpose	900,000	1,215,150	0	0
TOTAL	<u>3,618,337</u>	<u>4,220,450</u>	<u>2,844,440</u>	<u>2,283,636</u>
STAFFING LEVELS	1.30	1.30	1.30	1.30

WORKERS' COMP. FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	333,808	290,086	360,226	348,912
Materials, Supplies & Equipment	405,710	534,931	835,600	720,940
Internal Services	11,993	4,714	14,483	7,768
Depreciation	0	0	1,549	0
Special Purpose	2,975,668	(4,274,164)	2,217,500	2,337,500
TOTAL	<u>3,727,180</u>	<u>(3,444,433)</u>	<u>3,429,358</u>	<u>3,415,120</u>
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH & WELFARE FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	64,736	87,872	85,409	85,453
Materials, Supplies & Equipment	56	26,018	145,550	104,600
Internal Services	1,320	1,185	1,386	1,328
Depreciation	0	0	515	0
Special Purpose	11,303,550	11,496,490	12,103,000	12,935,000
TOTAL	<u>11,369,661</u>	<u>11,611,565</u>	<u>12,335,860</u>	<u>13,126,381</u>
STAFFING LEVELS	1.20	1.20	1.20	1.20

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

- Total Personal Services decreased by \$47,551. This reduction is due primarily to changes in employees' health plans, as well as cuts to temporary salaries and overtime. No new positions were added.
- Consultant costs have increased by \$30,070. This includes new funding for training managers in strategic planning and performance measurement, as well as increased funding for citywide Microsoft Office 2007 training.
- Elimination of a number of one-time expenditures budgeted in FY 2009 resulted in a net \$24,766 reduction to Materials, Supplies, and Equipment. Previously budgeted items cut from the FY 2010 budget include a net \$10,000 for policy manuals, \$17,750 for a new employee badging system, and \$16,000 in hallway and office security improvements.

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

- Liability costs decreased by \$515,000. Having examined the likely risk relative to the market availability of insurance, Risk Management has decided to forego Police Professional liability insurance, for a savings of \$450,000. The remaining reductions are due to changes in special events liability costs.
- Because of the transfer of the responsibility for handling certain vehicle accidents from the Motor Vehicle Fund to Risk Management, an additional \$98,000 has been budgeted in the Other Insurance line. This increase is offset by a reduced increase to the Repairs to Equipment cost in the Motor Vehicle Fund.
- Based on estimates developed in conjunction with the Law Department, Legal Defense costs have been decreased by \$185,000.

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

- Professional fees decreased by a total of \$39,100 due to reductions in the costs of ergonomic evaluations, safety consultants, pre-employment medical exams, and medical dispensary temporary employees.
- The removal of the one-time cost of purchasing Automated External Defibrillators resulted in a \$45,000 decrease to Furniture, Fixtures, and Office Equipment.
- Self Insurance Costs have increased by a net \$120,000, due to an additional \$50,000 in Medical Costs and \$130,000 in other Workers' Compensation costs. These increases were partially offset by \$30,000 reductions to both Temporary and Permanent Disability costs.

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

- Consultant costs in the Health and Welfare Fund decreased by \$38,000. This is due to the removal of the one-time cost of an audit of dependents insured through the City.
- Total Blue Cross Blue Shield medical costs in the Fund have increased by \$832,000, or 7.8%, over FY 2009. However, projected employee contributions toward healthcare premiums should limit the effect of this increase on departments.

DEPARTMENT OF HUMAN RESOURCES

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 to 18 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Grievances	20	13	15	23	18

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

Objective: Conduct 50 training workshops and train 300 employees.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 1-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Training Workshops	178	181	380	103	50
Number of Employees Trained*	n/a	n/a	n/a	n/a	300

* The objective "Number of Employees Trained" is new for FY 2010 and has no prior-year data.

DEPARTMENT OF HUMAN RESOURCES

PERFORMANCE INDICATORS

Goal #3: Decrease claims frequencies.

Objective: Establish and promote safety and loss prevention programs to reduce motor vehicle claims and work related injuries to 360.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, and 1-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Auto, Property, Police and Other	40	79	85	136	125
Workers Compensation	200	236	240	259	235
Total Claims Frequency	240	315	325	395	360

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

Objective: Reward 200 employees nominated by their peers and reward length of service with the City.

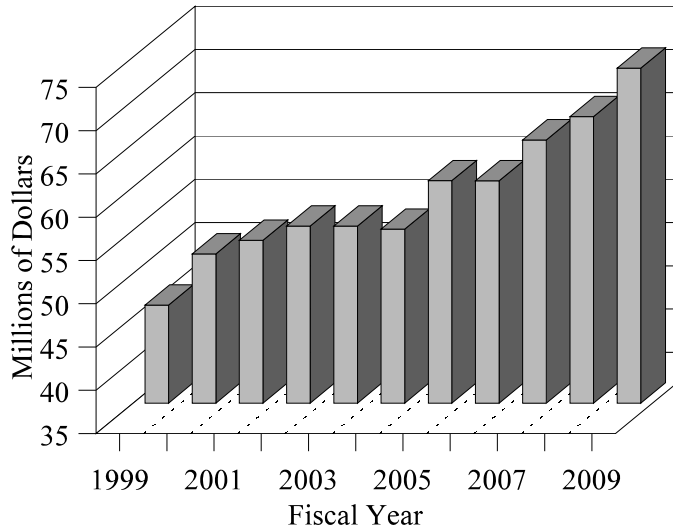
Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-D, and 1-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Employees Awarded	200	255	200	186	200

Department of Human Resources

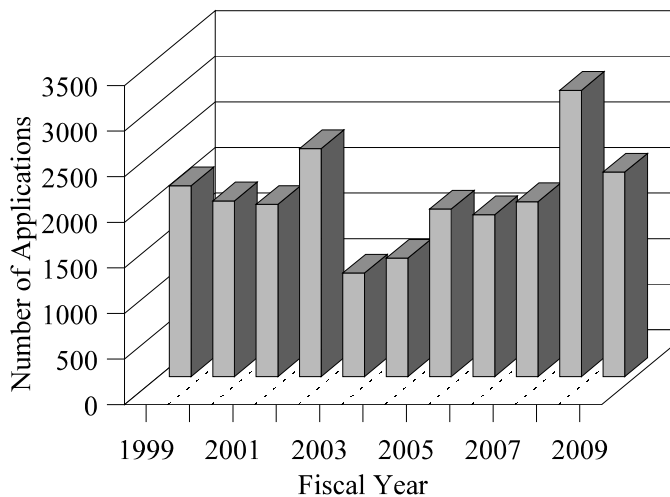
Performance Trends

Payroll - All Employees



Since FY 1999, the City has added a net total of 105 positions (mainly in Police and Public Works) to staff critical functions. These additions, along with labor contract settlements, are 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: HUMAN RESOURCES

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2007	FY2008	FY2009	FY2010
Regular Salaries	787,161	809,638	967,173	971,063
Temporary Salaries	6,900	22,358	10,000	3,000
Sick Leave Bonus	0	3,100	0	0
Overtime	29,244	7,207	10,000	1,950
Meal Allowance	0	270	0	0
Internet Reimbursements	590	720	500	680
Parking Reimbursements	0	0	0	0
Pension Contribution	97,168	84,015	93,142	103,455
Social Security	50,892	51,524	60,597	59,886
Medicare Tax	11,902	12,090	14,169	14,006
Hospitalization	141,776	139,272	168,417	122,291
Life Insurance	3,948	4,086	5,017	5,037
Pension Healthcare	17,921	10,500	13,920	16,000
Deferred Comp Contribution	0	0	1,800	0
Personal Services Adjustment	<u>0</u>	<u>3,500</u>	<u>(6,125)</u>	<u>(6,309)</u>
TOTAL PERSONAL SERVICES	1,147,503	1,148,280	1,338,610	1,291,059
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	5,402	11,218	17,400	11,095
Communications and Utilities	0	170	200	200
Transportation	14,451	10,810	16,000	11,500
Insurance	0	0	0	0
Contracted Maintenance Repairs	0	19,407	1,500	1,200
Professional Fees	97,116	9,316	73,895	103,465
Other Fees	3,114	5,780	7,700	3,800
Memberships & Registrations	17,264	13,685	23,800	26,000
Miscellaneous Services	0	0	0	3,000
Office & General Supplies	2,815	4,023	3,826	6,070
Miscellaneous Parts	21,992	21,053	35,072	28,330
Fixed Assets	0	4,733	16,000	0
Equipment	<u>3,248</u>	<u>12,845</u>	<u>24,833</u>	<u>800</u>
TOTAL M., S. & E.	165,401	113,041	220,226	195,460
 <u>INTERNAL SERVICES</u>				
Administrative Services	294,851	285,595	404,574	383,128
Self-Insurance	<u>9,560</u>	<u>(1,781)</u>	<u>6,065</u>	<u>6,065</u>
TOTAL INTERNAL SERVICES	304,411	283,814	410,639	389,193
 <u>DEBT SERVICE</u>				
Principal Payments	0	0	13,063	69
Interest Payments	<u>0</u>	<u>3,063</u>	<u>18,395</u>	<u>19,322</u>
TOTAL DEBT SERVICE	0	3,063	31,458	19,391
 GENERAL FUND TOTAL	 <u>1,617,315</u>	 <u>1,548,197</u>	 <u>2,000,933</u>	 <u>1,895,103</u>

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	55,638	78,185	83,885	84,212
Overtime	1,580	661	0	0
Internet Reimbursements	0	0	0	0
Parking Reimbursement	0	0	0	0
Compensated Absences	1,423	2,876	0	0
Pension Contribution	15,400	11,348	8,401	9,879
Social Security	10,848	4,888	5,099	5,175
Medicare Tax	6,356	1,143	1,192	1,210
Hospitalization	12,717	19,742	17,864	12,828
Life Insurance	225	389	437	439
Pension Healthcare	910	910	1,131	1,300
Deferred Comp Contribution	0	0	156	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,000)</u>	<u>(1,030)</u>
TOTAL PERSONAL SERVICES	105,097	120,142	117,165	114,013
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	33	0
Transportation	3,938	1,753	4,700	3,200
Insurance	2,514,872	2,769,714	2,630,000	2,072,678
Contracted Maintenance Repairs	0	0	372	372
Professional Fees	78,397	89,807	73,000	60,000
Memberships & Registrations	1,415	1,411	2,800	2,500
Miscellaneous Services	400	0	210	210
Office & General Supplies	977	975	2,000	2,000
Equipment	<u>5,449</u>	<u>1,327</u>	<u>4,000</u>	<u>0</u>
TOTAL M., S. & E.	2,605,449	2,864,986	2,717,115	2,140,960
<u>INTERNAL SERVICES</u>				
Administrative Services	6,624	19,982	9,030	27,597
Self-Insurance	<u>1,040</u>	<u>63</u>	<u>1,002</u>	<u>1,002</u>
TOTAL INTERNAL SERVICES	7,664	20,045	10,032	28,599
<u>OTHER</u>				
Depreciation	<u>128</u>	<u>128</u>	<u>128</u>	<u>64</u>
TOTAL OTHER	128	128	128	64
<u>SPECIAL PURPOSE</u>				
Claims Expense	<u>900,000</u>	<u>1,215,150</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	900,000	1,215,150	0	0
RISK MANAGEMENT FUND				
TOTAL	<u>3,618,338</u>	<u>4,220,450</u>	<u>2,844,440</u>	<u>2,283,636</u>

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
PERSONAL SERVICES				
Regular Salaries	216,926	215,710	256,487	236,339
Temporary Salaries	16,497	0	5,000	9,600
Acting Out of Classification	95	0	0	0
Overtime	3,623	(17)	2,500	775
Internet Reimbursements	0	0	0	0
Compensated Absences	(3,321)	(4,734)	0	0
Pension Contribution	22,107	23,834	24,666	25,091
Social Security	14,602	13,331	16,263	15,221
Medicare Tax	3,415	3,174	3,803	3,558
Hospitalization	55,656	34,585	45,719	52,600
Life Insurance	1,058	1,053	1,333	1,228
Deferred Comp Contribution	0	0	540	0
Pension Healthcare	<u>3,150</u>	<u>3,150</u>	<u>3,915</u>	<u>4,500</u>
TOTAL PERSONAL SERVICES	333,808	290,086	360,226	348,912
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	739	330	3,750	1,250
Transportation	0	0	6,000	500
Insurance	177,086	273,956	329,000	310,000
Rentals	20	0	100	100
Contracted Maintenance	325	14,757	1,800	1,640
Professional Fees	204,531	227,969	426,800	387,700
Memberships & Registrations	1,627	3,214	7,000	3,500
Miscellaneous Services	1,214	0	0	0
Office & General Supplies	403	516	1,150	1,250
Wearing Apparel and Safety	0	278	0	0
Miscellaneous Parts	6,807	9,611	15,000	15,000
Equipment	<u>12,958</u>	<u>4,300</u>	<u>45,000</u>	<u>0</u>
TOTAL M., S. & E.	405,710	534,931	835,600	720,940
<u>INTERNAL SERVICES</u>				
Administrative Services	9,704	4,364	12,453	5,738
Self-Insurance	<u>2,289</u>	<u>350</u>	<u>2,030</u>	<u>2,030</u>
TOTAL INTERNAL SERVICES	11,993	4,714	14,483	7,768
<u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>1,549</u>	<u>0</u>
TOTAL OTHER	0	0	1,549	0
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	<u>2,975,668</u>	<u>(4,274,164)</u>	<u>2,217,500</u>	<u>2,337,500</u>
TOTAL SPECIAL PURPOSE	2,975,668	(4,274,164)	2,217,500	2,337,500
WORKERS' COMPENSATION FUND TOTAL	<u>3,727,180</u>	<u>(3,444,433)</u>	<u>3,429,358</u>	<u>3,415,120</u>

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	46,851	60,496	64,098	63,431
Overtime	2,299	1,378	0	423
Internet Reimbursements	0	0	0	0
Compensated Absences	(2,206)	6,477	0	0
Pension Contribution	4,996	6,494	6,439	7,489
Social Security	3,463	3,735	3,870	3,786
Medicare Tax	810	873	905	885
Hospitalization	7,459	7,275	8,576	7,909
Life Insurance	224	305	333	330
Deferred Comp Contribution	0	0	144	1,200
Pension Healthcare	840	840	1,044	0
TOTAL PERSONAL SERVICES	64,736	87,872	85,409	85,453
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications and Utilities	25	303	300	1,500
Transportation	0	587	1,500	1,200
Professional Fees	0	20,206	137,000	99,000
Memberships and Registration	0	2,645	750	500
Office and General Supplies	31	436	3,000	2,400
Equipment	0	1,841	3,000	0
TOTAL M., S. & E.	56	26,018	145,550	104,600
<u>INTERNAL SERVICES</u>				
Administrative Services	562	533	701	643
Self-Insurance	758	652	685	685
TOTAL INTERNAL SERVICES	1,320	1,185	1,386	1,328
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	11,303,550	11,496,490	12,103,000	12,935,000
TOTAL SPECIAL PURPOSE	11,303,550	11,496,490	12,103,000	12,935,000
<u>OTHER</u>				
Depreciation	0	0	515	0
TOTAL OTHER	0	0	515	0
HEALTH AND WELFARE FUND TOTAL	<u>11,369,661</u>	<u>11,611,565</u>	<u>12,335,860</u>	<u>13,126,381</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.

PRIORITIES FOR FISCAL YEAR 2010

- Implement handheld computers in the field for instant ticketing. This will allow inspectors to be more efficient and accurate with potential violators.
- Electronically send property maintenance invoices to responsible property owners by attaching picture of the violation similar to our successful instant ticketing program.
- Implementation of new MUNIS permit software which incorporates: Vacant Properties, Business Licenses, LON (Limitation of Occupancy Notification), Signs, Elevators, Public Assembly and Mechanical Certificates.
- Aggressive enforcement in demolishing properties that are a blight to the community.
- Continue to reduce the number of vacant properties through our new program that publicly advertises the owner's contact information both on the City's website and on the property with a large poster. The status of the property will be updated as it changes.
- Continue enhancement of our enforcement teams.
- Continue to provide department forms and processes on line through the City of Wilmington's website.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS				
DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	2,869,681	2,889,456	3,346,609	3,229,312
Materials, Supplies & Equipment	412,412	596,189	688,033	504,554
Internal Services	457,002	382,509	616,434	556,686
Debt Service	38,775	38,730	28,193	28,172
Special Purpose	<u>237,725</u>	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>
TOTAL	<u>4,015,595</u>	<u>4,130,771</u>	<u>4,925,318</u>	<u>4,564,773</u>
STAFFING LEVELS	44.00	45.00	46.00	44.00

GENERAL FUNDS				
DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	2,844,615	2,870,130	3,346,609	3,229,312
Materials, Supplies & Equipment	412,412	596,189	688,033	504,554
Internal Services	457,002	382,509	616,434	556,686
Debt Service	38,775	38,730	28,193	28,172
Special Purpose	<u>237,725</u>	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>
TOTAL	<u>3,990,529</u>	<u>4,111,445</u>	<u>4,925,318</u>	<u>4,564,773</u>
STAFFING LEVELS	44.00	45.00	46.00	44.00

BRYNE GRANT				
DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	25,066	18,926	0	0
Materials, Supplies & Equipment	<u>0</u>	<u>400</u>	<u>0</u>	<u>0</u>
TOTAL	<u>25,066</u>	<u>19,326</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Personal Services decreased \$82,666, mainly due to the elimination of two vacant positions: a Mechanical Code Enforcement Supervisor and a Code Enforcement Inspector.
- The Consultants line has been reduced from \$45,000 to \$38,000. The remaining funds will be used for the hiring of a Hearing Officer (\$30,000) to adjudicate Instant Ticketing cases, as well as perform other related responsibilities, and the hiring of a Structural Engineer (\$8,000) to do field surveys of damaged properties.
- Due to a reduction in the number of International Certification Council (I.C.C.) classes being held in-house, Registration Fees have been reduced from \$20,000 to \$15,000.
- The Demolition and Property Maintenance accounts, which are related to the vacant property program, have been reduced by \$50,000 and \$75,000 respectively.
- Furniture, Fixture and Office Equipment has been reduced by \$4,765, with the remaining \$5,225 budgeted for the purchase of chairs and file cabinets for staff.
- Additions & Improvements to Buildings has been reduced to zero. This is due to the elimination of the one-time cost of purchasing equipment to reorganize the Plumbing/Mechanic and Building Areas, which was budgeted in FY2009.
- The Internal Services category decreased by a net of \$59,748, due to the reduction in Data Processing costs (\$66,014), Mapping and Graphics costs (\$13,270), Word Processing costs (\$8,090), Telephone costs (\$6,074), and Duplication and Reproduction costs (\$1,407), plus the increased Motor Vehicle Costs (\$26,973) and Postage costs (\$8,134).

DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE INDICATORS

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

Objective: Perform 100 Lead-based Paint Residential inspections and testings.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 3-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Lead-based Paint Inspections	120	50	100	50	100

Goal #2: Improve Housing Stock of the City.

Objective: Perform at least 50,000 building inspections.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-A and 3-B on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Building Inspections	50,000	74,766	50,000	68,928	50,000

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

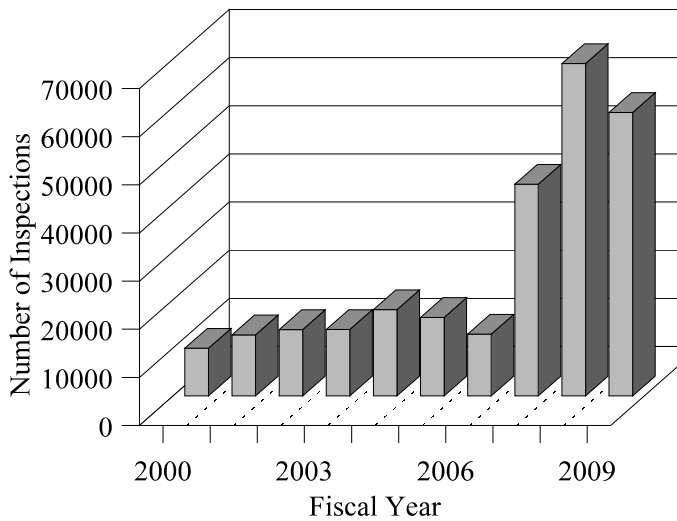
Objective: Complete at least 4,000 vacant structure inspections.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 3-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Vacant Property Inspections	4,000	3,784	4,000	8,840	4,000

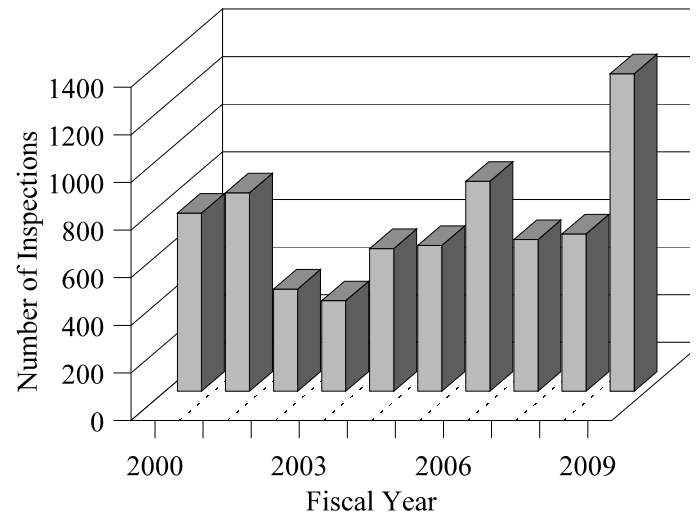
Department of Licenses and Inspections Performance Trends

Housing Inspections



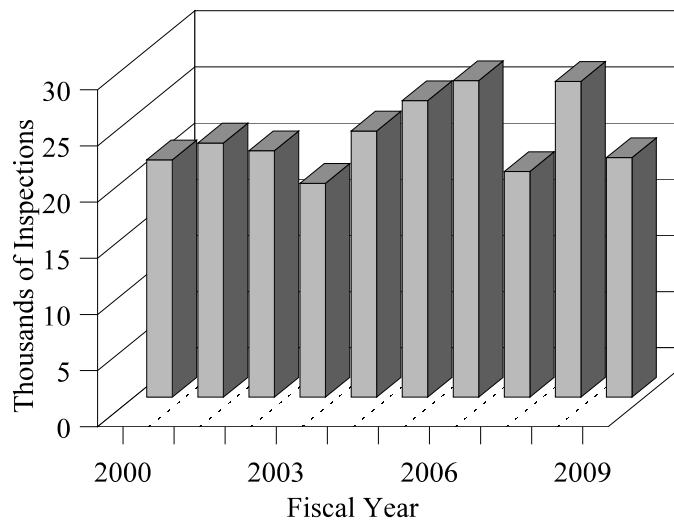
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked due to enforcement of the new instant ticketing program.

