

City of Wilmington Delaware



Annual Budget

James M. Baker
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2011 • Approved by City Council • May 13, 2010

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, 2009.

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*

PRESENTED TO

**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2009

A handwritten signature in black ink, appearing to be 'H.R.', written in a cursive style.

President

A handwritten signature in black ink, appearing to be 'Jeffrey R. Enos', written in a cursive style.

Executive Director

CITY ADMINISTRATION

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

THE COUNCIL

President - Norman D. Griffiths

1st District	Charles Potter, Jr.	5th District	Samuel Prado
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

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

CITY OFFICIALS

William S. Montgomery

Romain L. Alexander
Peter D. Besecker
Eugene A. Bradley
Timothy Crawl-Bey
Joseph DiPinto
Monica Gonzalez-Gillespie
James M. Jones
James N. Mosley
Willie J. Patrick, Jr.
John R. Sheridan
Kash Srinivasan
Jeffrey J. Starkey
Michael J. Szczerba

Chief of Staff

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

TABLE OF CONTENTS

Page Number

Budget Message

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

Wilmington Facts & Figures

Wilmington Facts & Figures	1
Economic Development	11

Budget Process and Policies

Citizen's Guide to the Budget Process	15
Budget Process Calendar	19
City-Wide Strategic Plan	20
Statement of Financial Policies	21
Organization Chart	23
Description of Appropriated Funds	24

Budget Summary

Budget Highlights	28
Summary of Combined Statement of Revenues and Expenditures	32
Summary of All Funds Combined	34
Summary of General Fund	36
Summary of Special Funds	38
Summary of Water/Sewer Fund	40
Summary of Commerce Fund	42
Summary of Internal Service Funds	44
Summary of Capital Improvements Program	45
Summary of Staffing Levels	47
Actual and Projected Fund Balances & Net Assets	52
Actual, Budgeted, and Projected General Fund Revenues & Expenditures . . .	56

Revenue Budgets, Projections and Trends

Revenue Overview	67
General Fund Revenues	73
Special Fund Revenues	83
Water/Sewer Fund Revenues	87
Commerce Fund Revenues	92
Tax Rates for Fiscal Year 2011	93

Departmental Budgets

Office of the Mayor	95
City Council	105
City Treasurer	109
Department of Planning	115
Auditing Department	123
Law Department	129
Department of Finance	135

TABLE OF CONTENTS

(continued)

	<u>Page Number</u>
Department of Human Resources	145
Department of Licenses and Inspections	155
Department of Parks and Recreation	163
Department of Fire	173
Department of Police	181
Department of Public Works	193
Department of Real Estate and Housing	209
Department of Commerce	223
 <u>Capital Program</u>	
A Guide to the Capital Improvements Program	226
Impact of Capital Spending on the Operating Budget	230
Capital Budget Allocations	232
Summary of Capital Improvements Program by Department	233
Summary of Capital Improvements Program by Expenditure Category	234
Capital Budgets & Program Requests by Department	235
Capital Budget Project Descriptions by Department	245
 <u>Debt Management</u>	
Borrowing History	261
Uses of Debt Obligations & Debt Policies	262
Debt Service Schedules by Fund	264
Debt Service Expense by Department and Fund	269
Ratio of Net Bonded Debt to Assessed Value and Debt per Capita	272
Total Debt Balances	273
 <u>Glossary</u>	
Description Of Terms Used in This Book	275



City of Wilmington
James M. Baker, Mayor

Louis L. Redding City/County Building
800 N. French Street
Wilmington, Delaware 19801-3537

www.WilmingtonDE.gov

FISCAL YEAR 2011 BUDGET MESSAGE

THE ECONOMIC CRISIS

When the national economy collapsed nearly three years ago, causing record-setting declines in our state and local economy, Wilmington was in a better position than most governments because of the many steps taken over the past decade to strengthen the City's finances. However, as we continue to weather this storm of financial uncertainty, we find our fiscal position being battered and bruised due to a continuing decline in revenues and largely uncontrollable increases in major expenditure areas, such as employee healthcare, pensions, and snow removal.

Although there has been much done to lower or contain the cost of government, rethink City services, and to collect the delinquent taxes and fees owed the City, we are facing widening budget deficits, an indication of just how bad the economic collapse has become for Wilmington and just about every other local and state government.

Nevertheless, we believe this is not the time for the wholesale elimination of employees, programs, services, and the special events that make Wilmington an interesting and exciting City. It is, however, the time to continue to make thoughtful and strategic decisions in all of these areas. We have to continue to control the growth of government, pay for the services the government provides, resist the temptation to provide services that are beyond the mandate of this government, and prepare for a longer-than-expected period of economic decline nationally and locally.

Simply put, the Fiscal Year (FY) 2011 Budget provided an opportunity to make the necessary and oftentimes difficult decisions needed to strengthen Wilmington's financial position in the midst of this economic crisis. While the Budget strives to support the progressive and creative programs we have instituted to rebuild neighborhoods, promote business growth, and support private investment in the City, there had to be painful reductions in some programs and service areas, including employee compensation and benefits.

PROGRESS AND PROMISE

With the hardships brought on by the economic downturn, it is easy to forget just how far the City has come in the past few years. We have seen billions of dollars in development in our neighborhoods, Downtown, and at the Riverfront. We have dramatically decreased the number of vacant properties that were once the scourge of our communities. Neighborhoods are cleaner and our parks and public spaces are greener and more beautiful. Many new businesses have chosen to establish themselves in Wilmington. We successfully executed the largest public works project in the City's history — the modernization of the Cool Spring Reservoir, which simultaneously created Wilmington's newest park. We have attracted many major restaurants and retail businesses, with new ones on the way. We have welcomed new cultural attractions, including the Delaware Children's Museum, the DuPont Environmental Education Center at the Russell W. Peterson Urban Wildlife Refuge, and the \$25 million restoration of the historic Queen Theater currently underway on Market Street that will bring the popular live-music venue World Café Live to Wilmington.

Other municipalities and government agencies are also taking note of Wilmington's recent successes. We have received more than a dozen national awards for our initiatives. The Vacant Property Registration Fee Program has been recognized by the U.S. Conference of Mayors and the Ash Institute at Harvard University, and has been copied by municipalities including Revere, Massachusetts; Altoona, Pennsylvania; Wheeling, West Virginia; and Salisbury, Maryland.

One of the key strategies to solving the fiscal crisis facing the Nation is to create a new economy built upon green initiatives and technologies. Here again, Wilmington is leading the way. We were the first municipality in Delaware to implement an incentive-based, curbside recycling program. The environmentally-designed Prices Run Pool Facility was the City's first successful energy-efficiency project. We have installed new water pumps and solar panels to decrease energy costs at our Porter Water Filtration Plant, and will soon add solar panels at the Municipal Complex. We are converting all City traffic lights to high-efficiency LED lights and installing energy-efficient lighting and HVAC equipment in City-owned properties. We are moving forward on a state-of-the-art Combined Sewer Overflows remediation system to further reduce pollution reaching the Brandywine and Christina Rivers.

All of us should be proud of these remarkable accomplishments that have been possible thanks to the collaborative efforts of private, governmental, and nonprofit sector partners, hard-working City employees, and supportive City residents. Although we have many challenges ahead of us due to the sluggish national, state, and local economies, we must maintain our commitment and determination to long-term progress and prosperity. As bad as things might seem now, we should not lose hope. This is not the first time the City has faced extremely challenging and history-changing times. Indeed, the current crisis provides a unique opportunity to put Wilmington on an even firmer financial footing so that when the economy recovers, we will be that much further ahead in our ability to provide a better future for our citizens.

GUIDING PRINCIPLES IN BUILDING THE FY 2011 BUDGET

Before presenting the spending details, it is important to outline the principles that guided the crafting of the FY 2011 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 2011 Budget. Given the uncertain scope and duration of the world fiscal crisis, we 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 2011 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 2011 Budget process, we were faced with a number of troubling and unavoidable new expenses, along with continuing declines 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) 2011 operating budget expenditures total **\$147,614,191** – up \$2,008,484 or 1.4% from FY 2010. However, it is important to note that this increase occurred only after the City had to absorb nearly \$5.7 million in uncontrollable cost increases. These include employee healthcare (\$2.1 million); the loss of the State Municipal Street grant that directly paid for city-wide street lighting (\$1.3 million); pensions and retiree healthcare (\$1.05 million); net landfill/recycling fees (\$629,000); and the ending of the Police Byrne Grant (\$577,000). Together, those cost increases, in conjunction with continued erosion of major revenue sources, necessitated budget reductions affecting nearly every department’s operations and programs.
- As part of the reductions necessary to help balance the budget, no allowance was made for Cost of Living Adjustments (COLAs), except to honor a previously agreed upon 2.5% COLA for the Police rank and file union. Anniversary-based salary step increases for all eligible employees will continue. The savings as result of suspending COLAs is \$1.0 million.
- Staffing decreased by a net total of 13.3 Full-Time Equivalent (FTE) positions. Changes that added 1 FTE were more than offset by 14.3 other FTE reductions. The one FTE added was a Youth Intervention Specialist transferred in from the now-ending federal Byrne Grant.

The 14.3 FTE reductions are spread across several departments. In the Police Department, six Patrol Officer positions that a few years back had been absorbed into the General Fund because of lost grant funding are now being eliminated, along with the downgrading of a vacant Captain position to that of a Patrol Officer. Also in Police, a vacant Word Processing Supervisor position was deleted. Along with the vacant Senior Citizens Activities Liaison position that was eliminated by Council amendment mid-year of FY 2010, two vacant positions in the Parks & Recreation Department, an Equipment Operator II and a Pool Mechanic, are being deleted. In L&I, an Administrative Clerk I and a Building Code Enforcement Inspector, both vacant, are being eliminated. In the Mayor’s Office, a vacant Constituents Service Officer position is being eliminated. A Customer Service Representative II and a Central Cashier, both vacant and split-funded between the General and Water/Sewer Funds, are being deleted for a net 0.7 FTE reduction to General Fund staffing in the Finance Department. Lastly, the reallocation between the General and Special Funds of various split-funded positions in the Real Estate & Housing Department resulted in a net decrease of 0.6 FTE.

- The net reduction in FTEs detailed above, along with process improvements in the Finance and Public Works Departments that warranted minor position upgrades, result in a budget reduction of more than \$859,000.
- The Finance Department’s Plan for Change revenue collection initiative continues to evolve and expand, especially in the area of Wage and Net Profits Taxes. There is a \$1 million increase to collection expenses related to increased audits of these two revenue areas. However, the resulting additional revenue projected to be collected as a result is over \$4 million, a net benefit to the General Fund of \$3 million.

- Temporary Salaries were reduced sharply city-wide, resulting in a savings of \$264,000. This had an especially large impact on the programs of the Parks & Recreation Department. One notable example is that two of the City's five swimming pools will not be opened for the 2010 summer season.
- City-wide spending on consultants and outside legal fees have been cut by almost one-third, saving \$396,000 and \$158,000 respectively. In the Human Resources & Services Division, the complete elimination of consultant funding will result in smaller and fewer employee training and development programs.
- Community service organization grants, scholarships, donations, and other special purpose support have been greatly reduced, and in some cases completely eliminated, for a total savings of \$351,700 (reduced by \$217,700 in the Mayor's Office, \$123,500 in City Council, and \$10,500 in Parks & Recreation).
- Due to the fiscal crisis, many City sponsored special events are being scaled back or eliminated altogether, a notable example being the cancellation of the First Night festival held on New Year's Eve. In addition, the City will continue its expanded effort to charge fees for outside sponsored events and parades to defray costly support services related to setup, police security, and cleanup.
- The City's aggressive replacement schedule for traffic signs and signals is being slowed, resulting in a savings of \$250,000. In addition, the City will be reorganizing its street, brick crosswalk, and pothole repair programs, resulting in a reduction of \$193,000.
- In order to help minimize the costs being transferred back to the General Fund as a result of the ending of the federal Byrne grant, the scope of the Camera Watch program will be modified. To save \$237,000 annually, two camera watch operators (instead of the nine currently contracted through Downtown Visions) will be utilized to monitor 42 of the City's street cameras. The monitoring of the Downtown, Bethel Villa, and West Center City cameras (funded by Downtown Visions, Bethel Villa apartments and WCCNPAC, respectively) will not be impacted by this change. The City will continue to pay the costs of electricity, mobile airtime, standard maintenance, and replacement (when needed) for all its cameras.
- The Human Resources (HR) Department has developed various options for reducing the cost of employee healthcare. Several new plans have been created, with differing deductible and co-pays depending on service levels, along with an increase to employee contributions. It is important to note that most changes will have to be agreed upon through negotiation with the City's various labor unions. However, HR projects that a savings of at least \$300,000 will be achievable in FY 2011. As a result, a placeholder offset to costs was put into the Mayor's Office Contingency Fund.
- To improve flagging productivity and morale, management of the parking ticket and scofflaw enforcement (booting) operations are being transferred from the Police Department to the Finance Department. As a result, the budgets for the twenty-four related positions (\$1.42 million) and the supporting services and materials (\$48,000) were moved from Police to Finance.

- Because of the continuing severe impact of the recession, program and operational cost reductions and efficiency initiatives alone could not balance the budget. To help close a budget deficit of over \$4.5 million, there was a 10% Property Tax rate increase approved. In addition, special one-time transfers totaling \$1,125,422 from the CATV Fund (\$275,422), the Economic Strategic Fund (\$425,000), and the Housing Strategic Fund (\$425,000) were needed to close the remaining gap and balance the budget.

General Fund Revenues

The effects of the continuing, severe economic downturn are projected to reduce base revenues by nearly \$7 million in FY 2011. Because cost reductions and efficiency initiatives alone could not balance the budget, a 10% Property Tax increase was necessary. However, a number of revenue collection enhancements will make up a significant portion of the increased projected total revenues. All of these are detailed in the discussion below. After taking these actions into account, total revenue before transfers is projected to increase by a net \$968,344 or 0.7%, over the FY 2010 Budget to a new total of \$146,258,027. The net change from Budget to Budget (FY 2011 vs. FY 2010) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$3,289,344	\$39,152,150
Wage & Net Profit Taxes	2,500,000	60,515,387
Fines	450,000	9,872,514
Licenses, Permits and Fees	(250,000)	4,149,777
County Seat Relief Package	(278,002)	7,214,065
Task Force Revenue	(387,500)	3,790,500
Other Revenues	(510,000)	4,412,533
Other Governments	(1,004,182)	9,148,238
Other Taxes	(1,091,316)	7,502,863
Interest	(1,750,000)	500,000
TOTAL	\$968,344	\$146,258,027

Property Taxes are projected to increase by a net \$3.29 million. Some large commercial properties have continued to wage successful assessment appeals. In addition, because of the success of the Plan for Change, the City's aggressive delinquent revenue collection program, there has been a reduction in the number of late and missed payments, resulting in a projected drop of \$376,000 in penalty and interest revenue for FY 2011. To balance the budget and offset this decrease, a 10% Property Tax increase (worth approximately \$3.45 million) has been approved for FY 2011. The average homeowner will see an increase of about \$5.83 per month.

Wage and Net Profits Tax

The FY 2011 Wage Tax projection is \$55.1 million, a \$1 million net increase over FY 2010. Over the past five years, the City has seen its Wage Tax base fall by more than \$6 million. However, during that period, revenues collected through the Plan for Change have kept the total amount realized annually stable, and in some years higher. In FY 2011, the weak economy is again expected to decrease the City's base by \$2 million below the FY 2010 level. However, recently enacted legislation will result in the tightening of the City's Wage and Net Profits regulations. These multifaceted changes close loopholes in the Net Profits area, and bolster requirements for the withholding and remittance of Wage Taxes due the City, resulting in the expected collection of an additional \$3 million in FY 2011. Netting these increases against the reductions due to continued economic weakness results in a total net increase of \$1 million above the FY 2010 Budget.

Net Profits Tax revenue is projected to increase by \$1.5 million. While a total of \$2 million has been added to the base in FY 2011 as a result of legislative changes discussed above, erosion of \$500,000 to the base because of expected continued economic weakness has been factored in also.

Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines) will increase by a net of \$450,000.

Criminal/Traffic Fines revenue is projected to total \$3.3 million in FY 2011, up a net \$100,000 from the FY 2010 Budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. While base red-light camera fines are projected to decline by \$650,000, as violations decrease at older sites (a \$500,000 decrease), and the City settles for a lower fine amount from State legislation (a \$150,000 decrease), \$600,000 in additional revenue from new red-light camera sites (a \$200,000 increase) and the conversion to a video capturing system instead of the current still-photo one (a \$400,000 increase) will net the overall decline to \$50,000. There is no change in miscellaneous traffic and criminal fines. Lastly, the portion of the base attributed to the L&I Instant Ticketing Program is expected to rise by \$150,000 above the FY 2010 Budget.

Parking Tickets/Booting Fines revenue is forecast to increase by \$350,000 above the FY 2010 budgeted level or \$2.35 million more than the FY 2010 2nd quarter projection. Revenues in this category will be affected by two factors: a significant management change to the ticket-writing and booting operations by transferring oversight of these operations from Police to Finance, with an eye toward privatization; and the implementation of the vehicle registration hold program through the Delaware Motor Vehicle Division. The management change is expected to bring the base revenue closer in line with the original FY 2010 Budget, while the registration hold program will add \$750,000 above current levels.

Licenses, Permits and Fees revenue is projected to be \$4.1 million in FY 2011, or \$250,000 below the FY 2010 Budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.9 million respectively. However, Fees, mostly comprised of parking meter revenue, have not been realized in the amount anticipated subsequent to the \$.50 per hour increase in FY 2010. As a result, the \$250,000 shortfall projected for the current year has been carried over to FY 2011.

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 2011 projections total \$7.2 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$122,000 from the FY 2010 Budget); \$3.4 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$200,000 from the FY 2010 Budget); \$400,000 in Statutory Trust Filing Fees (down \$400,000 or 50% from the FY 2010 Budget); and \$825,000 in New Castle County Corporate Filing Fees (down \$200,000 or almost 20% from the FY 2010 Budget). In total, there is a \$278,000 decrease in the County Seat Relief Package revenues from the FY 2010 Budget.

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC's). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. Because of the weak economy, for FY 2011, three of the four components of the Task Force Revenues are projected to decrease from the FY 2010 Budget: Corporate Filings by \$100,000, Limited Liability Corporate (LLC) Filings by \$200,000, and Lodging Tax by \$87,500. The total for all Task Force Revenues for FY 2011 is projected to be \$3,790,500, down \$387,500.

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will decrease by an expected \$510,000, largely due to a more than an \$800,000 drop in Vacant Property Registrations, coupled with some smaller increases in other government charges.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,470,072 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2011, the grant amount is an estimate based on the actual amount received in FY 2009, and represents a \$146,472 increase over the FY 2010 Budget. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2011 will be \$1,678,166, and represents a more than \$1.1 million decrease from FY 2010.

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

Real Estate Transfer Tax revenues have continued their sharp downward turn during FY 2010. The number and average price of residential home sales have both declined further from prior years. Commercial property transfers have nearly disappeared during this time also. As a result, FY 2010 revenues have seen another \$1.5 million or 42% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2011.

Head Tax revenue is projected to increase \$500,000 over the FY 2010 Budget. As part of the comprehensive package of revenue enhancements to balance the budget in FY 2010, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax was implemented. Because the change became effective midway through the fiscal year, the full \$1.2 million annual increase was not expected to be realized until FY 2011. The additional \$600,000 expected to be produced in FY 2011 is being partially offset by a \$100,000 decrease for potential job losses.

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 2011, a more than \$91,000 decrease is projected from the FY 2010 Budget of \$1.9 million. The recent remittance from Delmarva Power for FY 2010 was nearly 25% lower than the previous year. However, fees paid by Comcast have trended slightly higher than the past, partially offsetting Delmarva's reduction. For FY 2011, the budgeted amounts are \$774,472 and \$990,078 for Delmarva and Comcast respectively.

In total, **Other Taxes** are projected to decrease \$1.1 million for FY 2011.

Because of further cuts in interest rates by the Federal Reserve, coupled with dwindling cash reserves, the Treasurer's Office has substantially reduced its **Interest Earnings** forecast for FY 2011. The FY 2011 projection for interest earnings is \$500,000, a \$1.75 million decrease from the current year budget.

THE WATER/SEWER FUND

The FY 2011 operating budget expenditures total **\$57,772,064** – up \$3,305,500 or 6.1% from FY 2010. Despite increasing fiscal stress, it was deemed necessary that the FY 2011 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 repairs to water and sewer lines and large equipment increased by \$2.4 million. In the past, the bulk of the \$2.4 million in costs would have been paid through the capital budget. But with the adoption of a new fiscal policy that more narrowly defines which expenditures can be categorized as capital improvements versus operational maintenance, the cost of many large water and sewer repair and maintenance programs have been shifted to the operating budget.

- There is a \$647,000 net increase in the contract with Veolia to operate and maintain the City's sewage treatment plant. This increase includes a new charge for the handling of bio-solids disposal that in previous years was handled by a company called VFL. The much less expensive method VFL employed of mixing the City's sewage sludge with power plant fly ash to make a material suitable for landfill cover is no longer allowed by the State of Delaware.
- Recently completed capital projects of extraordinary scope and price, such as Cool Spring Reservoir and Hoopes Dam have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in an almost \$469,000 increase in depreciation expense.
- Staffing decreased by a net 1.3 FTE positions in the Finance Department. A Customer Service Representative II and a Central Cashier, both vacant and split-funded between the General and Water/Sewer Funds, were eliminated.
- The FY 2011 Budget raises water and sewage rates by 19%, with no change to stormwater fees. The weighted average increase to the average City resident's bill will be about 15.5%.

Water/Sewer Fund Revenues

Total Water/Sewer Fund revenues are projected to decrease \$1.8 million from \$59.8 million last fiscal year, to a new total of \$58 million in FY 2011. 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, the multi-year plan of prudent rate increases begun in FY 2010 has been continued to allow the Water/Sewer Fund to be a self-sufficient enterprise fund.

Water/Sewer User Fees

Following recent trends of increased conservation by customers and continued weak economic activity, a 5% reduction in consumption is forecast for FY 2011, lowering base revenue by about \$1.3 million. In order to address the consumption loss and the dire cash flow situation discussed previously, a 19% increase in Water/Sewer User Fees was approved for FY 2011. This rate increase is expected to generate an additional \$4.78 million of revenue in FY 2011, bringing the total to \$33.4 million. The average residential homeowner's bill will go up \$5.88 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 \$5.5 million. A cleanup of the Utility Billing files, along with an increased uncollectible allowance, has lowered the base by about \$400,000, bringing the total to \$5.1 million. For FY 2011, no increase in stormwater fees was proposed.

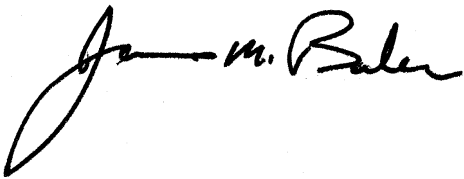
New Castle County Sewer

The City's contract to provide sewage treatment for New Castle County expired at the end of FY 2007. An inability at that time to come to a consensus on the terms of a new contractual agreement lead the City and NCC into mediation, and then eventually into arbitration. Through arbitration, the City and NCC have now settled on a fairly-priced fee for the past fiscal years in dispute, and have developed a contractually agreed upon fee structure for the future. For FY 2011, the agreement calls for a fee of \$18.1 million, along with \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows.

CONCLUSION

The FY 2011 budget process required us to make some very difficult and important decisions — decisions that effective government leaders have both a duty and an obligation to make. 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. The challenges facing us are great, but with the proper will and determination, we can progress even in this dire period of economic uncertainty. Working together, we can keep moving Wilmington toward world-class status, and improve the quality of life for our citizens in those areas in which City government has a clear responsibility. As long as our determination to do what is right for our citizens and our City's future rises equally to the challenges we face, we will be successful, and our City will be positioned to fully prosper when the Nation eventually rises out of this economic crisis.

Respectfully,

A handwritten signature in black ink, appearing to read "James M. Baker". The signature is fluid and cursive, with a large, sweeping initial "J" and a long, horizontal stroke extending across the middle.

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

The 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.

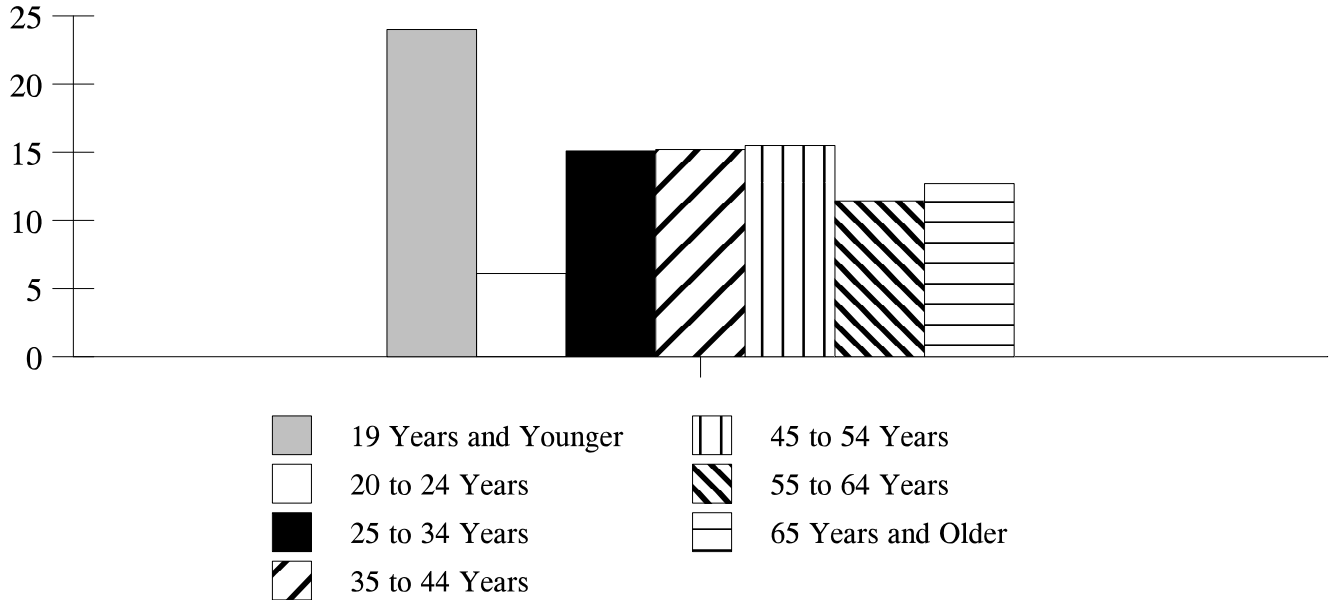
POPULATION TRENDS

	<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

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

Percentage of Population by Age Group



PERCENT OF HOUSEHOLDS BY ANNUAL INCOME*	
\$24,999 AND UNDER	34.1%
\$25,000 TO \$34,999	11.9%
\$35,000 TO \$49,999	14.8%
\$50,000 TO \$74,999	14.8%
\$75,000 TO \$99,999	9.7%
\$100,000 AND OVER	14.6%
MEDIAN HOUSEHOLD INCOME	\$38,708

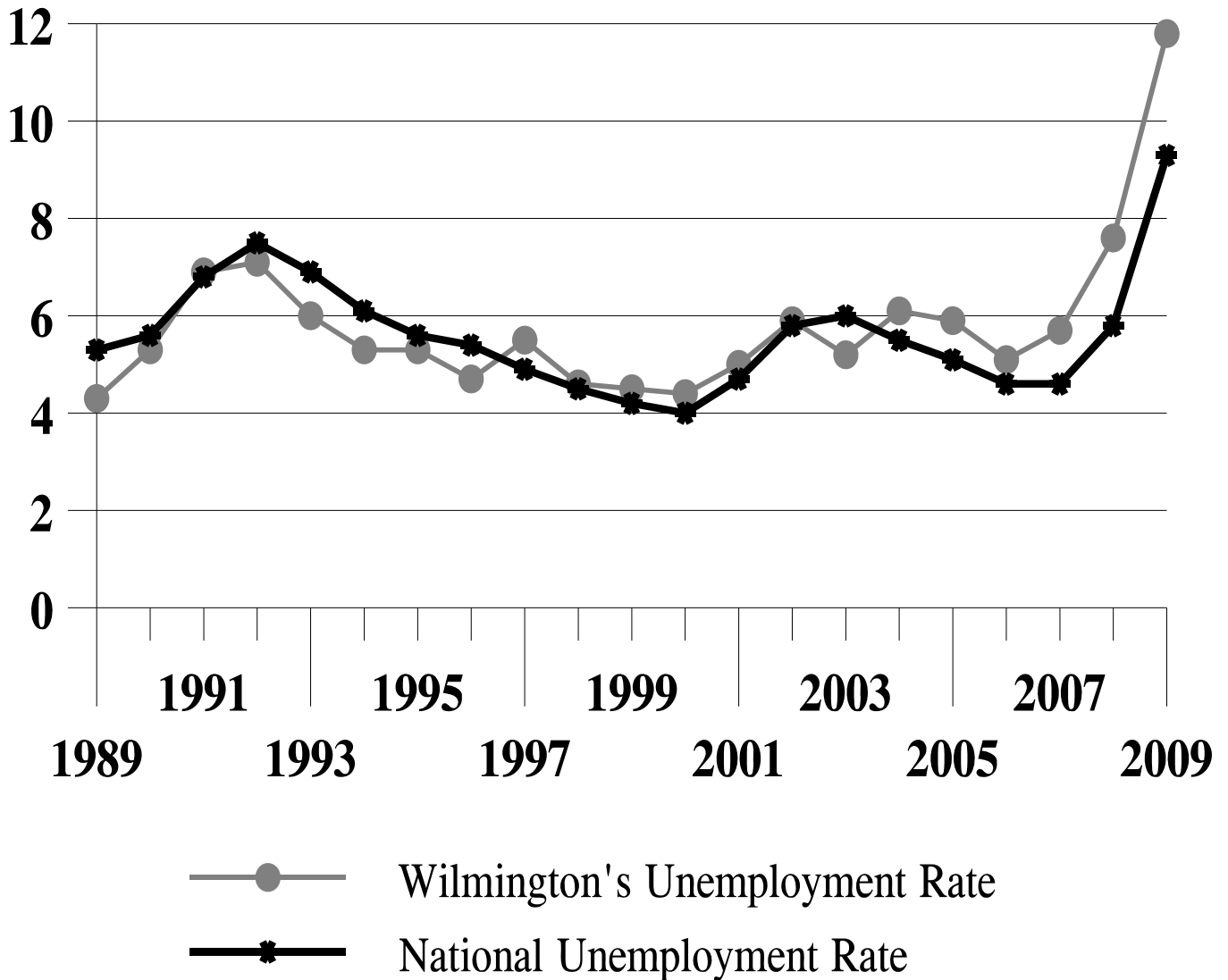
* 2008 data adjusted to 2010 real dollars

Source: U.S. Census Bureau, 2006-2008 American Community Survey

WILMINGTON EMPLOYMENT TRENDS

Employment is a strong indicator of the City of Wilmington's overall health. The City's unemployment rate continues to rise above national trends, reflecting the disproportional impact of today's economy on Wilmington's predominantly youthful population. Higher unemployment leads to an increase in demand for City services and resources, such as Summer Youth Employment and Policing.

City of Wilmington's Unemployment % Rate



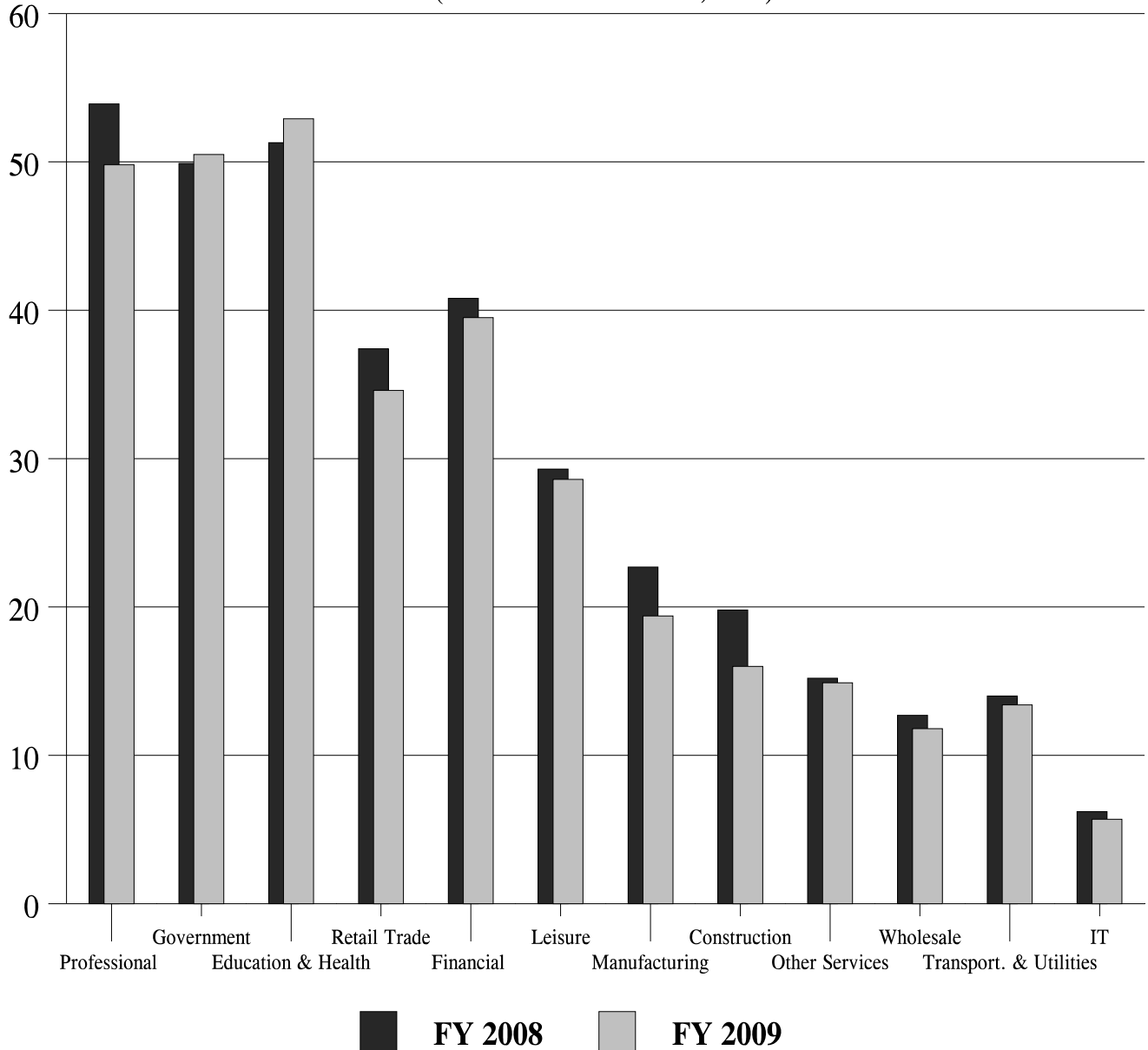
Source: Delaware Department of Labor, Local Area Unemployment Statistics, 2009
U.S. Bureau of Labor Statistics, Annual Average Unemployment Rate, July 2010

WILMINGTON PMSA EMPLOYMENT BY INDUSTRY

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

Employment By Major Industry Type

(Number of Jobs in 1,000s)



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	13,900
Christiana Care Health Services	Hospital/Healthcare Complex	10,800
Bank Of America (formerly MBNA)	Banking	10,000
Dupont	Chemicals and Energy	8,100
AstraZeneca Inc. N.A.	Pharmaceuticals/Chemicals	4,800
Wal-Mart Stores, Inc.	Retailer	4,600
University of Delaware	Higher Education	4,004
A.I. Dupont Institute	Children's Hospital/Healthcare	3,200
Christiana School District	Public Education	2,300
Wilmington Trust Co.	Banking	2,284
The Y of Delaware (formerly YMCA)	Civic/Social Services	2,148
Citibank Delaware	Banking	2,100
Red Clay School District	Public Education	1,750
Happy Harry's Inc./ Walgreen's	Retail Pharmacy	1,700
Delaware Park	Entertainment Facility	1,500
Brandywine School District	Public Education	1,482
Comcast	Communications	1,450
Delmarva Power / PEPCO	Electric & Gas Utility	1,438
Amtrak	National Railroad	1,400
New Castle County Government	County Government	1,300
Colonial School District	Public Education	1,271
St. Francis Healthcare Services	Healthcare	1,200
ING Direct	Financial Services	1,122
PNC Bank	Financial Services	1,100
Discover Bank	Financial Services	1,050

Source: Delaware Business Ledger, Book of Lists, 2010

Largest Wage Tax Withholders in the City of Wilmington

Maintaining the diversity of the City's top revenue source, Wage and Net Profits Tax, is an important component in assuring stable income during an economic downturn. The City continues to expand and diversify its base of Wage Tax withholders, with calendar year 2009 having no one industry providing more than 10% of the City's Wage Taxes. Below are the City's top five Wage Tax withholders over the past three calendar years, as a percentage of total City Wage Tax.

Calendar Year 2009

Name	Withholdings	% of Total
JP Morgan Chase	4,233,749	8.9%
State of Delaware	3,322,363	7.0%
DuPont	1,642,107	3.5%
Barclays	1,601,820	3.4%
Wilmington Trust	1,507,328	3.2%

Calendar Year 2008

Name	Withholdings	% 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%

Calendar Year 2007

Name	Withholdings	% of Total
Bank of America (Formerly MBNA)	6,743,513	14.5%
JP Morgan Chase	3,998,704	8.6%
State of Delaware	3,287,141	7.1%
E.I. du Pont de Nemours & Co.	1,946,264	4.2%
Christiana Care	1,484,200	3.2%

Source: City of Wilmington Revenue Division

Largest Real Estate Taxpayers in the City of Wilmington

Property tax is the City's second largest revenue source. Changes in the housing, construction, and building industries directly affect City revenue through the issuance of permits and the levying of property taxes. Below are the ten largest real estate taxpayers in the City.

Name	Property	Taxable Assessment	% of Total Taxable
Buccini Pollin Group	Office and Luxury Residential	\$89,493,700	4.03%
Conctiv/Delmarva Power	Electric & Gas Utility	80,824,200	3.64%
Bank of America	Corporate Headquarters	78,107,700	3.51%
MacQuarie BDN Christina III	Office Building	63,704,500	2.87%
DCL Leasing Partners	Corporate Headquarters	58,084,300	2.61%
DuPont	Corporate Headquarters	52,839,800	2.38%
1201 Market Street LLC	Office Building	51,775,000	2.33%
Delaware Trust Rehab	Office & Residential	37,681,100	1.70%
HUB Properties Trust	Office Building	31,119,900	1.40%
222 Delaware Partners, LP	Office Building	27,608,600	1.24%
Total		\$571,238,800	25.71%

Source: City of Wilmington Revenue Division

New Construction Permits Issued

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Single-Family	56	139	68	61	67
Multi-Family	0	1	0	3	2
Non-Residential	23	8	10	22	8
TOTAL	79	148	78	86	77

Total Value of New Construction Activity

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Residential	\$ 11,520,300	\$ 13,048,613	\$ 9,550,632	\$ 10,206,865	\$ 9,990,200
Non-Residential	\$ 70,313,246	\$116,655,011	\$ 12,133,900	\$ 35,543,146	\$ 11,125,024
TOTAL	\$ 81,833,546	\$129,703,624	\$ 21,684,532	\$ 45,750,011	\$ 21,115,224

Renovation Construction Permits Issued

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Residential	3,428	3,400	2,157	2,935	2,646
Non-Residential	1,026	850	419	732	571
TOTAL	4,454	4,250	2,576	3,667	3,217

Total Value of Renovation Construction Activity

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Residential	\$ 25,941,524	\$ 85,578,457	\$ 23,940,194	\$ 21,132,548	\$ 18,224,978
Non-Residential	\$156,171,933	\$183,450,255	\$134,242,886	\$ 84,352,813	\$ 73,261,487
TOTAL	\$182,113,457	\$269,028,712	\$158,183,080	\$ 105,485,361	\$ 91,486,465

Source: City of Wilmington, Department of Licences & Inspections

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, mid-way 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 of 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 requires 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 and 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 the 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. This work is supported by federal stimulus funding and will begin in the fall of 2010.
- 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 the recently opened new 80,000 square foot Shop Rite supermarket.
- Relocation of the City's Public Works Yard and redevelopment of the former 16-acre site including:
 - ◆ \$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.
 - ◆ \$15 million brownfield remediation.
 - ◆ 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 current downtown traffic needs, anticipated development, and opportunities to expand multi-modal.

Cultural and 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, which was dedicated and opened to the public in the fall of 2009.
- 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, in addition to mitigating persistent flooding in the adjacent Southbridge community.

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 and already produced 35 new residential units, 8 new retail outfits, and 7 new office spaces across six renovated buildings. Remaining committed funds support work to be completed by the end of 2010.
- The \$6.5 million historic renovation of a vacant 5-story furniture factory is now complete and is the home to Shipley Lofts, a mixed-income artist live/work community. The development has provided 23 units of affordable housing/studio space for local artists, which began leasing in the winter of 2010. The building also provides gallery space for resident exhibitions and events.
- 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, which 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, which 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, which 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 226.**

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 2009 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.

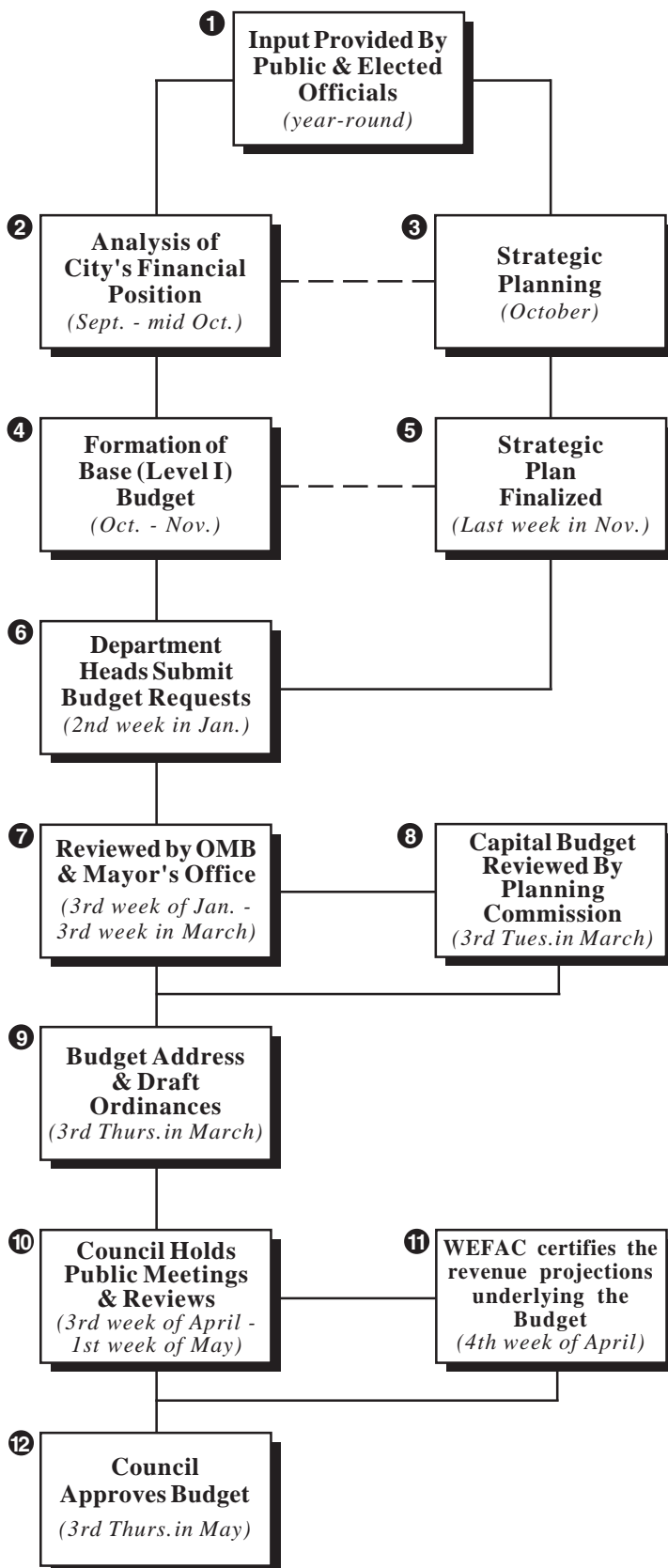
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, Commerce and Special funds are budgeted and operate under a **modified accrual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

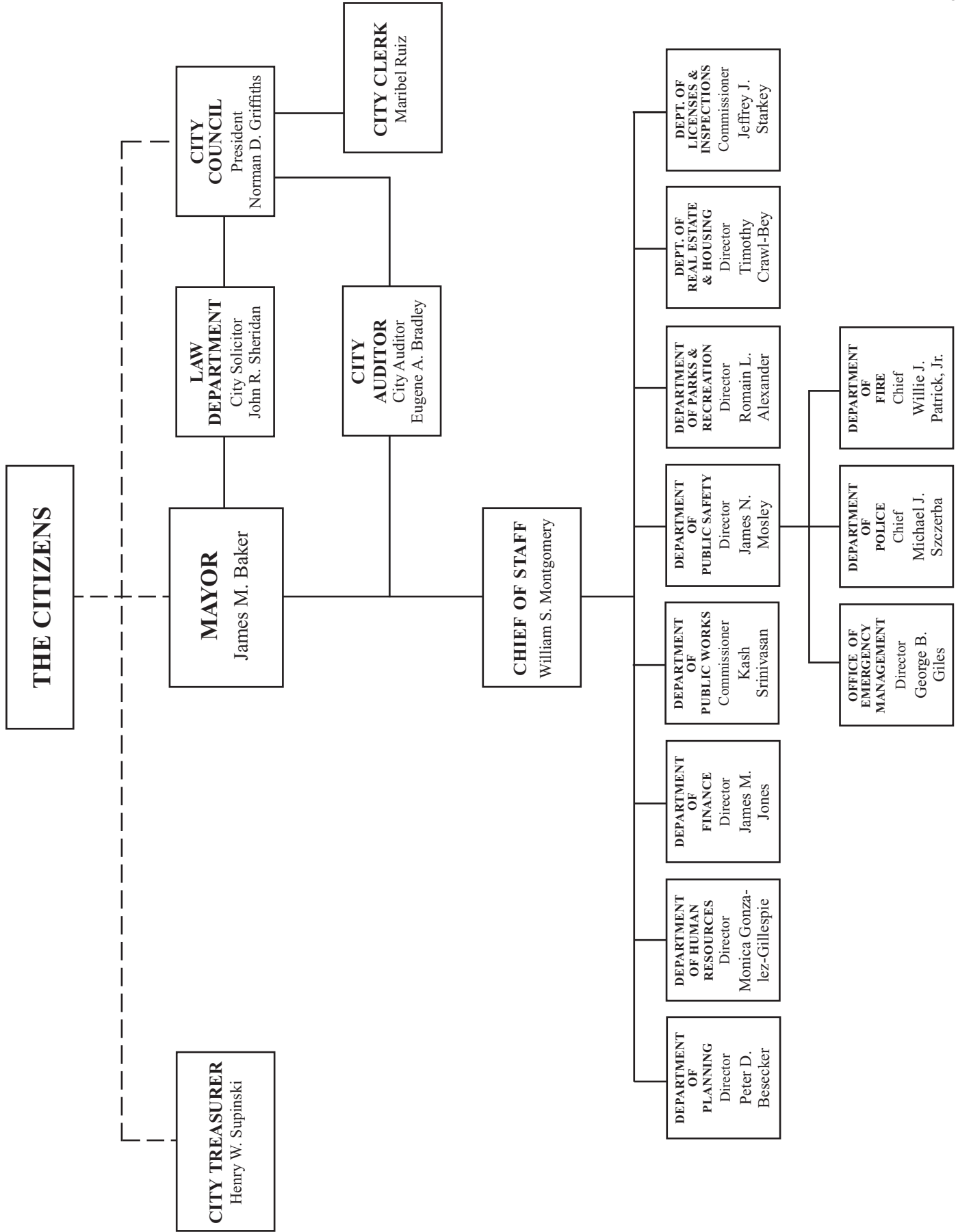
- A. Increase quality and affordability of housing for low-moderate income families.
- B. Increase home ownership.
- C. Increase and/or improve traditional City services (i.e. trash pickup, street repairs, etc.)
- D. Increase services and recreation opportunities for youth and families.
- E. Reduce crime 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.
 - Appropriations for pensions and retiree healthcare costs shall include amounts for current expenses, along with amounts amortizing prior unfunded liabilities, as actuarially determined and approved by the City Treasurer and the independent Board of Pension and Retirement.
 - The Risk Management Fund or Self-Insurance Fund shall maintain 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 Community Oriented Policing Services Office (COPS) Grant** is a federal award to help law enforcement agencies to hire more community policing officers, to acquire new technologies and equipment, and to promote innovative approaches to solving crime.
- **Workforce Investment Board (WIB)** is a U.S. Department of Labor program that provides funding for community occupational training and employment service opportunities.

