

City of Wilmington Delaware



Annual Budget

James M. Baker
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2012 • Approved by City Council • June 2, 2011

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, 2010.

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, 2010

A stylized signature in black ink, likely belonging to the President of GFOA.
A signature in black ink that reads "Jeffrey R. Emswiler", the Executive Director of GFOA.

President

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	Eric D. Robinson	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
James M. Jones
Willie J. Patrick, Jr.
Samuel D. Pratcher
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 Finance
Chief of Fire
Director of Human Resources
City Solicitor
Commissioner of Public Works
Commissioner of Licenses and Inspections
Chief of Police

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Matthew J. Razze
Arthur F. Jenkins, III
Alfred A. Lance, Jr.

Budget Director

Senior Analyst/Systems Coordinator
Senior Analyst
Budget Analyst II

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City of Wilmington
James M. Baker, Mayor

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Wilmington, Delaware 19801-3537

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FISCAL YEAR 2012 BUDGET MESSAGE

THE ECONOMIC CRISIS

Despite immense economic challenges, Wilmington is faring somewhat better than many other cities and states that are struggling to erase large deficits and generate additional revenue. That is not to say that we still do not have serious fiscal problems to overcome. Clearly, we do. But, because over the last few years we have done much to lower or contain the cost of government, rethink City services, and collect the delinquent taxes and fees owed the City, we are better positioned to endure this economic downturn. Nevertheless, it is clear that the economic realities of today will forever change the way we govern, the way we balance revenues and expenditures, and the way citizens view the government in terms of what we should and should not be doing to preserve and support the City.

As was the case last fiscal year, the Fiscal Year (FY) 2012 budget required the making of necessary, and oftentimes, difficult decisions to strengthen Wilmington's financial position in the midst of this national economic crisis. As such, there had to be painful reductions in some programs and service areas, including employee compensation and benefits. But in the end, this year's budget, while reducing the cost of government, still maintains necessary services, and positions the City for a sustainable future in anticipation of even the most modest of economic recoveries.

GUIDING PRINCIPLES IN BUILDING THE FY 2012 BUDGET

Before presenting the spending details, it is important to outline the principles that guided the crafting of the FY 2012 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 laying off more City employees to balance the budget by. When layoffs are proposed, they inevitably lead to calls for across-the-board cuts that unnecessarily disrupt the levels of service provided to citizens.
- ◆ All Department Heads were to aggressively pursue any and all Federal and State funds that could help ease the City's financial struggles.
- ◆ Finally, it was necessary that we strive to preserve the progress and prosperity experienced by the City prior to the economic downturn. As best it could, the FY 2012 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 over the last decade.

BUDGET DISCUSSION

THE GENERAL FUND

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. Expenditures were reduced as much as possible, but not to the point where the City's public safety, fiscal strength, and future were put in jeopardy.

General Fund Expenditures

- The FY 2012 operating budget expenditures total **\$139,337,086** – down \$8,277,105 or 5.6% from FY 2011. It is important to note that this large budget reduction was obtained even with the City absorbing almost \$3.2 million in uncontrollable cost increases for pensions, employee healthcare, contractual salary steps, and retiree healthcare. To balance the budget, the staffing and MS&E reductions made in mid-year FY 2011 were carried forward. But those reductions alone were not enough. Deeper cuts had to be made in FY 2012 that affect nearly every department's operations and programs.
- Staffing decreased by a net total of 46 Full-Time Equivalent (FTE) positions, for a savings of \$3.64 million. Of those positions, 28 were deleted in the mid-year FY 2011 budget amendment that carried into FY 2012. During the FY 2012 budget process, an additional decrease of 18 FTEs was obtained by the elimination of certain vacancies and the transfer of other positions into grant and internal service funds. Of special note is the federal SAFER firefighting grant. This grant not only allowed the transfer of five firefighter positions out of the General Fund, but also enabled the Fire Department to expand its authorized strength by eight, saving \$500,000 in salaries, benefits, and overtime.
- As part of the actions necessary to help balance the budget, no allowance was made for any Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.7 million. However, anniversary-based salary step increases for all eligible employees will continue.

- Changes in deployment, operations, and work rules, especially actions taken in the Fire Department that affect minimum manning, have enabled overtime to be slashed by 39%, or over \$1.6 million. Overtime in Public Works, Police and Fire is down \$114,500, \$327,788, and \$1,178,000 respectively.
- An in-depth analysis of the City's most pressing capital needs resulted in a greatly consolidated and more efficiently sized FY 2012 Capital Budget. The bond issuance to fund the Capital Budget will not take place before late summer, resulting in only one semi-annual debt service payment in FY 2012. This, coupled with a smaller sized issuance, will result in debt service savings of over \$1.3 million.
- The partial restoration of the State's Municipal Street Aid grant, used by the City to cover the costs of street lighting, will offset almost \$900,000 in electricity costs.
- The Finance Department's Plan for Change revenue collection initiatives continue to evolve and mature. Through the renegotiation of many of its contractual agreements with consultants and service providers, the Department has been able to reduce its commission-related expenses by almost \$830,000.
- 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 almost \$324,500 (reduced by \$207,000 in the Mayor's Office and \$117,500 in City Council).
- Because of the anticipated funding of a comprehensive street re-paving program in the FY 2012 Capital Budget, operating funds in the Public Works Department needed for street repairs and filling potholes were reduced by over \$222,000.
- Due to the fiscal crisis, City sponsored special events continue to be scaled back or eliminated altogether, a notable example being the elimination of \$125,000 of City funding for the 4th of July festival. 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.

General Fund Revenues

The effects of the continuing, severe economic downturn are projected to reduce total base revenue by another 5.1% in FY 2012. Where possible, revenue collection enhancements will be made to make up for reduced projected revenues. All of these are detailed in the discussion below. After taking these actions into account, total revenue before transfers is projected to decrease by a net \$7,493,792 below the FY 2011 Budget to a new total of \$138,764,235. The net change from Budget to Budget (FY 2012 vs. FY 2011) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
County Seat Relief Package	\$169,706	\$7,383,771
Other Revenues	100,000	4,512,533
Task Force Revenue	94,300	3,884,800
Other Governments	(175,194)	8,973,044
Interest	(337,500)	162,500
Other Taxes	(341,824)	7,161,039
Property Taxes	(611,393)	38,540,757
Fines	(650,000)	9,222,514
Licenses, Permits & Fees	(700,000)	3,449,777
Wage & Net Profits	(5,041,887)	55,473,500
TOTAL	(\$7,493,792)	\$138,764,235

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

The FY 2012 projections total \$7.38 million. The breakout is as follows: \$2.4 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is down \$185,294 from the FY 2011 budget); \$3.84 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$455,000 from the FY 2011 budget); \$300,000 in Statutory Trust Filing Fees (down \$100,000 or 25% from the FY 2011 budget); and \$825,000 in New Castle County Corporate Filing Fees (no change). In total, there is a \$169,706 increase in County Seat Relief Package revenues from the FY 2011 Budget.

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will rise by an expected \$100,000, due to an increase of rental income from the garage facility at Christina Landing.

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. In total, Task Force Revenues are projected to be \$94,300 higher for FY 2012. Three of the four components of the Task Force Revenues will increase from the FY 2011 Budget: Corporate Filings by \$50,000, Limited Liability Corporate (LLC) Filings by \$150,000, and Lodging Tax by \$25,000. Natural Gas Tax, however, will fall by \$130,700 from the FY 2011 budgeted level.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,470,072 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2012, the projected grant amount remains the same as in FY 2011. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. As part of the terms of the sale, the State requested 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 to service the Port debt. The amount for FY 2012 will be \$1,502,972, and represents more than a \$175,000 decrease from FY 2011.

Because of stubbornly low interest rates, coupled with lower cash balances, the Treasurer's Office has again reduced its **Interest** earnings forecast. The FY 2012 projection for interest earnings is \$162,500, a \$337,500 decrease from the current year budget.

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

Real Estate Transfer Tax revenues have continued their downward turn during FY 2011. The number and average price of residential home sales have both declined further from prior years. Also, commercial property transfers have nearly disappeared during this time. As a result, FY 2011 revenues have seen another \$200,000 decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2012.

Head Tax is projected to decrease \$126,000 below the FY 2011 Budget. The recent acquisition of Wilmington Trust Company (WTC) by M&T Bank Corporation will result in the loss of approximately 700 jobs at WTC's headquarters in downtown Wilmington.

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 2012, a slight decrease is projected from the FY 2011 budget of \$1.8 million. The recent remittance from Delmarva Power for FY 2011 was more than \$44,000 lower than the previous year. However, fees paid by Comcast have trended \$28,500 higher than in the recent past, partially offsetting Delmarva's reduction. For FY 2012, the budgeted amounts are \$730,226 and \$1,018,500 for Delmarva and Comcast respectively.

In total, Other Taxes are projected to decrease \$341,824 for FY 2012.

Property Taxes are projected to decrease by a net \$611,393. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$400,000 in FY 2012 is in addition to the nearly \$530,000 in appeals and other adjustments in FY 2011. Approximately \$300,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will partially offset these reductions. Penalty and Interest, along with collections from prior years will add \$620,000 in revenue for FY 2012, an increase of \$20,000.

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

Criminal/Traffic Fines will fall by a total of \$650,000. Criminal/Traffic Fines revenue is projected to total \$3.065 million in FY 2012, down a net \$250,000 from the FY 2011 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 \$700,000, as violations decrease at older sites, \$400,000 in additional revenue from the full conversion to a video capturing system instead of the still-photo one will net to an overall decline of \$300,000. 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 \$50,000 above the FY 2011 budget to match the current trend.

Parking Tickets/Booting Fines are forecast to decrease by \$400,000 below the FY 2011 budgeted level. Revenues will be adversely affected by the set-aside of 100 metered spaces for student parking and the change in parking regulations that now allow downtown residents to park for free at 332 metered spots. These changes occurred in FY 2011 and will continue for FY 2012.

Licenses, Permits and Fees revenue is projected to be just under \$3.45 million in FY 2012, or \$700,000 below the FY 2011 Budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees will fall by \$500,000 and \$200,000 respectively. Continued weakness in the construction sector has driven Building Permit revenue down, while Parking Meter Fees have declined as a result of the same changes outlined in Parking Ticket revenue above.

Wage and Net Profits Tax

The FY 2012 Wage & Net Profits Tax projection is \$55.5 million, a \$5 million net decrease from FY 2011. During FY 2011, the City abandoned its efforts to collect Wage and Net Profits Tax from the principals of Subchapter S Corporations located in the City. This factor, along with the expected loss of 700 jobs at Wilmington Trust Company (WTC), have reduced the projected Wage Tax revenue in FY 2012 by \$3.7 million. In addition, smaller audit discovery amounts and more time-to-pay arrangements are projected to decrease the Finance Department's Plan for Change audit collections by \$2 million, from \$7 million to \$5 million. However, offsetting some of these losses is a projected 2% growth in salaries and expected revenue from WTC severance pay. Together, these factors will add back about \$1.2 million.

THE WATER/SEWER FUND

The FY 2012 operating budget expenditures total **\$62,553,572** – up \$4,781,508 or 8.3% from FY 2011. Despite increasing fiscal stress, it was deemed necessary that the FY 2012 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, CSO outlets, tide gates, and large machinery increased by \$1,750,000. Almost \$1 million of the increase is attributable to the one-time repair of concrete at the fine screen buildings of the City's sewage treatment plant that have been corroded by higher than normal levels of hydrogen sulfide coming in from the County's sewage collection system. In the past, the bulk of the costs in this category would have been paid through the capital budget. But with the adoption of a new fiscal policy last year 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 become part of the operating budget.
- There is an almost \$1 million increase in the contract with Veolia to operate and maintain the City's sewage treatment plant. This increase includes a new charge of about \$450,000 for the use of metered City water in the treatment process. As per the agreement, the City is reimbursed for about 87% of the Veolia contract cost by New Castle County.
- Public Works has a total of \$20.2 million in the consolidated FY 2012 Capital Budget to meet the City's most pressing infrastructure needs. The resulting new debt service is almost entirely responsible for the \$821,000 increase in interest expense in the Water/Sewer Fund.
- Pensions, employee healthcare, and retiree healthcare combined to cause a \$464,000 increase in Personal Services costs. Regular salaries and related wages remained relatively flat.
- As part of a planned series of rate adjustments needed to properly fund the City's utilities, there is a 16% increase in water, sewer, and stormwater rates.

Water/Sewer Fund Revenues

Total Water/Sewer Fund revenues are projected to increase almost \$5.8 million above FY 2011, to a new total of \$63.7 million in FY 2012. 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

In order to address the cash flow situation discussed previously, a 16% increase in Water/Sewer User Fees was implemented for FY 2012. This rate increase is expected to generate an additional \$4.7 million, with a net increase of \$4.3 million when coupled with special sewer and other miscellaneous revenue items in FY 2012, bringing the total to \$37.7 million. The average residential homeowner's total bill (including water/sewer and stormwater) will go up \$6.43 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 \$5.9 million. After allowing for higher amounts for new appeals, the base was reduced by about \$100,000, bringing the total to \$5.8 million. For FY 2012, a 16% increase in stormwater fees was approved, and will generate an additional net \$940,000 in revenue after allowing for uncollectibles.

New Castle County Sewer

Through arbitration, the City and New Castle County have developed a contractually agreed upon fee structure for treating the County's sewage. For FY 2012, the net base fee of \$18 million represents the County's share of costs for operating the City's sewage treatment plant and sewage sludge disposal. It was adjusted downward by almost \$1.1 million to take into account the annual reconciliation process. An additional \$829,000 will be billed as a one-time reimbursement for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2012 is \$18,847,123.

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 2012, interest is projected to decrease by \$112,000 to \$38,000. 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 \$289,000 to \$1,109,000. The combined total revenue projected in FY 2012 for this category is \$1,147,000.

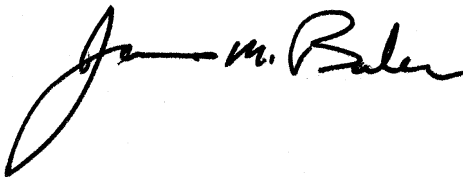
CONCLUSION

Wilmington's future rests on the quality of its governance. The future can remain strong if we are good stewards and continue to address the critical issues of finances, economic development, basic City services, and infrastructure, over which we have some degree of direct control. The people of Wilmington will also be well served if we advocate with one voice on other subjects like education, employment and social services, which are beyond our direct authority and responsibility.

The next few years will be critical to our City's future progress and development as we emerge from this economic crisis. When we do emerge from it, we want to be able to look back and know that we made the correct sacrifices we had to make in order to succeed with our goals, dreams and visions.

The choices made in the FY 2012 Budget allow the City to remain well-positioned to move forward and accomplish even more in the years ahead. During our remaining two years in office, we will focus as much of our energy and creativity on improving the City as we have for the past 10 years. Wilmington deserves no less than a maximum effort on all our parts to continue making it a City that is a great place to live, work, and enjoy life.

Respectfully,

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

James M. Baker
Mayor



WILMINGTON

FACTS & FIGURES



WILMINGTON FACTS & FIGURES

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

The Greater Wilmington Area includes portions of two states: New Castle County (Delaware) and Cecil County (Maryland). The data below provides a comparative look at the population, land area, and the density of the Wilmington region.

LAND AREA AND POPULATION DENSITY

	<u>2000 Population</u>	<u>2010 Population</u>	<u>% Change</u>	<u>Land Area (sq. mile)</u>	<u>2010 Population Density (sq. mile)</u>
City	72,664	70,851	-2.5%	10.85	6,530.0
New Castle County	500,265	538,479	7.6%	426.27	1,263.2
Greater Wilmington Area	586,216	639,587	9.1%	774.30	826.0
State of Delaware	783,600	897,934	14.6%	1,955.0	460.8

Population

The 2010 US Census indicates that the City's population decreased by 2.5% from 2000 to 2010, a slight reversal of the growth trend indicated in the 1990 and 2000 Census. New Castle County, the Greater Wilmington Area, and the State have recorded significant increases in population starting from 1970.

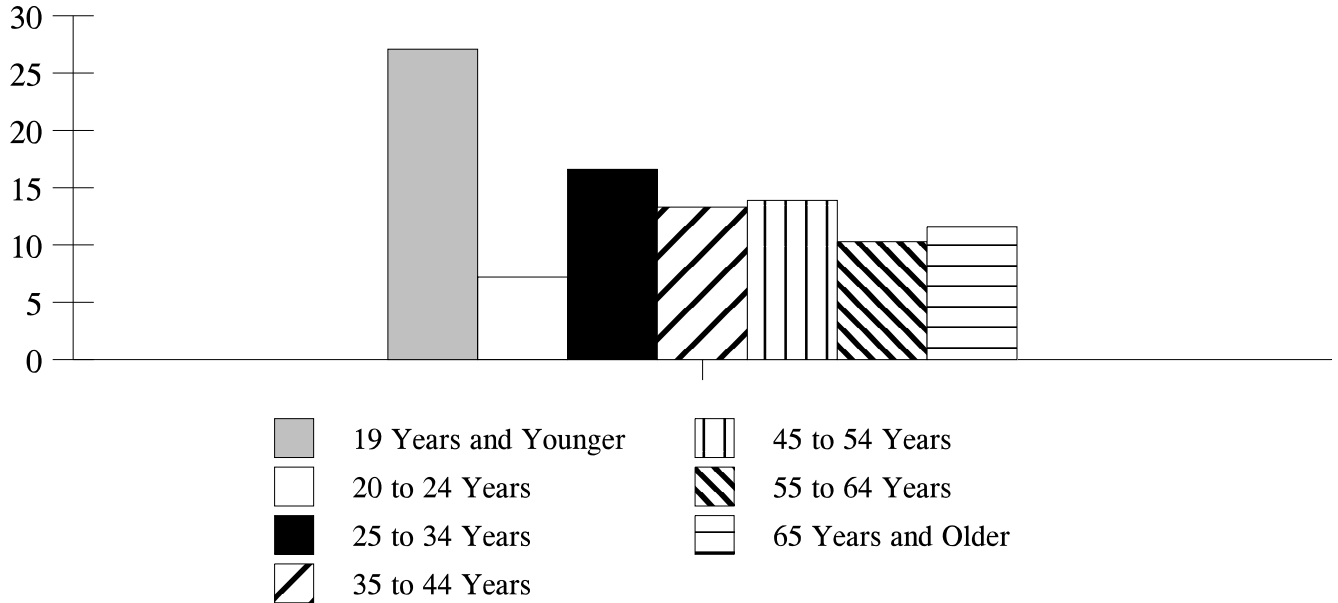
POPULATION TRENDS

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
City of Wilmington	70,195	71,529	72,664	70,851
# of Dwelling Units	30,506	31,244	32,138	32,820
State of Delaware	594,338	666,168	783,600	897,934
Greater Wilmington Area	458,545	513,587	586,216	639,587
New Castle County	398,115	441,946	500,265	538,479

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

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

Percentage of Population by Age Group



PERCENT OF HOUSEHOLDS BY ANNUAL INCOME	
\$24,999 AND UNDER	33.8%
\$25,000 TO \$34,999	12.7%
\$35,000 TO \$49,999	13.2%
\$50,000 TO \$74,999	15.3%
\$75,000 TO \$99,999	9.7%
\$100,000 AND OVER	15.3%
MEDIAN HOUSEHOLD INCOME	\$38,991

Source: U.S. Census Bureau, 2007-2009 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



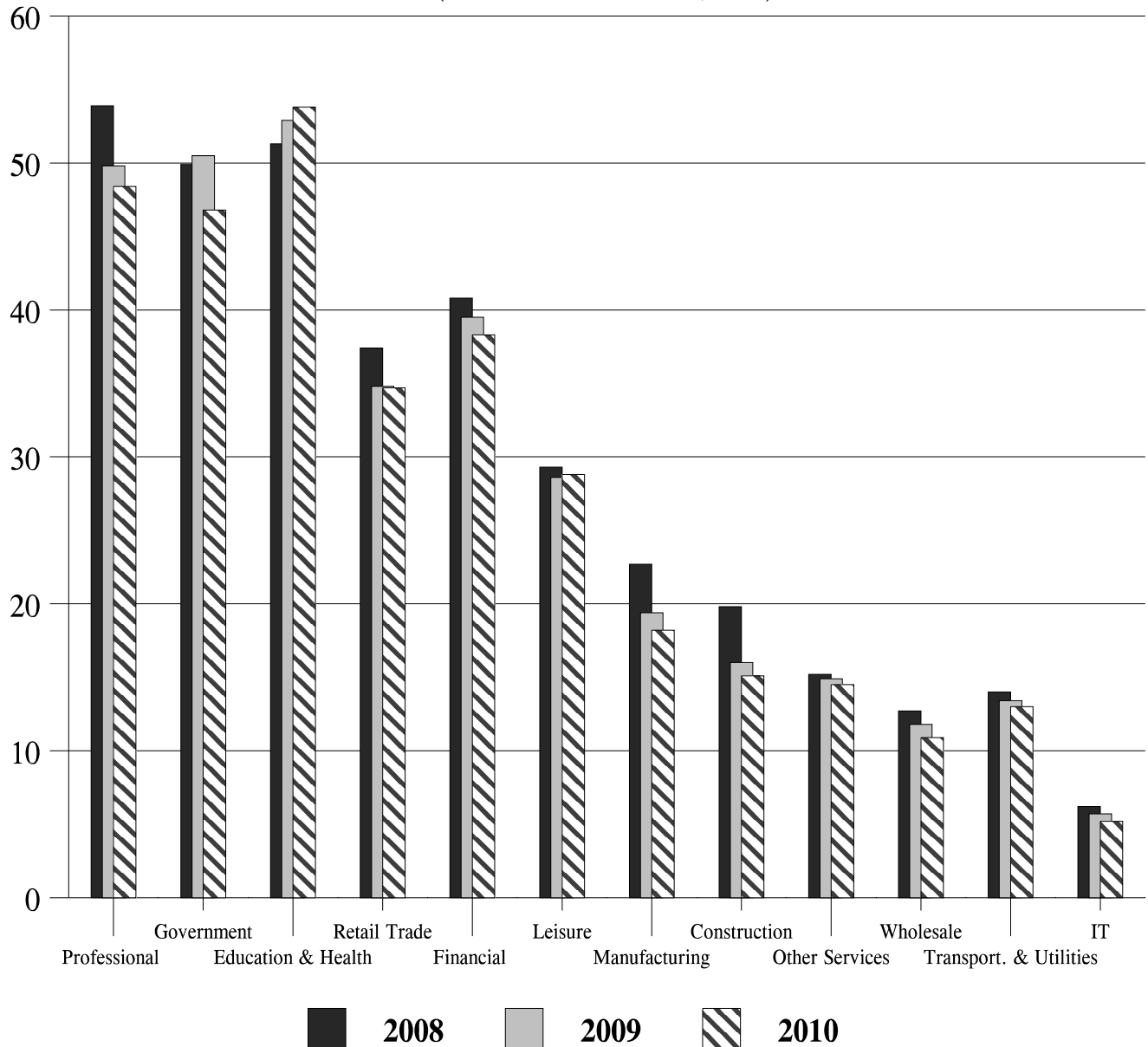
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2010.

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 the Greater Wilmington Area.

Employment By Major Industry Type

(Number of Jobs in 1,000s)



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

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	13,200
Christiana Care Health Services	Hospital/Healthcare Complex	10,000
Dupont	Chemicals and Energy	8,100
Bank Of America (formerly MBNA)	Banking	7,600
AstraZeneca Inc. N.A.	Pharmaceuticals/Chemicals	4,800
Wal-Mart Stores, Inc.	Retailer	4,700
University of Delaware	Higher Education	4,050
A.I. Dupont Institute	Children's Hospital/Healthcare	2,821
Christiana School District	Public Education	2,300
The Y of Delaware	Civic/Social Services	2,148
Wilmington Trust Co.	Banking	2,200
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	1,550
Brandywine School District	Public Education	1,450
Comcast	Communications	1,450
Delmarva Power / PEPCO	Electric & Gas Utility	1,438
Amtrak	National Railroad	1,400
Colonial School District	Public Education	1,271
New Castle County Government	County Government	1,250
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

Source: Delaware Business Ledger (DBL), Book of Lists, 2011.

* Data from DBL's 2010 Book of Lists is used because entity did not provide a 2011 employment figure to DBL.

Largest Wage Tax Withholders in the City of Wilmington

Maintaining the diversity of the City's top revenue source, Wage and Net Profits Tax, is an important component in assuring stable income during an economic downturn. As of calendar year 2010, no one entity was providing more than 10% of total Wage Taxes withheld. Below are the City's top five Wage Tax withholders over the past three calendar years.

Calendar Year 2010

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$4,784,797	9.8%
State of Delaware	\$3,174,944	6.5%
Dupont	\$2,126,311	4.4%
Barclays	\$1,725,173	3.5%
Wilmington Trust	\$1,593,953	3.3%

Calendar Year 2009

Name	Withholdings	% of Total Withholdings
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 Withholdings
JP Morgan Chase	\$4,352,450	9.0%
State of Delaware	\$3,254,443	6.7%
Bank of America	\$2,905,488	6.0%
Dupont	\$1,965,275	4.1%
Christiana Care	\$1,614,538	3.3%

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 Assessment
Delmarva Power	Electric & Gas Utility	\$81,917,200	3.70%
Buccini Pollin Group	Office and Luxury Residential	\$80,199,160	3.60%
Bank of America	Corporate Headquarters	78,568,900	3.60%
MacQuarie BDN Christina III	Office Building	63,704,500	2.90%
DCL Leasing Partners	Corporate Headquarters	58,084,300	2.60%
Dupont	Corporate Headquarters	52,839,800	2.40%
1201 Market Street LLC	Office Building	51,775,000	2.40%
HUB Properties Trust	Office Building	31,152,500	1.40%
Verizon Delaware	Utility Plant	29,918,700	1.35%
222 Delaware Partners, LP	Office Building	27,608,600	1.25%
Total		\$555,768,660	25.20%

Source: City of Wilmington Revenue Division.

New Construction Permits Issued

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Single-Family	139	68	61	67	49
Multi-Family	1	0	3	2	3
Non-Residential	8	10	22	8	8
TOTAL	148	78	86	77	60

Total Value of New Construction Activity

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Residential	\$ 13,048,613	\$ 9,550,632	\$ 10,206,865	\$ 9,990,200	\$ 29,846,027
Non-Residential	\$116,655,011	\$ 12,133,900	\$ 35,543,146	\$ 11,125,024	\$ 8,543,544
TOTAL	\$129,703,624	\$ 21,684,532	\$ 45,750,011	\$ 21,115,224	\$ 38,389,571

Renovation Construction Permits Issued

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Residential	3,400	2,157	2,935	2,646	3,000
Non-Residential	850	419	732	571	326
TOTAL	4,250	2,576	3,667	3,217	3,326

Total Value of Renovation Construction Activity

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Residential	\$ 85,578,457	\$ 23,940,194	\$ 21,132,548	\$ 18,224,978	\$ 46,087,753
Non-Residential	\$183,450,255	\$134,242,886	\$ 84,352,813	\$ 73,261,487	\$ 35,798,778
TOTAL	\$269,028,712	\$158,183,080	\$105,485,361	\$ 91,486,465	\$ 81,886,531

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

ECONOMIC DEVELOPMENT ACTIVITY

Wilmington continues to face significant economic challenges as the finance, banking, and credit card industries that make up its economic base recover from the collapse of financial markets during the Global Financial Crisis. While the slow recovery continues to put a significant strain on the resources the City wields, economic development has remained a priority for Wilmington, demonstrating its commitment to increasing job opportunities and growing its economic base. Likewise, the business community continues to make investments in the City, demonstrating Wilmington's ability to remain an attractive place to do business.

Business Incentive Program

Over the past year, the Office of Economic Development has executed a number of agreements through the City's Business Incentive Program to bring new companies and jobs to Wilmington. Despite contractions in business activity, the Office is still active courting and responding to the interests of the private sector. One success over the past year is the Association of Educational Publishers (AEP). A national, non-profit professional association of content developers and publishers of educational materials, AEP relocated its corporate headquarters to Wilmington from Swedesboro, New Jersey in early FY 2011, citing numerous benefits, including improved accessibility, reduced costs, and a dynamic business environment.

Another success for the office that is providing a unique service in Wilmington is Bike Boutique. A bike storage and service facility, Bike Boutique's trademarked concept "bikelodging" provides secure bike storage, repair service, showers, and lockers for commuters that take advantage of Wilmington's dense urban infrastructure to cycle to work. With locations in Singapore and Germany, Bike Boutique chose Wilmington for its first U.S. location to take advantage of Wilmington's compact size and active cycling community, which gained prominence with the return of professional cycling in 2008 with the annual Wilmington Grand Prix. In 2011, the Grand Prix drew over 470 racers (from 32 states and 11 countries) and 15,000 spectators to downtown Wilmington.