Zoning Inspections



This reflects Licenses & Inspections efforts to enforce the zoning codes and regulations. A license must be obtained to operate a business. All businesses must be properly zoned to obtain a license. The increase is due to the addition of a Business Compliance Officer in FY 2009.

Building Inspections



Reorganization of staff and better management of resources had allowed the number of inspections to increase dramatically, back to historically high levels. The decrease in FY 2009 is a consequence of the current decline in the building activity.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,918,435	1,966,497	2,338,798	2,283,615
Temporary Salaries	34,569	7,258	3,200	0
Acting Out of Classification	174	2,251	2,000	5,850
Sick Leave Bonus	0	1,600	3,000	2,100
Overtime	64,820	79,684	67,720	41,387
Meal Allowance	2,600	2,050	2,000	1,000
Clothing Allowance	125	8,125	10,000	9,500
Internet Reimbursements	615	1,455	900	1,500
Pension Contribution	243,834	212,611	232,406	248,266
Social Security	118,332	128,634	150,117	143,972
Medicare Tax	27,917	30,084	35,106	33,672
Hospitalization	368,924	379,308	475,809	435,904
Life Insurance	8,830	9,573	12,135	11,847
Pension Healthcare	55,440	31,500	40,020	44,000
Deferred Comp Contribution	0	0	5,400	0
Personal Services Adjustment	<u>0</u>	<u>9,500</u>	<u>(32,002)</u>	<u>(33,301)</u>
TOTAL PERSONAL SERVICES	2,844,615	2,870,130	3,346,609	3,229,312
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	12,049	12,201	8,400	6,720
Communications & Utilities	1,123	206	960	768
Transportation	2,197	4,417	5,000	2,500
Rentals	0	200	187	284
Contracted Maintenance	103	190,928	200,000	125,000
Professional Fees	3,483	34,923	45,000	38,000
Other Fees	4,065	5,556	3,000	3,500
Memberships & Registration	22,588	18,250	24,000	19,000
Office & General Supplies	7,867	8,514	11,107	8,886
Wearing Apparel & Safety Supplies	23,272	19,832	23,300	24,000
Miscellaneous Parts	1,506	3,353	7,089	5,671
Construction & Repairs	240,917	263,350	315,000	265,000
Equipment	11,641	19,078	9,990	5,225
Fixed Assets	<u>81,601</u>	<u>15,381</u>	<u>35,000</u>	<u>0</u>
TOTAL M., S. & E.	412,412	596,189	688,033	504,554

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
INTERNAL SERVICES				
Administrative Services	412,432	405,100	586,889	527,141
Self-Insurance	<u>44,570</u>	<u>(22,591)</u>	<u>29,545</u>	<u>29,545</u>
TOTAL INTERNAL SERVICES	457,002	382,509	616,434	556,686
DEBT SERVICE				
Principal Payments	31,657	33,171	24,033	25,231
Interest Payments	<u>7,118</u>	<u>5,559</u>	<u>4,160</u>	<u>2,941</u>
TOTAL DEBT SERVICE	38,775	38,730	28,193	28,172
SPECIAL PURPOSE				
Delaware SPCA	<u>237,725</u>	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>
TOTAL SPECIAL PURPOSE	237,725	223,887	246,049	246,049
GENERAL FUND TOTAL	<u>3,990,529</u>	<u>4,111,445</u>	<u>4,925,318</u>	<u>4,564,773</u>

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: BRYNE GRANT

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
PERSONAL SERVICES				
Regular Salaries	22,020	16,689	0	0
Social Security	1,365	1,066	0	0
Medicare Tax	319	249	0	0
Hospitalization	1,320	887	0	0
Life Insurance	<u>42</u>	<u>35</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	25,066	18,926	0	0
INTERNAL SERVICES				
Self-Insurance	<u>0</u>	<u>400</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	0	400	0	0
BRYNE GRANT TOTAL	<u>25,066</u>	<u>19,326</u>	<u>0</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 2010
<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	FY2007	FY2008	FY2009	FY2010
Personal Services	4,461,342	5,058,476	5,010,216	4,757,434
Materials, Supplies & Equipment	2,107,554	2,204,427	2,047,650	1,976,518
Internal Services	2,272,310	1,424,922	1,422,564	1,265,304
Debt Service	<u>2,664,993</u>	<u>2,628,597</u>	<u>2,654,707</u>	<u>2,609,948</u>
TOTAL	<u>11,506,199</u>	<u>11,316,422</u>	<u>11,135,137</u>	<u>10,609,204</u>
STAFFING LEVELS	53.00	54.00	58.00	53.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2007	FY2008	FY2009	FY2010
Personal Services	3,951,181	4,425,536	4,751,129	4,480,966
Materials, Supplies & Equipment	1,385,302	1,322,171	1,663,245	1,592,113
Internal Services	2,268,877	1,421,489	1,419,131	1,261,871
Debt Service	<u>2,664,993</u>	<u>2,628,597</u>	<u>2,654,707</u>	<u>2,609,948</u>
TOTAL	<u>10,270,353</u>	<u>9,797,793</u>	<u>10,488,212</u>	<u>9,944,898</u>
STAFFING LEVELS	53.00	54.00	58.00	53.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2007	FY2008	FY2009	FY2010
Personal Services	435,666	538,962	159,464	159,464
Materials, Supplies & Equipment	<u>719,638</u>	<u>879,478</u>	<u>353,340</u>	<u>353,340</u>
TOTAL	<u>1,155,304</u>	<u>1,418,440</u>	<u>512,804</u>	<u>512,804</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2007	FY2008	FY2009	FY2010
Personal Services	74,495	93,978	99,623	117,004
Materials, Supplies & Equipment	2,614	2,778	31,065	31,065
Internal Services	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>
TOTAL	<u>80,542</u>	<u>100,189</u>	<u>134,121</u>	<u>151,502</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- A total of five vacant positions have been deleted in the Department: the Public Health Advocate in the Youth and Families Division, the Administrative Coordinator in the Administration Division, along with a Maintenance Mechanic, a Fountain Mechanic, and a Pool Mechanic in the Maintenance Division. The total savings to the General Fund from the elimination of these positions is \$269,168.
- Due to increased responsibilities, two positions have been upgraded for FY 2010: the Executive Director of the Anderson Community Center (no title change), and the Accounts Administrator for Youth & Families changes to the Accounts & Program Support Coordinator (Grade F to Grade H). The total additional cost for these upgrades is \$4,165.
- Temporary Salaries across all divisions have decreased by a total of \$56,478, related to the City's cost-reduction initiative.
- Other Fees have been reduced by a total of nearly \$75,000. Of that amount, \$18,000 represents a decrease in Landfill Fees associated with park debris, and the remaining \$57,000 is a shift of Fees N.O.C. to Miscellaneous Services.
- Miscellaneous Parts appropriations have risen by \$12,600 for increased landscaping supplies needed for recently acquired parklands.
- Petroleum and Chemical costs have been reduced by \$6,900 to reflect recent actual expenditures.
- Equipment expenditures will fall by almost \$12,000, as recreation fitness equipment replacement at the Anderson Community Center will be limited in FY 2010.
- As part of the efforts to balance the budget, Community Activities funding (consisting mainly of social agencies support and grants) has been severely curtailed for FY 2010, decreasing by \$19,500 to \$10,500.
- Funding for staff travel (Transportation) and related registrations (Memberships & Registrations) will be reduced by \$20,000 and \$8,300 respectively.
- Total Internal Service charges are down by more than \$157,000. Every category showed a decrease with the exception of Radio Usage.
- Debt Service for FY 2010 indicates a net decrease of almost \$45,000. The increase due to the FY 2006 borrowing costs is more than offset by a decrease in existing debt schedules.

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Senior Programs Implemented	17	17	18	19	19

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Park Sites Operated	25	25	25	25	26
% Increase in Participation of Departmental Sports Leagues	35%	35%	40%	38%	40%

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
# of Female targeted programs Implemented	31	31	32	32	33

DEPARTMENT OF PARKS AND RECREATION PERFORMANCE INDICATORS

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of youth-led projects	9	9	10	10	12

Goal #5: To increase diversity in program participation.

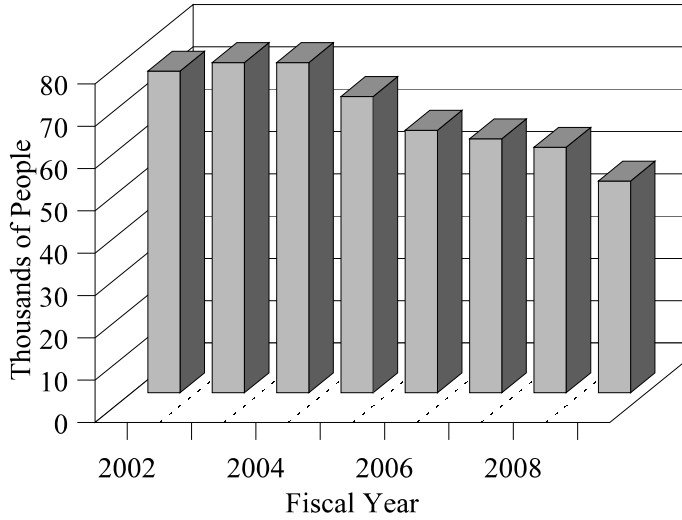
Objective: Provide family-oriented information fairs throughout the City.

Goal #5 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of family inclusive information fairs held	12	12	14	14	16

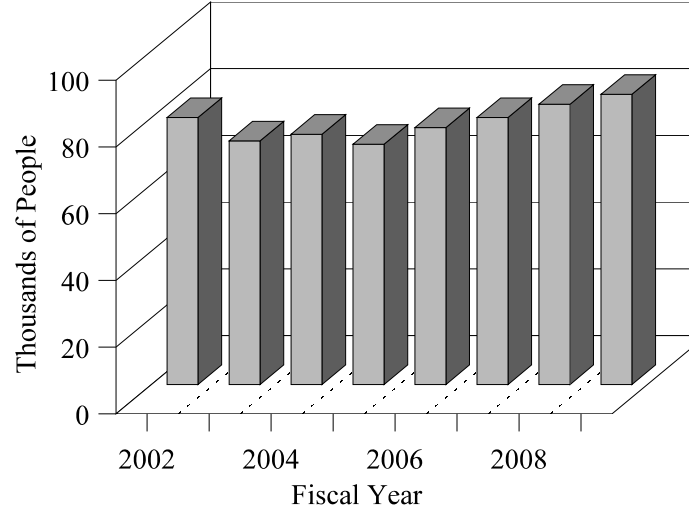
Department of Parks and Recreation Performance Trends

Pool Attendance



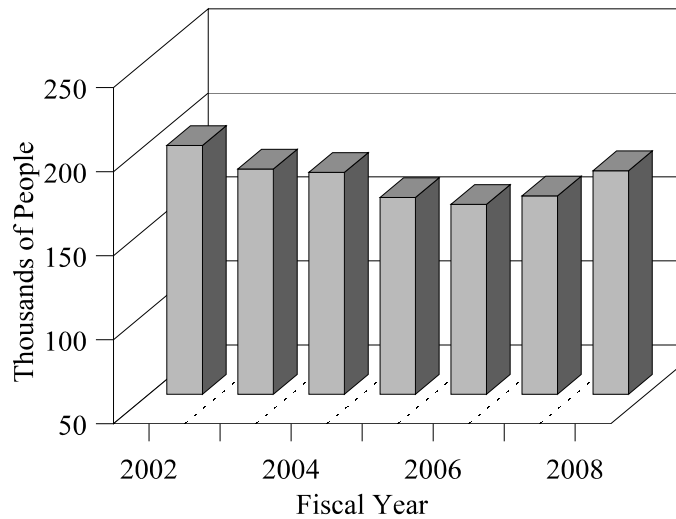
Pool attendance has declined due to both a shortening of the season to trim costs, and a lengthening of the school year.

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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	1,899,779	2,042,002	2,470,356	2,306,438
Temporary Salaries	947,433	1,294,757	1,059,547	1,003,072
Acting Out of Class	118	469	2,000	2,000
Sick Leave Bonus	0	2,000	600	600
Overtime	131,069	115,587	135,987	141,787
Meal Allowance	2,622	2,221	3,020	3,020
Internet Reimbursements	540	0	500	500
Pension Contribution	265,118	232,334	250,225	257,263
Social Security	183,927	219,206	227,372	206,958
Medicare Tax	42,317	51,293	53,137	48,401
Hospitalization	402,135	417,857	564,313	534,213
Life Insurance	9,343	10,012	12,789	11,942
Pension Healthcare	66,780	37,798	50,460	53,000
Deferred Compensation Contribution	0	0	6,480	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(85,657)</u>	<u>(88,228)</u>
TOTAL PERSONAL SERVICES	3,951,181	4,425,536	4,751,129	4,480,966

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	14,168	19,207	18,000	18,000
Communications & Utilities	313,238	246,512	373,100	369,180
Transportation	23,045	33,626	43,745	23,900
Rentals	73,206	97,072	99,028	100,912
Contracted Maintenance	76,413	57,418	109,541	122,723
Professional Fees	324,213	266,801	323,550	319,510
Other Fees	158,238	58,119	122,000	47,105
Memberships & Registrations	22,494	16,584	25,262	16,950
Miscellaneous Services	73,508	69,770	141,588	193,651
Office & General Supplies	19,301	20,770	29,320	27,456
Wearing Apparel & Safety Supplies	50,122	61,547	61,500	63,077
Miscellaneous Parts	163,643	150,920	193,673	206,306
Petroleum & Chemicals	18,394	14,631	20,520	13,650
Construction & Repairs	10,950	19,612	22,468	24,093
Equipment	34,906	49,996	36,950	25,100
Fixed Assets	7,263	7,905	13,000	10,000
Community Activities	<u>2,200</u>	<u>131,681</u>	<u>30,000</u>	<u>10,500</u>
TOTAL M., S. & E.	1,385,302	1,322,171	1,663,245	1,592,113

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
Administrative Services	757,605	729,426	1,040,421	883,161
Self-Insurance	<u>1,511,272</u>	<u>692,063</u>	<u>378,710</u>	<u>378,710</u>
TOTAL INTERNAL SERVICES	<u>2,268,877</u>	<u>1,421,489</u>	<u>1,419,131</u>	<u>1,261,871</u>
<u>DEBT SERVICE</u>				
Principal Payments	1,757,325	1,838,194	1,758,466	1,782,331
Interest Payments	<u>907,668</u>	<u>790,403</u>	<u>896,241</u>	<u>827,617</u>
TOTAL DEBT SERVICE	<u>2,664,993</u>	<u>2,628,597</u>	<u>2,654,707</u>	<u>2,609,948</u>
GENERAL FUND TOTAL	<u>10,270,353</u>	<u>9,797,793</u>	<u>10,488,212</u>	<u>9,944,898</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
Temporary Salaries	404,162	501,323	148,133	148,133
Social Security	24,963	30,505	9,184	9,184
Medicare Tax	<u>6,541</u>	<u>7,134</u>	<u>2,147</u>	<u>2,147</u>
TOTAL PERSONAL SERVICES	<u>435,666</u>	<u>538,962</u>	<u>159,464</u>	<u>159,464</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	0	8,040	4,000	4,000
Communications & Utilities	1,497	0	2,200	2,200
Rentals	4,219	6,307	10,300	10,300
Other Fees	11,997	20,200	0	0
Memberships & Registrations	4,222	6,543	0	0
Miscellaneous Services	65,795	5,632	0	0
Office & General Supplies	272	1,439	2,000	2,000
Miscellaneous Parts	605,693	810,516	334,840	334,840
Fixed Assets	6,709	5,053	0	0
Miscellaneous Projects	<u>19,234</u>	<u>15,748</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>719,638</u>	<u>879,478</u>	<u>353,340</u>	<u>353,340</u>
PARKS ASSISTANCE FUND TOTAL	<u>1,155,304</u>	<u>1,418,440</u>	<u>512,804</u>	<u>512,804</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
PERSONAL SERVICES				
Regular Salaries	53,961	69,196	73,705	74,787
Temporary Salaries	0	0	2,500	2,500
Overtime	0	0	4,000	4,000
Pension Contributions	4,468	5,453	6,965	7,607
Social Security	3,346	4,290	4,818	5,039
Medicare Tax	782	1,003	1,127	1,179
Life Insurance	222	234	241	21,503
Hospitalization	<u>11,716</u>	<u>13,802</u>	<u>6,267</u>	<u>389</u>
TOTAL PERSONAL SERVICES	74,495	93,978	99,623	117,004
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,614	2,778	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.	2,614	2,778	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>
TOTAL INTERNAL SERVICES	3,433	3,433	3,433	3,433
 PARKS TRUST FUND TOTAL	 <u>80,542</u>	 <u>100,189</u>	 <u>134,121</u>	 <u>151,502</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 2010
<ul style="list-style-type: none"> • Renovate Fire Station #1 as part of an ongoing project to renovate and modernize five fire stations, while moving forward with plans for construction of Fire Station #5. • Secure funding for the renovation of remaining stations. • Secure funding for Type 2 Fire Boat. • Implement inspection and cleaning procedures for all Personal Protective Equipment (PPE). • Replace fire apparatus according to recommended replacement cycle. • Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	20,803,756	20,271,036	20,666,947	20,060,909
Materials, Supplies & Equipment	1,004,085	1,226,561	1,075,317	1,017,256
Internal Services	2,701,600	725,898	2,860,472	2,540,878
Debt Service	<u>354,123</u>	<u>386,278</u>	<u>548,596</u>	<u>512,395</u>
TOTAL	<u>24,863,564</u>	<u>22,609,773</u>	<u>25,151,332</u>	<u>24,131,438</u>
STAFFING LEVELS	177.00	179.00	180.00	172.00

GENERAL FUND FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	16,183,835	15,491,199	16,118,047	15,512,009
Materials, Supplies & Equipment	437,204	651,435	875,129	817,068
Internal Services	2,701,600	725,898	2,860,472	2,540,878
Debt Service	<u>354,123</u>	<u>386,278</u>	<u>548,596</u>	<u>512,395</u>
TOTAL	<u>19,676,762</u>	<u>17,254,810</u>	<u>20,402,244</u>	<u>19,382,350</u>
STAFFING LEVELS	177.00	179.00	180.00	172.00

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	<u>4,548,904</u>	<u>4,648,359</u>	<u>4,548,900</u>	<u>4,548,900</u>
TOTAL	<u>4,548,904</u>	<u>4,648,359</u>	<u>4,548,900</u>	<u>4,548,900</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Materials, Supplies & Equipment	<u>315,290</u>	<u>279,930</u>	<u>200,188</u>	<u>200,188</u>
TOTAL	<u>315,290</u>	<u>279,930</u>	<u>200,188</u>	<u>200,188</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

NEW CASTLE COUNTY FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	64,915	119,811	0	0
Materials, Supplies & Equipment	<u>168,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>232,915</u>	<u>119,811</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	6,102	11,667	0	0
Materials, Supplies & Equipment	<u>83,591</u>	<u>295,196</u>	<u>0</u>	<u>0</u>
TOTAL	<u>89,693</u>	<u>306,863</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- As part of the reductions necessary to help balance the budget, no allowance was made for wage increases. The Mayor's Office met with all union leadership to discuss the situation, and all but the Firefighters union agreed to no salary increases for FY 2010. As part of a compromise with the other unions, anniversary-based salary step increases will continue. However, the Firefighters union would not agree to forgo any of its salary increases, thus causing the elimination of eight firefighter positions in order to cover the costs. The number of authorized uniformed firefighters has been reduced to 165.
- Overtime appropriations have been decreased by \$679,900 to \$1,166,100. The Department has begun to utilize Administrative personnel to staff Overtime assignments in the Suppression Division, and will implement the use of a rolling bypass of apparatus during manpower shortages.
- Pension Healthcare appropriations have risen by \$26,400, or nearly 17%.
- Utility Costs have decreased by \$8,000 to mirror actual recent expenditures.
- Transportation Costs have been cut by \$8,000 as part of the City's cost-saving initiative.
- Contracted Maintenance expenditures will increase by \$4,000 to fund additional costs of repairs slated for fireboats.
- Registrations and Memberships have been decreased by \$52,500. Some one-time expenditures in FY 2009 had significantly increased these accounts.
- Miscellaneous Services will rise by \$32,000 to allow for the bi-annual cleaning and maintenance of the recently purchased turnout gear.
- Wearing Apparel & Safety Supplies appropriations, while not changing significantly, will fund the upgrade of 34 sets of breathing apparatus to meet NFPA Standards.
- Miscellaneous Materials, Supplies and Parts will decrease by \$19,800. Funds for the replacement of Thermal Imaging Cameras had been budgeted in FY 2009.
- Fixed Assets will rise by \$3,500 for the purchase of computer software needed to interface the TeleStaf and CAD systems.
- Total allocations for Internal Services have decreased by \$320,000. Motor Vehicle and Telephone costs have fallen dramatically by \$298,000 and \$46,000 respectively, but were partially offset by increases in Radio Usage and Mapping & Graphics.
- Debt Service expenditures will decrease by more than \$36,000 in FY 2010.