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 were moved and budgeted in the General Fund.

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

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

Funding Appropriation

The City's Non-Special Funds are appropriated through the Budget Process and approved by City Council through City Ordinance. 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 2011

The General Fund

- The Fiscal Year (FY) 2011 operating budget expenditures total **\$147,614,191** – up \$2,008,484 or 1.4% from FY 2010. However, it is important to note that this increase occurred only after the City had to absorb nearly \$5.7 million in uncontrollable cost increases. These include employee healthcare (\$2.1 million); the loss of the State Municipal Street grant that directly paid for city-wide street lighting (\$1.3 million); pensions and retiree healthcare (\$1.05 million); net landfill/recycling fees (\$629,000); and the ending of the Police Byrne Grant (\$577,000). Together, those cost increases, in conjunction with continued erosion of major revenue sources, necessitated budget reductions affecting nearly every department’s operations and programs.
- As part of the reductions necessary to help balance the budget, no allowance was made for Cost of Living Adjustments (COLAs), except to honor a previously agreed upon 2.5% COLA for the Police rank and file union. Anniversary-based salary step increases for all eligible employees will continue. The savings as result of suspending COLAs is \$1.0 million.
- Staffing decreased by a net total of 13.3 Full-Time Equivalent (FTE) positions. Changes that added 1 FTE were more than offset by 14.3 other FTE reductions. The one FTE added was a Youth Intervention Specialist transferred in from the now-ending federal Byrne Grant.

The 14.3 FTE reductions are spread across several departments. In the Police Department, six Patrol Officer positions that a few years back had been absorbed into the General Fund because of lost grant funding are now being eliminated, along with the downgrading of a vacant Captain position to that of a Patrol Officer. Also in Police, a vacant Word Processing Supervisor position was deleted. Along with the vacant Senior Citizens Activities Liaison position that was eliminated by Council amendment mid-year of FY 2010, two vacant positions in the Parks & Recreation Department, an Equipment Operator II and a Pool Mechanic, are being deleted. In L&I, an Administrative Clerk I and a Building Code Enforcement Inspector, both vacant, are being eliminated. In the Mayor’s Office, a vacant Constituents Service Officer position is being eliminated. A Customer Service Representative II and a Central Cashier, both vacant and split-funded between the General and Water/Sewer Funds, are being deleted for a net 0.7 FTE reduction to General Fund staffing in the Finance Department. Lastly, the reallocation between the General and Special Funds of various split-funded positions in the Real Estate & Housing Department resulted in a net decrease of 0.6 FTE.

- The net reduction in FTEs detailed above, along with process improvements in the Finance and Public Works Departments that warranted minor position upgrades, result in a budget reduction of over \$859,000.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2011

The General Fund (continued)

- The Finance Department's Plan for Change revenue collection initiative continues to evolve and expand, especially in the area of Wage and Net Profits Taxes. There is a \$1 million increase to collection expenses related to increased audits of these two revenue areas. However, the resulting additional revenue projected to be collected as a result is over \$4 million, a net benefit to the General Fund of \$3 million.
- Temporary Salaries were reduced sharply city-wide, resulting in a savings of \$264,000. This had an especially large impact on the programs of the Parks & Recreation Department. One notable example is that two of the City's five swimming pools will not be opened for the 2010 summer season.
- City-wide spending on consultants and outside legal fees have been cut by almost one-third, saving \$396,000 and \$158,000 respectively. In the Human Resources & Services Division, the complete elimination of consultant funding will result in smaller and fewer employee training and development programs.
- Community service organization grants, scholarships, donations, and other special purpose support have been greatly reduced, and in some cases completely eliminated, for a total savings of \$351,700 (reduced by \$217,700 in the Mayor's Office, \$123,500 in City Council, and \$10,500 in Parks & Recreation).
- Due to the fiscal crisis, many City sponsored special events are being scaled back or eliminated altogether, a notable example being the cancellation of the First Night festival held on New Year's Eve. In addition, the City will continue its expanded effort to charge fees for outside sponsored events and parades to defray costly support services related to setup, police security, and cleanup.
- The City's aggressive replacement schedule for traffic signs and signals is being slowed, resulting in a savings of \$250,000. In addition, the City will be reorganizing its street, brick crosswalk, and pothole repair programs, resulting in a reduction of \$193,000.
- In order to help minimize the costs being transferred back to the General Fund as a result of the ending of the federal Byrne grant, the scope of the Camera Watch program will be modified. To save \$237,000 annually, two camera watch operators (instead of the nine currently contracted through Downtown Visions) will be utilized to monitor 42 of the City's street cameras. The monitoring of the Downtown, Bethel Villa, and West Center City cameras (funded by Downtown Visions, Bethel Villa apartments and WCCNPAC, respectively) will not be impacted by this change. The City will continue to pay the costs of electricity, mobile airtime, standard maintenance, and replacement (when needed) for all its cameras.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2011

The General Fund (continued)

- The Human Resources (HR) Department has developed various options for reducing the cost of employee healthcare. Several new plans have been created, with differing deductible and co-pays depending on service levels, along with an increase to employee contributions. It is important to note that most changes will have to be agreed upon through negotiation with the City's various labor unions. However, HR projects that a savings of at least \$300,000 will be achievable in FY 2011. As a result, a placeholder offset to costs was put into the Contingency Fund.
- To improve flagging productivity and morale, management of the parking ticket and scofflaw enforcement (booting) operations are being transferred from the Police Department to the Finance Department. As a result, the budgets for the twenty-four related positions (\$1.42 million) and the supporting services and materials (\$48,000) were moved from Police to Finance.
- Because of the continuing severe impact of the recession, program and operational cost reductions and efficiency initiatives alone could not balance the budget. To help close a budget deficit of over \$4.5 million, there was a 10% Property Tax rate increase approved. In addition, special one-time transfers totaling \$1,125,422 from the CATV Fund (\$275,422), the Economic Strategic Fund (\$425,000), and the Housing Strategic Fund (\$425,000) were needed to close the remaining gap and balance the budget

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2011

The Water/Sewer Fund

- The FY 2011 operating budget expenditures total **\$57,772,064** – up \$3,305,500 or 6.1% from FY 2010. Despite increasing fiscal stress, it was deemed necessary that the FY 2011 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 repairs to water and sewer lines and large equipment increased by \$2.4 million. In the past, the bulk of the \$2.4 million in costs would have been paid through the capital budget. But with the adoption of a new fiscal policy that more narrowly defines which expenditures can be categorized as capital improvements versus operational maintenance, the cost of many large water and sewer repair and maintenance programs have been shifted to the operating budget.
- There is a \$647,000 net increase in the contract with Veolia to operate and maintain the City’s sewage treatment plant. This increase includes a new charge for the handling of bio-solids disposal that in previous years was handled by a company called VFL. The much less expensive method VFL employed of mixing the City’s sewage sludge with power plant fly ash to make a material suitable for landfill cover is no longer allowed by the State of Delaware.
- Recently completed capital projects of extraordinary scope and price, such as Cool Spring Reservoir and Hoopes Dam have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in an almost \$469,000 increase in depreciation expense.
- Staffing decreased by a net 1.3 FTE positions in the Finance Department. A Customer Service Representative II and a Central Cashier, both vacant and split-funded between the General and Water/Sewer Funds, were eliminated.
- The FY 2011 Budget raises water and sewage rates by 19%, with no change to stormwater fees. The weighted average increase to the average City resident’s bill will be about 15.5%.

**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2007 - FY 2011**

REVENUES	ACTUAL FY2007	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
General Fund					
Taxes	\$92,297,981	\$94,108,451	\$95,279,953	\$102,472,372	\$107,170,400
Permits, Fees & Fines	9,109,357	9,808,760	10,757,273	13,822,291	14,022,291
Other	9,864,911	8,373,156	9,860,582	10,001,353	6,590,699
Task Force Revenues	4,853,882	4,762,980	4,102,645	4,178,000	3,790,500
County Seat Relief	6,682,189	8,002,777	7,505,338	7,492,067	7,214,065
State Pension Contributions	7,323,607	7,468,406	7,554,785	7,323,600	7,470,072
Transfers In	275,000	275,000	275,000	275,000	1,400,422
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	130,406,927	132,799,530	135,335,576	145,564,683	147,658,449
Water/Sewer Fund					
Direct User Charges	33,398,882	33,398,479	31,125,312	39,423,981	38,495,371
New Castle County Charges	16,242,123	16,677,751	17,610,381	19,321,940	18,508,123
Other	<u>6,288,875</u>	<u>1,107,784</u>	<u>1,099,178</u>	<u>1,020,000</u>	<u>970,000</u>
Subtotal	55,929,880	51,184,014	49,834,871	59,765,921	57,973,494
Commerce Fund					
Port Debt Reimbursement	1,598,003	1,124,962	2,579,431	0	0
Miscellaneous	<u>0</u>	<u>1,360</u>	<u>500,113</u>	<u>0</u>	<u>0</u>
Subtotal	1,598,003	1,126,322	3,079,544	0	0
Special Funds					
Fed./State/County Grants	12,937,508	12,954,610	9,807,230	7,110,071	8,734,043
Other	<u>2,057,303</u>	<u>2,178,579</u>	<u>2,216,268</u>	<u>2,670,909</u>	<u>3,142,019</u>
Subtotal	14,994,811	15,133,189	12,023,498	9,780,980	11,876,062
Total Revenues	<u>\$202,929,621</u>	<u>\$200,243,055</u>	<u>\$200,273,489</u>	<u>\$215,111,584</u>	<u>\$217,508,005</u>

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2007 - FY 2011**

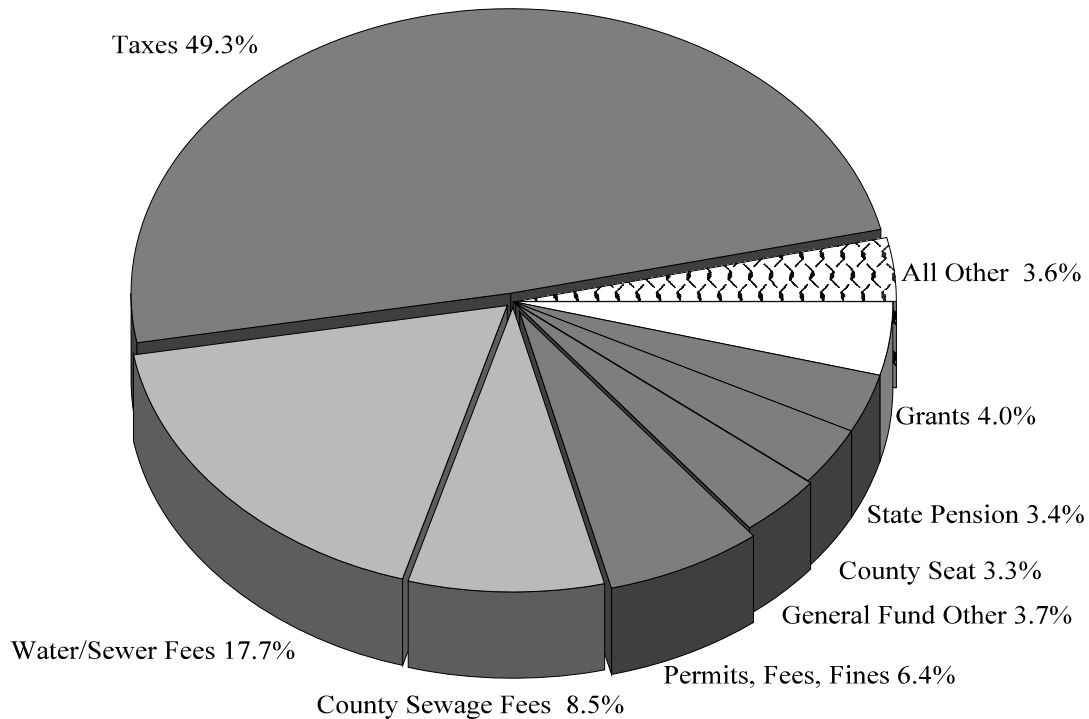
EXPENDITURES	ACTUAL FY2007	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
General Fund					
Personal Services	\$80,401,889	\$83,762,498	\$97,060,229	\$90,923,788	\$94,646,269
M. S. & E.	30,814,805	26,345,544	31,368,994	35,377,300	36,642,083
Debt Service	11,590,117	11,784,442	11,777,029	17,415,753	15,149,785
Other	688,247	809,673	639,371	1,888,866	1,176,054
Subtotal	123,495,058	122,702,157	140,845,623	145,605,707	147,614,191
Water/Sewer Fund					
Personal Services	8,316,531	9,630,491	9,796,464	9,541,915	9,850,266
M. S. & E.	28,149,039	28,300,613	31,452,686	33,014,404	35,617,665
Debt Service	3,893,068	4,409,703	5,635,798	5,750,406	5,675,557
Other	6,307,970	5,644,453	6,225,668	6,159,838	6,628,576
Subtotal	46,666,608	47,985,260	53,110,616	54,466,563	57,772,064
Commerce Fund					
Personal Services	649,889	647,030	758,945	0	0
M. S. & E.	207,364	1,563,938	2,307,105	0	0
Debt Service	5,782,102	5,764,041	3,741,116	0	0
Subtotal	6,639,355	7,975,009	6,807,166	0	0
Special Funds					
Personal Services	5,541,364	6,330,638	2,617,588	2,335,486	4,066,939
M. S. & E.	4,626,720	6,538,981	4,858,626	4,281,646	4,312,550
Other	4,826,727	2,263,570	4,547,284	3,163,848	3,496,573
Subtotal	14,994,811	15,133,189	12,023,498	9,780,980	11,876,062
Total Expenditures	\$191,795,832	\$193,795,615	\$212,786,903	\$209,853,250	\$217,262,317
INCOME (LOSS)					
General Fund	6,911,869	10,097,373	(5,510,047)	(41,024)	44,258
Water/Sewer Fund	9,263,272	3,198,754	(3,275,745)	5,299,358	201,430
Commerce Fund	(5,041,352)	(6,848,687)	(3,727,622)	0	0
Special Funds	0	0	0	0	0
Total Income (Loss)	\$11,133,789	\$6,447,440	(\$12,513,414)	\$5,258,334	\$245,688

SUMMARY ALL FUNDS COMBINED FISCAL YEAR 2011

<u>Revenues</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Taxes	\$94,108,451	\$95,279,953	\$102,472,372	\$107,170,400	4.6%	36
Permits, Fees, Fines	9,808,760	10,757,273	13,822,291	14,022,291	1.4%	36
Task Force Revenues	4,762,980	4,102,645	4,178,000	3,790,500	-9.3%	36
County Seat Relief	8,002,777	7,505,338	7,492,067	7,214,065	-3.7%	36
State Pension Contr.	7,468,406	7,554,785	7,323,600	7,470,072	2.0%	36
General Fund Other	8,648,156	10,135,582	7,447,533	6,312,955	-15.2%	36
Water/Sewer Fees	33,398,479	31,125,312	39,423,981	38,495,371	-2.4%	40
County Sewage Fees	16,677,751	17,610,381	19,321,940	18,508,123	-4.2%	40
Water/Sewer Other	1,107,784	1,099,178	1,020,000	970,000	-4.9%	40
Port Debt Reimburse.	1,126,322	3,079,544	2,828,820	1,678,166	-40.7%	36 & 42
Special Funds Grants	12,954,610	9,807,230	7,110,071	8,734,043	22.8%	38
Special Funds Other	<u>2,178,579</u>	<u>2,216,268</u>	<u>2,670,909</u>	<u>3,142,019</u>	<u>2.3%</u>	38
Total Revenues	<u>\$200,243,055</u>	<u>\$200,273,489</u>	<u>\$215,111,584</u>	<u>\$217,508,005</u>	<u>1.1%</u>	

* See page listed for further information and details

Revenues All Funds Fiscal Year 2011

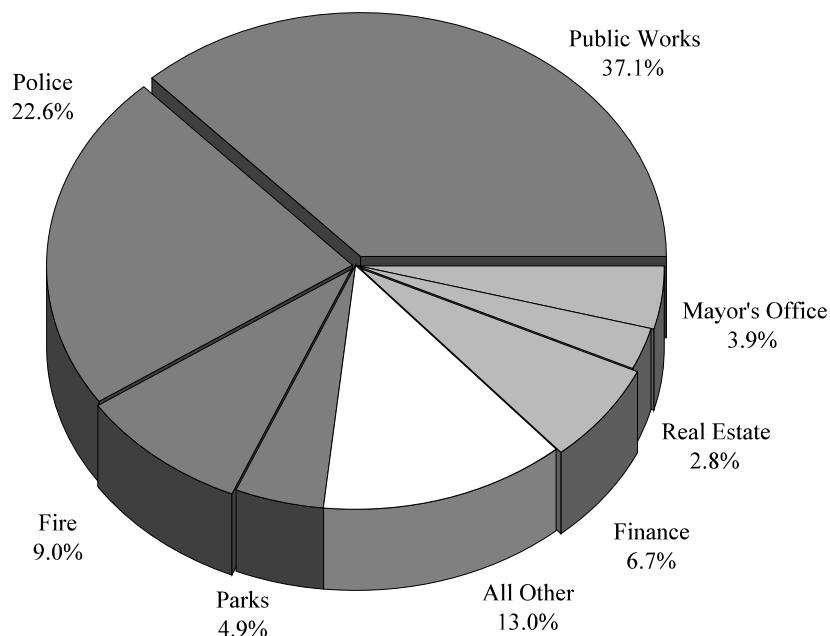


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2011

<u>Expenditures</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Mayor's Office	\$10,033,365	\$10,678,320	\$9,243,622	\$8,575,113	-7.2%	95
Council	2,683,096	2,766,296	2,673,742	2,566,968	-4.0%	105
Treasurer	2,502,378	2,562,894	2,982,616	3,457,169	15.9%	109
Planning	1,596,085	1,793,256	1,840,197	1,647,788	-10.5%	116
Auditing	654,684	705,782	739,847	755,134	2.1%	124
Law	2,777,746	2,837,106	3,111,496	3,102,185	-0.3%	129
Finance	8,555,885	11,062,195	12,207,692	14,613,403	19.7%	135
Human Resources	1,548,197	1,776,445	1,895,103	1,894,896	0.0%	145
Licenses & Inspections	4,130,771	4,623,515	4,564,773	4,493,807	-1.6%	156
Parks & Recreation	11,316,422	11,588,482	10,609,204	10,578,403	-0.3%	163
Fire	17,961,414	20,783,148	19,582,538	19,654,529	0.4%	173
Police	45,852,287	51,772,408	48,115,200	49,047,875	1.9%	181
Public Works	66,409,637	71,448,636	72,980,301	80,554,396	10.4%	194
Real Estate & Housing	4,976,412	7,399,187	7,115,295	6,010,098	-15.5%	210
Commerce (Port Debt)	5,328,830	3,434,447	3,646,267	2,318,346	-36.4%	223
State Pension Contr.	7,468,406	7,554,786	7,323,600	7,470,072	2.0%	174 & 182
Contingent Reserves	<u>0</u>	<u>0</u>	<u>1,221,757</u>	<u>522,135</u>	<u>-57.3%</u>	95
Total Expenditures	<u>\$193,795,615</u>	<u>\$212,786,903</u>	<u>\$209,853,250</u>	<u>\$217,262,317</u>	<u>3.5%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2011



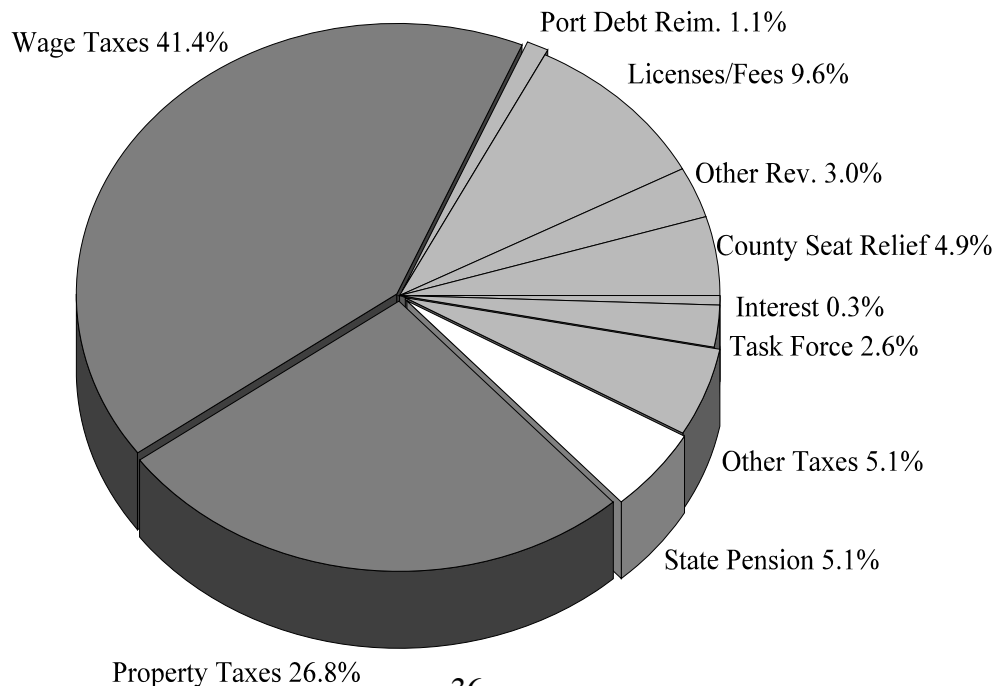
SUMMARY OF GENERAL FUND FISCAL YEAR 2011

<u>Revenues</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Wage Tax	\$54,391,443	\$55,905,516	\$58,015,387	\$60,515,387	4.3%	73
Property Tax	30,503,671	31,911,857	35,862,806	39,152,150	9.2%	74
Other Taxes	9,213,337	7,462,580	8,594,179	7,502,863	-12.7%	75
Licenses, Permits, Fees & Fines	9,808,760	10,757,273	13,822,291	14,022,291	1.4%	76
Interest	3,324,430	1,702,753	2,250,000	500,000	-77.8%	77
Other Revenues	5,048,726	8,157,829	4,922,533	4,412,533	-10.4%	78
Task Force Revenues	4,762,980	4,102,645	4,178,000	3,790,500	-9.3%	79
County Seat Relief	8,002,777	7,505,338	7,492,067	7,214,065	-3.7%	80
State Pension Contr.	7,468,406	7,554,785	7,323,600	7,470,072	2.0%	81
Port Debt Reimburse.	0	0	2,828,820	1,678,166	-40.7%	81
Prior Yr Desig./Surplus	0	0	0	0	0.0%	82
Transfers In/(Out)	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>1,400,422</u>	<u>0.0%</u>	82
Total Revenues	<u>\$132,799,530</u>	<u>\$135,335,576</u>	<u>\$145,564,683</u>	<u>\$147,658,449</u>	<u>1.4%</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 2011



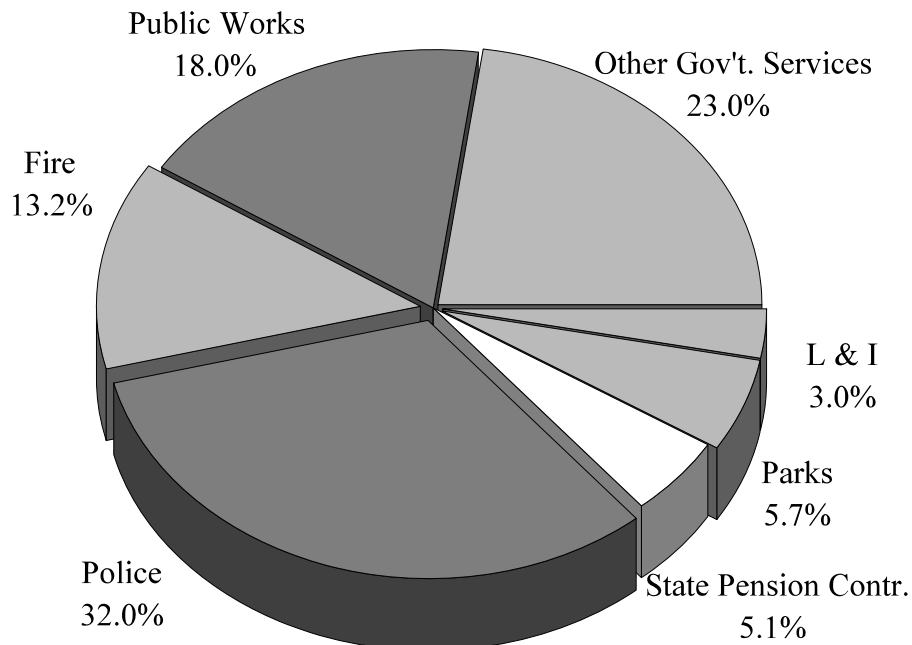
SUMMARY OF GENERAL FUND FISCAL YEAR 2011

<u>Expenditures</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Mayor's Office	\$7,269,116	\$7,183,874	\$9,188,271	\$8,517,665	-7.3%	95
Council	2,683,096	2,766,296	2,673,742	2,566,968	-4.0%	105
Treasurer	423,988	458,458	463,209	471,342	1.8%	109
Planning	1,537,205	1,735,963	1,782,453	1,588,822	-10.9%	116
Auditing	601,884	647,853	681,047	696,134	2.2%	124
Law	2,727,869	2,837,106	3,111,496	3,102,185	-0.3%	130
Finance	5,439,337	7,742,815	8,542,550	10,953,175	28.2%	136
Human Resources	1,548,197	1,776,445	1,895,103	1,894,896	0.0%	146
Licenses & Inspections	4,111,445	4,623,515	4,564,773	4,493,807	-1.6%	156
Parks & Recreation	9,797,793	10,057,011	9,944,898	8,479,962	-14.7%	164
Fire	17,254,810	20,682,795	19,382,350	19,454,341	0.4%	173
Police	39,953,888	50,136,111	46,169,699	47,308,823	2.5%	181
Public Works	20,189,713	20,046,742	22,237,680	26,501,560	19.2%	194
Real Estate & Housing	1,695,410	2,595,853	2,776,812	1,273,958	-54.1%	210
Commerce (Port Debt)^	0	0	3,646,267	2,318,346	-36.4%	223
State Pension Contr.	7,468,406	7,554,786	7,323,600	7,470,072	2.0%	174 & 182
Contingent Reserves^^	0	0	1,221,757	522,135	-57.3%	95
Total Expenditures	<u>\$122,702,157</u>	<u>\$140,845,623</u>	<u>\$145,605,707</u>	<u>\$147,614,191</u>	<u>1.4%</u>	

* See page listed for further information and details. ^ See note on page 42.

^^ FY 2011 includes a \$300,000 place marker for employee step increases, \$300,000 for operating contingencies, \$97,135 for the FED UP program, \$125,000 for snow and weather emergencies, and a \$300,000 offset as a place marker for savings expected from anticipated revisions to employee healthcare plans.

General Fund Expenditures Fiscal Year 2011



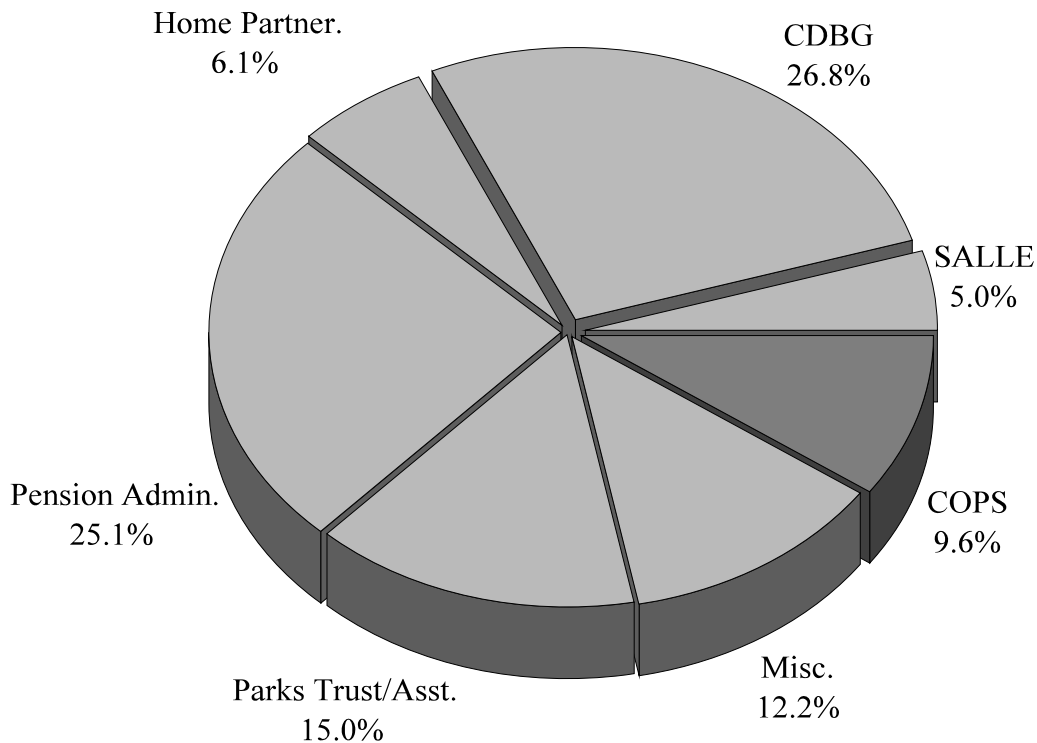
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2011

<u>Revenues</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Municipal Street Aid	\$1,404,012	\$1,668,587	\$0	\$0	0.0%	83
CDBG	2,711,581	3,068,273	2,797,208	3,185,792	13.9%	83
COPS Grant	0	0	0	1,145,283	N/A	83
NCC Police Grant	4,612,137	42,936	0	0	0.0%	84
Parks Assistance	1,418,440	1,419,639	512,804	1,627,249	217.3%	84
Parks Trust Fund	100,189	111,832	151,502	156,192	3.1%	84
SALLE/LLEBG	1,157,283	1,435,610	479,786	593,769	23.8%	85
Pension Admin.	2,078,390	2,104,436	2,519,407	2,985,827	18.5%	85
Home Partnership	51,045	996,014	839,047	730,056	-13.0%	85
Bryne Grant	198,182	157,751	1,465,715	0	-100.0%	86
Miscellaneous Grants	<u>1,401,930</u>	<u>1,018,420</u>	<u>1,015,511</u>	<u>1,451,894</u>	<u>-11.5%</u>	86
Total Revenues	<u>\$15,133,189</u>	<u>\$12,023,498</u>	<u>\$9,780,980</u>	<u>\$11,876,062</u>	<u>21.4%</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 2011



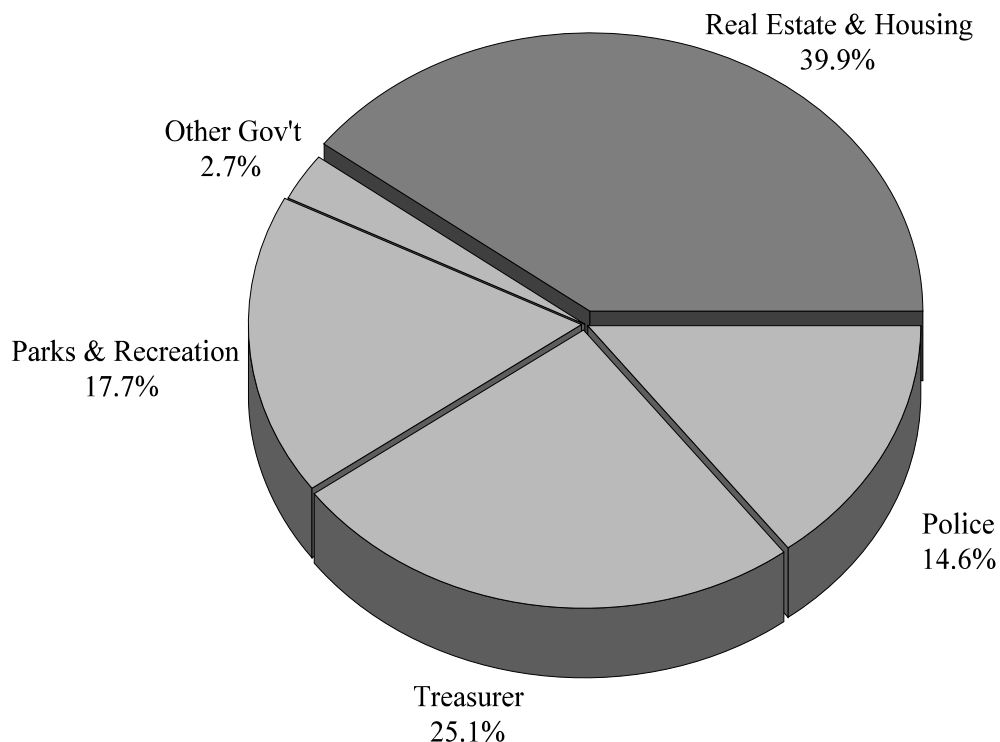
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2011

<u>Expenditures</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Mayor's Office	\$118,070	\$121,727	\$55,351	\$57,448	3.8%	96
Treasurer	2,078,390	2,104,436	2,519,407	2,985,827	18.5%	110
Planning	58,880	57,293	57,744	58,966	2.1%	116
Law	49,877	0	0	0	0.0%	130
Licenses & Inspections	19,326	0	0	0	0.0%	156
Parks & Recreation	1,518,629	1,531,471	664,306	2,098,441	215.9%	164
Fire	706,604	100,353	200,188	200,188	0.0%	174
Police	5,898,399	1,636,297	1,945,501	1,739,052	-10.6%	182
Public Works	1,404,012	1,668,587	0	0	0.0%	195
Real Estate & Housing	<u>3,281,002</u>	<u>4,803,334</u>	<u>4,338,483</u>	<u>4,736,140</u>	<u>9.2%</u>	210
Total Expenditures	<u>\$15,133,189</u>	<u>\$12,023,498</u>	<u>\$9,780,980</u>	<u>\$11,876,062</u>	<u>21.4%</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 2011

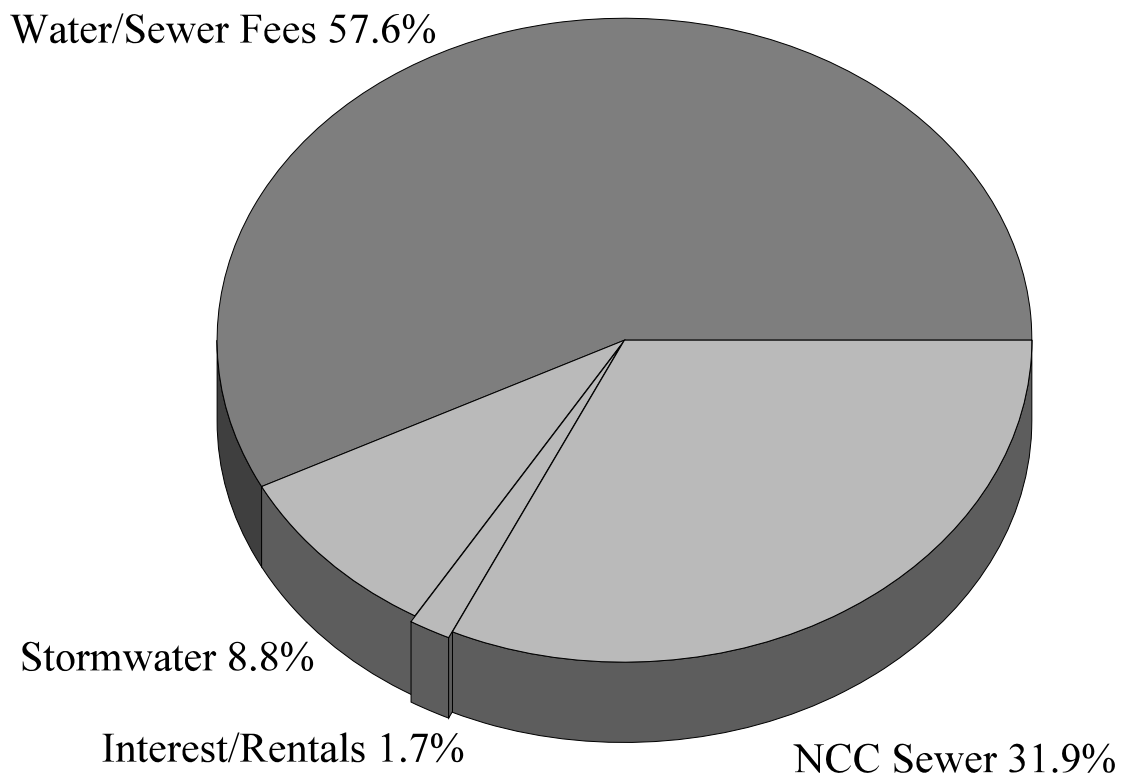


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2011**

Revenues	Actual FY 2008	Actual FY 2009	Budget FY 2010	Budget FY 2011	Percent Change FY'11-'10	Page Reference*
Water/Sewer						
User Fees	\$28,472,594	\$26,329,957	\$33,944,724	\$33,403,975	-1.6%	87
Stormwater Billings	4,925,885	4,795,355	5,479,257	5,091,396	-7.1%	88
New Castle County						
Sewer Services	16,677,751	17,610,381	19,321,940	18,508,123	-4.2%	89
Interest	377,746	313,311	250,000	150,000	-40.0%	90
Rentals	730,038	785,867	770,000	820,000	6.5%	91
Transfers In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	91
Total Revenues	<u>\$51,184,014</u>	<u>\$49,834,871</u>	<u>\$59,765,921</u>	<u>\$57,973,494</u>	<u>-3.0%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2011

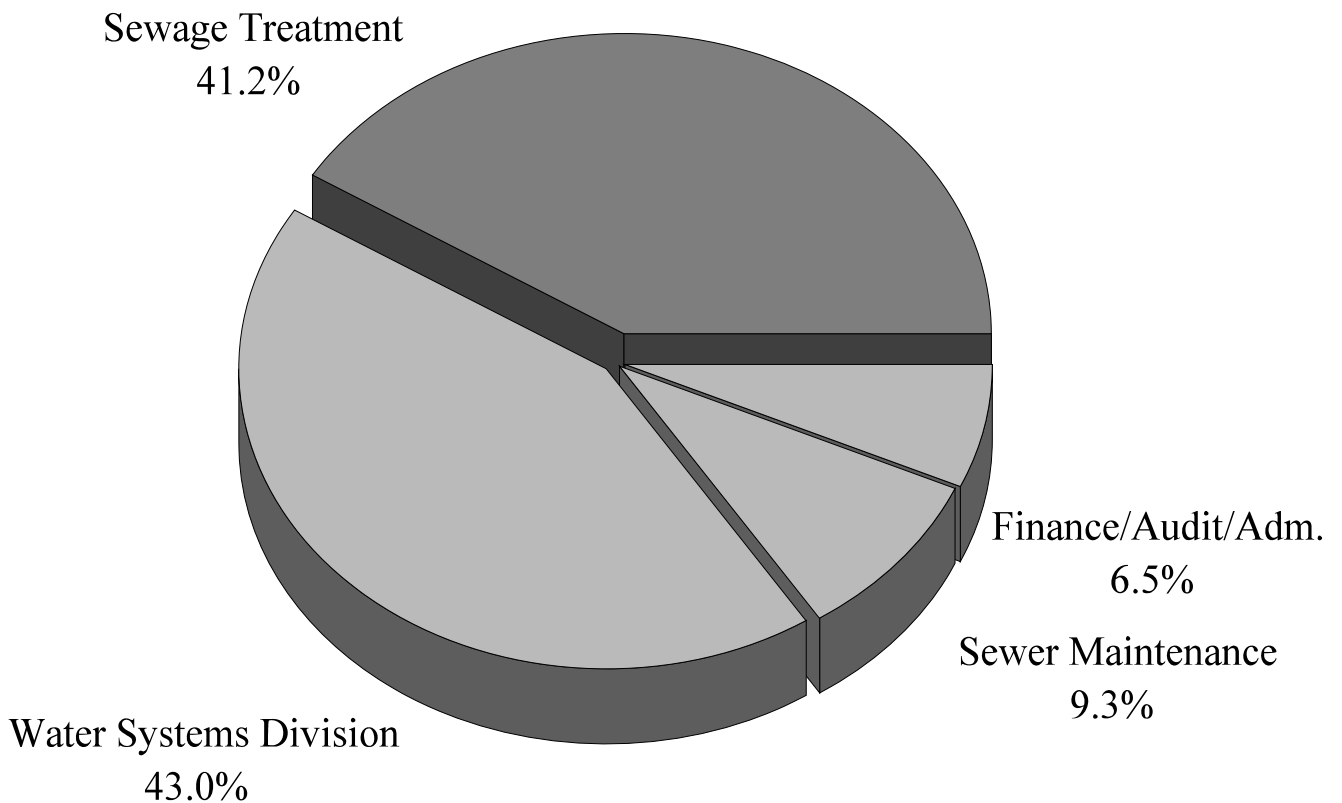


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2011**

<u>Expenditures</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Auditing	\$52,800	\$57,929	\$58,800	\$59,000	0.3%	124
Finance	3,116,548	3,319,380	3,665,142	3,660,228	-0.1%	136
Public Works	<u>44,815,912</u>	<u>49,733,307</u>	<u>50,742,621</u>	<u>54,052,836</u>	<u>6.5%</u>	194
Total Expenditures	<u>\$47,985,260</u>	<u>\$53,110,616</u>	<u>\$54,466,563</u>	<u>\$57,772,064</u>	<u>6.1%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2011



**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2011**

<u>Revenues</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
State Debt Reimbursement	\$1,124,962	\$2,579,431	\$0	\$0	0.0%	92
Miscellaneous	1,360	113	0	0	0.0%	92
Gain on Sale of Land	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	92
Total Revenues	<u>\$1,126,322</u>	<u>\$3,079,544</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</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 were moved and budgeted into the General Fund.

**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2011**

<u>Expenditures</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Mayor's Office	\$2,646,179	\$3,372,719	\$0	\$0	0.0%	96
Commerce	<u>5,328,830</u>	<u>3,434,447</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	223
Total Expenditures	<u>\$7,975,009</u>	<u>\$6,807,166</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</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 were moved and budgeted into the General Fund.

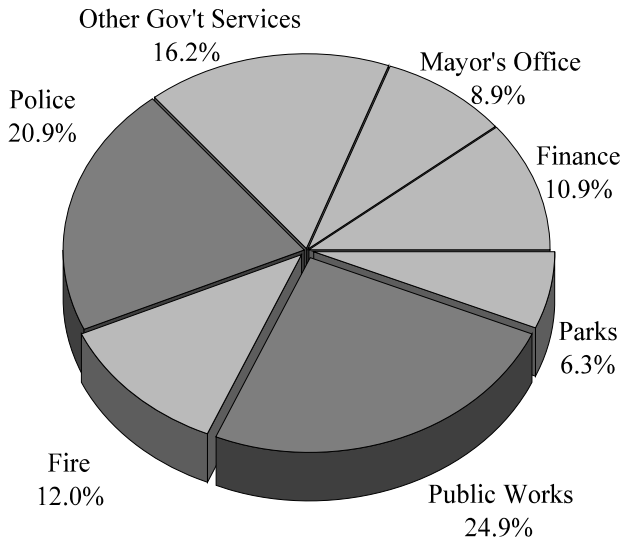
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2011

<u>Expenditures**</u>	<u>Actual FY 2008</u>	<u>Actual FY 2009</u>	<u>Budget FY 2010</u>	<u>Budget FY 2011</u>	<u>Percent Change FY'11-'10</u>	<u>Page Reference*</u>
Mayor's Office (IT)	\$5,240,158	\$6,388,289	\$6,676,491	\$6,895,342	3.3%	96
Human Resources (Risk Mgmt., Work. Comp., Health)	12,387,582	19,251,481	18,825,137	21,411,896	13.7%	146
Public Works (Motor Vehicle)	<u>6,479,507</u>	<u>5,971,118</u>	<u>6,851,562</u>	<u>6,770,518</u>	<u>-1.2%</u>	195
Total Expenditures	<u>\$24,107,247</u>	<u>\$31,610,888</u>	<u>\$32,353,190</u>	<u>\$35,077,756</u>	<u>8.4%</u>	

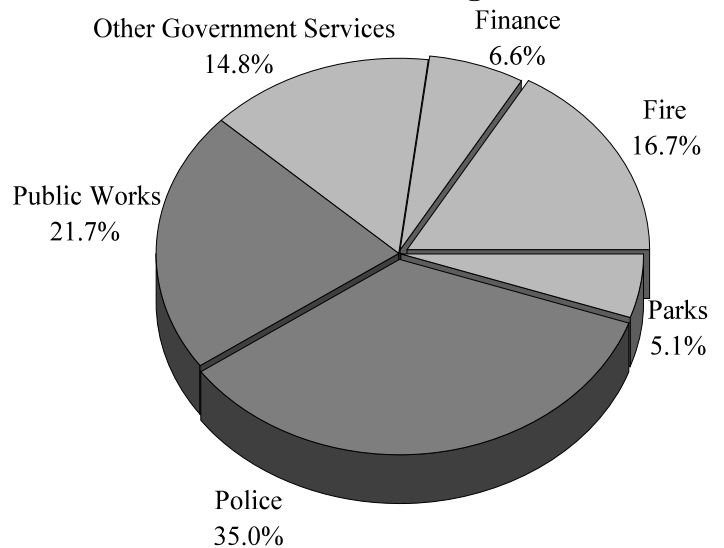
* See page listed for further information and details.