Consistent with Wilmington's reputation as a center for the banking and credit card industry, Citibank has recently announced the consolidation of its suburban offices and relocation of a portion of its workforce to Wilmington, bringing 155 new jobs to the downtown area. Similarly, the Liberty Life Insurance Company, a subsidiary of Athene Holding Ltd. based in Greenville, SC, announced the relocation of its sales and marketing offices from Kansas City, Missouri to Wilmington, leasing over 6,000 square feet of "Class A" office space in the central business district. These achievements represent the continued success of the Business Incentive Program and Wilmington's ability to remain competitive and attractive to private sector investors.

Downtown Development

The 2008 establishment of the Upstairs Fund was a targeted effort by the City to improve the under-utilized building infrastructure along Market Street, the historical center of retail and commerce in Wilmington. After previous investments to upgrade utilities and convert the pedestrian mall back to vehicular traffic, this gap-financing program initiative was the next step in a long-term plan to revive retail activity and residential living on Market Street. Utilizing the Upstairs Fund to encourage the development of market-rate rental units above renovated first floor retail spaces, the City sought to reduce ubiquitous second and third-story vacancies, while attracting the retail, food & beverage, and entertainment industries. With the initial investment of \$15.5 million of General Obligation Bond proceeds leveraging over \$60 million in private sector investment, the fund has already produced 35 new residential units, eight new retail outfits, and seven new office spaces across six renovated buildings. Another 13 buildings (containing 17 residential units and nine retail/office units) are currently under construction and expected to be complete in 2012. Several new restaurants now

occupy the once vacant storefronts and retail spaces, with about a half-dozen new establishments opening in the past year alone. New retail stores have also opened, and have expanded shopping opportunities, contributing to the revival of downtown Wilmington.

Undoubtedly, the largest success of the Upstairs redevelopment fund is the \$25 million renovation of the 45,000 square-foot Queen Theatre on the corner of 5th and Market Streets. Vacant for over 50 years, the Queen is now home to World Café Live at the Queen and WXPB, a live music venue and radio station that opened April 1, 2011. The City's \$3 million investment in the project and the venue's anticipated role as a catalyst for future economic development were recently featured in an article by the New York Times. Expected to draw approximately 100,000 people to an estimated 350-400 shows a year, and employing approximately 100 full and part-time employees, World Café Live at the Queen is a major success in the revitalization effort to make downtown Wilmington a cultural, dining, and entertainment destination.

Another downtown landmark, the former Daniel L. Hermann Courthouse, is undergoing a \$35 million renovation that will convert the historic building into Class A office space, utilizing \$28 million in federal stimulus bonds. Situated prominently on Rodney Square, the 210,000 square foot building was built in 1916, and the renovation will preserve its historic architecture. Currently owned by the Pettinaro Co., the building is already fully leased, and will be the new home of Wilmington law firm Young Conaway Stargatt & Taylor, LLP upon completion later this year.

In its second year of construction, the expansion of the 10-acre Wilmington Campus of the Christiana Care Health System is on schedule to be completed in 2014. First announced in 2009, the \$205 million project received an additional \$5 million contribution from the Dupont Company, bringing the total project to \$210 million. This major expansion will double the size of the emergency room, create 30 new single-occupancy patient rooms, and provide the capacity for another 90 beds. In addition, 51,000 square feet of professional office space for private medical practices will be provided. This project is anticipated to create a total of 2,000 construction jobs and 594 additional new permanent jobs.

Downtown Living

As arts and culture play a major role in the revitalization of downtown Wilmington, the Shipley Lofts, an artist live/work community is emerging as a cultural hub for the Wilmington arts community. A \$6.5 million mixed-income residential development project that converted a vacant 5-story furniture factory into 23 units of affordable housing/studio space and a gallery space for local artists, Shipley Lofts provides programming and events that draw regional crowds to downtown Wilmington.

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.

The Riverfront

New retail establishments are slowly occupying the 150,000 square feet of new retail at the Christina Crossing Shopping Center made possible in part by the city's \$2.5 million relocation and installation of new storm water management facilities. Providing capacity for over 100 acres of land on the south and eastern sides of the Christina River, these improvements supported the redevelopment of the 10 acres of brownfields between South Market and South Walnut Streets that was to become the Christina Crossing Shopping Center. The

anchor tenant, a new 80,000 square foot Shop Rite supermarket, has proven to be a great asset to the Wilmington community, providing the first newly constructed supermarket in over 20 years, and creating over 50 full-time and 100 part-time jobs.

Immediately adjacent to the City's investments at Christina Crossing, the Delaware Department of Transportation is in the second year of a \$9 million federal stimulus project to elevate South Market Street out of the 10-year flood plain. This project will not only rectify persistent flooding, but will also accommodate the redevelopment of over 50 acres of riverfront property to the east of the Christina River.

Currently home to the headquarters for AAA Mid-Atlantic, Barclaycard, and ING Direct the west side of the Christina River continues to be an attractive destination for the business community. Completed in 2010, the newest addition to Wilmington's stock of Class A office space is the 149,000-square-foot Star Building, located in the heart of the Wilmington Riverfront. Built as an entirely speculative private sector project, the Star Building secured its first principal tenant, Grant & Eisenhofer P.A., a national litigation firm with offices in Wilmington, Washington, D.C., and New York, this year.

Not just a place for corporate headquarters, the Riverfront has become one of the City's most popular residential neighborhoods. Having the benefits of an urban grid, but with a less dense suburban feel, the Riverfront has become a viable community with more than 750 living units and 27,000 square feet of neighborhood retail space.

The Christiana Landing project was the first major residential development on the Riverfront. It is a \$180 million development consisting of 63 townhouses, a 26-story, 183-unit condominium tower, and a 22-story 173-unit apartment tower. On the western shore of the Christina River is the Justison Landing Project, a \$500 million development on eleven acres of land. The first phase of Justison Landing includes 335 living units and 27,000 square feet of retail space. When completed, Justison Landing will consist of 705 new residential units, including townhouses, condominiums, loft units and apartments.

To go along with the new housing, a number of successful restaurants have made Wilmington's Riverfront a dining and attractions hub. These include: *Joe's Crab Shack*, the national theme restaurant; *Iron Hill Brewery*, a regional favorite; *Harry's Seafood Grille*, the elegant seafood restaurant owned and operated by a local and nationally recognized restaurateur; *Firestone*, which features expansive outdoor seating on a scenic bend in the river; *Big Fish*, which has brought the Rehoboth Beach seafood dining experience to Wilmington; and *KOOMA*, an Asian fusion restaurant and sushi bar where nightlife and fine dining are combined.

The Wilmington Riverfront is also becoming a destination for cultural amenities and tourism. This year, the City celebrated the one-year anniversary of two educational and family-oriented amenities opening in Wilmington: The Russell W. Peterson Urban Wildlife Refuge & Dupont Environmental Education Center and the Delaware Children's Museum. Opened in the fall of 2009, the Wildlife Refuge & Environmental Education Center is a \$16.5 million, 212 acre wildlife refuge and educational center on the banks of the Christina River. The Center provides educational programming facilitated by the Delaware Nature Society for children and adults, as well as community and school groups throughout the year. The Delaware Children's Museum is a 37,000 square foot interactive learning facility, also on the Christina River. Attracting approximately 135,000 visitors annually, the Delaware Children's Museum has an estimated indirect economic impact of \$5.6 million in annual business activity.

Adding to the entertainment and cultural offerings at the Wilmington Riverfront, Penn Cinema announced this year that it will build a \$25 million, 14-screen movie theater complex, featuring a four-story IMAX theater. Anticipated to open in 2012, the theater will have 3-D digital screens and high-definition feeds for

live broadcasts of events, such as professional sports, plays, and concerts. The theater is expected to create five full-time and 145 part-time jobs, and is estimated to draw 700,000 people a year.

Adjacent to the Riverfront, the Wilmington Train Station underwent a \$37.7 million renovation that was completed earlier this year. The station was built in 1907, and was designed by renowned American architect, Frank Furness. Recently rededicated as the *Joseph R. Biden Jr. Railroad Station*, the station now has a newly restored brick exterior, platform, and grand staircase, funded in part by the federal stimulus package. With an annual ridership of almost 700,000, the station is one of the busiest in Amtrak's national system.

Further east from the Riverfront, the Christina River empties into the Delaware River at the Port of Wilmington. Using federal Recovery Zone Facility Bonds, the Port of Wilmington embarked on a \$15.5 million facility improvement that enabled a world-leading company to greatly expand its distribution of fresh fruit juice. The project included construction of three 1.5 million-gallon aseptic containers that allow storage on-site of fruit juice products trucked from Florida or shipped directly to the Port from Brazil. The company will now be able to provide fresh, pasteurized fruit juices that will be sold under several prominent brand names. The construction project included 150 jobs, and the company expects 15-20 permanent jobs will be needed to run the new equipment.

Neighborhood Improvements

Beyond the downtown and Riverfront areas, infrastructure investments in the City's neighborhoods are improving the quality of life for residents, as well as supporting business growth. The City of Wilmington, in partnership with the Delaware Department of Transportation (DelDOT) and various neighborhood civic associations, is actively engaged in over a dozen Transportation Enhancement (TE) projects that are in various stages of completion.

These projects improve the livability of neighborhoods through infrastructure upgrades that increase safety, mobility, and accessibility, while accommodating multiple modes of transportation. By facilitating the flow of pedestrian, transit, and vehicular traffic within and between communities, TE projects have made neighborhood commercial corridors more viable for existing and future business, as well as promoted circulation throughout the City. Recent and ongoing projects include enhancements in the Midtown Brandywine, Delaware Ave/Trolley Square, and Triangle neighborhoods, as well as along Baynard Blvd and 9th Street. TE projects also serve as an opportunity for beautification and streetscape enhancements, making the City's neighborhoods even more attractive places to live and work.

Once vacant lots in the Delaware Ave area, and separately, the Harlan Park community, are now occupied by newly constructed retail and pharmacy establishments. Along the Northeast Blvd, an area of targeted development within the City, retail, restaurant, and service-based businesses are returning to this once bustling commercial corridor. In the past year, the Northeast Blvd and the adjacent Riverside community have welcomed a new restaurant, convenience store, and automotive supply store to compliment and support the recent residential developments of Speakman Place and the Villages of Eastlake. Both Speakman Place and the Villages of Eastlake are mixed-income residential developments that have positively transformed the area.

Also in the Delaware Ave neighborhood is a \$30.6 million project to replace the 120-unit Lincoln Towers residential high-rise building. The City made a \$20 million issuance of conduit revenue bonds for the project, which is targeted for completion in June 2012. The new building will feature underground parking, and the ground floor will be the new home for Fire Station No. 5, replacing the 118-year-old station that is presently on Gilpin Avenue.

Conclusion

Wilmington continues to build upon its successes of the past ten years. Key gains won through the Business Incentive Program demonstrate that even in this new age of economic uncertainty, Wilmington's business-friendly policies still meet the needs of the private sector and continue to draw investment. In fact, Wilmington was recognized by Foreign Direct Investment Magazine as a "North American Micro City of the Future" for 2011-2012. The City was ranked 1st in the "Infrastructure" category, 3rd in the "Business-Friendliness" category, and 6th in the "Economic Potential" category. The continued transformation of the City's downtown, Riverfront, and neighborhoods 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 21.

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 Human Resources Department and Mayor's Office. The deadline for budget submissions by departments is the second week in January.

From the third week of January through the first two weeks of March, there are two formal rounds of departmental budget meetings. The first round is with OMB and the second round is with the Mayor's Chief of Staff. As necessary, there are often one or more ad hoc follow-up meetings after the formal hearings have occurred. During this process, OMB and the Mayor's Office review and evaluate requests and make final recommendations as to funding. At the same time, the Capital Budget and Program is reviewed and funding changes are recommended by the Planning Commission. The Planning Commission is a board composed of appointed citizens and City Officials.

After the Proposed Budget has been finalized, the Mayor submits the Budget, revenue projections and tax and fee rates to City Council in the form of the Budget Address and ordinances, usually on the third Thursday in March. At this time a Proposed Budget Book produced by OMB is made available to the public.

The Finance Committee of City Council then holds a series of public hearings with each department in which funding levels are scrutinized and in-depth question-and-answer sessions are held. The time frame for these hearings is usually the first week of April through the second week of May. The public is invited and encouraged to attend the City Council Finance Committee Budget Hearings that take place during the weeks following the Mayor's Budget Address. Copies of the Proposed Budget Book are made available to the public at all of the budget hearings.

It is also during the time of the hearings that the Wilmington Economic and Financial Advisory Council (WEFAC) meets to certify the City's revenue projections underlying the Budget. WEFAC was created in 1994 and is comprised of 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 218.**

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 2010 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 26**). 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.

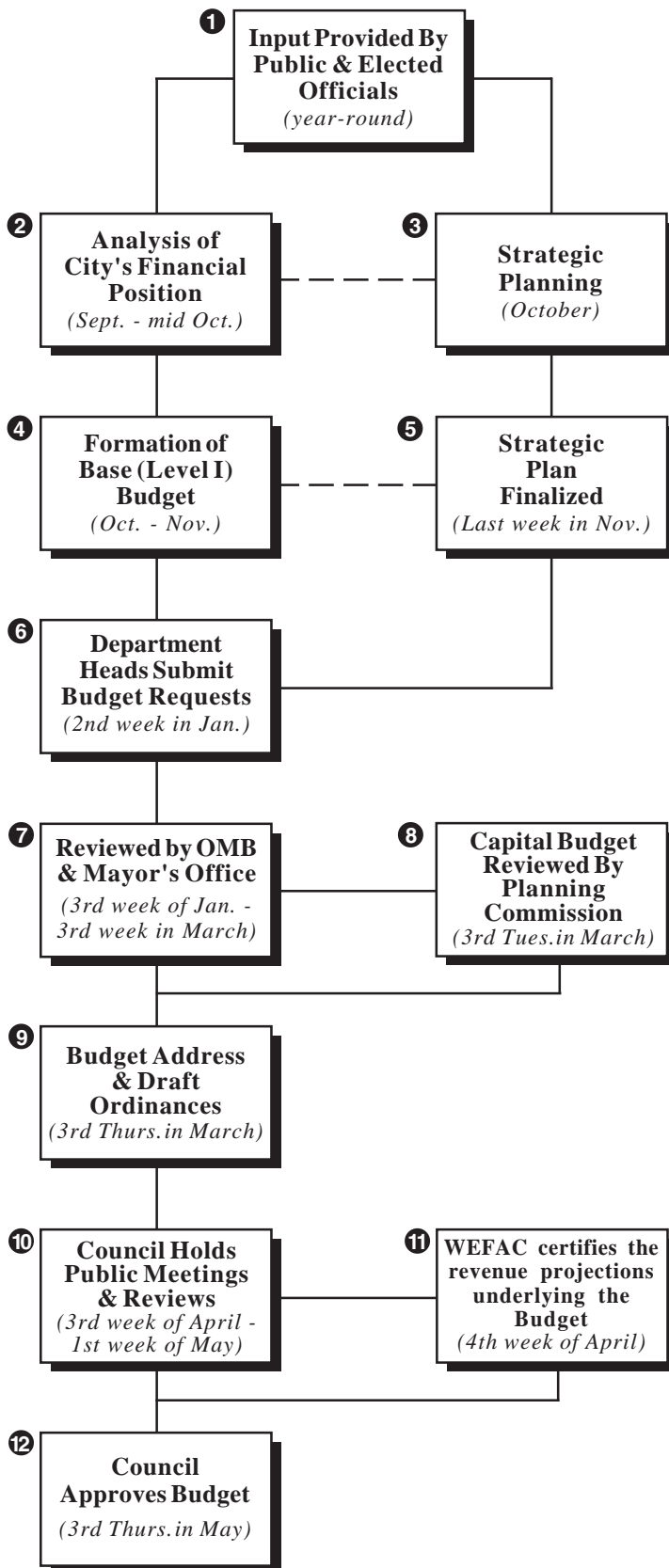
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, Commerce and Special funds are budgeted and operate under a **modified accrual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

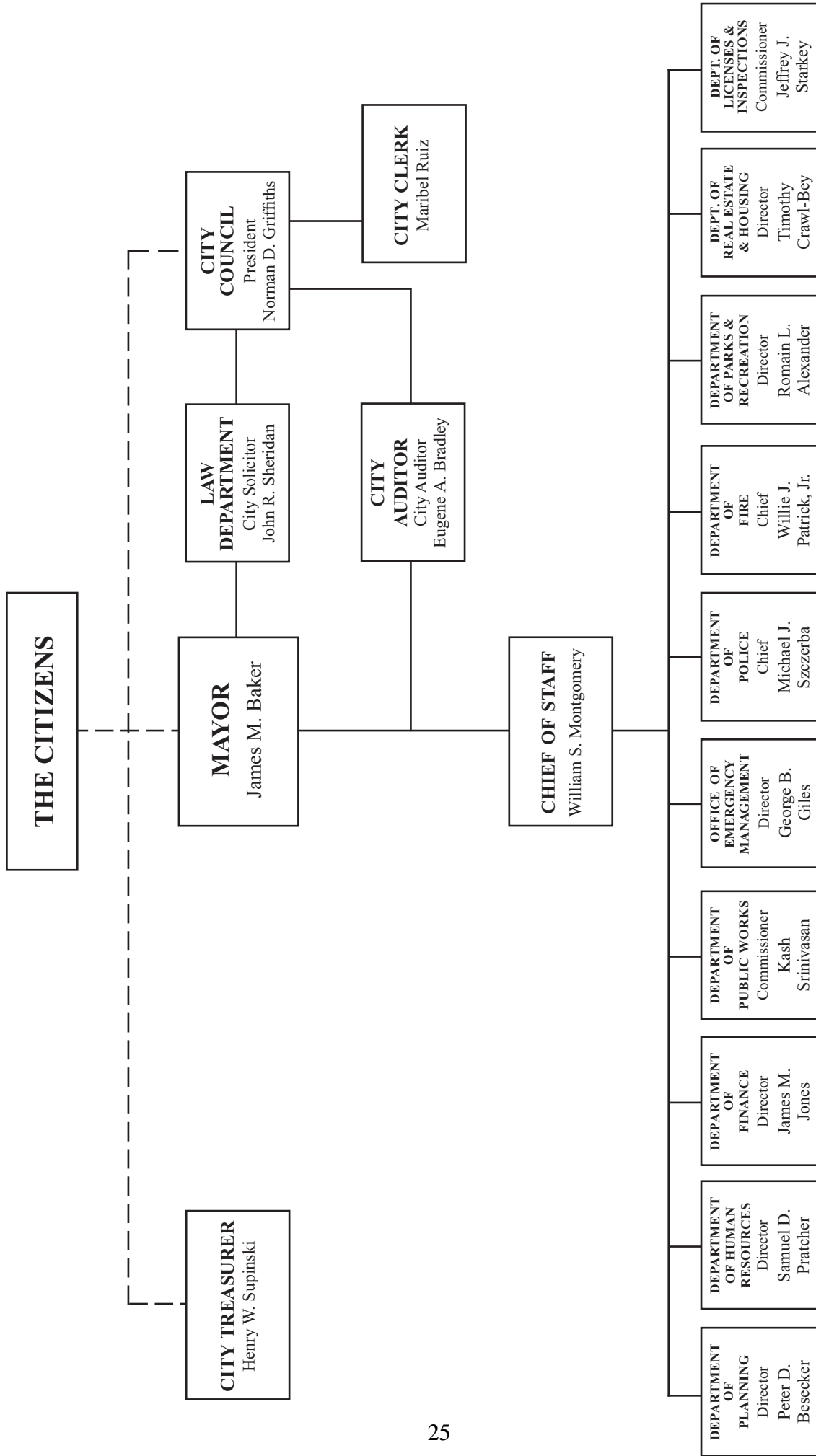
- A. Increase quality and affordability of housing for low-moderate income families.
- B. Increase home ownership.
- C. Increase and/or improve traditional City services (i.e. trash pickup, street repairs, etc.)
- D. Increase services and recreation opportunities for youth and families.
- E. Reduce crime 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 a fund balance reserve for catastrophic losses, in addition to the actuarially-calculated liability.
3. A target of 80% or more of the General Fund or operating budget should represent direct essential services 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.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

Special Funds (continued)

- **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.
- **Staffing for Adequate Fire and Emergency Response (SAFER)** is a federal grant providing funding directly to fire departments to help them increase the number of trained “front line” firefighters available in their communities.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program** is a federal grant providing housing assistance and supportive services for low-income people with HIV/AIDS and related diseases, and their families.
- **Local Emergency Planning Committees (LEPC)** funding is provided by the U.S. Environmental Protection Agency to help communities work to understand chemical hazards, develop emergency plans in case of an accidental release, and look for ways to prevent chemical accidents.

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.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

The Commerce Fund (continued)

Then in February of 2002, the Port and City entered into an agreement whereby the State would pay the City a lump sum of \$8 million to pay off the remaining mortgage payments owed to the City by the Port. The debt service reimbursement portion of the previous agreement was unaffected by this lump sum prepayment. State law dictated, however, that the remaining fund balance of the Commerce Fund had to be used by the City exclusively for economic development activities. Thus, it was the mandated policy that the fund balance of the Commerce fund continue to be drawn down for economic development activities until the fund balance was depleted. Once the fund balance was spent down, as planned, those economic development activities and costs would be merged into the General Fund.

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

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

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

Funding Appropriation

The City's Non-Special Funds are appropriated through the Budget Process and approved by City Council through City Ordinance. 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 2012

The General Fund

- The Fiscal Year (FY) 2012 operating budget expenditures total **\$139,337,086** – down \$8,277,105 or 5.6% from FY 2011. It is important to note that this large budget reduction was obtained even with the City absorbing almost \$3.2 million in uncontrollable cost increases for pensions, employee healthcare, contractual salary steps, and retiree healthcare. To balance the budget, the staffing and MS&E reductions made in mid-year FY 2011 were carried forward. But those reductions alone were not enough. Deeper cuts had to be made in FY 2012 that affect nearly every department's operations and programs.
- Staffing decreased by a net total of 46 Full-Time Equivalent (FTE) positions, for a savings of \$3.64 million. Of those positions, 28 were deleted in the mid-year FY 2011 budget amendment that carried into FY 2012. During the FY 2012 budget process, an additional decrease of 18 FTEs was obtained by the elimination of certain vacancies and the transfer of other positions into grant and internal service funds. Of special note is the federal SAFER firefighting grant. This grant not only allowed the transfer of five firefighter positions out of the General Fund, but also enabled the Fire Department to expand its authorized strength by eight, saving \$500,000 in salaries, benefits, and overtime.
- As part of the actions necessary to help balance the budget, no allowance was made for any Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.7 million. However, anniversary-based salary step increases for all eligible employees will continue.
- Changes in deployment, operations, and work rules, especially actions taken in the Fire Department that affect minimum manning, have enabled overtime to be slashed by 39%, or over \$1.6 million. Overtime in Public Works, Police and Fire is down \$114,500, \$327,788, and \$1,178,000 respectively.
- An in-depth analysis of the City's most pressing capital needs resulted in a greatly consolidated and more efficiently sized FY 2012 Capital Budget. The bond issuance to fund the Capital Budget will not take place before late summer, resulting in only one semi-annual debt service payment in FY 2012. This, coupled with a smaller sized issuance, will result in debt service savings of over \$1.3 million.
- The partial restoration of the State's Municipal Street Aid grant, used by the City to cover the costs of street lighting, will offset almost \$900,000 in electricity costs.
- The Finance Department's Plan for Change revenue collection initiatives continue to evolve and mature. Through the renegotiation of many of its contractual agreements with consultants and service providers, the Department has been able to reduce its commission-related expenses by almost \$830,000.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2012

The General Fund (continued)

- 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 almost \$324,500 (reduced by \$207,000 in the Mayor's Office and \$117,500 in City Council).
- Because of the anticipated funding of a comprehensive street re-paving program in the FY 2012 Capital Budget, operating funds in the Public Works Department needed for street repairs and filling potholes were able to be reduced by over \$222,000.
- Due to the fiscal crisis, City-sponsored special events continue to be scaled back or eliminated altogether, a notable example being the elimination of \$125,000 of City funding for the 4th of July festival. 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.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2012

The Water/Sewer Fund

- The FY 2012 operating budget expenditures total **\$62,553,572** – up \$4,781,508 or 8.3% from FY 2011. Despite increasing fiscal stress, it was deemed necessary that the FY 2012 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, CSO outlets, tide gates, and large machinery increased by \$1,750,000. Almost \$1 million of the increase is attributable to a one-time repair of concrete at the fine screen buildings of the City’s sewage treatment plant that has been corroded by higher than normal levels of hydrogen sulfide coming in from the County’s sewage collection system. In the past, the bulk of the costs in this category would have been paid through the capital budget. But with the adoption of a new fiscal policy last year 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 become part of the operating budget.
- There is an almost \$1million increase in the contract with Veolia to operate and maintain the City’s sewage treatment plant. This increase includes a new charge of about \$450,000 for the use of metered City water in the treatment process. As per the agreement, the City is reimbursed for about 87% of the Veolia contract cost by New Castle County.
- Public Works has a total of \$20.2 million in the consolidated FY 2012 Capital Budget to meet the City’s most pressing infrastructure needs. The resulting new debt service is almost entirely responsible for the \$821,000 increase in interest expense in the Water/Sewer Fund.
- Pensions, employee healthcare, and retiree healthcare combined to cause a \$464,000 increase in Personal Services costs. Regular salaries and related wages remained relatively flat.
- As part of a planned series of rate adjustments needed to properly fund the City’s utilities, there is a 16% increase in water, sewer, and stormwater rates.