FIRE DEPARTMENT PERFORMANCE INDICATORS

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

Objective: Try to keep all fires contained to room of origin.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 1-C, 3-C and 3-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
% of Fires Contained to Room of Origin	95%	93%	95%	96%	95%

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Number of Building Inspections	1,500	1,710	1,500	1,962	1,875
Citizens Educated	30,000	10,540	30,000	39,844	35,000

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

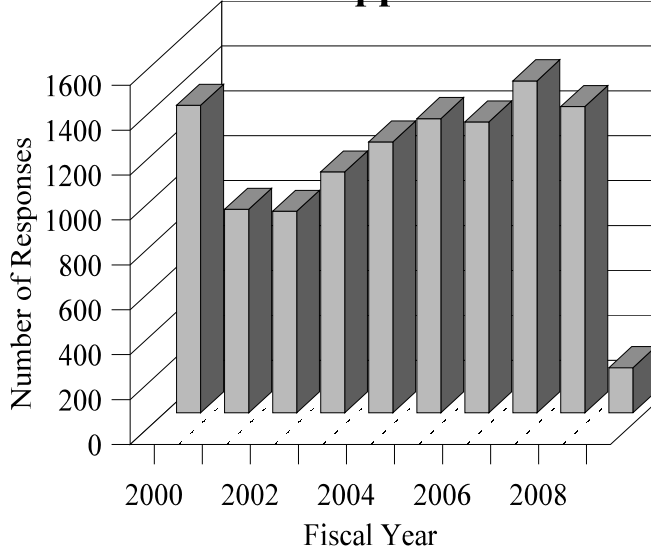
Objective: Maintain the average response time for fires to two minutes or less.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-C and 3-D on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Average Fire Response Time	2 minutes & 30 seconds	2 minutes & 17 seconds	2 minutes & 30 seconds	2 minutes & 11 seconds	2 minutes & 30 seconds

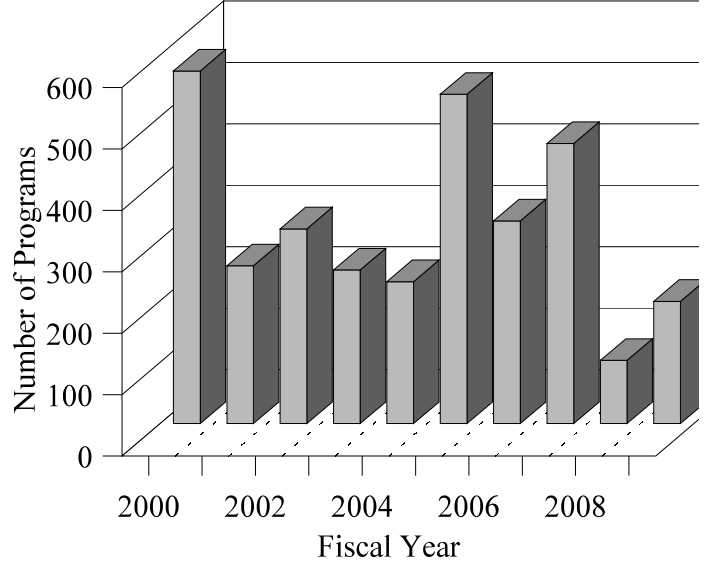
Fire Department Performance Trends

Basic Life Support Alarms



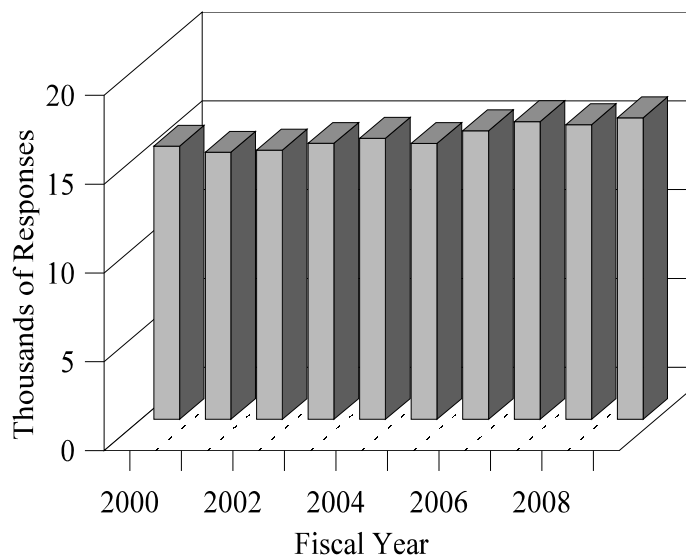
In 1996, the department contracted with a private vendor in an attempt to reduce its BLS runs. Toward the end of FY 2008, the vendor supplied a fourth unit which greatly reduced the number of alarms.

Fire Prevention Division



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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	9,957,052	10,021,900	10,809,624	10,852,686
Temporary Salaries	8,774	10,274	18,400	20,160
Acting Out of Class	66	5,178	7,000	11,212
Shift Differential	74,087	73,160	77,500	75,562
Sick Leave Bonus	0	100	0	0
Overtime	1,902,642	2,046,415	1,846,000	1,166,100
Holiday Pay	18,755	35,990	0	0
Internet Reimbursements	1,440	3,720	7,800	7,700
Pension Contribution	1,087,291	323,461	357,940	356,699
Social Security	27,980	3,429	21,305	21,230
Medicare Tax	123,054	128,081	134,997	129,615
Hospitalization	2,077,903	2,023,738	2,005,541	2,042,763
Life Insurance	49,160	50,218	56,146	56,378
County/Municipal Pension Contribution	626,882	640,935	747,714	743,404
Pension Healthcare	228,749	124,600	156,600	183,000
Deferred Compensation Contribution	0	0	21,480	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>(154,500)</u>
TOTAL PERSONAL SERVICES	16,183,835	15,491,199	16,118,047	15,512,009

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	899	2,860	2,994	2,952
Communications & Utilities	130,608	143,866	178,542	170,542
Transportation	9,949	13,647	15,000	7,000
Contracted Maintenance Repairs	37,684	94,911	110,000	114,000
Professional Fees	51,680	62,904	103,000	98,448
Memberships & Registrations	58,839	72,425	116,325	63,825
Miscellaneous Services	40,707	44,648	48,510	80,986
Office & General Supplies	17,861	29,355	33,494	31,775
Wearing Apparel & Safety Supplies	40,820	60,362	173,750	171,800
Miscellaneous Parts	38,815	60,803	61,714	41,900
Construction & Repairs	4,791	5,700	4,800	3,840
Equipment	4,551	18,542	24,000	23,500
Fixed Assets	<u>0</u>	<u>41,412</u>	<u>3,000</u>	<u>6,500</u>
TOTAL M., S. & E.	437,204	651,435	875,129	817,068

DEPARTMENT: FIRE

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
Administrative Services	1,464,678	1,342,843	1,954,065	1,634,471
Self-Insurance	<u>1,236,922</u>	<u>(616,945)</u>	<u>906,407</u>	<u>906,407</u>
TOTAL INTERNAL SERVICES	2,701,600	725,898	2,860,472	2,540,878
 <u>DEBT SERVICE</u>				
Principal Payments	291,815	305,240	334,549	282,073
Interest Payments	<u>62,308</u>	<u>81,038</u>	<u>214,047</u>	<u>230,322</u>
TOTAL DEBT SERVICE	354,123	386,278	548,596	512,395

DEPARTMENT: FIRE

FUND: STATE PENSION CONTRIBUTIONS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
State Pension Contributions	<u>4,548,904</u>	<u>4,648,359</u>	<u>4,548,900</u>	<u>4,548,900</u>
TOTAL PERSONAL SERVICES	4,548,904	4,648,359	4,548,900	4,548,900
 GENERAL FUND TOTAL	 <u>24,225,666</u>	 <u>21,903,169</u>	 <u>24,951,144</u>	 <u>23,931,250</u>

DEPARTMENT: FIRE

FUND: STATE FIRE GRANT

<u>MATERIALS, SUPPLIES & EQUIPMENT</u>	<u>ACTUAL FY2007</u>	<u>ACTUAL FY2008</u>	<u>BUDGET FY2009</u>	<u>APPROVED FY2010</u>
Professional Fees	0	2,247	0	0
Memberships & Registrations	10,993	7,588	0	0
Wearing Apparel & Safety Supplies	0	7,799	0	0
Miscellaneous Parts	12,556	33,866	0	0
Fixed Assets	<u>291,741</u>	<u>228,430</u>	<u>200,188</u>	<u>200,188</u>
TOTAL M., S. & E.	315,290	279,930	200,188	200,188
 STATE FIRE GRANT TOTAL	 <u>315,290</u>	 <u>279,930</u>	 <u>200,188</u>	 <u>200,188</u>

DEPARTMENT: FIRE

FUND: NEW CASTLE COUNTY FIRE GRANT

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Overtime	<u>64,915</u>	<u>119,811</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	64,915	119,811	0	0
MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Fixed Assets	<u>168,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	168,000	0	0	0
NEW CASTLE COUNTY FIRE GRANT TOTAL	<u>232,915</u>	<u>119,811</u>	<u>0</u>	<u>0</u>

DEPARTMENT: FIRE

FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Overtime	<u>6,102</u>	<u>11,667</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	6,102	11,667	0	0
MATERIALS, SUPPLIES & EQUIPMENT				
Professional Fees	22,366	89,280	0	0
Miscellaneous Services	29,547	12,417	0	0
Equipment	6,440	33,021	0	0
Fixed Assets	<u>25,238</u>	<u>160,478</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	83,591	295,196	0	0
FEDERAL EMERG. MGT. & OTHER MISC. GRANTS TOTAL	<u>89,693</u>	<u>306,863</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 2010
<ul style="list-style-type: none"> • Reduce crime. • 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 FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	39,335,987	41,740,281	42,499,234	42,130,287
Materials, Supplies & Equipment	2,466,313	3,313,242	2,965,961	3,074,136
Internal Services	5,211,369	2,661,034	4,552,004	4,826,436
Debt Service	<u>958,217</u>	<u>957,777</u>	<u>829,370</u>	<u>859,041</u>
TOTAL	<u>47,971,886</u>	<u>48,672,334</u>	<u>50,846,569</u>	<u>50,889,900</u>
STAFFING LEVELS	407.00	429.00	431.00	416.00

GENERAL FUND DEPARTMENT OF POLICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	33,067,965	34,861,185	39,209,692	38,805,576
Materials, Supplies & Equipment	1,751,641	2,423,982	2,525,961	1,678,936
Internal Services	4,639,088	1,710,944	4,552,004	4,826,146
Debt Service	<u>958,217</u>	<u>957,777</u>	<u>829,370</u>	<u>859,041</u>
TOTAL	<u>40,416,911</u>	<u>39,953,888</u>	<u>47,117,027</u>	<u>46,169,699</u>
STAFFING LEVELS	352.00	369.00	424.00	408.00

STATE PENSION CONTRIBUTIONS DEPARTMENT OF POLICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	<u>2,774,703</u>	<u>2,820,047</u>	<u>2,774,700</u>	<u>2,774,700</u>
TOTAL	<u>2,774,703</u>	<u>2,820,047</u>	<u>2,774,700</u>	<u>2,774,700</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANT FUNDS DEPARTMENT OF POLICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	429,820	396,044	514,842	479,786
Materials, Supplies & Equipment	691,591	758,520	440,000	0
Internal Services	<u>1,086</u>	<u>2,719</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,122,497</u>	<u>1,157,283</u>	<u>954,842</u>	<u>479,786</u>
STAFFING LEVELS	12.00	6.00	7.00	7.00

NCC SPECIAL POLICING FUND DEPARTMENT OF POLICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	3,026,645	3,585,438	0	0
Materials, Supplies & Equipment	23,081	79,928	0	0
Internal Services	<u>571,195</u>	<u>946,771</u>	<u>0</u>	<u>0</u>
TOTAL	<u>3,620,921</u>	<u>4,612,137</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	43.00	54.00	0.00	0.00

BYRNE GRANT FUND DEPARTMENT OF POLICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	36,854	77,567	0	70,225
Materials, Supplies & Equipment	0	50,812	0	1,395,200
Internal Services	<u>0</u>	<u>600</u>	<u>0</u>	<u>290</u>
TOTAL	<u>36,854</u>	<u>128,979</u>	<u>0</u>	<u>1,465,715</u>
STAFFING LEVELS	0.00	0.00	0.00	1.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength has been reduced to 326 officers, a cut of 15 positions. This represents the current level of filled positions, and is the highest in the Department's history. The total savings to the General Fund in salary and benefits alone for this reduction is approximately \$1 million.
- Taking advantage of the Federal Stimulus Package, the Department expects nearly \$1.5 million in Byrne Grant Funds for FY 2010. This grant will provide \$988,455 in direct savings to the General Fund in various accounts, with the remainder providing savings in the Capital Budget and the Motor Vehicle Fund. The savings to the Police Department General Fund result from the transfer of the following into the Byrne Grant: The Camera Watch program at a cost of \$597,080, Child Development Community Policing (CDCP) at a cost of \$111,691, a comprehensive weapons upgrade in the amount of \$224,260, and a Youth Intervention Specialist position for a savings of \$55,424.
- For the first time, the Department will budget for "Comp Time Payouts" at \$775,000. A change in the recent labor contract with the FOP necessitates mandatory payouts for Compensatory Time earned, but not taken in prior years.
- A total decrease of \$149,907 has been taken in the various Overtime accounts as part of the City's overall expenditure reduction program.
- Other Fees have risen by \$57,000 and result from projected higher management fees for the Public Safety Building.
- Miscellaneous Services will decrease by approximately \$84,000. Lower costs associated with archiving departmental records accounts for \$20,000 of the decrease, with the balance in savings resulting from the previously discussed Byrne Grant.
- The decrease of \$27,000 in Office & General Supplies results from lowered projected costs for printer supplies for the Department.
- Wearing Apparel & Safety Supplies are slated to rise by \$29,000 and will fund the purchase of replacement Kevlar vests for officers.
- Total Internal Service costs have risen by more than \$274,000. Significantly higher charges for Telephone, Radio Usage and Postage are projected based on usage.
- Debt Service is slated to increase by almost \$30,000 in FY 2010 as a result of existing debt schedules.

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Percentage change in the number of Part I Crimes Against Persons	-5%	-4.7%	-5%	-4.3%	-5%
Number of Part I Crimes	1,230	1,234	1,172	1,181	1,122

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Percentage change in number of Drug Arrests	+5%	-18.6%	+5%	+34%	+5%
Number of Drug Arrests	1,499	1,162	1,220	1,558	1,636

Goal #3: Improve Traffic Safety

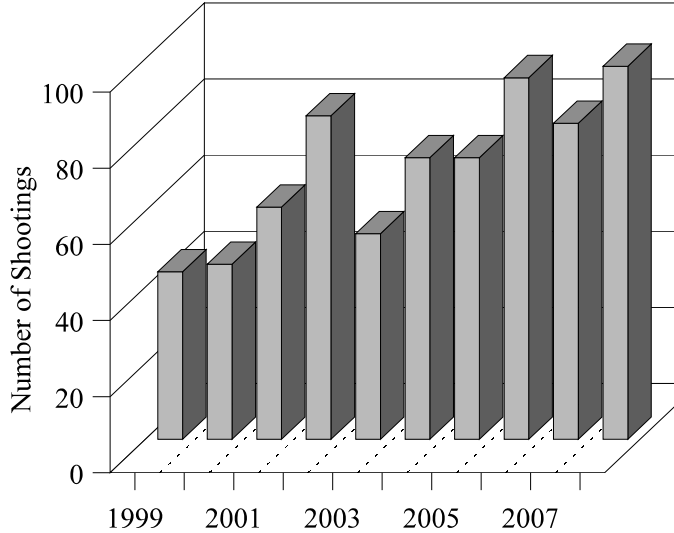
Objective: Reduce Traffic Accidents by 10%

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-E on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Percentage change in the number of traffic accidents	-10%	+17.4%	-10%	+24%	-10%
Number of traffic accidents	1,921	2,583	2,325	3,202	2,882

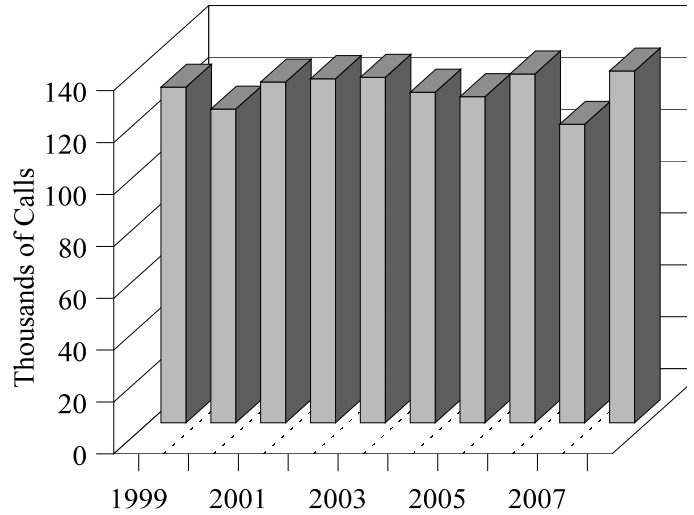
Department of Police Performance Trends

Shootings in Wilmington



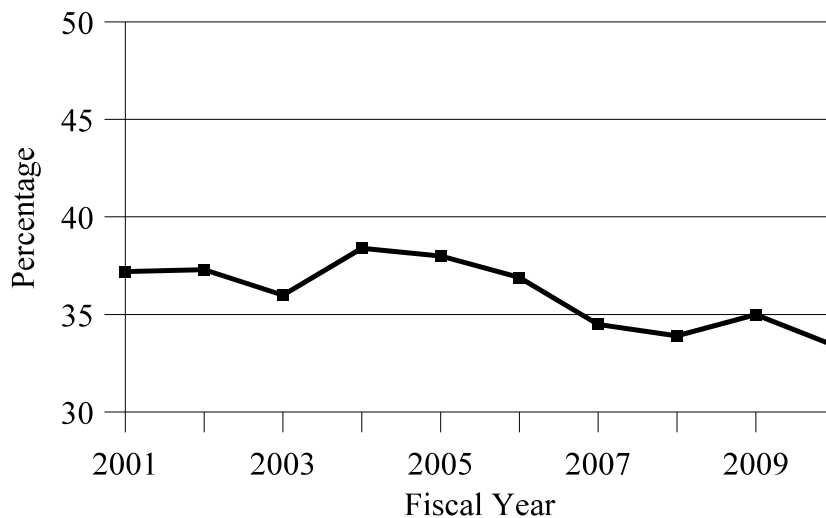
The department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and pro-active policing by officers.

911 Calls Resulting in Dispatch



The total number of calls for police services has remained very high. However, with a change in policies, along with better screening techniques, the Department is striving to reduce the number of Calls for Service Resulting in Dispatch, allowing for more efficient use of available resources.

Police Budget as a % of Total General Fund Operating Budget



The Department's General Fund budget has decreased for FY 2010, due, in part, to the shifting of some expenses to grant funds, but remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	19,027,006	19,327,818	23,752,952	22,951,268
Temporary Salaries	447,453	446,406	450,000	450,000
Acting Out of Class	887	7,044	10,000	7,750
Shift Differential	681,618	635,620	676,280	666,646
Shooting Days	1,887	644	0	0
Sick Leave Bonus	0	2,600	3,800	2,400
Overtime	1,881,778	2,753,628	2,010,557	1,836,810
Holiday Pay	136,317	661,007	799,711	862,164
Comp Time Payouts	0	320,967	0	775,000
Civilian Holiday-Overtime	87,451	104,677	90,000	107,250
Court Overtime	25,214	29,092	49,736	45,451
Special Events Overtime	385,653	727,323	462,000	472,875
Meal Allowance	13,990	15,581	15,810	15,450
Clothing Allowance	8,974	43,404	6,250	75,000
Internet Reimbursements	2,385	2,865	9,800	9,800
Pension Contribution	4,814,096	4,241,011	4,277,595	4,157,170
Social Security	222,942	222,081	254,336	254,742
Medicare Tax	277,860	307,211	341,188	355,597
Hospitalization	3,610,715	3,633,919	4,423,679	4,257,485
Life Insurance	91,451	93,875	122,375	119,253
County/Municipal Pension Contribution	908,929	1,026,114	1,605,549	1,563,280
Deferred Compensation Contribution	0	0	50,760	0
Pension Healthcare	441,359	258,298	368,010	408,000
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(570,696)</u>	<u>(587,815)</u>
TOTAL PERSONAL SERVICES	33,067,965	34,861,185	39,209,692	38,805,576

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Printing & Advertising	42,595	39,610	80,000	37,000
Communications & Utilities	395,908	445,580	459,700	266,400
Transportation	13,418	6,812	15,000	5,000
Rentals	50,046	53,686	86,743	52,194
Contracted Maintenance Repairs	83,960	401,811	123,600	65,416
Professional Fees	192,813	538,952	485,500	127,000
Other Fees	285,832	291,139	267,350	324,400
Memberships & Registrations	17,144	16,855	38,500	36,500
Miscellaneous Services	224,689	190,598	277,100	193,380
Office & General Supplies	74,956	67,050	126,968	99,806
Wearing Apparel & Safety Supplies	186,314	166,586	259,500	288,400
Miscellaneous Parts	91,358	107,627	155,800	48,640
Equipment	14,967	89,146	63,800	57,000
Fixed Assets	<u>77,641</u>	<u>8,530</u>	<u>86,400</u>	<u>77,800</u>
TOTAL M., S. & E.	1,751,641	2,423,982	2,525,961	1,678,936

INTERNAL SERVICES

Administrative Services	2,045,795	2,465,992	2,609,296	2,883,438
Self-Insurance	<u>2,593,293</u>	<u>(755,048)</u>	<u>1,942,708</u>	<u>1,942,708</u>
TOTAL INTERNAL SERVICES	4,639,088	1,710,944	4,552,004	4,826,146

DEBT SERVICE

Principal Payments	726,366	764,711	661,718	724,046
Interest Payments	<u>231,851</u>	<u>193,066</u>	<u>167,652</u>	<u>134,995</u>
TOTAL DEBT SERVICE	958,217	957,777	829,370	859,041