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

Administrative Services FY '11 Internal Service Charge Allocations



Self-Insurance Program FY '11 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	556,000	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	19,131,500	0	61,595,500
GRAND TOTAL	\$103,259,500	\$0	\$59,476,500	\$0	\$35,631,500	\$0	\$194,907,500

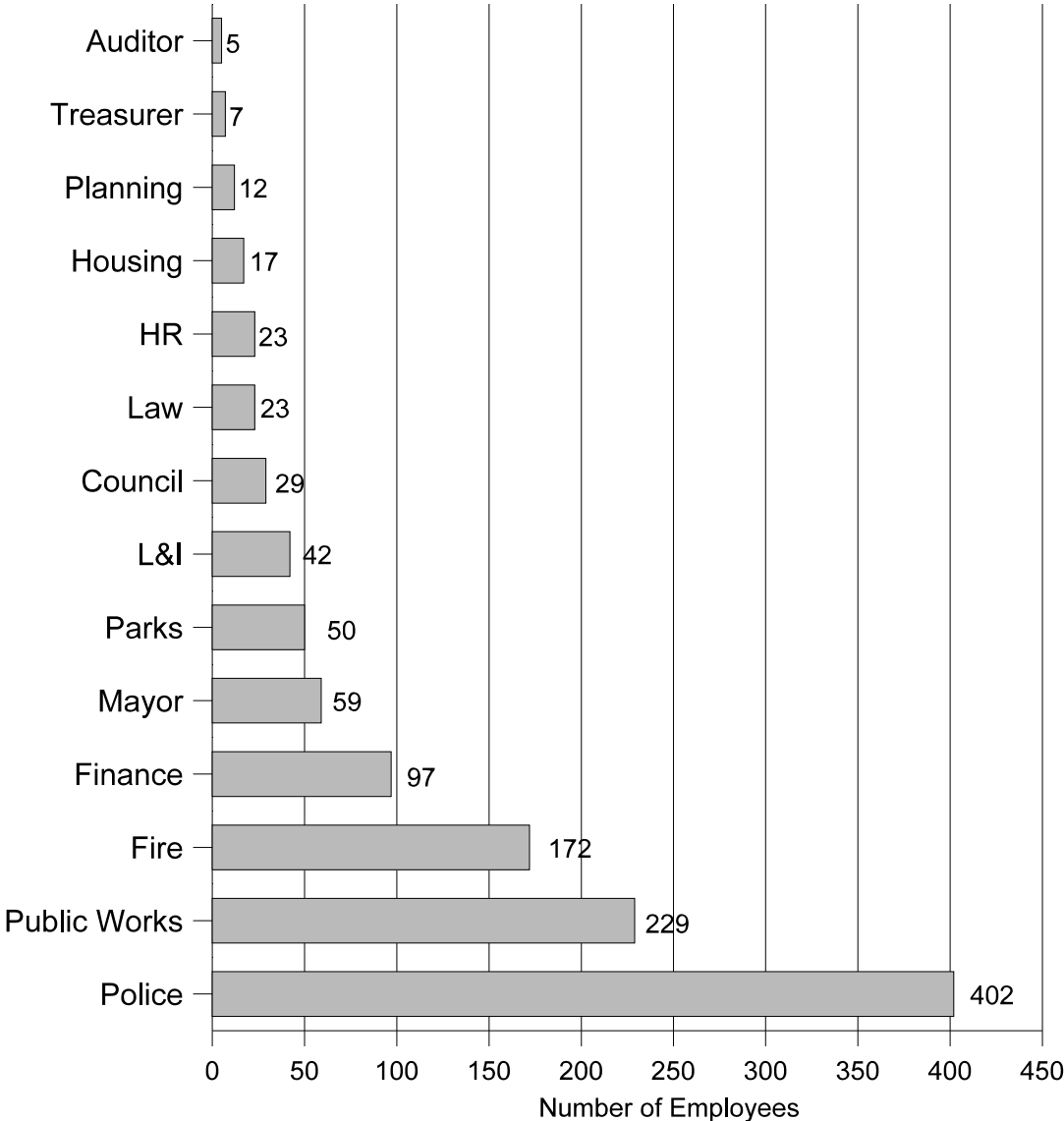
Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 228-229)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2011

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Mayor's Office	61.00	60.00	60.00	60.00	59.00	(1.00)
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	12.00	12.00	12.00	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	21.00	22.00	23.00	23.00	23.00	0.00
Finance	60.00	68.00	70.00	75.00	97.00	22.00
Human Resources	22.00	22.00	23.00	23.00	23.00	0.00
Licenses & Inspections	44.00	45.00	46.00	44.00	42.00	(2.00)
Parks & Recreation	53.00	54.00	58.00	53.00	50.00	(3.00)
Fire	177.00	179.00	180.00	172.00	172.00	0.00
Police	407.00	429.00	431.00	416.00	402.00	(14.00)
Public Works	228.00	231.00	235.00	229.00	229.00	0.00
Real Estate & Housing	<u>16.00</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>0.00</u>
TOTAL	<u>1,141</u>	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>2.00</u>
Total Employees per every 1,000 Persons	<u>15.67</u>	<u>16.19</u>	<u>16.42</u>	<u>16.00</u>	<u>16.02</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2011
(ALL FUNDS)**



Over 72% (or 845) of the City’s employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2011**

**GENERAL FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Mayor's Office	27.50	29.50	29.50	38.50	37.50	(1.00)
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	11.60	11.60	11.60	0.00
Auditing	5.00	5.00	5.00	5.00	5.00	0.00
Law	21.00	22.00	23.00	23.00	23.00	0.00
Finance	33.70	38.85	39.75	44.25	67.55	23.30
Human Resources	15.00	15.00	16.00	16.00	16.00	0.00
Licenses & Inspections	44.00	45.00	46.00	44.00	42.00	(2.00)
Parks & Recreation	53.00	54.00	58.00	53.00	50.00	(3.00)
Fire	177.00	179.00	180.00	172.00	172.00	0.00
Police	352.00	369.00	424.00	408.00	378.00	(30.00)
Public Works	121.50	124.00	129.25	126.25	126.25	0.00
Real Estate & Housing	<u>1.60</u>	<u>2.20</u>	<u>2.41</u>	<u>2.43</u>	<u>1.83</u>	<u>(0.60)</u>
TOTAL	<u>894.32</u>	<u>926.57</u>	<u>996.93</u>	<u>976.45</u>	<u>963.15</u>	<u>(13.30)</u>

**SPECIAL FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Mayor's Office	0.50	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	0.00	0.00	0.00	0.00	0.00	0.00
Real Estate and Housing	14.40	14.80	14.59	14.57	15.17	0.60
Police	<u>55.00</u>	<u>60.00</u>	<u>7.00</u>	<u>8.00</u>	<u>24.00</u>	<u>16.00</u>
TOTAL	<u>73.88</u>	<u>79.28</u>	<u>26.07</u>	<u>27.05</u>	<u>43.65</u>	<u>16.60</u>

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2011

WATER/SEWER FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Finance	26.30	29.15	30.25	30.75	29.45	(1.30)
Public Works	<u>106.50</u>	<u>107.00</u>	<u>105.75</u>	<u>102.75</u>	<u>102.75</u>	<u>0.00</u>
TOTAL	<u>132.80</u>	<u>136.15</u>	<u>136.00</u>	<u>133.50</u>	<u>132.20</u>	<u>(1.30)</u>

COMMERCE FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Mayor's Office	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

INTERNAL SERVICE FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Budget FY2010</u>	<u>Budget FY2011</u>	<u>Net Change FY'11-'10</u>
Mayor's Office	25.00	21.00	21.00	21.00	21.00	0.00
Human Resources	7.00	7.00	7.00	7.00	7.00	0.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>32.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>0.00</u>
TOTAL ALL FUNDS	<u>1,141</u>	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>2.00</u>

Actual and Projected Fund Balances and Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2011**

Fund Balance Activity	Actual FY 2009	Estimated FY 2010	Projected FY 2011
Fund Balance as of July 1	\$60,035,085	\$32,729,925	\$24,576,163
Excess of Revenues Over/(Under) Expenditures	(5,785,050)	(8,428,762)	(1,356,164)
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 *	(6,249,677)	-	1,125,422
Transfer from/(to) Commerce Fund *	<u>(15,545,433)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	(21,520,110)	275,000	1,400,422
Net Change in Fund Balance	(27,305,160)	(8,153,762)	44,258
Total Fund Balance as of June 30	<u>\$32,729,925</u>	<u>\$24,576,163</u>	<u>\$24,620,421</u>

Summary of Fund Balance

Nonspendable	\$8,257,304	\$9,000,000	\$7,100,000
Budget Reserves	14,560,571	14,761,419	15,204,262
Undesignated Reserves	<u>9,912,050</u>	<u>814,744</u>	<u>2,316,159</u>
Total Fund Balance as of June 30	<u>\$32,729,925</u>	<u>\$24,576,163</u>	<u>\$24,620,421</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. In addition, \$6,545,433 was transferred to close out the Commerce Fund, and \$1,249,677 was transferred to other Special Funds.

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2011**

Fund Net Assets Activity	Actual FY 2009	Estimated FY 2010	Projected FY 2011
Net Assets as of July 1	\$86,854,673	\$87,007,540	\$87,673,038
Excess of Revenues Over/(Under) Expenditures	5,475,354	6,265,904	5,726,987
Non-Operating Revenues/(Expenses)			
Interest Expense	(5,635,798)	(5,750,406)	(5,675,557)
Other	<u>313,311</u>	<u>150,000</u>	<u>150,000</u>
Total Non-Operating Revenues/(Expenses)	(5,322,487)	(5,600,406)	(5,525,557)
Income/(Loss) Before Transfers	152,867	665,498	201,430
Transfer from/(to) General Fund	-	-	-
Change in Net Assets	152,867	665,498	201,430
Total Net Assets as of June 30	<u>\$87,007,540</u>	<u>\$87,673,038</u>	<u>\$87,874,468</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$128,698,353	\$137,698,353	\$146,698,353
Unrestricted	<u>(41,690,813)</u>	<u>(50,025,315)</u>	<u>(58,823,885)</u>
Total Fund Net Assets as of June 30	<u>\$87,007,540</u>	<u>\$87,673,038</u>	<u>\$87,874,468</u>

**FUND BALANCE
COMMERCE FUND
FISCAL YEAR 2011**

Fund Balance Activity	Actual FY 2009	Estimated FY 2010	Projected FY 2011
Fund Balance as of July 1	\$178,878	\$0	\$0
Excess of Revenues Over/(Under) Expenditures	(10,449,203)	-	
Other Financing Sources/(Uses)			
Proceeds from the Sale of Assets	500,000	-	-
Transfer from/(to) General Fund	15,545,433	-	-
Net Accounting Adjustments & Other Transfers	<u>(5,775,108)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	10,270,325	0	0
Net Change in Fund Balance	(178,878)	0	0
Total Fund Balance of June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Summary of Fund Balance

Economic Development Reserves	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Fund Balance as of June 30	<u>\$0</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 it 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 were moved and budgeted into the General Fund.

**CONSOLIDATED FUND BALANCE & NET ASSETS
GENERAL, WATER/SEWER & COMMERCE FUNDS
FISCAL YEAR 2011**

Fund Balance & Net Assets Activity	Actual FY 2009	Estimated FY 2010	Projected FY 2011
Fund Balance & Net Assets as of July 1	\$147,068,636	\$119,737,465	\$112,249,201
Excess of Revenues Over/(Under) Expenditures	(10,758,899)	(2,162,858)	4,370,823
Total Other Financing Sources/(Uses)	(11,249,785)	275,000	1,400,422
Total Non-Operating Revenues/(Expenses)			
Water Fund	(5,322,487)	(5,600,406)	(5,525,557)
Operating Transfer to Water Fund from General Fund	-	-	-
Change in Fund Balance & Net Assets	(27,331,171)	(7,488,264)	245,688
Total Fund Balance & Net Assets as of June 30	<u>\$119,737,465</u>	<u>\$112,249,201</u>	<u>\$112,494,889</u>

Summary of Fund Balance & Net Assets

Unspendable	\$8,257,304	\$9,000,000	\$7,100,000
Budget Reserves	14,560,571	14,761,419	15,204,262
Undesignated Reserves	9,912,050	814,744	2,316,159
Invested in Capital Assets, Net of Related Debt	128,698,353	137,698,353	146,698,353
Unrestricted	(41,690,813)	(50,025,315)	(58,823,885)
Economic Development Reserves	0	0	0
Total Fund Balance & Net Assets as of June 30	<u>\$119,737,465</u>	<u>\$112,249,201</u>	<u>\$112,494,889</u>

City of Wilmington General Fund

ACTUAL, BUDGETED, AND PROJECTED REVENUES AND EXPENDITURES

<u>Revenue Type</u>	<u>Actual FY 2009</u>	<u>Projected FY 2010</u>	<u>Budget FY 2011</u>	<u>Projected FY 2012</u>	<u>Projected FY 2013</u>	<u>Projected FY 2014</u>	<u>Projected FY 2015</u>
Wage & Net Profits Tax	\$55,905,516	\$58,015,387	\$60,515,387	\$64,242,336	\$64,313,188	\$64,942,733	\$66,984,589
Property Tax	31,911,857	35,862,806	39,152,150	39,194,589	39,194,589	39,194,589	39,194,589
Real Estate Transfer Tax	2,668,996	2,052,313	2,052,313	\$1,949,697	\$1,988,691	\$2,038,409	\$2,099,561
Head Tax	2,787,026	3,186,000	3,686,000	3,722,000	3,794,000	3,866,000	3,938,000
Franchise Fee	2,006,558	2,005,866	1,764,550	1,800,300	1,836,306	1,882,214	1,938,680
Licenses, Permits, Fees & Fines	10,757,273	11,222,291	14,022,291	12,299,518	12,313,358	12,331,004	12,352,709
Interest Income	1,702,753	500,000	500,000	631,582	523,105	487,050	451,136
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	5,373,169	1,628,000	1,628,000	1,628,000	1,628,000	1,628,000	1,628,000
Task Force Revenues	4,102,645	3,790,500	3,790,500	3,978,405	4,104,956	4,214,875	4,341,321
County Seat Relief Package	7,505,338	7,214,065	7,214,065	7,331,996	7,461,889	7,595,678	7,733,482
Other Governments	7,554,785	10,152,420	9,148,238	9,159,796	8,748,652	8,969,755	9,179,727
Total Revenues	\$135,060,576	\$138,414,181	\$146,258,027	\$148,722,752	\$148,691,268	\$149,934,839	\$152,626,327

<u>Expenditure Type</u>	<u>Actual FY 2009</u>	<u>Projected FY 2010</u>	<u>Budget FY 2011</u>	<u>Projected FY 2012</u>	<u>Projected FY 2013</u>	<u>Projected FY 2014</u>	<u>Projected FY 2015</u>
Salaries and Wages	\$64,832,710	\$62,058,287	\$62,678,710	\$65,505,350	\$68,064,185	\$70,638,551	\$72,423,322
Health Benefits	11,882,371	11,645,915	12,225,219	13,532,909	15,423,612	17,537,714	19,632,897
Pension and Retirement	10,008,173	9,686,517	11,049,258	12,051,974	13,179,464	14,396,493	15,596,929
Other Employee Benefits	2,782,190	2,528,466	1,223,010	1,266,471	1,315,733	1,365,392	1,401,099
Equipment & Services	17,872,535	19,707,646	21,161,033	20,671,826	21,214,605	21,771,494	22,342,864
General Liability	593,780	1,259,152	1,284,335	1,316,443	1,349,354	1,383,088	1,417,666
Workers' Compensation	2,872,867	2,742,867	2,842,982	2,945,518	3,068,126	3,190,173	3,300,031
Internal Services	10,029,815	11,807,631	11,875,868	11,135,496	11,606,602	12,107,352	12,640,192
Debt Service	11,777,029	17,415,753	15,149,785	12,597,693	13,914,324	13,336,489	13,011,093
Special Purpose	639,371	667,109	653,919	506,792	518,028	529,544	541,349
State Pension Contribution	7,554,785	7,323,600	7,470,072	7,656,824	7,848,244	8,044,451	8,245,562
Total Expenditures	\$140,845,626	\$146,842,943	\$147,614,191	\$149,187,296	\$157,502,277	\$164,300,741	\$170,553,004
Operating Surplus/(Deficit)	(\$5,785,050)	(\$8,428,762)	(\$1,356,164)	(\$464,544)	(\$8,811,009)	(\$14,365,902)	(\$17,926,677)
Net Adj. & Transfers In/(Out)	(21,520,110)	275,000	1,400,422	275,000	275,000	275,000	275,000
Surplus/(Deficit)	(\$27,305,160)	(\$8,153,762)	\$44,258	(\$189,544)	(\$8,536,009)	(\$14,090,902)	(\$17,651,677)
Total Fund Balance	\$32,729,925	\$24,576,163	\$24,620,421	\$24,430,876	\$15,894,867	\$1,803,965	(\$15,847,712)

**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 (FY 2011) and well as the next four outyears (Fiscal Years 2012 through 2015). For FY 2011, the Approved Budget is shown and is the base year upon which the Fiscal Year 2012 through 2015 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 expenditure estimates presented to the City's Expenditure Review Board.

GENERAL INFLATION ASSUMPTIONS

The Office of Management and Budget relies on the Survey of Professional Forecasters for its general inflation projections. Conducted by the Federal Reserve Bank of Philadelphia, this survey is the oldest quarterly survey of macroeconomic forecasts in the United States. The May 14, 2010 release projects headline Consumer Price Index (CPI) growth of 1.7% in calendar year 2010, followed by steadily increasing inflation in 2011 and 2012. Median long-range expectations for CPI growth are 2.2% per year.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2010	1.7%
2011	2.1%
2012	2.3%
2013	2.2%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 14, 2010

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has tended to match or slightly exceed national cost-of-living growth in recent years. Therefore the projections that follow include a default assumption for overall City inflationary pressures of 2.5% per year. *However, it should be noted that this is only the default assumption; most cost categories have a variety of overriding assumptions included.*

OUTYEAR PROJECTION ASSUMPTIONS - REVENUES

Wage & Net Profit Taxes (FY 2011 Base Year: \$60,515,387 - 41.0% of total revenues)

The FY 2011 Wage Tax projection is \$55.1 million, a \$1 million net increase over FY 2010. Over the past five years, the City has seen its Wage Tax base fall by more than \$6 million. However, during that period, revenues collected through the Plan for Change have kept the total amount realized annually stable, and in some years higher. In FY 2011, the weak economy is again expected to decrease the City's base by \$2 million below the FY 2010 level. However, recently enacted legislation will result in the tightening of the City's Wage and Net Profits regulations. These multi-faceted changes close loopholes in the Net Profits area, and bolster requirements for the withholding and remittance of Wage Taxes due the City, resulting in the expected collection of an additional \$3 million in FY 2011. Netting these increases against the reductions due to continued economic weakness results in a total net increase of \$1 million above the FY 2010 budget. 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 2012, \$7.0 million in total Plan for Change revenue is forecasted, with declining, but still sizable amounts of \$6 million in FY 2013, and \$5 million projected for FY 2014 and FY 2015.

Net Profits Tax revenue is projected to increase by \$1.5 million for FY 2011 for a total of \$5.4 million. While a total of \$2 million has been added to the base as a result of legislative changes discussed above, erosion of \$500,000 to the base because of expected continued economic weakness has been factored in also.

In their June 2010 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 8.9% growth for FY 2012 in total State Personal Income Tax, a tax roughly equivalent to the City Wage Tax. However, due to the City's high concentration of certain business sectors, as well as corporate headquarter locations that are associated with relatively volatile executive bonus compensation, volatility of the City's single largest revenue source remains high. As such, a 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 grow, exclusive of Plan for Change Revenue, by 1.5% in FY 2012. Positive growth of 2.0% in FY 2013, and 3% in both FY 2014 and FY 2015 is also projected.

Property Tax (FY 2011 Base Year: \$39,152,150 - 26.5% of total revenues)

Property Taxes are projected to increase by a net \$3.3 million. Some large commercial properties have continued to wage successful assessment appeals. In addition, because of the success of the Plan for Change, the City's aggressive delinquent revenue collection program, there has been a reduction in the number of late and missed payments, resulting in a projected drop of \$376,000 in penalty and interest revenue for FY 2011. To balance the budget and offset this decrease, a 10% Property Tax increase (worth approximately \$3.45 million) has been approved for FY 2011. 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 2012 for the Upstairs/Queen Theater Project.

Real Estate Transfer Tax (FY 2011 Base Year: \$2,052,313 - 1.4% of total revenues)

Real Estate Transfer Tax revenues have continued their sharp downward turn during FY 2010. The number, and average price, of residential home sales have both declined further from prior years. Commercial property transfers have nearly disappeared during this time also. As a result, FY 2010 revenues have seen another \$1.5 million or 42% decrease from the budgeted figure. This decrease to the base revenue is expected to continue in FY 2011, and then fall by another 5% in FY 2012. A modest rebound is forecasted to begin in FY 2013 with 2% growth projected, then 2.5% and 3% respectively in FY 2014 and FY 2015.

Head Tax (FY 2011 Base Year: \$3,686,000 - 2.5% of total revenues)

Head Tax revenue is projected to increase \$500,000 over the FY 2010 budget. As part of the comprehensive package of revenue enhancements to balance the budget in FY 2010, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax was implemented. Because the change became effective midway through the fiscal year, the full \$1.2 million annual increase was not expected to be realized until FY 2011. The additional \$600,000 expected to be produced in FY 2011 is being partially offset by a \$100,000 decrease for potential job losses. 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 2012, and a net of 400 jobs annually beginning in FY 2013.

Franchise Fees (FY 2011 Base Year: \$1,764,550 - 1.2% 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 2011, a more than \$91,000 decrease is projected from the FY 2010 budget of \$1.9 million. The recent remittance from Delmarva Power for FY 2010 was nearly 25% lower than the previous year. However, fees paid by Comcast have trended slightly higher than the past, partially offsetting Delmarva's reduction. For FY 2011, the budgeted amounts are \$774,472 and \$990,078 for Delmarva and Comcast respectively. Moderate growth of both these sources is forecasted in FY 2012 and beyond, at a rate of between two to three percent annually.

Licenses, Permits, Fees, and Fines (FY 2011 Base Year: \$14,022,291 - 9.5% of total revenues)

Criminal/Traffic Fines revenue is projected to total \$3.3 million in FY 2011, up a net \$100,000 from the FY 2010 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. While base red-light camera fines are projected to decline by \$650,000, as violations decrease at older sites (a \$500,000 decrease), and the City settles for a lower fine amount from State legislation (a \$150,000 decrease), \$600,000 in additional revenue from new red-light camera sites (a \$200,000 increase) and the conversion to a video capturing system instead of the current still-photo one (a \$400,000 increase) will net the overall decline to \$50,000. There is no change in miscellaneous traffic and criminal fines. Lastly, the portion of the base attributed to the L&I Instant Ticketing Program is expected to rise by \$150,000 above the FY 2010 budget.

Parking Tickets/Booting Fines revenue is forecast to increase by \$350,000 above the FY 2010 budgeted level, or \$2.35 million more than the FY 2010 2nd quarter projection. Revenues in this category will be affected by two factors: a significant management change to the ticket-writing and booting operations by transferring oversight of these operations from Police to Finance, with an eye toward privatization; and the implementation of the vehicle registration hold program through the Delaware Motor Vehicle Division. The management change is expected to bring the base revenue back in line with the original FY 2010 budget, while the registration hold program will add \$750,000 above current levels.

Licenses, Permits and Fees revenue is projected to be \$4.1 million in FY 2011, or \$250,000 below the FY 2010 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.9 million respectively. However, Fees, mostly comprised of parking meter revenue, have not been realized in the amount anticipated subsequent to the \$.50 per hour increase in FY 2010. As a result, the \$250,000 shortfall projected for the current year has been carried over to FY 2011.

The Permits and Fees portion of this revenue source (with a base of \$2.55 million) is projected to grow modestly in outyears, beginning at 1.5% in FY 2012. Business License and Parking Ticket revenues are forecasted to remain at FY 2011 levels. Criminal/Traffic Fines are slated to rise by \$135,000 in FY 2012, and continue at that level thereafter. This change is a result of a higher than expected increase in the Red Light fine that was passed by the State legislature subsequent to the City's budget enactment.

Interest Income (FY 2011 Base Year: \$500,000 - 0.3% of total revenues)

Because of further cuts in interest rates by the Federal Reserve, coupled with dwindling cash reserves, the Treasurer's Office has substantially reduced its Interest Earnings forecast for FY 2011. The FY 2011 projection for interest earnings is \$500,000, a \$1.75 million decrease from the current year budget. Going forward, an interest rate of 0.75% in FY 2011 is increased by 25 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 prior capital borrowings, plus a weighted average of \$7.5 million from an assumed FY 2011 capital borrowing will be invested in FY 2012.
2. A weighted average of \$2.5 million from the unspent portion of the FY 2011 capital borrowing, plus \$7.5 million from an assumed FY 2013 capital borrowing will be invested in FY 2013 with decreasing balances in FY 2014 and FY 2015.

In addition, for FY 2012 through FY 2015, the projected annual increases or decreases in fund balance (surpluses or deficits) are added or subtracted from the investment base.

Indirect Costs (FY 2011 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 2011 Base Year: \$1,628,000 - 1.1% of total revenues)

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will decrease by an expected \$510,000, largely due to a more than an \$800,000 drop in Vacant Property Registrations, coupled with some smaller increases in other government charges. No outyear growth is forecasted in these Revenues.

Task Force Revenues (FY 2011 Base Year: \$3,790,500 - 2.6% of total revenues)

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC'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. Because of the weak economy, for FY 2011, three of the four components of the Task Force Revenues are projected to decrease from the FY 2010 Budget: Corporate Filings by \$100,000, Limited Liability Corporate (LLC) Filings by \$200,000, and Lodging Tax by \$87,500. The total for all Task Force Revenues for FY 2011 is projected to be \$3,790,500, down \$387,500.

For the outyears, Corporate Filings and LLC revenue has been increased by 7.0% for FY 2012, in tandem with the State's estimation of growth, and then by 4%, 3% and 3% for the last three years of the projection. Lodging Tax, along with the Natural Gas Franchise Fee have been forecasted to increase at 1%, 1.5%, 2% and 3% for Fiscal Years 2012 through 2015.

County Seat Relief Package (FY 2011 Base Year: \$7,214,065 - 4.9% of total revenues)

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 2011 projections total \$7.2 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$122,000 from the FY 2010 budget); \$3.4 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$200,000 from the FY 2010 budget); \$400,000 in Statutory Trust Filing Fees (down \$400,000 or 50% from the FY 2010 budget); and \$825,000 in New Castle County Corporate Filing Fees (down \$200,000 or almost 20% from the FY 2010 budget). In total, there is a \$278,000 decrease in the County Seat Relief Package revenues from the FY 2010 budget.

Excluding the PILOT and Statutory Trust Filing Fees, which are projected to remain at FY 2011 levels, the State is estimating outyear growth at 2.8% for FY 2012. Growth has been forecasted at 3% for Fiscal Years 2013 through 2015.

Other Governments (FY 2011 Base Year: \$9,148,238 - 6.2% of total revenues)

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,470,072 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2011, the grant amount is an estimation based on the actual amount received in FY 2009, and represents a \$146,472 increase. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2011 will be \$1,678,166, and represents a more than \$1.1 million decrease from FY 2010. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule. The State Pension Contribution has been increased by 2.5% per year beginning in FY 2012.

Net Adjustments & Transfers (FY 2011 Base Year: \$1,400,422 - 0.9% of total revenues)

There are no prior year designations in FY 2011. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000. In addition, special one-time transfers totaling \$1,125,422 from the CATV Fund (\$275,422), the Economic Strategic Fund (\$425,000), and the Housing Strategic Fund (\$425,000) were needed to close the remaining gap and balance the budget. Beginning in FY 2012, only the WPA transfer is projected.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2011 Base Year: \$62,678,710 - 42.5% of total expenditures)

Estimates of the costs of labor contracts with the City's five bargaining units, as well as estimates of the non-union employee costs, form the basis for the Salaries and Wages projections. As part of the reductions necessary to help balance the budget, no allowance has been made in FY 2011 for Cost of Living Adjustments (COLAs), except to honor a previously agreed upon 2.5% COLA for the Police rank and file union. Suspending these COLAs results in approximately \$1 million in savings. Anniversary based salary step increases for all eligible employees will continue. General Fund step increases (partially budgeted in the contingent reserves for FY 2011; see the Equipment and Services category below) will cost approximately \$587,000 during FY 2011.

As of the end of FY 2010, labor contracts with all five of the City's bargaining units have expired, with negotiations on new contracts currently under way. Due to budgetary constraints, as well as relatively minimal CPI growth, annual COLAs are projected to be limited to an average of 2.5% for Fiscal Years 2012 through 2015. Step increases are also projected to grow at similar rates, with all step increase costs subsequent to FY 2011 being budgeted in Salaries and Wages.

Also included in the projection for Fiscal Years 2012 through 2014 are the estimated salary costs associated with the 16 new police officers 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 General Fund salaries and wage cost of these officers over this period is \$1.0 million.

Health Benefits, Active Employees (FY 2011 Base Year: \$12,225,219 - 8.3% of total expenditures)

The 2010 Segal Health Plan Cost Trend Survey indicates that growth in health plan costs, while increasing at four times the rate of inflation, has slowed in recent years. For plans similar to those offered by the City, the Segal survey projects a greater than 10% increase for the remainder of calendar year 2010. Locally, the City's self-insured health benefits program has paralleled these national trends, as the City has experienced slightly diminished increases in recent fiscal years, largely due to the implementation of multi-tier prescription plans and the introduction of employee contributions. However, the FY 2011 health benefits budget is up 21% over the prior year, due to a significant increase in the number of high-cost medical cases combined with the general nationwide inflation in healthcare costs. This dramatic increase is expected to be a one-time event, with subsequent increases projected to be consistent with prior-year trends.

In order to control these costs, Human Resources has implemented new non-union healthcare plans and has increased employee contributions as part of the FY 2011 budget. These changes are projected to result in a savings of \$300,000 per year beginning in FY 2011. As such, a placeholder offset has been included in the Mayor's Office contingent reserve to account for the FY 2011 savings (see the Equipment and Services category below); savings in subsequent years have been integrated into the Health Benefits category. Considering these factors, the Department of Human Resources estimates an annual outyear cost growth of 13%.

Pension and Retirement (FY 2011 Base Year: \$11,049,258 - 7.5% of total expenditures)

Required employer pension contributions had been below historical norms in prior years as the City enjoyed the benefit of extraordinary investment returns during the late 1990s. However, the scale of recent portfolio losses has 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 Fiscal Years 2011 through 2015, as the amortized increases are paid down. Per the Treasurer's Office, the projection also includes an additional 5% 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 9% for Fiscal Years 2012 through 2015.

Other Employee Benefits (FY 2011 Base Year: \$1,223,010 - 0.8% 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 2011 Base Year: \$21,161,033 - 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, departmental managers have demonstrated an ability to effectively contain aggregate Equipment and Services costs, even in the face of significant unavoidable increases. In FY 2011, these increases included the addition of funds to offset the loss of the \$1.3 million State of Delaware Municipal Street Aid grant, \$629,000 in additional landfill fees, and normal inflation-related cost increases. However, by eliminating spending elsewhere, the total increase in Equipment and Services has been limited to slightly over \$1 million. These cost increases, as well as the offsetting reductions, are incorporated into the FY 2012 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). The operating contingency has been reduced due to the elimination of the \$702,000 which had been budgeted in FY 2010 for the one-time payment of employee step increases. However, \$300,000 in employee step costs remain budgeted in the operating contingency, with step costs for Police Rank and File already included in the Salaries and Wages portion of the budget. Fully offsetting this cost is the inclusion of a \$300,000 contra-expense to account for the savings anticipated by the Human Resources Department's restructuring of non-union employee healthcare plans. These items are considered as one-time for projection purposes, and contingent reserves are expected to decline back to their base level of \$522,135 in each of the years subsequent to FY 2011.

To more accurately estimate future costs, electricity is analyzed separately, resulting in a FY 2011 General Fund electricity base cost of \$2.69 million. This includes the previously mentioned \$1.3 million in costs now bourn by the City due to the loss of the Municipal Street Aid grant. For the purposes of this projection, grant funding is expected to be partially restored, with the City receiving an annual amount of \$890,000 from FY 2012 through FY 2015. (Following the passage of the FY 2011 budget, the City was informed it would be receiving \$890,000 in FY 2011; however, as this projection bases FY 2011 on the budgeted amounts, the unbudgeted grant funds are not included here.) In addition, the base projection assumes some electricity cost savings due to the guaranteed energy performance contract with Honeywell equal to approximately \$128,000 per year for Fiscal Years 2012 through FY 2015. Overall, electricity rates in subsequent years are projected to increase at 3.13% per year, per Energy Information Administration growth projections.

Excluding reserves and electricity the remaining base of this expenditure grouping is expected to respond to overall inflationary pressures of 2.5% per year.

General Liability (FY 2011 Base Year: \$1,284,335 - 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 FY 2006 General Liability booked to the General Fund dropped \$981,000 from the prior year, then increased by \$3.5 million in FY 2007, only to decline by a combined \$3.1 million in FY 2008 and FY 2009. 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 2.5% annually.

Workers' Compensation (FY 2011 Base Year: \$2,842,982 - 1.9% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been highly volatile from year to year. The FY 2011 budget, which is derived from these expenditures, is used as a base for forecasting purposes. Annual growth is projected to parallel growth in Salaries and Wages.

Internal Services (FY 2011 Base Year: \$11,875,868 - 8.0% 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. While the core elements of this program have been implemented, ongoing implementation of new modules and improvements has meant that cost increases have only moderately declined. As such, base Data Processing costs are estimated to increase by 9.8% for each year subsequent to FY 2011. However, due to the projected elimination of roughly \$600,000 in one-time FY 2011 expenditures from the Data Processing base costs, weighted average growth for FY 2012 through FY 2015 is projected to be 3.4% per year.

In addition, Motor Vehicle costs, which had increased significantly in recent years, have declined for the second year in a row 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 4.3% for each year subsequent to FY 2011, per Energy Information Administration growth projections. All other Motor Vehicle costs are expected to grow by 2.5% annually.

For the other services making up the rest of the category, it is assumed that average annual inflationary pressures of 2.5% will apply. This results in a weighted average growth of approximately 2.9% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2012 through 2015.

Debt Service (FY 2011 Base Year: \$15,149,785 - 10.3% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Finance Department, with the addition of any expected new borrowings or refinancings. For the FY 2012 through FY 2015 period this includes an annual debt service payment of \$1.18 million for the Office of Economic Development's Upstairs Fund Market Street urban renewal program, which began full-year debt service payments as part of the FY 2011 budget. No new borrowing for the Upstairs Fund is assumed to take place during the projection period.

In addition, capital budget related new borrowing of \$15 million is assumed to take place midway through FY 2011, with an additional \$15 million borrowed midway through 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, no new debt service is paid in FY 2011 or FY 2013, with full-year debt service payments beginning in the following fiscal years.

Special Purpose (FY 2011 Base Year: \$653,919 - 0.4% 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 upcoming conversion of Rock Manor related debt into general obligation bonds, the Special Purpose costs related to Rock Manor are expected to decline to \$57,360 in FY 2012, and remain at this level through FY 2015. All other Special Purpose spending assumes 2.5% annual growth on the FY 2011 base, net of the Rock Manor commitment.

State Pension Contribution (FY 2011 Base Year: \$7,470,072 - 5.1% 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, increased to \$7,470,072 for FY 2011. (As such, an equal and offsetting amount has been included as General Fund revenue.) This expenditure is split between the Police and Fire Departments, with \$4,639,878 budgeted in Fire and \$2,830,194 budgeted in Police. These payments are forecast to grow by 2.5% beginning in FY 2012.

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

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. In addition, \$6,545,433 was transferred to close out the Commerce Fund, and \$1,249,677 was transferred to other Special Funds.

FISCAL YEAR 2011 REVENUES

Overview

GENERAL FUND

The effects of the continuing, severe economic downturn are projected to reduce base revenues by nearly \$7 million in FY 2011. Because cost reductions and efficiency initiatives alone could not balance the budget, a 10% Property Tax increase was necessary. However, a number of revenue collection enhancements will make up a significant portion of the increased projected total revenues. All of these are detailed in the discussion below. After taking these actions into account, total revenue before transfers is projected to increase by a net \$968,344 (or 0.7%) over the FY 2010 Budget to a new total of \$146,258,027. The net change from Budget to Budget (FY 2011 vs. FY 2010) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Property Taxes	\$3,289,344	\$39,152,150
Wage & Net Profit Taxes	2,500,000	60,515,387
Fines	450,000	9,872,514
Licenses, Permits and Fees	(250,000)	4,149,777
County Seat Relief Package	(278,002)	7,214,065
Task Force Revenue	(387,500)	3,790,500
Other Revenues	(510,000)	4,412,533
Other Governments	(1,004,182)	9,148,238
Other Taxes	(1,091,316)	7,502,863
Interest	(1,750,000)	500,000
TOTAL	\$968,344	\$146,258,027

Property Taxes are projected to increase by a net \$3.29 million. Some large commercial properties have continued to wage successful assessment appeals. In addition, because of the success of the Plan for Change, the City's aggressive delinquent revenue collection program, there has been a reduction in the number of late and missed payments, resulting in a projected drop of \$376,000 in penalty and interest revenue for FY 2011. To balance the budget and offset this decrease, a 10% Property Tax increase (worth approximately \$3.45 million) has been approved for FY 2011. The average homeowner will see an increase of about \$5.83 per month.

FISCAL YEAR 2011 REVENUES

Overview

GENERAL FUND (continued)

Wage and Net Profits Tax

The FY 2011 Wage Tax projection is \$55.1 million, a \$1 million net increase over FY 2010. Over the past five years, the City has seen its Wage Tax base fall by more than \$6 million. However, during that period, revenues collected through the Plan for Change have kept the total amount realized annually stable, and in some years higher. In FY 2011, the weak economy is again expected to decrease the City's base by \$2 million below the FY 2010 level. However, recently enacted legislation will result in the tightening of the City's Wage and Net Profits regulations. These multi-faceted changes close loopholes in the Net Profits area, and bolster requirements for the withholding and remittance of Wage Taxes due the City, resulting in the expected collection of an additional \$3 million in FY 2011. Netting these increases against the reductions due to continued economic weakness results in a total net increase of \$1 million above the FY 2010 budget.

Net Profits Tax revenue is projected to increase by \$1.5 million. While a total of \$2 million has been added to the base in FY 2011 as a result of legislative changes discussed above, erosion of \$500,000 to the base because of expected continued economic weakness has been factored in also.

Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines) will increase by a net of \$450,000.

Criminal/Traffic Fines revenue is projected to total \$3.3 million in FY 2011, up a net \$100,000 from the FY 2010 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. While base red-light camera fines are projected to decline by \$650,000, as violations decrease at older sites (a \$500,000 decrease), and the City settles for a lower fine amount from State legislation (a \$150,000 decrease), \$600,000 in additional revenue from new red-light camera sites (a \$200,000 increase) and the conversion to a video capturing system instead of the current still-photo one (a \$400,000 increase) will net the overall decline to \$50,000. There is no change in miscellaneous traffic and criminal fines. Lastly, the portion of the base attributed to the L&I Instant Ticketing Program is expected to rise by \$150,000 above the FY 2010 budget.

Parking Tickets/Booting Fines revenue is forecast to increase by \$350,000 above the FY 2010 budgeted level or \$2.35 million more than the FY 2010 2nd quarter projection. Revenues in this category will be affected by two factors: a significant management change to the ticket-writing and booting operations by transferring oversight of these operations from Police to Finance, with an eye toward privatization; and the implementation of the vehicle registration hold program through the Delaware Motor Vehicle Division. The management change is expected to bring the base revenue closer in line with the original FY 2010 budget, while the registration hold program will add \$750,000 above current levels.

Licenses, Permits and Fees revenue is projected to be \$4.1 million in FY 2011, or \$250,000 below the FY 2010 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.9 million respectively. However, Fees, mostly comprised of parking meter revenue, have not been realized in the amount anticipated subsequent to the \$.50 per hour increase in FY 2010. As a result, the \$250,000 shortfall projected for the current year has been carried over to FY 2011.

FISCAL YEAR 2011 REVENUES

Overview

GENERAL FUND (continued)

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 2011 projections total \$7.2 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$122,000 from the FY 2010 budget); \$3.4 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$200,000 from the FY 2010 budget); \$400,000 in Statutory Trust Filing Fees (down \$400,000 or 50% from the FY 2010 budget); and \$825,000 in New Castle County Corporate Filing Fees (down \$200,000 or almost 20% from the FY 2010 budget). In total, there is a \$278,000 decrease in the County Seat Relief Package revenues from the FY 2010 budget.

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC's). The State also passed enabling legislation allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. Because of the weak economy, for FY 2011, three of the four components of the Task Force Revenues are projected to decrease from the FY 2010 Budget: Corporate Filings by \$100,000, Limited Liability Corporate (LLC) Filings by \$200,000, and Lodging Tax by \$87,500. The total for all Task Force Revenues for FY 2011 is projected to be \$3,790,500, down \$387,500.

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will decrease by an expected \$510,000, largely due to a more than an \$800,000 drop in Vacant Property Registrations, coupled with some smaller increases in other government charges.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,470,072 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2011, the grant amount is an estimate based on the actual amount received in FY 2009, and represents a \$146,472 increase over the FY 2010 budget. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2011 will be \$1,678,166, and represents a more than \$1.1 million decrease from the current fiscal year.

FISCAL YEAR 2011 REVENUES

Overview

GENERAL FUND (continued)

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

Real Estate Transfer Tax revenues have continued their sharp downward turn during FY 2010. The number and average price of residential home sales have both declined further from prior years. Commercial property transfers have nearly disappeared during this time also. As a result, FY 2010 revenues have seen another \$1.5 million or 42% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2011.

Head Tax revenue is projected to increase \$500,000 over the FY 2010 budget. As part of the comprehensive package of revenue enhancements to balance the budget in FY 2010, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax was implemented. Because the change became effective midway through the fiscal year, the full \$1.2 million annual increase was not expected to be realized until FY 2011. The additional \$600,000 expected to be produced in FY 2011 is being partially offset by a \$100,000 decrease for potential job losses.

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 2011, a more than \$91,000 decrease is projected from the FY 2010 budget of \$1.9 million. The recent remittance from Delmarva Power for FY 2010 was nearly 25% lower than the previous year. However, fees paid by Comcast have trended slightly higher than the past, partially offsetting Delmarva's reduction. For FY 2011, the budgeted amounts are \$774,472 and \$990,078 for Delmarva and Comcast respectively.

In total, Other Taxes are projected to decrease \$1.1 million for FY 2011.

Because of further cuts in interest rates by the Federal Reserve, coupled with dwindling cash reserves, the Treasurer's Office has substantially reduced its **Interest Earnings** forecast for FY 2011. The FY 2011 projection for interest earnings is \$500,000, a \$1.75 million decrease from the current year budget.

FISCAL YEAR 2011 REVENUES

Overview

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to decrease \$1.8 million from \$59.8 million last fiscal year, to a new total of \$58 million in FY 2011. 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, the multi-year plan of prudent rate increases begun in FY 2010 has been continued to allow the Water/Sewer Fund to become a self-sufficient enterprise fund again.

Water/Sewer User Fees

Following recent trends of increased conservation by customers and continued weak economic activity, a 5% reduction in consumption is forecast for FY 2011, lowering base revenue by about \$1.3 million. In order to address the consumption loss and the dire cash flow situation discussed previously, a 19% increase in Water/Sewer User Fees was approved for FY 2011. This rate increase is expected to generate an additional \$4.78 million of revenue in FY 2011, bringing the total to \$33.4 million. The average residential homeowner's bill will go up \$5.88 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 \$5.5 million. A cleanup of the Utility Billing files, along with an increased uncollectible allowance, has lowered the base by about \$400,000, bringing the total to \$5.1 million. For FY 2011, no increase in stormwater fees was proposed.

New Castle County Sewer

The City's contract to provide sewage treatment for New Castle County expired at the end of FY 2007. An inability at that time to come to a consensus on the terms of a new contractual agreement lead the City and NCC into mediation, and then eventually into arbitration. Through arbitration, the City and NCC have now settled on a fairly-priced fee for the past fiscal years in dispute, and have developed a contractually agreed upon fee structure for the future. For FY 2011, the agreement calls for a fee of \$18.1 million, along with \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows.

FISCAL YEAR 2011 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 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2011, interest is projected to decrease by \$100,000 to \$150,000. 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 increase by \$50,000 to \$820,000. The combined total revenue projected in FY 2011 for this category is \$970,000.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

WAGE & NET PROFITS TAX

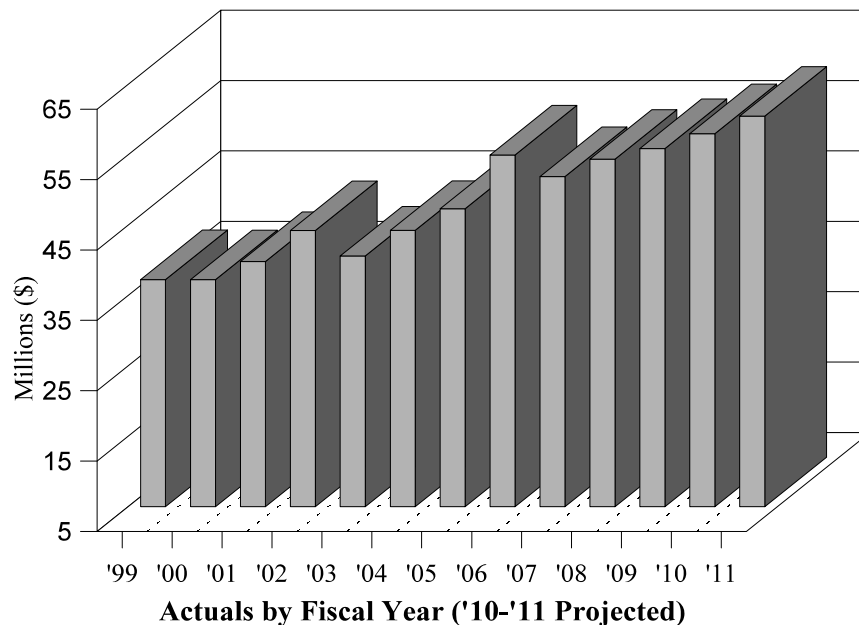
Basis: Growth of local economy

Critical Assumption: The FY 2011 Wage Tax projection is \$55.1 million, a \$1 million net increase over FY 2010. Over the past five years, the City has seen its Wage Tax base fall by more than \$6 million. However, during that period, revenues collected through the Plan for Change have kept the total amount realized annually stable, and in some years higher. In FY 2011, the weak economy is again expected to decrease the City's base by \$2 million below the FY 2010 level. However, recently enacted legislation will result in the tightening of the City's Wage and Net Profits regulations. These multi-faceted changes close loopholes in the Net Profits area, and bolster requirements for the withholding and remittance of Wage Taxes due the City, resulting in the expected collection of an additional \$3 million in FY 2011. Netting these increases against the reductions due to continued economic weakness results in a total net increase of \$1 million above the FY 2010 budget.