**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2008 - FY 2012**

REVENUES	ACTUAL FY2008	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
General Fund					
Taxes	\$94,108,451	\$95,279,953	\$101,075,449	\$107,170,400	\$101,175,296
Permits, Fees & Fines	9,808,760	10,757,273	12,072,268	14,022,291	12,672,291
Other	8,373,156	9,860,582	7,705,367	6,590,699	6,178,005
Task Force Revenues	4,762,980	4,102,645	3,840,957	3,790,500	3,884,800
County Seat Relief	8,002,777	7,505,338	7,546,150	7,214,065	7,383,771
State Pension Contributions	7,468,406	7,554,785	7,434,474	7,470,072	7,470,072
Transfers In	275,000	275,000	275,000	1,400,422	577,160
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	132,799,530	135,335,576	139,949,665	147,658,449	139,341,395
Water/Sewer Fund					
Direct User Charges	33,398,479	31,125,312	34,585,206	38,495,371	43,734,000
New Castle County Charges	16,677,751	17,610,381	16,717,945	18,508,123	18,847,123
Other	<u>1,107,784</u>	<u>1,099,178</u>	<u>1,045,994</u>	<u>970,000</u>	<u>1,147,000</u>
Subtotal	51,184,014	49,834,871	52,349,145	57,973,494	63,728,123
Commerce Fund					
Port Debt Reimbursement	1,124,962	2,579,431	0	0	0
Miscellaneous	<u>1,360</u>	<u>500,113</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	1,126,322	3,079,544	0	0	0
Special Funds					
Fed./State/County Grants	12,954,610	9,807,230	9,062,038	8,734,043	10,373,150
Other	<u>2,178,579</u>	<u>2,216,268</u>	<u>1,874,756</u>	<u>3,142,019</u>	<u>3,238,363</u>
Subtotal	15,133,189	12,023,498	10,936,794	11,876,062	13,611,513
Total Revenues	<u>\$200,243,055</u>	<u>\$200,273,489</u>	<u>\$203,235,604</u>	<u>\$217,508,005</u>	<u>\$216,681,031</u>

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2008 - FY 2012**

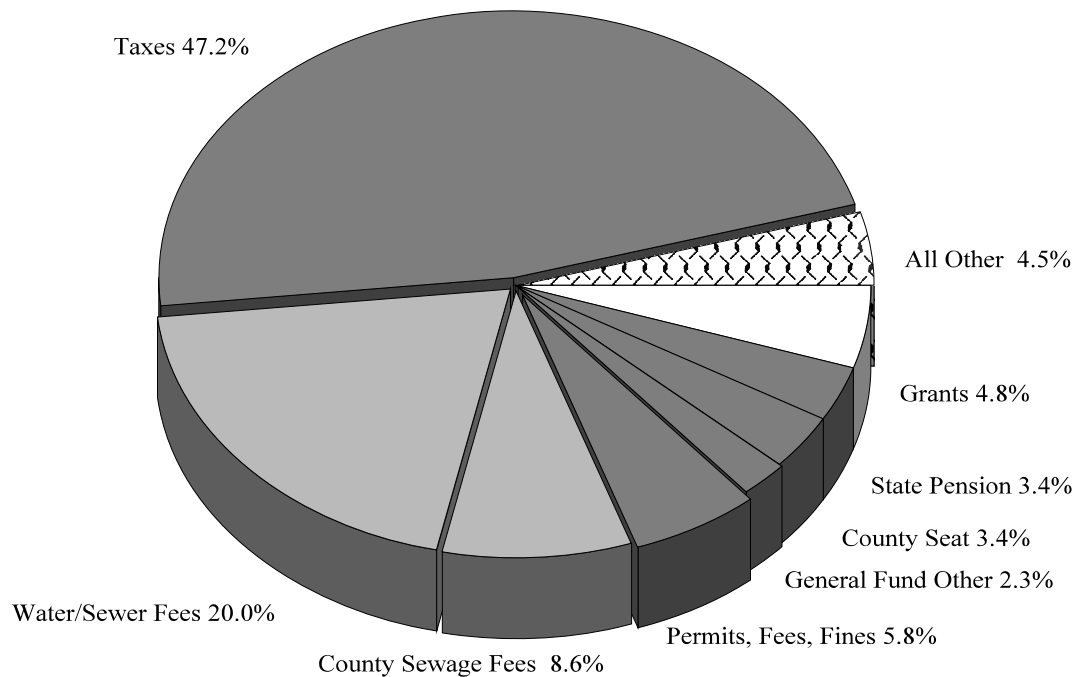
EXPENDITURES	ACTUAL FY2008	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
General Fund					
Personal Services	\$83,762,498	\$97,060,229	\$93,489,795	\$94,646,269	\$93,079,367
M. S. & E.	26,345,544	31,368,994	35,048,618	36,642,083	33,743,502
Debt Service	11,784,442	11,777,029	11,549,349	15,149,785	11,553,187
Other	809,673	639,371	656,461	1,176,054	961,030
Subtotal	122,702,157	140,845,623	140,744,223	147,614,191	139,337,086
Water/Sewer Fund					
Personal Services	9,630,491	9,796,464	9,430,688	9,850,266	10,293,235
M. S. & E.	28,300,613	31,452,686	33,621,126	35,617,665	39,134,772
Debt Service	4,409,703	5,635,798	5,506,711	5,675,557	6,496,989
Other	5,644,453	6,225,668	6,419,913	6,628,576	6,628,576
Subtotal	47,985,260	53,110,616	54,978,438	57,772,064	62,553,572
Commerce Fund					
Personal Services	647,030	758,945	0	0	0
M. S. & E.	1,563,938	2,307,105	0	0	0
Debt Service	5,764,041	3,741,116	0	0	0
Subtotal	7,975,009	6,807,166	0	0	0
Special Funds					
Personal Services	6,330,638	2,617,588	3,307,562	4,066,939	5,043,803
M. S. & E.	6,538,981	4,858,626	4,033,812	4,312,550	5,301,411
Other	2,263,570	4,547,284	3,595,420	3,496,573	3,266,299
Subtotal	15,133,189	12,023,498	10,936,794	11,876,062	13,611,513
Total Expenditures	\$193,795,615	\$212,786,903	\$206,659,455	\$217,262,317	\$215,502,171
INCOME (LOSS)					
General Fund	10,097,373	(5,510,047)	(794,558)	44,258	4,309
Water/Sewer Fund	3,198,754	(3,275,745)	(2,629,293)	201,430	1,174,551
Commerce Fund	(6,848,687)	(3,727,622)	0	0	0
Special Funds	0	0	0	0	0
Total Income (Loss)	\$6,447,440	(\$12,513,414)	(\$3,423,851)	\$245,688	\$1,178,860

SUMMARY ALL FUNDS COMBINED FISCAL YEAR 2012

<u>Revenues</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Taxes	\$95,279,953	\$101,075,449	\$107,170,400	\$101,175,296	-5.6%	38
Permits, Fees, Fines	10,757,273	12,072,268	14,022,291	12,672,291	-9.6%	38
Task Force Revenues	4,102,645	3,840,957	3,790,500	3,884,800	2.5%	38
County Seat Relief	7,505,338	7,546,150	7,214,065	7,383,771	2.4%	38
State Pension Contr.	7,554,785	7,434,474	7,470,072	7,470,072	0.0%	38
General Fund Other	10,135,582	5,144,809	6,312,955	5,252,193	-16.8%	38
Water/Sewer Fees	31,125,312	34,585,206	38,495,371	43,734,000	13.6%	42
County Sewage Fees	17,610,381	16,717,945	18,508,123	18,847,123	1.8%	42
Water/Sewer Other	1,099,178	1,045,994	970,000	1,147,000	18.2%	42
Port Debt Reimburse.	3,079,544	2,835,558	1,678,166	1,502,972	-10.4%	38 & 44
Special Funds Grants	9,807,230	9,062,038	8,734,043	10,373,150	18.8%	40
Special Funds Other	2,216,268	1,874,756	3,142,019	3,238,363	3.1%	40
Total Revenues	<u>\$200,273,489</u>	<u>\$203,235,604</u>	<u>\$217,508,005</u>	<u>\$216,681,031</u>	<u>-0.4%</u>	

* See page listed for further information and details.

Revenues All Funds Fiscal Year 2012

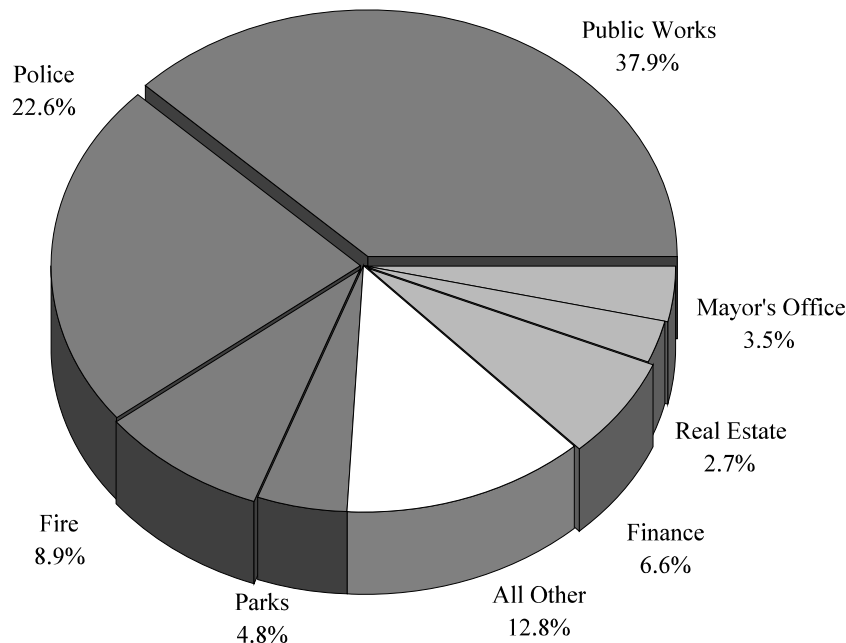


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2012

<u>Expenditures</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Mayor's Office	\$10,678,320	\$7,840,386	\$8,575,113	\$7,623,063	-11.1%	93
Council	2,766,296	2,607,420	2,566,968	2,414,576	-5.9%	103
Treasurer	2,562,894	2,205,791	3,457,169	3,496,876	1.1%	107
Planning	1,793,256	1,530,339	1,647,788	1,622,996	-1.5%	114
Auditing	705,782	743,137	755,134	720,861	-4.5%	122
Law	2,837,106	2,850,396	3,102,185	2,990,727	-3.6%	127
Finance	11,062,195	11,395,337	14,613,403	13,920,180	-4.7%	133
Human Resources	1,776,445	1,767,195	1,894,896	1,888,186	-0.4%	143
Licenses & Inspections	4,623,515	4,274,848	4,493,807	4,359,326	-3.0%	153
Parks & Recreation	11,588,482	11,197,268	10,578,403	10,449,033	-1.2%	159
Fire	20,783,148	19,174,353	19,654,529	19,389,576	-1.3%	169
Police	51,772,408	52,560,255	49,047,875	49,026,354	0.0%	177
Public Works	71,448,636	72,337,033	80,554,396	81,665,146	1.4%	188
Real Estate & Housing	7,399,187	5,100,432	6,010,098	5,822,254	-3.1%	202
Commerce (Port Debt)	3,434,447	3,640,792	2,318,346	2,096,986	-9.5%	215
State Pension Contr.	7,554,786	7,434,473	7,470,072	7,470,071	0.0%	170 & 178
Contingent Reserves	<u>0</u>	<u>0</u>	<u>522,135</u>	<u>545,960</u>	<u>4.6%</u>	93
Total Expenditures	<u>\$212,786,903</u>	<u>\$206,659,455</u>	<u>\$217,262,317</u>	<u>\$215,502,171</u>	<u>-0.8%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2012



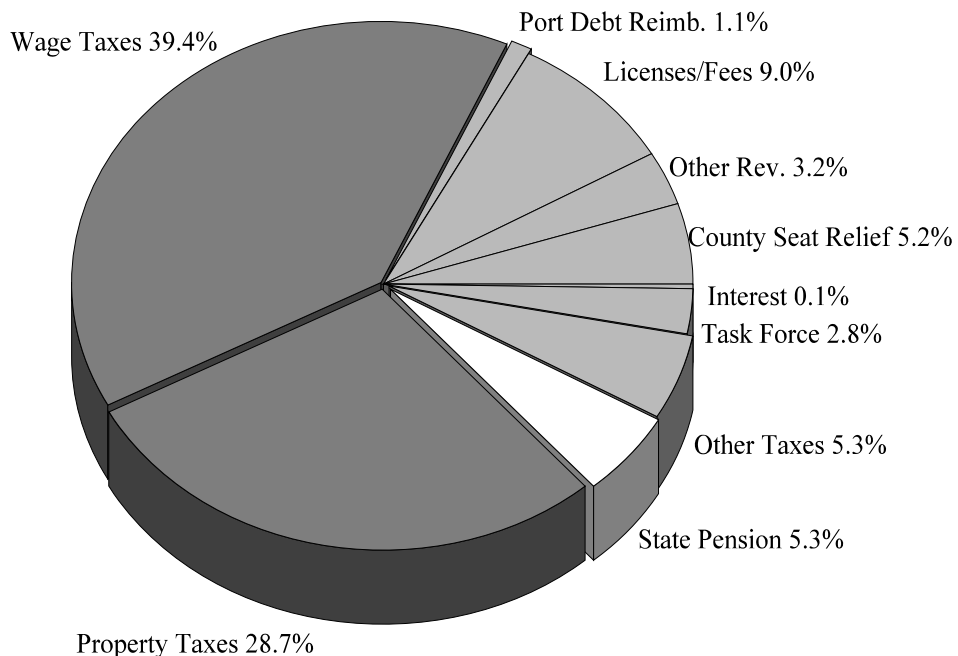
SUMMARY OF GENERAL FUND FISCAL YEAR 2012

<u>Revenues</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Wage Tax	\$55,905,516	\$58,839,798	\$60,515,387	\$55,473,500	-8.3%	70
Property Tax	31,911,857	35,398,064	39,152,150	38,540,757	-1.6%	71
Other Taxes	7,462,580	6,837,587	7,502,863	7,161,039	-4.6%	72
Licenses, Permits, Fees & Fines	10,757,273	12,072,268	14,022,291	12,672,291	-9.6%	73
Interest	1,702,753	405,970	500,000	162,500	-67.5%	74
Other Revenues	8,157,829	4,463,839	4,412,533	4,512,533	2.3%	75
Task Force Revenues	4,102,645	3,840,957	3,790,500	3,884,800	2.5%	76
County Seat Relief	7,505,338	7,546,150	7,214,065	7,383,771	2.4%	77
State Pension Contr.	7,554,785	7,434,474	7,470,072	7,470,072	0.0%	78
Port Debt Reimburse.	0	2,835,558	1,678,166	1,502,972	-10.4%	78
Prior Yr Desig./Surplus	0	0	0	0	0.0%	79
Transfers In/(Out)	<u>275,000</u>	<u>275,000</u>	<u>1,400,422</u>	<u>577,160</u>	<u>-58.8%</u>	79
Total Revenues	<u>\$135,335,576</u>	<u>\$139,949,665</u>	<u>\$147,658,449</u>	<u>\$139,341,395</u>	<u>-5.6%</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 2012



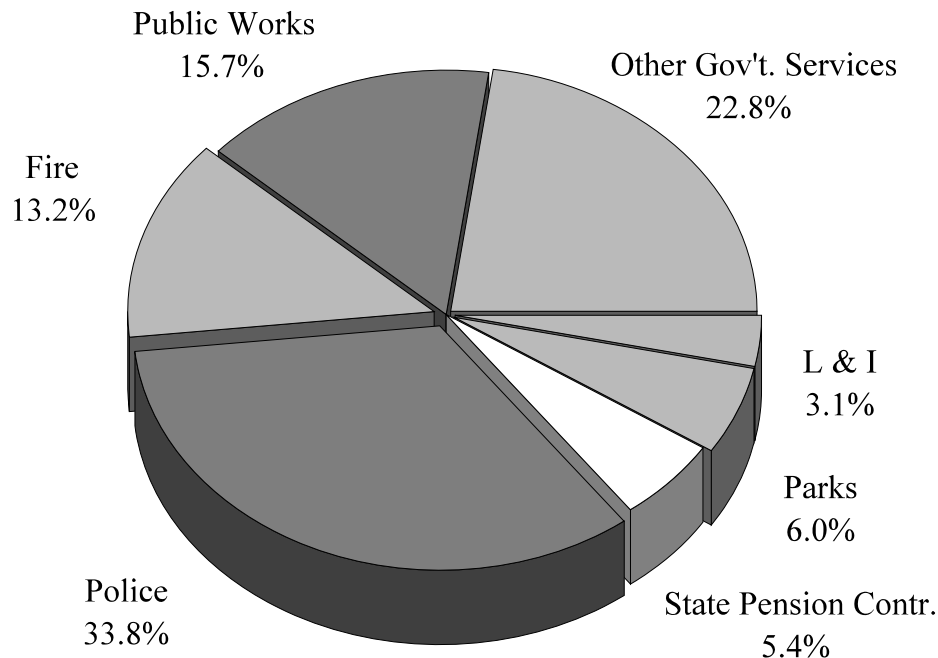
SUMMARY OF GENERAL FUND FISCAL YEAR 2012

<u>Expenditures</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Mayor's Office	\$7,183,874	\$7,739,524	\$8,517,665	\$7,562,959	-11.2%	93
Council	2,766,296	2,607,420	2,566,968	2,414,576	-5.9%	103
Treasurer	458,458	443,059	471,342	414,705	-12.0%	107
Planning	1,735,963	1,480,363	1,588,822	1,561,942	-1.7%	114
Audit	647,853	686,137	696,134	660,861	-5.1%	122
Law	2,837,106	2,850,396	3,102,185	2,990,727	-3.6%	128
Finance	7,742,815	8,191,122	10,953,175	10,308,083	-5.9%	134
Human Resources	1,776,445	1,767,195	1,894,896	1,888,186	-0.4%	144
Licenses & Inspections	4,623,515	4,274,848	4,493,807	4,359,326	-3.0%	154
Parks & Recreation	10,057,011	8,948,371	8,479,962	8,350,592	-1.5%	160
Fire	20,682,795	19,081,892	19,454,341	18,365,773	-5.6%	169
Police	50,136,111	50,068,722	47,308,823	47,148,616	-0.3%	178
Public Works	20,046,742	20,530,319	26,501,560	21,893,437	-17.4%	188
Real Estate & Housing	2,595,853	999,590	1,273,958	1,304,286	2.4%	202
Commerce (Port Debt)	0	3,640,792	2,318,346	2,096,986	-9.5%	215
State Pension Contr.	7,554,786	7,434,473	7,470,072	7,470,071	0.0%	170 & 178
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>522,135</u>	<u>545,960</u>	<u>-4.6%</u>	93
Total Expenditures	<u>\$140,845,623</u>	<u>\$140,744,223</u>	<u>\$147,614,191</u>	<u>\$139,337,086</u>	<u>-5.6%</u>	

* See page listed for further information and details.

** FY 2012 includes \$300,000 for operating contingencies, \$125,000 for snow and weather emergencies, \$100,000 for the FED UP program, \$100,000 for Council requested funding for not yet specified youth-related services, and a \$79,040 offset as a place marker for expected healthcare savings from union contract revisions.

General Fund Expenditures Fiscal Year 2012



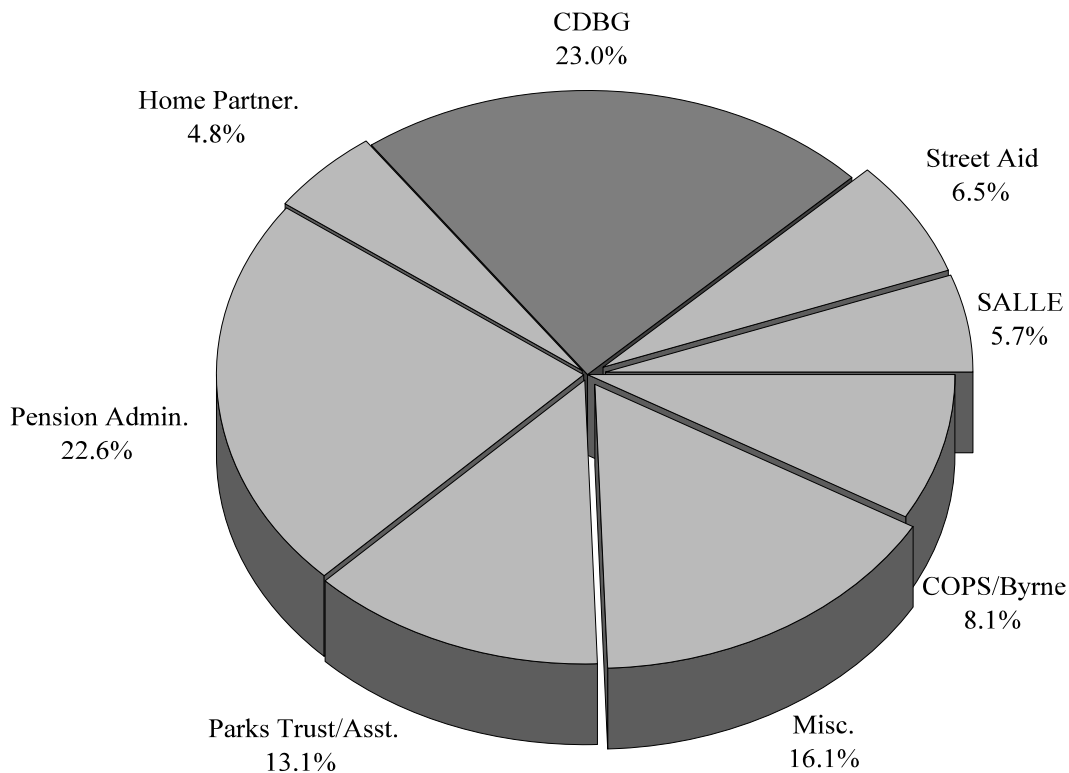
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2012

<u>Revenues</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Municipal Street Aid	\$1,668,587	\$89,491	\$0	\$890,234	N/A	80
CDBG	3,068,273	2,785,370	3,185,792	3,125,250	-1.9%	80
COPS Grant	0	272,371	1,145,283	1,058,446	-7.6%	80
NCC Police Grant	42,936	0	0	0	0.0%	81
Parks Assistance	1,419,639	2,136,873	1,627,249	1,627,249	0.0%	81
Parks Trust Fund	111,832	112,024	156,192	156,192	0.0%	81
SALLE/LLEBG	1,435,610	609,277	593,769	776,030	30.7%	82
Pension Admin.	2,104,436	1,762,732	2,985,827	3,082,171	3.2%	82
Home Partnership	996,014	611,682	730,056	657,050	-10.0%	82
Byrne Grant	157,751	1,609,885	0	43,262	N/A	83
Miscellaneous Grants	<u>1,018,420</u>	<u>947,089</u>	<u>1,451,894</u>	<u>2,195,629</u>	<u>51.2%</u>	83
Total Revenues	<u>\$12,023,498</u>	<u>\$10,936,794</u>	<u>\$11,876,062</u>	<u>\$13,611,513</u>	<u>14.6%</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 2012



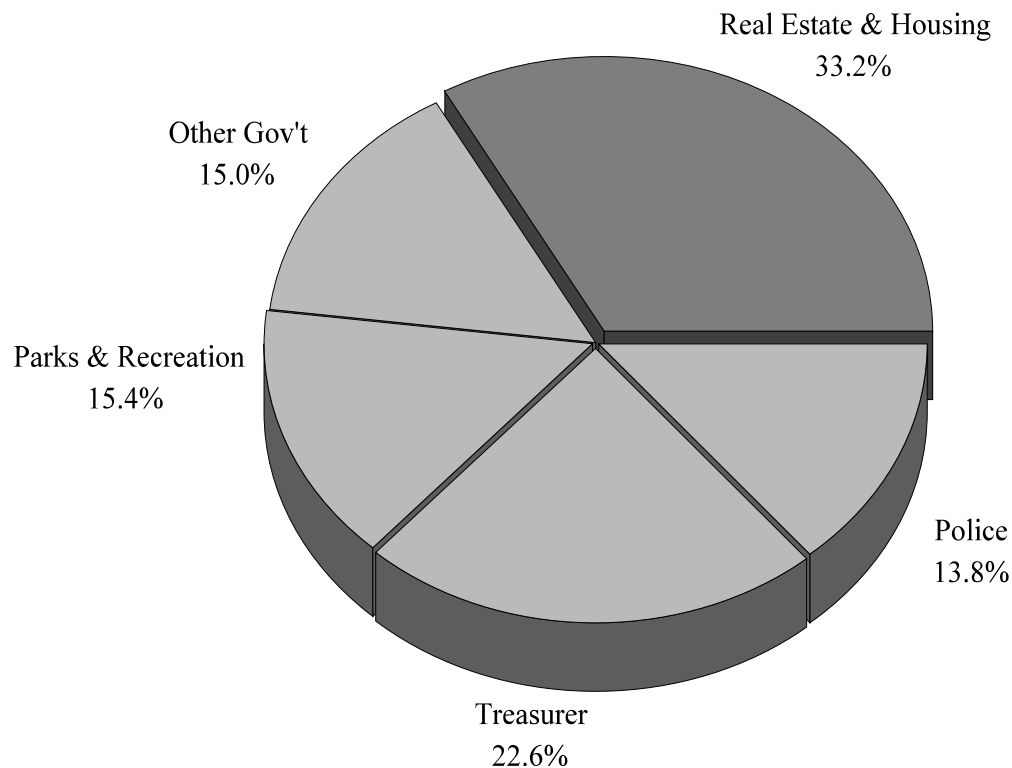
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2012

<u>Expenditures</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Mayor's Office	\$121,727	\$100,862	\$57,448	\$60,104	4.6%	94
Treasurer	2,104,436	1,762,732	2,985,827	3,082,171	3.2%	108
Planning	57,293	49,976	58,966	61,054	3.5%	114
Law	0	0	0	0	0.0%	N/A
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,531,471	2,248,897	2,098,441	2,098,441	0.0%	160
Fire	100,353	92,461	200,188	1,023,803	411.4%	170
Police	1,636,297	2,491,533	1,739,052	1,877,738	8.0%	178
Public Works	1,668,587	89,491	0	890,234	N/A	189
Real Estate & Housing	<u>4,803,334</u>	<u>4,100,842</u>	<u>4,736,140</u>	<u>4,517,968</u>	<u>-4.6%</u>	202
Total Expenditures	<u>\$12,023,498</u>	<u>\$10,936,794</u>	<u>\$11,876,062</u>	<u>\$13,611,513</u>	<u>14.6%</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 2012

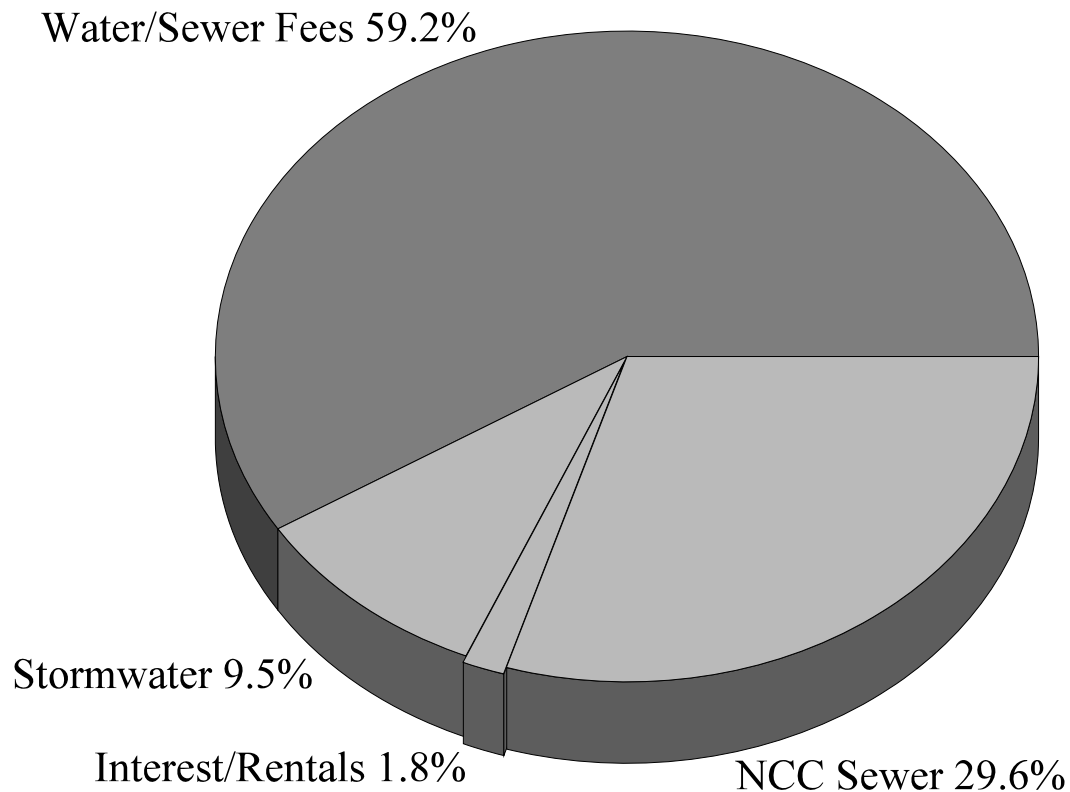


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2012**

Revenues	Actual FY 2009	Actual FY 2010	Budget FY 2011	Budget FY 2012	Percent Change FY'12-'11	Page Reference*
Water/Sewer						
User Fees	\$26,329,957	\$29,093,942	\$33,403,975	\$37,703,000	12.9%	84
Stormwater Billings	4,795,355	5,491,264	5,091,396	6,031,000	18.5%	85
New Castle County						
Sewer Services	17,610,381	16,717,945	18,508,123	18,847,123	1.8%	86
Interest	313,311	131,228	150,000	38,000	-74.7%	87
Rentals	785,867	914,766	820,000	1,109,000	35.2%	88
Miscellaneous	0	0	0	0	0.0%	88
Total Revenues	<u>\$49,834,871</u>	<u>\$52,349,145</u>	<u>\$57,973,494</u>	<u>\$63,728,123</u>	<u>9.9%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2012

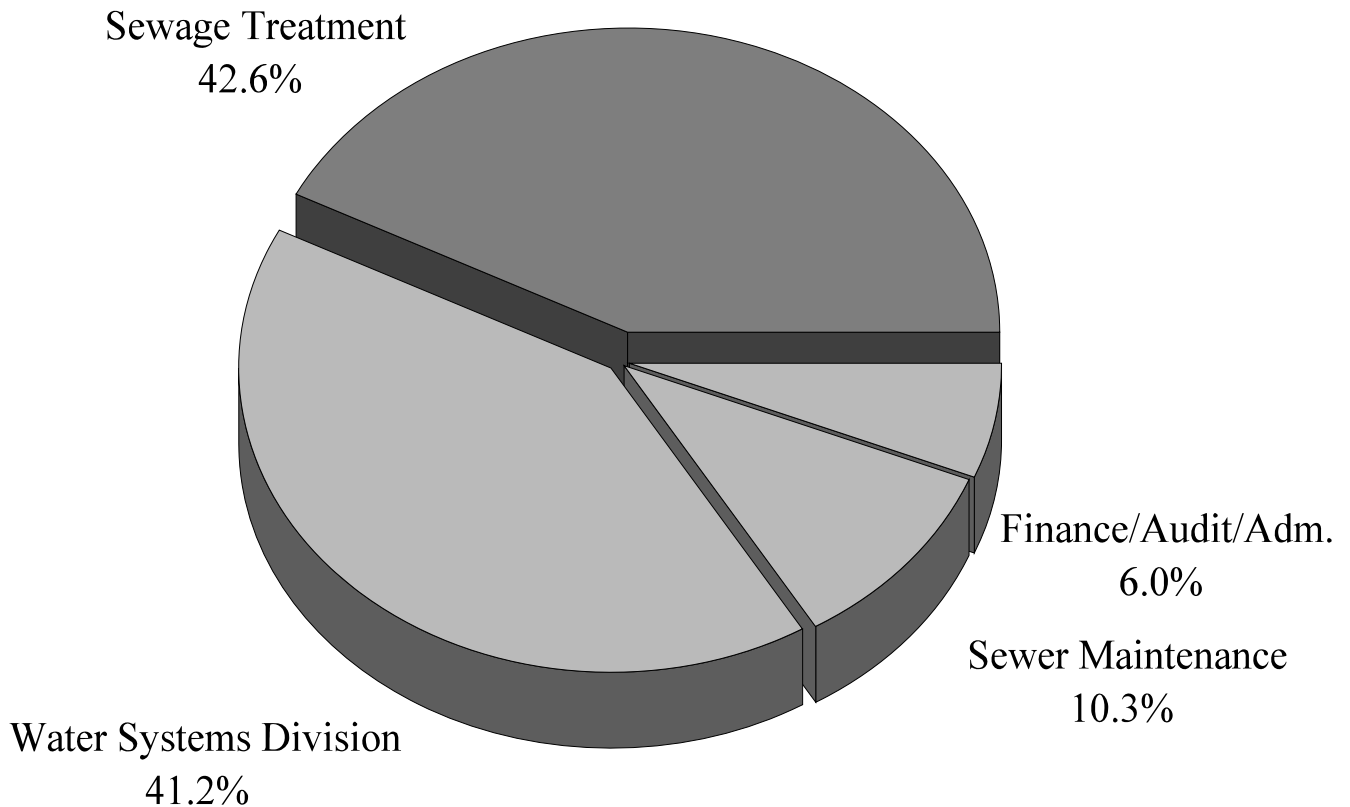


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2012**

<u>Expenditures</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Auditing	\$57,929	\$57,000	\$59,000	\$60,000	1.7%	122
Finance	3,319,380	3,204,215	3,660,228	3,612,097	-1.3%	134
Public Works	<u>49,733,307</u>	<u>51,717,223</u>	<u>54,052,836</u>	<u>58,881,475</u>	<u>8.9%</u>	188
Total Expenditures	<u>\$53,110,616</u>	<u>\$54,978,438</u>	<u>\$57,772,064</u>	<u>\$62,553,572</u>	<u>8.3%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2012



**SUMMARY OF COMMERCE FUND
FISCAL YEAR 2012**

<u>Revenues</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
State Debt Reimbursement	\$2,579,431	\$0	\$0	\$0	0.0%	89
Miscellaneous	113	0	0	0	0.0%	89
Gain on Sale of Land	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	89
Total Revenues	<u>\$3,079,544</u>	<u>\$0</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 2012**

<u>Expenditures</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Mayor's Office	\$3,372,719	\$0	\$0	\$0	0.0%	94
Commerce	<u>3,434,447</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	215
Total Expenditures	<u>\$6,807,166</u>	<u>\$0</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.