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
State Pension Contributions	<u>2,774,703</u>	<u>2,820,047</u>	<u>2,774,700</u>	<u>2,774,700</u>
TOTAL PERSONAL SERVICES	2,774,703	2,820,047	2,774,700	2,774,700

GENERAL FUND TOTAL	<u>43,191,614</u>	<u>42,773,935</u>	<u>49,891,727</u>	<u>48,944,399</u>
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DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	211,365	180,868	303,088	348,498
Temporary Salaries	21,860	4,600	0	0
Shift Differential	0	2,080	0	0
Overtime	129,562	157,963	80,000	0
Holiday Pay	4,331	176	15,155	0
Court Overtime	195	29	0	0
Meal Allowance	233	325	0	0
Deferred Compensation Contribution	0	0	720	0
Social Security	1,330	285	0	0
Medicare Tax	3,784	3,018	4,390	5,023
Hospitalization	26,305	21,031	62,260	69,290
Life Insurance	923	742	1,576	1,813
County/Municipal Pension Contribution	29,932	24,281	42,433	48,162
Pension Healthcare	<u>0</u>	<u>646</u>	<u>5,220</u>	<u>7,000</u>
TOTAL PERSONAL SERVICES	429,820	396,044	514,842	479,786
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,706	1,385	0	0
Transportation	62,073	48,091	0	0
Rentals	128,348	261,715	140,000	0
Professional Fees	20,000	8,376	0	0
Memberships & Registrations	77,886	35,420	150,000	0
Miscellaneous Services	5,000	25,444	0	0
Office & General Supplies	16,434	1,291	0	0
Wearing Apparel & Safety Supplies	25,823	129,541	0	0
Miscellaneous Parts	19,549	0	0	0
Equipment	5,421	19,800	0	0
Fixed Assets	<u>329,351</u>	<u>227,457</u>	<u>150,000</u>	<u>0</u>
TOTAL M., S. & E.	691,591	758,520	440,000	0
<u>INTERNAL SERVICES</u>				
Self-Insurance	<u>1,086</u>	<u>2,719</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	1,086	2,719	0	0
SALLE FUND TOTAL	<u>1,122,497</u>	<u>1,157,283</u>	<u>954,842</u>	<u>479,786</u>

DEPARTMENT: POLICE

FUND: NCC SPECIAL POLICING

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	2,104,340	2,408,479	0	0
Shift Differential	120,185	128,749	0	0
Overtime	100,766	173,868	0	0
Holiday Pay	15,085	110,803	0	0
Court Overtime	450	6,918	0	0
Meal Allowance	1,220	673	0	0
Clothing Allowance	420	5,866	0	0
Internet Reimbursement	180	540	0	0
Medicare Tax	61,723	41,012	0	0
Hospitalization	316,727	356,829	0	0
Life Insurance	9,086	10,811	0	0
County/Municipal Pension Contribution	293,173	313,777	0	0
Pension Healthcare	<u>3,290</u>	<u>27,113</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	3,026,645	3,585,438	0	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	10,094	0	0	0
Professional Fees	12,987	0	0	0
Equipment	<u>0</u>	<u>79,928</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	23,081	79,928	0	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	296,018	0	0	0
Self-Insurance	<u>275,177</u>	<u>946,771</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	571,195	946,771	0	0
 NCC POLICING FUND TOTAL	 <u>3,620,921</u>	 <u>4,612,137</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: POLICE

FUND: BYRNE GRANT

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	32,960	38,643	0	41,051
Overtime	0	30,540	0	14,625
Pension Contributions	0	0	0	4,146
Social Security	1,338	2,195	0	2,537
Medicare Tax	478	553	0	769
Hospitalization	2,011	5,437	0	5,884
Life Insurance	67	199	0	213
Pension Healthcare	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
TOTAL PERSONAL SERVICES	36,854	77,567	0	70,225
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	0	1,600
Communications & Utilities	0	0	0	228,480
Transportation	0	36,016	0	5,000
Contracted Maintenance	0	0	0	25,800
Professional Fees	0	0	0	375,000
Memberships & Registrations	0	14,796	0	0
Miscellaneous Services	0	0	0	50,000
Office & General Supplies	0	0	0	1,600
Wearing Apparel & Safety Supplies	0	0	0	609,520
Miscellaneous Parts	0	0	0	95,200
Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
TOTAL M., S. & E.	0	50,812	0	1,395,200
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>0</u>	<u>600</u>	<u>0</u>	<u>290</u>
TOTAL INTERNAL SERVICES	0	600	0	290
 BYRNE GRANT FUND TOTAL	 <u>36,854</u>	 <u>128,979</u>	 <u>0</u>	 <u>1,465,715</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 the City residents.

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

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

PRIORITIES FOR FISCAL YEAR 2010

- Complete design and initiate construction of Wastewater Treatment Plant headworks.
- Clean and line water mains in Carcroft, Pembry, and Westover Hills area.
- Complete the design phase of Brandywine Filter Plant membrane filter technology upgrade.
- Initiate Guaranteed Energy Performance Contracts at Porter Filter Plant, including the installation of solar panels and the construction of a new booster pumping station.
- Rehabilitation of Water Works Café for new use as the Water Quality Lab.
- Complete Rockford Road CSO sewer separation and rain leader disconnection program at residences.
- Continue implementation of CSO Real Time Control and storm water mitigation efforts.
- Continue administration of legislative curb and sidewalk effort.
- Continue implementation of GIS and Cityworks programs with focus on CMMS.
- Continue Water Distribution System leak detection program.
- Update signals at remaining fifty intersections and optimize timings via circulation study.
- Use street light GIS data to optimize street lighting.
- Implement Transportation Enhancements for Greater Brandywine Village Revitalization, Trolley Square Phase 2, and Baynard Boulevard.
- Continue coordination needed for installation of Red Light cameras.
- Determine a baseline carbon footprint for the entire City; develop a programmatic approach to reducing the City's greenhouse gas footprint.
- Execute a sewer services agreement with New Castle County.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2007	FY2008	FY2009	FY2010
Personal Services	12,866,994	14,556,784	15,252,389	15,014,176
Materials, Supplies & Equipment	36,695,169	37,757,919	43,786,347	43,847,898
Internal Services	5,134,794	3,084,635	5,492,351	4,821,914
Debt Service	9,545,141	10,045,691	10,417,348	10,599,566
Capitalization	(2,457,061)	(784,063)	(3,300,000)	(3,275,000)
Depreciation	8,706,671	8,228,178	9,374,668	8,823,309
TOTAL	<u>70,491,708</u>	<u>72,889,144</u>	<u>81,023,103</u>	<u>79,831,863</u>
STAFFING LEVELS	228.00	231.00	235.00	229.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2007	FY2008	FY2009	FY2010
Personal Services	6,171,748	6,992,937	7,852,907	7,758,115
Materials, Supplies & Equipment	5,285,392	5,405,979	6,457,515	6,677,953
Internal Services	2,979,452	2,414,248	3,270,963	3,278,181
Debt Service	<u>5,207,203</u>	<u>5,376,548</u>	<u>5,033,599</u>	<u>4,523,431</u>
TOTAL	<u>19,643,796</u>	<u>20,189,713</u>	<u>22,614,984</u>	<u>22,237,680</u>
STAFFING LEVELS	121.50	124.00	129.25	126.25

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2007	FY2008	FY2009	FY2010
Personal Services	6,695,246	7,563,847	7,399,482	7,256,061
Materials, Supplies & Equipment	25,241,002	26,740,635	29,367,723	30,253,378
Internal Services	1,901,047	457,274	1,915,043	1,324,088
Debt Service	3,893,068	4,409,703	4,988,453	5,750,406
Depreciation	<u>6,307,970</u>	<u>5,644,453</u>	<u>6,158,688</u>	<u>6,158,688</u>
TOTAL	<u>44,038,332</u>	<u>44,815,912</u>	<u>49,829,389</u>	<u>50,742,621</u>
STAFFING LEVELS	106.50	107.00	105.75	102.75

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

MOTOR VEHICLE FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Materials, Supplies & Equipment	5,425,718	4,207,292	6,705,859	6,916,567
Internal Services	254,295	213,113	306,345	219,645
Debt Service	444,870	259,440	395,296	325,729
Capitalization	(2,457,061)	(784,063)	(3,300,000)	(3,275,000)
Depreciation	<u>2,398,701</u>	<u>2,583,725</u>	<u>3,215,980</u>	<u>2,664,621</u>
TOTAL	<u>6,066,523</u>	<u>6,479,507</u>	<u>7,323,480</u>	<u>6,851,562</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Materials, Supplies & Equipment	<u>743,057</u>	<u>1,404,012</u>	<u>1,255,250</u>	<u>0</u>
TOTAL	<u>743,057</u>	<u>1,404,012</u>	<u>1,255,250</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Personal Services in the General Fund have decreased by a total of \$94,792, due to a number of cuts detailed below. These reductions are partially offset by increases to employee Pension Contributions and Pension Healthcare benefits, as well as approximately \$7,700 in combined salaries and benefits for position upgrades.
- A total of three positions have been eliminated from the General Fund. This includes one Administrative Clerk II position, for a savings of \$51,832, as well as two Construction Inspector positions related to the street-cut oversight program, for a savings of \$51,832 each.
- An additional \$166,000 has been cut from Overtime. This is the result of across-the-board Overtime cuts, route and shift changes, and the year-round expansion of Operation Clean Sweep. This latter change will result in employees being able to perform cleaning tasks during normal work hours, rather than during a compressed schedule.
- Fees for the recycling program are budgeted to increase by \$250,000, as Recycle Bank has added a \$25 per ton disposal charge for recyclables due to the weak market demand for recycled goods. In addition, due to increased tonnage, landfill fees have increased by \$113,425. These are partially offset by the addition of \$26,325 to the Landfill Fees Rebate, which acts as a contra-expenditure.
- Professional fees, which includes Consultants, Engineering, and Temporary Agencies, has increased by \$87,000 to a new total of \$685,000. This is the result of a number of initiatives, including a study of the City's greenhouse emissions (\$60,000), City-wide climate measurement and reporting (\$60,000), and a bi-yearly assessment of roadway surface conditions (\$100,000). These increases are partially offset by a number of cuts, including a \$68,000 reduction in Temporary Agencies.
- In the Transportation / WILDOT division, the Traffic Signs and Signals line has been increased by \$300,000 to cover costs formerly paid from the Municipal Street Aid grant. However, as this grant will now be used primarily for street light electricity costs, Electricity has been decreased by \$300,000, resulting in a net change of zero.
- As part of the effort to balance the budget, a number of General Fund lines saw significant decreases. These include Printing (\$42,830), Advertising (\$28,000), Security Guard Service (\$38,200), and Contracted Maintenance Services (\$73,000).
- As a result of decreases in the existing debt service schedule and the addition of no new borrowing, overall General Fund debt service decreased by \$510,168.

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

- Total Personal Services in the Water/Sewer Fund are budgeted to decrease by \$143,421. This is mainly the result of the elimination of three vacant positions: the CSO Systems Supervisor for a savings of \$51,356, one Equipment Operator II for a savings of \$48,464, and one Technical Maintenance Mechanic I for a savings of \$49,846. Total staffing in the Water/Sewer Fund has decreased by three.
- Other Personal Services changes include the addition of two Water System asset management interns, for a Temporary Salaries increase of \$20,000, as well as an overall reduction of \$54,150 in Overtime.
- The cost of the chemicals used to purify and treat drinking water, as well as the chemical used to reduce the levels of pollutants in sewage, continues to rise in price well above the rate of general inflation. This year, chemical costs increased another \$350,000, to a new total of \$1,300,000.
- Contracted Maintenance Services increased by \$1,042,099, which includes a \$520,000 increase in the Veolia contract to operate and maintain at the City's sewage treatment plant. This contractual increase is tied to changes in mutually agreed upon inflation indices, including the Producer Price Index and a regional electricity cost index. In addition, maintaining the Real Time Control system infrastructure will cost \$300,000, with \$100,000 needed for the related radar supported rainfall data system. Lastly, pump upgrades and the addition of a sludge storage bunker at the Wastewater Treatment Plant will cost \$70,000 and \$71,400, respectively.
- Electricity costs in the Water System Division declined by \$170,000, to a new total of \$1,350,000, in order to better reflect prior year actual usage.
- As a result of the completion of some one-time projects and related analytical studies, significant reductions totaling \$916,000, or 22%, were made to the Professional Fees category. This includes net decreases of \$636,000 in engineering fees, \$190,000 in consultant fees, and \$150,000 in legal fees.
- Due to increases in the existing debt service schedule, as well as the addition of new State Revolving Fund debt and the advance borrowing for some 2008 Capital Budget projects during FY 2009, overall Water/Sewer Fund debt service increased by \$761,953.
- Total Internal Services chargebacks decreased by \$590,955, reflecting both reduced Internal Service Fund budgets, as well as reductions in projected Public Works internal service usage.

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

- An additional \$30,000 has been budgeted for Motor Fuels and Lubricants due to expected increases in fuel prices, as well as greater gasoline and diesel consumption.
- Due to cost increases projected to be part of the new vehicle maintenance contract, Contracted Maintenance Services has been increased by a total of \$70,000.
- The budget for non-targeted repairs to vehicles has increased by a net \$127,000 over FY 2009, to a new total of \$575,000. This is \$100,000 less than the total non-targeted repairs expected in FY 2010, as Risk Management is projected to reimburse approximately \$100,000 in accident costs to the Motor Vehicle Fund. Consequently, this amount has been added to the Risk Management budget to cover the reimbursement.
- In total, Debt Service is budgeted to decline by \$69,567, due to lower interest payments on existing leased vehicles, and reductions in planned new and replacement vehicle purchases.
- Depreciation costs have decreased by \$551,359, to a new total of \$2,664,621. This change is due to the reduction in the number of City-owned vehicles, increases in the average age of vehicles, as well as decreased first-year depreciation on new and replacement vehicles due to reduced purchasing.

**MAJOR FUNDING CHANGES FROM PRIOR YEAR
MUNICIPAL STREET AID**

- Due to budget cuts by the State of Delaware, the City of Wilmington will receive no Municipal Street Aid funding for FY 2010, a reduction of \$1,255,250 from the FY 2009 budget. FY 2009 encumbrances and fund balance from prior years' grants will be used to cover this reduction in funds. However, because these fund balances are one-time sources, additional resources will need to be found in FY 2011 if Municipal Street Aid funding is not restored.

DEPARTMENT OF PUBLIC WORKS PERFORMANCE INDICATORS

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

Objective: Schedule and coordinate approximately 12,000 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Special Pick-Ups	13,450	13,100	13,200	11,345	12,000

Goal #2: Provide leaf collection as required.

Objective: Collect at least 620 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Tons of Leaves	310	305	320	510	620

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Street Repairs (tons of "hot mix")	300	320	310	300	305

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #4: Minimize flooding problems and sewer backups.

Objective: Inspect and maintain approximately 150 miles of sewers and sewer inlets, thus limiting flooding problems.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Flood Problems	0	0	0	5	4

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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Preventative Maintenance Inspections	2,500	2,562	2,500	2,550	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 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL*	FY 2010 PROJECTED*
Percent Tipping Fee Savings, Net of Recycling Costs	4.5%	6.5%	8.0%	12.6%	-
Tipping Fees Savings, Net of Recycling Costs	\$115,000	\$171,000	\$208,000	\$247,000	-

* FY 2009 Actual estimated, based on most recent data. No savings projected for FY 2010 due to weak market for recycled goods. The City intends to maintain its recycling program due to the environmental benefits, and expects to see savings as the market improves.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

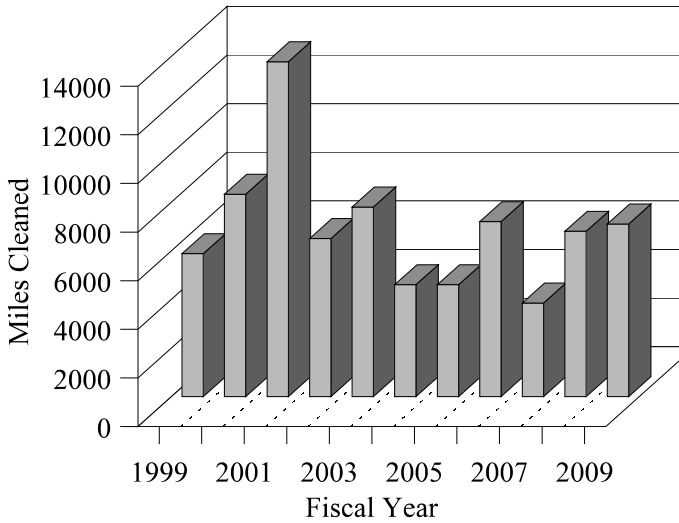
Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,900 tons of debris.

Goal #9 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,850	5,750	5,800	5,750	5,900

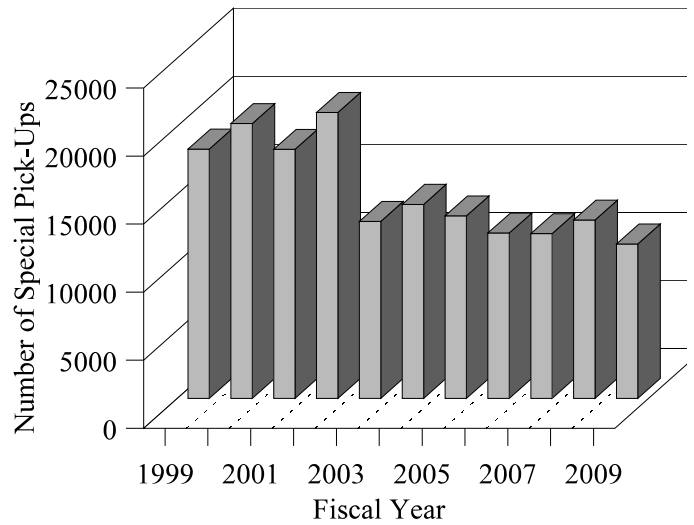
Department of Public Works Performance Trends

Miles of Streets Cleaned



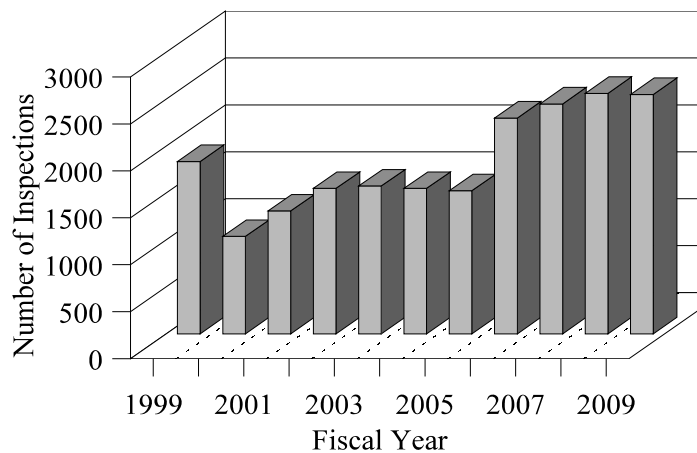
Aggressive management is required to maintain City streets in a litter free condition. FY 2001 reflects an expanded Spring Operation Clean Sweep program.