Net Profits Tax revenue is projected to increase by \$1.5 million. While a total of \$2 million has been added to the base in FY 2011 as a result of legislative changes discussed above, erosion of \$500,000 to the base because of expected continued economic weakness has been factored in also.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$54,391,443	\$55,905,516	\$58,015,387	\$58,015,387	\$60,515,387

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

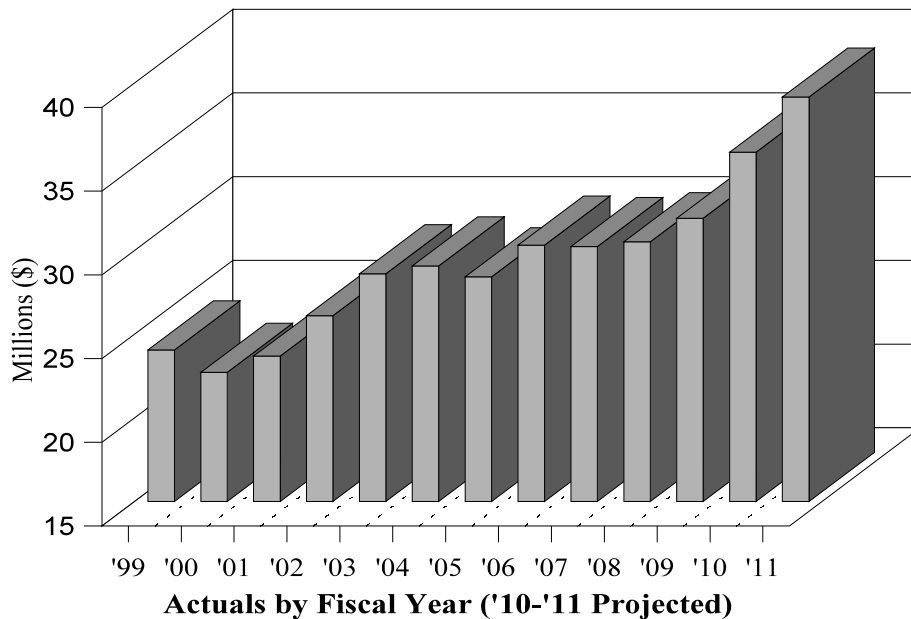
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to increase by a net \$3.3 million. Some large commercial properties have continued to wage successful assessment appeals. In addition, because of the success of the Plan for Change, the City's aggressive delinquent revenue collection program, there has been a reduction in the number of late and missed payments, resulting in a projected drop of \$376,000 in penalty and interest revenue for FY 2011. To balance the budget and offset this decrease, a 10% Property Tax increase (worth approximately \$3.45 million) has been approved for FY 2011. The effect on the average homeowner will be an increase of about \$5.83 per month.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$30,503,671	\$31,911,857	\$35,862,806	\$35,862,806	\$39,152,150

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

OTHER TAXES

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

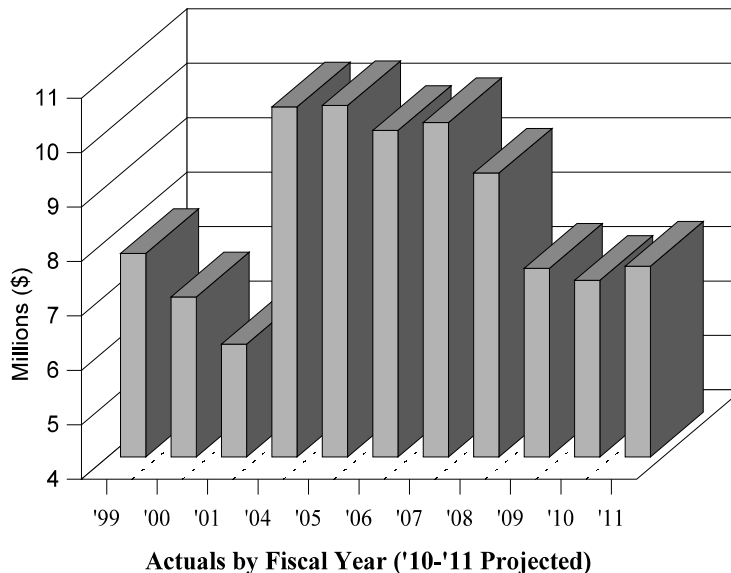
Critical Assumption: Real Estate Transfer Tax revenues have continued their sharp downward turn during FY 2010. The number, and average price, of residential home sales have both declined further from prior years. Commercial property transfers have nearly disappeared during this time also. As a result, FY 2010 revenues have seen another \$1.5 million or 42% decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2011.

Head Tax revenue is projected to increase \$500,000 over the FY 2010 budget. As part of the comprehensive package of revenue enhancements to balance the budget in FY 2010, a \$5.00 per month per employee increase (from \$10 to \$15) to the Head Tax was implemented. Because the change became effective midway through the fiscal year, the full \$1.2 million annual increase was not expected to be realized until FY 2011. The additional \$600,000 expected to be produced in FY 2011 is being partially offset by a \$100,000 decrease for potential job losses.

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 2011, a more than \$91,000 decrease is projected from the FY 2010 budget of \$1.9 million. The recent remittance from Delmarva Power for FY 2010 was nearly 25% lower than the previous year. However, fees paid by Comcast have trended slightly higher than the past, partially offsetting Delmarva's reduction. For FY 2011, the budgeted amounts are \$774,472 and \$990,078 for Delmarva and Comcast respectively.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$9,213,337	\$7,462,580	\$8,594,179	\$7,244,179	\$7,502,863

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

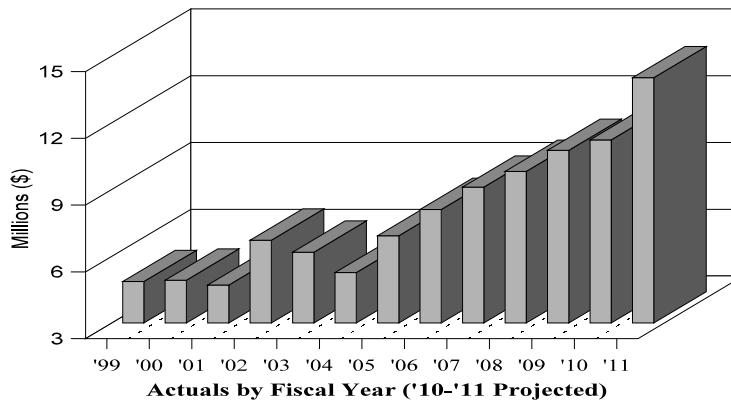
Critical Assumption: Criminal/Traffic Fines revenue is projected to total \$3.3 million in FY 2011, up a net \$100,000 from the FY 2010 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. While base red-light camera fines are projected to decline by \$650,000, as violations decrease at older sites (a \$500,000 decrease), and the City settles for a lower fine amount from State legislation (a \$150,000 decrease), \$600,000 in additional revenue from new red-light camera sites (a \$200,000 increase) and the conversion to a video capturing system instead of the current still-photo one (a \$400,000 increase) will net the overall decline to \$50,000. There is no change in miscellaneous traffic and criminal fines. Lastly, the portion of the base attributed to the L&I Instant Ticketing Program is expected to rise by \$150,000 above the FY 2010 budget.

Parking Tickets/Booting Fines revenue is forecast to increase by \$350,000 above the FY 2010 budgeted level or \$2.35 million more than the FY 2010 2nd quarter projection. Revenues in this category will be affected by two factors: a significant management change to the ticket-writing and booting operations by transferring oversight of these operations from Police to Finance, with an eye toward privatization; and the implementation of the vehicle registration hold program through the Delaware Motor Vehicle Division. The management change is expected to bring the base revenue back in line with the original FY 2010 budget, while the registration hold program will add \$750,000 above current levels.

Licenses, Permits and Fees revenue is projected to be \$4.1 million in FY 2011, or \$250,000 below the FY2010 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.9 million respectively. However, Fees, mostly comprised of parking meter revenue, have not been realized in the amount anticipated subsequent to the \$.50 per hour increase in FY 2010. As a result, the \$250,000 shortfall projected for the current year has been carried over to FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$9,808,760	\$10,757,273	\$13,822,291	\$11,222,291	\$14,022,291

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

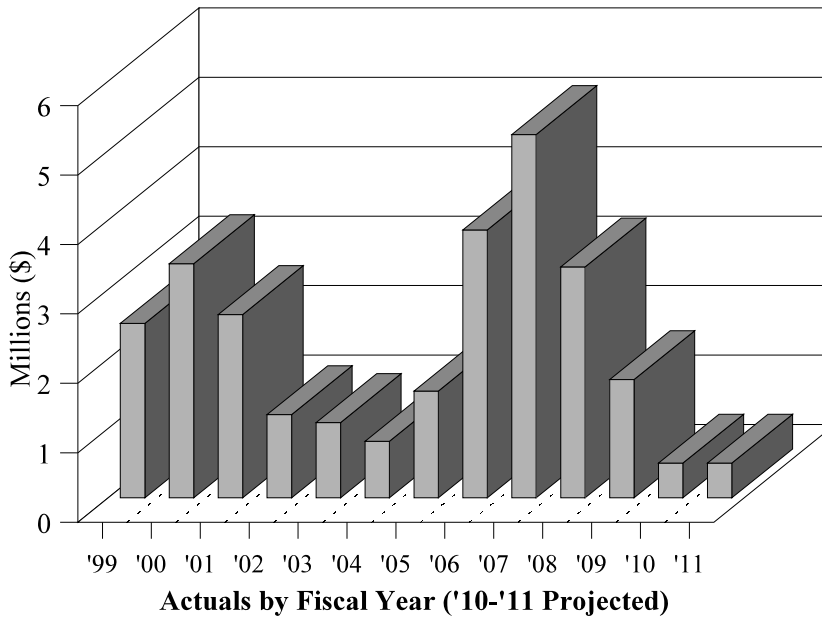
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: Because of further cuts in interest rates by the Federal Reserve, coupled with dwindling cash reserves, the Treasurer’s Office has substantially reduced its Interest Earnings forecast for FY 2011. The FY 2011 projection for interest earnings is \$500,000, a \$1.75 million decrease from FY 2010.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$3,324,430	\$1,702,753	\$2,250,000	\$500,000	\$500,000

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

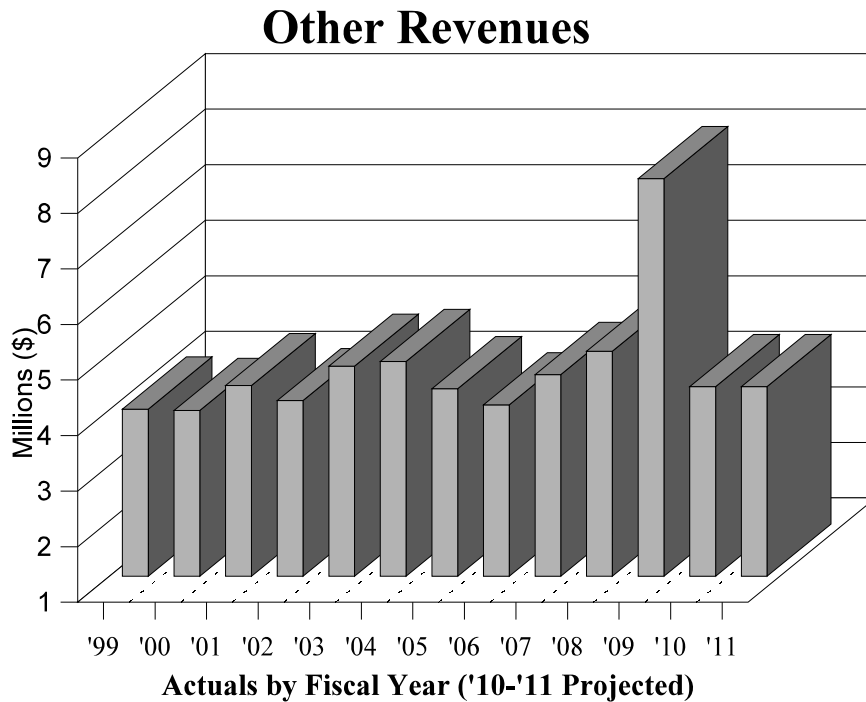
General Fund Revenues Fiscal Year 2011

OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will decrease by an expected \$510,000, largely due to a more than an \$800,000 drop in Vacant Property Registrations, coupled with some smaller increases in other government charges.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$5,048,726	\$8,157,829	\$4,922,533	\$4,412,533	\$4,412,533



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

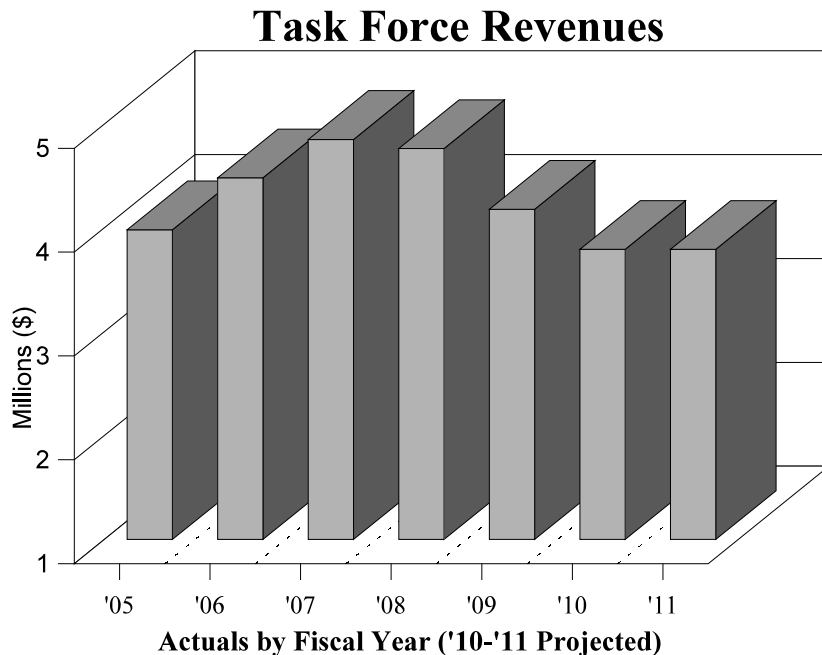
General Fund Revenues Fiscal Year 2011

TASK FORCE REVENUES

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

Critical Assumption: Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC’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. Because of the weak economy, for FY 2011, three of the four components of the Task Force Revenues are projected to decrease from the FY 2010 Budget: Corporate Filings by \$100,000, Limited Liability Corporate (LLC) Filings by \$200,000, and Lodging Tax by \$87,500. The total for all Task Force Revenues for FY 2011 is projected to be \$3,790,500, down \$387,500.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$4,762,980	\$4,102,645	\$4,178,000	\$3,790,500	\$3,790,500



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

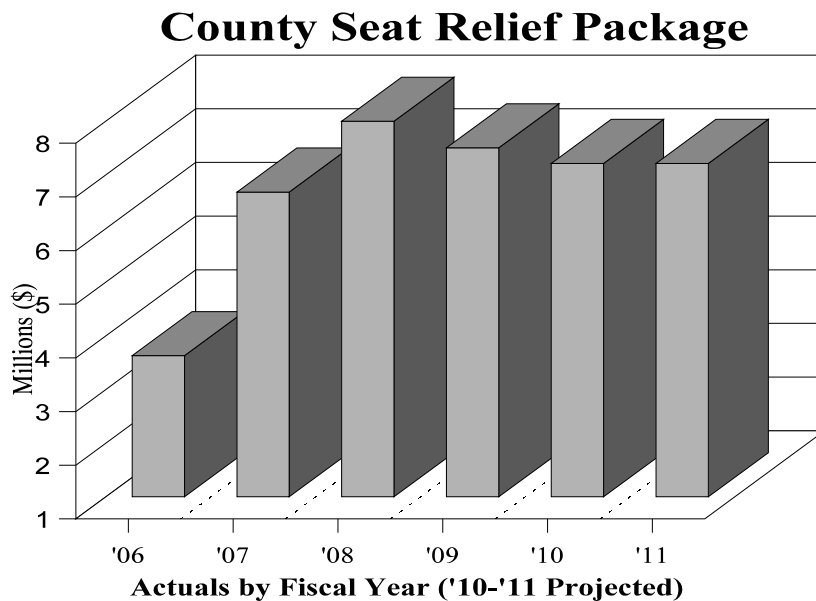
COUNTY SEAT RELIEF PACKAGE

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 2011 projections total \$7.2 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$122,000 from the FY 2010 budget); \$3.4 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is up \$200,000 from the FY 2010 budget); \$400,000 in Statutory Trust Filing Fees (down \$400,000 or 50% from the FY 2010 budget); and \$825,000 in New Castle County Corporate Filing Fees (down \$200,000 or almost 20% from the FY 2010 budget). In total, there is a \$278,000 decrease in the County Seat Relief Package revenues from the FY 2010 budget.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$8,002,777	\$7,505,338	\$7,492,067	\$7,214,065	\$7,214,065



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

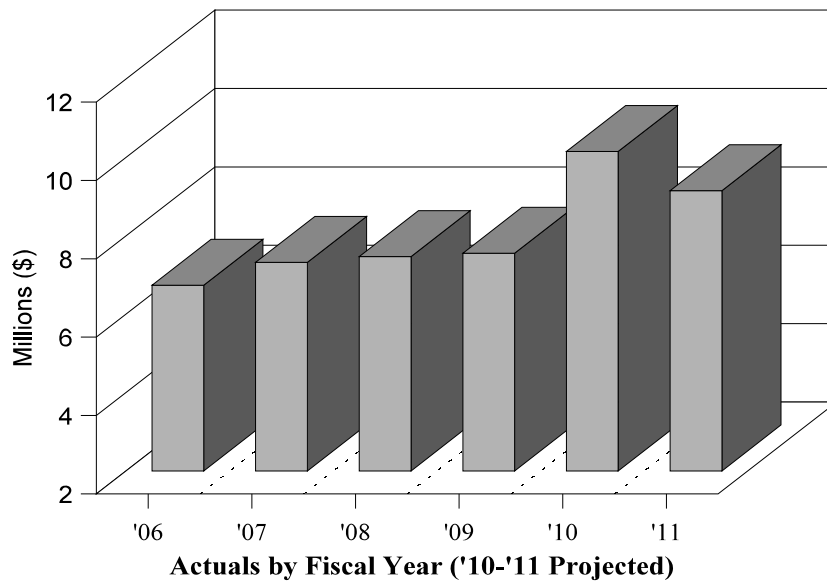
OTHER GOVERNMENTS

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

Critical Assumption: Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,470,072 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2011, the grant amount is an estimation based on the actual amount received in FY 2009, and represents a \$146,472 increase. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2011 will be \$1,678,166, and represents a more than \$1.1 million decrease from the current fiscal year.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$7,468,406	\$7,554,785	\$10,152,420	\$10,152,420	\$9,148,238

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2011

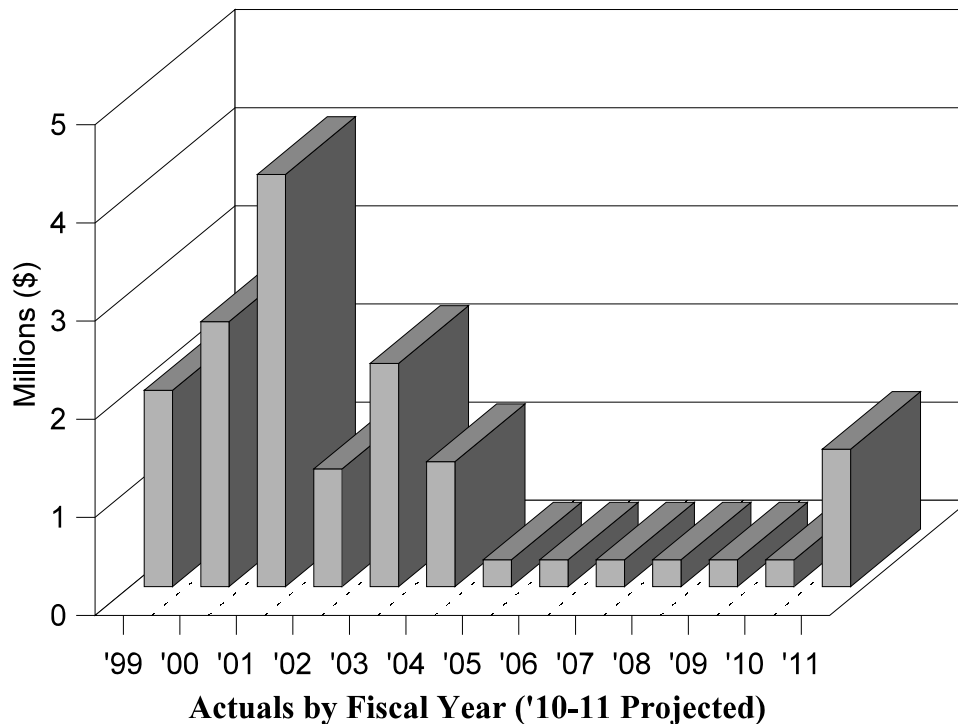
TRANSFERS AND PRIOR YEARS' SURPLUS

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

Critical Assumption: There are no prior year designations in FY 2011. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000. In addition, special one-time transfers totaling \$1,125,422 from the CATV Fund (\$275,422), the Economic Strategic Fund (\$425,000), and the Housing Strategic Fund (\$425,000) were needed to close the remaining gap and balance the budget

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$275,000	\$275,000	\$275,000	\$275,000	\$1,400,422

Transfers & Prior Years' Surplus



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2011

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: Due to the State's own continuing fiscal crisis, the Municipal Street Aid Program has not been funded again for FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,404,012	\$1,668,587	\$0	\$0	\$0

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: CDBG Federal Funds will increase approximately \$389,000 from FY 2010.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$2,711,581	\$3,068,273	\$2,797,208	\$2,797,208	\$3,185,792

COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT

Basis: U.S. Department of Justice Grant

Critical Assumption: The Community Oriented Policing Services Office (COPS) grant is a Federal award to help law enforcement agencies to hire more community policing officers, to acquire new technologies and equipment, and to promote innovative approaches to solving crime. The FY 2011 award is the initial year of a three year period of funding for 16 additional Patrol Officers.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$0	\$0	\$0	\$0	\$1,145,283

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2011

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, for the most part, exhausted at the end of FY 2008.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$4,612,137	\$42,936	\$0	\$0	\$0

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs and were increased substantially in FY 2010, and are expected to continue at the same level in FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,418,440	\$1,419,639	\$512,804	\$1,627,249	\$1,627,249

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 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$100,189	\$111,832	\$151,502	\$151,502	\$156,192

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2011

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 increase by almost \$114,000 for FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,157,283	\$1,435,610	\$479,786	\$479,786	\$593,769

PENSION ADMINISTRATION

Basis: Estimates from Pension Coordinator

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

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$2,078,390	\$2,104,436	\$2,519,407	\$2,519,407	\$2,985,827

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 \$109,000 less than FY 2010.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$51,045	\$996,014	\$839,047	\$839,047	\$730,056

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2011

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 for FY 2010 was part of the larger Federal Stimulus Program, and has not been funded in FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$198,182	\$157,751	\$1,465,715	\$1,465,715	\$0

MISCELLANEOUS GRANTS

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

Critical Assumption: Miscellaneous Grants is a combined total of two Federal grants and three State grants. The Federal grants, Housing Opportunities for People With AIDS (HOPWA) and Emergency Shelter, along with the Local Emergency Planning Committee (LEPC), the Workforce Investment Board (WIB) and State Fire Grants, make up this grouping. All of these grants have been funded at approximately the same level as FY 2010, with the exception of WIB, which represents a new funding source in FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,401,930	\$1,018,420	\$1,015,511	\$1,015,511	\$1,451,894

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2011

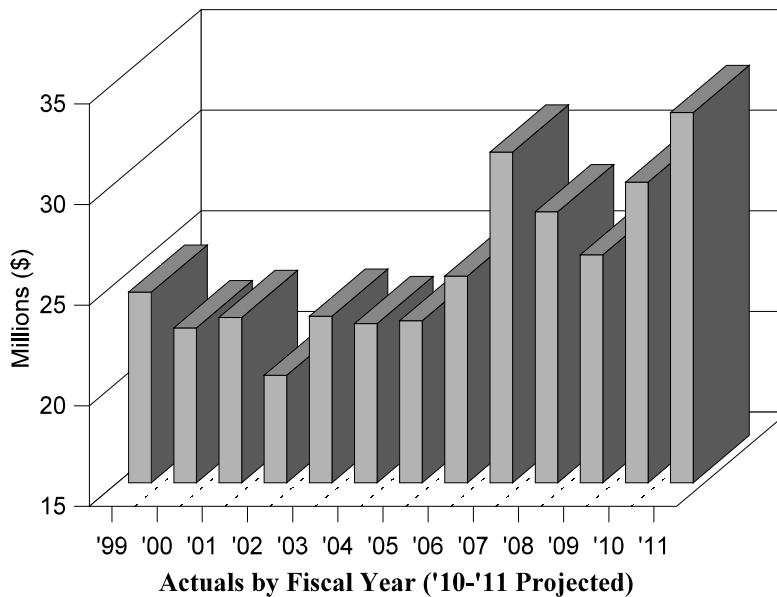
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: Following recent trends of increased conservation by customers and continued weak economic activity, a 5% reduction in consumption is forecast for FY 2011, lowering base revenue by about \$1.3 million. In order to address the consumption loss and the dire cash flow situation of the Water/Sewer Fund, a 19% increase in Water/Sewer User Fees has been implemented for FY 2011. This rate increase is expected to generate an additional \$4.8 million of revenue in FY 2011, bringing the total to \$33.4 million. The average residential homeowner's bill will go up \$5.88 per month. Even with the increase, the City will still have the lowest rates in the region.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$28,472,594	\$26,329,957	\$33,944,724	\$29,944,724	\$33,403,975

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

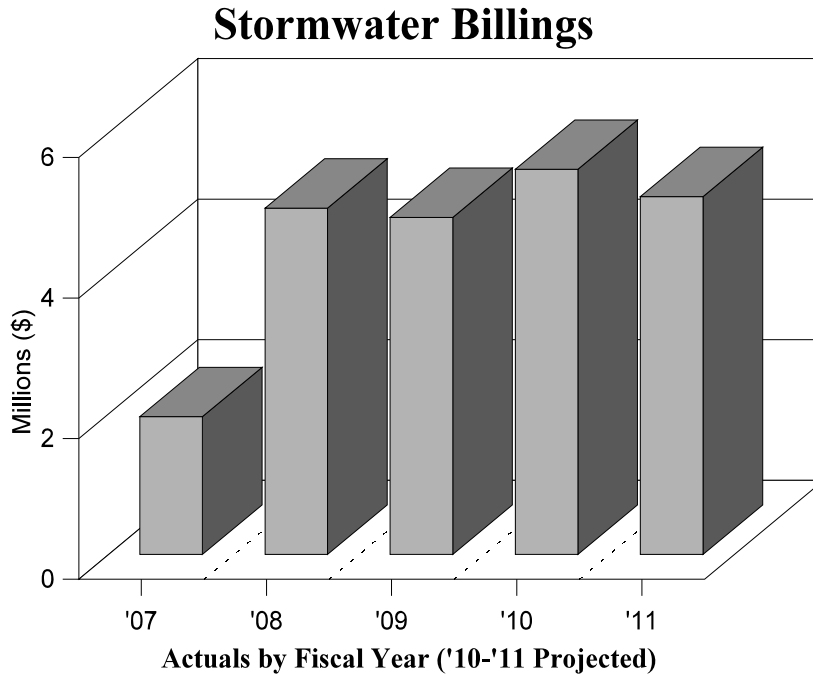
Water/Sewer Fund Revenues Fiscal Year 2011

STORMWATER BILLINGS

Basis: Trend analysis/Management initiatives

Critical Assumption: The stormwater property fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$5.5 million. A clean-up of the Utility Billing files, along with an increased uncollectible allowance, has lowered the base by about \$400,000, bringing the total to \$5.1 million. For FY 2011, no increase in stormwater fees was proposed.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$4,925,885	\$4,795,355	\$5,479,257	\$5,479,257	\$5,091,396



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2011

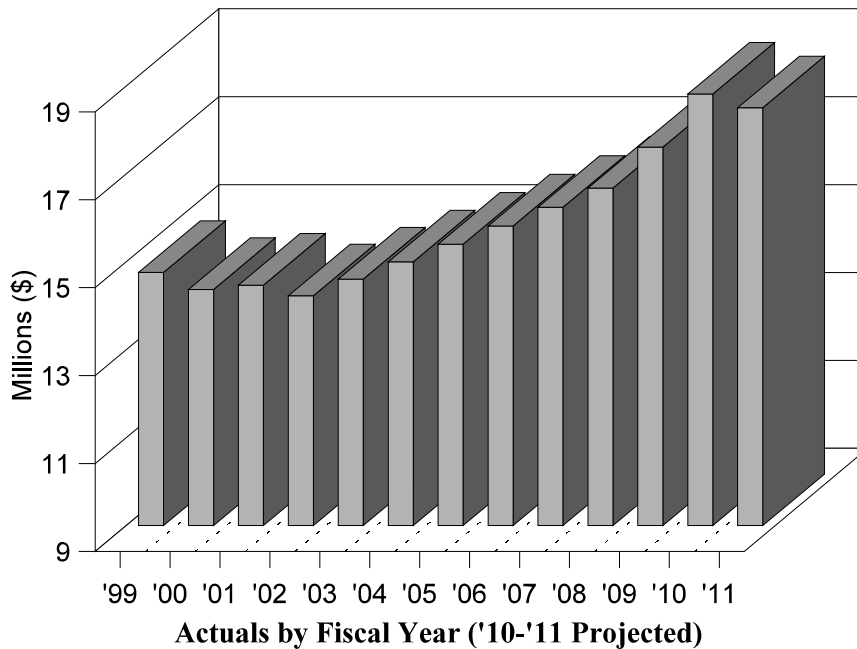
NEW CASTLE COUNTY SEWER SERVICES

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. An inability at that time to come to a consensus on the terms of a new contractual agreement lead the City and NCC into mediation, and then eventually into arbitration. Through arbitration, the City and NCC have now settled on a fairly-priced fee for the past fiscal years in dispute, and have developed a contractually agreed upon fee structure for the future. For FY 2011, the agreement calls for a fee of \$18.1 million, along with \$401,123 in reimbursement from NCC for annual debt service in connection with an aeration basin the City built to accommodate additional NCC flows.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$16,677,751	\$17,610,381	\$19,321,940	\$18,821,940	\$18,508,123

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2011

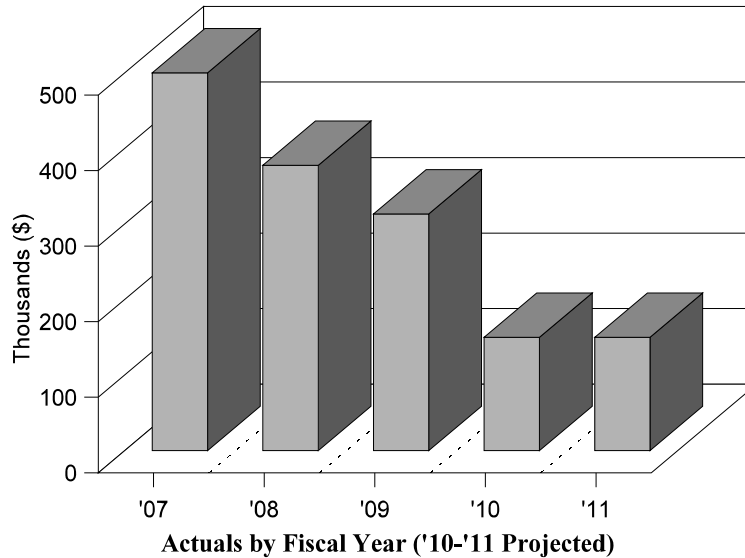
INTEREST

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 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2011, interest is projected to decrease by \$100,000 to \$150,000.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$377,746	\$313,311	\$250,000	\$150,000	\$150,000

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

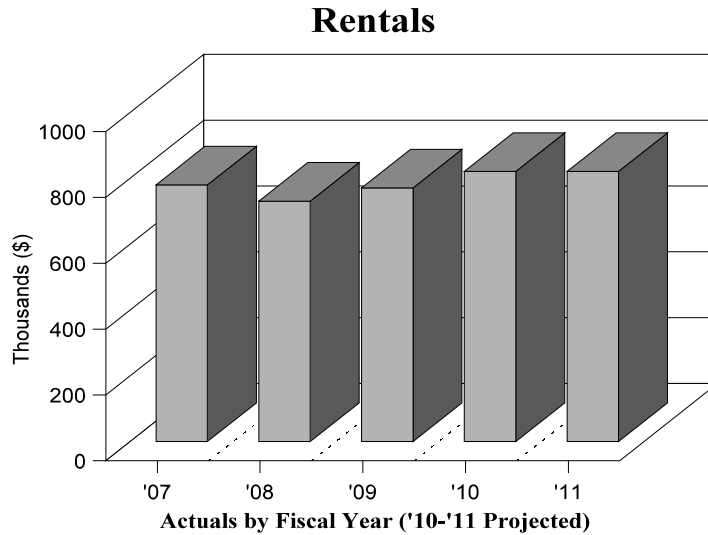
Water/Sewer Fund Revenues Fiscal Year 2011

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 increase by \$50,000 to \$820,000.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$730,038	\$785,867	\$770,000	\$820,000	\$820,000



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: There is no transfer budgeted for FY 2011.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$0	\$0	\$0	\$0	\$0

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Commerce Fund Revenues Fiscal Year 2011

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. For FY 2009, the figure represents the amount agreed to on the original schedule. Beginning in FY 2010, this revenue was moved into the General Fund (see note below).

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,124,962	\$2,579,431	\$0	\$0	\$0

MISCELLANEOUS

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

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$1,360	\$113	\$0	\$0	\$0

GAIN ON SALE OF ASSETS

Critical Assumption: In FY 2009, an additional gain on the Sale of the Port was recognized.

FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Projected	FY 2011 Budget
\$0	\$500,000	\$0	\$0	\$0

The Port of Wilmington was sold to the State of Delaware in Fiscal Year 1996. Revenues received from the State were the sale proceeds 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, beginning 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.

**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2011**

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: \$1.7670 per one-hundred dollars of assessed value.

HEAD TAX

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

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

REAL ESTATE TRANSFER TAX

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

Rate: 1.50%

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2011
(Continued)

FRANCHISE TAX

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

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

LODGING TAX

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

Rate: 2.0% of rent.

MAYOR'S OFFICE

The mission of the Mayor's Office is to provide the executive and administrative management necessary for the coordination and direction of overall City activities and policies. In addition to the executive function, the Mayor's Office houses the Offices of Public Safety, Consistent Services, 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	4,708,248	5,069,145	5,018,059	5,133,166
Materials, Supplies & Equipment	7,942,477	8,814,350	6,334,755	5,549,242
Internal Services	915,530	1,157,134	1,261,218	1,287,948
Debt Service	1,464,491	1,770,421	2,774,720	2,567,108
Special Purpose	468,681	269,320	294,560	320,449
Contingent Reserves	0	0	1,221,757	522,135
Depreciation	408,335	585,705	568,512	612,542
Capitalization	<u>(634,237)</u>	<u>(599,467)</u>	<u>(331,710)</u>	<u>0</u>
TOTAL	<u>15,273,525</u>	<u>17,066,609</u>	<u>17,141,871</u>	<u>15,992,590</u>
STAFFING LEVELS	60.00	60.00	60.00	59.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	2,504,032	2,671,697	3,372,772	3,434,833
Materials, Supplies & Equipment	2,658,590	2,079,833	1,929,648	1,362,162
Internal Services	694,768	829,729	937,556	945,329
Debt Service	943,046	1,333,295	2,653,736	2,454,892
Special Purpose	<u>468,681</u>	<u>269,320</u>	<u>294,560</u>	<u>320,449</u>
TOTAL	<u>7,269,116</u>	<u>7,183,874</u>	<u>9,188,271</u>	<u>8,517,665</u>
STAFFING LEVELS	29.50	29.50	38.50	37.50

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Contingency	0	0	1,096,757	397,135
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>1,221,757</u>	<u>522,135</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

* Differs from Summary of All Funds Combined - Expenditures table on page 35 due to inclusion of Internal Service funds.

U.S. DEPARTMENT OF COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Materials, Supplies & Equipment	<u>10,216</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>10,216</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	647,030	758,945	0	0
Materials, Supplies & Equipment	1,534,649	2,281,098	0	0
Internal Services	29,289	26,007	0	0
Debt Service	<u>435,211</u>	<u>306,669</u>	<u>0</u>	<u>0</u>
TOTAL	<u>2,646,179</u>	<u>3,372,719</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	9.00	9.00	0.00	0.00

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	95,524	99,249	55,351	57,448
Materials, Supplies & Equipment	<u>12,330</u>	<u>22,478</u>	<u>0</u>	<u>0</u>
TOTAL	<u>107,854</u>	<u>121,727</u>	<u>55,351</u>	<u>57,448</u>
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUNDS MAYOR'S OFFICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,461,662	1,539,254	1,589,936	1,640,885
Materials, Supplies & Equipment	3,726,692	4,430,941	4,405,107	4,187,080
Internal Services	191,473	301,398	323,662	342,619
Debt Service	86,234	130,457	120,984	112,216
Depreciation	408,335	585,705	568,512	612,542
Capitalization	<u>(634,237)</u>	<u>(599,467)</u>	<u>(331,710)</u>	<u>0</u>
TOTAL	<u>5,240,158</u>	<u>6,388,289</u>	<u>6,676,491</u>	<u>6,895,342</u>
STAFFING LEVELS	21.00	21.00	21.00	21.00

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

- Total personal services costs in the General Fund have grown by \$62,061. This is primarily the result of significant growth in employee benefit costs, with the Mayor's Office facing an actuarially determined pension increase of over 15% (\$40,724) and a 20% (\$65,028) increase in healthcare costs. These changes were partially offset by the elimination of a Constituent Services Officer position, for a savings of \$61,174.
- Department-wide consultant costs decreased by \$180,000, to a new total of \$132,000. This includes the elimination of the First Night event, as well as the elimination or reduction of a variety of smaller activities in the Office of Economic Development and Office of Cultural Affairs.
- Total community service grants, scholarships, and donations have decreased by \$217,700. The single largest reduction is to Hope Commission funding, which has been reduced to \$150,000 from last year's total of \$250,000. Additional savings resulted from smaller reductions in activities such as WEDCO, WECEC, the IN campaign, Wilmington Arts Commission, and various festivals and parades, as well as the elimination of the Mayor's Annual Scholarship program.
- The operating contingency has been reduced to a new total of \$397,135, due almost entirely to the elimination of the \$702,000 which had been budgeted in FY 2010 for the one-time payment of employee step increases. However, \$300,000 in employee step costs remain budgeted in the operating contingency, with step costs for Police Rank and File already included elsewhere in the budget. Fully offsetting this cost is the inclusion of a \$300,000 contra-expense to account for the savings anticipated by the Human Resources Department's restructuring of nonunion employee healthcare plans.
- Per the existing debt service schedule, total General Fund debt service for the Mayor's Office declined by 7.5% (\$198,844), to a new total of \$2,454,892.

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

- Total personal services costs in the Internal Service funds grew by a net \$50,949. This increase is largely due to significant growth in employee benefit costs, with pension costs increasing over 14% (\$19,683) and healthcare costs increasing 17% (\$34,937). Total positions remained unchanged.
- In order to implement the Kronos timekeeping system in the Police Department, an additional \$292,038 has been added in the Data Processing Fund. This includes \$132,038 for the Kronos software, as well as \$160,000 for consultants to assist in project implementation management.
- Total software costs in Data Processing have grown by \$298,038. This increase includes the Kronos software mentioned above, as well as \$300,000 to purchase wage tax and business license software for the Finance Department. Offsetting this is the elimination of a number of one-time items, including \$125,000 for purchasing Tyler Content Management software, which was implemented during FY 2010.
- Machinery and Equipment costs in Data Processing decreased by \$292,407, to a new total of \$149,593, due to the elimination of a number of one-time items. Similarly, Machinery and Equipment costs in the Communications Division decreased by \$271,710, to a new total of \$60,000. This reduction is the result of no replacement Police radios being purchased in FY 2011, given that existing stocks of replacement radios are adequate to meet the needs of the Police Department.
- Also in the Communications division, all capitalization costs have been eliminated, an increase of \$331,710. (As capitalization acts as a contra-expense, eliminating the capitalization results in a net increase to the budget.) This change is due to the Finance Department determining that none of the items currently budgeted could be capitalized.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	1,861,139	1,958,862	2,560,493	2,520,976
Temporary Salaries	120	5,544	5,000	0
Sick Leave Bonus	1,600	2,100	0	0
Overtime/Special Events	457	262	0	0
Meal Allowance	0	30	0	0
Internet Reimbursement	900	657	720	0
Pension Contribution	197,659	193,350	265,999	306,723
Social Security	114,774	120,142	156,491	153,636
Medicare Tax	26,992	28,449	36,990	36,355
Hospitalization	270,138	322,508	330,579	395,607
Life Insurance	9,603	9,926	13,304	8,079
Pension Healthcare	20,650	26,616	38,500	50,050
Deferred Comp Contribution	0	3,250	0	0
Personal Services Adjustment	0	0	(35,304)	(36,593)
TOTAL PERSONAL SERVICES	2,504,032	2,671,697	3,372,772	3,434,833
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	212,624	71,427	196,600	124,830
Communications & Utilities	7,888	34,554	36,497	33,685
Transportation	44,773	48,409	40,500	21,300
Rentals	28,499	42,657	54,510	45,779
Contracted Maintenance Repairs	2,541	2,580	4,215	3,753
Professional Fees	244,271	221,785	335,000	138,100
Other Fees	2,449	127,693	125,650	0
Memberships & Registrations	42,582	43,649	65,590	56,659
Miscellaneous Services	50,243	53,812	57,700	187,750
Office & General Supplies	6,572	9,779	16,416	11,806
Miscellaneous Parts	123,645	105,235	107,670	73,500
Construction and Repairs	17,356	0	10,000	1,000
Equipment	46,041	7,976	3,200	500
Fixed Assets	7,731	0	3,100	0
Miscellaneous Projects	1,006,802	932,864	718,000	563,500
Community Activities	814,573	377,416	155,000	100,000
TOTAL M., S. & E.	2,658,590	2,079,833	1,929,648	1,362,162
 <u>INTERNAL SERVICES</u>				
Administrative Services	656,910	799,988	876,104	882,843
Self-Insurance	37,858	29,741	61,452	62,486
TOTAL INTERNAL SERVICES	694,768	829,729	937,556	945,329

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Principal Payments	514,164	765,286	1,173,644	1,078,239
Interest Payments	<u>428,881</u>	<u>568,010</u>	<u>1,480,092</u>	<u>1,376,653</u>
TOTAL DEBT SERVICE	943,046	1,333,295	2,653,736	2,454,892
 <u>SPECIAL PURPOSE</u>				
Wilmington Arts Commission	53,681	55,960	73,200	65,000
Rock Manor Golf Course	<u>415,000</u>	<u>213,360</u>	<u>221,360</u>	<u>255,449</u>
TOTAL SPECIAL PURPOSE	468,681	269,320	294,560	320,449

DEPARTMENT: OFFICE OF THE MAYOR

FUND: CONTINGENT RESERVES

CONTINGENT RESERVES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Contingency	0	0	1,096,757	397,135
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
CONTINGENT RESERVES TOTAL	0	0	1,221,757	522,135
 GENERAL FUND TOTAL	 <u>7,269,116</u>	 <u>7,183,874</u>	 <u>10,410,028</u>	 <u>9,039,800</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: U.S. DEPT. COMMERCE

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Professional Fees	9,840	0	0	0
Memberships & Registrations	<u>376</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S., & E.	10,216	0	0	0
 U.S. DEPT. COMMERCE FUND TOTAL	 <u>10,216</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: COMMERCE

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	458,152	559,718	0	0
Temporary Salaries	17,723	7,735	0	0
Acting Out of Classification	808	0	0	0
Sick Leave Bonus	0	100	0	0
Overtime	272	4,362	0	0
Pension Contribution	46,456	54,889	0	0
Social Security	29,516	35,306	0	0
Medicare Tax	6,903	8,257	0	0
Hospitalization	78,577	77,838	0	0
Life Insurance	2,323	2,856	0	0
Pension Healthcare	6,300	6,883	0	0
Deferred Comp Contribution	0	1,000	0	0
TOTAL PERSONAL SERVICES	647,030	758,945	0	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	68,128	60,247	0	0
Communications & Utilities	4,655	1,026	0	0
Transportation	6,325	6,729	0	0
Rentals	14,268	3,593	0	0
Professional Fees	321,084	225,969	0	0
Memberships & Registrations	24,197	11,998	0	0
Miscellaneous Services	5,349	2,587	0	0
Office & General Supplies	2,162	7,258	0	0
Miscellaneous Materials	3,296	4,049	0	0
Equipment	6,476	941	0	0
Fixed Assets	107	1,647	0	0
Community Activities	1,030,000	1,113,472	0	0
Miscellaneous Projects	48,603	841,582	0	0
TOTAL M., S. & E.	1,534,649	2,281,098	0	0
<u>INTERNAL SERVICES</u>				
Administrative Services	28,043	25,634	0	0
Self-Insurance	1,246	373	0	0
TOTAL INTERNAL SERVICES	29,289	26,007	0	0
<u>DEBT SERVICE</u>				
Principal Payments	340,699	105,762	0	0
Interest Payments	94,512	200,907	0	0
TOTAL DEBT SERVICE	435,211	306,669	0	0
COMMERCE FUND TOTAL	<u>2,646,179</u>	<u>3,372,719</u>	<u>0</u>	<u>0</u>