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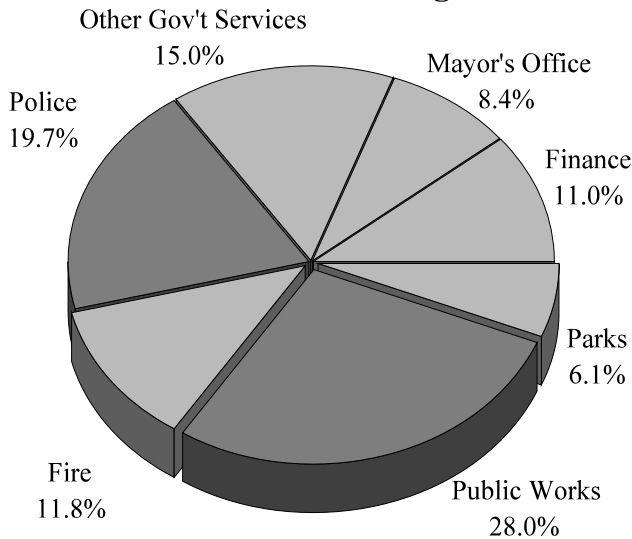
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2012

<u>Expenditures**</u>	<u>Actual FY 2009</u>	<u>Actual FY 2010</u>	<u>Budget FY 2011</u>	<u>Budget FY 2012</u>	<u>Percent Change FY'12-'11</u>	<u>Page Reference*</u>
Mayor's Office (IT)	\$6,388,289	\$6,071,686	\$6,895,342	\$7,698,674	11.7%	94
Human Resources (Risk Mgmt., Work. Comp., Health)	19,251,481	21,777,410	21,411,896	22,517,262	5.2%	144
Public Works (Motor Vehicle)	<u>5,971,118</u>	<u>6,379,598</u>	<u>6,770,518</u>	<u>6,770,084</u>	<u>0.0%</u>	189
Total Expenditures	<u>\$31,610,888</u>	<u>\$34,228,694</u>	<u>\$35,077,756</u>	<u>\$36,986,020</u>	<u>5.4%</u>	

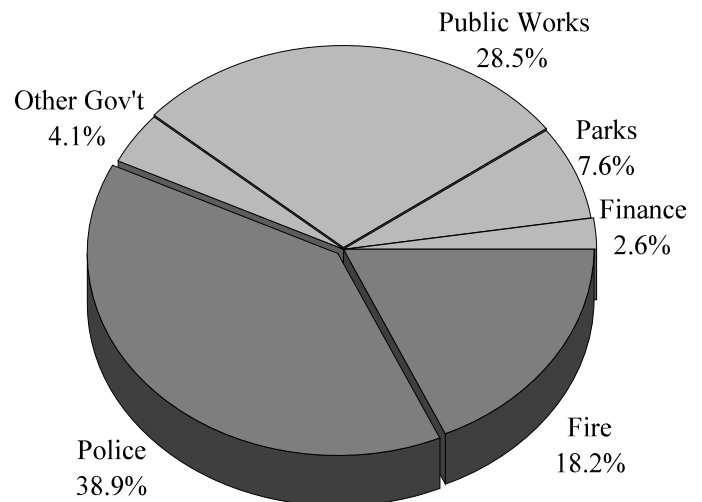
* See page listed for further information and details.

** 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 '12 Internal Service Charge Allocations



Self-Insurance Program FY '12 Internal Service Charge Allocations



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
FINANCE	G	1,021	0	760	0	723	0	2,504	2,504
	W	606	0	1,607	0	1,119	0	3,332	3,332
	I	21	0	0	0	0	0	21	21
FIRE	G	4,650	0	3,750	0	4,035	0	12,435	12,435
OFFICE OF THE MAYOR	G	17,588	0	1,500	0	1,250	0	20,338	20,338
	I	700	0	0	0	0	0	700	700
PARKS AND RECREATION	G	2,580	0	3,880	0	2,630	0	9,090	9,090
	O	1,300	0	300	0	300	0	0	1,900
POLICE	G	650	0	250	0	250	0	1,150	1,150
PUBLIC WORKS	G	5,100	0	12,000	0	12,000	0	29,100	29,100
	W	20,200	0	53,550	0	37,300	0	111,050	111,050
	O	2,000	0	0	0	0	0	0	2,000
REAL ESTATE & HOUSING	G	150	0	1,500	0	1,500	0	3,150	3,150
TRANSPORTATION	G	3,300	0	2,450	0	2,450	0	8,200	8,200
	O	10,000	0	0	0	0	0	0	10,000
TOTAL BY FUND	G	35,039	0	26,090	0	24,838	0	85,967	85,967
	O	13,300	0	300	0	300	0	0	13,900
	W	20,806	0	55,157	0	38,419	0	114,382	114,382
	I	721	0	0	0	0	0	721	721
GRAND TOTAL		69,866	0	81,547	0	63,557	0	201,070	214,970

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
FINANCE	NS	66	0	189	0	74	0	329	329
	NR	461	0	119	0	129	0	709	709
	UE	758	0	1,041	0	774	0	2,573	2,573
	RE	363	0	1,018	0	865	0	2,246	2,246
FIRE	NR	3,650	0	2,000	0	2,285	0	7,935	7,935
	RE	1,000	0	1,750	0	1,750	0	4,500	4,500
OFFICE OF THE MAYOR	NS	2,488	0	1,000	0	1,000	0	4,488	4,488
	UE	15,800	0	500	0	250	0	16,550	16,550
PARKS AND RECREATION	NS	0	0	1,100	0	100	0	1,200	1,200
	UE	1,580	0	1,730	0	1,480	0	4,340	4,790
	RE	2,300	0	1,350	0	1,350	0	3,550	5,000
POLICE	UE	650	0	250	0	250	0	1,150	1,150
PUBLIC WORKS	NS	300	0	2,750	0	500	0	3,550	3,550
	NR	2,700	0	0	0	0	0	2,700	2,700
	UE	12,700	0	31,800	0	22,800	0	65,300	67,300
	RE	11,600	0	31,000	0	26,000	0	68,600	68,600
REAL ESTATE & HOUSING	NS	0	0	1,000	0	1,000	0	2,000	2,000
	UE	150	0	500	0	500	0	1,150	1,150
TRANSPORTATION	NR	12,750	0	2,000	0	2,000	0	6,750	16,750
	UE	550	0	450	0	450	0	1,450	1,450
TOTAL BY EXPENDITURE CATEGORY									
NS		2,854	0	6,039	0	2,674	0	11,567	11,567
NR		19,561	0	4,119	0	4,414	0	18,094	28,094
UE		32,188	0	36,271	0	26,504	0	92,513	94,963
RE		15,263	0	35,118	0	29,965	0	78,896	80,346
GRAND TOTAL		69,866	0	81,547	0	63,557	0	201,070	214,970

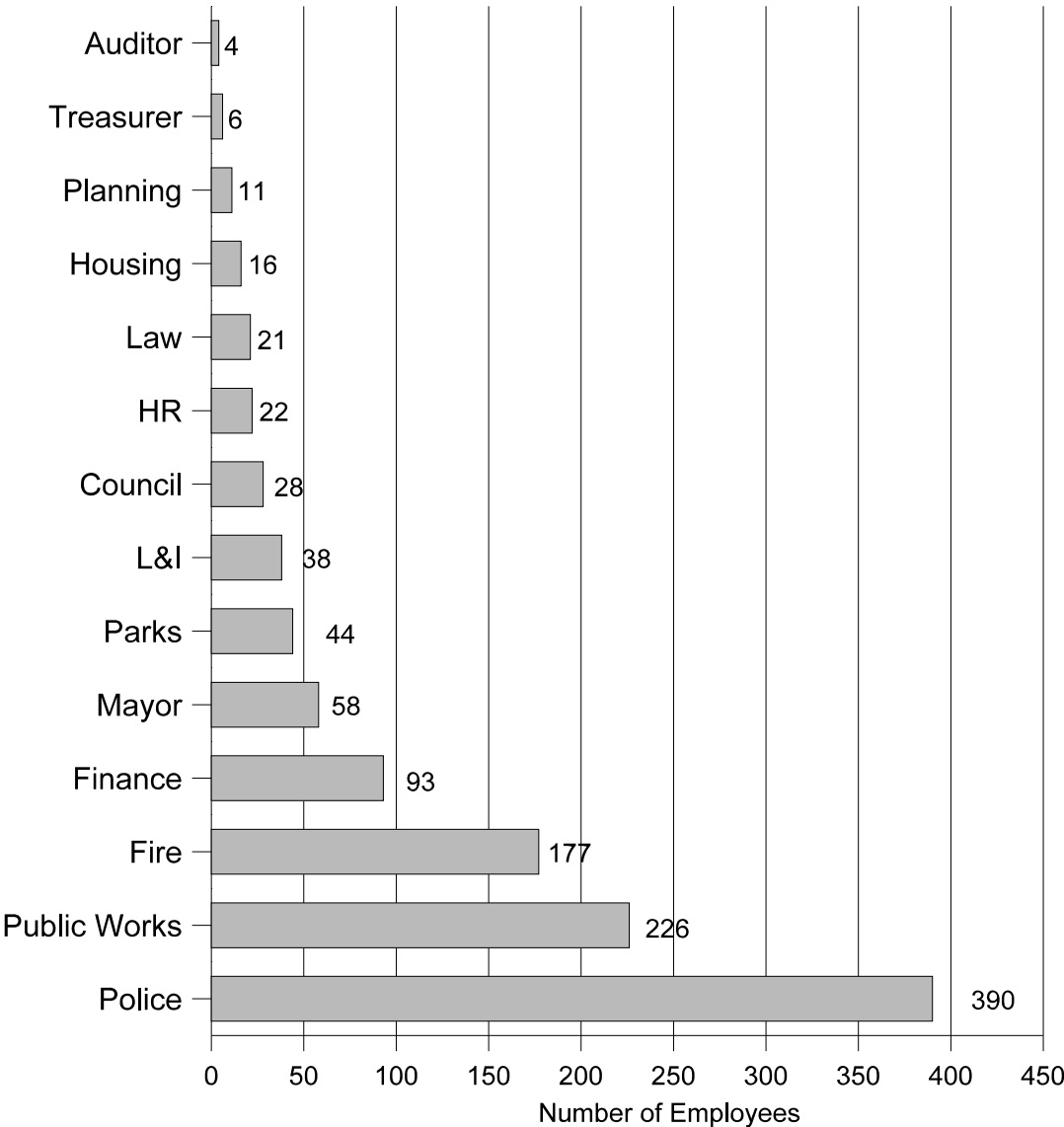
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2012

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</u>
Mayor's Office	60.00	60.00	60.00	59.00	58.00	(1.00)
Council	29.00	29.00	29.00	29.00	28.00	(1.00)
Treasurer	7.00	7.00	7.00	7.00	6.00	(1.00)
Planning	11.00	12.00	12.00	12.00	11.00	(1.00)
Auditing	5.00	5.00	5.00	5.00	4.00	(1.00)
Law	22.00	23.00	23.00	23.00	21.00	(2.00)
Finance	68.00	70.00	75.00	97.00	93.00	(4.00)
Human Resources	22.00	23.00	23.00	23.00	22.00	(1.00)
Licenses & Inspections	45.00	46.00	44.00	42.00	38.00	(4.00)
Parks & Recreation	54.00	58.00	53.00	50.00	44.00	(6.00)
Fire	179.00	180.00	172.00	172.00	177.00	5.00
Police	429.00	431.00	416.00	402.00	390.00	(12.00)
Public Works	231.00	235.00	229.00	229.00	226.00	(3.00)
Real Estate & Housing	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>16.00</u>	<u>(1.00)</u>
TOTAL	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>1,134</u>	<u>(33.00)</u>
Total Employees per every 1,000 Persons	<u>16.19</u>	<u>16.42</u>	<u>16.44</u>	<u>16.47</u>	<u>16.01</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2012
(ALL FUNDS)**



Over 73% (or 831) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2012**

**GENERAL FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</u>
Mayor's Office	29.50	29.50	38.50	37.50	34.50	(3.00)
Council	29.00	29.00	29.00	29.00	28.00	(1.00)
Treasurer	3.42	3.42	3.42	3.42	2.92	(0.50)
Planning	10.60	11.60	11.60	11.60	10.60	(1.00)
Auditing	5.00	5.00	5.00	5.00	4.00	(1.00)
Law	22.00	23.00	23.00	23.00	21.00	(2.00)
Finance	38.85	39.75	44.25	67.55	65.45	(2.10)
Human Resources	15.00	16.00	16.00	16.00	15.00	(1.00)
Licenses & Inspections	45.00	46.00	44.00	42.00	38.00	(4.00)
Parks & Recreation	54.00	58.00	53.00	50.00	44.00	(6.00)
Fire	179.00	180.00	172.00	172.00	164.00	(8.00)
Police	369.00	424.00	408.00	378.00	365.00	(13.00)
Public Works	124.00	129.25	126.25	126.25	123.25	(3.00)
Real Estate & Housing	<u>2.20</u>	<u>2.41</u>	<u>2.43</u>	<u>1.83</u>	<u>1.35</u>	<u>(0.48)</u>
TOTAL	<u>926.57</u>	<u>996.93</u>	<u>976.45</u>	<u>963.15</u>	<u>917.07</u>	<u>(46.08)</u>

**SPECIAL FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</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	3.08	(0.50)
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	14.80	14.59	14.57	15.17	14.65	(0.52)
Fire	0.00	0.00	0.00	0.00	13.00	13.00
Police	<u>60.00</u>	<u>7.00</u>	<u>8.00</u>	<u>24.00</u>	<u>25.00</u>	<u>1.00</u>
TOTAL	<u>79.28</u>	<u>26.07</u>	<u>27.05</u>	<u>43.65</u>	<u>56.63</u>	<u>12.98</u>

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2012**

**WATER/SEWER FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</u>
Finance	29.15	30.25	30.75	29.45	27.55	(1.90)
Public Works	<u>107.00</u>	<u>105.75</u>	<u>102.75</u>	<u>102.75</u>	<u>102.75</u>	<u>0.00</u>
TOTAL	<u>136.15</u>	<u>136.00</u>	<u>133.50</u>	<u>132.20</u>	<u>130.30</u>	<u>(1.90)</u>

**COMMERCE FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</u>
Mayor's Office	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>9.00</u>	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**INTERNAL SERVICE FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Budget FY2011</u>	<u>Budget FY2012</u>	<u>Net Change FY'12-'11</u>
Mayor's Office	21.00	21.00	21.00	21.00	23.00	2.00
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>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>30.00</u>	<u>2.00</u>
TOTAL ALL FUNDS	<u>1,179</u>	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>1,134</u>	<u>(33.00)</u>

Actual and Projected Fund Balances and Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2012**

Fund Balance Activity	Actual FY 2010	Estimated FY 2011	Projected FY 2012
Fund Balance as of July 1	\$32,729,925	\$31,044,506	\$33,875,572
Excess of Revenues Over/(Under) Expenditures	(962,476)	1,430,644	(572,851)
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	(997,943)	1,125,422	302,160
Transfer from/(to) Commerce Fund	-	-	-
Total Other Financing Sources/(Uses)	(722,943)	1,400,422	577,160
Net Change in Fund Balance	(1,685,419)	2,831,066	4,309
Total Fund Balance as of June 30	<u>\$31,044,506</u>	<u>\$33,875,572</u>	<u>\$33,879,881</u>

Summary of Fund Balance

Non-spendable	\$10,508,968	\$10,008,968	\$9,508,968
Budget Reserve *	14,761,419	13,933,709	14,802,409
Undesignated Reserve	<u>5,774,119</u>	<u>9,932,895</u>	<u>9,568,504</u>
Total Fund Balance as of June 30	<u>\$31,044,506</u>	<u>\$33,875,572</u>	<u>\$33,879,881</u>

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

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2012**

Fund Net Assets Activity	Actual FY 2010	Estimated FY 2011	Projected FY 2012
Net Assets as of July 1	\$87,007,540	\$84,895,158	\$84,882,541
Excess of Revenues Over/(Under) Expenditures	3,263,100	5,819,123	7,633,540
Non-Operating Revenues/(Expenses)			
Interest Expense	(5,406,473)	(5,869,240)	(6,496,989)
Other	<u>30,991</u>	<u>37,500</u>	<u>38,000</u>
Total Non-Operating Revenues/(Expenses)	(5,375,482)	(5,831,740)	(6,458,989)
Income/(Loss) Before Transfers	(2,112,382)	(12,617)	1,174,551
Transfer from/(to) General Fund	-	-	-
Change in Net Assets	(2,112,382)	(12,617)	1,174,551
Total Net Assets as of June 30	<u>\$84,895,158</u>	<u>\$84,882,541</u>	<u>\$86,057,092</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$110,672,786	\$112,672,786	\$113,172,786
Unrestricted	<u>(25,777,628)</u>	<u>(27,790,245)</u>	<u>(27,115,694)</u>
Total Fund Net Assets as of June 30	<u>\$84,895,158</u>	<u>\$84,882,541</u>	<u>\$86,057,092</u>

**CONSOLIDATED FUND BALANCE & NET ASSETS
GENERAL & WATER/SEWER FUNDS
FISCAL YEAR 2012**

Fund Balance & Net Assets Activity	Actual FY 2010	Estimated FY 2011	Projected FY 2012
Fund Balance & Net Assets as of July 1	\$119,737,465	\$115,939,664	\$118,758,113
Excess of Revenues Over/(Under) Expenditures	2,300,624	7,249,767	7,060,689
Total Other Financing Sources/(Uses)	(722,943)	1,400,422	577,160
Total Non-Operating Revenues/(Expenses)			
Water Fund	(5,375,482)	(5,831,740)	(6,458,989)
Operating Transfer to Water Fund from General Fund	-	-	-
Change in Fund Balance & Net Assets	(3,797,801)	2,818,449	1,178,860
Total Fund Balance & Net Assets as of June 30	<u>\$115,939,664</u>	<u>\$118,758,113</u>	<u>\$119,936,973</u>

Summary of Fund Balance & Net Assets

Non-spendable	\$10,508,968	\$10,008,968	\$9,508,968
Budget Reserve	14,761,419	13,933,709	14,802,409
Undesignated Reserve	5,774,119	9,932,895	9,568,504
Invested in Capital Assets, Net of Related Debt	110,672,786	112,672,786	113,172,786
Unrestricted	<u>(25,777,628)</u>	<u>(27,790,245)</u>	<u>(27,115,694)</u>
Total Fund Balance & Net Assets as of June 30	<u>\$115,939,664</u>	<u>\$118,758,113</u>	<u>\$119,936,973</u>



City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

<u>Revenue Type</u>	<u>Actual</u> <u>FY 2010</u>	<u>Projected</u> <u>FY 2011</u>	<u>Budget</u> <u>FY 2012</u>	<u>Projected</u> <u>FY 2013</u>	<u>Projected</u> <u>FY 2014</u>	<u>Projected</u> <u>FY 2015</u>	<u>Projected</u> <u>FY 2016</u>
Wage & Net Profits Tax	\$58,839,798	\$54,065,387	\$55,473,500	\$56,437,705	\$58,648,025	\$59,935,706	\$62,228,455
Property Tax	35,398,064	38,602,150	38,540,757	44,277,871	44,326,871	44,375,871	44,424,871
Real Estate Transfer Tax	1,883,389	1,852,313	\$1,852,313	\$1,889,359	\$1,936,593	\$1,994,691	\$2,156,660
Head Tax	3,178,931	3,686,000	3,560,000	3,596,000	3,668,000	3,740,000	3,920,000
Franchise Fee	1,775,266	1,764,550	1,748,726	1,783,701	1,828,293	1,883,142	1,939,636
Licenses, Permits, Fees & Fines	12,046,380	13,122,291	12,672,291	12,709,287	12,756,456	12,814,474	12,874,233
Interest Income	405,970	162,500	162,500	182,088	414,060	670,649	1,027,632
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	1,705,067	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Task Force Revenues	3,840,957	3,890,500	3,884,800	4,037,572	4,175,023	4,288,008	4,404,137
County Seat Relief Package	7,546,150	7,328,771	7,383,771	7,523,776	7,667,981	7,816,512	7,969,499
Other Governments	10,270,032	8,255,899	8,973,044	8,071,677	8,096,573	8,105,434	8,107,990
Total Revenues	\$139,674,664	\$137,242,894	\$138,764,235	\$145,021,568	\$148,030,408	\$150,137,019	\$153,565,645

<u>Expenditure Type</u>	<u>Actual</u> <u>FY 2010</u>	<u>Projected</u> <u>FY 2011</u>	<u>Budget</u> <u>FY 2012</u>	<u>Projected</u> <u>FY 2013</u>	<u>Projected</u> <u>FY 2014</u>	<u>Projected</u> <u>FY 2015</u>	<u>Projected</u> <u>FY 2016</u>
Salaries and Wages	\$61,972,801	\$61,535,078	\$58,814,473	\$59,501,280	\$60,354,793	\$60,065,157	\$61,387,321
Health Benefits	10,944,726	11,966,152	13,154,815	14,442,468	16,219,006	17,786,808	19,758,185
Pension and Retirement	10,551,500	10,847,654	12,423,606	13,356,258	12,308,614	12,765,436	13,481,671
Other Employee Benefits	2,586,294	1,236,701	1,216,401	1,171,300	1,063,637	893,814	676,786
Equipment & Services	17,749,938	17,750,971	18,108,803	18,531,595	18,981,521	19,442,906	19,916,041
General Liability	3,287,597	1,284,335	1,284,335	1,316,443	1,349,354	1,383,088	1,417,666
Workers' Compensation	3,587,330	2,842,982	2,842,982	2,892,692	2,938,589	2,967,926	2,997,264
Internal Services	10,423,753	11,875,868	12,053,342	12,419,849	12,745,177	13,079,587	13,423,349
Debt Service	11,549,349	8,348,518	11,553,187	14,092,917	13,132,399	13,570,351	14,201,244
Special Purpose	656,461	653,919	415,070	423,947	433,045	442,372	451,931
State Pension Contribution	7,434,474	7,470,072	7,470,072	7,171,269	7,171,269	7,171,269	7,171,269
Total Expenditures	\$140,744,223	\$135,812,250	\$139,337,086	\$145,320,019	\$146,697,405	\$149,568,714	\$154,882,726
Operating Surplus/(Deficit)	(\$1,069,559)	\$1,430,644	(\$572,851)	(\$298,451)	\$1,333,002	\$568,305	(\$1,317,081)
Net Adj. & Transfers In/(Out)	(615,860)	1,400,422	577,160	275,000	275,000	275,000	275,000
Surplus/(Deficit)	(\$1,685,419)	\$2,831,066	\$4,309	(\$23,451)	\$1,608,002	\$843,305	(\$1,042,081)
Total Fund Balance	\$31,044,506	\$33,875,572	\$33,879,881	\$33,856,430	\$35,464,432	\$36,307,737	\$35,265,656

ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS

BASE YEAR

Each year the Office of Management and Budget develops a five-year revenue and expenditure projection which covers the budget year (FY 2012), as well as the next four outyears (Fiscal Years 2013 through 2016). For FY 2012, the Approved Budget is shown, and is the base year upon which the Fiscal Year 2013 through 2016 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 2011 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 13, 2011 release projects headline Consumer Price Index (CPI) growth of 3.10% in calendar year 2011, followed by a decrease in inflation in 2012. Median long-range expectations for CPI growth are 2.35% per year.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2011	3.10%
2012	2.20%
2013	2.30%
2014	2.35%
2015	2.35%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 13, 2011

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 2012 Base Year: \$55,473,500 - 39.8% of total revenues)

The FY 2012 Wage Tax projection is \$50.5 million, a \$4.6 million net decrease from FY 2011. During FY 2011, the City abandoned its efforts to collect Wage and Net Profits Tax from the principals of Subchapter S Corporations located in the City. This factor, along with the expected loss of 700 jobs at Wilmington Trust Company (WTC), have reduced the projected Wage Tax revenue in FY 2012 by \$3.7 million. In addition, smaller audit discovery amounts and more time-to-pay arrangements are projected to decrease the Finance Department's Plan for Change audit collections by \$2 million, from \$7 million to \$5 million. However, offsetting some of these losses is a projected 2% growth in salaries and expected revenue from WTC severance pay. Together, these factors will add back about \$1.2 million. The Finance Department has projected that the Plan for Change audits, reviews and collection programs will continue to realize significant additional revenues over the next several years. For Fiscal Years 2013 and 2014, \$4.0 million in total Plan for Change revenue is forecasted, with a declining, but still sizable amount of \$3 million in FY 2015 and FY 2016.

Net Profits Tax revenue is projected to decrease by a net of \$440,000 for FY 2012 for a total of \$5.0 million. The decision to forego efforts to collect from Subchapter S Corporations resulted in a \$1 million decrease from the FY 2011 budget. However, enhanced collection efforts in other areas is expected to add nearly \$600,000 to the base figures.

In their June 2011 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 5.3% growth for FY 2013 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 outyear growth factor is necessary. Given the above, coupled with the fact that the City's recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to grow (exclusive of Plan for Change Revenue), by 3% in FY 2013, along with positive growth of 3.5% in Fiscal Years 2014 through 2016.

Property Tax (FY 2012 Base Year: \$38,540,757 - 27.7% of total revenues)

Property Taxes are projected to decrease by a net \$611,393 from FY 2011. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$400,000 in FY 2012 is in addition to the nearly \$530,000 in appeals and other adjustments in FY 2011. Approximately \$300,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will partially offset these reductions. Penalty and Interest, along with collections from prior years, will add \$620,000 in revenue for FY 2012, an increase of \$20,000.

Beginning in FY 2013, an additional \$50,000 has been added to the base each year resulting from property improvement reassessments. In addition, to offset the sizeable increases in projected expenses, a 15% Property Tax rate increase has been included for FY 2013. No further increases are projected.

Real Estate Transfer Tax (FY 2012 Base Year: \$1,852,313 - 1.3% of total revenues)

Real Estate Transfer Tax revenues have continued their downward turn during FY 2011. The number and average price of residential home sales have both declined further from prior years. Also, commercial property transfers have nearly disappeared during this time. As a result, FY 2011 revenues saw another \$200,000 decrease from the budgeted figure. This decrease to the base revenue is expected to continue

through FY 2012. A modest rebound is forecasted to begin in FY 2013 with 2% growth projected, 2.5% in FY 2014, and then 3% in FY 2015 and FY 2016.

Head Tax (FY 2012 Base Year: \$3,560,000 - 2.6% of total revenues)

Head Tax revenue is projected to decrease \$126,000 below the FY 2011 Budget. The recent acquisition of Wilmington Trust Company (WTC) by M&T Bank Corporation will result in the loss of approximately 700 jobs at WTC's headquarters in downtown Wilmington. Beyond FY 2012, it is 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 2013, and a net of 400 jobs annually beginning in FY 2014.