Special Pick-Ups



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

Preventative Maintenance Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
<u>PERSONAL SERVICES</u>				
Regular Salaries	3,612,829	4,192,516	4,775,450	4,800,218
Temporary Salaries	8,320	5,863	5,000	8,000
Acting Out of Class	5,864	29,668	20,500	26,812
Shift Differential	0	20	0	0
Sick Leave Bonus	0	6,750	8,400	4,900
Overtime	539,486	561,841	595,000	428,999
Holiday Pay	14,469	88,988	85,000	97,500
Meal Allowance	24,399	29,525	32,000	32,000
Internet Reimbursements	485	225	2,180	2,080
Pension Contribution	539,534	541,442	535,011	584,464
Social Security	259,290	300,808	341,679	329,738
Medicare Tax	60,853	70,778	79,940	77,142
Hospitalization	936,423	1,058,633	1,331,766	1,329,741
Life Insurance	16,708	19,088	25,170	25,134
Deferred Comp Contribution	0	0	14,880	0
Pension Healthcare	153,088	86,792	112,448	126,250
Personal Services Adjustment	0	0	(111,517)	(114,863)
TOTAL PERSONAL SERVICES	6,171,748	6,992,937	7,852,907	7,758,115
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	25,126	64,843	78,430	7,600
Communications & Utilities	878,449	658,271	1,128,300	815,300
Transportation	3,146	4,644	5,000	2,000
Rentals	404,904	84,095	133,600	108,000
Contracted Maintenance Repairs	1,051,304	1,324,930	1,352,000	1,421,900
Professional Fees	522,364	494,066	598,000	685,000
Other Fees	2,269,515	2,462,522	2,362,575	2,726,000
Memberships & Registrations	5,231	6,030	23,200	23,900
Miscellaneous Services	265,111	278,911	632,500	521,300
Office & General Supplies	3,009	5,143	28,951	24,470
Wearing Apparel & Safety Supplies	29,186	29,564	37,400	35,400
Miscellaneous Parts	110,069	112,340	131,584	118,083
Construction & Repairs	157,610	252,608	272,700	572,000
Equipment	16,137	15,778	15,600	10,500
Fixed Assets	16,020	28,629	49,850	25,000
Community Activities	14,474	0	0	0
Landfill Fees Rebate	(486,263)	(416,395)	(392,175)	(418,500)
TOTAL M., S. & E.	5,285,392	5,405,979	6,457,515	6,677,953

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Administrative Services	2,076,452	2,340,963	2,774,008	2,781,226
Self-Insurance	<u>903,000</u>	<u>73,285</u>	<u>496,955</u>	<u>496,955</u>
TOTAL INTERNAL SERVICES	2,979,452	2,414,248	3,270,963	3,278,181
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	11,685	11,448	0	0
Principal Payments	3,026,981	3,412,312	2,804,359	2,595,308
Interest Payments	<u>2,168,538</u>	<u>1,952,788</u>	<u>2,229,240</u>	<u>1,928,123</u>
TOTAL DEBT SERVICE	5,207,203	5,376,548	5,033,599	4,523,431
GENERAL FUND TOTAL	<u>19,643,796</u>	<u>20,189,713</u>	<u>22,614,984</u>	<u>22,237,680</u>

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

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	4,164,037	4,236,342	4,475,638	4,409,720
Temporary Salaries	0	756	5,000	25,000
Acting Out of Class	525	2,231	6,000	3,900
Shift Differential	7,551	6,589	10,000	7,800
Sick Leave Bonus	0	8,400	8,400	9,600
Overtime	759,120	702,940	762,000	707,850
Holiday Pay	145	4,134	5,000	4,875
Meal Allowance	26,344	26,564	29,000	28,500
Internet Reimbursements	405	525	2,660	2,500
Accrued Vacation Pay	(238,538)	304,486	0	0
Pension Contribution	517,972	562,054	515,536	529,521
Social Security	302,771	304,487	327,840	318,004
Medicare Tax	71,594	71,880	76,710	74,399
Hospitalization	989,848	945,643	1,049,280	1,010,467
Life Insurance	19,612	19,780	23,427	23,082
Pension Healthcare	73,859	367,038	92,002	102,750
Deferred Comp Contribution	0	0	12,840	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,851)</u>	<u>(1,907)</u>
TOTAL PERSONAL SERVICES	6,695,246	7,563,847	7,399,482	7,256,061

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

MATERIALS SUPPLIES & EQUIPMENT	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	APPROVED FY 2010
Printing & Advertising	28,325	52,274	31,562	68,930
Communications & Utilities	1,586,729	1,560,401	1,943,850	1,741,080
Transportation	6,577	9,061	15,000	14,000
Rentals	3,527	25,873	24,640	21,912
Contracted Maintenance Repairs	3,708,166	3,522,821	3,124,500	3,201,800
Professional Fees	1,444,066	2,572,103	4,127,000	3,211,000
Other Fees	521,825	574,524	602,000	584,000
Memberships & Registrations	29,164	47,098	53,500	60,272
Miscellaneous Services	14,130,968	13,824,198	15,193,307	16,190,006
Office & General Supplies	6,300	9,624	18,934	17,473
Wearing Apparel & Safety Supplies	29,083	23,222	48,620	38,040
Miscellaneous Parts	181,339	223,362	227,936	321,639
Petroleum & Chemicals	706,714	660,731	967,000	1,318,500
Construction & Repairs	143,842	317,185	162,000	407,750
Supporting Services	2,507,976	2,507,976	2,507,976	2,507,976
Equipment	69,018	760,181	259,898	469,000
Fixed Assets	8,000	0	5,000	0
Community Activities	51,000	50,000	55,000	80,000
Projects	78,384	0	0	0
TOTAL M., S. & E.	25,241,002	26,740,635	29,367,723	30,253,378
<u>INTERNAL SERVICES</u>				
Administrative Services	830,427	453,562	1,121,885	530,930
Self-Insurance	1,070,620	3,712	793,158	793,158
TOTAL INTERNAL SERVICES	1,901,047	457,274	1,915,043	1,324,088
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	31,155	100,753	87,918	132,024
Interest Payments	3,861,913	4,308,949	4,900,535	5,618,382
TOTAL DEBT SERVICE	3,893,068	4,409,703	4,988,453	5,750,406
<u>OTHER</u>				
Depreciation	6,307,970	5,644,453	6,158,688	6,158,688
TOTAL OTHER	6,307,970	5,644,453	6,158,688	6,158,688
WATER/SEWER FUND TOTAL	44,038,332	44,815,912	49,829,389	50,742,621

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Communications & Utilities	39,213	54,179	75,300	60,300
Transportation	1,200	9,232	16,500	41,500
Rentals	19,415	43,517	56,100	55,900
Contracted Maintenance Repairs	530,276	493,599	455,000	582,000
Professional Fees	65,700	45,400	95,000	95,000
Memberships & Registrations	1,238	1,461	2,500	2,500
Miscellaneous Services	1,551,438	1,606,480	1,665,000	1,735,000
Office & General Supplies	0	0	328	262
Miscellaneous Parts	2,226	5,472	15,131	14,105
Petroleum & Chemicals	737,468	1,145,111	1,025,000	1,055,000
Equipment	20,483	18,778	0	0
Fixed Assets	<u>2,457,061</u>	<u>784,063</u>	<u>3,300,000</u>	<u>3,275,000</u>
TOTAL M., S. & E.	5,425,718	4,207,292	6,705,859	6,916,567
<u>INTERNAL SERVICES</u>				
Administrative Services	122,051	58,356	164,017	77,317
Self-Insurance	<u>132,244</u>	<u>154,757</u>	<u>142,328</u>	<u>142,328</u>
TOTAL INTERNAL SERVICES	254,295	213,113	306,345	219,645
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Cost	103	1,229	11,424	1,220
Interest Payments	<u>444,767</u>	<u>258,211</u>	<u>383,872</u>	<u>324,509</u>
TOTAL DEBT SERVICE	444,870	259,440	395,296	325,729
<u>OTHER</u>				
Capitalized Expenditures	(2,457,061)	(784,063)	(3,300,000)	(3,275,000)
Depreciation	<u>2,398,701</u>	<u>2,583,725</u>	<u>3,215,980</u>	<u>2,664,621</u>
TOTAL OTHER	(58,360)	1,799,662	(84,020)	(610,379)
MOTOR VEHICLE FUND TOTAL	<u>6,066,523</u>	<u>6,479,507</u>	<u>7,323,480</u>	<u>6,851,562</u>

DEPARTMENT: PUBLIC WORKS

FUND: MUNICIPAL STREET AID

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Communications & Utilities	743,057	1,299,819	825,000	0
Construction and Repairs	0	104,193	430,250	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	743,057	1,404,012	1,255,250	0
MUNICIPAL STREET AID TOTAL	<u>743,057</u>	<u>1,404,012</u>	<u>1,255,250</u>	<u>0</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 stabilize and revitalize neighborhoods.

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

PRIORITIES FOR FISCAL YEAR 2010

- Continue to administer the Home Repair Loan Program to prevent major deterioration in existing properties.
- Increase homeownership opportunities in the City through involvement in direct and indirect development projects that meet the City's Housing Revitalization Strategy and Consolidated Plan goals.
- Continue to support the redevelopment and upgrade of affordable rental housing in the City.
- Continue addressing neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.
- Provide oversight to the Wilmington Housing Partnership (WHP) for housing projects in targeted neighborhood revitalization areas.
- Continue to strengthen monitoring procedures to assure program compliance and meet all federal expenditure requirements.
- To fully implement the Department's new integrated database management system.
- Fulfillment of obligatory allocation, expenditure and reporting requirements for Neighborhood Stabilization (NSP), Homelessness Prevention and Rapid Re-Housing Program (HPRP) and Community Development Block Grant-Recovery (CDBG-R) Stimulus grants received at the close of FY 2009.
- Complete the HUD-required Five-Year Consolidated Plan for FY 2011-2015.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	1,085,107	1,083,296	1,277,232	1,252,114
Materials, Supplies & Equipment	241,458	283,015	381,462	332,000
Internal Services	64,708	140,602	79,969	194,302
Debt Service	1,176,631	1,205,929	2,129,957	2,173,031
Special Purpose	<u>4,228,731</u>	<u>2,263,570</u>	<u>3,355,406</u>	<u>3,163,848</u>
TOTAL	<u>6,796,635</u>	<u>4,976,412</u>	<u>7,224,026</u>	<u>7,115,295</u>
STAFFING LEVELS	16.00	17.00	17.00	17.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	128,928	128,801	184,351	182,479
Materials, Supplies & Equipment	153,607	220,078	291,384	227,000
Internal Services	59,056	140,602	79,969	194,302
Debt Service	<u>1,176,631</u>	<u>1,205,929</u>	<u>2,129,957</u>	<u>2,173,031</u>
TOTAL	<u>1,518,222</u>	<u>1,695,410</u>	<u>2,685,661</u>	<u>2,776,812</u>
STAFFING LEVELS	1.60	2.20	2.41	2.43

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	891,467	885,195	1,006,846	963,462
Materials, Supplies & Equipment	43,601	62,281	90,078	105,000
Special Purpose	<u>1,250,795</u>	<u>1,705,225</u>	<u>2,073,799</u>	<u>1,671,002</u>
TOTAL	<u>2,185,863</u>	<u>2,652,701</u>	<u>3,170,723</u>	<u>2,739,464</u>
STAFFING LEVELS	13.28	14.28	13.38	13.05

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Personal Services	45,751	50,445	65,158	83,781
Materials, Supplies & Equipment	8,863	600	0	0
Special Purpose	<u>277,000</u>	<u>0</u>	<u>589,611</u>	<u>755,266</u>
TOTAL	<u>331,614</u>	<u>51,045</u>	<u>654,769</u>	<u>839,047</u>
STAFFING LEVELS	0.76	0.16	0.93	1.21

SECTION 8 FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2007	FY2008	FY2009	FY2010
Materials, Supplies & Equipment	34,490	0	0	0
Internal Services	5,652	0	0	0
Special Purpose	<u>1,884,304</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,924,446</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2007	FY2008	FY2009	FY2010
Personal Services	14,569	16,425	18,014	19,533
Materials, Supplies & Equipment	897	56	0	0
Special Purpose	<u>713,061</u>	<u>459,150</u>	<u>585,986</u>	<u>632,369</u>
TOTAL	<u>728,527</u>	<u>475,631</u>	<u>604,000</u>	<u>651,902</u>
STAFFING LEVELS	0.28	0.28	0.24	0.27

EMERGENCY SHELTER GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2007	FY2008	FY2009	FY2010
Personal Services	4,392	2,430	2,863	2,859
Special Purpose	<u>103,571</u>	<u>99,195</u>	<u>106,010</u>	<u>105,211</u>
TOTAL	<u>107,963</u>	<u>101,625</u>	<u>108,873</u>	<u>108,070</u>
STAFFING LEVELS	0.08	0.08	0.04	0.04

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

- \$100,000 for Foreclosure Counseling Services has been moved from the General Fund to the Community Development Block Grant Fund (CDBG). The program aids qualified City homeowners who have fallen behind on their mortgage payments due to circumstances beyond their control.
- The Disposition Cost account in the Rehabilitation Division increased \$35,000, to a new total of \$160,000, to pay for property management on non-CDBG properties in the City's inventory.
- Internal Services costs were increased by \$114,333 to a new total of \$194,302, mainly due to the increase in the usage of Data Processing (\$80,890), Motor Vehicle Costs (\$26,082) and Mapping and Graphics (\$10,227).
- Debt Service went up by \$43,074, to a total of \$2,173,031. This is based on existing debt service.

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Consultants account (\$51,500) is mainly for the development of the Five-Year Consolidated Plan which identifies funding levels for grant administration, program operations and grants to non-profit organizations. This plan includes Community Development Block Grant (CDBG), Home Investment Partnership Funds (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grants (ESG).
- The City received a \$26,511 increase in CDBG Funding over the prior year allocation.

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

- Collectively, the HOME, HOPWA and ESG Funds increased \$127,395 to a new total of \$1,495,037. This is mainly due to the increase in HOME and HOPWA Grants.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #1: Administer or fund housing programs to preserve existing occupied housing (including neighboring commercial facades); increase availability of affordable homeownership units through acquisition, rehab and new construction and increase availability of affordable rental housing.

Objective: Preserve, Rehabilitate or Construct 283* housing units throughout the City.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Home Repair Loan Program (CDBG)	40	44	40	30	45
Housing Rehabilitation (State: HRLP)	40	11	11	2	7
Acquisition and Rehabilitation (HOME) for Homeownership	0	5	10	1	6
Acquisition and Rehabilitation (NSP) for Homeownership	0	0	0	0	30
Acquisition for New Construction (CDBG)**	2	8	0	4	8
HUD Up-Front Grant*** (New Construction Homeownership)	0	0	16	0	16
Rental Housing (CDBG)	23	0	7	0	7
Tax Credit Projects (HOME/CDBG Rental)	18	0	45	9	11
Tenant-Based Rental Assisted Units (HOME)	10	0	10	0	10
De-Lead Delaware	52	52	46	3	9
Risk Assessments and Clearances	150	150	121	3	50
Facade-Residential****	47	74	60	47	80
Facade-Commercial	5	0	8	1	5
New Construction Home Ownership (HOME)	36	5	0	0	4
Total Occupied Rehabs	423	349	374	100	288

* Minus 5 projected commercial facade units

** Actual construction with non-CDBG Funds

*** Includes 3 market-rate, non-HUD units

**** Includes Franklin Chase, Prestwyck and Browntown

DEPARTMENT OF REAL ESTATE AND HOUSING PERFORMANCE INDICATORS

Goal #2: Eliminate slums and blighted properties that result in substandard living conditions.

Objective: Reduce the number of properties in RE&H property inventory to 55.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Vacant Properties Acquired	24	35	25	40	24
Vacant Properties Disposed	45	11	33	17	22
Units Demolished	2	8	7	3	8
Total Structures/Lots in Property Inventory	76	134	61	154	55

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

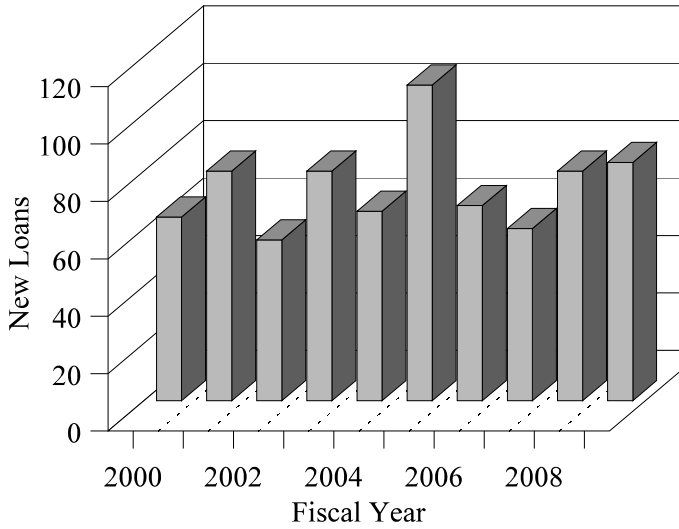
Objective: Administer funding for 26 Homeless and Transitional Housing, Fair Housing and related Public Service Projects.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 20.

CRITICAL INDICATOR	FY 2008 PROJECTED	FY 2008 ACTUAL	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	19	18	17	18	17
Miscellaneous Public Service and Admin. Projects	0	3	3	3	7
Fair Housing Grants (CDBG)	3	4	4	2	2
Total Number of Contracts	22	25	24	23	26

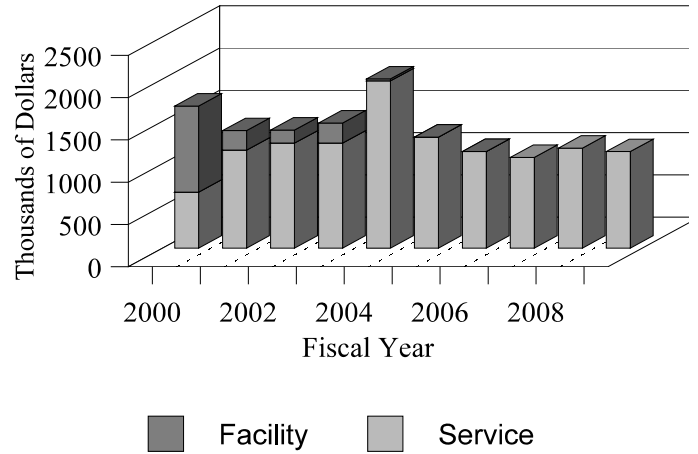
Department of Real Estate and Housing Performance Trends

Housing Rehabilitation Loans



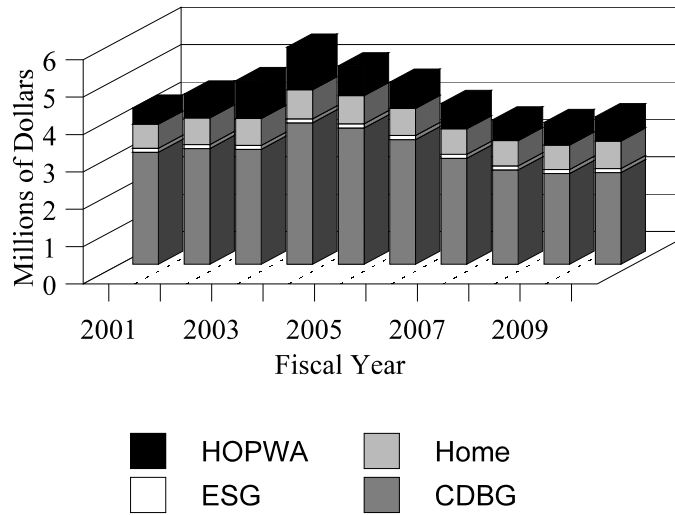
Does not include new construction, homeownership or rental housing loans and grants to developers.

Public Service/Public Facility Grants



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

Federal Funding Levels



Overall, FY2010 CDBG, ESG, HOME and HOPWA Funds increased approximately 4% from FY 2009 levels.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	90,098	93,394	138,233	140,033
Acting out of Class	217	0	0	0
Internet Reimbursements	315	0	0	0
Pension Contribution	13,155	12,170	15,200	15,062
Social Security	5,867	5,787	8,438	8,545
Medicare Tax	1,382	1,353	1,975	1,996
Hospitalization	15,424	14,089	25,483	22,007
Life Insurance	454	468	721	730
Pension Healthcare	2,016	1,540	2,093	2,410
Deferred Comp Contribution	0	0	270	0
Personal Services Adjustment	0	0	(8,062)	(8,304)
TOTAL PERSONAL SERVICES	128,928	128,801	184,351	182,479
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	228	293	384	1,000
Miscellaneous Services	5,289	5,356	6,000	6,000
Equipment	0	392	0	0
Community Activities	148,090	214,037	285,000	220,000
TOTAL M., S. & E.	153,607	220,078	291,384	227,000
 <u>INTERNAL SERVICES</u>				
Administrative Services	55,379	138,808	78,085	192,418
Self-Insurance	3,677	1,794	1,884	1,884
TOTAL INTERNAL SERVICES	59,056	140,602	79,969	194,302
 <u>DEBT SERVICE</u>				
Principal Payments	649,862	711,560	1,574,628	1,688,787
Interest Payments	526,769	494,369	555,329	484,244
TOTAL DEBT SERVICE	1,176,631	1,205,929	2,129,957	2,173,031
 GENERAL FUND TOTAL	 <u>1,518,222</u>	 <u>1,695,410</u>	 <u>2,685,661</u>	 <u>2,776,812</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	626,513	666,490	729,371	705,712
Temporary Salaries	24,344	7,238	5,000	0
Internet Reimbursements	0	0	500	2,000
Pension Contribution	82,223	63,067	77,889	77,073
Social Security	35,418	46,394	45,020	43,175
Medicare Tax	10,538	5,128	10,534	10,097
Hospitalization	90,089	90,179	120,046	107,197
Deferred Comp Contribution	0	0	1,619	0
Personal Services Adjustment	0	0	1,500	1,500
Pension-Healthcare	9,296	3,238	11,644	13,050
Life Insurance	<u>13,046</u>	<u>3,461</u>	<u>3,723</u>	<u>3,658</u>
TOTAL PERSONAL SERVICES	891,467	885,195	1,006,846	963,462
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	2,138	4,713	7,200	8,700
Transportation	3,489	6,198	6,500	5,900
Rentals	0	0	250	200
Professional Fees	24,300	34,473	38,678	51,500
Other Fees	0	2,660	6,000	6,000
Memberships & Registrations	4,502	5,610	8,750	8,500
Miscellaneous Services	2,888	1,707	12,000	10,500
Office & General Supplies	3,010	2,085	4,000	4,200
Wearing Apparel & Safety	2,332	2,960	4,000	6,000
Equipment	<u>942</u>	<u>1,875</u>	<u>2,700</u>	<u>3,500</u>
TOTAL M., S. & E.	43,601	62,281	90,078	105,000
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>1,250,795</u>	<u>1,705,225</u>	<u>2,073,799</u>	<u>1,671,002</u>
TOTAL SPECIAL PURPOSE	1,250,795	1,705,225	2,073,799	1,671,002
CDBG FUND TOTAL	<u>2,185,863</u>	<u>2,652,701</u>	<u>3,170,723</u>	<u>2,739,464</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Central YWCA-PS			10,000	10,000
Challenge Program			50,000	50,000
Clearance			305,000	275,000
DE Center for Justice Short-Term Housing			26,061	26,061
DE Center for Horticulture			60,000	75,000
Disposition & Property Management			100,000	50,000
Eastlawn Human Services Emergency Shelter			13,030	13,030
Facade Commercial and Residential Program			325,000	100,000
Fair Housing (to be determined by RFP)			30,000	30,000
Foreclosure Counseling Services-PS			60,000	75,000
HOME-Clayton Courts			57,486	0
Homeless Planning Council			17,860	17,860
Lutheran Community Services for the Homeless			21,718	21,718
Ministry of Caring/Hope House I			21,631	21,631
Ministry of Caring/Hope II and III			28,773	28,773
Ministry of Caring/House of Joseph I			16,166	16,166
Miscellaneous Housing Projects			248,142	177,831
Property Repair Fund			540,000	540,000
Salvation Army "Code Purple" Cold Weather			10,000	10,000
WEDCO (fee for loan collections)			20,000	20,000
West End Neighborhood House Lifelines Transit			30,405	30,405
YWCA Home Life Mngt. Transitional Housing			82,527	82,527
FY 2007 Expenditures	1,250,795		0	0
FY 2008 Expenditures	<u>0</u>	<u>1,705,225</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>1,250,795</u>	<u>1,705,225</u>	<u>2,073,799</u>	<u>1,671,002</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	31,746	37,017	47,571	63,815
Pension Contribution	4,152	2,884	4,496	6,639
Social Security	615	2,318	2,939	3,879
Medicare Tax	533	542	687	907
Hospitalization	6,148	7,274	8,404	7,000
Deferred Comp Contribution	0	0	115	0
Pension-Healthcare	707	228	810	1,210
Life Insurance	<u>1,850</u>	<u>182</u>	<u>136</u>	<u>331</u>
TOTAL PERSONAL SERVICES	<u>45,751</u>	<u>50,445</u>	<u>65,158</u>	<u>83,781</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>8,863</u>	<u>600</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>8,863</u>	<u>600</u>	<u>0</u>	<u>0</u>
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>277,000</u>	<u>0</u>	<u>589,611</u>	<u>755,266</u>
TOTAL SPECIAL PURPOSE	<u>277,000</u>	<u>0</u>	<u>589,611</u>	<u>755,266</u>
HOME PARTNERSHIP FUND TOTAL	<u>331,614</u>	<u>51,045</u>	<u>654,769</u>	<u>839,047</u>
<u>GRANTS & FIXED CHARGES DETAIL</u>				
CHDO Set-aside			98,215	110,260
Clayton Court Apts			350,000	0
Compton Apts			141,396	0
HOME Proposed Housing Projects			0	645,006
FY 2007 Expenditures	277,000		0	0
FY 2008 Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>277,000</u>	<u>0</u>	<u>589,611</u>	<u>755,266</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: SECTION 8