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
PERSONAL SERVICES				
Regular Salaries	38,085	81,084	42,169	42,169
Temporary Salaries	40,817	0	0	0
Pension Contribution	0	1,487	4,259	5,145
Social Security	4,697	5,009	2,606	2,607
Medicare Tax	1,122	1,172	610	610
Hospitalization	10,804	10,171	4,988	6,159
Life Insurance	0	162	219	108
Pension Healthcare	0	164	500	650
TOTAL PERSONAL SERVICES	95,524	99,249	55,351	57,448
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	8,736	0	0
Communications & Utilities	391	519	0	0
Transportation	2,892	702	0	0
Professional Fees	900	3,813	0	0
Memberships & Registrations	0	1,945	0	0
Miscellaneous Services	954	(1,030)	0	0
Office & General Supplies	5,155	367	0	0
Wearing Apparel and Safety	1,311	1,936	0	0
Miscellaneous Materials	725	3,547	0	0
Equipment	0	1,942	0	0
TOTAL M., S. & E.	12,330	22,478	0	0
LEPC FUND TOTAL	<u>107,854</u>	<u>121,727</u>	<u>55,351</u>	<u>57,448</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	1,021,880	1,123,192	1,128,485	1,123,415
Temporary Salaries	0	9	0	0
Sick Leave Bonus	1,200	450	0	0
Overtime	7,171	9,252	4,972	2,000
Meal Allowance	0	106	0	0
Internet Reimbursements	555	977	0	0
Pension Contribution	136,628	127,797	136,681	156,364
Social Security	63,576	70,196	69,894	69,429
Medicare Tax	14,907	16,417	16,345	16,237
Hospitalization	196,270	202,162	206,700	241,637
Life Insurance	4,882	5,605	5,859	4,503
Pension Healthcare	14,700	18,610	21,000	27,300
Deferred Comp Contribution	0	2,285	0	0
Accrued Sick/Vacation	(107)	(37,803)	0	0
TOTAL PERSONAL SERVICES	1,461,662	1,539,254	1,589,936	1,640,885
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	137,249	117,388	144,088	143,000
Communications & Utilities	816,134	751,891	1,061,992	1,055,764
Transportation	30,300	15,634	14,250	6,500
Rentals of Office Equipment	95,265	113,836	165,600	122,560
Contracted Maintenance Repairs	204,400	180,698	289,407	257,400
Professional Fees	716,621	961,860	702,960	854,600
Other Fees	53	1,995	2,000	0
Memberships & Registrations	26,880	50,241	20,564	14,430
Miscellaneous Services	276,348	375,008	468,060	486,540
Office & General Supplies	181,711	141,596	185,495	173,372
Uniforms & Related Equipment	1,641	1,757	1,680	340
Miscellaneous Parts	116,571	95,104	105,370	69,853
Equipment	489,281	541,999	297,931	323,090
Fixed Assets	634,238	1,081,934	945,710	679,631
TOTAL M., S. & E.	3,726,692	4,430,941	4,405,107	4,187,080
 <u>INTERNAL SERVICES</u>				
Administrative Services	187,732	288,532	310,365	328,973
Self-Insurance	3,741	12,866	13,297	13,646
TOTAL INTERNAL SERVICES	191,473	301,398	323,662	342,619

DEPARTMENT: OFFICE OF THE MAYOR**FUND: INTERNAL SERVICES**

DEBT SERVICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Amortization	7,214	7,114	6,512	6,512
Interest Payments	<u>79,021</u>	<u>123,344</u>	<u>114,472</u>	<u>105,704</u>
TOTAL DEBT SERVICE	86,234	130,457	120,984	112,216
OTHER				
Capitalized Expenditures	(634,237)	(599,467)	(331,710)	0
Depreciation	<u>408,335</u>	<u>585,705</u>	<u>568,512</u>	<u>612,542</u>
TOTAL OTHER	(225,902)	(13,762)	236,802	612,542
INTERNAL SERVICES FUND TOTAL	<u>5,240,158</u>	<u>6,388,289</u>	<u>6,676,491</u>	<u>6,895,342</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 2011
<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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,634,271	1,726,837	1,702,431	1,754,611
Materials, Supplies & Equipment	727,068	690,676	577,126	453,583
Internal Services	185,414	203,451	242,131	250,477
Debt Service	19,238	21,330	25,554	26,797
Special Purpose	<u>117,105</u>	<u>124,002</u>	<u>126,500</u>	<u>81,500</u>
TOTAL	<u>2,683,096</u>	<u>2,766,296</u>	<u>2,673,742</u>	<u>2,566,968</u>
STAFFING LEVELS	29.00	29.00	29.00	29.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$52,180, primarily due to higher Pension (\$14,865), Hospitalization (\$44,718), and Pension Healthcare (\$8,700) costs. These costs were partially offset by decreases in Temporary Salaries (\$4,564) and Life Insurance expenses (\$1,290). Regular Salaries also decreased \$4,800 in the Legislative Division as a number of Council Members have elected medical coverage over the \$2,400 healthcare buyback. The remaining offset to expense increases came from the City-wide elimination of Internet reimbursements, reducing City Council's Personal Services budget by \$2,700.
- Materials, Supplies and Equipment decreased by \$123,543, primarily as a result of Community Activities reductions in the Legislative Division. These include \$30,000 in Miscellaneous Project funding for Council initiatives, \$40,000 for Community Services expenses for grants to community sponsored events and Council Member discretionary funds, and \$6,000 for Community Paid Activities in support of community parades and festivities. Machinery and Equipment and Other Non-Capitalized Equipment accounts were also each reduced by \$10,000 in the Cable and Communications Division.
- Council funding to the Wilmington Institute Free Library shrank to \$60,000, a reduction of \$40,000 from FY 2010.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY 2010	APPROVED FY2011
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,206,414	1,259,893	1,346,259	1,341,557
Temporary Salaries	15,296	11,527	30,560	25,996
Sick Leave Bonus	0	400	400	400
Internet Reimbursements	120	1,470	2,700	0
Pension Contribution	89,403	89,220	107,186	122,051
Social Security	75,237	78,503	84,827	84,295
Medicare Tax	17,608	18,353	19,839	19,714
Hospitalization	204,138	232,042	219,135	263,853
Life Insurance	6,105	6,439	6,903	5,613
Pension Healthcare	19,950	25,240	29,000	37,700
Deferred Comp Contribution	0	2,750	0	0
Personal Services Adjustment	<u>0</u>	<u>1,000</u>	<u>(144,378)</u>	<u>(146,568)</u>
TOTAL PERSONAL SERVICES	1,634,271	1,726,837	1,702,431	1,754,611
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	12,771	5,796	24,251	19,250
Transportation	22,874	16,426	5,000	4,000
Rentals	1,810	800	4,200	2,400
Contracted Maintenance Repairs	19,271	22,605	22,500	22,000
Professional Fees	7,539	43,793	25,000	20,000
Memberships & Registrations	22,381	21,589	29,300	27,100
Miscellaneous Services	5,865	10,083	7,000	9,340
Office & General Supplies	6,166	6,894	10,625	9,225
Wearing Apparel & Safety	3,512	728	2,250	2,250
Miscellaneous Parts	41,917	33,935	39,000	32,018
Equipment	26,251	26,447	17,500	6,500
Fixed Assets	46,078	481	20,000	7,500
Community Activities	<u>510,633</u>	<u>501,099</u>	<u>370,500</u>	<u>292,000</u>
TOTAL M., S. & E.	727,068	690,676	577,126	453,583
 <u>INTERNAL SERVICES</u>				
Administrative Services	192,069	193,421	235,695	233,511
Self-Insurance	<u>(6,655)</u>	<u>10,030</u>	<u>6,436</u>	<u>16,966</u>
TOTAL INTERNAL SERVICES	185,414	203,451	242,131	250,477

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Principal Payments	12,609	3,967	7,547	9,081
Interest Payments	<u>6,629</u>	<u>17,363</u>	<u>18,007</u>	<u>17,716</u>
TOTAL DEBT SERVICE	19,238	21,330	25,554	26,797
<u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	100,000	100,000	100,000	60,000
Other	<u>17,105</u>	<u>24,002</u>	<u>26,500</u>	<u>21,500</u>
TOTAL SPECIAL PURPOSE	117,105	124,002	126,500	81,500
GENERAL FUND TOTAL	<u>2,683,096</u>	<u>2,766,296</u>	<u>2,673,742</u>	<u>2,566,968</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 2011
<ul style="list-style-type: none"> • Explore automated record keeping options in order to serve as back-up for paper documentation in individual pensioner files. • Facilitate in the implementation of the MUNIS Treasury Module in order to enhance the accuracy and timeliness of completed reconciliations. • Continue documenting procedures for various departmental processes and functions and cross-train employees.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	646,470	659,012	639,424	659,977
Materials, Supplies & Equipment	1,090,842	955,852	995,270	1,143,115
Internal Services	98,345	133,128	147,922	154,077
Other	666,721	814,902	1,200,000	1,500,000
TOTAL	<u>2,502,378</u>	<u>2,562,894</u>	<u>2,982,616</u>	<u>3,457,169</u>
STAFFING LEVELS	7.00	7.00	7.00	7.00

GENERAL FUND CITY TREASURER	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	316,751	325,793	313,147	323,376
Materials, Supplies & Equipment	29,796	25,940	33,045	26,345
Internal Services	77,441	106,725	117,017	121,621
TOTAL	<u>423,988</u>	<u>458,458</u>	<u>463,209</u>	<u>471,342</u>
STAFFING LEVELS	3.42	3.42	3.42	3.42

PENSION ADMIN. FUNDS CITY TREASURER	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	329,719	333,219	326,277	336,601
Materials, Supplies & Equipment	1,061,046	929,912	962,225	1,116,770
Internal Services	20,904	26,403	30,905	32,456
Other	<u>666,721</u>	<u>814,902</u>	<u>1,200,000</u>	<u>1,500,000</u>
TOTAL	<u>2,078,390</u>	<u>2,104,436</u>	<u>2,519,407</u>	<u>2,985,827</u>
STAFFING LEVELS	3.58	3.58	3.58	3.58

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services have increased by a total of \$20,553 across the Pension and General Funds. Higher Pension, Pension Healthcare and Hospitalization costs are largely responsible for this rise.
- In the General Fund, total Materials, Supplies and Equipment costs have been reduced by 20%. Every expenditure group was cut significantly or kept level.
- In the Pension Funds, all discretionary appropriations, such as Travel, Registrations, and Miscellaneous Parts, have been cut by at least 20%.
- Total Professional Fees in the Pension Funds will increase by \$158,100. Consultant costs for the biannual pension and pension healthcare valuations have been budgeted for FY 2011 at a cost of \$70,000 and \$55,000 respectively. Trustee Fees, based on the value of all pension funds managed, are slated to rise by \$33,100.
- The annual funding target for retiree medical costs was increased by \$300,000, bringing the total funding for the program to \$1.5 million for FY 2011.
- Combined Internal Services costs for the General and Pension Funds have increased by roughly \$6,200, fueled almost entirely by higher Data Processing costs.

CITY TREASURER

PERFORMANCE INDICATORS

Goal #1: Enhanced overall pension administration.

Objective: Perform due diligence by monitoring fund managers in order to identify performance issues.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Fund Managers Interviewed	3	3	3	4	4

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

Objective: Keep 100% of available funds invested.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Percentage of Funds Invested	90%	98.5%	95%	96%	95%

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

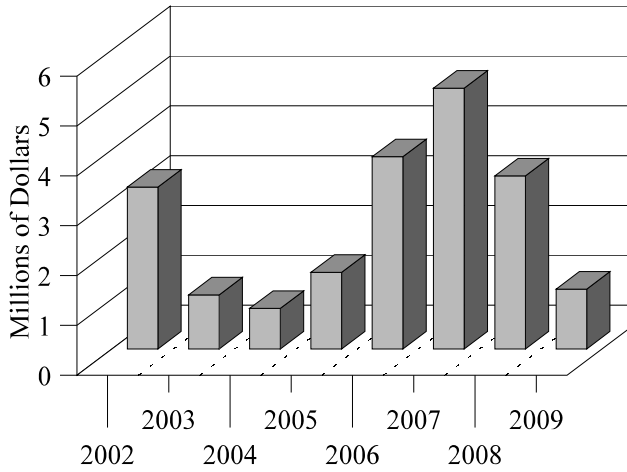
Objective: Maintain the unfunded liability at \$120 million during the current recession.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Unfunded Liability (in \$ millions)	\$105	\$121	\$120	\$120	\$120

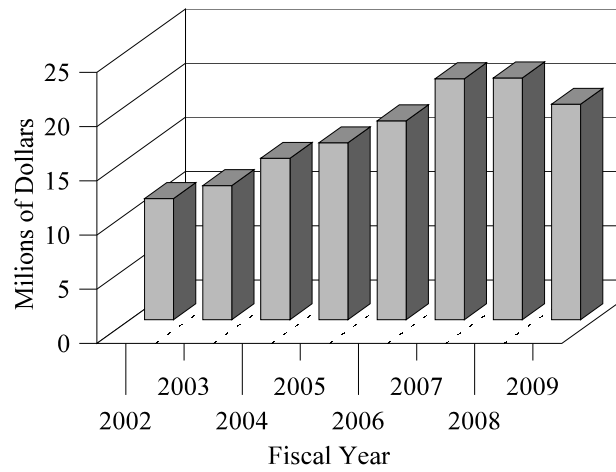
City Treasurer Performance Trends

General Fund Investment Income



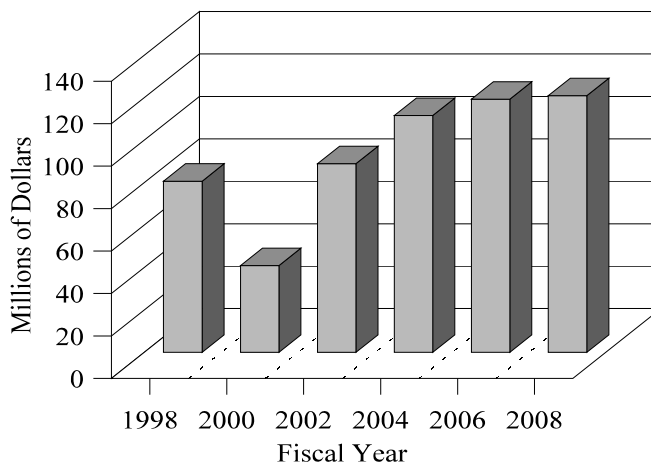
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2008 and FY 2009.

Deferred Compensation Fund



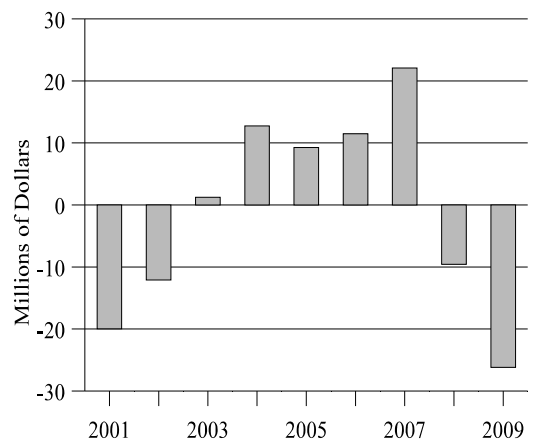
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

Unfunded Pension Liability



The level of Unfunded Pension Liability and the City's record of paying the actuarially determined Annual Required Contribution (ARC) are two measures of the relative strength or weakness of a particular pension fund. The Unfunded Pension Liability increased dramatically 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.

Net Pension Fund Income/Loss



Strict adherence to prudent investment guidelines enable the City's pension fund to earn high income levels when the stock market is performing well. In spite of the dramatic fall in stock market prices beginning in FY 2008, 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 FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	221,274	229,294	230,622	230,622
Sick Leave Bonus	300	600	0	0
Internet Reimbursement	315	291	390	0
Pension Contribution	40,985	33,252	35,764	39,238
Social Security	13,397	13,770	13,734	13,749
Medicare Tax	3,159	3,844	4,035	3,276
Hospitalization	33,806	37,947	31,869	39,506
Life Insurance	1,121	1,149	1,199	713
Pension Healthcare	2,394	4,646	3,420	4,446
Deferred Compensation Contribution	0	1,000	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(7,886)</u>	<u>(8,174)</u>
TOTAL PERSONAL SERVICES	<u>316,751</u>	<u>325,793</u>	<u>313,147</u>	<u>323,376</u>
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	128	100	320	320
Transportation	0	0	3,600	0
Professional Fees	27,428	20,510	20,930	20,125
Other Fees	10	0	0	0
Memberships & Registrations	951	1,631	1,745	100
Miscellaneous Services	985	2,729	5,000	4,600
Office & General Supplies	294	788	1,200	1,200
Equipment	<u>0</u>	<u>182</u>	<u>250</u>	<u>0</u>
TOTAL M., S. & E.	<u>29,796</u>	<u>25,940</u>	<u>33,045</u>	<u>26,345</u>
 <u>INTERNAL SERVICES</u>				
Administrative Services	80,806	101,890	111,732	116,159
Self-Insurance	<u>(3,365)</u>	<u>4,835</u>	<u>5,285</u>	<u>5,462</u>
TOTAL INTERNAL SERVICES	<u>77,441</u>	<u>106,725</u>	<u>117,017</u>	<u>121,621</u>
 GENERAL FUND TOTAL	 <u><u>423,988</u></u>	 <u><u>458,458</u></u>	 <u><u>463,209</u></u>	 <u><u>471,342</u></u>

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	235,284	246,864	248,851	248,848
Internet Reimbursement	0	228	510	0
Accrued Vacation Pay	12,250	3,998	0	0
Pension Contribution	29,930	27,712	29,858	34,355
Social Security	14,311	14,873	14,935	14,924
Medicare Tax	3,371	3,529	3,552	3,550
Hospitalization	30,871	31,082	25,789	31,692
Life Insurance	1,196	1,242	1,295	747
Pension Healthcare	2,506	3,191	3,580	4,654
Deferred Compensation Contribution	0	500	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(2,093)</u>	<u>(2,169)</u>
TOTAL PERSONAL SERVICES	329,719	333,219	326,277	336,601
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	128	300	406	400
Transportation	3,749	4,445	4,500	2,000
Rentals	0	0	78	75
Contracted Maintenance	0	0	200	160
Professional Fees	1,030,020	907,185	939,900	1,098,000
Other Fees	18,987	14,066	12,500	12,500
Memberships & Registrations	3,290	2,760	2,765	1,915
Office & General Supplies	683	319	750	770
Miscellaneous Parts	800	637	876	700
Equipment	<u>3,389</u>	<u>200</u>	<u>250</u>	<u>250</u>
TOTAL M.S. & E.	1,061,046	929,912	962,225	1,116,770
 <u>INTERNAL SERVICES</u>				
Administrative Services	19,772	25,476	29,825	31,341
Self-Insurance	<u>1,132</u>	<u>927</u>	<u>1,080</u>	<u>1,115</u>
TOTAL INTERNAL SERVICES	20,904	26,403	30,905	32,456
 <u>OTHER</u>				
Self Insurance Costs	<u>666,721</u>	<u>814,902</u>	<u>1,200,000</u>	<u>1,500,000</u>
TOTAL OTHER	666,721	814,902	1,200,000	1,500,000
 PENSION ADMIN. FUNDS TOTAL	 <u>2,078,390</u>	 <u>2,104,436</u>	 <u>2,519,407</u>	 <u>2,985,827</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 2011

- 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.
- Complete a comprehensive rewrite of the design review section of the City Code.
- Develop neighborhood comprehensive plans for two analysis areas.
- Assist in the implementation of the Strategic Neighborhood Plan for West Center City.
- Initiate rezoning for West Center City.
- Process, in a timely fashion, approximately 300 environmental and historic reviews as required by HUD.
- Expand the Department's GIS (Geographic Information System) with new and updated data.
- Survey and research properties in the Concord Heights area to determine historic district eligibility.
- 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	938,952	1,009,051	1,035,621	1,075,317
Materials, Supplies & Equipment	117,532	87,339	52,710	24,406
Internal Services	315,540	353,143	392,653	410,671
Debt Service	<u>224,061</u>	<u>343,723</u>	<u>359,213</u>	<u>137,394</u>
TOTAL	<u>1,596,085</u>	<u>1,793,256</u>	<u>1,840,197</u>	<u>1,647,788</u>
STAFFING LEVELS	11.00	12.00	12.00	12.00

GENERAL FUND DEPARTMENT OF PLANNING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	880,072	951,758	977,877	1,016,351
Materials, Supplies & Equipment	117,532	87,339	52,710	24,406
Internal Services	315,540	353,143	392,653	410,671
Debt Service	<u>224,061</u>	<u>343,723</u>	<u>359,213</u>	<u>137,394</u>
TOTAL	<u>1,537,205</u>	<u>1,735,963</u>	<u>1,782,453</u>	<u>1,588,822</u>
STAFFING LEVELS	10.60	11.60	11.60	11.60

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPARTMENT OF PLANNING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	<u>58,880</u>	<u>57,293</u>	<u>57,744</u>	<u>58,966</u>
TOTAL	<u>58,880</u>	<u>57,293</u>	<u>57,744</u>	<u>58,966</u>
STAFFING LEVELS	0.40	0.40	0.40	0.40

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

- The Personal Services category went up \$38,474. This is mainly due to the increases in Pension Contribution (\$12,692), Hospitalization (\$19,504) and Pension-Healthcare (\$3,480) costs.
- Previously, monies had been budgeted in the Consultants account for the purchase of consulting services to assist with the GIS/ArcIMS software upgrade. This will not be funded in FY 2011, thereby zeroing out the account and saving \$20,000.
- As part of reducing the Department's budget, Subscriptions and Registration Fees were lowered \$1,050 and \$950 respectively.
- The Internal Services account group increased by a net \$18,018, mainly due to rising costs in the Data Processing account, which is up by \$19,699.
- Debt Service went down \$221,819. This is due to the existing debt schedule.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Special Projects	16	18	16	17	16
Neighborhood Notebooks	2	3	2	2	2
Comprehensive Plans	3	2	2	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 300 Environmental Reviews, 330 Planning Commission and Design Review Cases, and 85 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Environmental and 106 Reviews	500	425	450	286	300
Planning Commission and Design Review Cases (includes internal reviews)	340	320	330	326	330
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions and Parking Lots)	100	80	95	89	85

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

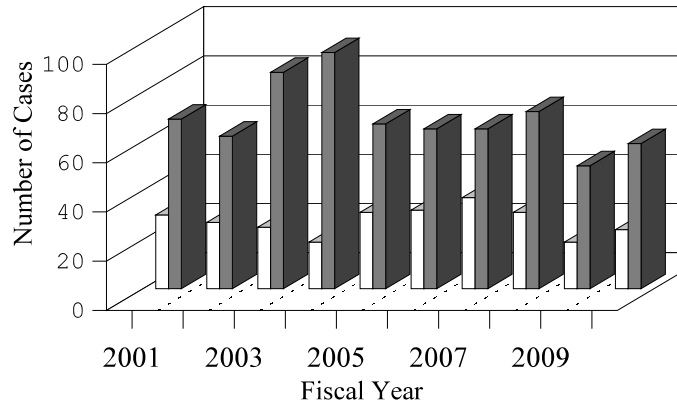
Objective: Complete 6 economic development and 12 special planning projects that will promote development in the City.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY2011 PROJECTED
Economic Development Projects	6	8	6	6	6
Special Planning Projects	12	14	12	12	12

Department of Planning Performance Trends

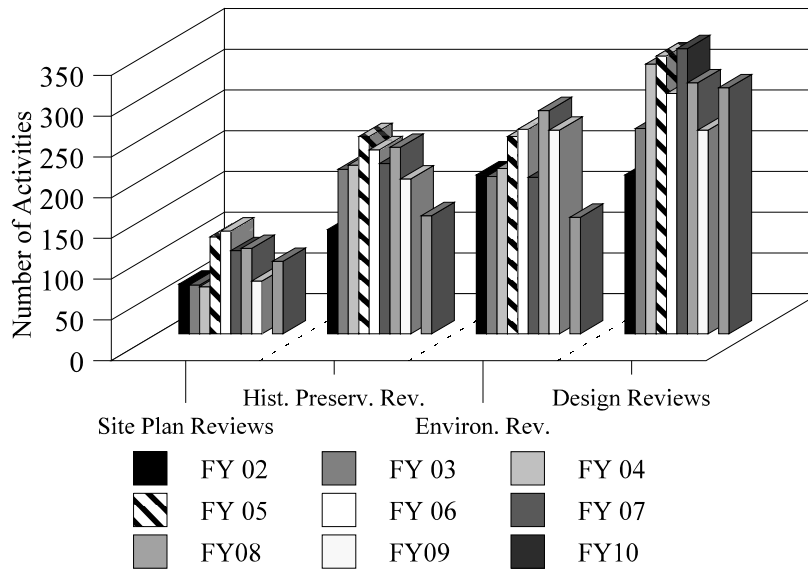
Commission Activities



- 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	629,575	691,885	717,341	724,153
Temporary Salaries	31,841	16,895	17,522	15,225
Acting Out of Class	0	4,388	455	455
Internet Reimbursements	285	182	500	0
Pension Contribution	65,314	69,470	79,148	91,840
Social Security	40,342	44,026	45,327	45,637
Medicare Tax	9,435	10,296	10,600	10,672
Hospitalization	92,677	101,194	101,600	121,104
Life Insurance	3,183	3,567	3,730	2,494
Pension Healthcare	7,420	9,355	11,600	15,080
Deferred Comp Contribution	0	500	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(9,946)</u>	<u>(10,309)</u>
TOTAL PERSONAL SERVICES	880,072	951,758	977,877	1,016,351
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	3,512	805	2,720	2,500
Communications & Utilities	163	119	200	150
Transportation	618	2,755	2,725	1,500
Contracted Maintenance Repairs	0	150	1,075	860
Professional Fees	76,305	53,871	22,000	1,000
Memberships & Registrations	7,414	6,151	8,000	6,000
Miscellaneous Services	7,910	316	0	0
Office & General Supplies	2,708	4,858	5,874	4,600
Miscellaneous Parts	634	1,199	1,720	1,000
Equipment	11,472	10,319	1,600	0
Community Activities	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>
TOTAL M., S. & E.	117,532	87,339	52,710	24,406
 <u>INTERNAL SERVICES</u>				
Administrative Services	273,940	335,874	347,393	364,447
Self-Insurance	<u>41,600</u>	<u>17,269</u>	<u>45,260</u>	<u>46,224</u>
TOTAL INTERNAL SERVICES	315,540	353,143	392,653	410,671
 <u>DEBT SERVICE</u>				
Principal Payments	125,848	251,321	279,670	69,784
Interest Payments	<u>98,213</u>	<u>92,402</u>	<u>79,543</u>	<u>67,610</u>
TOTAL DEBT SERVICE	224,061	343,723	359,213	137,394
 GENERAL FUND TOTAL	 <u>1,537,205</u>	 <u>1,735,963</u>	 <u>1,782,453</u>	 <u>1,588,822</u>

DEPARTMENT: PLANNING**FUND: CDBG**

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	22,441	23,978	23,886	23,886
Temporary Salaries	25,798	21,430	21,855	21,141
Pension Contribution	1,822	2,315	2,413	2,914
Social Security	2,987	2,802	2,823	2,779
Medicare Tax	699	655	660	650
Hospitalization	4,766	5,627	5,583	6,990
Pension Healthcare	97	360	400	520
Life Insurance	<u>270</u>	<u>126</u>	<u>124</u>	<u>86</u>
TOTAL PERSONAL SERVICES	<u>58,880</u>	<u>57,293</u>	<u>57,744</u>	<u>58,966</u>
CDBG FUND TOTAL	<u>58,880</u>	<u>57,293</u>	<u>57,744</u>	<u>58,966</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 2011

- 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	403,636	426,003	426,749	439,123
Materials, Supplies & Equipment	192,734	208,570	225,100	221,300
Internal Services	<u>58,314</u>	<u>71,209</u>	<u>87,998</u>	<u>94,711</u>
TOTAL	<u>654,684</u>	<u>705,782</u>	<u>739,847</u>	<u>755,134</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

GENERAL FUND AUDITING DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	403,636	426,003	426,749	439,123
Materials, Supplies & Equipment	139,934	150,641	166,300	162,300
Internal Services	<u>58,314</u>	<u>71,209</u>	<u>87,998</u>	<u>94,711</u>
TOTAL	<u>601,884</u>	<u>647,853</u>	<u>681,047</u>	<u>696,134</u>
STAFFING LEVELS	5.00	5.00	5.00	5.00

WATER/SEWER FUND AUDITING DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Materials, Supplies & Equipment	<u>52,800</u>	<u>57,929</u>	<u>58,800</u>	<u>59,000</u>
TOTAL	<u>52,800</u>	<u>57,929</u>	<u>58,800</u>	<u>59,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$12,374, primarily due to increases in Pension (\$6,628), Hospitalization (\$5,481) and Pension Healthcare (\$2,000) costs. These costs were partially offset by decreases in Life Insurance expenses (\$712) and the elimination of Internet Reimbursements (\$900).
- In the General Fund's Material Supplies and Equipment (MS&E) account group, Professional Fees increased a net \$2,000. This reflects a \$5,500 increase in the Annual Audit contract with McBride Shopa, offset by a \$3,500 decrease in Consulting fees due to an anticipated reduction in the use of professional assistance from independent accounting firms.
- Also in MS&E, Travel and Subsistence and Memberships and Registrations decreased \$2,000 and \$2,500, respectively, reflecting the City's continued cost saving initiative. Equipment expenses also decreased \$1,200, bringing the net total General Fund MS&E decrease to \$4,000.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Percentage of Professional Auditing Standards Met with Full Compliance	100%	95%	100%	95%	100%

Goal #2: Provide an 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Audit Reports Issued	10	11	10	12	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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Technical Training Hours	30	30	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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 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	FY2008	FY2009	FY2010	FY 2011
Regular Salaries	299,961	314,931	347,004	348,109
Sick Leave Bonus	0	500	0	0
Internet Reimbursements	405	852	900	0
Pension Contribution	30,140	30,738	36,362	42,990
Social Security	18,478	19,385	21,233	21,276
Medicare Tax	4,309	4,534	4,966	4,976
Hospitalization	45,329	48,304	45,057	50,538
Life Insurance	1,514	1,592	1,792	1,080
Pension Healthcare	3,500	4,167	4,500	6,500
Deferred Comp Contribution	0	1,000	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(35,065)</u>	<u>(36,345)</u>
TOTAL PERSONAL SERVICES	403,636	426,003	426,749	439,123
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	0	1,203	0	0
Transportation	10,917	5,481	5,300	3,000
Professional Fees	113,950	122,080	148,000	150,000
Memberships & Registrations	13,207	14,493	11,000	8,500
Office & General Supplies	933	169	800	800
Misc. Mat. Supp. & Parts	0	467	0	0
Equipment	<u>927</u>	<u>6,748</u>	<u>1,200</u>	<u>0</u>
TOTAL M., S. & E.	139,934	150,641	166,300	162,300
<u>INTERNAL SERVICES</u>				
Administrative Services	60,269	68,860	86,107	91,614
Self-Insurance	<u>(1,955)</u>	<u>2,349</u>	<u>1,891</u>	<u>3,097</u>
TOTAL INTERNAL SERVICES	58,314	71,209	87,998	94,711
GENERAL FUND TOTAL	<u>601,884</u>	<u>647,853</u>	<u>681,047</u>	<u>696,134</u>

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2008	ACTUAL FY 2009	BUDGET FY2010	APPROVED FY2011
Professional Fees	<u>52,800</u>	<u>57,929</u>	<u>58,800</u>	<u>59,000</u>
TOTAL M., S. & E.	52,800	57,929	58,800	59,000
 WATER/SEWER FUND TOTAL	 <u>52,800</u>	 <u>57,929</u>	 <u>58,800</u>	 <u>59,000</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 City government.

PRIORITIES FOR FISCAL YEAR 2011
<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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	2,037,193	2,195,911	2,152,955	2,239,510
Materials, Supplies & Equipment	608,618	468,816	740,015	631,493
Internal Services	<u>131,685</u>	<u>172,379</u>	<u>218,526</u>	<u>231,182</u>
TOTAL	<u>2,777,746</u>	<u>2,837,106</u>	<u>3,111,496</u>	<u>3,102,185</u>
STAFFING LEVELS	22.00	23.00	23.00	23.00

GENERAL FUND LAW DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,987,566	2,195,911	2,152,955	2,239,510
Materials, Supplies & Equipment	608,618	468,816	740,015	631,493
Internal Services	<u>131,685</u>	<u>172,379</u>	<u>218,526</u>	<u>231,182</u>
TOTAL	<u>2,727,869</u>	<u>2,837,106</u>	<u>3,111,496</u>	<u>3,102,185</u>
STAFFING LEVELS	22.00	23.00	23.00	23.00

BYRNE GRANT LAW DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	49,627	0	0	0
Internal Services	<u>250</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>49,877</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$89,555, largely due to the increases in Pension (\$30,383), Hospitalization (\$47,492), and Pension Healthcare (\$6,900) costs. A reduction to Temporary Salaries (\$1,040), Life Insurance (\$3,628), and the City-wide elimination of Internet Reimbursements (\$3,060) contributed to a small offsetting savings.
- Legal fees decreased \$110,000 due mainly to the \$100,000 savings from pursuing a new direction in resolving the utility franchise dispute. Also contributing to the Legal fees decrease is a savings of \$10,000 related to real property assessment disputes, which failed to materialize as projected during FY 2010.
- Internal Service expenses increased \$12,657, as a result of increased Data Processing costs (\$14,479). Duplication and Reproduction, Postage, and Telephone decreases of \$2,368, \$47, and \$54 respectively, partially offset the Data Processing increase.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY2011 PROJECTED
Percentage of Court Cost recovered	25%	72%	25%	74%	25%

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

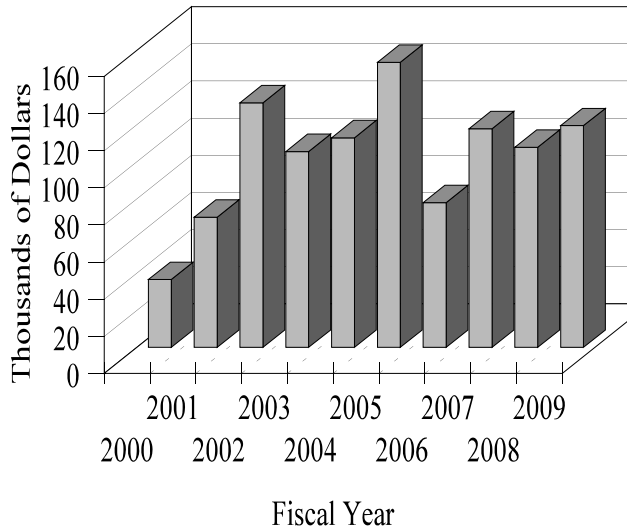
Objective: File no less than 100 writs of monition/vend ex monitions against tax-delinquent property owners.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of filings	100	658	100	669	100

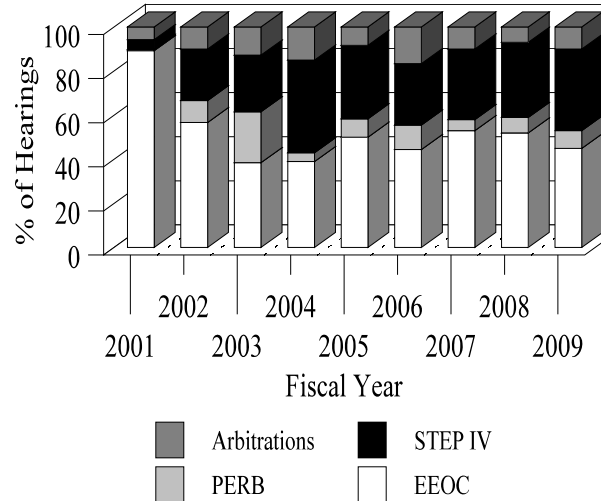
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



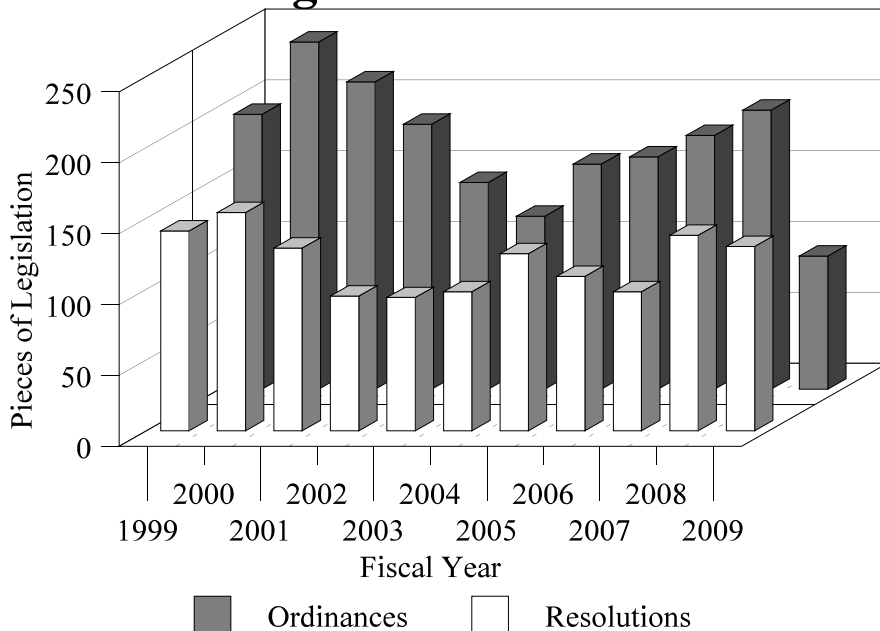
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

Administrative Hearings Employment & Labor



A single incident related to voluntary police overtime resulted in 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 resulting in a larger than normal spike in EEOC administrative hearings that year.

Legislation Drafted



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY 2011
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,495,638	1,642,045	1,639,679	1,649,355
Temporary Salaries	5,619	5,554	9,880	8,840
Sick Leave Bonus	0	300	0	0
Internet Reimbursement	735	2,268	3,060	0
Overtime	125	0	0	0
Pension Contribution	173,771	170,383	181,086	211,469
Social Security	92,586	100,762	100,012	100,445
Medicare Tax	21,685	23,696	23,624	23,719
Hospitalization	174,571	220,710	183,203	230,695
Life Insurance	7,436	8,075	8,476	4,848
Pension Healthcare	15,400	19,368	23,000	29,900
Personal Services Adjustment	0	0	(19,065)	(19,761)
Deferred Compensation Contribution	<u>0</u>	<u>2,750</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	<u>1,987,566</u>	<u>2,195,911</u>	<u>2,152,955</u>	<u>2,239,510</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	748	140	1,390	1,212
Communications & Utilities	0	52	320	256
Transportation	647	1,857	4,200	3,650
Rentals	0	200	0	320
Contracted Maintenance Repair	0	614	400	800
Professional Fees	399,877	241,381	1,000	403,150
Other Fees	128,663	138,516	513,500	135,000
Memberships & Registrations	29,903	31,808	130,000	30,500
Miscellaneous Services	41,722	44,442	31,000	50,605
Office & General Supplies	3,140	5,997	52,005	6,000
Equipment	<u>3,918</u>	<u>3,809</u>	<u>6,200</u>	<u>0</u>
TOTAL M., S. & E.	<u>608,618</u>	<u>468,816</u>	<u>740,015</u>	<u>631,493</u>
<u>INTERNAL SERVICES</u>				
Administrative Services	137,830	155,647	197,520	209,530
Self-Insurance	<u>(6,145)</u>	<u>16,732</u>	<u>21,006</u>	<u>21,652</u>
TOTAL INTERNAL SERVICES	<u>131,685</u>	<u>172,379</u>	<u>218,526</u>	<u>231,182</u>
GENERAL FUND TOTAL	<u><u>2,727,869</u></u>	<u><u>2,837,106</u></u>	<u><u>3,111,496</u></u>	<u><u>3,102,185</u></u>

DEPARTMENT: LAW**FUND: BRYNE GRANT**

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	42,203	0	0	0
Social Security	2,617	0	0	0
Medicare Tax	612	0	0	0
Hospitalization	4,036	0	0	0
Life Insurance	<u>159</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	49,627	0	0	0
<u>INTERNAL SERVICES</u>				
Workers Compensation	<u>250</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	250	0	0	0
BRYNE GRANT FUND TOTAL	<u>49,877</u>	<u>0</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 2011
<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 with our stakeholders, rate payers and constituents.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS DEPARTMENT OF FINANCE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	4,716,343	5,571,568	5,680,594	7,305,948
Materials, Supplies & Equipment	2,726,177	4,245,630	4,971,588	5,681,775
Internal Services	519,017	517,877	809,520	912,097
Debt Service	1,174	5,169	5,575	5,554
Depreciation/Amortization	0	0	1,150	1,150
TOTAL	7,962,711	10,340,244	11,468,427	13,906,524
STAFFING LEVELS	68.00	70.00	75.00	97.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF FINANCE	FY2008	FY2009	FY2010	FY2011
Personal Services	2,649,699	3,324,506	3,394,740	5,001,628
Materials, Supplies & Equipment	2,176,703	3,652,750	4,375,723	5,149,305
Internal Services	18,587	38,439	27,247	89,809
Debt Service	<u>1,174</u>	<u>5,169</u>	<u>5,575</u>	<u>5,554</u>
TOTAL	<u>4,846,163</u>	<u>7,020,864</u>	<u>7,803,285</u>	<u>10,246,296</u>
STAFFING LEVELS	38.85	39.75	44.25	67.55

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF FINANCE	FY2008	FY2009	FY2010	FY2011
Personal Services	2,066,644	2,247,062	2,285,854	2,304,320
Materials, Supplies & Equipment	549,474	592,880	595,865	532,470
Internal Services	500,430	479,438	782,273	822,288
Depreciation/Amortization	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL	<u>3,116,548</u>	<u>3,319,380</u>	<u>3,665,142</u>	<u>3,660,228</u>
STAFFING LEVELS	29.15	30.25	30.75	29.45

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$1,606,888 due to a number of significant changes. The largest of these was the transfer of the Parking Enforcement and Scofflaw (booting) operations from the Police Department to the Finance Department. A total of 24 positions were moved, creating an increase in the Department's salary and benefit accounts of \$1,416,398. In addition, Overtime and Acting Out of Class expenses related to parking enforcement added \$20,000 and \$2,875, respectively.
- In addition to the increase caused by the transfer listed above, Personal Services rose \$167,615 due, in large part, to much higher Pension (\$46,997), Hospitalization (\$103,043), and Pension Healthcare (\$12,365) expenses. Regular Salaries increased \$34,082 in response to three Central Cashier (Grade G) position upgrades to Customer Service II Representatives (Grade I), pay scale step increases, and the cost of unbudgeted salary increases in Fiscal Year 2010. Offsetting these increases are the deletion of two vacant positions, a Customer Service Representative and a Central Cashier, for a total savings of \$39,000, and the downgrading of the vacant Sheriff Sale Administrator position (from Executive & Managerial Grade M-04 to Nonunion Grade R), reducing costs by \$2,000.
- Material, Supplies, and Equipment increased \$773,582. The Department's Plan for Change initiative continues to evolve and expand its revenue collection efforts, thereby increasing collection related expenses. In the Plan's area of wage tax collection, Wage and Head Audits and Legal expenses related to S-corporations rose \$944,000 and \$34,500 respectively. Red Light Commissions increased \$174,153 to cover the cost of equipping current red light enforcement cameras with video enforcement capability. Parking Citation Commissions decreased \$167,504, as parking enforcement operations are projected to become more efficient under the Finance Department's direction, and as the Registration Hold Program, initiated mid-FY 2010, further promotes timely fee payments. False Alarm Commissions also decreased, \$64,000, as greater compliance has reduced the level of services needed.
- Elsewhere in MS&E, Professional Fees declined as a result of Consultants (\$51,000) and Legal (\$48,000) expense decreases. Offsetting these were increases in Temporary Agency costs (\$49,300).
- Internal Services grew \$30,176, largely due to Data Processing expenses, which increased \$36,256. Offsetting Data Processing were decreases in Duplication and Reproduction (\$5,439), Postage (\$1,659), and Word Processing (\$819).

WATER/SEWER FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$18,466, largely due to much higher Pension (\$10,389), Hospitalization (\$51,108), and Pension Healthcare (\$7,535) expenses. Regular Salaries decreased \$44,389, reflecting the deletion of two vacant positions, a Customer Service Representative II (Grade I) and a Central Cashier (Grade G), for a total savings of \$73,000, and the downgrading of the vacant Sheriff Sale Administrator position (from Executive & Managerial Grade M-04 to Nonunion Grade R), further reducing costs by \$16,500. Temporary Salary expenses also declined \$12,400 due to greater in house efficiencies in the Utility Billing Division, making additional temporary staffing unnecessary. Offsetting these decreases were upgrades to positions, totaling \$6,097.
- In MS&E, the largest funding change came in Temporary Agency expenses, which declined \$43,800 due to a transfer of non-Water/Sewer related costs to the General Fund in the Delinquent Accounts Division. Advertising costs also declined \$14,230 as delinquent notices and the Department's public campaign regarding utility billings subsidies. These declines produced a net MS&E savings of \$63,395 over FY 2010.
- Paralleling General Fund Internal Services increases, Water/Sewer Fund Data Processing increased by \$42,363. Offsetting Data Processing increases were decreases in Postage (\$3,019) and Motor Vehicle costs (\$354).

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Collect \$10,000,000 in delinquent earned income taxes.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Dollars Collected	\$4,500,000	\$7,701,860	\$10,000,000	\$11,207,916	\$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.

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Numbers of Payments Processed	180,000	116,787	150,000	76,847	150,000
Percentage of Payments Processed	48%	29%	42%	39%	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.

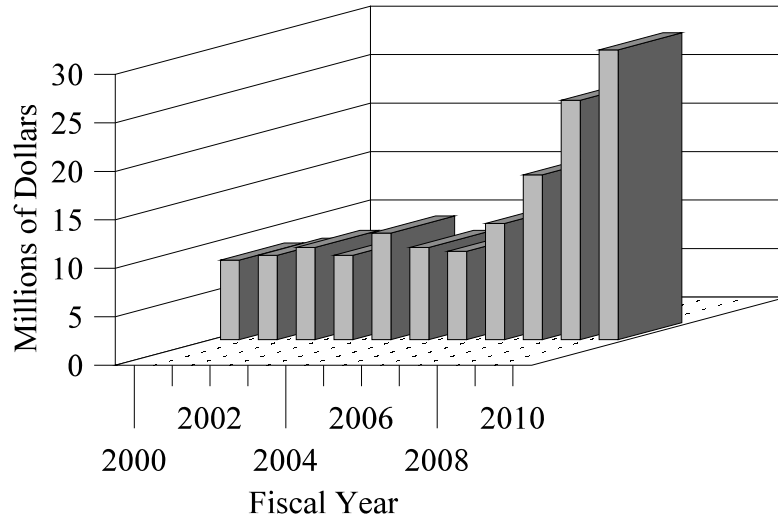
Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-D and 1-E on page 20.

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

Department of Finance

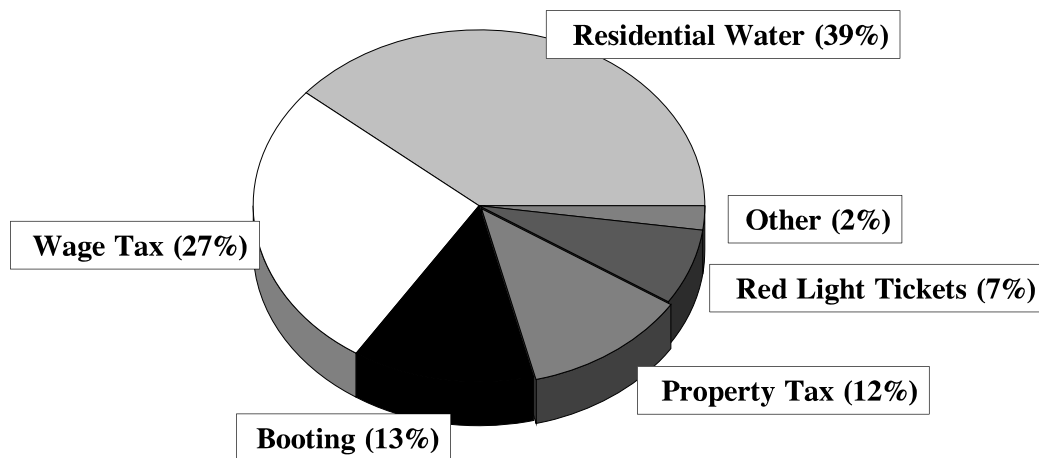
Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$29.9 million in delinquent accounts were collected in FY 2010. This is an increase of over \$5 million over FY 2009.