Franchise Fees (FY 2012 Base Year: \$1,748,726 - 1.3% of total revenues)

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2012, a slight decrease is projected from the FY 2011 budget of \$1.8 million. The recent remittance from Delmarva Power for FY 2011 was more than \$44,000 lower than the previous year. However, fees paid by Comcast have trended \$28,500 higher than the recent past, partially offsetting Delmarva's reduction. For FY 2012, the budgeted amounts are \$730,226 and \$1,018,500 for Delmarva and Comcast respectively. Moderate growth of both these sources is forecasted in FY 2013 and beyond, at a rate of between 2% and 3% annually.

Licenses, Permits, Fees, and Fines (FY 2012 Base Year: \$12,672,291 - 9.1% of total revenues)

Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines) will fall by a total of \$650,000. Criminal/Traffic Fines revenue is projected to total \$3.065 million in FY 2012, down a net \$250,000 from the FY 2011 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 \$700,000, as violations decrease at older sites, \$400,000 in additional revenue from the full conversion to a video capturing system instead of the still-photo one will net to an overall decline of \$300,000. 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 \$50,000 above the FY 2011 budget to match the current trend.

Parking Ticket/Booting Fines revenue is forecast to decrease by \$400,000 below the FY 2011 budgeted level. Revenues will be adversely affected by the set-aside of 100 metered spaces for student parking and the change in parking regulations that now allow downtown residents to park for free at 332 metered spots. These changes occurred in FY 2011 and are considered permanent. Parking Ticket/Booting Fines revenues are forecasted to remain at FY 2012 levels throughout the projection period.

Licenses, Permits and Fees revenue is projected to be just under \$3.45 million in FY 2012, or \$700,000 below the FY 2011 Budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees will fall by \$500,000 and \$200,000 respectively. Continued weakness in the construction sector has driven Building Permit revenue down, while Parking Meter Fees have declined as a result of the same changes outlined in Parking Ticket revenue above. The Permits and Fees portion of this revenue source (with a base of \$1.85 million) is projected to grow modestly in outyears, beginning at 2% in FY 2013. Business Licenses are forecasted to remain at the FY 2012 level for Fiscal Years 2013 through 2016.

Finally, no growth in Criminal/Traffic Fines, consisting largely of red-light camera fines and L & I Instant Ticketing revenues, is projected for the outyears.

Interest Income (FY 2012 Base Year: \$162,500 - 0.1% of total revenues)

Because of stubbornly low interest rates, coupled with lower cash balances, the Treasurer's Office has again reduced its Interest earnings forecast. The FY 2012 projection for interest earnings is \$162,500, a \$337,500 decrease from last year's budget. Going forward, an interest rate of 0.25% in FY 2012 is increased by 25 basis points each year and assumes the following additions to the investment base:

1. A weighted average of \$5 million from the unspent portion of the FY 2012 capital borrowing, plus \$10 million from an assumed FY 2014 capital borrowing will be invested in FY 2014 with decreasing balances in FY 2015 and FY 2016.
2. A weighted average of \$10 million from an assumed FY 2016 capital borrowing will be invested in FY 2016.

In addition, for FY 2013 through FY 2016, the projected annual increases or decreases in fund balance (surpluses or deficits) are added to or subtracted from the investment base.

Indirect Costs (FY 2012 Base Year: \$2,784,533 - 2.0% 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 in place, until a new comprehensive indirect cost plan is developed.

Other Miscellaneous Revenues (FY 2012 Base Year: \$1,728,000 - 1.2% of total revenues)

Other Revenues, consisting of Rental Income, General Government Charges and other Miscellaneous Income, will rise by an expected \$100,000, due to an increase of rental income from the garage facility at Christina Landing. No outyear growth is forecasted in these revenues.

Task Force Revenues (FY 2012 Base Year: \$3,884,800 - 2.8% 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. In total, Task Force Revenues are projected to be \$94,300 higher for FY 2012. Three of the four components of the Task Force Revenues will increase from the FY 2011 Budget: Corporate Filings by \$50,000, Limited Liability Corporate (LLC) Filings by \$150,000, and Lodging Tax by \$25,000. Natural Gas Tax, however, will fall by \$130,700 from the FY 2011 budgeted level.

For the outyears, Corporate Filings and LLC revenue has been increased by 5.0% for FY 2013, 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 1.5% for FY 2013, and 2% for Fiscal Years 2014 through 2016.

County Seat Relief Package (FY 2012 Base Year: \$7,383,771 - 5.3% of total revenues)

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

The FY 2012 projections total \$7.38 million. The breakout is as follows: \$2.4 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is down \$185,294 from the FY 2011 budget); \$3.84 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$455,000 from the FY 2011 budget); \$300,000 in Statutory Trust Filing Fees (down \$100,000 or 25% from the FY 2011 budget); and \$825,000 in New Castle County Corporate Filing Fees (no change). In total, there is a \$169,706 increase in County Seat Relief Package revenues from the FY 2011 Budget.

Excluding the PILOT and Statutory Trust Filing Fees, which are projected to remain at FY 2012 levels, the State is estimating 3% growth for FY 2013. Further growth of 3% for Fiscal Years 2014 through 2016 has also been incorporated into the projection.

Other Governments (FY 2012 Base Year: \$8,973,044 - 6.4% 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 2012, the projected grant amount remains the same as in FY 2011. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. As part of the terms of the sale, the State requested 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 to service the Port debt. The amount for FY 2012 will be \$1,502,972, and represents more than a \$175,000 decrease from FY 2011. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule. Because of declines in the State Pension Contributions in Fiscal Years 2010 and 2011, a 4% reduction is projected in FY 2013, but with no further declines for FY 2014 through FY 2016.

Net Adjustments & Transfers (FY 2012 Base Year: \$577,160 - 0.4% of total revenues)

There are no prior year designations in FY 2012. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000. In addition, a transfer of \$302,160 from the CATV Fund was needed to close the remaining gap and balance the budget. Beginning in FY 2013, only the WPA transfer is projected.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2012 Base Year: \$58,814,473 - 42.2% of total expenditures)

Estimates on the cost of labor agreements with the City's five bargaining units, as well as estimates of non-union employee expenses and assumptions on City-wide staffing levels, form the basis of the Salary and Wage projection. The FY 2012 budget serves as the base year for estimating future costs and takes into account reductions necessary to help balance the budget, including no allowance for Cost of Living Adjustments (COLAs), and a net decrease of 46 FTE positions. Suspending COLAs and reductions in staffing resulted in over \$5 million in savings in FY 2012, parts of which carry forward into expense projections for Fiscal Years 2013 through 2016. Anniversary-based salary step increases for all eligible employees continue during FY 2012, costing approximately \$700,000.

Due to the ongoing economic recession, no allowance for COLAs is being assumed for the entire projection period. However, anniversary-based step increases are assumed to continue. In addition, to further reduce expenses, it is assumed that each year, seven positions will be eliminated through attrition.

Also included in the projection are the estimated salary costs associated with 16 police officers hired in FY 2011 under the federally funded COPS grant, as well as five firefighters moved from the General Fund into the federally funded SAFER grant in FY 2012. This projection assumes that the City will not retain the officers hired under the COPS grant after January 2014. However, firefighters are assumed to remain employed, thereby requiring salary and benefit costs be borne by the General Fund following the expiration of the SAFER grant in FY 2014.

Health Benefits, Active Employees (FY 2012 Base Year: \$13,154,815 - 9.4% of total expenditures)

The 2011 Segal Health Plan Cost Trend Survey indicates that health plans similar to those offered by the City will experience cost increases of between 10%-12% for calendar year 2011. In an effort to continue to control inflationary healthcare costs in FY 2012, the Department of Human Resources negotiated the migration of the City's White-collar and Police union employees into revised healthcare plans, which include, among other changes, increased employee contributions equal to those implemented for non-union employees in FY 2011.

Beginning in FY 2012, the result of these newly negotiated healthcare changes is a total projected savings of roughly \$240,000 per year. The Police union healthcare savings were directly budgeted in FY 2012. However, because of the timing, only a lump sum savings figure of \$79,040 was put as an offset in the Mayor's Office contingent reserve to account for the projected White-collar union employee healthcare savings (see the Equipment and Services category below).

In addition, per the Department of Human Resources, \$150,000 in anticipated savings from the migration of the remaining City union employees into new healthcare plans is integrated into subsequent years of the Health Benefits category. Considering all these factors, the Department of Human Resources estimates an outyear cost growth of 11.2% annually.

Pension and Retirement Healthcare (FY 2012 Base Year: \$12,423,606 - 8.9% of total expenditures)

Because of extraordinary investment returns during the late 1990s, the City's required employer pension contributions had been below historic levels. 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 pension investment portfolios. By doing so, the City avoided an additional increase of over \$1

million to FY 2010 pension costs. However, this smoothing results in increased pension contributions for Fiscal Years 2012 through 2016, as the amortized increase is paid down. Considering this and other actuarially determined factors, a weighted-average increase of 5% across all pension plans is projected in Fiscal Years 2013 through 2016.

In addition to higher actuarial targets, union negotiated pension benefit increases for Police officers added projected pension costs of \$192,000 for Fiscal Years 2013 through 2016. Another notable change to the future of pension costs is the closing of current City pension plans to employees hired after July 1, 2011. Civilian employees hired after this date will participate in a pension plan administered by the State, similar to pension plans currently managed for City Police and Fire uniformed employees. This change is estimated to provide little significant savings in the short term, but in the longer term should provide significant savings as the City's workforce ages.

In FY 2000, the City developed, and opened to all employees, a retiree healthcare program. Since then, the unfunded liability for the program has grown dramatically, forcing ever increasing annual contributions in attempt to meet the actuarially required funding targets. In FY 2012, the Treasurer's Office implemented expansive revisions to the program to rein in the costs. These revisions to program benefits are prospective, and do not affect employees hired prior to July 1, 2011. Even with these changes, the Treasurer's Office foresees necessary annual increases of about \$203,000 (the General Fund's prorated contribution) for at least the next 10 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2012 is just over \$1.4 million.

Other Employee Benefits (FY 2012 Base Year: \$1,216,401 - 0.9% of total expenditures)

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

Equipment and Services (FY 2012 Base Year: \$18,108,803 - 13.0% of total expenditures)

This is a relatively broad grouping of expenditures that includes costs such as professional services contracts, landfill fees and utilities, as well as basic materials, supplies, and equipment. In general, Departmental managers have demonstrated the ability to effectively contain aggregate Equipment and Services costs, and maintain comparable levels of City services in the midst of unavoidable increases and significant budget reductions. Economic conditions mid-FY 2011 required nearly \$2 million in MS&E reductions, which carried forward and were expanded upon in FY 2012. Reductions in Landfill tipping fees, expenses for street repairs moved into the 2012 Capital Improvements Program, the elimination of the Independence Day festival, and the reinstated State Municipal Street Aid grant (which offsets street lighting electricity costs) were all large contributors to over \$1 million in additional MS&E costs reduced in FY 2012. These cost reductions are incorporated into the FY 2013 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). In FY 2012, an additional \$100,000 was budgeted for youth programs, partially offset by a \$79,040 contra-expense to account for anticipated savings due to the migration of white collar union employees into revised healthcare plans. These are considered one-time items, and thus, contingent reserves are projected to return to their base level of \$525,000 in each of the years subsequent to FY 2012.

To more accurately estimate future costs, electricity is analyzed separately, resulting in a FY 2012 General Fund electricity base cost of \$1.76 million, which excludes \$890,234 in restored Municipal Street Aid funding.

For the purposes of this projection, it is assumed the City will continue to receive Municipal Street Aid grant funding during FY 2013 through FY 2016. In addition, the projection assumes some electricity cost savings due to the guaranteed energy performance contract with Honeywell, equal to approximately \$80,000 per year for Fiscal Years 2013 through FY 2016. Overall, electricity rates during the outyears are projected to increase at 2.9% per year, per the Energy Information Administration's 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 2012 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 2012 Base Year: \$2,842,982 - 2.0% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been highly volatile from year to year. The FY 2012 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 2012 Base Year: \$12,053,342 - 8.7% of total expenditures)

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

In FY 2011, the City implemented the final stages of its comprehensive information technology upgrade and expansion program that had resulted in double-digit increases to Data Processing costs in recent years. Spikes in future costs largely relate to several annual large-scale improvement projects scheduled throughout the projected period, averaging approximately \$250,000. Data Processing costs outside of these projects are estimated to increase at rates similar to those of other MS&E categories for each year subsequent to FY 2012.

In addition, Motor Vehicle costs, which had increased significantly in recent years, have begun to show greater levels of consistency due to limited vehicle purchases, updated depreciation calculations, and reduced gasoline and diesel fuel cost growth. These fuel cost increases are projected to continue at 4.5% for each year subsequent to FY 2012, 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 2.7% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2013 through 2016.

Debt Service (FY 2012 Base Year: \$11,553,187 - 8.3% 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. FY 2012's Capital Improvements Program (CIP) consolidated prior year unfunded Capital projects into a more efficiently sized FY 2012 Capital Budget. The bond issuance to fund the FY 2012 Capital Budget will not take place before late summer, resulting in only one semi-annual debt service payment. These factors result in a debt service savings of over \$1.3 million, but are isolated to FY 2012 only. The projection for Fiscal Years 2013 through 2016 estimate the cost of a full year of debt service payments for the FY 2012 bond issuance.

In addition, a new borrowing of \$20 million is assumed to take place midway through FY 2014, with an additional \$20 million borrowed midway through FY 2016. 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.

Special Purpose (FY 2012 Base Year: \$415,070 - 0.3% of total expenditures)

This relatively small expenditure category funds services provided by the Delaware SPCA, the Wilmington Institute Free Library, and a portion of operational expenses for the City owned Rock Manor golf course. The FY 2012 Capital Improvements Program includes general obligation bonds for Rock Manor related debt, replacing Bond Anticipation Note payments formerly budgeted in Special Purpose. As such, Delaware SPCA and Rock Manor costs assume 2.5% annual growth on the FY 2012 base.

State Pension Contribution (FY 2012 Base Year: \$7,470,072 - 5.4% of total expenditures)

The State Pension Contribution, the grant from the State that is now booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, remained at \$7,470,072 for FY 2012. (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 decline by 4.0% in FY 2013, and then remain unchanged in Fiscal Years 2014 through 2016.

A Special Note Concerning the FY 2010 Net Adjustments & Transfers In/(Out)

Fiscal Year 2010 includes a net adjustment/transfer out of \$615,860. Among the items comprising this amount are the following: \$107,085 in as a result of Bond Issuance; the customary \$275,000 transfer in from the Wilmington Parking Authority to the City; the transfer out of \$302,160 to the Cable TV Fund in accordance with City Code; the transfer out of \$89,156 to a public safety program in a Special Revenue Fund from the Mayor's Contingency Funds, and a transfer of \$606,627 out to the emergency snow removal program in a Special Revenue Fund to cover unreimbursed costs and the matching funds required by a FEMA grant.



FISCAL YEAR 2012 REVENUES

Overview

GENERAL FUND

The effects of the continuing, severe economic downturn are projected to reduce total base revenue by another 5.1% in FY 2012. Where possible, revenue collection enhancements will be made to make up for reduced projected revenues. All of these are detailed in the discussion below. After taking these actions into account, total revenue before transfers is projected to decrease by a net \$7,493,792 below the FY 2011 Budget to a new total of \$138,764,235. The net change from Budget to Budget (FY 2012 vs. FY 2011) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
County Seat Relief Package	\$169,706	\$7,383,771
Other Revenues	100,000	4,512,533
Task Force Revenue	94,300	3,884,800
Other Governments	(175,194)	8,973,044
Interest	(337,500)	162,500
Other Taxes	(341,824)	7,161,039
Property Taxes	(611,393)	38,540,757
Fines	(650,000)	9,222,514
Licenses, Permits & Fees	(700,000)	3,449,777
Wage & Net Profits	(5,041,887)	55,473,500
TOTAL	(\$7,493,792)	\$138,764,235

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase almost \$5.8 million above FY 2011, to a new total of \$63.7 million in FY 2012. 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 had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, leading the City on the path to insolvency if nothing was 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.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

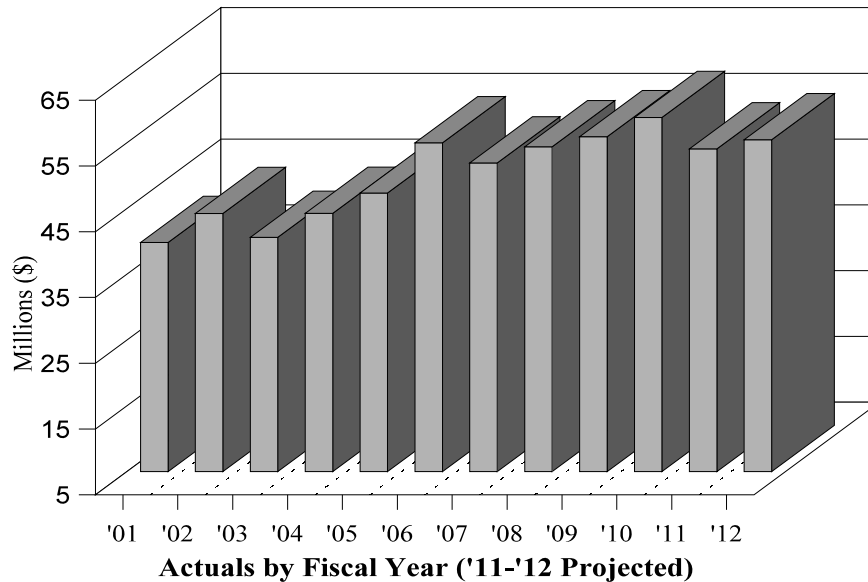
WAGE & NET PROFITS TAX

Basis: Growth of local economy

Critical Assumption: The FY 2012 Wage & Net Profits Tax projection is \$55.5 million, a \$5 million net decrease from FY 2011. During FY 2011, the City abandoned its efforts to collect Wage and Net Profits Tax from the principals of Subchapter S Corporations located in the City. This factor, along with the expected loss of 700 jobs at Wilmington Trust Company (WTC), have reduced the projected Wage Tax revenue in FY 2012 by \$3.7 million. In addition, smaller audit discovery amounts and more time-to-pay arrangements are projected to decrease the Finance Department's Plan for Change audit collections by \$2 million, from \$7 million to \$5 million. However, offsetting some of these losses is a projected 2% growth in salaries and expected revenue from WTC severance pay. Together, these factors will add back about \$1.2 million.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$55,905,516	\$58,839,798	\$60,515,387	\$54,065,387	\$55,473,500

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

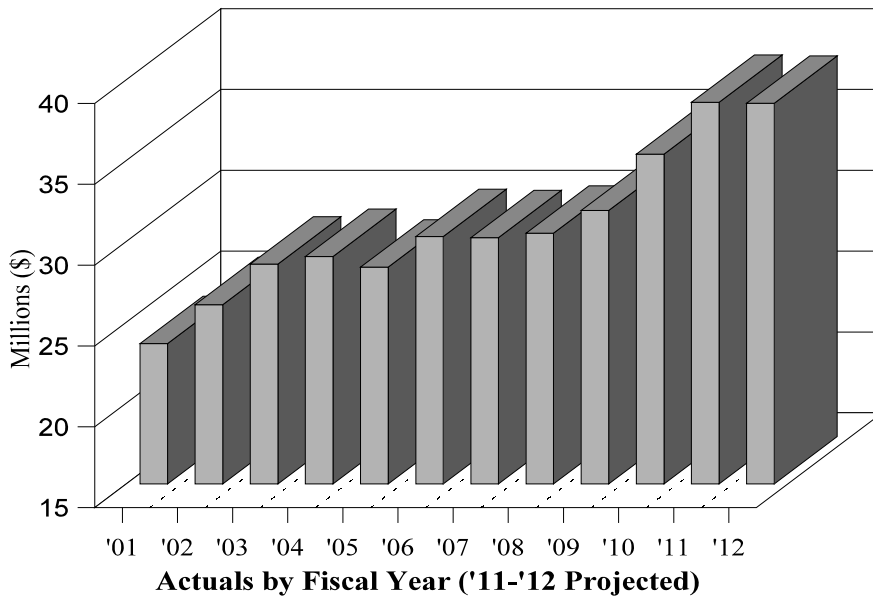
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to decrease by a net \$611,393. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$400,000 in FY 2012 is in addition to the nearly \$530,000 in appeals and other adjustments in FY 2011. Approximately \$300,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will partially offset these reductions. Penalty and Interest, along with collections from prior years will add \$620,000 in revenue for FY 2012, an increase of \$20,000.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$31,911,857	\$35,398,064	\$39,152,150	\$38,602,150	\$38,540,757

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

OTHER TAXES

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

Critical Assumption: Real Estate Transfer Tax revenues have continued their downward turn during FY 2011. The number and average price of residential home sales have both declined further from prior years. Also, commercial property transfers have nearly disappeared during this time. As a result, FY 2011 revenues have seen another \$200,000 decrease from the budgeted figure. This decrease to the base revenue is expected to continue through FY 2012.

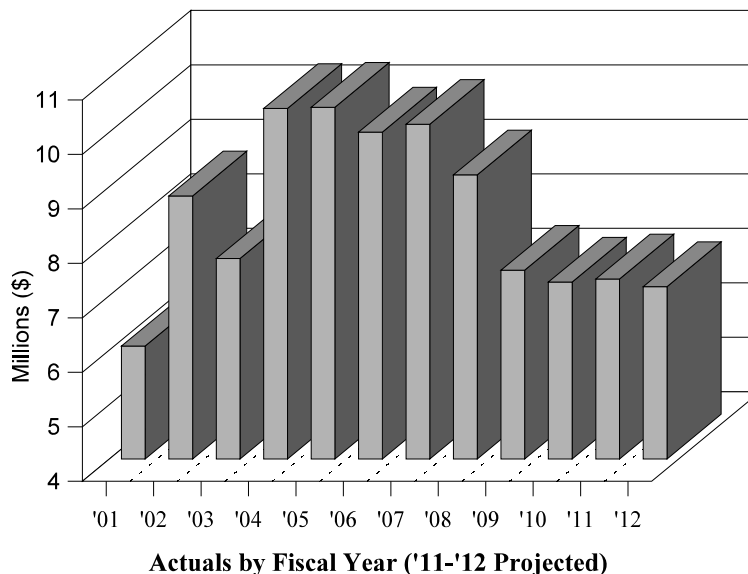
Head Tax revenue is projected to decrease \$126,000 below the FY 2011 Budget. The recent acquisition of Wilmington Trust Company (WTC) by M&T Bank Corporation will result in the loss of approximately 700 jobs at WTC's headquarters in downtown Wilmington.

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 2012, a slight decrease is projected from the FY 2011 budget of \$1.8 million. The recent remittance from Delmarva Power for FY 2011 was more than \$44,000 lower than the previous year. However, fees paid by Comcast have trended \$28,500 higher than the recent past, partially offsetting Delmarva's reduction. For FY 2012, the budgeted amounts are \$730,226 and \$1,018,500 for Delmarva and Comcast respectively.

In total, Other Taxes are projected to decrease \$341,824 for FY 2012.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$7,462,580	\$6,837,587	\$7,502,863	\$7,302,863	\$7,161,039

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

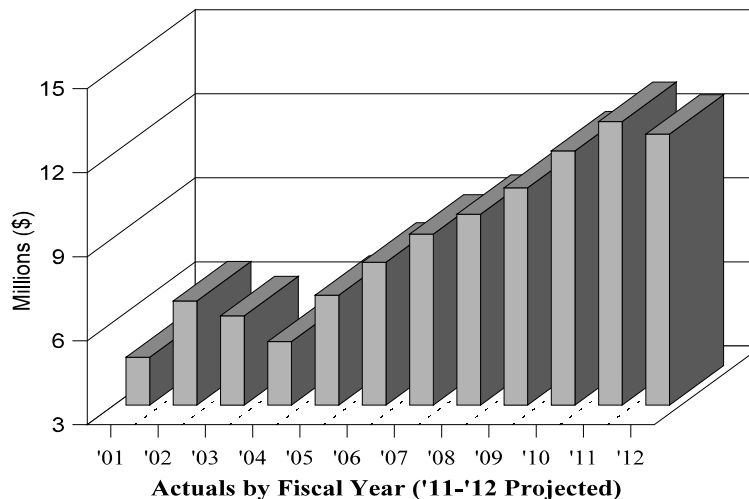
Critical Assumption: Fines (consists of Criminal/Traffic and Parking Tickets/Booting Fines) will fall by a total of \$650,000. Criminal/Traffic Fines revenue is projected to total \$3.065 million in FY 2012, down a net \$250,000 from the FY 2011 Budget. This revenue account consists of red-light camera 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 \$700,000, as violations decrease at older sites, \$400,000 in additional revenue from the full conversion to a video capturing system instead of the still-photo one will net to an overall decline of \$300,000. 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 \$50,000 above the FY 2011 budget to match the current trend.

Parking Tickets/Booting Fines revenue is forecast to decrease by \$400,000 below the FY 2011 budgeted level. Revenues will be adversely affected by the set-aside of 100 metered spaces for student parking and the change in parking regulations that now allow downtown residents to park for free at 332 metered spots. These changes occurred in FY 2011 and will continue for FY 2012.