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Miscellaneous Services	5,350	0	0	0
Professional Fees	<u>29,140</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	34,490	0	0	0
<u>INTERNAL SERVICES</u>				
Administrative Services	<u>5,652</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	5,652	0	0	0
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>1,884,304</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SPECIAL PURPOSE	1,884,304	0	0	0
SECTION 8 FUND TOTAL	<u>1,924,446</u>	<u>0</u>	<u>0</u>	<u>0</u>

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	11,378	12,251	13,232	13,520
Pension Contribution	1,013	994	1,270	1,449
Social Security	349	756	814	833
Medicare Tax	159	177	190	195
Hospitalization	1,142	2,123	2,230	3,196
Pension-Healthcare	100	63	209	270
Deferred Comp Contribution	0	0	31	0
Life Insurance	<u>428</u>	<u>61</u>	<u>38</u>	<u>70</u>
TOTAL PERSONAL SERVICES	14,569	16,425	18,014	19,533
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>897</u>	<u>56</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	897	56	0	0
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>713,061</u>	<u>459,150</u>	<u>585,986</u>	<u>632,369</u>
TOTAL SPECIAL PURPOSE	713,061	459,150	585,986	632,369
HOPWA FUND TOTAL	<u>728,527</u>	<u>475,631</u>	<u>604,000</u>	<u>651,902</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Catholic Charities Homeless Prevention			34,000	45,000
Cecil County Emergency Assistance			23,000	45,000
DE HIV Consortium Housing Assistance			480,986	490,024
Ministry of Caring-House of Joseph II			48,000	52,345
FY 2007 Expenditures	713,061		0	0
FY 2008 Expenditures	<u>0</u>	<u>459,150</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>713,061</u>	<u>459,150</u>	<u>585,986</u>	<u>632,369</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

PERSONAL SERVICES	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Regular Salaries	3,242	1,794	2,066	2,028
Pension Contribution	408	153	203	229
Social Security	231	111	128	125
Medicare Tax	54	26	30	29
Hospitalization	383	328	390	397
Pension Healthcare	56	9	34	11
Deferred Comp Contribution	0	0	5	0
Life Insurance	18	9	7	40
TOTAL PERSONAL SERVICES	4,392	2,430	2,863	2,859
SPECIAL PURPOSE				
Miscellaneous Projects	103,571	99,195	106,010	105,211
TOTAL SPECIAL PURPOSE	103,571	99,195	106,010	105,211
EMERGENCY SHELTER GRANT FUND TOTAL	<u>107,963</u>	<u>101,625</u>	<u>108,873</u>	<u>108,070</u>
	ACTUAL	ACTUAL	BUDGET	APPROVED
GRANTS & FIXED CHARGES DETAIL	FY2007	FY2008	FY2009	FY2010
Salvation Army Emergency Housing			60,889	60,089
Sojourners Place Transitional Housing			33,011	33,012
SBM Housing Supportive Service			12,110	12,110
FY 2007 Expenditures	103,517		0	0
FY 2008 Expenditures	0	99,195	0	0
GRANTS & FIXED CHARGES TOTAL	<u>103,517</u>	<u>99,195</u>	<u>106,010</u>	<u>105,211</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.

In FY 2009 the remaining balance of the Commerce Fund was depleted. As a result, in FY 2010 all Port debt service and reimbursement revenue from the State have been moved and budgeted into the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Debt Service	5,346,243	5,328,830	3,694,096	3,646,267
TOTAL	<u>5,346,243</u>	<u>5,328,830</u>	<u>3,694,096</u>	<u>3,646,267</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Debt Service	0	0	0	3,646,267
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,646,267</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMERCE FUND DEPARTMENT OF COMMERCE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Debt Service	5,346,243	5,328,830	3,694,096	0
TOTAL	<u>5,346,243</u>	<u>5,328,830</u>	<u>3,694,096</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Principal Payments	0	0	0	3,131,865
Interest Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>514,402</u>
TOTAL DEBT SERVICE	0	0	0	3,646,267
 COMMERCE FUND TOTAL	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>3,646,267</u>

DEPARTMENT: COMMERCE

FUND: COMMERCE

DEBT SERVICE	ACTUAL FY2007	ACTUAL FY2008	BUDGET FY2009	APPROVED FY2010
Amortized Bond Issue & Discount	0	0	0	0
Principal Payments	4,250,394	4,432,334	2,973,376	0
Interest Payments	1,095,849	896,496	720,720	0
Other Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE	5,346,243	5,328,830	3,694,096	0
 COMMERCE FUND TOTAL	 <u>5,346,243</u>	 <u>5,328,830</u>	 <u>3,694,096</u>	 <u>0</u>

CAPITAL IMPROVEMENTS PROGRAM

AND

CAPITAL BUDGET

FOR

FISCAL YEARS 2010 - 2015

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 2010 - FY 2015 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

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

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

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

B. Nature of a Capital Project

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

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

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

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

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

1. Fiscal Borrowing Limit

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

2. Self-Sustaining Projects

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

3. Bond Life

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

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

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

2. New Replacing Existing

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

3. Upgrading Existing

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

4. **Restoring Existing**

Projects aimed at restoring an existing facility to its original capacity and/or quality of service. Examples include cleaning and relining of water mains, and minor capital 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 2010 - 2015

The proposed six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 5-09, totals \$198,367,500, with the FY 2010 Capital Budget in the amount of \$103,259,500 and the additional five year program adding \$95,108,000. 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 \$5,637,530.

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

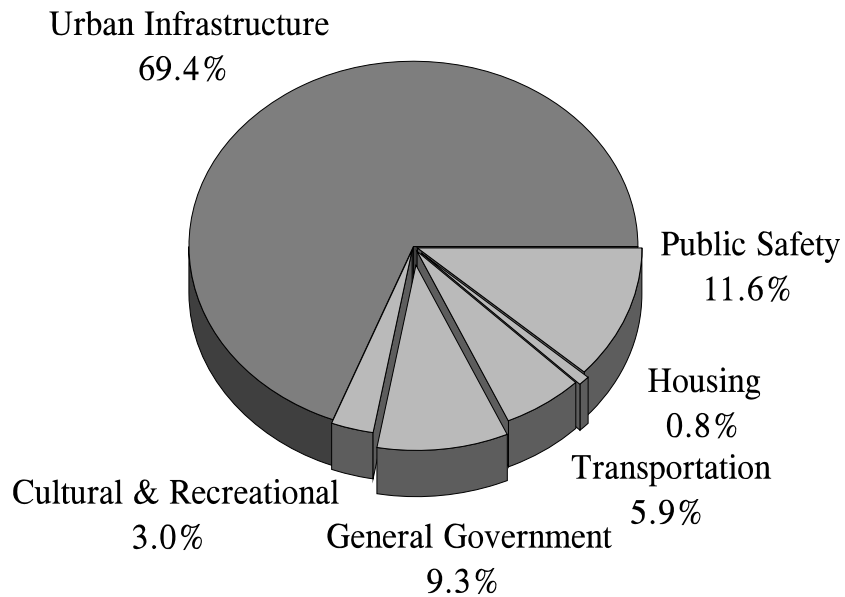
Estimated Annual Impact of Capital Spending on the Operating Budget

Department	Fund	Debt Service	Personal Services	M. S. & E.	Total
Finance	General	\$80,296	\$0	\$0	\$80,296
	Water/Sewer	83,925	0	0	83,925
Fire	General	875,697	0	(12,000)	863,697
Human Resources	General	68,760	0	0	68,760
Mayor's Office	General	376,728	0	15,000	391,728
Parks & Recreation	General	220,834	48,000	1,000	269,834
Police	General	38,200	0	(500)	37,700
Public Works	General	725,800	0	0	725,800
	Water/Sewer	2,796,750	86,000	22,000	2,904,750
Real Estate & Housing	General	61,120	0	0	61,120
Transportation	General	309,420	0	2,000	311,420
TOTAL		\$5,637,530	\$134,000	\$27,500	\$5,799,030

FUND		Debt Service	Personal Services	M. S. & E.	Total
General		\$2,756,855	\$48,000	\$5,500	\$2,810,355
Water/Sewer		2,880,675	86,000	22,000	2,988,675
TOTAL		\$5,637,530	\$134,000	\$27,500	\$5,799,030

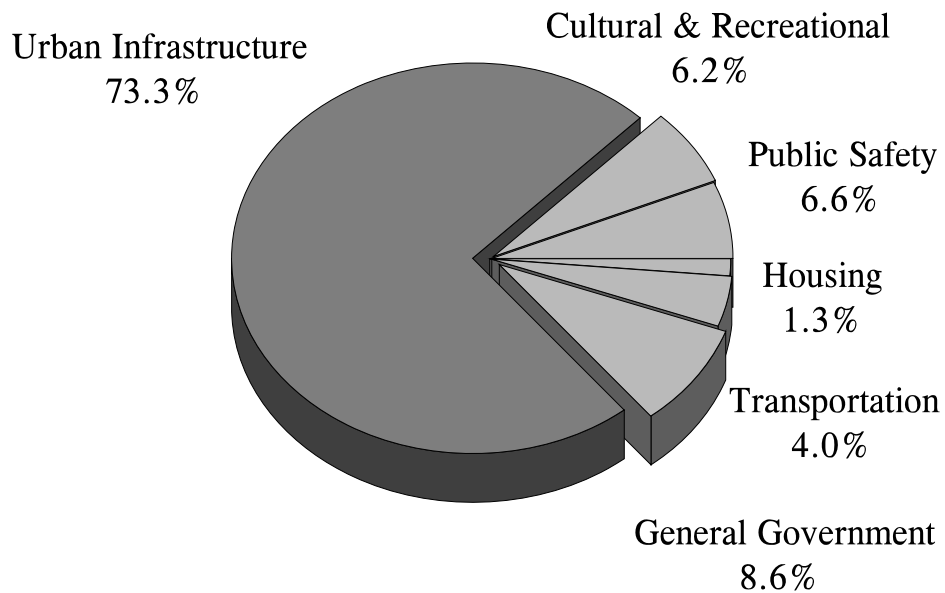
Capital Budget Allocations

Fiscal Years 2010-2011



Capital Program Allocations

Fiscal Years 2012-2015



**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
PARKS AND RECREATION	G	\$2,890,500	\$0	\$2,815,500	\$0	\$2,815,500	\$0	\$8,521,500	\$8,521,500
	O	160,000	0	150,000	0	150,000	0	0	460,000
PUBLIC WORKS	G	9,500,000	0	9,200,000	0	9,200,000	0	27,900,000	27,900,000
	W	62,150,000	0	37,830,000	0	13,480,000	0	113,460,000	113,460,000
HUMAN RESOURCES	G	900,000	0	0	0	0	0	900,000	900,000
FIRE	G	11,462,000	0	900,000	0	625,000	0	12,987,000	12,987,000
POLICE	G	500,000	0	0	0	4,750,000	0	5,250,000	5,250,000
FINANCE	G	1,051,000	0	593,000	0	629,000	0	2,273,000	2,273,000
	W	1,865,000	0	1,135,000	0	404,000	0	3,404,000	3,404,000
TRANSPORTATION	G	4,050,000	0	3,550,000	0	325,000	0	7,925,000	7,925,000
	O	2,000,000	0	0	0	0	0	0	2,000,000
OFFICE OF THE MAYOR	G	4,931,000	0	2,653,000	0	2,653,000	0	10,237,000	10,237,000
	O	1,000,000	0	0	0	0	0	0	1,000,000
REAL ESTATE & HOUSING	G	800,000	0	650,000	0	600,000	0	2,050,000	2,050,000
TOTAL BY FUND	G	\$36,084,500	\$0	\$20,361,500	\$0	\$21,597,500	\$0	\$78,043,500	\$78,043,500
	O	3,160,000	0	150,000	0	150,000	0	0	3,460,000
	W	64,015,000	0	38,965,000	0	13,884,000	0	116,864,000	116,864,000
GRAND TOTAL		\$103,259,500	\$0	\$59,476,500	\$0	\$35,631,500	\$0	\$194,907,500	\$198,367,500

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

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE CATEGORY

NAME OF DEPARTMENT	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
	2010	2011	2012	2013	2014	2015	
PARKS AND RECREATION							
NS	\$405,000	\$0	\$405,000	\$0	\$405,000	\$0	\$1,215,000
UE	985,000	0	985,000	0	985,000	0	2,955,000
RE	1,660,500	0	1,575,500	0	1,575,500	0	4,811,500
PUBLIC WORKS							
NS	14,550,000	0	16,110,000	0	800,000	0	31,460,000
NR	13,000,000	0	3,000,000	0	3,000,000	0	19,000,000
UE	23,000,000	0	11,020,000	0	1,880,000	0	35,900,000
RE	21,100,000	0	16,900,000	0	17,000,000	0	55,000,000
HUMAN RESOURCES							
NS	450,000	0	0	0	0	0	450,000
NR	450,000	0	0	0	0	0	450,000
FIRE							
NR	2,150,000	0	900,000	0	625,000	0	3,675,000
UE	9,312,000	0	0	0	0	0	9,312,000
POLICE							
NS	0	0	0	0	4,500,000	0	4,500,000
UE	500,000	0	0	0	250,000	0	750,000
FINANCE							
NS	619,000	0	586,000	0	263,000	0	1,467,000
NR	573,000	0	207,000	0	119,000	0	899,000
UE	1,041,000	0	381,000	0	95,000	0	1,517,000
RE	683,000	0	554,000	0	557,000	0	1,794,000
TRANSPORTATION							
NR	5,500,000	0	3,000,000	0	325,000	0	8,825,000
UE	550,000	0	550,000	0	0	0	1,100,000
OFFICE OF THE MAYOR							
NS	5,931,000	0	2,653,000	0	2,653,000	0	11,237,000
REAL ESTATE & HOUSING							
NS	300,000	0	350,000	0	400,000	0	1,050,000
UE	500,000	0	300,000	0	200,000	0	1,000,000
TOTAL BY CATEGORY							
NS	\$22,255,000	\$0	\$20,104,000	\$0	\$9,021,000	\$0	\$50,379,000
NR	21,673,000	0	7,107,000	0	4,069,000	0	30,849,000
UE	35,888,000	0	13,236,000	0	3,410,000	0	52,084,000
RE	23,443,500	0	19,029,500	0	19,132,500	0	61,595,500
GRAND TOTAL	\$103,259,500	\$0	\$59,476,500	\$0	\$35,632,500	\$0	\$194,907,500

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

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

PARKS & RECREATION DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS							TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015			
Anderson Center Renovations Phase VI	RE G	\$460,000	\$0	\$460,000	\$0	\$460,000	\$0	\$460,000	\$1,380,000	\$1,380,000
County Park Recovery	UE G	345,000	0	345,000	0	345,000	0	345,000	1,035,000	1,035,000
Courts Renovations/Reconstruction	RE G	425,500	0	425,500	0	425,500	0	425,500	1,276,500	1,276,500
Park Signage	UE G	30,000	0	30,000	0	30,000	0	30,000	90,000	90,000
Playground Improvements	UE G	460,000	0	460,000	0	460,000	0	460,000	1,380,000	1,380,000
	O	150,000	0	150,000	0	150,000	0	150,000	0	450,000
Plaza, Squares & Monument Renovations	RE G	115,000	0	115,000	0	115,000	0	115,000	345,000	345,000
Swimming Pool Improvements	RE G	575,000	0	575,000	0	575,000	0	575,000	1,725,000	1,725,000
UPARR/Recovery Action Plan	RE G	75,000	0	0	0	0	0	0	75,000	75,000
		10,000	0	0	0	0	0	0	0	10,000
Wilmington Beautification Commission	NS G	405,000	0	405,000	0	405,000	0	405,000	1,215,000	1,215,000
TOTAL BY FUND		\$2,890,500	\$0	\$2,815,500	\$0	\$2,815,500	\$0	\$2,815,500	\$8,521,500	\$8,521,500
	O	160,000	0	150,000	0	150,000	0	150,000	0	460,000
TOTAL PARKS AND RECREATION FUNDS		\$3,050,500	\$0	\$2,965,500	\$0	\$2,965,500	\$0	\$2,965,500	\$8,521,500	\$8,981,500

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
City/County Building Renovations	UE G	\$2,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$4,000,000	\$4,000,000
Emergency Sidewalk Renovations	RE G	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
Street Paving & Reconstruction	RE G	7,000,000	0	7,700,000	0	7,700,000	0	22,400,000	22,400,000
Annual Minor Sewer Construction & Drainage	RE W	2,600,000	0	2,700,000	0	2,800,000	0	8,100,000	8,100,000
Annual Water Improvements	RE W	6,000,000	0	6,000,000	0	6,000,000	0	18,000,000	18,000,000
Architectural Rehabilitation	RE W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
Brandywine Filter Plant Improvements	UE W	5,000,000	0	0	0	0	0	5,000,000	5,000,000
Hoopes Phase II	UE W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
Large Transmission Main Project	NR W	10,000,000	0	0	0	0	0	10,000,000	10,000,000
Mitigate CSO at Locations 23 & 24	NS W	2,400,000	0	0	0	0	0	2,400,000	2,400,000
Permanent Sewer Flow Monitors	NS W	200,000	0	0	0	0	0	200,000	200,000
Porter Filter Plant Improvements	UE W	2,000,000	0	880,000	0	880,000	0	3,760,000	3,760,000
Public Housing Sewer Tie-Ins	NS W	800,000	0	800,000	0	800,000	0	2,400,000	2,400,000
Pumping Improvements	NR W	3,000,000	0	3,000,000	0	3,000,000	0	9,000,000	9,000,000
South Wilmington Wetland Park	NS W	11,150,000	0	14,110,000	0	0	0	25,260,000	25,260,000

Continued

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2010	2011	2012	2013	2014	2015			
TMDL - Little Mill Creek	NS	W	\$0	\$0	\$1,200,000	\$0	\$0	\$0	\$1,200,000	\$1,200,000
Water Storage Improvements	RE	W	3,000,000	0	0	0	0	0	3,000,000	3,000,000
Water System Energy Conservation Measures	UE	W	10,000,000	0	0	0	0	0	10,000,000	10,000,000
WWTP Headworks	UE	W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
11th Street Pumping Station Upgrade	UE	W	0	0	9,140,000	0	0	0	9,140,000	9,140,000
TOTAL BY FUND			\$9,500,000	\$0	\$9,200,000	\$0	\$9,200,000	\$0	\$27,900,000	\$27,900,000
			62,150,000	0	37,830,000	0	13,480,000	0	113,460,000	113,460,000
TOTAL PUBLIC WORKS FUNDS			\$71,650,000	\$0	\$47,030,000	\$0	\$22,680,000	\$0	\$141,360,000	\$141,360,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

DEPARTMENT OF HUMAN RESOURCES: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
NR	G	\$450,000	\$0	\$0	\$0	\$0	\$0	\$450,000	\$450,000
NS	G	450,000	0	0	0	0	0	450,000	450,000
TOTAL BY FUND	G	\$900,000	\$0	\$0	\$0	\$0	\$0	\$900,000	\$900,000
TOTAL HUMAN RESOURCES FUNDS		\$900,000	\$0	\$0	\$0	\$0	\$0	\$900,000	\$900,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015	
NR	G	\$2,150,000	\$0	\$900,000	\$0	\$625,000	\$0	\$3,675,000
UE	G	9,312,000	0	0	0	0	0	9,312,000
TOTAL BY FUND	G	\$11,462,000	\$0	\$900,000	\$0	\$625,000	\$0	\$12,987,000
TOTAL FIRE FUNDS		\$11,462,000	\$0	\$900,000	\$0	\$625,000	\$0	\$12,987,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
A/C Lever Unit for 911 Center	UE G	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000	\$80,000
Public Safety Bldg. Improvements	UE G	420,000	0	0	0	0	0	420,000	420,000
Special Operations Facility	NS G	0	0	0	0	4,500,000	0	4,500,000	4,500,000
Weapons Range Improvements	UE G	0	0	0	0	250,000	0	250,000	250,000
TOTAL BY FUND	G	\$500,000	\$0	\$0	\$0	\$4,750,000	\$0	\$5,250,000	\$5,250,000
TOTAL POLICE FUNDS		\$500,000	\$0	\$0	\$0	\$4,750,000	\$0	\$5,250,000	\$5,250,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS							TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015			
	G	\$1,051,000	\$0	\$593,000	\$0	\$629,000	\$0	\$2,273,000	\$2,273,000	
	W	1,865,000	0	1,135,000	0	404,000	0	3,404,000	3,404,000	
Cost of Bond Issue (General Fund)										
	G	\$1,051,000	\$0	\$593,000	\$0	\$629,000	\$0	\$2,273,000	\$2,273,000	
	W	1,865,000	0	1,135,000	0	404,000	0	3,404,000	3,404,000	
TOTAL BY FUND										
TOTAL FINANCE FUNDS										
		\$2,916,000	\$0	\$1,728,000	\$0	\$1,033,000	\$0	\$5,677,000	\$5,677,000	

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

DIVISION OF TRANSPORTATION: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS										TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
		2010	2011	2012	2013	2014	2015	TOTAL CITY FUNDS 6 YEAR PERIOD					
NR	G	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000
	O	2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000
NR	G	0	0	0	0	325,000	0	0	0	0	0	325,000	325,000
UE	G	550,000	0	550,000	0	0	0	0	0	0	0	1,100,000	1,100,000
NR	G	3,000,000	0	3,000,000	0	0	0	0	0	0	0	6,000,000	6,000,000
TOTAL BY FUND		\$4,050,000	\$0	\$3,550,000	\$0	\$325,000	\$0	\$0	\$0	\$0	\$0	\$7,925,000	\$7,925,000
	O	2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL TRANSPORTATION FUNDS		\$6,050,000	\$0	\$3,550,000	\$0	\$325,000	\$0	\$0	\$0	\$0	\$0	\$7,925,000	\$9,925,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015		
NS	G	\$2,653,000	\$0	\$2,653,000	\$0	\$2,653,000	\$0	\$7,959,000	\$7,959,000
NS	G	1,500,000	0	0	0	0	0	1,500,000	1,500,000
	O	1,000,000	0	0	0	0	0	0	1,000,000
NS	G	778,000	0	0	0	0	0	778,000	778,000
TOTAL BY FUND		\$4,931,000	\$0	\$2,653,000	\$0	\$2,653,000	\$0	\$10,237,000	\$10,237,000
	O	1,000,000	0	0	0	0	0	0	1,000,000
TOTAL MAYOR'S OFFICE FUNDS		\$5,931,000	\$0	\$2,653,000	\$0	\$2,653,000	\$0	\$10,237,000	\$11,237,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

**CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2010-2015**

REAL ESTATE & HOUSING DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2010	2011	2012	2013	2014	2015	
NS	G	\$300,000	\$0	\$350,000	\$0	\$400,000	\$0	\$1,050,000
UE	G	500,000	0	300,000	0	200,000	0	1,000,000
TOTAL BY FUND	G	\$800,000	\$0	\$650,000	\$0	\$600,000	\$0	\$2,050,000
TOTAL REAL ESTATE & HOUSING FUNDS		\$800,000	\$0	\$650,000	\$0	\$600,000	\$0	\$2,050,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 232-233)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2010 - 2015

A. DEPARTMENT OF FINANCE

The figures provided in the budget and program summary sheets for 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). Five Percent for Art is currently included under the Mayor's Office.