Delinquent Collections by Revenue Type FY 2010



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
<u>PERSONAL SERVICES</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY 2011</u>
Regular Salaries	1,718,189	2,200,334	2,361,592	3,293,634
Temporary Salaries	66,879	66,927	19,100	0
Acting Out of Class	579	34	0	2,875
Sick Leave Bonus	2,685	2,550	2,010	1,110
Overtime	139,910	136,527	121,875	141,951
Meal Allowance	6,952	8,137	11,550	11,445
Internet Reimbursement	2,442	2,330	5,500	0
Parking Reimbursement	0	0	0	0
Pension Contribution	194,004	232,470	268,532	434,678
Social Security	119,479	152,173	153,342	210,949
Medicare Tax	27,976	35,615	35,904	49,373
Hospitalization	335,531	438,102	448,410	846,372
Life Insurance	8,602	10,494	12,248	14,269
Pension Healthcare	26,471	32,813	44,250	87,815
Personal Services Adjustment	0	0	(89,573)	(92,843)
Deferred Compensation	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	2,649,699	3,324,506	3,394,740	5,001,628
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	53,730	72,808	102,840	73,780
Communications & Utilities	7,885	11,786	16,180	15,464
Transportation	15,427	8,791	19,900	9,400
Rentals	0	28,263	60,000	60,000
Contracted Maintenance Repairs	467	119	16,020	1,025
Professional Fees	126,984	325,153	250,200	200,500
Memberships & Registrations	52,388	57,215	67,350	37,995
Miscellaneous Services	1,886,656	2,848,570	3,809,352	4,713,500
Office & General Supplies	10,650	20,885	16,268	16,920
Wearing Apparel and Safety	0	0	0	14,640
Miscellaneous Parts	13,703	965	4,063	631
Equipment	7,881	223,211	7,550	4,450
Fixed Assets	932	26,141	6,000	1000
Moving/Relocation	<u>0</u>	<u>28,843</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	2,176,703	3,652,750	4,375,723	5,149,305
 <u>INTERNAL SERVICES</u>				
Administrative Services	630,348	721,951	739,265	706,879
Self-Insurance	<u>18,587</u>	<u>38,439</u>	<u>27,247</u>	<u>89,809</u>
TOTAL INTERNAL SERVICES	648,935	760,390	766,512	796,688

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY 2011
DEBT SERVICE				
Principal Payments	0	0	20	0
Interest Payments	1,174	5,169	5,555	5,554
TOTAL DEBT SERVICE	1,174	5,169	5,575	5,554
GENERAL FUND TOTAL	<u>4,846,163</u>	<u>7,020,864</u>	<u>7,803,285</u>	<u>10,246,296</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
PERSONAL SERVICES				
Regular Salaries	1,234,818	1,489,762	1,553,889	1,509,500
Temporary Salaries	13,144	2,636	17,400	5,000
Acting Out of Class	1,324	136	0	0
Shift Differential	0	0	0	0
Sick Leave Bonus	1,190	300	690	690
Overtime	112,046	63,055	57,038	70,550
Meal Allowance	8,777	1,830	6,250	6,855
Clothing Allowance	1,250	1,000	1,250	1,250
Internet Reimbursements	11	602	2,520	0
Accrued Sick/Vacation	85,881	(11,029)	0	0
Pension Contribution	172,498	169,557	194,596	204,985
Social Security	83,045	96,170	100,200	97,356
Medicare Tax	19,491	22,533	23,474	22,810
Hospitalization	227,186	311,991	289,734	340,842
Life Insurance	5,987	6,984	8,063	6,196
Pension Healthcare	99,996	90,785	30,750	38,286
Deferred Compensation	0	750	0	0
TOTAL PERSONAL SERVICES	<u>2,066,644</u>	<u>2,247,062</u>	<u>2,285,854</u>	<u>2,304,320</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Printing & Advertising	14,213	25,796	42,520	26,790
Communications & Utilities	0	219	900	900
Transportation	2,875	3,362	3,400	6,400
Contracted Maintenance Repairs	85	111	3,852	3,717
Professional Fees	73,638	141,436	105,300	61,500
Memberships & Registrations	14,077	17,391	31,700	30,360
Miscellaneous Services	113,215	74,679	78,500	78,600
Office & General Supplies	5,136	17,271	15,200	14,660
Wearing Apparel & Safety Supplies	4,798	2,583	5,560	4,910
Miscellaneous Parts	2,646	1,936	7,300	6,900
Supporting Services	276,684	276,683	276,683	276,683
Utility Billing Refunds	0	0	0	0
Equipment	42,107	18,174	20,450	21,050
Fixed Assets	0	13,239	4,500	0
TOTAL M., S. & E.	549,474	592,880	595,865	532,470
<u>INTERNAL SERVICES</u>				
Administrative Services	492,767	450,987	737,687	776,472
Self-Insurance	7,663	28,451	44,586	45,816
TOTAL INTERNAL SERVICE	500,430	479,438	782,273	822,288
<u>OTHER</u>				
Depreciation	0	0	1,150	1,150
TOTAL OTHER	0	0	1,150	1,150
WATER/SEWER FUND TOTAL	<u>3,116,548</u>	<u>3,319,380</u>	<u>3,665,142</u>	<u>3,660,228</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 the highest quality workforce and a productive work environment, and maintain the City's operational and fiscal stability through the utilization of effective risk management techniques.

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

PRIORITIES FOR FISCAL YEAR 2011	
•	Enhance the delivery of human resources services to City departments through the implementation of revised legislation, policies and procedures, and management information systems.
•	Promote harmonious and effective working relationships with all collective bargaining units affiliated with the City of Wilmington.
•	Manage the City's risk exposure by implementing more effective personnel, health and safety, and claims management practices and programs.
•	Provide management and employee training to continue to develop the City's work force and enhance productivity.
•	Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system.
•	Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,646,380	1,743,168	1,839,437	1,964,796
Materials, Supplies & Equipment	3,538,976	3,772,453	3,161,960	3,142,638
Internal Services	309,758	360,558	426,888	442,484
Debt Service	3,063	17,981	19,391	19,320
Depreciation	128	6,405	64	12,554
Special Purpose	<u>8,437,476</u>	<u>15,127,362</u>	<u>15,272,500</u>	<u>17,725,000</u>
TOTAL	<u>13,935,779</u>	<u>21,027,927</u>	<u>20,720,240</u>	<u>23,306,792</u>
STAFFING LEVELS	22.00	23.00	23.00	23.00

* Differs from Summary of All Funds Combined - Expenditures table on page 35 due to inclusion of Internal Service funds.

GENERAL FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,148,280	1,252,059	1,291,059	1,373,059
Materials, Supplies & Equipment	113,041	172,510	195,460	98,416
Internal Services	283,814	333,896	389,193	404,101
Debt Service	3,063	17,981	19,391	19,320
TOTAL	<u>1,548,197</u>	<u>1,776,445</u>	<u>1,895,103</u>	<u>1,894,896</u>
STAFFING LEVELS	15.00	16.00	16.00	16.00

RISK MANAGEMENT FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	120,142	117,172	114,013	118,408
Materials, Supplies & Equipment	2,864,986	2,685,755	2,140,960	2,246,021
Internal Services	20,045	16,143	28,599	29,775
Depreciation	128	6,405	64	12,554
Special Purpose	1,215,150	(1,821,351)	0	0
TOTAL	<u>4,220,450</u>	<u>1,004,123</u>	<u>2,283,636</u>	<u>2,406,759</u>
STAFFING LEVELS	1.30	1.30	1.30	1.30

WORKERS' COMP. FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	290,086	293,500	348,912	385,436
Materials, Supplies & Equipment	534,931	775,722	720,940	695,151
Internal Services	4,714	9,353	7,768	7,287
Special Purpose	(4,274,164)	2,285,453	2,337,500	2,260,000
TOTAL	<u>(3,444,433)</u>	<u>3,364,027</u>	<u>3,415,120</u>	<u>3,347,874</u>
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH & WELFARE FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	87,872	80,438	85,453	87,893
Materials, Supplies & Equipment	26,018	138,466	104,600	103,050
Internal Services	1,185	1,167	1,328	1,320
Special Purpose	11,496,490	14,663,260	12,935,000	15,465,000
TOTAL	<u>11,611,565</u>	<u>14,883,331</u>	<u>13,126,381</u>	<u>15,657,263</u>
STAFFING LEVELS	1.20	1.20	1.20	1.20

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

- Total personal services increased by \$82,000. This change is largely due to significant growth in employee benefit costs, with pension costs increasing almost 19% (\$19,208) and healthcare costs increasing almost 32% (\$38,708). No new positions were added.
- All funding for consultants in the General Fund has been removed, a decrease of \$80,050. This cut eliminates a number of programs, including management leadership training and funding for citywide Microsoft Office training.

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

- Total personal services across all Human Resources Internal Services Funds increased by \$43,359. This change is due to both higher salaries (as a position which was budgeted as vacant in the FY 2010 budget was hired at a salary larger than projected) and increased pension and healthcare costs. No new positions were added.
- In the Risk Management Fund, insurance costs have increased by a net \$128,464, to a new total of \$2.2 million. The majority of this increase was due to the addition of \$215,000 in legal defense costs for outstanding cases, per estimates developed in conjunction with the Law Department. Offsetting these new costs is a \$100,000 reduction in insurance claims, resulting from improvements in City safety programs as well as more timely accident investigation and settlement.
- In the Workers' Compensation Fund, self-insurance costs have been reduced by \$77,500, to a new total of \$2.26 million. This change is the result of new State legislation which reduces costs by creating fee schedules for workers' compensation medical claims, as well as an initiative by the City which provides additional modified-duty opportunities to injured employees.
- Blue Cross Blue Shield medical costs in the Health and Welfare Fund have grown by \$2.5 million, to a total of \$14 million. This cost increase is the result of a number of factors, including growth in the number of high-cost medical cases and the ongoing cost inflation of healthcare nationwide. In order to contain these costs, Human Resources has implemented new non-union healthcare plans and has increased employee contributions. These changes are projected to result in a savings of \$300,000. (As such, a placeholder offset has been included in the Mayor's Office operating contingency to account for these savings.)
- A number of other items in the Health and Welfare Fund saw significant changes. Dental costs have increased \$200,000, due to changes guaranteed in employee labor contracts. Somewhat offsetting this increase are cuts of \$50,000 and \$120,000 to life insurance and long-term disability, respectively, as a result of an effort to better match the budget to historical spending.

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 16 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Grievances	15	23	18	12	16

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

Objective: Conduct 50 training workshops and train 500 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Training Workshops	380	103	50	60	50
Number of Employees Trained*	n/a	n/a	300	1,040	500

* 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 320.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Auto, Property, Police and Other	85	136	125	44	75
Workers Compensation	240	259	235	255	245
Total Claims Frequency	325	395	360	299	320

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

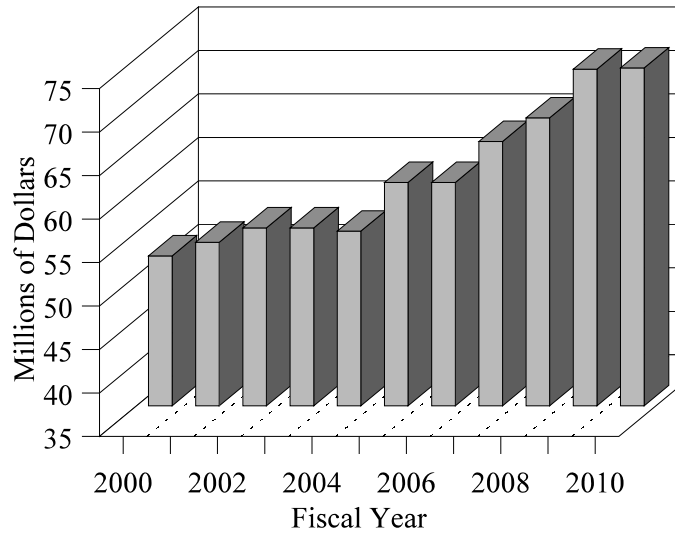
Objective: Reward 200 employees nominated by their peers and reward length of service with the City.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Employees Awarded	200	186	200	214	200

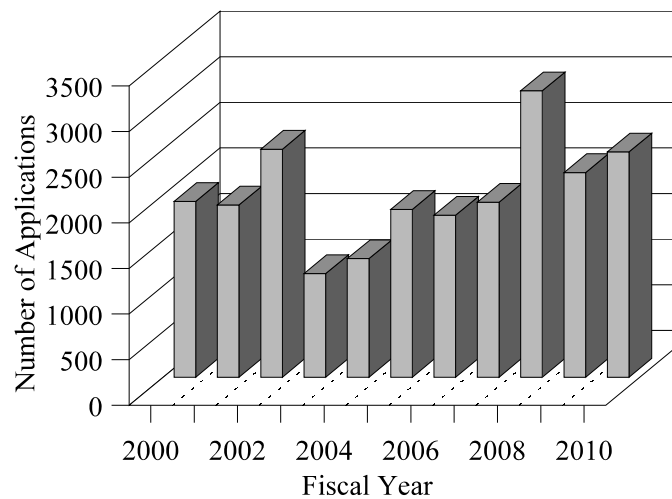
Department of Human Resources Performance Trends

Payroll - All Employees



Since FY 2000, the City has added a net total of 107 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
PERSONAL SERVICES				
Regular Salaries	809,638	928,409	971,063	983,797
Temporary Salaries	22,358	105	3,000	7,000
Sick Leave Bonus	3,100	300	0	0
Overtime	7,207	3,621	1,950	5,500
Meal Allowance	270	291	0	300
Internet Reimbursements	720	1,589	680	0
Pension Contribution	84,015	91,255	103,455	122,663
Social Security	51,524	57,664	59,886	60,862
Medicare Tax	12,090	13,509	14,006	14,234
Hospitalization	139,272	135,723	122,291	160,999
Life Insurance	4,086	4,755	5,037	3,443
Pension Healthcare	10,500	12,839	16,000	20,800
Deferred Comp Contribution	0	2,000	0	0
Personal Services Adjustment	3,500	0	(6,309)	(6,539)
TOTAL PERSONAL SERVICES	1,148,280	1,252,059	1,291,059	1,373,059
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	11,218	12,371	11,095	4,100
Communications and Utilities	170	101	200	200
Transportation	10,810	9,628	11,500	6,900
Contracted Maintenance	19,407	9,301	1,200	1,200
Professional Fees	9,316	79,147	107,265	23,600
Other Fees	5,780	688	0	0
Memberships & Registrations	13,685	15,950	26,000	18,405
Miscellaneous Services	0	0	3,000	3,000
Office & General Supplies	4,023	4,523	6,070	15,922
Miscellaneous Parts	21,053	24,609	28,330	23,889
Fixed Assets	4,733	0	0	0
Equipment	12,845	16,192	800	1,200
TOTAL M., S. & E.	113,041	172,510	195,460	98,416
 <u>INTERNAL SERVICES</u>				
Administrative Services	285,595	329,061	383,128	397,850
Self-Insurance	(1,781)	4,835	6,065	6,251
TOTAL INTERNAL SERVICES	283,814	333,896	389,193	404,101
 <u>DEBT SERVICE</u>				
Principal Payments	0	0	69	0
Interest Payments	3,063	17,981	19,322	19,320
TOTAL DEBT SERVICE	3,063	17,981	19,391	19,320
 GENERAL FUND TOTAL	 <u>1,548,197</u>	 <u>1,776,445</u>	 <u>1,895,103</u>	 <u>1,894,896</u>

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	78,185	85,176	84,212	84,212
Overtime	661	311	0	0
Meal Allowance	0	111	0	0
Compensated Absences	2,876	(3,713)	0	0
Pension Contribution	11,348	9,541	9,879	10,990
Social Security	4,888	7,483	5,175	5,158
Medicare Tax	1,143	1,750	1,210	1,206
Hospitalization	19,742	14,357	12,828	15,938
Life Insurance	389	443	439	281
Pension Healthcare	910	1,214	1,300	1,690
Deferred Comp Contribution	0	500	0	0
Personal Services Adjustment	0	0	(1,030)	(1,068)
TOTAL PERSONAL SERVICES	120,142	117,172	114,013	118,408
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	1,753	1,639	3,200	2,000
Insurance	2,769,714	2,570,273	2,072,678	2,201,142
Contracted Maintenance Repairs	0	0	372	200
Professional Fees	89,807	41,041	60,000	37,000
Memberships & Registrations	1,411	1,977	2,500	2,000
Miscellaneous Services	0	0	210	0
Office & General Supplies	975	4,064	2,000	1,500
Equipment	1,327	3,993	0	2,179
	0	62,768	0	0
TOTAL M., S. & E.	2,864,986	2,685,755	2,140,960	2,246,021
<u>INTERNAL SERVICES</u>				
Administrative Services	19,982	15,142	27,597	28,746
Self-Insurance	63	1,001	1,002	1,029
TOTAL INTERNAL SERVICES	20,045	16,143	28,599	29,775
<u>OTHER</u>				
Depreciation	128	6,405	64	12,554
TOTAL OTHER	128	6,405	64	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	1,215,150	(1,821,351)	0	0
TOTAL SPECIAL PURPOSE	1,215,150	(1,821,351)	0	0
RISK MANAGEMENT FUND				
TOTAL	4,220,450	1,004,123	2,283,636	2,406,759

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	215,710	204,024	236,339	260,326
Temporary Salaries	0	17,986	9,600	0
Overtime	(17)	1,475	775	0
Compensated Absences	(4,734)	(10,680)	0	0
Pension Contribution	23,834	18,585	25,091	32,410
Social Security	13,331	13,712	15,221	16,044
Medicare Tax	3,174	3,207	3,558	3,752
Hospitalization	34,585	40,635	52,600	65,870
Life Insurance	1,053	1,144	1,228	1,184
Pension Healthcare	<u>3,150</u>	<u>3,413</u>	<u>4,500</u>	<u>5,850</u>
TOTAL PERSONAL SERVICES	290,086	293,500	348,912	385,436
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	330	0	1,250	1,000
Transportation	0	0	500	0
Insurance	273,956	282,297	310,000	320,000
Rentals	0	0	100	25
Contracted Maintenance	14,757	616	1,640	1,000
Professional Fees	227,969	463,530	387,700	352,276
Memberships & Registrations	3,214	1,821	3,500	3,500
Office & General Supplies	516	12,180	1,250	1,250
Wearing Apparel and Safety	278	0	0	100
Miscellaneous Parts	9,611	9,322	15,000	15,000
Equipment	<u>4,300</u>	<u>5,955</u>	<u>0</u>	<u>1,000</u>
TOTAL M., S. & E.	534,931	775,722	720,940	695,151
<u>INTERNAL SERVICES</u>				
Administrative Services	4,364	7,318	5,738	5,257
Self-Insurance	<u>350</u>	<u>2,035</u>	<u>2,030</u>	<u>2,030</u>
TOTAL INTERNAL SERVICES	4,714	9,353	7,768	7,287
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	<u>(4,274,164)</u>	<u>2,285,453</u>	<u>2,337,500</u>	<u>2,260,000</u>
TOTAL SPECIAL PURPOSE	(4,274,164)	2,285,453	2,337,500	2,260,000
WORKERS' COMPENSATION FUND TOTAL	<u>(3,444,433)</u>	<u>3,364,027</u>	<u>3,415,120</u>	<u>3,347,874</u>

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	60,496	63,061	63,431	63,431
Overtime	1,378	424	423	0
Compensated Absences	6,477	(6,131)	0	0
Pension Contribution	6,494	6,485	7,489	8,304
Social Security	3,735	3,779	3,786	3,704
Medicare Tax	873	884	885	866
Hospitalization	7,275	10,279	7,909	9,769
Life Insurance	305	331	330	259
Pension Healthcare	840	1,075	1,200	1,560
Deferred Comp Contribution	0	250	0	0
TOTAL PERSONAL SERVICES	87,872	80,438	85,453	87,893
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	0	0	8,000
Communications and Utilities	303	938	1,500	1,400
Transportation	587	0	1,200	0
Professional Fees	20,206	132,116	99,000	91,000
Memberships and Registration	2,645	0	500	250
Office and General Supplies	436	2,852	2,400	2,400
Equipment	1,841	2,560	0	0
TOTAL M., S. & E.	26,018	138,466	104,600	103,050
<u>INTERNAL SERVICES</u>				
Administrative Services	533	486	643	635
Self-Insurance	652	681	685	685
TOTAL INTERNAL SERVICES	1,185	1,167	1,328	1,320
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	11,496,490	14,663,260	12,935,000	15,465,000
TOTAL SPECIAL PURPOSE	11,496,490	14,663,260	12,935,000	15,465,000
HEALTH AND WELFARE				
FUND TOTAL	<u>11,611,565</u>	<u>14,883,331</u>	<u>13,126,381</u>	<u>15,657,263</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 assure compliance with all laws and ordinances this department is empowered to enforce.

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

PRIORITIES FOR FISCAL YEAR 2011

- Continue to explore new options for the implementation of field capable technology for issuing instant tickets in the field. This will allow inspectors to be more efficient and accurate with potential violators.
- Electronically send property maintenance invoices to responsible property owners by attaching a picture of the violation similar to our successful instant ticketing program.
- Implementation of new MUNIS permit software which incorporates: 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 enforcement teams.
- Continue to provide department forms and processes online through the City of Wilmington's website.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	2,889,056	3,269,963	3,229,312	3,259,807
Materials, Supplies & Equipment	596,589	595,277	504,554	407,267
Internal Services	382,509	484,034	556,686	572,733
Debt Service	38,730	28,192	28,172	2,030
Special Purpose	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>	<u>251,970</u>
TOTAL	<u>4,130,771</u>	<u>4,623,515</u>	<u>4,564,773</u>	<u>4,493,807</u>
STAFFING LEVELS	45.00	46.00	44.00	42.00

GENERAL FUNDS DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	2,870,130	3,269,963	3,229,312	3,259,807
Materials, Supplies & Equipment	596,189	595,277	504,554	407,267
Internal Services	382,509	484,034	556,686	572,733
Debt Service	38,730	28,192	28,172	2,030
Special Purpose	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>	<u>251,970</u>
TOTAL	<u>4,111,445</u>	<u>4,623,515</u>	<u>4,564,773</u>	<u>4,493,807</u>
STAFFING LEVELS	45.00	46.00	44.00	42.00

BRYNE GRANT DEPT OF LICENSES & INSPECTIONS	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	18,926	0	0	0
Materials, Supplies & Equipment	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>19,326</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- The Personal Services category went up \$30,495. This is mainly due to the increases in Pension Contribution costs (\$30,339), Hospitalization costs (\$88,609), Pension-Healthcare costs (\$10,600) and Temporary Salaries (\$9,100). Offsetting this increase is the elimination of two vacant positions: an Administrative Clerk (\$54,555) and a Building Code Enforcement Inspector (\$73,165).
- The Consultants line has been reduced from \$38,000 to \$30,000. The remaining funds will be used for the hiring of a Hearing Officer (\$24,000) to adjudicate Instant Ticketing cases and perform other related responsibilities, as well as the hiring of a Structural Engineer (\$6,000) to do field surveys of damaged properties.
- The Demolition and Property Maintenance accounts, which are related to the vacant property program, have been reduced by \$50,000 and \$25,000 respectively.
- Furniture, Fixtures and Office Equipment has been reduced by \$3,225, with the remaining \$2,000 budgeted for the purchase of file cabinets to store the paperwork of the new programs assigned to the Department. Similarly, \$3,500 has been budgeted in Additions & Improvements to Buildings to build a cabinet to store plans that are submitted for review by staff.
- The Internal Services category increased by a net of \$16,047, due to the reduction in Duplication and Reproduction costs (\$2,401), Postage costs (\$655), Telephone costs (\$107), Word Processing costs (\$381), Motor Vehicle costs (\$1,081), offset by the increase in Data Processing costs (\$19,648), Mapping and Graphics cost (\$8) and Self-Insurance costs (\$1,016).
- Debt Service went down \$26,142. This is due to the existing debt schedule.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Lead-based Paint Inspections	100	50	100	50	100

Goal #2: Improve housing stock of the City.

Objective: Perform at least 57,000 housing 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Housing Inspections	50,000	68,928	50,000	55,038	57,000

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

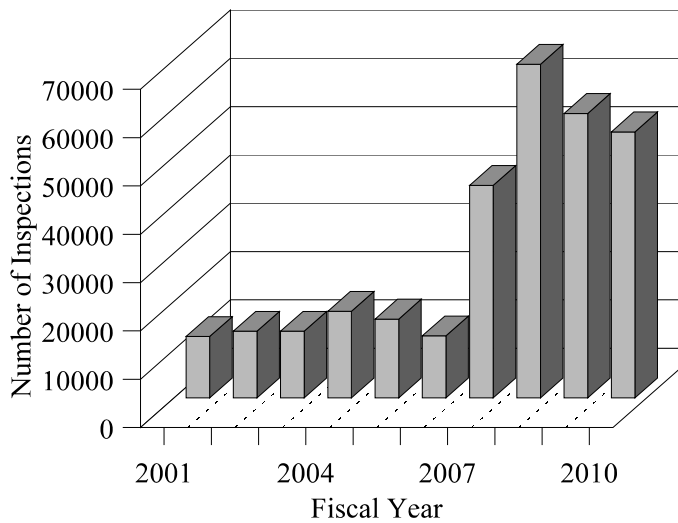
Objective: Complete at least 6,000 vacant structure inspections.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Vacant Property Inspections	4,000	8,840	4,000	6,036	6,000

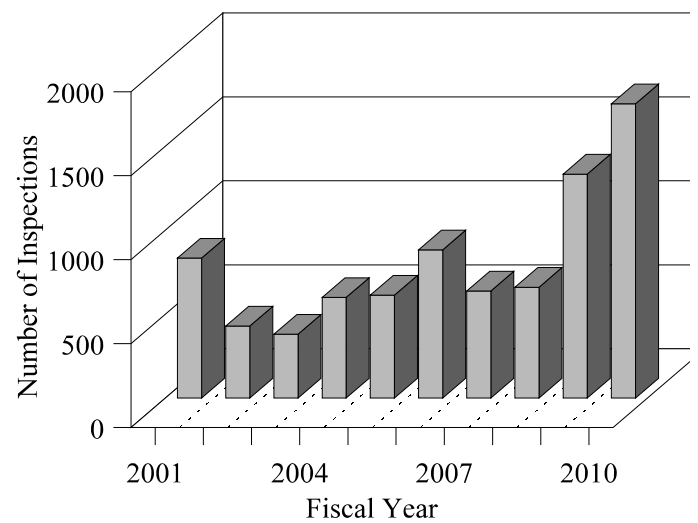
Department of Licenses and Inspections Performance Trends

Housing Inspections



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

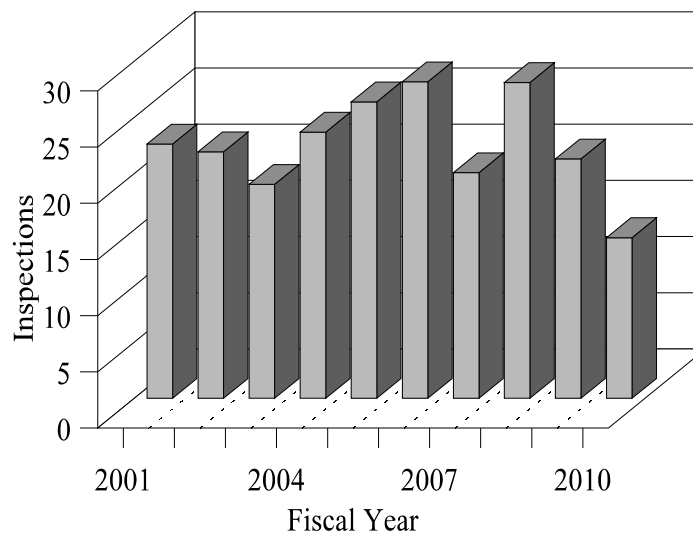
Zoning Inspections



This reflects Licenses & Inspections efforts to enforce the zoning codes and regulations. A license must be obtained to operate a business. All businesses must be properly zoned to obtain a license. The increases in FY 2009 and FY 2010 reflect the addition of a Business Compliance Officer.

Building Inspections

(In thousands)



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	1,966,497	2,223,560	2,283,615	2,187,822
Temporary Salaries	7,258	0	0	9,100
Acting Out of Classification	2,251	3,954	5,850	6,500
Sick Leave Bonus	1,600	2,350	2,100	1,800
Overtime	79,684	64,458	41,387	44,096
Meal Allowance	2,050	1,593	1,000	600
Clothing Allowance	8,125	7,625	9,500	8,750
Internet Reimbursements	1,455	1,598	1,500	0
Pension Contribution	212,611	224,418	248,266	278,605
Social Security	128,634	143,944	143,972	138,373
Medicare Tax	30,084	33,665	33,672	32,362
Hospitalization	379,308	498,505	435,904	524,513
Life Insurance	9,573	10,664	11,847	9,015
Pension Healthcare	31,500	38,211	44,000	54,600
Deferred Comp Contribution	0	4,500	0	0
Personal Services Adjustment	<u>9,500</u>	<u>10,918</u>	<u>(33,301)</u>	<u>(36,329)</u>
TOTAL PERSONAL SERVICES	2,870,130	3,269,963	3,229,312	3,259,807
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	12,201	9,180	6,720	5,377
Communications & Utilities	206	307	768	614
Transportation	4,417	3,357	2,500	2,500
Rentals	200	87	284	227
Contracted Maintenance	190,928	139,015	125,000	100,000
Professional Fees	34,923	30,750	38,000	30,000
Other Fees	5,556	6,030	3,500	2,800
Memberships & Registration	18,250	19,509	19,000	15,000
Office & General Supplies	8,514	10,360	8,886	7,109
Wearing Apparel & Safety Supplies	19,832	24,702	24,000	21,640
Miscellaneous Parts	3,353	2,604	5,671	4,500
Construction & Repairs	263,350	314,878	265,000	212,000
Equipment	19,078	34,498	5,225	2,000
Fixed Assets	<u>15,381</u>	<u>0</u>	<u>0</u>	<u>3,500</u>
TOTAL M., S. & E.	596,189	595,277	504,554	407,267

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
INTERNAL SERVICES				
Administrative Services	405,100	455,722	527,141	542,172
Self-Insurance	<u>(22,591)</u>	<u>28,312</u>	<u>29,545</u>	<u>30,561</u>
TOTAL INTERNAL SERVICES	382,509	484,034	556,686	572,733
DEBT SERVICE				
Principal Payments	33,171	24,032	25,231	0
Interest Payments	<u>5,559</u>	<u>4,160</u>	<u>2,941</u>	<u>2,030</u>
TOTAL DEBT SERVICE	38,730	28,192	28,172	2,030
SPECIAL PURPOSE				
Delaware SPCA	<u>223,887</u>	<u>246,049</u>	<u>246,049</u>	<u>251,970</u>
TOTAL SPECIAL PURPOSE	223,887	246,049	246,049	251,970
GENERAL FUND TOTAL	<u>4,111,445</u>	<u>4,623,515</u>	<u>4,564,773</u>	<u>4,493,807</u>

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: BRYNE GRANT

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
PERSONAL SERVICES				
Regular Salaries	16,689	0	0	0
Social Security	1,066	0	0	0
Medicare Tax	249	0	0	0
Hospitalization	887	0	0	0
Life Insurance	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	18,926	0	0	0
INTERNAL SERVICES				
Self-Insurance	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	400	0	0	0
BRYNE GRANT TOTAL	<u>19,326</u>	<u>0</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 2011
<ul style="list-style-type: none"> • Implement a Citywide Youth Sport Standard, to be used by all youth sports agencies and organizations. • Implement a long-term beautification plan for all City Parks and Plazas. • Transition the responsibility of street trees over to the Urban Forester. • Maintain the number of traditional and non-traditional programs and activities being offered by the department. • Continue to address the issue of youth obesity by promoting and implementing the “No Child Left Inside Program”. • 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 DEPT OF PARKS & RECREATION	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	5,058,476	5,369,807	4,757,434	4,912,448
Materials, Supplies & Equipment	2,204,427	2,515,549	1,976,518	2,562,073
Internal Services	1,424,922	1,183,546	1,265,304	1,256,054
Debt Service	<u>2,628,597</u>	<u>2,519,580</u>	<u>2,609,948</u>	<u>1,847,828</u>
TOTAL	<u>11,316,422</u>	<u>11,588,482</u>	<u>10,609,204</u>	<u>10,578,403</u>
STAFFING LEVELS	54.00	58.00	53.00	50.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2008	FY2009	FY2010	FY2011
Personal Services	4,425,536	4,765,518	4,480,966	4,190,843
Materials, Supplies & Equipment	1,322,171	1,589,776	1,592,113	1,188,670
Internal Services	1,421,489	1,182,137	1,261,871	1,252,621
Debt Service	<u>2,628,597</u>	<u>2,519,580</u>	<u>2,609,948</u>	<u>1,847,828</u>
TOTAL	<u>9,797,793</u>	<u>10,057,011</u>	<u>9,944,898</u>	<u>8,479,962</u>
STAFFING LEVELS	54.00	58.00	53.00	50.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2008	FY2009	FY2010	FY2011
Personal Services	538,962	497,440	159,464	284,911
Materials, Supplies & Equipment	<u>879,478</u>	<u>922,199</u>	<u>353,340</u>	<u>1,342,338</u>
TOTAL	<u>1,418,440</u>	<u>1,419,639</u>	<u>512,804</u>	<u>1,627,249</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF PARKS & RECREATION	FY2008	FY2009	FY2010	FY2011
Personal Services	93,978	106,849	117,004	121,694
Materials, Supplies & Equipment	2,778	3,574	31,065	31,065
Internal Services	<u>3,433</u>	<u>1,409</u>	<u>3,433</u>	<u>3,433</u>
TOTAL	<u>100,189</u>	<u>111,832</u>	<u>151,502</u>	<u>156,192</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT	ACTUAL	ACTUAL	BUDGET	APPROVED
BOARD (WIB)	FY2008	FY2009	FY2010	FY2011
DEPT OF PARKS & RECREATION	FY2008	FY2009	FY2010	FY2011
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- A total of three vacant positions have been deleted in the Department. The Senior Citizens Activities Liaison position at the Hicks Anderson Community Center was eliminated in mid-fiscal year 2010 through City Council action. For FY 2011, two positions in the Maintenance Division have been deleted: one Equipment Operator II, Grade D, and a Pool Mechanic, Grade F. The two positions eliminated in the FY 2011 budget process result in savings of \$108,835 to the General Fund.
- Temporary Salaries across all divisions have significantly decreased by a total of \$242,122. The impact of these reductions is the temporary closure of two swimming pools, and a cut in the number of Summer Youth Employment positions.
- Overtime appropriations have fallen by \$32,247, the bulk of which is from the Maintenance Division. Park cleanup subsequent to permitted private events will now be limited to once per weekend (either Saturday or Sunday).
- Total Materials, Supplies and Equipment expenditures will decrease by more than \$403,000. Many programs within the Department will either be reduced in scope or eliminated.
- Pension and Pension Healthcare costs are slated to rise by \$32,606 and \$12,000 respectively.
- Hospitalization costs will go up by almost 15%, or \$78,000.
- Total Internal Service charges will fall by \$9,250. Self-Insurance and Data Processing costs have risen, but are offset by a nearly \$34,000 decrease in Motor Vehicle Charges.
- Debt Service for FY 2011 will decrease more than \$762,000, per the existing Debt Service schedule.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Senior Programs Implemented	18	19	19	19	20

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Park Sites Operated	25	25	26	25	26
% Increase in Participation of Departmental Sports Leagues	40%	38%	40%	37%	37%

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
# of Female Targeted Programs Implemented	32	32	33	32	32

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Youth-led Projects	10	10	12	10	10

Goal #5: To increase diversity in program participation.

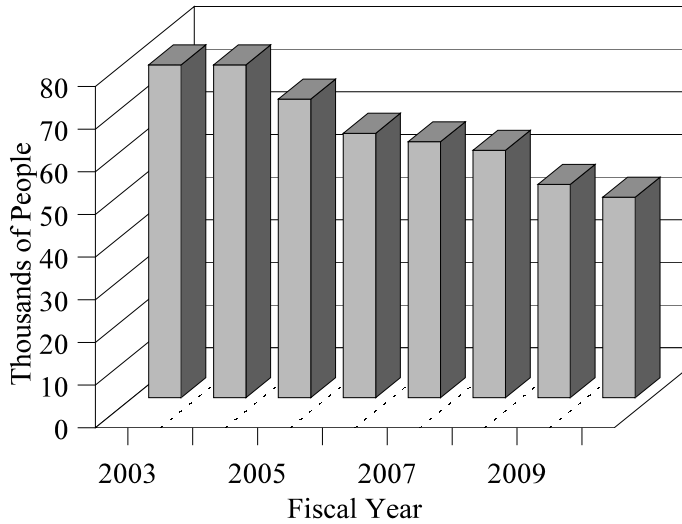
Objective: Provide family-oriented information fairs throughout the City.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Family Inclusive Information Fairs Held	14	14	16	14	14

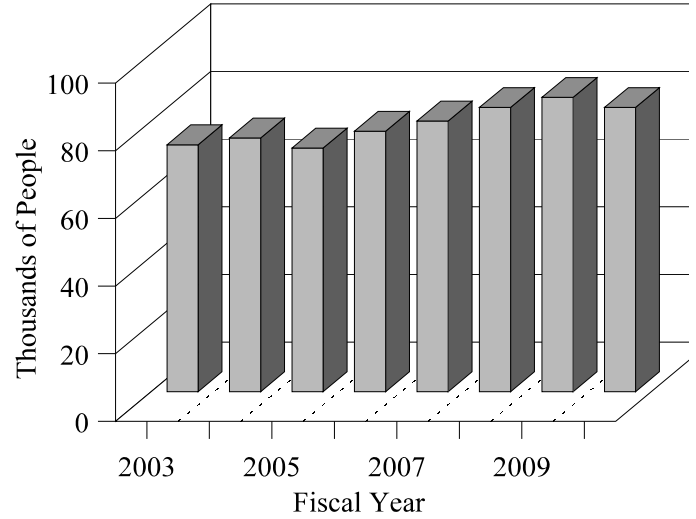
Department of Parks and Recreation Performance Trends

Pool Attendance



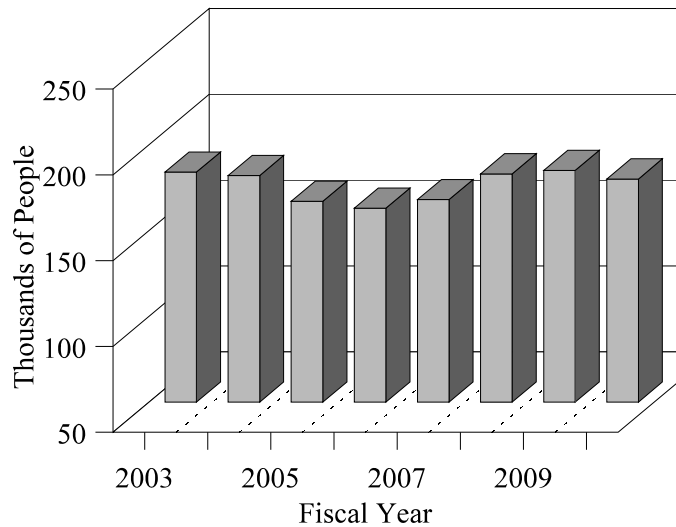
Pool attendance has declined due to both a shortening of the season to trim costs, and a lengthening of the school year.

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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	2,042,002	2,338,370	2,306,438	2,205,510
Temporary Salaries	1,294,757	1,119,499	1,003,072	760,950
Acting Out of Class	469	2,284	2,000	2,000
Sick Leave Bonus	2,000	2,500	600	600
Overtime	115,587	136,535	141,787	109,540
Meal Allowance	2,221	3,250	3,020	3,020
Internet Reimbursements	0	360	500	0
Pension Contribution	232,334	230,073	257,263	289,869
Social Security	219,206	213,068	206,958	181,091
Medicare Tax	51,293	49,848	48,401	42,215
Hospitalization	417,857	607,173	534,213	612,426
Life Insurance	10,012	10,584	11,942	10,070
Pension Healthcare	37,798	47,974	53,000	65,000
Deferred Compensation Contribution	0	4,000	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(88,228)</u>	<u>(91,448)</u>
TOTAL PERSONAL SERVICES	4,425,536	4,765,518	4,480,966	4,190,843

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	19,207	10,486	18,000	14,400
Communications & Utilities	246,512	288,737	369,180	320,100
Transportation	33,626	33,340	23,900	5,500
Rentals	97,072	84,364	100,912	72,390
Contracted Maintenance	57,418	57,755	122,723	92,842
Professional Fees	266,801	314,573	319,510	239,800
Other Fees	58,119	98,033	47,105	50,000
Memberships & Registrations	16,584	19,998	16,950	9,050
Miscellaneous Services	69,770	146,534	193,651	107,151
Office & General Supplies	20,770	25,900	27,456	23,005
Wearing Apparel & Safety Supplies	61,547	56,904	63,077	45,677
Miscellaneous Parts	150,920	191,871	206,306	171,662
Petroleum & Chemicals	14,631	13,079	13,650	9,000
Construction & Repairs	19,612	21,649	24,093	22,093
Equipment	49,996	185,084	25,100	6,000
Fixed Assets	7,905	10,781	10,000	0
Community Activities	<u>131,681</u>	<u>30,688</u>	<u>10,500</u>	<u>0</u>
TOTAL M., S. & E.	1,322,171	1,589,776	1,592,113	1,188,670

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2008</u>	<u>ACTUAL FY2009</u>	<u>BUDGET FY2010</u>	<u>APPROVED FY2011</u>
Administrative Services	729,426	889,361	883,161	862,474
Self-Insurance	<u>692,063</u>	<u>292,776</u>	<u>378,710</u>	<u>390,147</u>
TOTAL INTERNAL SERVICES	1,421,489	1,182,137	1,261,871	1,252,621
<u>DEBT SERVICE</u>				
Principal Payments	1,838,194	1,627,445	1,782,331	1,092,253
Interest Payments	<u>790,403</u>	<u>892,135</u>	<u>827,617</u>	<u>755,575</u>
TOTAL DEBT SERVICE	2,628,597	2,519,580	2,609,948	1,847,828
GENERAL FUND TOTAL	<u>9,797,793</u>	<u>10,057,011</u>	<u>9,944,898</u>	<u>8,479,962</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2008</u>	<u>ACTUAL FY2009</u>	<u>BUDGET FY2010</u>	<u>APPROVED FY2011</u>
Temporary Salaries	501,323	462,262	148,133	264,664
Social Security	30,505	28,544	9,184	16,409
Medicare Tax	<u>7,134</u>	<u>6,634</u>	<u>2,147</u>	<u>3,838</u>
TOTAL PERSONAL SERVICES	538,962	497,440	159,464	284,911
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	8,040	12,063	4,000	14,000
Rentals	6,307	17,714	10,300	18,500
Professional Fees	0	18,975	0	20,000
Other Fees	20,200	3,782	2,200	5,000
Memberships & Registrations	6,543	3,000	0	4,500
Miscellaneous Services	5,632	26,018	0	30,000
Office & General Supplies	1,439	1,022	2,000	1,500
Miscellaneous Parts	810,516	811,746	334,840	1,218,838
Fixed Assets	5,053	27,879	0	30,000
Miscellaneous Projects	<u>15,748</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	879,478	922,199	353,340	1,342,338
PARKS ASSISTANCE FUND TOTAL	<u>1,418,440</u>	<u>1,419,639</u>	<u>512,804</u>	<u>1,627,249</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
PERSONAL SERVICES				
Regular Salaries	69,196	75,075	74,787	74,787
Temporary Salaries	0	0	2,500	2,500
Overtime	0	0	4,000	4,000
Pension Contributions	5,453	7,508	7,607	9,124
Social Security	4,290	4,654	5,039	5,039
Medicare Tax	1,003	1,089	1,179	1,179
Life Insurance	234	248	389	378
Hospitalization	<u>13,802</u>	<u>18,275</u>	<u>21,503</u>	<u>24,687</u>
TOTAL PERSONAL SERVICES	93,978	106,849	117,004	121,694
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,778	3,574	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.	2,778	3,574	31,065	31,065
<u>INTERNAL SERVICES</u>				
Self-Insurance	<u>3,433</u>	<u>1,409</u>	<u>3,433</u>	<u>3,433</u>
TOTAL INTERNAL SERVICES	3,433	1,409	3,433	3,433
PARKS TRUST FUND TOTAL	<u>100,189</u>	<u>111,832</u>	<u>151,502</u>	<u>156,192</u>

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

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Temporary Salaries	0	0	0	292,615
Social Security	0	0	0	18,142
Medicare Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,243</u>
TOTAL PERSONAL SERVICES	0	0	0	315,000
WIB FUND TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,000</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 2011
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Secure funding for Type 2 Fire Boat. • Replace fire apparatus according to recommended replacement cycle. • Complete Self-Contained Breathing Apparatus upgrades to be compliant with National Fire Protection Association Standards. • 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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	20,271,036	22,449,211	20,060,909	20,416,126
Materials, Supplies & Equipment	1,226,561	820,349	1,017,256	920,890
Internal Services	725,898	1,787,695	2,540,878	2,576,626
Debt Service	<u>386,278</u>	<u>435,269</u>	<u>512,395</u>	<u>380,765</u>
TOTAL	<u>22,609,773</u>	<u>25,492,524</u>	<u>24,131,438</u>	<u>24,294,407</u>
STAFFING LEVELS	179.00	180.00	172.00	172.00

GENERAL FUND FIRE DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	15,491,199	17,735,285	15,512,009	15,776,248
Materials, Supplies & Equipment	651,435	724,546	817,068	720,702
Internal Services	725,898	1,787,695	2,540,878	2,576,626
Debt Service	<u>386,278</u>	<u>435,269</u>	<u>512,395</u>	<u>380,765</u>
TOTAL	<u>17,254,810</u>	<u>20,682,795</u>	<u>19,382,350</u>	<u>19,454,341</u>
STAFFING LEVELS	179.00	180.00	172.00	172.00

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	<u>4,648,359</u>	<u>4,709,376</u>	<u>4,548,900</u>	<u>4,639,878</u>
TOTAL	<u>4,648,359</u>	<u>4,709,376</u>	<u>4,548,900</u>	<u>4,639,878</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Materials, Supplies & Equipment	<u>279,930</u>	<u>4,953</u>	<u>200,188</u>	<u>200,188</u>
TOTAL	<u>279,930</u>	<u>4,953</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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	<u>119,811</u>	<u>4,550</u>	<u>0</u>	<u>0</u>
TOTAL	<u>119,811</u>	<u>4,550</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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	11,667	0	0	0
Materials, Supplies & Equipment	<u>295,196</u>	<u>90,850</u>	<u>0</u>	<u>0</u>
TOTAL	<u>306,863</u>	<u>90,850</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Overtime appropriations have been increased by \$222,900 to \$1,389,000. The Department will continue to utilize Administrative personnel to staff Overtime assignments in the Suppression Division, and use a rolling bypass of apparatus during manpower shortages. In spite of these measures, Overtime costs in FY 2010 are projected to exceed the budgeted amount and, accordingly, a higher level is required in FY 2011.
- Hospitalization Costs have escalated by nearly \$375,000, an increase of 18.3%.
- Pension Healthcare appropriations have risen by \$41,900.
- State Pension Contributions have increased by \$90,978 to \$4,639,878. These costs represent a pass-through of funds that are offset by an equal amount of General Fund revenue.
- Utility costs have decreased by \$14,000 to mirror actual recent expenditures in the areas of electricity and mobile airtime.
- Transportation costs and Membership/Registration Fees have been cut by \$6,000 and \$16,000 respectively as part of the City's cost-saving initiatives.
- Professional Fees, specifically Consultants, will fall by \$22,000 due to the elimination of some one-time costs from FY 2010.
- Appropriations for Contracted Maintenance will decrease by \$19,000.
- Wearing Apparel & Safety Supplies appropriations, while not changing significantly, will fund the final phase of the upgrading of breathing apparatus to meet NFPA Standards.
- Total allocations for Internal Services have increased by nearly \$36,000. This increase is due to higher costs in the areas of Workers Compensation and Data Processing.
- Debt Service expenditures will decrease by more than \$131,000 in FY 2011, per the existing Debt Service schedule.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
% of Fires Contained to Room of Origin	95%	96%	95%	94%	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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Number of Building Inspections	1,500	1,962	1,875	1,650	1,600
Citizens Educated	30,000	39,844	35,000	35,986	50,000

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

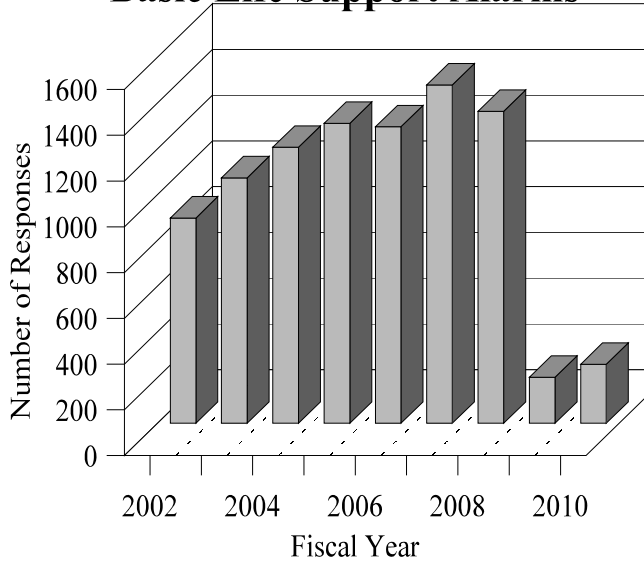
Objective: Maintain the average response time for fires to two minutes or less.