Licenses, Permits and Fees revenue is projected to be just under \$3.45 million in FY 2012, or \$700,000 below the FY 2011 Budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees will fall by \$500,000 and \$200,000 respectively. Continued weakness in the construction sector has driven Building Permit revenue down, while Parking Meter Fees have declined as a result of the same changes outlined in Parking Ticket revenue above.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$10,757,273	\$12,072,268	\$14,022,291	\$13,122,291	\$12,672,291

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

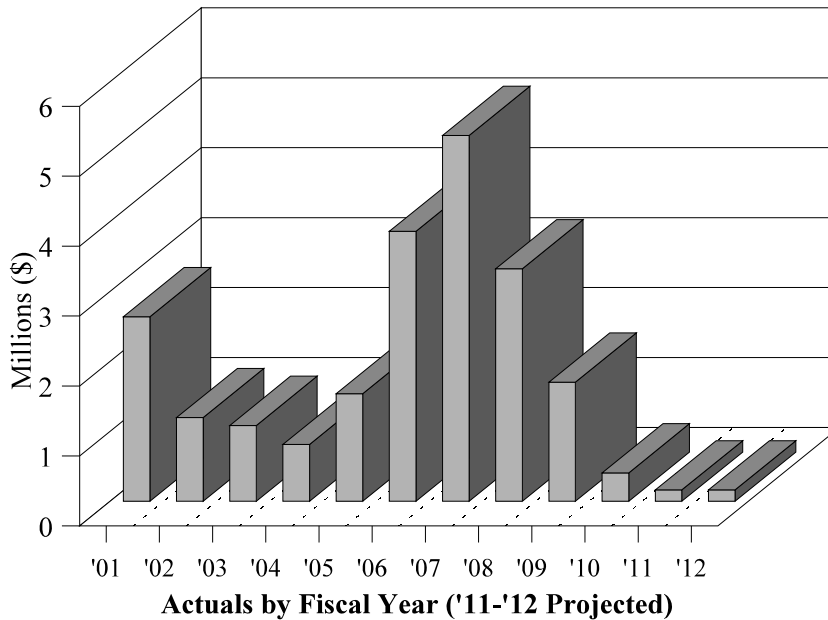
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: Because of stubbornly low interest rates, coupled with lower cash balances, the Treasurer’s Office has again reduced its Interest earnings forecast. The FY 2012 projection for interest earnings is \$162,500, a \$337,500 decrease from the current year budget.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$1,702,753	\$405,970	\$500,000	\$162,500	\$162,500

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

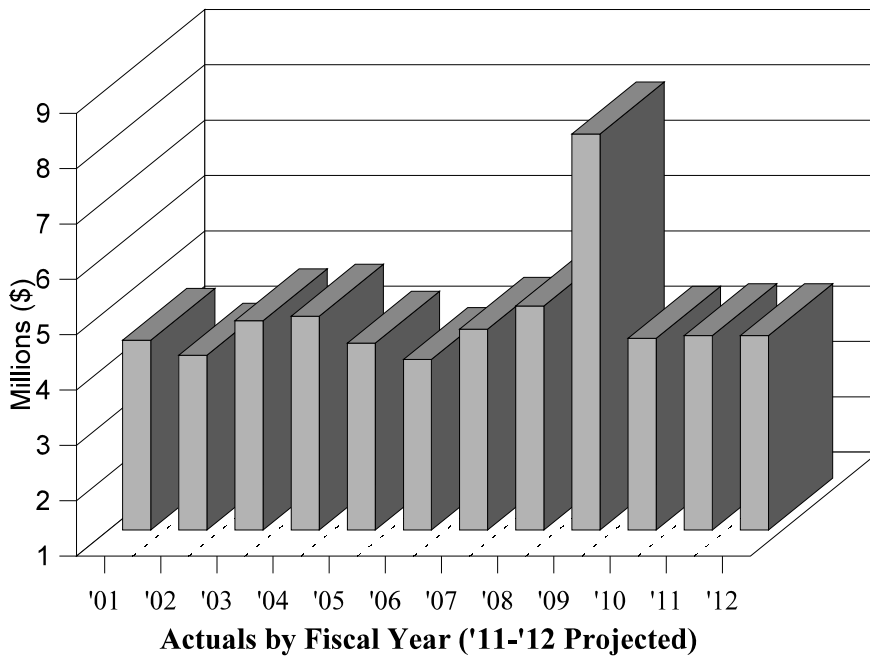
OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will rise by an expected \$100,000, due to an increase of rental income from the garage facility at Christina Landing.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$8,157,829	\$4,463,839	\$4,412,533	\$4,512,533	\$4,512,533

Other Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

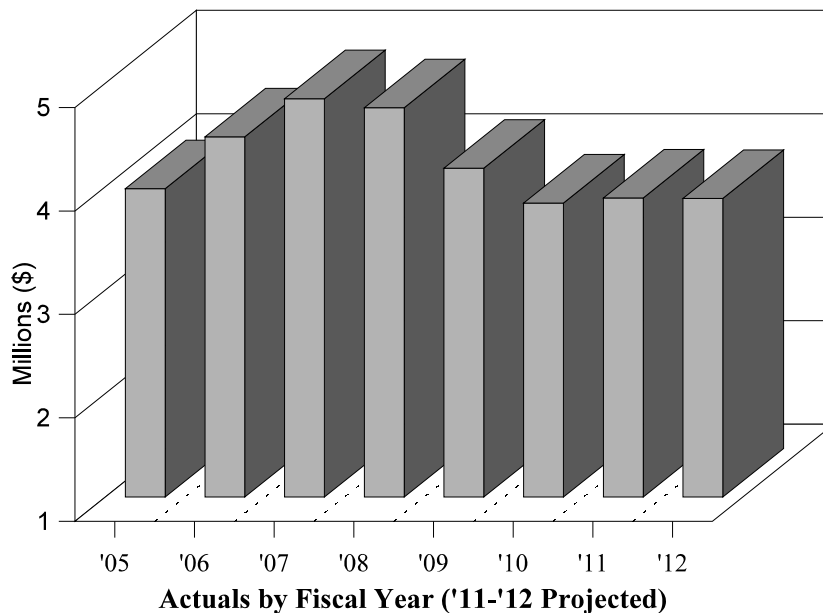
TASK FORCE REVENUES

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. In total, Task Force Revenues are projected to be \$94,300 higher for FY 2012. Three of the four components of the Task Force Revenues will increase from the FY 2011 Budget: Corporate Filings by \$50,000, Limited Liability Corporate (LLC) Filings by \$150,000, and Lodging Tax by \$25,000. Natural Gas Tax, however, will fall by \$130,700 from the FY 2011 budgeted level.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$4,102,645	\$3,840,957	\$3,790,500	\$3,890,500	\$3,884,800

Task Force Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

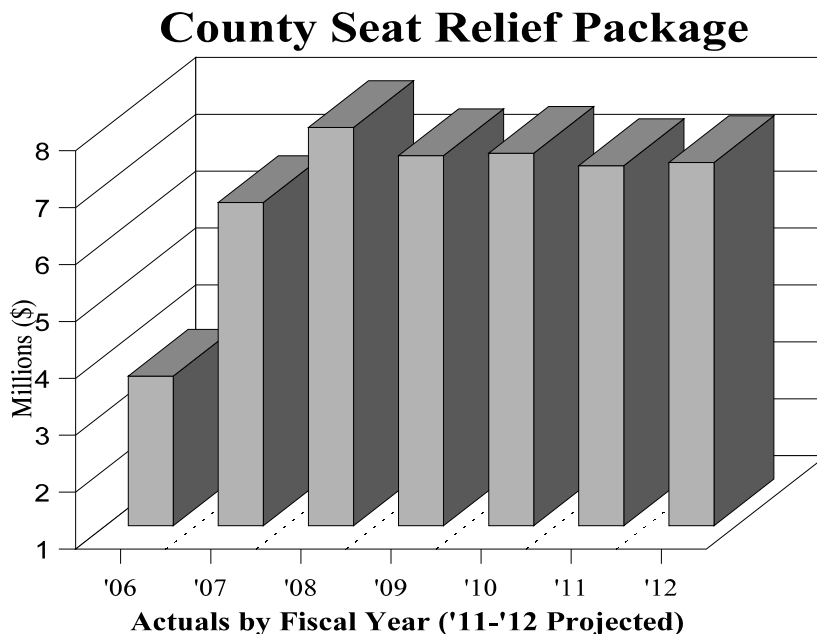
COUNTY SEAT RELIEF PACKAGE

Basis: Estimates from the State Finance Secretary’s Office

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

The FY 2012 projections total \$7.38 million. The breakout is as follows: \$2.4 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is down \$185,294 from the FY 2011 budget); \$3.84 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is up \$455,000 from the FY 2011 budget); \$300,000 in Statutory Trust Filing Fees (down \$100,000 or 25% from the FY 2011 budget); and \$825,000 in New Castle County Corporate Filing Fees (no change). In total, there is a \$169,706 increase in County Seat Relief Package revenues from the FY 2011 Budget.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$7,505,338	\$7,546,150	\$7,214,065	\$7,328,771	\$7,383,771



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

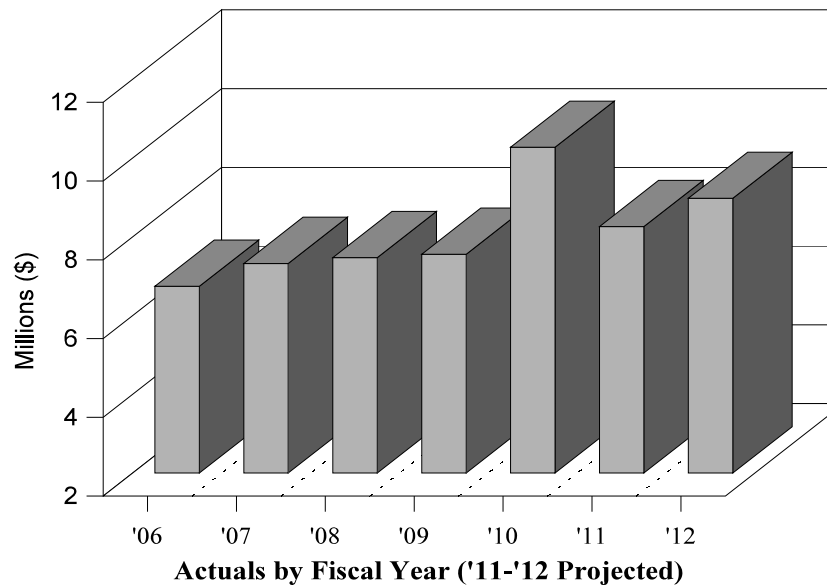
OTHER GOVERNMENTS

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 2012, the projected grant amount remains the same as in FY 2011. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. As part of the terms of the sale, the State requested 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 to service the Port debt. The amount for FY 2012 will be \$1,502,972, and represents more than a \$175,000 decrease from FY 2011.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$7,554,785	\$10,270,032	\$9,148,238	\$8,255,899	\$8,973,044

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2012

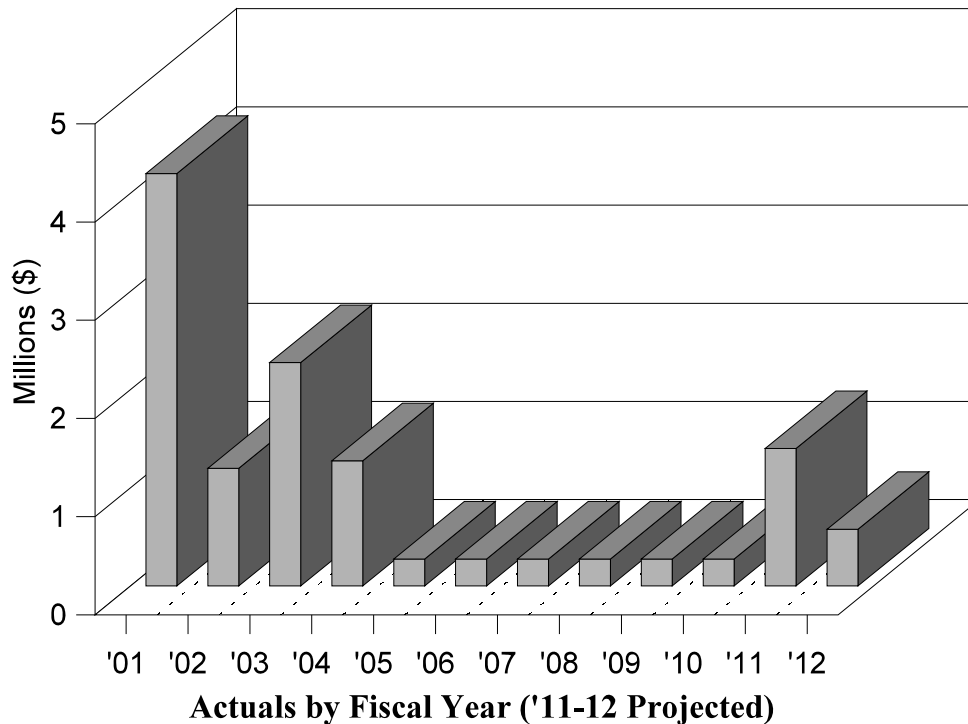
TRANSFERS AND PRIOR YEARS' SURPLUS

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

Critical Assumption: There are no prior year designations in FY 2012. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000. In addition, a transfer of \$302,160 from the CATV Fund was needed to close the remaining gap and balance the budget.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$275,000	\$275,000	\$1,400,422	\$1,400,422	\$577,160

Transfers & Prior Years' Surplus



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2012

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: Although nothing was anticipated for FY 2011 due to the State's fiscal crisis, the program was funded during their final budget wrap-up. For FY 2012, a similar amount is expected at this time.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$1,668,587	\$89,491	\$0	\$890,234	\$890,234

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Pending congressional budget negotiations, these Federal Funds are currently slated to decrease approximately \$61,000 from FY 2011.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$3,068,273	\$2,785,370	\$3,185,792	\$3,185,792	\$3,125,250

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 2012 award is the second year of a three-year period of funding for 16 additional Patrol Officers.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$0	\$272,371	\$1,145,283	\$1,145,283	\$1,058,446

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2012

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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$42,936	\$0	\$0	\$0	\$0

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs and are expected to continue at the same level in FY 2012.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$1,419,639	\$2,136,873	\$1,627,249	\$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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$111,832	\$112,024	\$156,192	\$156,192	\$156,192

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2012

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 more than \$182,000 for FY 2012.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$1,435,610	\$609,277	\$593,769	\$593,769	\$776,030

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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$2,104,436	\$1,762,732	\$2,985,827	\$2,985,827	\$3,082,171

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 \$73,000 less than FY 2011.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$996,014	\$611,682	\$730,056	\$730,056	\$657,050

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2012

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, but is only nominally funded for FY 2012.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$157,751	\$1,609,885	\$0	\$0	\$43,262

MISCELLANEOUS GRANTS

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

Critical Assumption: Miscellaneous Grants, in past years, was 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 Committees (LEPC), the Workforce Investment Board (WIB) and State Fire Grants, made up this grouping. All of these grants have been funded at approximately the same level as FY 2011. New for FY 2012 is the Federal "SAFER" (Staffing for Adequate Fire and Emergency Response) Grant. The first year of a two-year award is approximately \$823,615.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$1,018,420	\$947,089	\$1,451,894	\$1,451,894	\$2,195,629

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2012

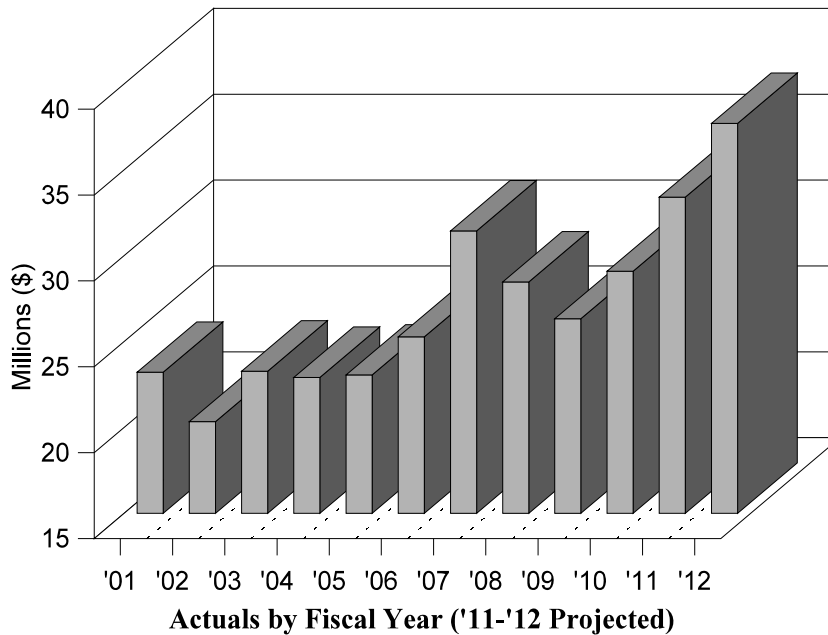
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: In order to address the dire cash flow situation discussed previously, a 16% increase in Water/Sewer User Fees was implemented for FY 2012. This rate increase is expected to generate an additional \$4.7 million, with a net increase of \$4.3 million when coupled with special sewer and other miscellaneous revenue items in FY 2012, bringing the total to \$37.7 million. The average residential homeowner's total bill (including water/sewer and stormwater) will go up \$6.43 per month. Even with the increase, the City will still have the lowest rates in the region.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$26,329,957	\$29,093,942	\$33,403,975	\$33,403,975	\$37,703,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

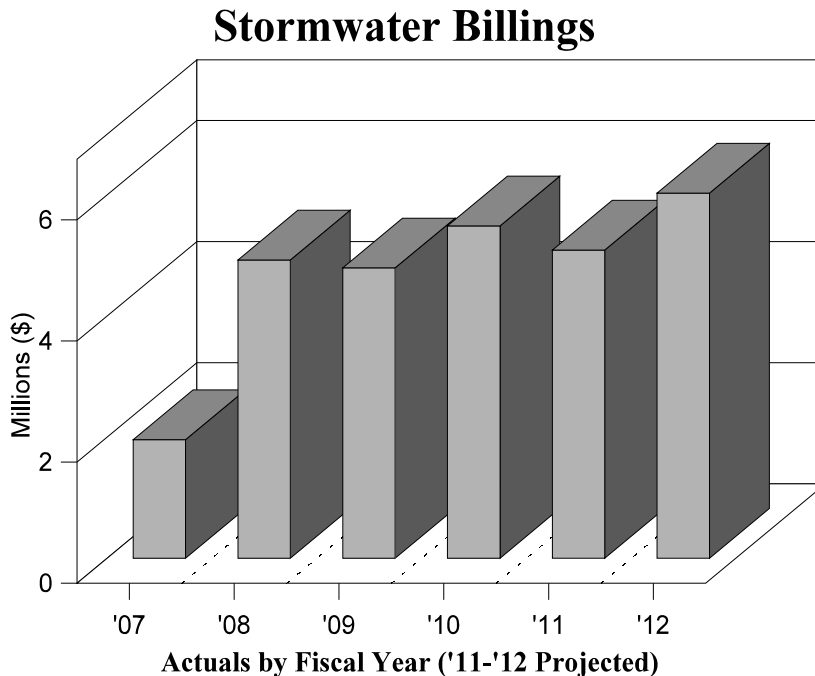
Water/Sewer Fund Revenues Fiscal Year 2012

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 \$5.9 million. After allowing for higher amounts for new appeals, the base was reduced by about \$100,000, bringing the total to \$5.8 million. For FY 2012, a 16% increase in stormwater fees was approved, and will generate an additional net \$940,000 in revenue after allowing for uncollectibles.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$4,795,355	\$5,491,264	\$5,091,396	\$5,091,396	\$6,031,000



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2012

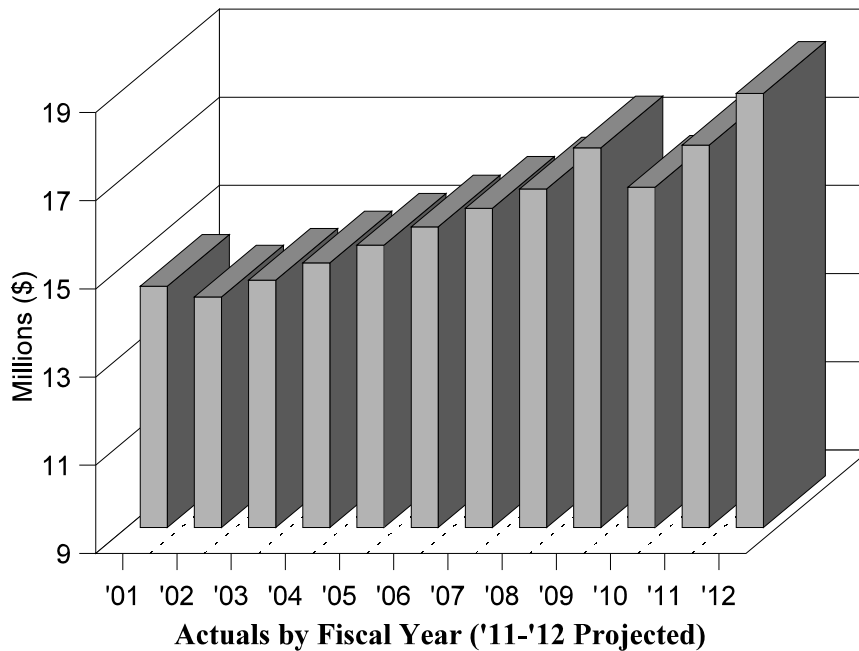
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: Through arbitration, the City and New Castle County have developed a contractually agreed upon fee structure for treating the County’s sewage. For FY 2012, the net base fee of \$18 million represents the County’s share of costs for operating the City’s sewage treatment plant and sewage sludge disposal. It was adjusted downward by almost \$1.1 million to take into account the annual reconciliation process. An additional \$829,000 will be billed as a one-time reimbursement for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2012 is \$18,847,123.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$17,610,381	\$16,717,945	\$18,508,123	\$17,673,123	\$18,847,123

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

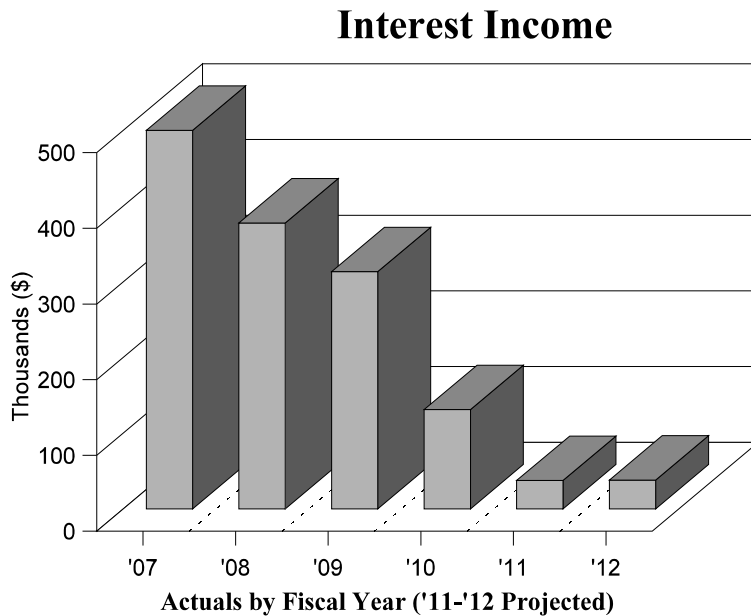
Water/Sewer Fund Revenues Fiscal Year 2012

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 2012, interest is projected to decrease by \$112,000 to \$38,000.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$313,311	\$131,228	\$150,000	\$37,500	\$38,000



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

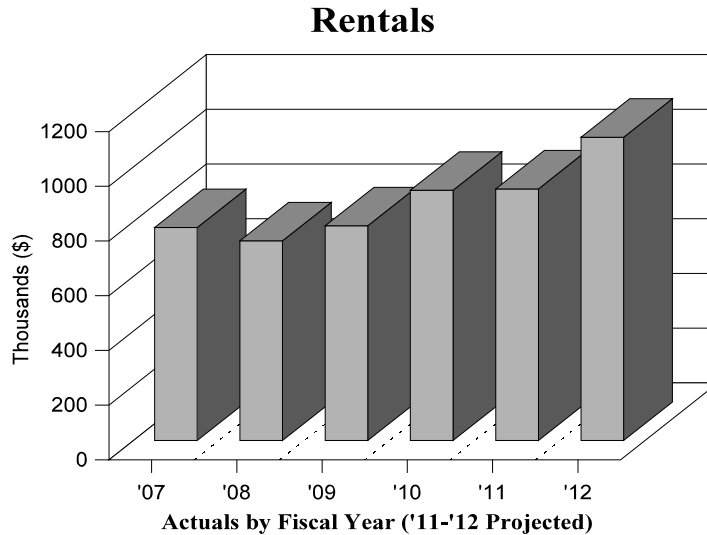
Water/Sewer Fund Revenues Fiscal Year 2012

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 \$289,000 to \$1,109,000.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$785,867	\$914,766	\$820,000	\$920,000	\$1,109,000



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

MISCELLANEOUS

Basis: On an as-needed basis.

Critical Assumption: There are no Miscellaneous revenues budgeted for FY 2012.

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$0	\$0	\$0	\$0	\$0

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Commerce Fund Revenues Fiscal Year 2012

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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$2,579,431	\$0	\$0	\$0	\$0

MISCELLANEOUS

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

FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$113	\$0	\$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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Projected	FY 2012 Budget
\$500,000	\$0	\$0	\$0	\$0

The Port of Wilmington was sold to the State of Delaware in Fiscal Year 1996. Revenues received from the State were the sale proceeds and reimbursement of the previously existing Commerce Fund debt which remained on the City's books. Then in February of 2002, the Port and City entered into an agreement whereby the State would pay the City a lump sum of \$8 million to pay off the remaining mortgage payments owed to the City by the Port. The debt service reimbursement portion of the previous agreement was unaffected by this lump sum prepayment. State law dictated, however, that the remaining fund balance of the Commerce Fund had to be used by the City exclusively for economic development activities. Thus, it was the mandated policy that the fund balance of the Commerce fund continue to be drawn down for economic development activities until the fund balance was depleted. Once the fund balance was spent down, as planned, those economic development activities and costs would be merged into the General Fund.

In FY 2009 the Commerce Fund balance was depleted, and as a result, 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 2012**

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 2012
(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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	5,069,146	5,053,856	5,133,166	5,246,618
Materials, Supplies & Equipment	8,814,350	5,578,938	5,549,242	5,909,146
Internal Services	1,157,134	1,159,421	1,287,948	1,303,181
Debt Service	1,770,421	1,512,004	2,567,108	2,158,650
Special Purpose	269,320	293,386	320,449	91,600
Contingent Reserves	0	0	522,135	545,960
Depreciation	585,705	665,170	612,542	612,542
Capitalization	<u>(599,467)</u>	<u>(350,703)</u>	<u>0</u>	<u>0</u>
TOTAL	<u>17,066,609</u>	<u>13,912,072</u>	<u>15,992,590</u>	<u>15,867,697</u>
STAFFING LEVELS	60.00	60.00	59.00	58.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	2,671,697	3,456,912	3,434,833	3,251,169
Materials, Supplies & Equipment	2,079,833	1,765,426	1,362,162	1,226,926
Internal Services	829,729	833,701	945,329	970,969
Debt Service	1,333,295	1,390,099	2,454,892	2,022,295
Special Purpose	<u>269,320</u>	<u>293,386</u>	<u>320,449</u>	<u>91,600</u>
TOTAL	<u>7,183,874</u>	<u>7,739,524</u>	<u>8,517,665</u>	<u>7,562,959</u>
STAFFING LEVELS	29.50	38.50	37.50	34.50

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Contingency	0	0	397,135	420,960
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>522,135</u>	<u>545,960</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

COMMERCE FUND MAYOR'S OFFICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	758,945	0	0	0
Materials, Supplies & Equipment	2,281,098	0	0	0
Internal Services	26,007	0	0	0
Debt Service	<u>306,669</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>3,372,719</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	9.00	0.00	0.00	0.00

LOCAL EMERGENCY PLANNING COMMITTEES (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	99,249	82,112	57,448	60,104
Materials, Supplies & Equipment	<u>22,478</u>	<u>18,750</u>	<u>0</u>	<u>0</u>
TOTAL	<u>121,727</u>	<u>100,862</u>	<u>57,448</u>	<u>60,104</u>
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUNDS MAYOR'S OFFICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,539,255	1,514,832	1,640,885	1,935,345
Materials, Supplies & Equipment	4,430,941	3,794,762	4,187,080	4,682,220
Internal Services	301,398	325,720	342,619	332,212
Debt Service	130,457	121,905	112,216	136,355
Depreciation	585,705	665,170	612,542	612,542
Capitalization	<u>(599,467)</u>	<u>(350,703)</u>	<u>0</u>	<u>0</u>
TOTAL	<u>6,388,289</u>	<u>6,071,686</u>	<u>6,895,342</u>	<u>7,698,674</u>
STAFFING LEVELS	21.00	21.00	21.00	23.00

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

- Total Personal Services decreased \$183,664, largely due to a number of personnel changes made both mid-FY 2011 and during the FY 2012 budget process. \$305,099 in Personal Services savings resulted from positions eliminated as part of the City's FY 2011 expenditure reduction initiative, carried forward into FY 2012.
- In FY 2012, the Economic Development Manger/Brownfield Coordinator position was deleted in the Office of Economic Development, generating a savings of \$86,023. In addition, the Webmaster position was transferred from the Administrative Division to the Internal Services Fund, as part of the City's effort to move all Information Technology into the Division of Integrated Technology (DoIT), generating a savings of \$70,564.
- Offsets to Personal Services savings included increases in benefit costs for Pensions (\$64,286), Hospitalization (\$19,660), and Pension Healthcare (\$3,425). The transfer of two positions from the Police Department, a Youth Intervention Specialist and an Administrative Clerk, moved into the Administrative Division, also grew total Personal Services costs by \$63,403 and \$60,609 respectively.
- Materials, Supplies & Equipment (MS&E) declined \$135,235. Miscellaneous Projects fell \$144,000, largely due to the elimination of \$90,000 in costs for the annual Fourth of July Festival, \$10,000 for the City's "IN" marketing campaign and \$20,000 in other private organizational support. Also part of the City's pledge reductions are Grants to Agencies cuts of \$7,000 and Donation-Community Services reductions of \$5,000.
- Offsetting MS&E reductions is the transfer of \$64,275 in expenses for the Wilmington Arts Commission, formerly budgeted as Other/Special Purpose in the Division of Cultural Affairs. In addition, Contracted Maintenance costs increased \$10,000 in the Constituent Services Division for additional graffiti removal.
- Internal Services increased \$25,640 as the cost of the Webmaster position transferred to DoIT is reallocated to the Department through the Data Processing account, causing a rise of \$56,871. Offsetting this increase is a decrease in Motor Vehicle costs of \$29,280, as the Public Safety Director position's vehicle is reduced from the Department's fleet.
- Total Debt Service decreased \$432,597. The City's planned borrowing for Capital expenditures in FY 2012 includes issuing bond debt for construction improvements at the City-owned Rock Manor Golf Course, as well as \$15.5 million for the Upstairs Fund project, both of which were previously funded using Bond Anticipation Notes (BAN). The savings in debt service result from the anticipated timing of the new Capital debt issuance and lower interest costs.
- Other/Special Purpose decreased \$228,849. As highlighted above, the City anticipates Capital borrowing for the Rock Manor Golf Course project. Interest on the BAN for Rock Manor had been previously budgeted as Other Special Purpose costs, but was transferred in FY 2012 to Debt Service Principal and Interest accounts to reflect anticipated capital borrowing. The decrease also reflects the move of Wilmington Arts Commission expenses to MS&E.