B. FIRE DEPARTMENT

1. Apparatus Replacement

Budget Request: \$2,150,000.
Program Request: \$1,525,000.

Budget: Replacement of various fire apparatus, including rescue, pumper and aerial ladder trucks due to age, wear and tear, and continued maintenance issues.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$164,260</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Fire Station Renovations

Budget Request: \$9,312,000.
Program Request: \$0.

Budget: Planned building renovations to Fire Stations #2, #3, #4 and #6, to include upgrades to the HVAC systems, living areas, apparatus areas and restrooms in accordance with an approved Master Plan.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$711,437</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$12,000)</i>

C. HUMAN RESOURCES DEPARTMENT

1. **HR/PR Software Conversion**

Budget Request: \$450,000.
Program Request: \$0.

Budget: Replacement of the MUNIS software with a KRONOS Payroll/Human Resources Module to improve the management of the non-uniformed City workforce.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$34,380</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. **KRONOS Timekeeping System - Phase II**

Budget Request: \$450,000.
Program Request: \$0.

Budget: To implement Phase II of the KRONOS automated employee timekeeping software system, to improve the tracking and management of employee payroll and benefits. Includes the installation of the Workforce Timekeeper and Accruals Modules and the Leave Management Module for the Police Department.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$34,380</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

D. OFFICE OF THE MAYOR

1. **Acquisition and Site Improvement**

Budget Request: \$2,653,000.
Program Request: \$5,306,000.

Budget: Funds to leverage private redevelopment opportunities in South Wilmington and at other city-wide sites. Activities will include land acquisition, construction of new roads and utilities, and site preparation including environmental remediation. Funds will be used in conjunction with State HSCA and/or transportation funds.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$202,689
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. **Emergency Operations Command Center**

Budget Request: \$1,500,000. (Other Funds: \$1,000,000.)
Program Request: \$0.

Budget: Matching funds to provide for the planning, engineering, site work, construction and necessary equipment to establish a City emergency operational center.

Program: None.

<i>Annual Debt Service Impact</i>	\$114,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$15,000

3. **Five Percent for Art**

Budget Request: \$778,000.
Program Request: \$0.

Budget: Budget: This sum of money will be used for the ornamentation of public buildings or structures. Alternately, funds will be placed within the art work reserve fund for future use.

Program: None.

<i>Annual Debt Service Impact</i>	\$59,439
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

E. PARKS AND RECREATION

1. **Anderson Center Renovation Phase VI**

Budget Request: \$460,000.
Program Request: \$920,000.

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$35,144
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$6,000)

2. **County Park Recovery**

Budget Request: \$345,000.
Program Request: \$690,000.

Budget: Funding for upgrades to City parks and ballfields formerly maintained by the County. Improvements to parking lots, utility roads, and ball fields will include items such as paving, lighting, and fencing.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$26,358
<i>Annual Operational Impact Personal Services</i>	\$50,000
<i>Annual Operational Impact M. S. & E.</i>	\$5,000

3. **Courts Renovations/Reconstruction**

Budget Request: \$425,500.
Program Request: \$851,000.

Budget: Reconstruction of damaged basketball and tennis courts and the replacement of interior park walkways throughout the City.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$32,508
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. **Park Signage**

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

Budget: Standardization of park identification signage throughout the City.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$2,292
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

5. **Playground Improvements**

Budget Request: \$460,000. (Other Funds: \$150,000.)
Program Request: \$920,000. (Other Funds: \$300,000.)

Budget: Funding for periodic improvements, additions and upgrades to the older playground equipment in the Parks system, in order to maintain safety standards.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$35,144
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

6. **Plazas, Squares & Monument Renovations**

Budget Request: \$115,000.
Program Request: \$230,000.

Budget: Renovations and restorations to various city plazas, public squares, and monuments, including site work, landscaping, lighting, paving and fencing improvements where necessary.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$8,786
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$1,000

7. **Swimming Pool Improvements**

Budget Request: \$575,000.
Program Request: \$1,150,000.

Budget: Funds various pool improvements, including the conversion of the baby pool located at the Price Pool grounds, into a spray ground with new filter and plumbing; and general improvements to the Foster Brown Pool.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$43,930</i>
<i>Annual Operational Impact Personal Services</i>	<i>(\$2,000)</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$1,000)</i>

8. **UPARR/Recovery Action Plan**

Budget Request: \$75,000. (Other Funds: \$10,000.)
Program Request: \$0.

Budget: Funds a Recovery Action Plan which evaluates Wilmington's current park system. This Plan allows the City to apply for Federal grants through the Urban Parks Recovery and Rehabilitation Program.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$5,730</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. **Wilmington Beautification Commission**

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

Budget: Planning and installation of various design and landscape elements at parks and plazas, and 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>	<i>\$30,942</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$2,000</i>

F. POLICE DEPARTMENT

1. **Air Conditioning Lever Unit for 911 Center**

Budget Request: \$80,000.
Program Request: \$0.

Budget: Funds the installation of an air conditioning lever unit to control heat buildup generating from computer and transmitting systems in the 911 Center.

Program: None.

Annual Debt Service Impact \$6,112
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$2,000

2. **Public Safety Building Improvements**

Budget Request: \$420,000.
Program Request: \$0.

Budget: Repairs and improvements to the Public Safety Building, including: 1) redesign of the rain water conductor system; 2) replacement of the four main boilers; and 3) installation of a dry sprinkler system for the generator room.

Program: None.

Annual Debt Service Impact \$32,088
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$2,500)

3. **Special Operations Facility**

Budget Request: \$0.
Program Request: \$4,500,000.

Budget: None.

Program: Acquisition or construction of a facility to house: 1) the Special Operations Division; 2) the Wilmington Police Academy; and 3) a garage for the motorcycle unit. The academy will act as the focal point for advanced training for sworn officers, and as a center for recruit training and instruction. This facility could also be used by the Fire Department for advanced instruction courses.

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

4. **Weapons Range Improvements**

Budget Request: \$0.
Program Request: \$250,000.

Budget: None.

Program: Funding improvements to the Police Weapons Range, include resurfacing, additions to the target range, and construction of a “simmunitions” house for practical exercises in lethal force confrontation.

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

G. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. **City/County Building Renovations**

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

Budget: To provide for costs associated with additions and renovations being made to the City/County Building and other municipal building locations.

Program: Ongoing.

Annual Debt Service Impact \$152,800
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. **Emergency Sidewalk Renovations**

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

Budget: To provide for repairs to unsafe sidewalks as identified by the Department of Licensing and Inspections.

Program: Ongoing.

Annual Debt Service Impact \$38,200
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. **Street Paving and Reconstruction**

Budget Request: \$7,000,000.
Program Request: \$15,400,000.

Budget: To provide funds for routine street paving, reconstruction and maintenance of deteriorated roadways throughout the City to maintain roadway infrastructure. Includes railroad track removal, minor street extensions, traffic islands, and intersection reconstruction.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$534,800
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

Water/Sewer Fund Projects

1. **Annual Minor Sewer Construction and Drainage**

Budget Request: \$2,600,000.
Program Request: \$5,500,000.

Budget: 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>	\$117,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. **Annual Water System Improvements**

Budget Request: \$6,000,000.
Program Request: \$12,000,000.

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$270,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. **Architectural Rehabilitation**

Budget Request: \$2,000,000.
Program Request: \$0.

Budget: Architectural repairs and restoration of historical structures in the water system, including the documentation and removal of boilers and the riverside wall restoration of the boiler building at the Brandywine Filter Plant.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$90,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. **Brandywine Filter Plant Improvements**

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

Budget: Funds to continue improvements to the system, including the installation of pipelines in the underground portion of the Brandywine Raceway, and the overhaul of the head gates.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$225,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

5. **Hoopes Dam**

Budget Request: \$2,000,000.
Program Request: \$0.

Budget: To provide for Phase II improvements at Hoopes Reservoir, which address the condition of the concrete face of the dam.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$90,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

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

Budget Request: \$10,000,000.
Program Request: \$0.

Budget: Completion of the installation of the 48" finished water transmission main to assure system reliability.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$450,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

7. **Mitigate CSO at Locations 23 and 24**

Budget Request: \$2,400,000.
Program Request: \$0.

Budget: Mitigation of TMDL (Total Maximum Daily Load) requirements for the combined sewer overflows (CSO) along the Brandywine Creek in the vicinity of CSO 23 and CSO 24.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$108,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. **Permanent Sewer Flow Monitors**

Budget Request: \$200,000.
Program Request: \$0.

Budget: Funding for the installation of additional sewer flow monitors to verify compliance with CSO mitigation requirements.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$9,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$1,000</i>

9. **Porter Filter Plant Improvements**

Budget Request: \$2,000,000.
Program Request: \$1,760,000.

Budget: Treatment improvements necessary to meet the new Safe Drinking Water Act regulations for water quality and to improve operational efficiency. Improvements to chemical feed systems, baffle wall and tower restoration at the Porter raw water reservoir.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$90,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$5,000</i>

10. **Public Housing Sewer Tie-Ins (Formerly City Sewer Construction)**

Budget Request: \$800,000.
Program Request: \$1,600,000.

Budget: Funding of the City's contribution towards public housing construction, for sewer tie-ins and the mitigation of flooding.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$36,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

11. **Pumping Improvements**

Budget Request: \$3,000,000.
Program Request: \$6,000,000.

Budget: None.

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

<i>Annual Debt Service Impact</i>	<i>\$135,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

12. **South Wilmington Wetland Park**

Budget Request: \$11,150,000.
Program Request: \$14,110,000.

Budget: Funds to create a storm water mitigation wetland area in South Wilmington, to include the acquisition of property and rights of way and the construction of the storm water management facility.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$501,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$43,000</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$8,000</i>

13. **TMDL - Little Mill Creek**

Budget Request: \$0.
Program Request: \$1,200,000.

Budget: None.

Program: Program to mitigate the level of pollutants (Total Maximum Daily Load) in Little Mill Creek.

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

14. **Water Storage Improvements**

Budget Request: \$3,000,000.
Program Request: \$0.

Budget: Funding for necessary improvements to reestablish service at the Rodney Street Reservoir (high service zone).

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$135,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$43,000</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$8,000</i>

15. **Water System Energy Conservation Measures**

Budget Request: \$10,000,000.
Program Request: \$0.

Budget: Improvements to water pumping and heating systems to implement energy conservation measures.

Program: None.

<i>Annual Debt Service Impact</i>	\$450,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

16. **Waste Water Treatment Plant Head Works**

Budget Request: \$2,000,000.
Program Request: \$0.

Budget: Head works improvements to improve the flow through the waste water treatment plant at its head end, improving the ability to pump combined sewage to the plant.

Program: None.

<i>Annual Debt Service Impact</i>	\$90,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

17. **11th Street Pumping Station Upgrade**

Budget Request: \$0.
Program Request: \$9,140,000.

Budget: None.

Program: To bring the 11th Street Pumping Station into compliance with current codes and standards for reliability, and to assist with the CSO mitigation program.

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

H. REAL ESTATE AND HOUSING

1. **Acquisition and Demolition**

Budget Request: \$300,000.
Program Request: \$750,000.

Budget: Funding to enable the purchase of vacant land and/or structures, including demolition costs, for future development or neighborhood stabilization efforts.

Program: Ongoing.

Annual Debt Service Impact \$22,920
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. **Infrastructure Improvements**

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

Budget: Funding of infrastructure improvements for the future redevelopment of the City-owned Diamond Salvage site.

Program: Ongoing.

Annual Debt Service Impact \$38,200
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

I. TRANSPORTATION

1. **Bridge Improvements**

Budget Request: \$500,000. (Other Funds: \$2,000,000.)
Program Request: \$0.

Budget: Provides the local matching funds needed for the replacement of Hay Road Bridge, which serves as an emergency evacuation route and local detour route.

Program: None.

Annual Debt Service Impact \$38,200
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. **Controller Cabinet Replacement**

Budget Request: \$0.
Program Request: \$325,000.

Budget: None.

Program: Replacement of twenty five solid state traffic controller cabinets, as their useful life expires (10 year life span).

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

3. **Traffic System Infrastructure**

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

Budget: Implementation of Improved Readability of Street Name Signs program and to provide for the purchase of traffic controllers, traffic-signals, pedestrian-signals, and decorative street lighting infrastructure to maintain the existing traffic control system.

Program: Ongoing.

Annual Debt Service Impact \$42,020
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$2,000

4. **Wilmington Transportation Initiatives**

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

Budget: Provides local matching funds for Wilmapco TIP, Transportation Enhancement, and legislator-sponsored projects, as well as city wide lighting improvements and the installation of pedestrian ADA curb ramps. Implementation of “smart” street light technology.

Program: Ongoing.

Annual Debt Service Impact \$229,200
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

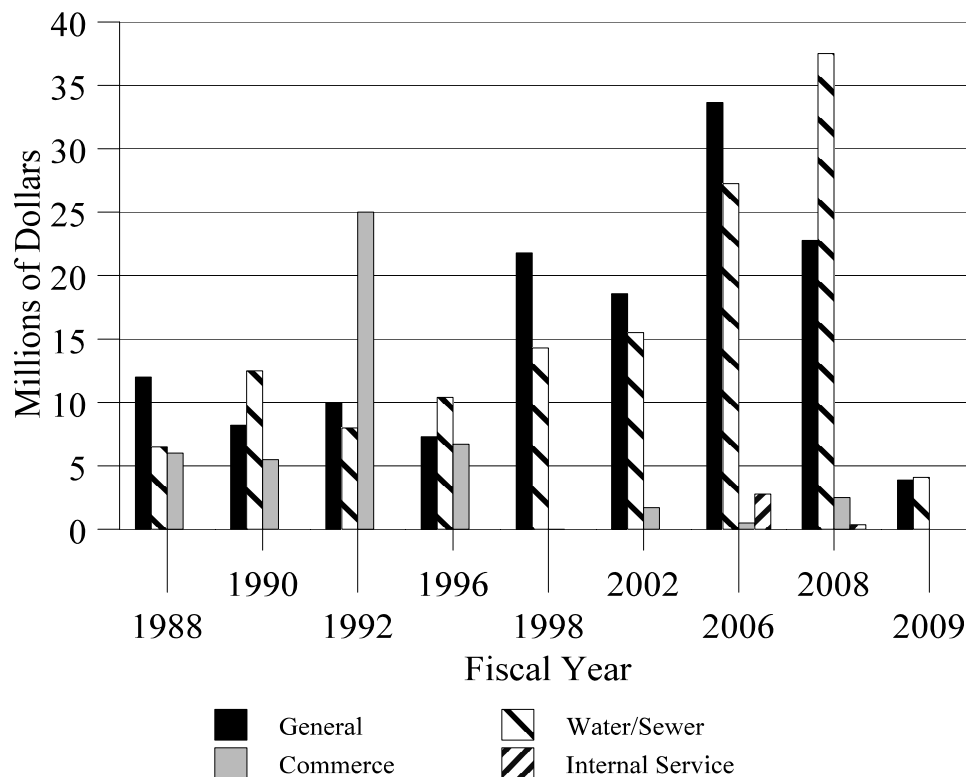
CAPITAL BORROWING & DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1988 and ending in 2009. Amounts shown were expended on capital projects within the stated fund. In fiscal years 1989, 1994, 2002, 2005, 2007, and 2008, the City issued bonds to refinance past obligations at lower interest rates. These refinancings are not included in the graph. (In 2008, the City issued bonds for both refunding and new projects; only the new projects portion is show below.) In fiscal years 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

The City's aggressive position in maintaining its infrastructure results in debt levels and debt servicing requirements slightly higher than peer groups. Overall debt levels have risen due to the expanded servicing area of the Water/Sewer Fund, numerous capital improvements, and the past operations of the Port of Wilmington. However, debt service levels are well within the legal debt limit of 17.5% of operating costs as mandated by the State of Delaware. (This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.) With the Fiscal Year 2010 General Fund Operating Budget totaling \$145,605,706, the budgeted debt service of \$17,415,753 is well below the 17.5% legal debt limit of \$25,480,999.

20-Year Historical General Obligation Borrowing



CAPITAL BORROWING & DEBT MANAGEMENT **(Continued)**

Uses of Debt Obligations

The City of Wilmington issues debt in order to fund its biennial Capital Improvements Program. Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds, with recent years' larger increases reflecting the City's expanded efforts. For instance, from Fiscal Years 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 borrowing during 2006 and 2008 reflected similar goals, with increases in the General and Water/Sewer Funds resulting from a variety of capital improvements including Christina Landing development, construction of the new Municipal Complex which serves both the Parks and Public Works departments, and ongoing repairs and upgrades to the City's water and sewer infrastructure, facilities, and reservoirs.

The City deferred issuing new debt for the majority of its capital improvements program during 2009. New borrowing was significantly less than in prior years, and included a small number of Water/Sewer projects, as well as portion of the Market Street redevelopment project.

Before its sale to the State of Delaware, the City recognized the importance of its port facilities (Commerce Fund) to Wilmington's economy, and therefore made concerted efforts to expand and improve these facilities. In 1992, \$18.8 million was borrowed for warehousing improvements in order to maintain the Port's competitiveness. Realizing that the continued maintenance, upgrading and expansion of Port operations were beyond what it could provide, in 1996 the City sold the Port to the State of Delaware. (The debt service for the Port, however, remains on the City's books and is reimbursed by the State.) Subsequent Commerce Fund borrowing was used to support economic development activity. In 2009, all funds remaining from the sale of the Port were depleted. Consequently, future economic development borrowing, as well as existing Port debt, will be included in the General Fund.

Debt Management Policies

The City takes a conservative approach to debt management, which is exemplified by its requirements that debt be structured so as 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), borrowing be opportunistic in regard to market conditions and special issues, and refinancing opportunities be exploited when available. 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 support from outside financial and legal specialists that form the City's Bond Council.

CAPITAL BORROWING & DEBT MANAGEMENT

(Continued)

The bulk of the City's Capital Improvement Program has traditionally been funded through general obligation bonds issued by the City and repaid out of the appropriate departmental operating budgets over a 20 year period, though 5 to 10 year bonds have been issued in special circumstances. Normally, general obligation bonds are issued for fixed asset purchases, infrastructure maintenance, and capital improvement projects. The City also uses short-term obligations (e.g. Bond Anticipation Notes, Capital Leases, etc.) to bridge the time gap between initiation of a project/purchase and the anticipated bond issuance, when the nature of a purchase precludes the issuance of long-term debt, or when it is fiscally responsible to do so.

Per City Code, long-term debt cannot be issued for operating expenses. With City Council approval, the City may in special cases issue short-term tax anticipation notes in order to bridge timing gaps in cash flow from tax revenue sources.

Prior to the issuance of any short or long-term obligations, the City considers the effect on the financial position, the ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund borrowing is limited to 17.5% of annual operating costs (equal to \$25,480,999 for FY 2010). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET**

The five tables below depict past and future debt service payments broken out by principal and interest, total debt service, and debt service as a percentage of the annual budget. Fiscal Years 2000 through 2008 figures are actual payments. Fiscal Years 2009 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on balances outstanding as of July 1, 2009 are 4.42% for the General Fund, 3.80% for the Water/Sewer Fund, and 4.10% for the Internal Service Funds. (As the Commerce Fund has been exhausted and all debt service transferred to the General Fund, there are no outstanding Commerce Fund balances.)