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Average Fire Response Time	2 minutes & 30 seconds	2 minutes & 11 seconds	2 minutes & 30 seconds	2 minutes & 38 seconds	2 minutes & 40 seconds

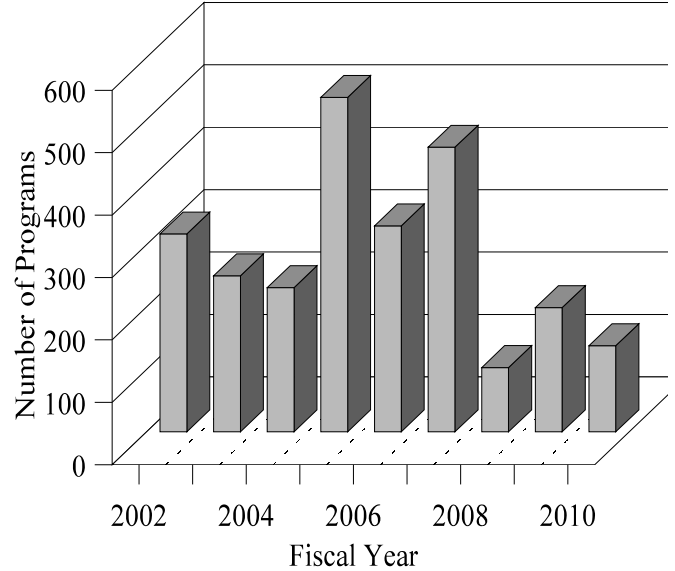
Fire Department Performance Trends

Basic Life Support Alarms



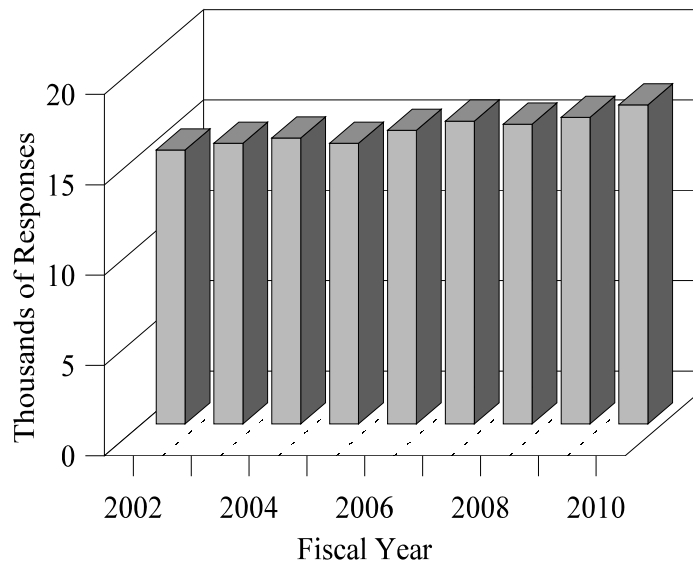
In 1996, the department contracted with a private vendor in an attempt to reduce its BLS runs. Toward the end of FY 2008, the vendor supplied a fourth unit which greatly reduced the number of alarms.

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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	10,021,900	11,277,214	10,852,686	10,590,304
Temporary Salaries	10,274	14,279	20,160	17,225
Acting Out of Class	5,178	8,520	11,212	9,690
Shift Differential	73,160	72,022	75,562	75,562
Sick Leave Bonus	100	100	0	0
Overtime	2,046,415	2,326,755	1,166,100	1,389,000
Holiday Pay	35,990	43,885	0	0
Internet Reimbursements	3,720	4,052	7,700	0
Pension Contribution	323,461	400,631	356,699	258,330
Social Security	3,429	17,778	21,230	21,356
Medicare Tax	128,081	144,863	129,615	132,396
Hospitalization	2,023,738	2,425,893	2,042,763	2,417,461
Life Insurance	50,218	51,892	56,378	37,341
County/Municipal Pension Contribution	640,935	759,101	743,404	762,822
Pension Healthcare	124,600	159,300	183,000	224,900
Deferred Compensation Contribution	0	29,000	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(154,500)</u>	<u>(160,139)</u>
TOTAL PERSONAL SERVICES	15,491,199	17,735,285	15,512,009	15,776,248

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	2,860	2,761	2,952	2,000
Communications & Utilities	143,866	139,712	170,542	156,434
Transportation	13,647	5,633	7,000	1,000
Contracted Maintenance Repairs	94,911	109,371	114,000	95,000
Professional Fees	62,904	94,204	98,448	76,451
Memberships & Registrations	72,425	89,280	63,825	47,600
Miscellaneous Services	44,648	47,738	80,986	83,907
Office & General Supplies	29,355	31,614	31,775	28,168
Wearing Apparel & Safety Supplies	60,362	92,676	171,800	171,160
Miscellaneous Parts	60,803	80,774	41,900	36,410
Construction & Repairs	5,700	4,032	3,840	3,072
Equipment	18,542	23,761	23,500	17,000
Fixed Assets	<u>41,412</u>	<u>2,990</u>	<u>6,500</u>	<u>2,500</u>
TOTAL M., S. & E.	651,435	724,546	817,068	720,702

DEPARTMENT: FIRE

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2008</u>	<u>ACTUAL FY2009</u>	<u>BUDGET FY2010</u>	<u>APPROVED FY2011</u>
Administrative Services	1,342,843	945,216	1,634,471	1,639,627
Self-Insurance	<u>(616,945)</u>	<u>842,479</u>	<u>906,407</u>	<u>936,999</u>
TOTAL INTERNAL SERVICES	725,898	1,787,695	2,540,878	2,576,626
 <u>DEBT SERVICE</u>				
Principal Payments	305,240	223,911	282,073	167,709
Interest Payments	<u>81,038</u>	<u>211,358</u>	<u>230,322</u>	<u>213,056</u>
TOTAL DEBT SERVICE	386,278	435,269	512,395	380,765

DEPARTMENT: FIRE

FUND: STATE PENSION CONTRIBUTIONS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2008</u>	<u>ACTUAL FY2009</u>	<u>BUDGET FY2010</u>	<u>APPROVED FY2011</u>
State Pension Contributions	<u>4,648,359</u>	<u>4,709,376</u>	<u>4,548,900</u>	<u>4,639,878</u>
TOTAL PERSONAL SERVICES	4,648,359	4,709,376	4,548,900	4,639,878
 GENERAL FUND TOTAL	 <u>21,903,169</u>	 <u>25,392,171</u>	 <u>23,931,250</u>	 <u>24,094,219</u>

DEPARTMENT: FIRE

FUND: STATE FIRE GRANT

<u>MATERIALS, SUPPLIES & EQUIPMENT</u>	<u>ACTUAL FY2008</u>	<u>ACTUAL FY2009</u>	<u>BUDGET FY2010</u>	<u>APPROVED FY2011</u>
Professional Fees	2,247	1,295	0	0
Memberships & Registrations	7,588	3,440	0	0
Wearing Apparel & Safety Supplies	7,799	218	0	0
Miscellaneous Parts	33,866	0	0	0
Fixed Assets	<u>228,430</u>	<u>0</u>	<u>200,188</u>	<u>200,188</u>
TOTAL M., S. & E.	279,930	4,953	200,188	200,188
 STATE FIRE GRANT TOTAL	 <u>279,930</u>	 <u>4,953</u>	 <u>200,188</u>	 <u>200,188</u>

DEPARTMENT: FIRE

FUND: NEW CASTLE COUNTY FIRE GRANT

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Overtime	<u>119,811</u>	<u>4,550</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	119,811	4,550	0	0
 NEW CASTLE COUNTY FIRE GRANT TOTAL	 <u>119,811</u>	 <u>4,550</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: FIRE

FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Overtime	<u>11,667</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	11,667	0	0	0
 MATERIALS, SUPPLIES & EQUIPMENT				
Professional Fees	89,280	1,988	0	0
Miscellaneous Services	12,417	8,743	0	0
Equipment	33,021	80,119	0	0
Fixed Assets	<u>160,478</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	295,196	90,850	0	0
 FEDERAL EMERG. MGT. & OTHER MISC. GRANTS TOTAL	 <u>306,863</u>	 <u>90,850</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 2011
<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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	41,740,281	46,003,399	42,130,287	44,568,312
Materials, Supplies & Equipment	3,313,242	3,188,570	3,074,136	2,025,894
Internal Services	2,661,034	4,601,236	4,826,436	4,856,883
Debt Service	<u>957,777</u>	<u>824,613</u>	<u>859,041</u>	<u>427,015</u>
TOTAL	<u>48,672,334</u>	<u>54,617,818</u>	<u>50,889,900</u>	<u>51,878,104</u>
STAFFING LEVELS	429.00	431.00	416.00	402.00

GENERAL FUND DEPARTMENT OF POLICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	34,861,185	42,638,000	38,805,576	39,999,031
Materials, Supplies & Equipment	2,423,982	2,072,425	1,678,936	2,025,894
Internal Services	1,710,944	4,601,073	4,826,146	4,856,883
Debt Service	<u>957,777</u>	<u>824,613</u>	<u>859,041</u>	<u>427,015</u>
TOTAL	<u>39,953,888</u>	<u>50,136,111</u>	<u>46,169,699</u>	<u>47,308,823</u>
STAFFING LEVELS	369.00	424.00	408.00	378.00

STATE PENSION CONTRIBUTIONS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2008	FY2009	FY2010	FY2011
Personal Services	<u>2,820,047</u>	<u>2,845,410</u>	<u>2,774,700</u>	<u>2,830,194</u>
TOTAL	<u>2,820,047</u>	<u>2,845,410</u>	<u>2,774,700</u>	<u>2,830,194</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANT FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2008	FY2009	FY2010	FY2011
Personal Services	396,044	479,813	479,786	593,769
Materials, Supplies & Equipment	758,520	955,634	0	0
Internal Services	<u>2,719</u>	<u>163</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,157,283</u>	<u>1,435,610</u>	<u>479,786</u>	<u>593,769</u>
STAFFING LEVELS	6.00	7.00	7.00	8.00

NCC SPECIAL POLICING FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2008	FY2009	FY2010	FY2011
Personal Services	3,585,438	0	0	0
Materials, Supplies & Equipment	79,928	42,936	0	0
Internal Services	<u>946,771</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>4,612,137</u>	<u>42,936</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	54.00	0.00	0.00	0.00

BYRNE GRANT FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2008	FY2009	FY2010	FY2011
Personal Services	77,567	40,176	70,225	0
Materials, Supplies & Equipment	50,812	117,575	1,395,200	0
Internal Services	<u>600</u>	<u>0</u>	<u>290</u>	<u>0</u>
TOTAL	<u>128,979</u>	<u>157,751</u>	<u>1,465,715</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	1.00	0.00

COPS GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2008	FY2009	FY2010	FY2011
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,145,318</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,145,318</u>
STAFFING LEVELS	0.00	0.00	0.00	16.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength has been increased to 337 officers, a net change of 11 new positions. This is the result of all of the following: 16 new officers were added in mid FY 2010 under the Federally funded COPS (Community Oriented Policing Services) Grant; 6 Patrol Officers, whose positions had once been grant funded and then absorbed by the General Fund at grant expiration, were deleted; one vacant Captain position was eliminated and replaced with a Patrol Officer; and one new School Resource Patrol Officer was added under the Special Funds category.
- Subsequent to the exhaustion of the Byrne Grant funds, part of the Federal Stimulus Package, the Department's General Fund budget has absorbed more than \$577,000 in annual operating expenses. This includes funding for the Youth Intervention Specialist at \$60,462, the Child Development Community Policing (CDCP) program at \$83,000, and the Downtown Visions Camera Watch Program at \$433,720.
- In order to help minimize the costs being transferred back to the General Fund as a result of the ending of the Federal Byrne Grant, the scope of the Camera Watch program will be modified. To save \$237,000 annually, 42 cameras will be monitored by two camera watch operators (in lieu of the current nine contracted thru Downtown Visions). The monitoring of the Downtown, Bethel Villa, and West Center City cameras (funded by Downtown Visions, Bethel Villa apartments and WCCNPAC, respectively) will not be impacted by this cut. Also, the City will continue to pay the costs of electricity, mobile airtime, standard maintenance, and replacement (when needed) for all its cameras.
- The functions of parking ticket issuance and scofflaw enforcement (vehicle booting) have been transferred to the Finance Department. Personal Services costs of \$1,439,273, and M.S. & E. costs of \$24,640, have been shifted to that Department.
- In the Support Services Division, a vacant Word Processing Supervisor position was eliminated, saving \$83,389.
- Comp Time Payouts, which was budgeted for the first time in FY 2010, has been reduced by nearly \$155,000 as the accumulated unpaid overtime diminishes in total.
- A total increase of more than \$193,000 in the various Overtime accounts has been budgeted. Higher base salaries coupled with additional demands have accounted for this increase.
- Pension Costs, including County/Municipal Pension Plan Contributions, have risen by almost \$441,000 (exclusive of State Pension Contributions).
- Hospitalization and Pension Healthcare costs have soared by \$639,000 and \$83,400 respectively.
- Total Internal Service Costs rose in total by \$30,737. A \$52,287 increase in Workers Compensation Costs was partially offset by decreases in other areas.
- Departmental Debt Service allocations fell by \$432,000 per repayment 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Percentage Change in the Number of Part I Crimes Against Persons	-5%	-12%	-5%	-11.7%	-5%
Number of Part I Crimes	2,462	2,272	2,158	2,006	1,906

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Percentage Change in Number of Drug Arrests	+5%	+34%	+5%	-20%	+5%
Number of Drug Arrests	1,220	1,558	1,636	1,254	1,317

Goal #3: Improve Traffic Safety.

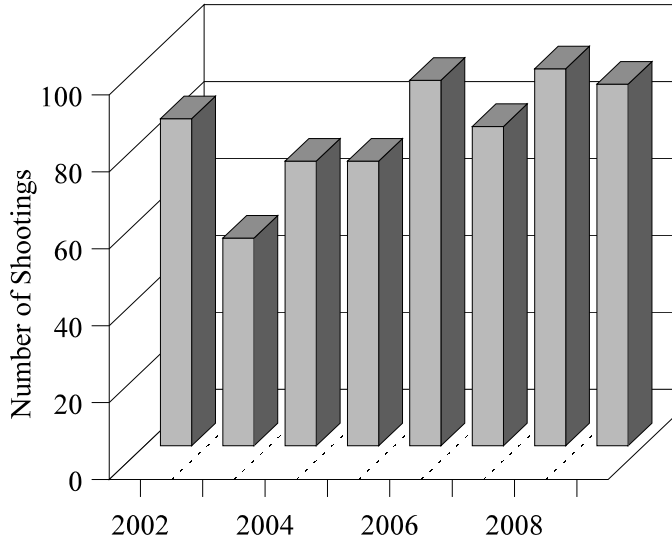
Objective: Reduce Traffic Accidents.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Percentage Change in the Number of Traffic Accidents	-10%	+24%	-10%	-3.2%	-5%
Number of Traffic Accidents	2,325	3,202	2,882	3,101	2,946

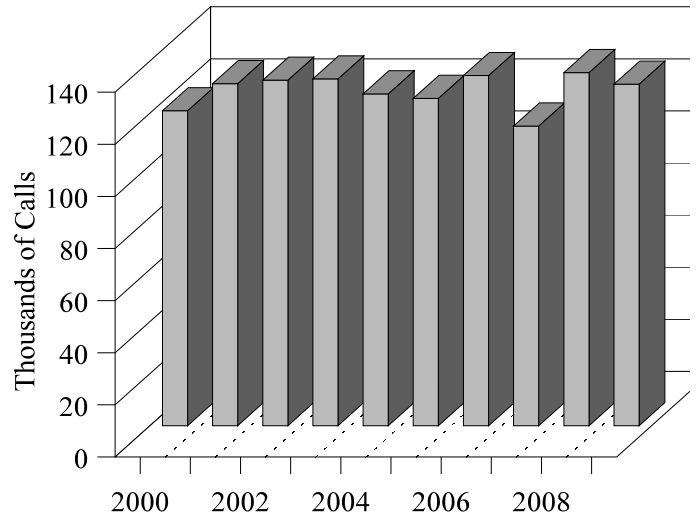
Department of Police Performance Trends

Shootings in Wilmington



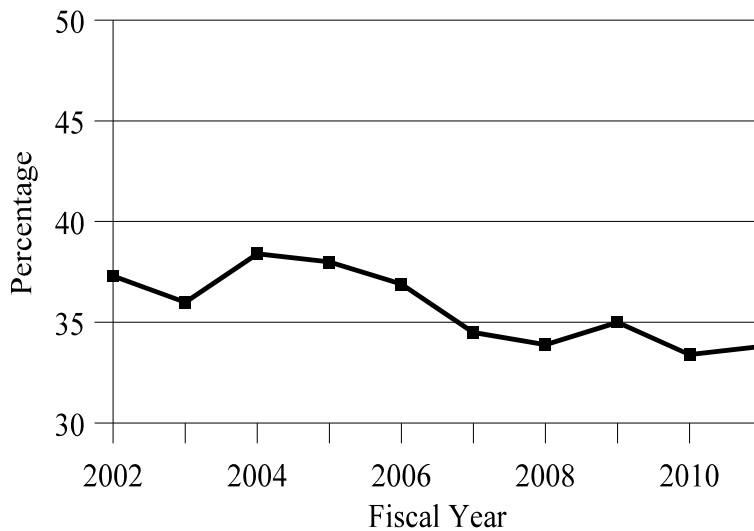
The department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

911 Calls Resulting in Dispatch



The total number of calls for police services has 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 increased for FY 2011, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	19,327,818	22,684,535	22,951,268	22,790,191
Temporary Salaries	446,406	450,012	450,000	450,000
Acting Out of Class	7,044	9,028	7,750	7,000
Shift Differential	635,620	883,607	666,646	862,400
Shooting Days	644	1,238	0	0
Sick Leave Bonus	2,600	4,100	2,400	3,500
Overtime	2,753,628	3,353,960	1,836,810	1,976,838
Holiday Pay	661,007	893,083	862,164	916,387
Comp Time Payouts	320,967	754,499	775,000	620,460
Civilian Holiday-Overtime	104,677	128,312	107,250	150,000
Court Overtime	29,092	37,114	45,451	57,315
Special Events Overtime	727,323	786,534	472,875	471,368
Meal Allowance	15,581	22,308	15,450	17,400
Clothing Allowance	43,404	99,608	75,000	75,000
Internet Reimbursements	2,865	9,965	9,800	0
Pension Contribution	4,241,011	4,445,450	4,157,170	4,439,326
Social Security	222,081	279,079	254,742	216,624
Medicare Tax	307,211	382,567	355,597	363,727
Hospitalization	3,633,919	5,283,787	4,257,485	4,896,048
Life Insurance	93,875	117,061	119,253	81,243
County/Municipal Pension Contribution	1,026,114	1,588,223	1,563,280	1,722,074
Deferred Compensation Contribution	0	35,000	0	0
Pension Healthcare	258,298	388,430	408,000	491,400
Personal Services Adjustment	<u>0</u>	<u>500</u>	<u>(587,815)</u>	<u>(609,270)</u>
TOTAL PERSONAL SERVICES	34,861,185	42,638,000	38,805,576	39,999,031

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Printing & Advertising	39,610	52,817	37,000	27,000
Communications & Utilities	445,580	368,755	266,400	456,200
Transportation	6,812	8,716	5,000	5,000
Rentals	53,686	58,469	52,194	55,555
Contracted Maintenance Repairs	401,811	81,914	65,416	110,973
Professional Fees	538,952	355,272	127,000	250,250
Other Fees	291,139	349,623	324,400	319,520
Memberships & Registrations	16,855	34,869	36,500	27,000
Miscellaneous Services	190,598	196,477	193,380	264,440
Office & General Supplies	67,050	81,426	99,806	83,764
Wearing Apparel & Safety Supplies	166,586	233,499	288,400	215,080
Miscellaneous Parts	107,627	100,815	48,640	116,112
Equipment	89,146	117,873	57,000	33,000
Fixed Assets	<u>8,530</u>	<u>31,900</u>	<u>77,800</u>	<u>62,000</u>
TOTAL M., S. & E.	2,423,982	2,072,425	1,678,936	2,025,894

INTERNAL SERVICES

Administrative Services	2,465,992	2,744,659	2,883,438	2,851,684
Self-Insurance	<u>(755,048)</u>	<u>1,856,414</u>	<u>1,942,708</u>	<u>2,005,199</u>
TOTAL INTERNAL SERVICES	1,710,944	4,601,073	4,826,146	4,856,883

DEBT SERVICE

Principal Payments	764,711	657,071	724,046	320,471
Interest Payments	<u>193,066</u>	<u>167,542</u>	<u>134,995</u>	<u>106,544</u>
TOTAL DEBT SERVICE	957,777	824,613	859,041	427,015

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
State Pension Contributions	<u>2,820,047</u>	<u>2,845,410</u>	<u>2,774,700</u>	<u>2,830,194</u>
TOTAL PERSONAL SERVICES	2,820,047	2,845,410	2,774,700	2,830,194
GENERAL FUND TOTAL	<u>42,773,935</u>	<u>52,981,521</u>	<u>48,944,399</u>	<u>50,139,017</u>

DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	180,868	174,822	348,498	404,019
Temporary Salaries	4,600	0	0	0
Shift Differential	2,080	10,656	0	0
Overtime	157,963	223,548	0	0
Holiday Pay	176	8,700	0	0
Court Overtime	29	173	0	0
Meal Allowance	325	560	0	0
Deferred Compensation Contribution	0	250	0	0
Social Security	285	32	0	0
Medicare Tax	3,018	2,940	5,023	5,648
Hospitalization	21,031	28,722	69,290	119,288
Life Insurance	742	878	1,813	1,512
County/Municipal Pension Contribution	24,281	25,654	48,162	54,202
Pension Healthcare	<u>646</u>	<u>2,878</u>	<u>7,000</u>	<u>9,100</u>
TOTAL PERSONAL SERVICES	396,044	479,813	479,786	593,769
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,385	188,688	0	0
Transportation	48,091	83,928	0	0
Rentals	261,715	15,925	0	0
Professional Fees	8,376	42,009	0	0
Memberships & Registrations	35,420	81,434	0	0
Miscellaneous Services	25,444	27,416	0	0
Office & General Supplies	1,291	1,247	0	0
Wearing Apparel & Safety Supplies	129,541	180,699	0	0
Miscellaneous Parts	0	8,296	0	0
Equipment	19,800	209,787	0	0
Fixed Assets	<u>227,457</u>	<u>116,205</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	758,520	955,634	0	0
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>2,719</u>	<u>163</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	2,719	163	0	0
 SALLE FUND TOTAL	 <u>1,157,283</u>	 <u>1,435,610</u>	 <u>479,786</u>	 <u>593,769</u>

DEPARTMENT: POLICE

FUND: NCC SPECIAL POLICING

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	2,408,479	0	0	0
Shift Differential	128,749	0	0	0
Overtime	173,868	0	0	0
Holiday Pay	110,803	0	0	0
Court Overtime	6,918	0	0	0
Meal Allowance	673	0	0	0
Clothing Allowance	5,866	0	0	0
Internet Reimbursement	540	0	0	0
Medicare Tax	41,012	0	0	0
Hospitalization	356,829	0	0	0
Life Insurance	10,811	0	0	0
County/Municipal Pension Contribution	313,777	0	0	0
Pension Healthcare	<u>27,113</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	3,585,438	0	0	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Equipment	<u>79,928</u>	<u>42,936</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	79,928	42,936	0	0
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>946,771</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	946,771	0	0	0
 NCC POLICING FUND TOTAL	 <u>4,612,137</u>	 <u>42,936</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: POLICE

FUND: BYRNE GRANT

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	38,643	0	41,051	0
Overtime	30,540	40,176	14,625	0
Pension Contributions	0	0	4,146	0
Social Security	2,195	0	2,537	0
Medicare Tax	553	0	769	0
Hospitalization	5,437	0	5,884	0
Life Insurance	199	0	213	0
Pension Healthcare	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
TOTAL PERSONAL SERVICES	77,567	40,176	70,225	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	1,600	0
Communications & Utilities	0	0	228,480	0
Transportation	36,016	0	5,000	0
Contracted Maintenance	0	0	25,800	0
Professional Fees	0	0	375,000	0
Memberships & Registrations	14,796	0	0	0
Miscellaneous Services	0	0	50,000	0
Office & General Supplies	0	0	1,600	0
Wearing Apparel & Safety Supplies	0	0	609,520	0
Miscellaneous Parts	0	0	95,200	0
Equipment	<u>0</u>	<u>117,575</u>	<u>3,000</u>	<u>0</u>
TOTAL M., S. & E.	50,812	117,575	1,395,200	0
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>600</u>	<u>0</u>	<u>290</u>	<u>0</u>
TOTAL INTERNAL SERVICES	600	0	290	0
 BYRNE GRANT FUND TOTAL	 <u>128,979</u>	 <u>157,751</u>	 <u>1,465,715</u>	 <u>0</u>

DEPARTMENT: POLICE**FUND: COPS GRANT**

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	0	0	0	717,781
Shift Differential	0	0	0	36,969
Holiday Pay	0	0	0	33,608
Medicare Tax	0	0	0	9,746
Hospitalization	0	0	0	230,025
Life Insurance	0	0	0	3,495
County/Municipal Pension Contribution	0	0	0	92,894
Pension Healthcare	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,800</u>
TOTAL PERSONAL SERVICES	0	0	0	1,145,318
COPS GRANT TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,145,318</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 Waster Authority, New Castle County Water Resources Agency, New Castle County Conservation District, Department of Public Health, Delaware River Basin Commission, and the U.S. Environmental Protection Agency.

PRIORITIES FOR FISCAL YEAR 2011

- Complete construction of Wastewater Treatment Plant headworks improvements project.
- Finalize Guaranteed Energy Performance Contract for co-generation and sludge processing facilities.
- Complete the design phase of the Brandywine Filter Plant upgrade to membrane filtration technology and initiate construction.
- Complete the construction of multiple projects at Porter Filer Plant, including a new low-head booster pumping station and filter automation controls.
- Complete construction of Realtime Control System to mitigate combined sewer overflows (CSO's), and update CSO Long Term Control Plan.
- Continue implementation of GIS and Cityworks programs, and continue implementation of Cityworks permitting package in cooperation with Licenses and Inspections, Fire Marshall's Office, and Planning departments.
- Continue hydrant testing and rehabilitation program.
- Increase contractor compliance with Roadway Cut Management legislation.
- Continue SRF funded pipe cleaning and lining projects throughout the water district.
- Begin development of Downtown Transit Center Program.
- Update traffic signals at the remaining fifty intersections and optimize timing of lights via use of downtown circulation study.
- Coordinate signal tie-ins with red light camera contractor in order to install up to ten new cameras.
- Use GIS data to promote optimum cost-effective street lighting.
- Update traffic signals with Light Emitting Diodes (LEDs) and count-down pedestrian signals.
- Work with DelDOT to construct South Market Street ARRA project.
- Update roadway condition assessment.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2008	FY2009	FY2010	FY2011
Personal Services	14,556,784	15,579,247	15,014,176	15,768,261
Materials, Supplies & Equipment	37,757,918	41,708,796	43,847,898	47,979,281
Internal Services	3,084,635	4,021,090	4,821,914	4,867,830
Debt Service	10,045,691	10,077,384	10,599,566	12,716,329
Capitalization	(784,063)	(2,395,355)	(3,275,000)	(3,200,000)
Depreciation	8,228,178	8,428,592	8,823,309	9,193,213
TOTAL	<u>72,889,144</u>	<u>77,419,754</u>	<u>79,831,863</u>	<u>87,324,914</u>
STAFFING LEVELS	231.00	235.00	229.00	229.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2008	FY2009	FY2010	FY2011
Personal Services	6,992,937	8,029,846	7,758,115	8,222,315
Materials, Supplies & Equipment	5,405,979	5,273,776	6,677,953	8,201,356
Internal Services	2,414,248	2,530,860	3,278,181	3,288,387
Debt Service	5,376,548	4,212,259	4,523,431	6,789,502
TOTAL	<u>20,189,713</u>	<u>20,046,742</u>	<u>22,237,680</u>	<u>26,501,560</u>
STAFFING LEVELS	124.00	129.25	126.25	126.25

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2008	FY2009	FY2010	FY2011
Personal Services	7,563,847	7,549,401	7,256,061	7,545,946
Materials, Supplies & Equipment	26,740,635	29,089,261	30,253,378	32,849,358
Internal Services	457,274	1,233,179	1,324,088	1,354,549
Debt Service	4,409,703	5,635,798	5,750,406	5,675,557
Depreciation	5,644,453	6,225,668	6,158,688	6,627,426
TOTAL	<u>44,815,912</u>	<u>49,733,307</u>	<u>50,742,621</u>	<u>54,052,836</u>
STAFFING LEVELS	107.00	105.75	102.75	102.75

* Differs from Summary of All Funds Combined - Expenditures table on page 35 due to inclusion of Internal Service funds.

MOTOR VEHICLE FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Materials, Supplies & Equipment	4,207,292	5,677,172	6,916,567	6,928,567
Internal Services	213,113	257,051	219,645	224,894
Debt Service	259,440	229,327	325,729	251,270
Capitalization	(784,063)	(2,395,355)	(3,275,000)	(3,200,000)
Depreciation	<u>2,583,725</u>	<u>2,202,924</u>	<u>2,664,621</u>	<u>2,565,787</u>
TOTAL	<u>6,479,507</u>	<u>5,971,118</u>	<u>6,851,562</u>	<u>6,770,518</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Materials, Supplies & Equipment	<u>1,404,012</u>	<u>1,668,587</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,404,012</u>	<u>1,668,587</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 in the General Fund have increased by a total of \$464,199. This increase is largely due to growth in employee benefit costs, with Public Works facing an actuarially determined pension increase of almost 13% (\$73,620), an almost 24% (\$316,416) increase in healthcare costs, and a \$37,875 increase in pension healthcare. Other changes include a net \$35,501 in additional overtime, mainly due to the need for Street Cleaning staffing. No new positions were added.
- Rubbish Collection Division costs related to landfill fees and recycling have increased by \$625,500, to a new total of \$2.9 million. The largest portion of this increase, totaling \$580,000, is due to a change in the per-ton tipping fee, which has gone up to \$80 per ton, from \$61.50 per ton in FY 2010. Likewise, the landfill fees rebate (which acts as a contra-expense) has been reduced by \$8.00 per ton to \$13.50 per ton, resulting in an increase to the budget of \$170,500. Partially offsetting these increases is the \$125,000 reduction in fees for the recycling program, as the City has come to an agreement whereby the \$25 per ton disposal charge for recyclables will be split equally with Recycle Bank.
- The City's aggressive replacement schedule for traffic signs and signals is being scaled back, resulting in a \$250,000 savings in the Transportation / WILDOT division.
- Beginning in FY 2010, the State of Delaware ceased to provide Municipal Street Aid grant funding to local governments, resulting in the loss of approximately \$1.3 million in funding for the City of Wilmington. As the City had used these funds to pay for street lighting electricity costs, these costs must now be borne by the General Fund. Consequently, \$1.145 million has been added to the FY 2011 budget to cover these electricity costs, net of some projected electricity cost savings.
- Total materials, supplies, and equipment costs related to street and sidewalk repairs have decreased by \$257,600, largely due to the Street Maintenance Division performing more of these repairs in-house. Repairs performed by outside contractors have been reduced by \$252,600, or slightly more than 50%, and outside engineering costs have been reduced by \$65,000. Partially offsetting these decreases is a \$60,000 increase in temporary agencies, which will allow Street Maintenance to maintain service levels, while minimizing overall costs.
- Although no new General Fund borrowing is planned for FY 2011, total debt service in the Street Maintenance division has increased by nearly \$3.2 million due to the structure of the existing debt service schedule. When combined with debt service costs in other divisions, total debt service in the General Fund has increased by a net \$2.27 million. According to the existing debt schedule, this increase is for FY 2011 only, with debt costs falling below FY 2010 levels in following years.

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

- Personal Services in the Water/Sewer Fund have increased by a total of \$289,885. This increase is largely due to growth in employee benefit costs, with Public Works facing an actuarially determined 15% pension increase (\$78,740), a more than a 22% (\$225,734) increase in healthcare costs, and a \$30,825 increase in pension healthcare. These changes are partially offset by a \$39,275 reduction in Overtime. No new positions were added.
- Overall contractual maintenance costs in the Water/Sewer Fund, which includes repairs to equipment, buildings, and water and sewer lines, have increased by almost \$2.4 million. In prior years, these repairs had been partially funded through the capital budget. However, as the Finance Department and independent auditors have adopted accounting policies which more narrowly define capital improvements versus operating maintenance, these items will be considered as operating costs for FY 2011, resulting in the aforementioned increase.
- A number of professional fees in the Water/Sewer Fund saw significant changes in the FY 2011 budget. Consultants costs have been reduced by a total of \$135,000, mainly due to reductions in the Water System leak detection program. Likewise, engineering costs have been reduced by \$76,000, the net result of increased funding for GIS system engineering support and significant cuts in funding for on-call engineering studies. These reductions are nearly offset by the addition of \$200,000 in Legal costs associated with the Wastewater Treatment Plant.
- The Contracted Maintenance Services line in the Water Quality Division has increased by a net \$674,344, primarily due growth in the Veolia contract to operate and maintain the City's Wastewater 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, the contract now covers biosolid disposal, as DNREC has determined this material can no longer be used for recontouring at the Pigeon Point landfill. Partially compensating for this increase is the elimination of the one-time cost of \$71,400 which had been budgeted in FY 2010 for the construction of a sludge storage bunker at the Wastewater Treatment Plant.
- A number of accounts were reduced in order to better match the FY 2011 budget with prior year actual usage. This includes the budget for water treatment chemicals, which has been reduced by \$300,000 to a new total of \$1 million, as well as electricity and non-vehicle fuel costs, which declined by \$121,506 to a new total of \$1.6 million.
- Depreciation costs in the Water/Sewer Fund have increased by \$468,738, to a new total of \$6,627,426. This is due to the completion of a number of significant capital projects, including construction activity at the Cool Springs and Hoopes Reservoirs and water line replacement and relining.

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

- The budget for purchases of new and replacement vehicles and equipment has been reduced by \$75,000, to a new total of \$3.2 million. However, because these costs are capitalized, this change has no net effect on the Motor Vehicle Fund.
- Due to cost increases included in the ongoing vehicle maintenance contract, contracted maintenance services have been increased by a total of \$80,000.
- In total, debt service is budgeted to decline by \$74,459, due to lower capital lease payments on replacement vehicles.
- Total Depreciation costs have decreased by \$98,834. This is due in part to small changes in the composition of the existing motor vehicle fleet, as well as the reduction of \$44,000 to account for the elimination and eventual sale of ten take-home vehicles.

DEPARTMENT OF PUBLIC WORKS PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Special Pick-Ups	13,200	11,345	12,000	13,345	13,500

Goal #2: Provide leaf collection as required.

Objective: Collect at least 350 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Tons of Leaves	320	510	620	250	350

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Street Repairs (tons of "hot mix")	310	300	305	360	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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Flood Problems	0	5	4	0	0

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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Preventative Maintenance Inspections	2,500	2,550	2,500	2,542	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 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED*	FY 2010 ACTUAL*	FY 2011 PROJECTED*
Percent Tipping Fee Savings, Net of Recycling Costs	8.0%	12.6%	0%	0%	4.9%
Tipping Fees Savings, Net of Recycling Costs	\$208,000	\$247,000	\$0	\$0	\$144,000

* Due to weak market for recycled goods, no savings projected for FY 2010 and reduced savings projected for FY 2011. The City intends to maintain its recycling program due to the environmental benefits, and expects to see greater savings as the market improves.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

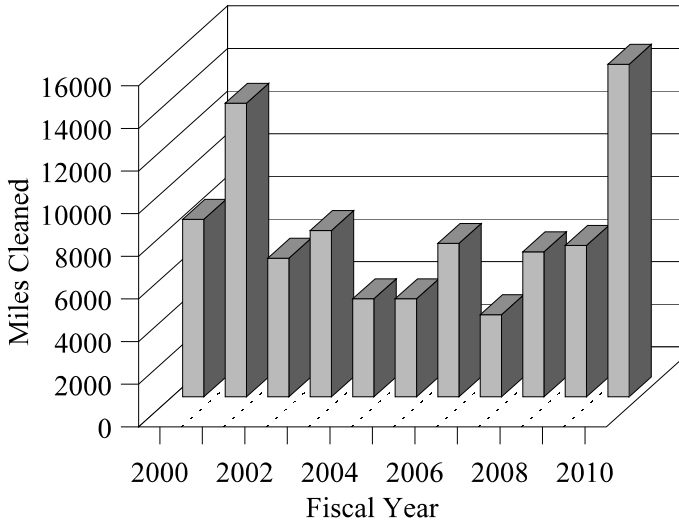
Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,700 tons of debris.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,800	5,750	5,900	5,850	5,700

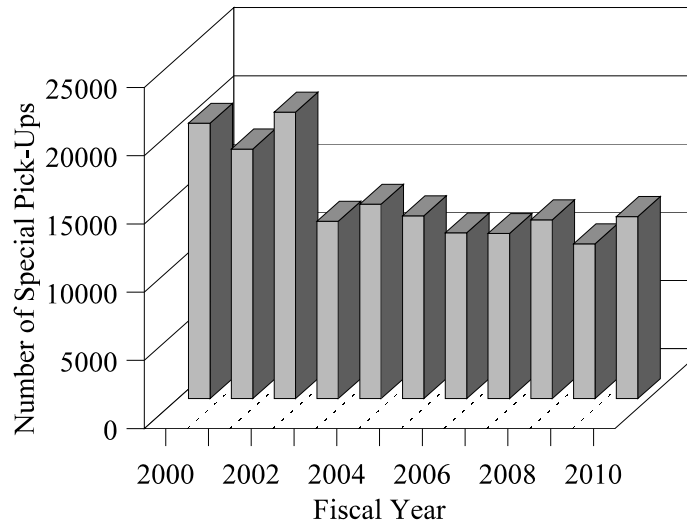
Department of Public Works Performance Trends

Miles of Streets Cleaned



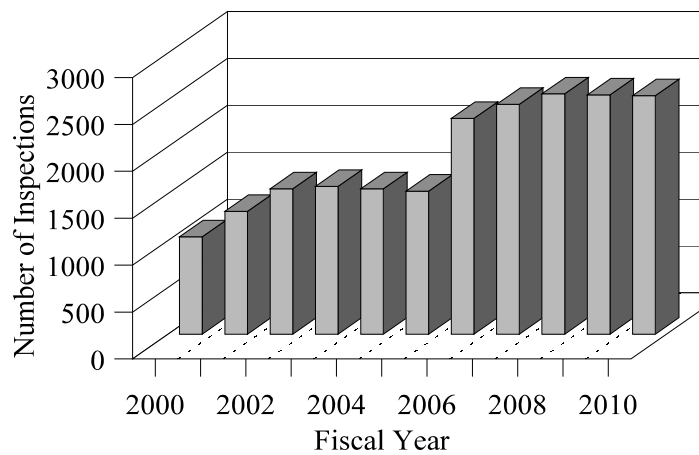
Aggressive management is required to maintain City streets in a litter free condition. FY 2010 reflects an the addition of updated equipment and full crew staffing.