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

- Personal Services increased \$294,460, largely due to the transfer of three Information Technology (IT) related positions from various City Departments into the Division of Integrated Technologies (DoIT). As part of the FY 2012 Budget process, the City consolidated much of its IT support and services, moving management and oversight from individual City departments into DoIT.
- IT position transfers include the Webmaster position (moved from the Mayor's Office Administrative Division), the Information Systems Administrator (moved from the Police Department), and the Information Desktop Engineer (moved from the Fire Department). These transfers increased the DoIT Personal Services budget \$70,564, \$90,314, and \$82,809 respectively. These costs were all reallocated directly back to the transferred Departments through increases in each Department's Data Processing Internal Services budgets.
- In addition to position transfers, Pension, Hospitalization, and Pension Healthcare costs increased \$77,709, \$40,416, and \$8,350 respectively.
- Offsetting cost increases was \$60,065 in savings carried forward into FY 2012 from the mid-FY 2011 elimination of the Mail Messenger position.
- MS&E costs increased by a total \$495,140 to \$4,682,220, again reflecting the consolidation of IT services to within the Division of Integrated Technology (DoIT). A total of \$69,800 in consulting and \$5,000 in software expenses from the Finance Department, \$23,232 from the Police Department for computer hardware costs, \$2,500 from the Fire Department for software, and \$630,000 for Cityworks and ARC GIS software and support in the Public Works Department were transferred to the Data Processing Division. All transferred costs were reallocated back to the Departments through increases in each Department's Data Processing Internal Services budgets.
- Offsetting increases to MS&E were decreases of \$100,600 in various expenses, carried forward from the City's mid-FY 2011 expenditure reduction initiative.
- Internal services costs decreased by a total of \$10,407, largely based on the decrease in Departmental Data Processing usage.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	1,958,862	2,545,359	2,520,976	2,269,985
Temporary Salaries	5,544	10,483	0	0
Sick Leave Bonus	2,100	2,500	0	0
Overtime/Special Events	262	421	0	0
Meal Allowance	30	0	0	0
Internet Reimbursement	657	1,683	0	0
Pension Contribution	193,350	292,092	306,723	371,009
Social Security	120,142	154,918	153,636	138,127
Medicare Tax	28,449	36,933	36,355	32,454
Hospitalization	322,508	355,913	395,607	415,267
Life Insurance	9,926	6,089	8,079	7,445
Pension Healthcare	26,616	50,521	50,050	53,475
Deferred Comp Contribution	3,250	0	0	0
Personal Services Adjustment	0	0	(36,593)	(36,593)
TOTAL PERSONAL SERVICES	2,671,697	3,456,912	3,434,833	3,251,169
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	71,427	120,494	124,830	95,630
Communications & Utilities	34,554	29,147	33,685	35,735
Transportation	48,409	25,860	21,300	17,900
Rentals	42,657	75,502	45,779	32,274
Contracted Maintenance Repairs	2,580	3,279	3,753	2,793
Professional Fees	221,785	344,852	138,100	197,475
Other Fees	127,693	103,853	0	
Memberships & Registrations	43,649	44,938	56,659	47,874
Miscellaneous Services	53,812	45,483	187,750	196,350
Office & General Supplies	9,779	10,652	11,806	11,515
Miscellaneous Parts	105,235	91,750	73,500	71,880
Construction and Repairs	0	1,086	1,000	1,000
Equipment	7,976	5,124	500	5,000
Fixed Assets	0	0	0	0
Miscellaneous Projects	932,864	665,170	563,500	419,500
Community Activities	377,416	198,238	100,000	92,000
TOTAL M., S. & E.	2,079,833	1,765,426	1,362,162	1,226,926
 <u>INTERNAL SERVICES</u>				
Administrative Services	799,988	767,633	882,843	908,483
Self-Insurance	29,741	66,068	62,486	62,486
TOTAL INTERNAL SERVICES	829,729	833,701	945,329	970,969

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Principal Payments	765,286	318,496	1,078,239	888,612
Interest Payments	<u>568,010</u>	<u>1,071,603</u>	<u>1,376,653</u>	<u>1,133,683</u>
TOTAL DEBT SERVICE	1,333,295	1,390,099	2,454,892	2,022,295
<u>SPECIAL PURPOSE</u>				
Wilmington Arts Commission	55,960	72,026	65,000	0
Rock Manor Golf Course	<u>213,360</u>	<u>221,360</u>	<u>255,449</u>	<u>91,600</u>
TOTAL SPECIAL PURPOSE	269,320	293,386	320,449	91,600
<u>CONTINGENT RESERVES</u>				
Contingency	0	0	397,135	420,960
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
CONTINGENT RESERVES TOTAL	0	0	522,135	545,960
GENERAL FUND TOTAL	<u>7,183,874</u>	<u>7,739,524</u>	<u>9,039,799</u>	<u>8,108,919</u>

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	559,718	0	0	0
Temporary Salaries	7,735	0	0	0
Acting Out of Classification	0	0	0	0
Sick Leave Bonus	100	0	0	0
Overtime	4,362	0	0	0
Pension Contribution	54,889	0	0	0
Social Security	35,306	0	0	0
Medicare Tax	8,257	0	0	0
Hospitalization	77,838	0	0	0
Life Insurance	2,856	0	0	0
Pension Healthcare	6,883	0	0	0
Deferred Comp Contribution	1,000	0	0	0
TOTAL PERSONAL SERVICES	758,945	0	0	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	60,247	0	0	0
Communications & Utilities	1,026	0	0	0
Transportation	6,729	0	0	0
Rentals	3,593	0	0	0
Professional Fees	225,969	0	0	0
Memberships & Registrations	11,998	0	0	0
Miscellaneous Services	2,587	0	0	0
Office & General Supplies	7,258	0	0	0
Miscellaneous Materials	4,049	0	0	0
Equipment	941	0	0	0
Fixed Assets	1,647	0	0	0
Community Activities	1,113,472	0	0	0
Miscellaneous Projects	841,582	0	0	0
TOTAL M., S. & E.	2,281,098	0	0	0
<u>INTERNAL SERVICES</u>				
Administrative Services	25,634	0	0	0
Self-Insurance	373	0	0	0
TOTAL INTERNAL SERVICES	26,007	0	0	0
<u>DEBT SERVICE</u>				
Principal Payments	105,762	0	0	0
Interest Payments	200,907	0	0	0
TOTAL DEBT SERVICE	306,669	0	0	0
COMMERCE FUND TOTAL	3,372,719	0	0	0

DEPARTMENT: OFFICE OF THE MAYOR

FUND: LEPC

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
PERSONAL SERVICES				
Regular Salaries	81,084	65,131	42,169	42,169
Temporary Salaries	0	0	0	0
Pension Contribution	1,487	2,615	5,145	6,789
Social Security	5,009	4,019	2,607	2,598
Medicare Tax	1,172	940	610	608
Hospitalization	10,171	9,025	6,159	7,057
Life Insurance	162	78	108	108
Pension Healthcare	164	304	650	775
TOTAL PERSONAL SERVICES	99,249	82,112	57,448	60,104
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	8,736	0	0	0
Communications & Utilities	519	1,125	0	0
Transportation	702	3,326	0	0
Professional Fees	3,813	3,227	0	0
Memberships & Registrations	1,945	0	0	0
Miscellaneous Services	(1,030)	0	0	0
Office & General Supplies	367	2,027	0	0
Wearing Apparel and Safety	1,936	(509)	0	0
Miscellaneous Materials	3,547	499	0	0
Equipment	1,943	974	0	0
Fixed Assets	0	8,081	0	0
TOTAL M., S. & E.	22,478	18,750	0	0
LEPC FUND TOTAL	<u>121,727</u>	<u>100,862</u>	<u>57,448</u>	<u>60,104</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	1,123,192	1,084,921	1,123,415	1,282,018
Temporary Salaries	9	0	0	0
Sick Leave Bonus	450	13,541	0	0
Overtime	9,252	577	2,000	0
Meal Allowance	106	105	0	0
Internet Reimbursements	977	1,454	0	0
Pension Contribution	127,797	133,382	156,364	234,073
Social Security	70,196	66,802	69,429	78,277
Medicare Tax	16,417	15,623	16,237	18,307
Hospitalization	202,162	177,614	241,637	282,052
Life Insurance	5,605	3,193	4,503	4,968
Pension Healthcare	18,610	17,620	27,300	35,650
Deferred Comp Contribution	2,285	0	0	0
Accrued Sick/Vacation	<u>(37,803)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	1,539,255	1,514,832	1,640,885	1,935,345
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	117,388	107,088	143,000	143,000
Communications & Utilities	751,891	972,452	1,055,764	955,512
Transportation	15,634	13,987	6,500	6,600
Rentals of Office Equipment	113,836	106,725	122,560	122,560
Contracted Maintenance Repairs	180,698	129,187	257,400	389,593
Professional Fees	961,860	803,151	854,600	1,562,466
Other Fees	1,995	1,900	0	0
Memberships & Registrations	50,241	10,355	14,430	25,636
Miscellaneous Services	375,008	397,543	486,540	118,284
Office & General Supplies	141,596	129,367	173,372	193,608
Uniforms & Related Equipment	1,757	1,054	340	340
Miscellaneous Parts	95,104	80,108	69,853	64,853
Equipment	541,999	360,193	323,090	776,768
Fixed Assets	<u>1,081,934</u>	<u>681,652</u>	<u>679,631</u>	<u>323,000</u>
TOTAL M., S. & E.	4,430,941	3,794,762	4,187,080	4,682,220
 <u>INTERNAL SERVICES</u>				
Administrative Services	288,532	312,326	328,973	318,566
Self-Insurance	<u>12,866</u>	<u>13,394</u>	<u>13,646</u>	<u>13,646</u>
TOTAL INTERNAL SERVICES	301,398	325,720	342,619	332,212

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

DEBT SERVICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Amortization	7,114	6,554	6,512	6,512
Interest Payments	<u>123,344</u>	<u>115,352</u>	<u>105,704</u>	<u>129,843</u>
TOTAL DEBT SERVICE	130,457	121,905	112,216	136,355
OTHER				
Capitalized Expenditures	(599,467)	(350,703)	0	0
Depreciation	<u>585,705</u>	<u>665,170</u>	<u>612,542</u>	<u>612,542</u>
TOTAL OTHER	(13,762)	314,467	612,542	612,542
INTERNAL SERVICES FUND TOTAL	<u>6,388,289</u>	<u>6,071,686</u>	<u>6,895,342</u>	<u>7,698,674</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 2012
<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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,726,837	1,754,159	1,754,611	1,760,794
Materials, Supplies & Equipment	690,676	500,263	453,583	314,083
Internal Services	203,451	218,884	250,477	241,943
Debt Service	21,330	23,008	26,797	26,256
Special Purpose	<u>124,002</u>	<u>111,106</u>	<u>81,500</u>	<u>71,500</u>
TOTAL	<u>2,766,296</u>	<u>2,607,420</u>	<u>2,566,968</u>	<u>2,414,576</u>
STAFFING LEVELS	29.00	29.00	29.00	28.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased slightly, by \$6,183, as savings in Salary & Wages were outpaced by the rising cost of Employee Benefits. A net savings of \$52,082 (3.9%) was achieved in Regular Salaries due to the consolidation of the Council Clerk/Receptionist and the Administrative Assistant/Deputy Clerk positions in the City Clerk Division. The deletion of the Council Clerk/Receptionist position alone saved a total of \$60,344 in salary and benefits. An additional \$12,001 in savings (46.2%) was achieved through a reduction in Temporary Salaries. Overall, there was a \$64,083 reduction in Salaries and Wages (a reduction of 4.7%).
- Savings in Salaries and Wages were eclipsed by the growing cost of Employee Benefits, which increased a net \$71,039 (13.3%) due to increases in Pension Contributions (\$41,128 or 33.7%), Hospitalization (\$29,651 or 11.2%), and Pension Healthcare (\$5,700 or 15.1%).
- Materials, Supplies and Equipment decreased \$139,500 (30.8%), primarily due to the reduction of Community Activities in the Legislative Division. These reductions eliminated funding for Council initiatives through the Miscellaneous Projects account line (\$70,000), cut Council Member discretionary funds by \$17,000 for Community Services, \$7,500 for Grants to Agencies, and \$13,000 for the Scholarship Program.
- In the Cable and Communications Division, the Machinery and Equipment and Computer Software accounts were reduced by \$5,000 and \$2,500 respectively.
- Council funding to the Wilmington Institute Free Library remains at \$60,000.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY 2011	APPROVED FY2012
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,259,893	1,250,734	1,341,557	1,289,475
Temporary Salaries	11,527	27,919	25,996	13,995
Acting Out of Class	0	4,901	0	0
Sick Leave Bonus	400	400	400	400
Overtime	0	167	0	0
Internet Reimbursements	1,470	1,290	0	0
Pension Contribution	89,220	107,251	122,051	163,179
Social Security	78,503	79,194	84,295	79,745
Medicare Tax	18,353	17,690	19,714	18,648
Hospitalization	232,042	223,164	263,853	293,504
Life Insurance	6,439	3,806	5,613	5,789
Pension Healthcare	25,240	37,641	37,700	43,400
Deferred Comp Contribution	2,750	0	0	0
Personal Services Adjustment	<u>1,000</u>	<u>0</u>	<u>(146,568)</u>	<u>(147,341)</u>
TOTAL PERSONAL SERVICES	1,726,837	1,754,159	1,754,611	1,760,794
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	5,796	11,630	19,250	17,250
Transportation	16,426	11,572	4,000	2,000
Rentals	800	600	2,400	1,400
Contracted Maintenance Repairs	22,605	15,771	22,000	22,000
Professional Fees	43,793	0	20,000	10,000
Memberships & Registrations	21,589	10,250	27,100	21,100
Miscellaneous Services	10,083	12,051	9,340	9,340
Office & General Supplies	6,894	5,958	9,225	6,725
Wearing Apparel & Safety	728	2,066	2,250	2,250
Miscellaneous Parts	33,935	20,076	32,018	31,018
Equipment	26,447	25,408	6,500	6,500
Fixed Assets	481	0	7,500	0
Community Activities	<u>501,099</u>	<u>384,883</u>	<u>292,000</u>	<u>184,500</u>
TOTAL M., S. & E.	690,676	500,263	453,583	314,083
<u>INTERNAL SERVICES</u>				
Administrative Services	193,421	200,351	233,511	224,977
Self-Insurance	<u>10,030</u>	<u>18,533</u>	<u>16,966</u>	<u>16,966</u>
TOTAL INTERNAL SERVICES	203,451	218,884	250,477	241,943

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Principal Payments	3,967	7,071	9,081	8,996
Interest Payments	<u>17,363</u>	<u>15,937</u>	<u>17,716</u>	<u>17,260</u>
TOTAL DEBT SERVICE	21,330	23,008	26,797	26,256
<u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	100,000	100,000	60,000	60,000
Other	<u>24,002</u>	<u>11,106</u>	<u>21,500</u>	<u>11,500</u>
TOTAL SPECIAL PURPOSE	124,002	111,106	81,500	71,500
GENERAL FUND TOTAL	<u>2,766,296</u>	<u>2,607,420</u>	<u>2,566,968</u>	<u>2,414,576</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 2012
<ul style="list-style-type: none"> • Ensure a seamless transition of the City's banking activities from Wilmington Trust Company to M & T Bank in light of their recent acquisition. • 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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	659,012	653,826	659,977	588,125
Materials, Supplies & Equipment	955,852	795,833	1,143,115	1,016,134
Internal Services	133,128	123,330	154,077	142,617
Other	<u>814,902</u>	<u>632,802</u>	<u>1,500,000</u>	<u>1,750,000</u>
TOTAL	<u>2,562,894</u>	<u>2,205,791</u>	<u>3,457,169</u>	<u>3,496,876</u>
STAFFING LEVELS	7.00	7.00	7.00	6.00

GENERAL FUND CITY TREASURER	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	325,793	322,805	323,376	275,585
Materials, Supplies & Equipment	25,940	21,125	26,345	27,595
Internal Services	<u>106,725</u>	<u>99,129</u>	<u>121,621</u>	<u>111,525</u>
TOTAL	<u>458,458</u>	<u>443,059</u>	<u>471,342</u>	<u>414,705</u>
STAFFING LEVELS	3.42	3.42	3.42	2.92

PENSION ADMIN. FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
CITY TREASURER	FY2009	FY2010	FY2011	FY2012
Personal Services	333,219	331,021	336,601	312,540
Materials, Supplies & Equipment	929,912	774,708	1,116,770	988,539
Internal Services	26,403	24,201	32,456	31,092
Other	<u>814,902</u>	<u>632,802</u>	<u>1,500,000</u>	<u>1,750,000</u>
TOTAL	<u>2,104,436</u>	<u>1,762,732</u>	<u>2,985,827</u>	<u>3,082,171</u>
STAFFING LEVELS	3.58	3.58	3.58	3.08

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- One position, the City Treasurer Office Assistant, has been deleted for FY 2012. Funding for the position had been split 50/50 between the General Fund and the various Pension Funds. The total savings from the position is \$42,558.
- A reorganization of staff in mid-FY 2011 has resulted in further savings to Personal Services costs, totaling \$43,563 in the General Fund, and \$17,753 in the Pension Funds.
- Total Professional Fees in the Pension Funds have decreased by \$115,310. Consultant costs for the biannual pension and pension healthcare valuations do not have to be budgeted for FY 2012, saving \$55,000 and \$60,000 respectively. Trustee Fees, based on the value of all pension funds managed, are expected to fall by \$12,310. Other administrative costs of \$12,000 related to the uniformed pension plans have been transferred from Fees, N.O.C. into Accounting (Professional) Fees.
- The annual funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$1.75 million for FY 2012.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Fund Managers Interviewed	3	4	4	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Percentage of Funds Invested	95%	96%	95%	95%	95%

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

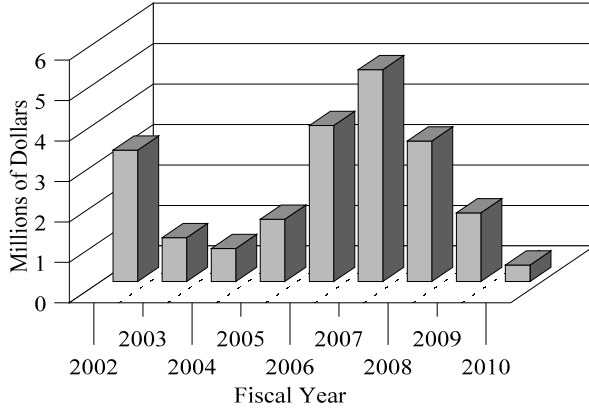
Objective: Fund the actuarially determined Annual Required Contribution at 100% each year.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 22.

CRITICAL INDICATOR	FY 2009 PROJECTED	FY 2009 ACTUAL	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED
Annual Required Contribution (in \$ millions)	\$7.4	\$7.5	\$8.0	\$8.0	\$8.5

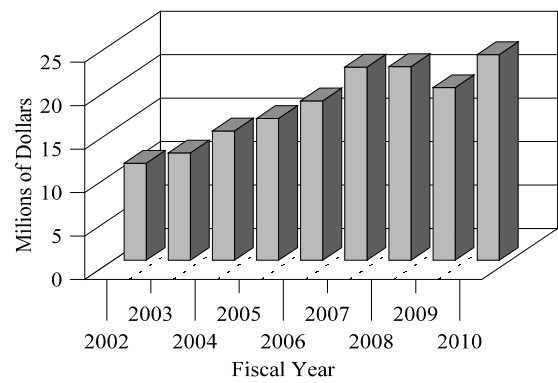
City Treasurer Performance Trends

General Fund Investment Income



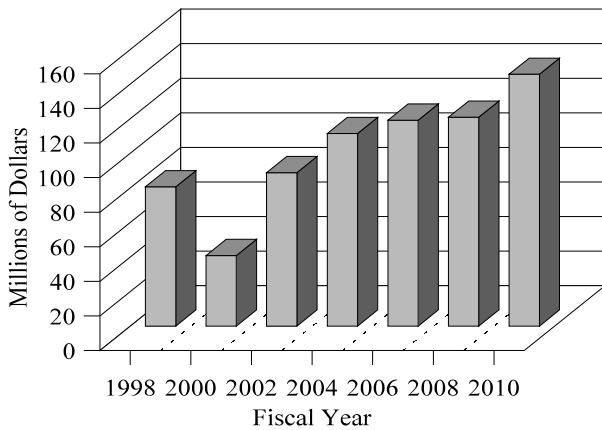
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2009 and FY 2010.

Deferred Compensation Fund



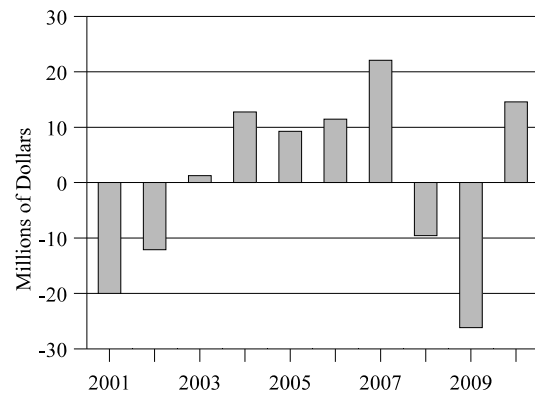
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

Unfunded Pension Liability



The level of Unfunded Pension Liability and the City's record of paying the actuarially determined Annual Required Contribution (ARC) are two measures of the relative strength or weakness of a particular pension fund. The Unfunded Pension Liability increased dramatically with the 2010 valuation due to record poor stock market performance in 2008-2009. The City's ability and willingness to fund the ARC remain ongoing.

Net Pension Fund Income/Loss



Strict adherence to prudent investment guidelines enable the City's pension fund to earn high income levels when the stock market is performing well, and minimize losses when the market is performing poorly. This principle is highlighted during the period 2008-2010. The City maintained a cap on losses during the unprecedented poor market performance in 2008 and 2009, and recovered well as market conditions improved in 2010.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	229,294	228,992	230,622	190,501
Sick Leave Bonus	600	600	0	0
Internet Reimbursement	291	519	0	0
Pension Contribution	33,252	38,822	39,238	36,673
Social Security	13,770	13,691	13,749	11,481
Medicare Tax	3,844	3,285	3,276	2,703
Hospitalization	37,947	32,016	39,506	37,248
Life Insurance	1,149	474	713	632
Pension Healthcare	4,646	4,406	4,446	4,521
Deferred Compensation Contribution	1,000	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,174)</u>	<u>(8,174)</u>
TOTAL PERSONAL SERVICES	<u>325,793</u>	<u>322,805</u>	<u>323,376</u>	<u>275,585</u>
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	100	285	320	320
Professional Fees	20,510	14,700	20,125	20,125
Memberships & Registrations	1,631	522	100	1,100
Miscellaneous Services	2,729	4,557	4,600	4,600
Office & General Supplies	788	811	1,200	1,200
Equipment	<u>182</u>	<u>250</u>	<u>0</u>	<u>250</u>
TOTAL M., S. & E.	<u>25,940</u>	<u>21,125</u>	<u>26,345</u>	<u>27,595</u>
 <u>INTERNAL SERVICES</u>				
Administrative Services	101,890	92,501	116,159	106,063
Self-Insurance	<u>4,835</u>	<u>6,628</u>	<u>5,462</u>	<u>5,462</u>
TOTAL INTERNAL SERVICES	<u>106,725</u>	<u>99,129</u>	<u>121,621</u>	<u>111,525</u>
 GENERAL FUND TOTAL	 <u>458,458</u>	 <u>443,059</u>	 <u>471,342</u>	 <u>414,705</u>

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	246,864	243,210	248,848	223,711
Internet Reimbursement	228	207	0	0
Accrued Vacation Pay	3,998	14,998	0	0
Pension Contribution	27,712	28,292	34,355	38,683
Social Security	14,873	14,541	14,924	13,520
Medicare Tax	3,529	3,483	3,550	3,188
Hospitalization	31,082	22,223	31,692	30,164
Life Insurance	1,242	549	747	664
Pension Healthcare	3,191	3,518	4,654	4,779
Deferred Compensation Contribution	500	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(2,169)</u>	<u>(2,169)</u>
TOTAL PERSONAL SERVICES	333,219	331,021	336,601	312,540
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	300	125	400	400
Transportation	4,445	0	2,000	1,000
Rentals	0	0	75	75
Contracted Maintenance	0	0	160	160
Professional Fees	907,185	769,009	1,098,000	982,690
Other Fees	14,066	2,764	12,500	500
Memberships & Registrations	2,760	1,020	1,915	1,920
Office & General Supplies	319	479	770	963
Miscellaneous Parts	637	717	700	581
Equipment	<u>200</u>	<u>594</u>	<u>250</u>	<u>250</u>
TOTAL M.S. & E.	929,912	774,708	1,116,770	988,539
 <u>INTERNAL SERVICES</u>				
Administrative Services	25,476	23,103	31,341	29,977
Self-Insurance	<u>927</u>	<u>1,098</u>	<u>1,115</u>	<u>1,115</u>
TOTAL INTERNAL SERVICES	26,403	24,201	32,456	31,092
 <u>OTHER</u>				
Self Insurance Costs	<u>814,902</u>	<u>632,802</u>	<u>1,500,000</u>	<u>1,750,000</u>
TOTAL OTHER	814,902	632,802	1,500,000	1,750,000
 PENSION ADMIN. FUNDS TOTAL	 <u>2,104,436</u>	 <u>1,762,732</u>	 <u>2,985,827</u>	 <u>3,082,171</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 2012

- 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 the neighborhood comprehensive plan for Price's Run, Riverside and 11th Street Bridge.
- Begin the neighborhood comprehensive plan for Baynard Boulevard.
- Assist the Access Wilmington Committee in planning and carrying out the annual Access Awards Reception.
- Initiate rezonings for Price's Run, Riverside, and 11th Street Bridge areas.
- Process, in a timely fashion, approximately 370 environmental and historic reviews as required by HUD.
- Continue to expand the Department's GIS (Geographic Information System) with new and updated data.
- Survey and research Concord Heights - Part II area to determine National Register eligibility.
- Complete at least five 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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,009,051	1,038,646	1,075,317	1,050,405
Materials, Supplies & Equipment	87,339	62,644	24,406	23,906
Internal Services	353,143	334,757	410,671	398,173
Debt Service	<u>343,723</u>	<u>94,292</u>	<u>137,394</u>	<u>150,512</u>
TOTAL	<u>1,793,256</u>	<u>1,530,339</u>	<u>1,647,788</u>	<u>1,622,996</u>
STAFFING LEVELS	12.00	12.00	12.00	11.00

GENERAL FUND DEPARTMENT OF PLANNING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	951,758	988,670	1,016,351	989,351
Materials, Supplies & Equipment	87,339	62,644	24,406	23,906
Internal Services	353,143	334,757	410,671	398,173
Debt Service	<u>343,723</u>	<u>94,292</u>	<u>137,394</u>	<u>150,512</u>
TOTAL	<u>1,735,963</u>	<u>1,480,363</u>	<u>1,588,822</u>	<u>1,561,942</u>
STAFFING LEVELS	11.60	11.60	11.60	10.60

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPARTMENT OF PLANNING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	<u>57,293</u>	<u>49,976</u>	<u>58,966</u>	<u>61,054</u>
TOTAL	<u>57,293</u>	<u>49,976</u>	<u>58,966</u>	<u>61,054</u>
STAFFING LEVELS	0.40	0.40	0.40	0.40

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

- The Personal Services account group decreased a net \$27,000, mainly due to the mid-FY 2011 elimination of the Economic Development Research Planner for an annual savings of \$95,858 in FY 2012. Offsetting this savings is significant growth in employee benefit costs, mainly in Pensions (up \$25,053 or 27.3%) and Healthcare (up \$15,167 or 12.5%).
- The Internal Services account group decreased by a net \$12,499, mainly due to shrinking costs in Data Processing, which is down \$10,180.
- Debt Service increased by \$13,118, to a new total of \$150,512. This was due to the capital obligations reflected in the existing debt service 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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Special Projects	16	17	16	16	16
Neighborhood Notebooks	2	2	2	2	2
Comprehensive Plans	2	2	2	1	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 370 Environmental Reviews, 300 Planning Commission and Design Review Cases, and 80 Other Site Plan Reviews.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-B on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Environmental and 106 Reviews	450	286	300	454	370
Planning Commission and Design Review Cases (includes internal reviews)	330	326	330	285	300
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions and Parking Lots)	95	89	85	73	80

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

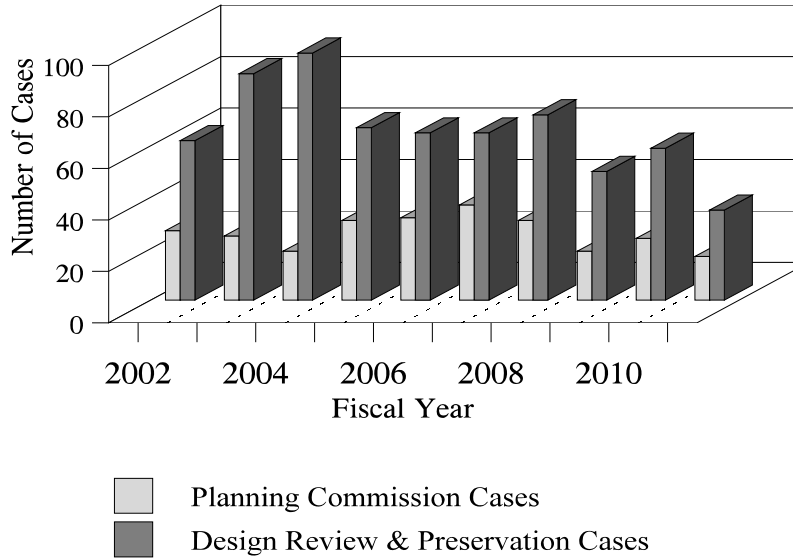
Objective: Complete 5 historic preservation and 12 special planning projects that will promote development in the City.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 2-F on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Historic Preservation Projects	n/a	n/a	n/a	n/a	6
Special Planning Projects	12	12	12	12	12