GENERAL FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 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	5,494,642	3,225,673	8,720,315	9.0%
FY 2006	5,689,234	3,518,079	9,207,314	8.8%
FY 2007	7,078,167	4,511,949	11,590,116	10.0%
FY 2008	7,717,810	4,066,631	11,784,442	9.6%
FY 2009	8,327,473	4,766,459	13,093,932	9.2%
FY 2010	11,690,591	5,725,162	17,415,753	12.0%
FY 2011	9,496,375	5,107,329	14,603,704	9.7%
FY 2012	6,006,389	4,078,747	10,085,137	6.5%
FY 2013	4,464,217	3,864,758	8,328,975	5.2%
FY 2014	4,610,155	3,669,092	8,279,247	5.2%
FY 2015	4,516,161	3,457,067	7,973,227	5.0%
FY 2016	4,573,085	3,245,269	7,818,354	4.8%
FY 2017	4,726,479	3,031,028	7,757,507	4.6%
FY 2018	4,659,693	2,845,896	7,505,588	4.4%
FY 2019	4,202,545	2,593,722	6,796,267	3.9%
FY 2020	4,398,205	2,400,260	6,798,464	3.8%
FY 2021	4,596,412	2,197,316	6,793,728	3.7%
FY 2022	4,807,269	1,983,836	6,791,105	3.6%
FY 2023	5,037,748	1,759,446	6,797,194	3.6%
FY 2024	4,678,503	1,499,822	6,178,325	3.2%
FY 2025	4,914,895	1,266,242	6,181,136	3.1%
FY 2026	5,150,530	1,025,603	6,176,134	3.0%
FY 2027	5,715,000	759,375	6,474,375	3.1%
FY 2028	6,010,000	466,250	6,476,250	3.0%
FY 2029	6,320,000	158,000	6,478,000	2.9%
FY 2030	0	0	0	0.0%
TOTAL	\$169,366,752	\$89,696,123	\$259,062,876	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

WATER/SEWER FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 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	4,765,174	8,828,241	21.2%
FY 2007	5,237,659	3,893,068	9,130,727	19.9%
FY 2008	7,004,085	4,409,703	11,413,788	23.9%
FY 2009	6,150,129	4,988,453	11,138,582	20.9%
FY 2010	7,806,730	5,750,406	13,557,136	24.9%
FY 2011	6,073,298	5,638,358	11,711,655	21.1%
FY 2012	6,798,666	5,420,377	12,219,042	21.6%
FY 2013	7,048,398	5,187,311	12,235,709	21.2%
FY 2014	7,295,404	4,943,128	12,238,532	20.8%
FY 2015	7,482,622	4,677,701	12,160,323	20.3%
FY 2016	7,613,207	4,404,573	12,017,780	19.7%
FY 2017	7,235,176	4,129,978	11,365,155	18.3%
FY 2018	6,997,324	3,882,834	10,880,157	17.2%
FY 2019	7,302,731	3,591,568	10,894,300	16.9%
FY 2020	7,593,828	3,313,293	10,907,121	16.6%
FY 2021	7,894,946	3,022,947	10,917,892	16.3%
FY 2022	8,215,352	2,719,020	10,934,371	16.0%
FY 2023	8,548,660	2,401,530	10,950,190	15.7%
FY 2024	8,925,350	2,037,745	10,963,095	15.5%
FY 2025	9,301,665	1,680,402	10,982,067	15.2%
FY 2026	8,887,796	1,318,693	10,206,489	13.9%
FY 2027	8,778,970	950,770	9,729,741	13.0%
FY 2028	8,671,144	571,855	9,242,999	12.1%
FY 2029	7,729,513	182,700	7,912,213	10.1%
FY 2030	0	0	0	0.0%
TOTAL	\$208,529,160	\$104,844,537	\$312,995,482	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(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	1,385,539	5,465,745	82.5%
FY 2006	5,801,389	1,431,361	7,232,749	90.3%
FY 2007	4,571,463	1,210,639	5,782,101	85.2%
FY 2008	4,773,033	991,008	5,764,041	72.3%
FY 2009	3,163,075	920,842	4,083,917	63.2%
FY 2010	0	0	0	0.0%
TOTAL	\$40,925,188	\$18,079,638	\$59,004,824	

Note: As planned, the Commerce Fund has exhausted the funds remaining from the sale of the Port of Wilmington. As a result, all Commerce Fund debt service has been rolled into the General Fund, and the Commerce Fund budget for FY 2010 is now zero.

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	817,944	260,881	1,078,825	8.3%
FY 2007	637,480	667,406	1,304,886	15.6%
FY 2008	1,119,359	345,675	1,465,034	14.6%
FY 2009	1,280,700	519,742	1,800,442	14.2%
FY 2010	1,185,476	446,713	1,632,189	13.7%
FY 2011	1,003,098	262,141	1,265,238	9.4%
FY 2012	495,644	224,120	719,764	5.4%
FY 2013	525,649	204,283	729,933	5.6%
FY 2014	548,982	183,353	732,335	5.5%
FY 2015	560,663	160,529	721,193	5.3%
FY 2016	570,313	136,864	707,177	5.0%
FY 2017	250,550	118,973	369,523	2.6%
FY 2018	247,057	107,848	354,905	2.5%
FY 2019	267,929	94,901	362,830	2.5%
FY 2020	237,961	83,893	321,855	2.1%
FY 2021	248,162	73,434	321,596	2.1%
FY 2022	259,244	62,458	321,703	2.0%
FY 2023	270,705	50,985	321,689	2.0%
FY 2024	266,497	35,244	301,741	1.8%
FY 2025	280,105	21,633	301,739	1.8%
FY 2026	294,470	7,315	301,785	1.7%
FY 2027	0	0	0	0.0%
TOTAL	\$10,550,045	\$3,807,512	\$14,357,557	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(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	14,073,135	7,675,779	21,748,914	15.8%
FY 2006	16,749,849	9,975,495	26,347,128	15.8%
FY 2007	17,524,769	10,283,062	27,807,830	14.4%
FY 2008	20,614,288	9,813,017	30,427,306	16.0%
FY 2009	18,921,377	11,195,496	30,116,873	14.1%
FY 2010	20,682,797	11,922,281	32,605,078	15.0%
FY 2011	16,572,771	11,007,827	27,580,598	12.5%
FY 2012	13,300,699	9,723,244	23,023,943	10.3%
FY 2013	12,038,264	9,256,352	21,294,616	9.3%
FY 2014	12,454,541	8,795,573	21,250,114	9.2%
FY 2015	12,559,446	8,295,297	20,854,743	9.0%
FY 2016	12,756,605	7,786,707	20,543,311	8.6%
FY 2017	12,212,205	7,279,979	19,492,184	8.0%
FY 2018	11,904,074	6,836,577	18,740,651	7.6%
FY 2019	11,773,205	6,280,191	18,053,396	7.1%
FY 2020	12,229,994	5,797,446	18,027,440	7.0%
FY 2021	12,739,520	5,293,696	18,033,216	6.8%
FY 2022	13,281,865	4,765,314	18,047,179	6.7%
FY 2023	13,857,113	4,211,961	18,069,073	6.5%
FY 2024	13,870,350	3,572,811	17,443,160	6.2%
FY 2025	14,496,665	2,968,277	17,464,942	6.0%
FY 2026	14,332,796	2,351,612	16,684,407	5.6%
FY 2027	14,493,970	1,710,145	16,204,116	5.7%
FY 2028	14,681,144	1,038,105	15,719,249	5.4%
FY 2029	14,049,513	340,700	14,390,213	4.8%
FY 2030	0	0	0	0.0%
TOTAL	\$430,189,090	\$215,309,886	\$616,390,103	

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY DEPARTMENT**

GENERAL FUND

DEPARTMENT	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
CITY COUNCIL	\$19,249	\$19,271	\$19,238	\$29,767	\$25,554
% Departmental Expenses	0.9%	0.7%	0.7%	1.0%	1.0%
FINANCE	144,189	0	1,174	0	5,575
% Departmental Expenses	3.7%	0.0%	0.1%	0.0%	0.1%
MAYOR'S OFFICE	830,138	942,062	943,046	1,464,562	2,653,736
% Departmental Expenses	18.7%	16.3%	13.0%	18.8%	25.5%
PARKS & RECREATION	2,206,320	2,664,993	2,628,597	2,654,707	2,609,948
% Departmental Expenses	27.8%	25.9%	26.8%	25.3%	26.2%
PERSONNEL	0	0	3,063	31,458	19,391
% Departmental Expenses	0.0%	0.0%	0.2%	1.6%	1.0%
FIRE	568,601	354,123	386,278	548,596	512,395
% Departmental Expenses	3.3%	1.5%	1.8%	2.2%	2.1%
POLICE	940,443	958,217	957,777	829,370	859,041
% Departmental Expenses	2.6%	2.2%	2.2%	1.7%	1.8%
PUBLIC WORKS	3,196,346	5,207,203	5,376,548	5,033,599	4,523,431
% Departmental Expenses	20.1%	26.5%	26.6%	22.3%	20.3%
REAL ESTATE & HOUSING	1,086,126	1,176,631	1,205,929	2,129,957	2,173,031
% Departmental Expenses	77.0%	77.5%	71.1%	79.3%	78.3%
LICENSES & INSPECTIONS	38,833	38,775	38,730	28,193	28,172
% Departmental Expenses	1.3%	1.0%	0.9%	0.6%	0.6%
PLANNING	177,071	228,842	224,061	343,723	359,213
% Departmental Expenses	14.3%	15.0%	14.6%	18.0%	20.2%
COMMERCE DEPARTMENT	0	0	0	0	3,646,267
% Departmental Expenses	0.0%	0.0%	0.0%	0.0%	100.0%

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY DEPARTMENT
(Continued)**

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
TOTAL DEBT SERVICE	\$9,207,314	\$11,590,116	\$11,784,442	\$13,093,932	\$17,415,753
% General Fund	8.8%	10.0%	9.6%	9.2%	12.0%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$18,208,649	\$20,319,430	\$22,354,088	\$24,786,365	\$25,480,999

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
FINANCE	\$0	\$0	\$0	\$0	\$0
% of Department Expenses	0.0%	0.0%	0.0%	0.0%	0.0%
PUBLIC WORKS	4,765,174	3,893,068	4,409,703	4,988,453	5,750,406
% of Department Expenses	12.4%	8.8%	9.8%	10.0%	11.3%
TOTAL DEBT SERVICE	\$4,765,174	\$3,893,068	\$4,409,703	\$4,988,453	\$5,750,406
% of Water/Sewer Fund	11.5%	8.5%	9.2%	9.3%	10.6%

Note: Legal Debt Service limit of 17.5% exists only for the General Fund. Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

**DEBT SERVICE EXPENSE IN DOLLARS AND AS A
PERCENTAGE OF TOTAL OPERATING COSTS BY DEPARTMENT
(Continued)**

COMMERCE FUND

DEPARTMENT	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
MAYOR'S OFFICE	\$376,153	\$435,859	\$435,211	\$389,821	\$0
% of Department Expenses	32.7%	33.7%	16.4%	14.1%	0.0%
COMMERCE DEPARTMENT	6,856,596	5,346,243	5,328,830	3,694,096	0
% of Department Expenses	99.9%	100.0%	100.0%	100.0%	0.0%
TOTAL DEBT SERVICE	\$7,232,749	\$5,782,101	\$5,764,041	\$4,083,917	\$0
% of Commerce Fund	90.3%	85.2%	72.3%	63.2%	0.0%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
MAYOR'S OFFICE	\$109,106	\$222,536	\$86,235	\$124,446	\$120,984
% of Department Expenses	3.3%	6.5%	2.2%	2.3%	2.4%
PUBLIC WORKS	151,775	444,870	259,440	395,296	325,729
% of Department Expenses	2.9%	7.3%	4.0%	5.4%	4.8%
TOTAL DEBT SERVICE	\$260,881	\$667,406	\$345,675	\$519,742	\$446,713
% of IS Fund	3.1%	7.0%	3.3%	4.1%	3.7%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	BUDGET FY 2009	BUDGET FY 2010
TOTAL DEBT SERVICE	\$21,466,118	\$21,932,691	\$22,303,861	\$22,686,044	\$23,612,872
% of All Funds	14.7%	12.7%	12.4%	11.0%	11.7%

Note: Legal Debt Service limit of 17.5% exists only for the General Fund. Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1993-2009**

Fiscal Year	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1993	1,952,025,133	166,307,896	111,424,476	54,883,420	2.80%	767
1994	1,988,610,076	181,062,413	119,239,454	61,822,959	3.10%	864
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.10%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.20%	873
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.60%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.70%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.70%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.60%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.40%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.80%	1,119
2003	2,114,078,568	193,818,399	115,330,004	78,488,395	3.71%	1,068
2004	2,182,337,973	184,549,800	111,306,574	73,243,226	3.36%	1,010
2005	2,134,545,304	178,806,711	105,737,075	73,069,636	3.42%	1,006
2006	2,213,839,948	227,706,776	123,183,846	104,522,930	4.72%	1,439
2007	2,300,886,160	286,659,775	178,667,598	107,992,177	4.69%	1,483
2008	2,183,048,645	266,829,357	166,599,233	100,230,124	4.59%	1,376
2009	2,176,247,400	274,287,535	163,713,284	110,574,250	5.08%	1,463

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2010-2030**

Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Commerce Fund Debt	Internal Service Funds Debt	Total Debt
2010	110,574,250	156,200,779	0	7,512,506	274,287,535
2011	98,883,660	148,394,049	0	6,327,030	253,604,738
2012	89,387,284	142,320,751	0	5,323,932	237,031,967
2013	83,380,895	135,522,085	0	4,828,288	223,731,268
2014	78,916,678	128,473,687	0	4,302,639	211,693,004
2015	74,306,523	121,178,283	0	3,753,657	199,238,463
2016	69,790,363	113,695,661	0	3,192,994	186,679,017
2017	65,217,278	106,082,454	0	2,622,681	173,922,413
2018	60,490,799	98,847,278	0	2,372,131	161,710,208
2019	55,831,107	91,849,954	0	2,125,073	149,806,134
2020	51,628,562	84,547,223	0	1,857,145	138,032,929
2021	47,230,357	76,953,395	0	1,619,183	125,802,935
2022	42,633,945	69,058,449	0	1,371,021	113,063,415
2023	37,826,676	60,843,097	0	1,111,777	99,781,550
2024	32,788,928	52,294,437	0	841,072	85,924,437
2025	28,110,425	43,369,088	0	574,575	72,054,088
2026	23,195,530	34,067,423	0	294,470	57,557,423
2027	18,045,000	25,179,627	0	0	43,224,627
2028	12,330,000	16,400,657	0	0	28,730,657
2029	6,320,000	7,729,513	0	0	14,049,513
2030	0	0	0	0	0

DESCRIPTION OF TERMS USED IN THIS BOOK

Account: A separate financial reporting unit for budgeting, management, or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts.

Account Group: A group of similarly related expenditure accounts such as Personal Services, which includes salaries, overtime, pension, hospitalization.

Accounts Payable: Amounts due to creditors arising out of the purchase of goods or services.

Accounts Receivable: Amounts due from debtors arising out of the extension of open account credit, usually in connection with the sale of goods or services to customers.

Accrual Basis: The basis of accounting under which revenues and expenses are recognized and recorded when they are earned or incurred, rather than when collected or paid.

Accrued Expense: An expense that has been incurred, but has not been paid out.

Accrued Revenue: A revenue that has been earned, but has not been collected.

Administrative Services: The combination of various services internally supplied to all departments and reimbursed on a per-usage basis. These activities include Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet. Administrative Services are part of the Internal Services account group.

Appropriation: An appropriation creates the legal authority to spend or otherwise commit a government's resources. Expenditure authority is created by City Council through the passage of an enacting budget ordinance.

Assessed Valuation: A value that is established for real property for use as a basis for levying property tax. Property values in the City of Wilmington are assessed by the New Castle County Board of Assessment using 1983 market values as the base.

Balanced Budget: For the City budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits

BAN (Bond Anticipation Note): A short-term interest-bearing note issued by a government in anticipation of bonds to be issued at a later date. The note is retired from proceeds of the bond issue to which it is related.

Basis of Accounting: The underlying fiscal principles utilized in the development of the financial statements. The City uses the Accrual Basis and Modified Accrual Basis.

Basis of Budgeting: The underlying fiscal principles utilized in the development of the budget. The City matches its basis of budgeting to its basis of accounting.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at specified dates, called the maturity dates, together with periodic interest at a specified rate. The City incurs bonded debt to pay for the costs of capital improvements, such as streets, buildings, and water mains.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Budget: Plan of financial operation, embodying an estimate of proposed expenditures for a given period and the proposed revenue estimates of financing them. Upon approval by Council, the budget ordinance is the legal basis for expenditures in the budget year.

Budget Ordinance: An ordinance by which the appropriations in the budget are given legal effect. It is the method by which the expenditures side of the budget is enacted into law by City Council.

CAFR: Comprehensive Annual Financial Report, prepared by the Accounting Division to provide the public with detailed information regarding the financial position of the City.

Capital Budget: A one-year appropriation of expenditures from the Capital Program, normally funded from bond proceeds and intragovernmental grants.

Capital Expenditures: Outlays for machinery, equipment, land, buildings, infrastructure and other fixed assets or permanent improvements that have a useful life of at least five years and a cost of at least \$5,000.

Capitalization: In the Water/Sewer and Internal Services Funds fixed asset acquisitions are budgeted; however, in accordance with the Government Accounting Standards Board, these amounts are subsequently reversed through the capitalization account and not included in totals. This is done because the purchase of fixed assets in Enterprise Funds is not considered an expense, but for budget purposes the purchase needs to be specified for City Council and the public.

Capital Program: A six-year plan for the purchase of property, equipment (fixed assets) and public improvements that are of a permanent nature.

Cash Basis: The basis of accounting in which revenues and expenses are recorded when cash is collected or paid out, not when earned or incurred.

CDBG: The City's Community Development Block Grant from the United States Department of Housing and Urban Development. These monies are specifically designated to revitalize targeted underdeveloped areas of the City, remove artificial barriers and improve slum areas.

City Charter: The document issued by the State of Delaware which defines the City's purpose and privileges, and outlines its principles, functions, and organization.

Contingent Reserves: Funds set aside as a reserve for unplanned operating expenses and snow and weather emergencies.

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

Debt Service: Principal and interest payments on borrowed funds.

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

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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

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

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

Encumbrance: Any commitment of funds against an appropriation. It may be in the form of a purchase order or a contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. Until such time as the goods or services are received, the commitment is referred to as an encumbrance. Encumbered balances at year-end, with the authority of the Finance Director, may be re-appropriated into the subsequent year.

Expenditure/Expense: A decrease in net financial resources, such as for the payment of goods received or services rendered.

Financial Statements: The medium used to communicate accounting information about an entity. The basic elements (building blocks) of financial statements are assets, liabilities, equity, revenues, expenses, gains, and losses.

Fiscal: Pertaining to the finances of an entity, such as the City.

Fiscal Year: The twelve month period of time between July 1 and June 30 established as the operating and accounting time frame for City activities.

Fixed Asset: A tangible resource or thing with a relatively long life expectancy, requiring a substantial financial outlay and usually large scale in nature, such as buildings, streets and water pipes.

Forward Supply Contracts: Investment agreements requiring funds be set aside to purchase U.S. Strip Securities for payment of future debt service. These contracts arose from an advanced refinancing of long-term debt.

Fund: An independent accounting unit in which assets, liabilities and equity are segregated for specific purposes in accordance to Governmental Generally Accepted Accounting Principals (GAAP). The City utilizes four major funds: General, Water/Sewer, Special, and Internal Services.

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

FY: Abbreviation for "Fiscal Year".

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

GAAP (Generally Accepted Accounting Principles): Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Government Accounting Standards Board (GASB).

GASB (Government Accounting Standards Board): The regulatory body over governmental accounting principles and practices.

General Obligation Bonds: A bond that is secured by the full faith and credit of the City, with debt service from the bond being paid from City tax revenues. Such bonds are issued for the purpose of financing city capital improvement projects over a long period of time, usually 20 years.

Goal: A broad statement of intended accomplishments or a description of a general condition deemed desirable.

GFOA (Government Finance Officers Association): A professional association of state/provincial and local finance officers whose members are dedicated to the sound management of government financial resources and operations.

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

HOPWA: A grant entitled Housing Opportunities for Persons With AIDS received from the United States Department of Housing and Urban Development to address the housing concerns of this growing segment of the population.

Internal Services: A combination of various services internally supplied to all departments and reimbursed on a per usage basis. These activities include the Administrative Services of Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet, along with the Self-Insurance services of Risk Management and Workers' Compensation.

Internal Service Chargebacks: The group of accounts that record the costs that are charged to user departments for goods and services provided by the Internal Services.

Indirect Costs: Reimbursement payments from Enterprise Funds to the General Fund for general administrative services that the General Fund has provided such as accounting, legal advice and payroll.

Infrastructure: Facilities on which the continuance and growth of a community depend, such as streets, water/sewer lines, etc.

Initiative: A new program implemented to achieve a specific goal or objective.

Interest: The expense charged for a loan, usually a percentage of the amount borrowed.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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 basis in accounting in which revenues are recognized and recorded when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out).

Net Assets: 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 between the Water/Sewer Fund and the General Fund.

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

Performance 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.

Property Tax Base: The value of all taxable real property in the City, as certified by the New Castle County Board of Assessment. The tax base represents the net value after all abatements and exemptions.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The City has two different types of proprietary funds: the Water/Sewer Fund and the Internal Services Funds.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Revenue: Income received from sources such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants and interest.

Revenue Bonds: A bond that is repaid and secured by the expected revenues from the project being financed or the entity doing the borrowing, such as a water/sewer system, and not by taxes.

Risk Management/Self Insurance: Cash set aside for the payment of liability claims against the City by a third party or to cover the cost of damage, destruction, injury or death as a result of City operations or natural disasters.

SALLE: State Aid for Local Law Enforcement. These monies are State of Delaware grants used for specific local law-enforcement programs such as training, consulting, counseling, and drug enforcement equipment.

Special Purpose: The same as **Grants and Fixed Charges** except the activity is usually not financed by State or Federal contributions and is requested by the City Administration or City Council.

Surplus: The amount by which total revenues exceed total expenditures.

Undesignated Fund Balance: 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.