Special Pick-Ups



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

Preventative Maintenance Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	4,192,516	4,709,336	4,800,218	4,816,192
Temporary Salaries	5,863	10,104	8,000	8,000
Acting Out of Class	29,668	27,946	26,812	26,062
Shift Differential	20	0	0	0
Sick Leave Bonus	6,750	8,400	4,900	4,900
Overtime	561,841	521,005	428,999	464,500
Holiday Pay	88,988	116,806	97,500	97,500
Meal Allowance	29,525	24,462	32,000	19,000
Internet Reimbursements	225	1,272	2,080	0
Pension Contribution	541,442	536,372	584,464	658,084
Social Security	300,808	333,328	329,738	333,161
Medicare Tax	70,778	78,036	77,142	77,955
Hospitalization	1,058,633	1,505,662	1,329,741	1,646,157
Life Insurance	19,088	22,518	25,134	25,734
Deferred Comp Contribution	0	5,500	0	0
Pension Healthcare	86,792	129,100	126,250	164,125
Personal Services Adjustment	0	0	(114,863)	(119,055)
TOTAL PERSONAL SERVICES	6,992,937	8,029,846	7,758,115	8,222,315
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	64,843	47,360	7,600	41,200
Communications & Utilities	658,271	261,769	815,300	1,966,300
Transportation	4,644	470	2,000	0
Rentals	84,095	89,523	108,000	58,000
Contracted Maintenance Repairs	1,324,930	1,385,807	1,421,900	1,271,800
Professional Fees	494,066	651,981	685,000	756,000
Other Fees	2,462,522	2,224,196	2,726,000	3,181,000
Memberships & Registrations	6,030	16,355	23,900	32,900
Miscellaneous Services	278,911	520,705	521,300	608,800
Office & General Supplies	5,143	12,027	24,470	17,690
Wearing Apparel & Safety Supplies	29,564	34,438	35,400	40,600
Miscellaneous Parts	112,340	129,367	118,083	122,066
Construction & Repairs	252,608	212,867	572,000	307,000
Equipment	15,778	34,776	10,500	20,000
Fixed Assets	28,629	56,004	25,000	26,000
Landfill Fees Rebate	(416,395)	(403,870)	(418,500)	(248,000)
TOTAL M., S. & E.	5,405,979	5,273,776	6,677,953	8,201,356

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Administrative Services	2,340,963	2,209,909	2,781,226	2,777,860
Self-Insurance	<u>73,285</u>	<u>320,951</u>	<u>496,955</u>	<u>510,527</u>
TOTAL INTERNAL SERVICES	2,414,248	2,530,860	3,278,181	3,288,387
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	11,448	1,214	0	0
Principal Payments	3,412,312	2,217,295	2,595,308	5,057,216
Interest Payments	<u>1,952,788</u>	<u>1,993,751</u>	<u>1,928,123</u>	<u>1,732,286</u>
TOTAL DEBT SERVICE	5,376,548	4,212,259	4,523,431	6,789,502
GENERAL FUND TOTAL	<u>20,189,713</u>	<u>20,046,742</u>	<u>22,237,680</u>	<u>26,501,560</u>

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

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	4,236,342	4,457,111	4,409,720	4,414,899
Temporary Salaries	756	2,134	25,000	20,000
Acting Out of Class	2,231	2,895	3,900	3,950
Shift Differential	6,589	6,137	7,800	8,000
Sick Leave Bonus	8,400	8,250	9,600	9,600
Overtime	702,940	620,598	707,850	668,575
Holiday Pay	4,134	6,022	4,875	5,000
Meal Allowance	26,564	17,265	28,500	28,750
Internet Reimbursements	525	1,226	2,500	0
Accrued Vacation Pay	304,486	(53,846)	0	0
Pension Contribution	562,054	496,815	529,521	608,261
Social Security	304,487	316,218	318,004	315,926
Medicare Tax	71,880	74,194	74,399	73,916
Hospitalization	945,643	1,187,515	1,010,467	1,236,201
Life Insurance	19,780	21,292	23,082	21,269
Pension Healthcare	367,038	379,076	102,750	133,575
Deferred Comp Contribution	0	6,500	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,907)</u>	<u>(1,976)</u>
TOTAL PERSONAL SERVICES	7,563,847	7,549,401	7,256,061	7,545,946

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

MATERIALS SUPPLIES & EQUIPMENT	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	APPROVED FY 2011
Printing & Advertising	52,274	30,351	68,930	69,810
Communications & Utilities	1,560,401	1,641,893	1,741,080	1,619,574
Transportation	9,061	3,903	14,000	14,000
Rentals	25,873	11,831	21,912	21,912
Contracted Maintenance Repairs	3,522,821	3,513,175	3,201,800	5,561,800
Professional Fees	2,572,103	4,697,229	3,211,000	3,225,000
Other Fees	574,524	737,254	584,000	466,500
Memberships & Registrations	47,098	46,616	60,272	54,772
Miscellaneous Services	13,824,198	14,404,810	16,190,006	16,744,450
Office & General Supplies	9,624	10,745	17,473	22,544
Wearing Apparel & Safety Supplies	23,222	30,661	38,040	43,200
Miscellaneous Parts	223,362	221,042	321,639	357,720
Petroleum & Chemicals	660,731	870,298	1,318,500	1,056,500
Construction & Repairs	317,185	190,538	407,750	363,500
Supporting Services	2,507,976	2,507,976	2,507,976	2,507,976
Equipment	760,181	118,879	469,000	500,100
Fixed Assets	0	92,220	0	0
Testing and Inspection	0	0	0	25,000
Community Activities	50,000	45,750	80,000	195,000
Projects	<u>0</u>	<u>(85,910)</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	26,740,635	29,089,261	30,253,378	32,849,358
<u>INTERNAL SERVICES</u>				
Administrative Services	453,562	682,144	530,930	538,849
Self-Insurance	<u>3,712</u>	<u>551,035</u>	<u>793,158</u>	<u>815,700</u>
TOTAL INTERNAL SERVICES	457,274	1,233,179	1,324,088	1,354,549
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	100,753	118,840	132,024	132,024
Interest Payments	<u>4,308,949</u>	<u>5,516,958</u>	<u>5,618,382</u>	<u>5,543,533</u>
TOTAL DEBT SERVICE	4,409,703	5,635,798	5,750,406	5,675,557
<u>OTHER</u>				
Depreciation	<u>5,644,453</u>	<u>6,225,668</u>	<u>6,158,688</u>	<u>6,627,426</u>
TOTAL OTHER	5,644,453	6,225,668	6,158,688	6,627,426
WATER/SEWER FUND TOTAL	<u>44,815,912</u>	<u>49,733,307</u>	<u>50,742,621</u>	<u>54,052,836</u>

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Communications & Utilities	54,179	75,000	60,300	60,300
Transportation	9,232	6,969	41,500	41,500
Rentals	43,517	55,247	55,900	55,900
Contracted Maintenance Repairs	493,599	388,995	582,000	561,000
Professional Fees	45,400	144,735	95,000	120,000
Memberships & Registrations	1,461	460	2,500	2,500
Miscellaneous Services	1,606,480	1,625,069	1,735,000	1,815,000
Office & General Supplies	0	0	262	262
Miscellaneous Parts	5,472	460	14,105	10,105
Petroleum & Chemicals	1,145,111	984,882	1,055,000	1,062,000
Equipment	18,778	0	0	0
Fixed Assets	<u>784,063</u>	<u>2,395,355</u>	<u>3,275,000</u>	<u>3,200,000</u>
TOTAL M., S. & E.	4,207,292	5,677,172	6,916,567	6,928,567
<u>INTERNAL SERVICES</u>				
Administrative Services	58,356	121,894	77,317	79,719
Self-Insurance	<u>154,757</u>	<u>135,157</u>	<u>142,328</u>	<u>145,175</u>
TOTAL INTERNAL SERVICES	213,113	257,051	219,645	224,894
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Cost	1,229	1,221	1,220	1,220
Interest Payments	<u>258,211</u>	<u>228,107</u>	<u>324,509</u>	<u>250,050</u>
TOTAL DEBT SERVICE	259,440	229,327	325,729	251,270
<u>OTHER</u>				
Capitalized Expenditures	(784,063)	(2,395,355)	(3,275,000)	(3,200,000)
Depreciation	<u>2,583,725</u>	<u>2,202,924</u>	<u>2,664,621</u>	<u>2,565,787</u>
TOTAL OTHER	1,799,662	(192,431)	(610,379)	(634,213)
MOTOR VEHICLE FUND TOTAL	<u>6,479,507</u>	<u>5,971,118</u>	<u>6,851,562</u>	<u>6,770,518</u>

DEPARTMENT: PUBLIC WORKS

FUND: MUNICIPAL STREET AID

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Communications & Utilities	1,299,819	1,429,951	0	0
Contracted Maintenance	104,193	85,436	0	0
Construction and Repairs	<u>0</u>	<u>153,200</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,404,012	1,668,587	0	0
MUNICIPAL STREET AID TOTAL	<u>1,404,012</u>	<u>1,668,587</u>	<u>0</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 2011

- Increase public awareness of the Home Repair Loan Program to prevent major deterioration in existing properties.
- Increase homeownership opportunities in the City.
- Continue to support the redevelopment and upgrade of affordable rental housing in the City.
- Address 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.
- Strengthen monitoring procedures to assure program compliance and meet all federal expenditure requirements.
- Enter program data into the One Roof Database system and increase utilization of the system as a management tool.
- Fulfill 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.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	1,083,296	1,191,266	1,252,114	1,298,730
Materials, Supplies & Equipment	283,015	360,187	332,000	273,300
Internal Services	140,602	79,737	194,302	201,153
Debt Service	1,205,929	2,035,615	2,173,031	740,342
Special Purpose	<u>2,263,570</u>	<u>3,732,382</u>	<u>3,163,848</u>	<u>3,496,573</u>
TOTAL	<u>4,976,412</u>	<u>7,399,187</u>	<u>7,115,295</u>	<u>6,010,098</u>
STAFFING LEVELS	17.00	17.00	17.00	17.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	128,801	192,267	182,479	145,463
Materials, Supplies & Equipment	220,078	288,234	227,000	187,000
Internal Services	140,602	79,737	194,302	201,153
Debt Service	<u>1,205,929</u>	<u>2,035,615</u>	<u>2,173,031</u>	<u>740,342</u>
TOTAL	<u>1,695,410</u>	<u>2,595,853</u>	<u>2,776,812</u>	<u>1,273,958</u>
STAFFING LEVELS	2.20	2.41	2.43	1.83

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	885,195	951,737	963,462	1,055,557
Materials, Supplies & Equipment	62,281	71,953	105,000	86,300
Special Purpose	<u>1,705,225</u>	<u>1,987,290</u>	<u>1,671,002</u>	<u>1,984,969</u>
TOTAL	<u>2,652,701</u>	<u>3,010,980</u>	<u>2,739,464</u>	<u>3,126,826</u>
STAFFING LEVELS	14.28	13.38	13.05	13.75

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Personal Services	50,445	22,568	83,781	72,352
Materials, Supplies & Equipment	600	0	0	0
Special Purpose	<u>0</u>	<u>973,446</u>	<u>755,266</u>	<u>657,704</u>
TOTAL	<u>51,045</u>	<u>996,014</u>	<u>839,047</u>	<u>730,056</u>
STAFFING LEVELS	0.16	0.93	1.21	1.11

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2008	FY2009	FY2010	FY2011
Personal Services	16,425	21,336	19,533	22,256
Materials, Supplies & Equipment	56	0	0	0
Special Purpose	<u>459,150</u>	<u>660,580</u>	<u>632,369</u>	<u>749,213</u>
TOTAL	<u>475,631</u>	<u>681,916</u>	<u>651,902</u>	<u>771,469</u>
STAFFING LEVELS	0.28	0.24	0.27	0.27

EMERGENCY SHELTER GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2008	FY2009	FY2010	FY2011
Personal Services	2,430	3,358	2,859	3,102
Special Purpose	<u>99,195</u>	<u>111,066</u>	<u>105,211</u>	<u>104,687</u>
TOTAL	<u>101,625</u>	<u>114,424</u>	<u>108,070</u>	<u>107,789</u>
STAFFING LEVELS	0.08	0.04	0.04	0.04

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

- Previously, \$60,000 had been budgeted in the General Fund to provide home buying assistance to City employees who purchase their primary home in the City. This activity will now be funded by the Housing Strategic Plan, which supports housing efforts leveraging Federal resources.
- The Disposition Cost account in the Rehabilitation Division increased \$20,000, to a new total of \$180,000, to pay for property management on non-CDBG properties in the City's inventory.
- Debt Service decreased by \$1,432,689, to a new total of \$740,342. This is based on the existing debt schedule.

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- \$25,000 has been allocated in the Consultants account for the preparation of a Fair Housing impediment analysis and a Rise Impact Study.
- A total of \$10,000 has been set aside in the Furniture, Fixture and Office Equipment account to redesign the reception area, replace broken conference room chairs and purchase a scanner.
- The Miscellaneous Charges-NOC account totals \$10,000 to pay for New Castle County mortgage recordings and satisfactions for federally funded properties.
- The City received a \$393,715, or 9%, increase in CDBG grant funding over the prior year allocation.

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

- Collectively, the HOME, HOPWA and ESG grant funds increased \$10,295 to a new total of \$1,609,314. This is mainly due to the increase in the 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 424 housing units throughout the City.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Home Repair Loan Program (CDBG/CDBG-R)	40	30	45	55	83
Housing Rehabilitation (State: HRLP)	11	2	7	3	3
Acquisition and Rehabilitation for Homeownership	10	1	36	47	45
New Construction Home Ownership	16	4	28	22	59
Rental Housing (CDBG)	7	0	7	73	101
Tax Credit Projects (HOME/CDBG Rental)	45	9	11	0	55
De-Lead Delaware	46	3	9	10	15
Risk Assessments and Clearances	121	3	50	16	20
Facade-Residential	60	47	80	26	41
Facade-Commercial	8	1	5	1	2
Total Occupied Rehabs	364	100	278	253	424

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 67.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Vacant Properties Acquired	25	40	24	32	32
Vacant Properties Disposed	40	20	30	19	20
Units Demolished*	7	3	8	10	12
Total Structures/Lots in Property Inventory	61	154	55	167	67

*Does not change the number of properties in the inventory, only shows the number of units demolished.

Goal #3: Administer grants to meet human service and facilities needs.

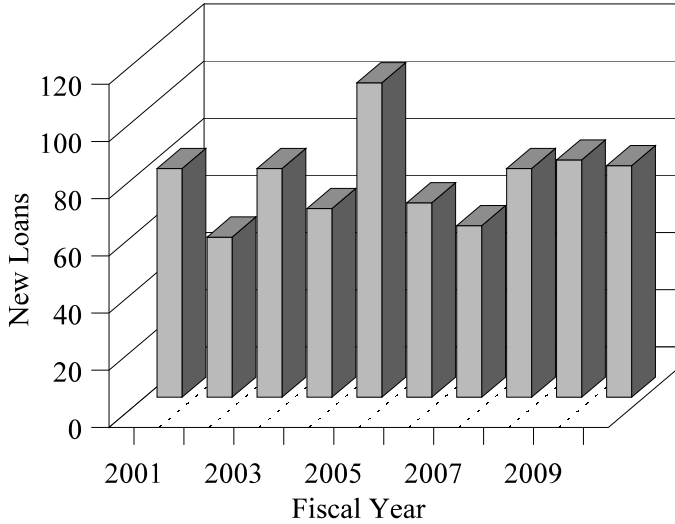
Objective: Administer funding for 39 Homeless and Transitional Housing, Fair Housing and related public service projects.

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

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	17	18	17	17	22
Miscellaneous Public Facilities Projects	0	0	0	0	10
Miscellaneous Public Service and Admin. Projects	3	3	7	5	5
Fair Housing Grants (CDBG)	4	2	2	2	2
Total Number of Contracts	24	23	26	24	39

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

(In thousands of dollars)

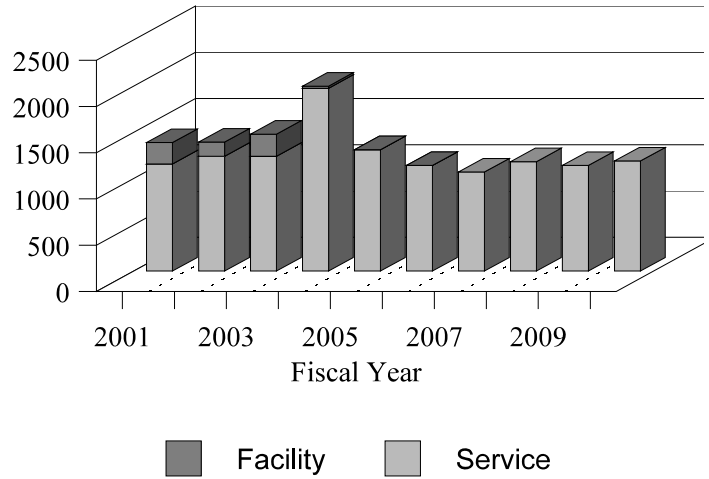
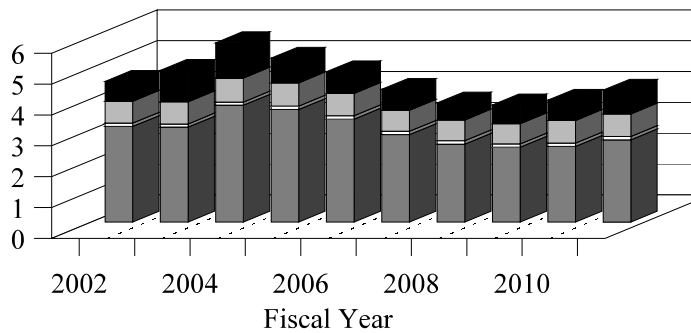


Chart represents Federally-funded public services and administration grants.

Federal Funding Levels

(In millions of dollars)



HOPWA Home
 ESG CDBG

Despite slight decreases in ESG and HOME funding, overall, FY2011 Federal funding (which includes CDBG and HOPWA) increased 8% from FY2010 levels.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2008	FY2009	FY2010	FY2011
Regular Salaries	93,394	138,060	140,033	109,328
Overtime	0	376	0	0
Internet Reimbursements	0	396	0	0
Pension Contribution	12,170	13,576	15,062	13,799
Social Security	5,787	8,488	8,545	6,671
Medicare Tax	1,353	1,985	1,996	1,560
Hospitalization	14,089	24,821	22,007	19,937
Life Insurance	468	681	730	396
Pension Healthcare	1,540	2,134	2,410	2,379
Deferred Comp Contribution	0	1,750	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,304)</u>	<u>(8,607)</u>
TOTAL PERSONAL SERVICES	128,801	192,267	182,479	145,463
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	293	169	1,000	1,000
Printing & Advert	0	1,769	0	0
Miscellaneous Services	5,356	4,932	6,000	6,000
Equipment	392	0	0	0
Community Activities	<u>214,037</u>	<u>281,364</u>	<u>220,000</u>	<u>180,000</u>
TOTAL M., S. & E.	220,078	288,234	227,000	187,000
 <u>INTERNAL SERVICES</u>				
Administrative Services	138,808	78,474	192,418	199,217
Self-Insurance	<u>1,794</u>	<u>1,263</u>	<u>1,884</u>	<u>1,936</u>
TOTAL INTERNAL SERVICES	140,602	79,737	194,302	201,153
 <u>DEBT SERVICE</u>				
Principal Payments	711,560	1,483,186	1,688,787	327,851
Interest Payments	<u>494,369</u>	<u>552,429</u>	<u>484,244</u>	<u>412,491</u>
TOTAL DEBT SERVICE	1,205,929	2,035,615	2,173,031	740,342
 GENERAL FUND TOTAL				
	<u>1,695,410</u>	<u>2,595,853</u>	<u>2,776,812</u>	<u>1,273,958</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	666,490	705,762	705,712	742,383
Temporary Salaries	7,238	7,105	0	2,700
Internet Reimbursements	0	0	2,000	0
Pension Contribution	63,067	69,738	77,073	93,459
Social Security	46,394	43,672	43,175	45,427
Medicare Tax	5,128	10,214	10,097	10,628
Hospitalization	90,179	98,762	107,197	138,498
Personal Services Adjustment	0	1,000	1,500	2,000
Pension-Healthcare	3,238	11,874	13,050	17,563
Life Insurance	<u>3,461</u>	<u>3,610</u>	<u>3,658</u>	<u>2,899</u>
TOTAL PERSONAL SERVICES	885,195	951,737	963,462	1,055,557
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	4,713	5,244	8,700	7,200
Transportation	6,198	3,695	5,900	6,900
Rentals	0	0	200	200
Professional Fees	34,473	37,485	51,500	30,000
Other Fees	2,660	675	6,000	5,000
Memberships & Registrations	5,610	5,971	8,500	9,000
Miscellaneous Services	1,707	8,646	10,500	12,000
Office & General Supplies	2,085	3,380	4,200	5,000
Wearing Apparel & Safety	2,960	4,573	6,000	6,000
Equipment	<u>1,875</u>	<u>2,284</u>	<u>3,500</u>	<u>5,000</u>
TOTAL M., S. & E.	62,281	71,953	105,000	86,300
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>1,705,225</u>	<u>1,987,290</u>	<u>1,671,002</u>	<u>1,984,969</u>
TOTAL SPECIAL PURPOSE	1,705,225	1,987,290	1,671,002	1,984,969
CDBG FUND TOTAL	<u>2,652,701</u>	<u>3,010,980</u>	<u>2,739,464</u>	<u>3,126,826</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Central YWCA-PS			10,000	0
Challenge Program			50,000	0
Clearance			275,000	0
DE Center for Justice Short-Term Housing			26,061	0
DE Center for Horticulture (Street Trees)			75,000	90,928
Disposition & Property Management			50,000	30,000
Eastlawn Human Services Emergency Shelter			13,030	0
Facade Commercial and Residential Program			100,000	200,000
Fair Housing			30,000	30,000
Foreclosure Counseling Services-PS			75,000	0
Homeless Planning Council			17,860	18,000
Lutheran Community Services for the Homeless			21,718	0
Ministry of Caring/Hope House I			21,631	0
Ministry of Caring/Hope II and III			28,773	0
Ministry of Caring/House of Joseph I			16,166	0
Miscellaneous Housing Projects			177,831	0
Property Repair Fund			540,000	410,964
Public Facilities			0	525,000
Public Services			0	404,577
Resource Development Council			0	230,000
Resource Development Council Delivery			0	25,500
Salvation Army "Code Purple" Cold Weather			10,000	0
WEDCO (fee for loan collections)			20,000	20,000
West End Neighborhood House Lifelines Transit			30,405	0
YWCA Home Life Mngt. Transitional Housing			82,527	0
FY2008 Expenditures	1,705,225		0	0
FY2009 Expenditures	<u>0</u>	<u>1,987,290</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>1,705,225</u>	<u>1,987,290</u>	<u>1,671,002</u>	<u>1,984,969</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	37,017	17,439	63,815	53,631
Pension Contribution	2,884	1,733	6,639	6,573
Social Security	2,318	1,058	3,879	3,214
Medicare Tax	542	248	907	752
Hospitalization	7,274	1,694	7,000	6,727
Pension-Healthcare	228	303	1,210	1,248
Life Insurance	<u>182</u>	<u>93</u>	<u>331</u>	<u>207</u>
TOTAL PERSONAL SERVICES	<u>50,445</u>	<u>22,568</u>	<u>83,781</u>	<u>72,352</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>600</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>600</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>0</u>	<u>973,446</u>	<u>755,266</u>	<u>657,704</u>
TOTAL SPECIAL PURPOSE	<u>0</u>	<u>973,446</u>	<u>755,266</u>	<u>657,704</u>
HOME PARTNERSHIP FUND TOTAL	<u><u>51,045</u></u>	<u><u>996,014</u></u>	<u><u>839,047</u></u>	<u><u>730,056</u></u>
<u>GRANTS & FIXED CHARGES DETAIL</u>				
CHDO Set-aside			110,260	109,508
HOME Proposed Housing Projects			645,006	548,196
FY2008 Expenditures	0		0	0
FY2009 Expenditures	<u>0</u>	<u>973,446</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u><u>0</u></u>	<u><u>973,446</u></u>	<u><u>755,266</u></u>	<u><u>657,704</u></u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOPWA

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	12,251	16,178	13,520	14,697
Pension Contribution	994	1,572	1,449	1,839
Social Security	756	988	833	906
Medicare Tax	177	231	195	212
Hospitalization	2,123	2,007	3,196	4,178
Pension-Healthcare	63	277	270	364
Life Insurance	<u>61</u>	<u>83</u>	<u>70</u>	<u>60</u>
TOTAL PERSONAL SERVICES	16,425	21,336	19,533	22,256
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>56</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	56	0	0	0
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>459,150</u>	<u>660,580</u>	<u>632,369</u>	<u>749,213</u>
TOTAL SPECIAL PURPOSE	459,150	660,580	632,369	749,213
HOPWA FUND TOTAL	<u>475,631</u>	<u>681,916</u>	<u>651,902</u>	<u>771,469</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Catholic Charities Homeless Prevention			45,000	0
Cecil County Emergency Assistance			45,000	47,250
HOPWA			0	701,963
DE HIV Consortium Housing Assistance			490,024	0
Ministry of Caring-House of Joseph II			52,345	0
FY2008 Expenditures	459,150		0	0
FY2009 Expenditures	<u>0</u>	<u>660,580</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>459,150</u>	<u>660,580</u>	<u>632,369</u>	<u>749,213</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

PERSONAL SERVICES	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Regular Salaries	1,794	2,505	2,028	2,115
Pension Contribution	153	248	229	271
Social Security	111	154	125	130
Medicare Tax	26	36	29	30
Hospitalization	328	357	397	496
Pension Healthcare	9	45	11	52
Deferred Comp Contribution	0	0	0	0
Life Insurance	<u>9</u>	<u>13</u>	<u>40</u>	<u>8</u>
TOTAL PERSONAL SERVICES	<u>2,430</u>	<u>3,358</u>	<u>2,859</u>	<u>3,102</u>
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>99,195</u>	<u>111,066</u>	<u>105,211</u>	<u>104,687</u>
TOTA 9L SPECIAL PURPOSE	<u>99,195</u>	<u>111,066</u>	<u>105,211</u>	<u>104,687</u>
EMERGENCY SHELTER GRANT				
FUND TOTAL	<u>101,625</u>	<u>114,424</u>	<u>108,070</u>	<u>107,789</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Salvation Army Emergency Housing			60,089	0
Sojourners Place Transitional Housing			33,012	0
SBM Housing Supportive Service			12,110	0
ESG			0	104,687
FY2008 Expenditures	99,195		0	0
FY2009 Expenditures	<u>0</u>	<u>111,066</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>99,195</u>	<u>111,066</u>	<u>105,211</u>	<u>104,687</u>

DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed commerce and industry within the City of Wilmington along with managing and marketing the Port of Wilmington as a self-sufficient business entity. Although the Port was profitable, the City could no longer afford the infrastructure improvements necessary to maintain its competitiveness and profitability. Consequently, the City successfully negotiated a sale of the Port which placed it under the auspices of the State of Delaware, effective September 1, 1995. By agreement, the City retained the debt of the previous existing Commerce Fund, but it was reimbursed for both 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 given to the City by the State Transportation Fund as final consideration and in lieu of all future outstanding payments due to the City as a result of the 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, beginning in FY 2010 all Port debt service and reimbursement revenue from the State were budgeted into the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Debt Service	5,328,830	3,434,447	3,646,267	2,318,346
TOTAL	<u>5,328,830</u>	<u>3,434,447</u>	<u>3,646,267</u>	<u>2,318,346</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Debt Service	0	0	3,646,267	2,318,346
TOTAL	<u>0</u>	<u>0</u>	<u>3,646,267</u>	<u>2,318,346</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMERCE FUND DEPARTMENT OF COMMERCE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Debt Service	5,328,830	3,434,447	0	0
TOTAL	<u>5,328,830</u>	<u>3,434,447</u>	<u>0</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 FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Principal Payments	0	0	3,131,865	1,916,924
Interest Payments	<u>0</u>	<u>0</u>	<u>514,402</u>	<u>401,422</u>
TOTAL DEBT SERVICE	0	0	3,646,267	2,318,346
 GENERAL FUND TOTAL	 <u>0</u>	 <u>0</u>	 <u>3,646,267</u>	 <u>2,318,346</u>

DEPARTMENT: COMMERCE

FUND: COMMERCE

DEBT SERVICE	ACTUAL FY2008	ACTUAL FY2009	BUDGET FY2010	APPROVED FY2011
Principal Payments	4,432,334	2,791,718	0	0
Interest Payments	<u>896,496</u>	<u>642,729</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE	5,328,830	3,434,447	0	0
 COMMERCE FUND TOTAL	 <u>5,328,830</u>	 <u>3,434,447</u>	 <u>0</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.

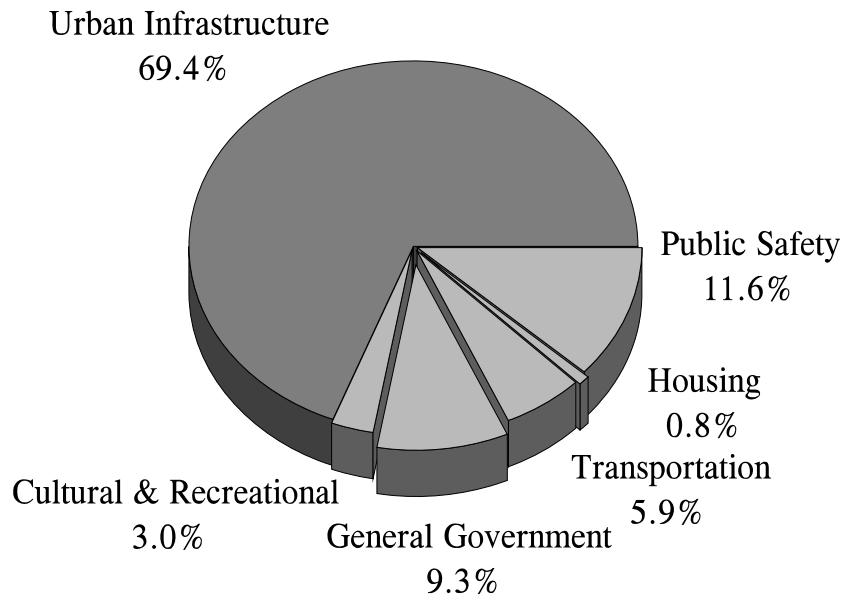
Estimated Annual Impact of Capital Spending on the Operating Budget

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

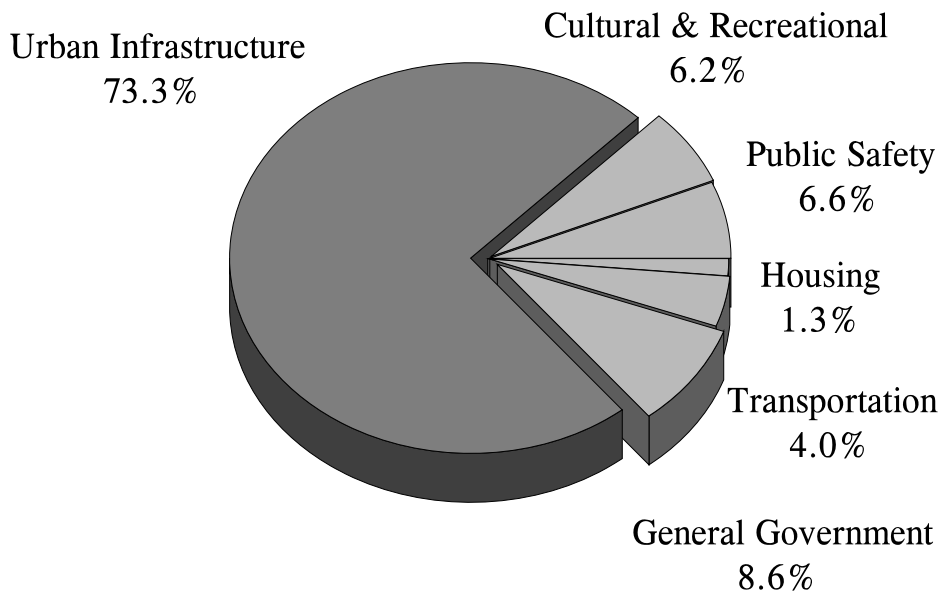
Capital Budget Allocations

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	556,000	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	19,131,500	0	61,595,500
GRAND TOTAL	\$103,259,500	\$0	\$59,476,500	\$0	\$35,631,500	\$0	\$194,907,500

Expenditure Category (Exp. Cat.) : NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 228-229)

**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	\$0	\$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	\$0	\$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 228-229)

**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		
UE	G	\$2,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$4,000,000	\$4,000,000
RE	G	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
RE	G	7,000,000	0	7,700,000	0	7,700,000	0	22,400,000	22,400,000
RE	W	2,600,000	0	2,700,000	0	2,800,000	0	8,100,000	8,100,000
RE	W	6,000,000	0	6,000,000	0	6,000,000	0	18,000,000	18,000,000
RE	W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
UE	W	5,000,000	0	0	0	0	0	5,000,000	5,000,000
UE	W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
NR	W	10,000,000	0	0	0	0	0	10,000,000	10,000,000
NS	W	2,400,000	0	0	0	0	0	2,400,000	2,400,000
NS	W	200,000	0	0	0	0	0	200,000	200,000
UE	W	2,000,000	0	880,000	0	880,000	0	3,760,000	3,760,000
NS	W	800,000	0	800,000	0	800,000	0	2,400,000	2,400,000
NR	W	3,000,000	0	3,000,000	0	3,000,000	0	9,000,000	9,000,000
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 228-229)

**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 228-229)

**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		\$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 228-229)

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

FIRE 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		
NR	G	\$2,150,000	\$0	\$900,000	\$0	\$625,000	\$0	\$3,675,000	\$3,675,000
UE	G	9,312,000	0	0	0	0	0	9,312,000	9,312,000
TOTAL BY FUND	G	\$11,462,000	\$0	\$900,000	\$0	\$625,000	\$0	\$12,987,000	\$12,987,000
TOTAL FIRE FUNDS		\$11,462,000	\$0	\$900,000	\$0	\$625,000	\$0	\$12,987,000	\$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 228-229)

**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 228-229)

**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 228-229)

**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													
	G	\$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 228-229)

**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 228-229)

**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 228-229)

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

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

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: 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

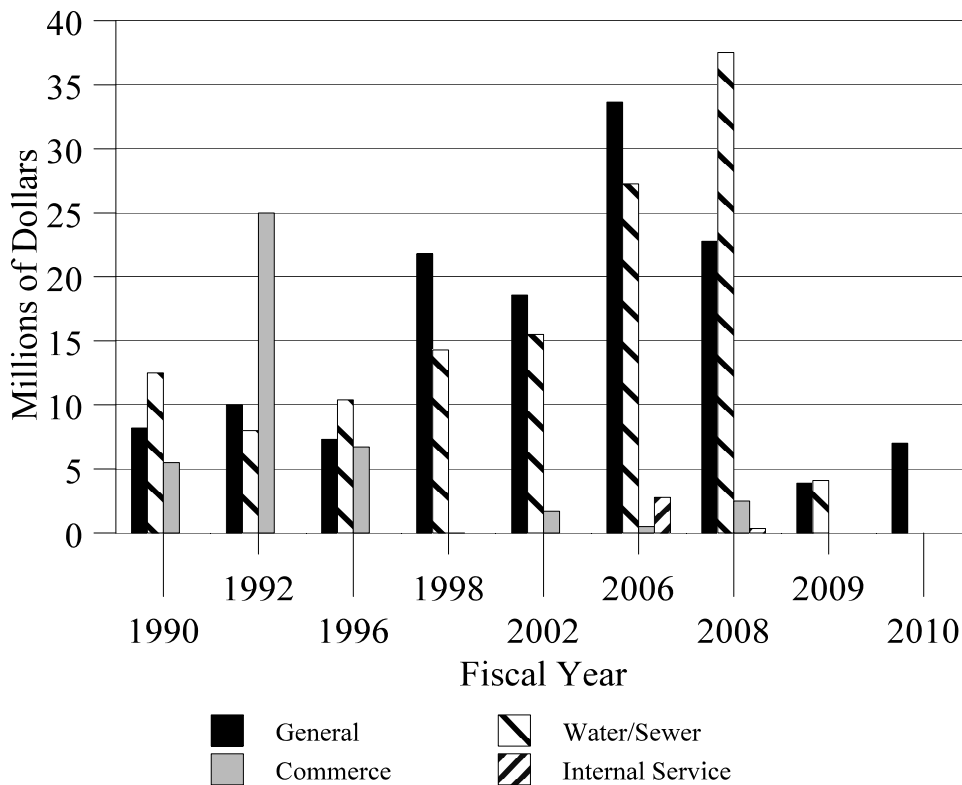
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2010. Amounts shown were expended on capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, and 2010 the City issued bonds to refinance past obligations at lower interest rates. These refinancings are not included in the graph. (In 2008 and 2010, the City issued bonds for both refunding and new projects; only the new projects portion is show below.) In fiscal years 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

The City's aggressive position in maintaining its infrastructure results in debt levels and debt servicing requirements slightly higher than peer groups. Overall debt levels have risen due to the expanded servicing area of the Water/Sewer Fund, numerous capital improvements, and the past operations of the Port of Wilmington. However, debt service levels are well within the legal debt limit of 17.5% of operating costs as mandated by the State of Delaware. (This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.) With the Fiscal Year 2011 General Fund Operating Budget totaling \$147,614,191, the budgeted debt service of \$15,149,785 is well below the 17.5% legal debt limit of \$25,832,483.

20-Year Historical General Obligation Borrowing



CAPITAL BORROWING AND DEBT MANAGEMENT **(Continued)**

Uses of Debt Obligations

The City of Wilmington issues debt in order to fund its biennial Capital Improvements Program. Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds, with recent years' larger increases reflecting the City's expanded efforts. For instance, from Fiscal Years 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 and 2010. 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.) Additional Commerce Fund borrowing was used to support economic development activity. In 2009, all funds remaining from the sale of the Port were depleted. Consequently, subsequent economic development borrowing, as well as existing Port debt, has been included in the General Fund.

Debt Management Policies

The City takes a conservative approach to debt management, 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 AND 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 of borrowing on its financial position, its ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund borrowing is limited to 17.5% of annual operating costs (equal to \$25,832,483 for FY 2011). 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 2001 through 2009 figures are actual payments. Fiscal Years 2010 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 4.56% for the General Fund, 3.85% for the Water/Sewer Fund, and 4.25% 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 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	9,207,313	8.8%
FY 2007	7,078,167	4,511,949	11,590,116	10.7%
FY 2008	7,717,810	4,066,631	11,784,442	9.5%
FY 2009	7,253,515	4,523,514	11,777,029	8.3%
FY 2010	11,690,590	5,725,163	17,415,753	12.0%
FY 2011	10,039,528	5,110,257	15,149,785	10.3%
FY 2012	5,594,185	4,590,697	10,184,882	6.9%
FY 2013	7,199,935	4,217,588	11,417,523	7.3%
FY 2014	5,689,617	4,004,750	9,694,367	6.0%
FY 2015	5,631,814	3,736,976	9,368,791	5.6%
FY 2016	5,750,545	3,485,608	9,236,153	5.4%
FY 2017	5,969,737	3,192,124	9,161,861	5.2%
FY 2018	5,934,794	2,884,212	8,819,007	4.9%
FY 2019	5,542,764	2,755,323	8,298,087	4.5%
FY 2020	5,687,029	2,490,162	8,177,191	4.4%
FY 2021	6,186,467	2,208,083	8,394,550	4.4%
FY 2022	6,246,929	1,912,154	8,159,083	4.2%
FY 2023	6,558,528	1,608,642	8,167,170	4.1%
FY 2024	6,115,317	1,289,422	7,404,740	3.6%
FY 2025	7,957,146	941,939	8,899,085	4.2%
FY 2026	5,150,530	584,401	5,734,931	2.7%
FY 2027	5,715,000	333,702	6,048,702	2.8%
FY 2028	3,543,621	102,267	3,645,887	1.6%
FY 2029	273,531	6,838	280,369	0.1%
FY 2030	0	0	0	0.0%
TOTAL	\$174,875,809	\$85,589,360	\$260,465,170	

**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 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	7,572,918	5,635,798	13,208,716	24.8%
FY 2010	5,076,980	5,750,406	10,827,386	19.9%
FY 2011	4,162,803	5,675,557	9,838,360	17.0%
FY 2012	6,522,388	5,626,538	12,148,926	18.5%
FY 2013	6,289,897	5,534,107	11,824,004	17.8%
FY 2014	7,939,960	5,330,078	13,270,038	19.1%
FY 2015	8,154,879	5,054,279	13,209,157	18.7%
FY 2016	8,327,329	4,716,829	13,044,158	18.1%
FY 2017	7,996,784	4,412,803	12,409,587	17.0%
FY 2018	7,875,040	4,173,599	12,048,639	16.3%
FY 2019	8,233,670	3,637,934	11,871,604	15.8%
FY 2020	8,712,365	3,304,206	12,016,571	15.6%
FY 2021	8,855,295	2,959,061	11,814,357	15.0%
FY 2022	9,459,067	2,597,108	12,056,175	15.0%
FY 2023	9,859,152	2,211,916	12,071,068	14.7%
FY 2024	10,513,535	1,837,645	12,351,180	14.7%
FY 2025	12,664,413	1,358,455	14,022,869	16.0%
FY 2026	8,887,796	872,896	9,760,691	11.5%
FY 2027	8,778,970	489,443	9,268,414	10.7%
FY 2028	5,997,523	177,338	6,174,861	7.2%
FY 2029	1,175,982	18,862	1,194,844	1.4%
FY 2030	0	0	0	0.0%
TOTAL	\$204,237,968	\$101,499,618	\$305,359,371	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

COMMERCE FUND	Principal	Interest	Total Debt Service	% of Total Budget
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	84.1%
FY 2008	4,773,033	991,008	5,764,041	71.3%
FY 2009	2,564,306	689,034	3,253,340	50.4%
FY 2010	0	0	0	0.0%
FY 2011	0	0	0	0.0%
TOTAL	\$36,912,968	\$14,738,980	\$51,651,946	

Note: In FY 2009 the Commerce Fund exhausted the funds remaining from the sale of the Port of Wilmington. As a result, beginning in FY 2010 all remaining Commerce Fund debt service was rolled into the General Fund. The Commerce Fund budget for FY 2010 and beyond is zero.

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	817,944	260,881	1,078,825	8.3%
FY 2007	637,480	667,406	1,304,886	15.6%
FY 2008	1,119,359	345,675	1,465,034	14.6%
FY 2009	1,281,228	359,784	1,641,012	12.9%
FY 2010	513,682	446,713	960,395	8.1%
FY 2011	89,492	363,486	452,978	3.7%
FY 2012	494,126	240,361	734,486	5.8%
FY 2013	428,432	220,588	649,021	5.0%
FY 2014	584,964	203,376	788,340	5.9%
FY 2015	597,753	179,065	776,818	5.7%
FY 2016	608,731	153,512	762,243	5.5%
FY 2017	290,684	133,656	424,340	3.0%
FY 2018	289,239	120,474	409,713	2.9%
FY 2019	311,771	105,376	417,148	2.9%
FY 2020	275,601	92,332	367,932	2.5%
FY 2021	312,758	79,316	392,074	2.6%
FY 2022	300,869	65,685	366,554	2.3%
FY 2023	314,433	52,078	366,511	2.3%
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	1.8%
FY 2027	0	0	0	0.0%
TOTAL	\$10,109,618	\$4,153,958	\$14,263,576	

**DEBT SERVICE SCHEDULES BY FUND
AND AS A PERCENTAGE OF TOTAL BUDGET
(Continued)**

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
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	15.3%
FY 2006	16,749,849	9,975,495	26,347,128	15.8%
FY 2007	17,524,769	10,283,062	27,807,830	16.4%
FY 2008	20,614,288	9,813,017	30,427,306	16.0%
FY 2009	18,671,967	11,208,130	29,880,097	14.0%
FY 2010	17,281,252	11,922,282	29,203,534	13.8%
FY 2011	14,291,823	11,149,300	25,441,123	11.7%
FY 2012	12,610,699	10,457,596	23,068,295	10.2%
FY 2013	13,918,264	9,972,283	23,890,548	10.2%
FY 2014	14,214,541	9,538,204	23,752,745	9.7%
FY 2015	14,384,446	8,970,320	23,354,766	9.3%
FY 2016	14,686,605	8,355,949	23,042,554	8.9%
FY 2017	14,257,205	7,738,584	21,995,789	8.4%
FY 2018	14,099,074	7,178,285	21,277,359	7.9%
FY 2019	14,088,205	6,498,633	20,586,838	7.5%
FY 2020	14,674,994	5,886,700	20,561,694	7.4%
FY 2021	15,354,520	5,246,461	20,600,981	7.2%
FY 2022	16,006,865	4,574,947	20,581,812	7.0%
FY 2023	16,732,113	3,872,636	20,604,748	6.9%
FY 2024	16,895,350	3,162,311	20,057,660	6.6%
FY 2025	20,901,665	2,322,027	23,223,692	7.3%
FY 2026	14,332,796	1,464,612	15,797,407	5.0%
FY 2027	14,493,970	823,145	15,317,116	4.7%
FY 2028	9,541,144	279,605	9,820,749	3.2%
FY 2029	1,449,513	25,700	1,475,213	0.5%
FY 2030	0	0	0	0.0%
TOTAL	\$426,136,363	\$205,981,915	\$631,740,063	

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS**

GENERAL FUND

DEPARTMENT	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
MAYOR'S OFFICE	\$942,062	\$943,046	\$1,333,295	\$2,653,736	\$2,454,892
% Departmental Expenses	16.3%	13.0%	18.6%	25.5%	27.2%
CITY COUNCIL	19,271	19,238	21,330	25,554	26,797
% Departmental Expenses	0.7%	0.7%	0.8%	1.0%	1.0%
PLANNING	228,842	224,061	343,724	359,213	137,394
% Departmental Expenses	15.0%	14.6%	19.8%	20.2%	8.6%
FINANCE	0	1,174	5,169	5,575	5,554
% Departmental Expenses	0.0%	0.1%	0.1%	0.1%	0.1%
HUMAN RESOURCES	0	3,063	17,981	19,391	19,320
% Departmental Expenses	0.0%	0.2%	1.0%	1.0%	1.0%
LICENSES & INSPECTIONS	38,775	38,730	28,192	28,172	2,030
% Departmental Expenses	1.0%	0.9%	0.6%	0.6%	0.0%
PARKS & RECREATION	2,664,993	2,628,597	2,519,580	2,609,948	1,847,828
% Departmental Expenses	25.9%	26.8%	25.1%	26.2%	21.8%
FIRE	354,123	386,278	435,269	512,395	380,765
% Departmental Expenses	1.5%	1.8%	1.7%	2.1%	1.6%
POLICE	958,217	957,777	824,613	859,041	427,015
% Departmental Expenses	2.2%	2.2%	1.6%	1.8%	0.9%
PUBLIC WORKS	5,207,203	5,376,548	4,212,259	4,523,431	6,789,502
% Departmental Expenses	26.5%	26.6%	21.0%	20.3%	25.6%
REAL ESTATE & HOUSING	1,176,631	1,205,929	2,035,614	2,173,031	740,342
% Departmental Expenses	77.5%	71.7%	78.4%	78.3%	58.1%
COMMERCE DEPARTMENT	0	0	0	3,646,267	2,318,346
% Departmental Expenses	0.0%	0.0%	0.0%	100.0%	100.0%

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS
(Continued)**

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
TOTAL DEBT SERVICE	\$11,590,116	\$11,784,442	\$11,777,029	\$17,415,753	\$15,149,785
% General Fund	10.0%	9.6%	8.4%	12.0%	10.3%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$20,319,430	\$22,354,088	\$24,786,365	\$25,480,999	\$25,832,483

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
PUBLIC WORKS	\$3,893,068	\$4,409,703	\$5,635,798	\$5,750,406	\$5,675,557
% of Department Expenses	8.8%	9.8%	11.3%	11.3%	10.5%
TOTAL DEBT SERVICE	\$3,893,068	\$4,409,703	\$5,635,798	\$5,750,406	\$5,675,557
% of Water/Sewer Fund	8.5%	9.2%	10.6%	10.6%	9.8%

Note: Legal Debt Service limit of 17.5% exists only for the General Fund. Only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

**DEBT SERVICE EXPENSE BY DEPARTMENT IN DOLLARS
AND AS A PERCENTAGE OF TOTAL OPERATING COSTS
(Continued)**

COMMERCE FUND

DEPARTMENT	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
MAYOR'S OFFICE	\$435,859	\$435,211	\$164,275	\$0	\$0
% of Department Expenses	33.7%	16.4%	5.4%	0.0%	0.0%
COMMERCE DEPARTMENT	5,346,243	5,328,830	3,089,065	0	0
% of Department Expenses	100.0%	100.0%	100.0%	0.0%	0.0%
TOTAL DEBT SERVICE	\$5,782,101	\$5,764,041	\$3,253,340	\$0	\$0
% of Commerce Fund	85.2%	72.3%	53.3%	0.0%	0.0%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
MAYOR'S OFFICE	\$222,536	\$86,235	\$130,457	\$120,984	\$112,216
% of Department Expenses	6.5%	2.2%	2.6%	2.4%	2.1%
PUBLIC WORKS	444,870	259,440	229,327	325,729	251,270
% of Department Expenses	7.3%	4.0%	3.8%	4.8%	3.7%
TOTAL DEBT SERVICE	\$667,406	\$345,675	\$359,784	\$446,713	\$363,486
% of IS Fund	7.0%	3.3%	3.3%	3.7%	3.0%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	BUDGET FY 2010	BUDGET FY 2011
TOTAL DEBT SERVICE	\$21,932,691	\$22,303,861	\$21,025,951	\$23,612,872	\$21,188,828
% of All Funds	12.7%	12.4%	10.0%	11.1%	9.7%

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 1994-2010**

Fiscal Year	Taxable Assesed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assesed Value	Net Bonded Debt per Capita
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
2010	2,220,181,556	266,933,790	156,146,773	110,787,017	4.99%	1,466

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2011-2030**

Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Commerce Fund Debt	Internal Service Funds Debt	Total Debt
2011	110,787,017	150,406,848	0	5,739,925	266,933,790
2012	100,747,489	146,244,045	0	5,650,433	252,641,967
2013	95,153,304	139,721,657	0	5,156,307	240,031,268
2014	87,953,369	133,431,760	0	4,727,875	226,113,004
2015	82,263,752	125,491,801	0	4,142,910	211,898,463
2016	76,631,938	117,336,922	0	3,545,158	197,514,017
2017	70,881,393	109,009,593	0	2,936,427	182,827,413
2018	64,911,656	101,012,809	0	2,645,743	168,570,208
2019	58,976,862	93,137,769	0	2,356,504	154,471,134
2020	53,434,098	84,904,099	0	2,044,732	140,382,929
2021	47,747,069	76,191,734	0	1,769,132	125,707,935
2022	41,560,602	67,336,439	0	1,456,374	110,353,415
2023	35,313,673	57,877,372	0	1,155,505	94,346,550
2024	28,755,145	48,018,220	0	841,072	77,614,437
2025	22,639,828	37,504,685	0	574,575	60,719,088
2026	14,682,682	24,840,271	0	294,470	39,817,423
2027	9,532,152	15,952,476	0	0	25,484,627
2028	3,817,152	7,173,505	0	0	10,990,657
2029	273,531	1,175,982	0	0	1,449,513
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, usually financed by Federal or State contributions, and sometimes involving payments to a third party agency.

HOPWA: A grant entitled Housing Opportunities for Persons With AIDS received from the United States Department of Housing and Urban Development to address the housing concerns of this growing segment of the population.

Internal Services: A combination of various services internally supplied to all departments and reimbursed on a per usage basis. These activities include the Administrative Services of Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet, along with the Self-Insurance services of Risk Management and Workers' Compensation.

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.