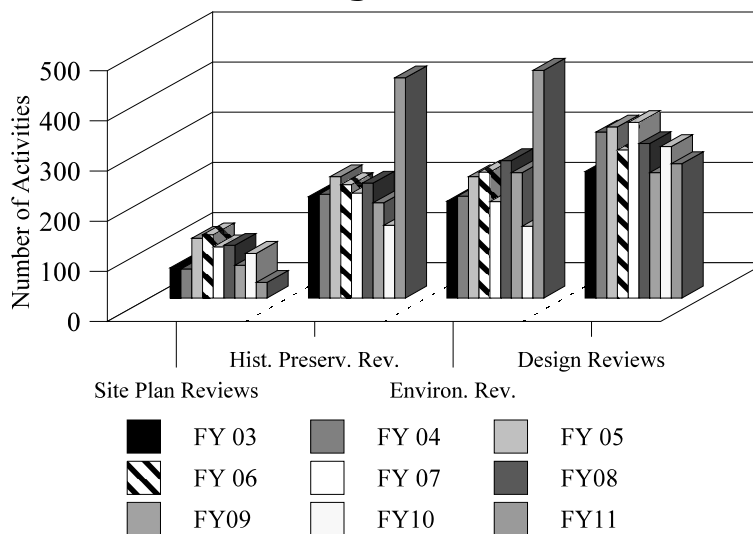
Department of Planning Performance Trends

Commission Activities



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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	691,885	706,338	724,153	660,940
Temporary Salaries	16,895	14,974	15,225	15,225
Acting Out of Class	4,388	799	455	455
Sick Leave Bonus	0	600	0	0
Internet Reimbursements	182	597	0	0
Pension Contribution	69,470	87,318	91,840	116,893
Social Security	44,026	44,637	45,637	41,460
Medicare Tax	10,296	10,440	10,672	9,696
Hospitalization	101,194	105,881	121,104	136,271
Life Insurance	3,567	1,812	2,494	2,290
Pension Healthcare	9,355	15,274	15,080	16,430
Deferred Comp Contribution	500	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(10,309)</u>	<u>(10,309)</u>
TOTAL PERSONAL SERVICES	951,758	988,670	1,016,351	989,351
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	805	1,433	2,500	2,500
Communications & Utilities	119	168	150	150
Transportation	2,755	492	1,500	1,000
Rentals	0	46	0	0
Contracted Maintenance Repairs	150	0	860	860
Professional Fees	53,871	42,198	1,000	1,500
Memberships & Registrations	6,151	7,502	6,000	6,000
Miscellaneous Services	316	0	0	0
Office & General Supplies	4,858	2,366	4,600	4,600
Miscellaneous Parts	1,199	864	1,000	500
Equipment	10,319	779	0	0
Community Activities	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>
TOTAL M., S. & E.	87,339	62,644	24,406	23,906
<u>INTERNAL SERVICES</u>				
Administrative Services	335,874	288,376	364,447	351,949
Self-Insurance	<u>17,269</u>	<u>46,381</u>	<u>46,224</u>	<u>46,224</u>
TOTAL INTERNAL SERVICES	353,143	334,757	410,671	398,173
<u>DEBT SERVICE</u>				
Principal Payments	251,321	20,261	69,784	73,088
Interest Payments	<u>92,402</u>	<u>74,031</u>	<u>67,610</u>	<u>77,424</u>
TOTAL DEBT SERVICE	343,723	94,292	137,394	150,512
GENERAL FUND TOTAL	<u>1,735,963</u>	<u>1,480,363</u>	<u>1,588,822</u>	<u>1,561,942</u>

DEPARTMENT: PLANNING**FUND: CDBG**

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	23,978	17,971	23,886	23,886
Temporary Salaries	21,430	21,276	21,141	21,141
Pension Contribution	2,315	1,811	2,914	3,846
Social Security	2,802	2,420	2,779	2,792
Medicare Tax	655	566	650	653
Hospitalization	5,627	5,491	6,990	8,030
Pension Healthcare	360	394	520	620
Life Insurance	<u>126</u>	<u>47</u>	<u>86</u>	<u>86</u>
TOTAL PERSONAL SERVICES	57,293	49,976	58,966	61,054
CDBG FUND TOTAL	<u>57,293</u>	<u>49,976</u>	<u>58,966</u>	<u>61,054</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 2012

- 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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	426,003	452,339	439,123	383,048
Materials, Supplies & Equipment	208,570	218,212	221,300	246,800
Internal Services	<u>71,209</u>	<u>72,586</u>	<u>94,711</u>	<u>91,013</u>
TOTAL	<u>705,782</u>	<u>743,137</u>	<u>755,134</u>	<u>720,861</u>
STAFFING LEVELS	5.00	5.00	5.00	4.00

GENERAL FUND AUDITING DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	426,003	452,339	439,123	383,048
Materials, Supplies & Equipment	150,641	161,212	162,300	186,800
Internal Services	<u>71,209</u>	<u>72,586</u>	<u>94,711</u>	<u>91,013</u>
TOTAL	<u>647,853</u>	<u>686,137</u>	<u>696,134</u>	<u>660,861</u>
STAFFING LEVELS	5.00	5.00	5.00	4.00

WATER/SEWER FUND AUDITING DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Materials, Supplies & Equipment	<u>57,929</u>	<u>57,000</u>	<u>59,000</u>	<u>60,000</u>
TOTAL	<u>57,929</u>	<u>57,000</u>	<u>59,000</u>	<u>60,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased \$56,075 (12.8%) in FY 2012. The elimination of the Staff Auditor position as a part of the Mayor's FY 2011 mid-year Expenditure Reduction Plan produced savings of \$76,272 in the General Fund for FY 2012.
- Employee Benefits for the remaining staff increased significantly, with a 35.9% jump in Pension Contributions (\$12,966), a 19.2% increase in Pension Healthcare (\$1,000), and a 13.7% increase in Hospitalization (\$5,944). However, these increases are almost entirely offset by the benefits savings from the position elimination (mentioned above), producing net increase of only \$160.
- Materials, Supplies and Equipment (MS&E) costs increased in the General Fund \$24,500 (15.1%) because of increases in Professional Fees. The primary factor, Accounting Fees, rose \$33,500 (23.7%) due to the planned higher utilization of independent accounting firms during FY 2012 as a result of the staff reduction. This increase was partially offset by a \$8,500 reduction (100%) in Consultants and a minor decrease in Transportation.
- In the Water/Sewer Fund, Accounting Fees rose \$1,000 to fund a contractual increase related to the annual audit of the City's financial statements.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Audit Reports Issued	10	12	10	14	12

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Technical Training Hours	30	30	30	30	20

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDITING DEPARTMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2009	FY2010	FY2011	FY 2012
Regular Salaries	314,931	333,249	348,109	291,874
Sick Leave Bonus	500	600	0	0
Internet Reimbursements	852	1,098	0	0
Pension Contribution	30,738	39,817	42,990	49,092
Social Security	19,385	20,473	21,276	17,764
Medicare Tax	4,534	4,788	4,976	4,154
Hospitalization	48,304	44,895	50,538	49,445
Life Insurance	1,592	815	1,080	864
Pension Healthcare	4,167	6,603	6,500	6,200
Deferred Comp Contribution	1,000	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(36,345)</u>	<u>(36,345)</u>
TOTAL PERSONAL SERVICES	426,003	452,339	439,123	383,048
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	1,203	971	0	0
Transportation	5,481	4,569	3,000	2,500
Professional Fees	122,080	142,683	150,000	175,000
Memberships & Registrations	14,493	12,521	8,500	8,500
Office & General Supplies	169	468	800	800
Misc. Mat. Supp. & Parts	467	0	0	0
Equipment	<u>6,748</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	150,641	161,212	162,300	186,800
<u>INTERNAL SERVICES</u>				
Administrative Services	68,860	68,989	91,614	87,916
Self-Insurance	<u>2,349</u>	<u>3,597</u>	<u>3,097</u>	<u>3,097</u>
TOTAL INTERNAL SERVICES	71,209	72,586	94,711	91,013
GENERAL FUND TOTAL	<u>647,853</u>	<u>686,137</u>	<u>696,134</u>	<u>660,861</u>

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY 2010	BUDGET FY2011	APPROVED FY2012
Professional Fees	<u>57,929</u>	<u>57,000</u>	<u>59,000</u>	<u>60,000</u>
TOTAL M., S. & E.	57,929	57,000	59,000	60,000
WATER/SEWER FUND TOTAL	<u>57,929</u>	<u>57,000</u>	<u>59,000</u>	<u>60,000</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 2012
<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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	2,195,911	2,235,886	2,239,510	2,215,131
Materials, Supplies & Equipment	468,816	412,027	631,493	554,822
Internal Services	<u>172,379</u>	<u>202,483</u>	<u>231,182</u>	<u>220,774</u>
TOTAL	<u>2,837,106</u>	<u>2,850,396</u>	<u>3,102,185</u>	<u>2,990,727</u>
STAFFING LEVELS	23.00	23.00	23.00	21.00

GENERAL FUND LAW DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	2,195,911	2,235,886	2,239,510	2,215,131
Materials, Supplies & Equipment	468,816	412,027	631,493	554,822
Internal Services	<u>172,379</u>	<u>202,483</u>	<u>231,182</u>	<u>220,774</u>
TOTAL	<u>2,837,106</u>	<u>2,850,396</u>	<u>3,102,185</u>	<u>2,990,727</u>
STAFFING LEVELS	23.00	23.00	23.00	21.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Regular Salaries decreased \$117,038 (7.1%) for FY 2012. Two positions were eliminated: the Senior Legislative Advisor (as a part of the Mayor's FY 2011 mid-year Expenditure Reduction Plan), for a savings of \$16,494; and a Senior Assistant City Solicitor (a vacancy deleted through the budget process), for a savings of \$88,673. Turnover in the department produced additional savings, as outgoing senior employees were replaced with new employees at lower starting salaries.
- Employee Benefits for the remaining staff increased significantly, with a 32.9% jump (\$66,386) in the City's contribution to employee pensions, a 19.2% increase in Pension Healthcare (\$5,250), and a 29.3% increase in Hospitalization (\$61,895). These Employee Benefits escalations, in isolation, total \$131,531. However, the savings from the staff reductions (discussed above) helped keep the net Employee Benefits increase to under \$93,000.
- MS&E costs decreased \$76,670 (12.1%), which includes a \$115,000 reduction (28.8%) in Legal Fees and a \$40,000 increase (29.6%) in Court Costs and Notary Fees. The increase in Court Costs and Notary Fees is to compensate for reimbursements that were previously allocated back to the account now being classified as revenue to the General Fund.
- Internal Service expenses decreased \$10,409 (4.5%), due to decreases of \$7,482 in Data Processing, \$2,806 in Duplication and Reproduction, and \$189 in Postage.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Percentage of Court Cost recovered	25%	74%	25%	77%	60%

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

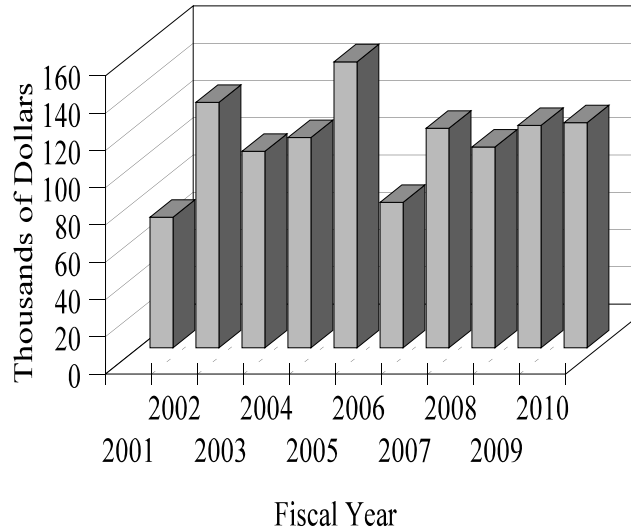
Objective: File no less than 100 writs of monition/vend ex monitions against tax-delinquent property owners.

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of filings	100	669	100	927	600

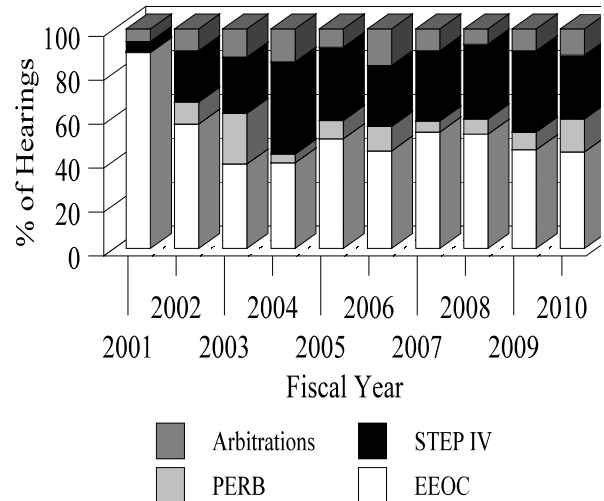
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



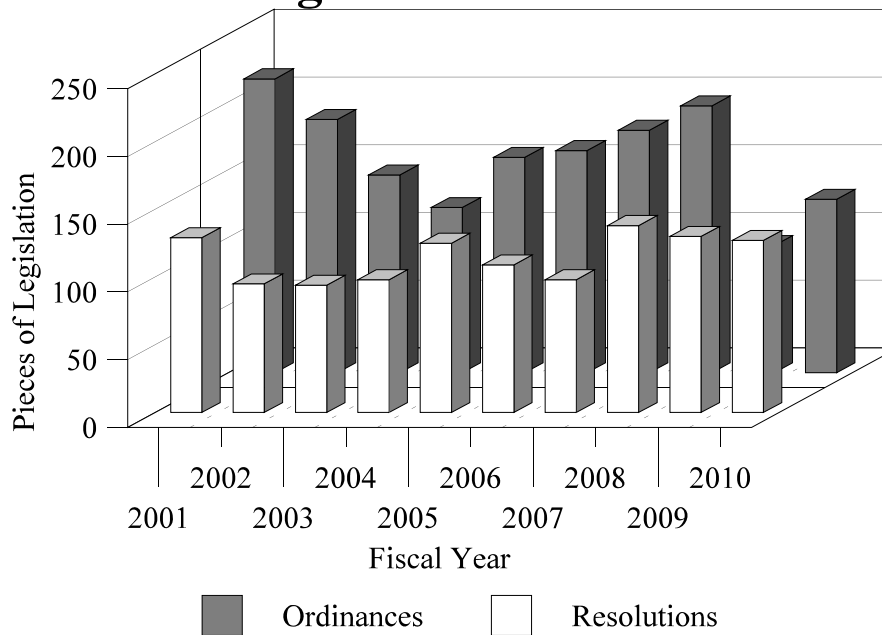
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY 2012
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,642,045	1,652,907	1,649,355	1,532,317
Temporary Salaries	5,554	5,131	8,840	8,840
Sick Leave Bonus	300	300	0	0
Internet Reimbursement	2,268	2,607	0	0
Overtime	0	0	0	0
Pension Contribution	170,383	204,136	211,469	268,251
Social Security	100,762	99,518	100,445	93,446
Medicare Tax	23,696	23,742	23,719	21,880
Hospitalization	220,710	212,728	230,695	273,072
Life Insurance	8,076	3,743	4,848	4,536
Pension Healthcare	19,368	31,074	29,900	32,550
Personal Services Adjustment	0	0	(19,761)	(19,761)
Deferred Compensation Contribution	<u>2,750</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	<u>2,195,911</u>	<u>2,235,886</u>	<u>2,239,510</u>	<u>2,215,131</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	140	496	1,212	512
Communications & Utilities	52	136	256	256
Transportation	1,857	1,761	3,650	3,650
Rentals	200	0	320	0
Contracted Maintenance Repair	614	482	800	800
Professional Fees	241,381	221,472	403,150	287,500
Other Fees	138,516	108,305	135,000	175,000
Memberships & Registrations	31,808	31,357	30,500	30,500
Miscellaneous Services	44,442	40,810	50,605	50,605
Office & General Supplies	5,997	6,218	6,000	6,000
Equipment	<u>3,809</u>	<u>990</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>468,816</u>	<u>412,027</u>	<u>631,493</u>	<u>554,822</u>
<u>INTERNAL SERVICES</u>				
Administrative Services	155,647	177,223	209,530	199,122
Self-Insurance	<u>16,732</u>	<u>25,260</u>	<u>21,652</u>	<u>21,652</u>
TOTAL INTERNAL SERVICES	<u>172,379</u>	<u>202,483</u>	<u>231,182</u>	<u>220,774</u>
<u>GENERAL FUND TOTAL</u>	<u><u>2,837,106</u></u>	<u><u>2,850,396</u></u>	<u><u>3,102,185</u></u>	<u><u>2,990,727</u></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 2012
<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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	5,571,569	5,615,973	7,305,948	7,491,426
Materials, Supplies & Equipment	4,245,630	4,482,878	5,681,775	4,714,436
Internal Services	1,239,827	1,291,723	1,618,976	1,707,864
Debt Service	5,169	4,763	5,554	5,304
Depreciation/Amortization	0	0	1,150	1,150
TOTAL	<u>11,062,195</u>	<u>11,395,337</u>	<u>14,613,403</u>	<u>13,920,180</u>
STAFFING LEVELS	70.00	75.00	97.00	93.00

GENERAL FUND DEPARTMENT OF FINANCE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	3,324,506	3,506,479	5,001,628	5,167,787
Materials, Supplies & Equipment	3,652,750	4,019,759	5,149,305	4,200,406
Internal Services	760,390	660,121	796,688	934,586
Debt Service	<u>5,169</u>	<u>4,763</u>	<u>5,554</u>	<u>5,304</u>
TOTAL	<u>7,742,815</u>	<u>8,191,122</u>	<u>10,953,175</u>	<u>10,308,083</u>
STAFFING LEVELS	39.75	44.25	67.55	65.45

WATER/SEWER FUND DEPARTMENT OF FINANCE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	2,247,063	2,109,494	2,304,320	2,323,639
Materials, Supplies & Equipment	592,880	463,119	532,470	514,030
Internal Services	479,437	631,602	822,288	773,278
Depreciation/Amortization	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL	<u>3,319,380</u>	<u>3,204,215</u>	<u>3,660,228</u>	<u>3,612,097</u>
STAFFING LEVELS	30.25	30.75	29.45	27.55

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew \$166,159, primarily reflecting increased employee benefit costs. The largest benefit cost increases were for Pension Contributions, Hospitalization, and Pension Healthcare, which grew \$138,834, \$75,920 and \$13,629 respectively.
- A total of \$96,000 in savings carried forward into FY 2012 from the Mid-FY 2011 elimination of 1.10 FTEs. In addition, a Revenue Audit Agent was eliminated in FY 2012, creating a Personal Services savings of \$101,954.
- Overtime was eliminated in the Accounting Division, saving \$7,500.
- Material, Supplies, and Equipment decreased \$948,899, responding in large part to regional economic conditions that have affected the Department's Plan for Change initiative. Wage & Head Commission and Legal Commission expenses related to the Plan for Change decreased \$586,000 and \$55,000 respectively.
- Parking Commissions were reduced \$260,000. \$80,000 in reduced costs reflect the decrease in City metered parking areas, while \$180,000 in expenses were eliminated as City union requirements limit the Department's use of temporary employees, thereby reducing the number of tickets written, collection income, and commission expenses.
- Red Light Commissions increased \$112,500 as the City anticipates increased violations captured by new red light video enforcement cameras.
- False Alarm Commissions decreased \$25,000 due to service contract decreases.
- Temporary Agencies expenses decreased \$145,000 because of City union requirements that limit the Department's use of temporary employees.
- Internal Services grew \$137,899, largely due to Motor Vehicle, Data Processing, and Radio Usage expenses for Parking Enforcement operations moved into the Finance Department in FY 2011. The transfer of these expenses, formerly budgeted in the Police Department, increased the Finance Department's Internal Services costs by \$64,000, \$40,000 and \$25,000 respectively.
- In addition to increases to Internal Services for Parking Enforcement, \$69,800 in software and consulting expenses were transferred to Data Processing as part of the City's consolidation of Information Technology away from individual City departments to the Division of Integrated Technology (DoIT). These costs were then charged back to the Finance Department through the Data Processing Internal Service account.

WATER/SEWER FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$19,319 to a new total of \$2,323,639, reflecting higher Pension (\$59,900), Hospitalization (\$13,506), and Pension Healthcare (\$4,421) costs. Regular Salaries decreased by an aggregate \$45,373 due to the mid-FY 2011 elimination of 1.9 FTEs, whose regular salary savings of \$92,920 carried forward in to FY 2012.
- The elimination of \$5,000 in Temporary Salaries expenses and a \$2,000 reduction in Overtime helped to lower total Personal Services costs.
- In M.,S.& E., Lockbox Charges increased \$40,000 to more accurately reflect the allocation of payment processing services between the General and Water/Sewer Funds.
- Temporary Agencies costs were eliminated, a savings of \$21,500, due to greater internal efficiencies and compliance with City union requirements that limit the Department's use of temporary employment.
- Consultant expenses declined \$20,000, as the Department reduces its solicitation of outside advice on operation and revenue initiatives.
- Workshops and Seminars declined \$11,000, as internal staff assume leadership roles in conducting employee development and education.
- Internal Services decreased \$49,010, largely due to Data Processing and Postage decreases of \$21,890 and \$12,016 respectively.
- Motor Vehicle costs shrank \$15,246, as the mid-FY2011 elimination of a Meter Reader position and reduced demand for a pool vehicle spurred a two vehicle reduction in the Department's fleet.

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Collect \$5,000,000 in delinquent earned income taxes.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 1-A on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Dollars Collected	\$10,000,000	\$11,207,916	\$10,000,000	\$5,000,000	\$5,000,000

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Numbers of Payments Processed	150,000	76,847	150,000	105,664	164,000
Percentage of Payments Processed	42%	39%	42%	29%	44%

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.

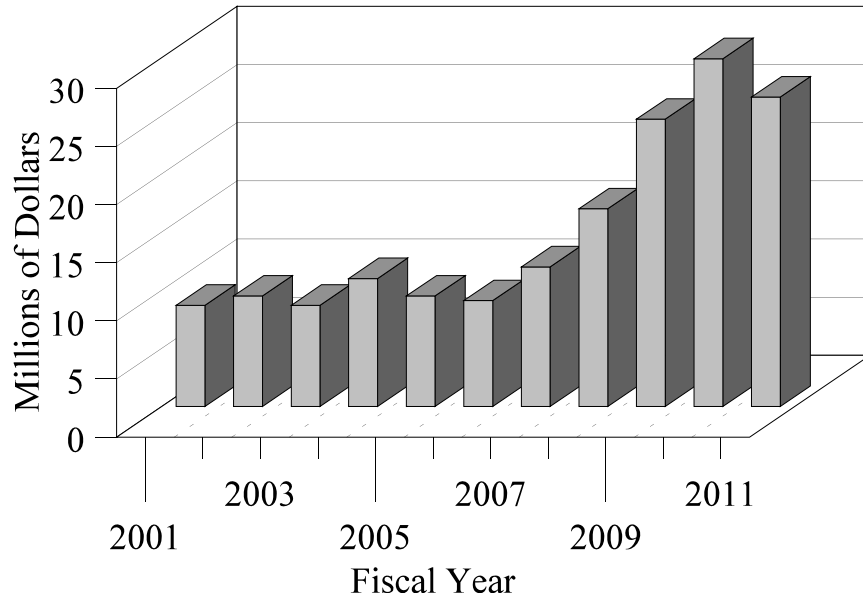
Objective: To receive the GFOA Certificate of Excellence in Financial Reporting.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-D and 1-E on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

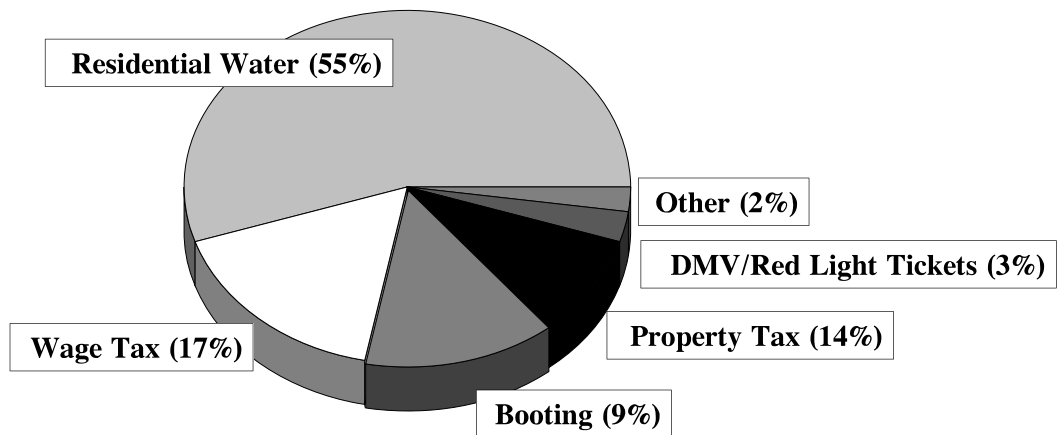
Department of Finance Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$26.6 million in delinquent accounts were collected in FY 2011.

Delinquent Collections by Revenue Type FY 2011



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
<u>PERSONAL SERVICES</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Regular Salaries	2,200,334	2,312,234	3,293,634	3,238,182
Temporary Salaries	66,927	32,056	0	0
Acting Out of Class	34	559	2,875	0
Sick Leave Bonus	2,550	3,381	1,110	1,110
Overtime	136,527	128,200	141,951	134,450
Meal Allowance	8,137	8,572	11,445	13,445
Internet Reimbursement	2,330	3,340	0	0
Clothing Allowance	0	0	0	5,750
Pension Contribution	232,470	297,980	434,678	573,512
Social Security	152,173	151,471	210,949	207,744
Medicare Tax	35,615	35,623	49,373	48,594
Hospitalization	438,102	481,236	846,372	922,292
Life Insurance	10,494	6,671	14,269	14,107
Pension Healthcare	32,813	45,156	87,815	101,444
Personal Services Adjustment	0	0	(92,843)	(92,843)
Deferred Compensation	<u>6,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	3,324,506	3,506,479	5,001,628	5,167,787
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	72,808	62,959	73,780	94,780
Communications & Utilities	11,786	14,265	15,464	17,064
Transportation	8,791	17,521	9,400	10,150
Rentals	28,263	47,508	60,000	63,436
Contracted Maintenance Repairs	119	0	1,025	2,525
Professional Fees	325,153	247,291	200,500	55,000
Memberships & Registrations	57,215	45,099	37,995	26,600
Miscellaneous Services	2,848,570	3,472,968	4,713,500	3,891,000
Office & General Supplies	20,885	16,838	16,920	18,420
Wearing Apparel and Safety	0	0	14,640	18,300
Miscellaneous Parts	965	1,028	631	631
Equipment	223,211	20,922	4,450	2,500
Fixed Assets	26,141	72,540	1000	0
Moving/Relocation	<u>28,843</u>	<u>820</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	3,652,750	4,019,759	5,149,305	4,200,406
<u>INTERNAL SERVICES</u>				
Administrative Services	721,951	574,191	706,879	844,777
Self-Insurance	<u>38,439</u>	<u>85,930</u>	<u>89,809</u>	<u>89,809</u>
TOTAL INTERNAL SERVICES	760,390	660,121	796,688	934,586

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY 2011	APPROVED FY 2012
DEBT SERVICE				
Principal Payments	0	20	0	0
Interest Payments	<u>5,169</u>	<u>4,743</u>	<u>5,554</u>	<u>5,304</u>
TOTAL DEBT SERVICE	5,169	4,763	5,554	5,304
GENERAL FUND TOTAL	<u>7,742,815</u>	<u>8,191,122</u>	<u>10,953,175</u>	<u>10,308,083</u>

DEPARTMENT: FINANCE

FUND: WATER/SEWER

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY 2011	APPROVED FY 2012
PERSONAL SERVICES				
Regular Salaries	1,489,762	1,388,299	1,509,500	1,464,127
Temporary Salaries	2,636	5,447	5,000	0
Acting Out of Class	136	601	0	0
Shift Differential	0	0	0	0
Sick Leave Bonus	300	661	690	690
Overtime	63,055	47,254	70,550	68,550
Meal Allowance	1,830	1,549	6,855	6,855
Clothing Allowance	1,000	900	1,250	750
Internet Reimbursements	602	709	0	0
Accrued Sick/Vacation	(11,029)	(7,885)	0	0
Pension Contribution	169,557	177,931	204,985	264,885
Social Security	96,170	88,342	97,356	93,028
Medicare Tax	22,533	20,677	22,810	21,751
Hospitalization	311,991	282,468	340,843	354,348
Life Insurance	6,984	4,140	6,196	5,949
Pension Healthcare	90,786	98,401	38,285	42,706
Deferred Compensation	<u>750</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	2,247,063	2,109,494	2,304,320	2,323,639

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY 2011	APPROVED FY 2012
Printing & Advertising	25,796	15,816	26,790	26,790
Communications & Utilities	219	34	900	900
Transportation	3,362	1,527	6,400	8,100
Contracted Maintenance Repairs	111	0	3,717	3,717
Professional Fees	141,436	72,457	61,500	20,000
Memberships & Registrations	17,391	23,955	30,360	19,060
Miscellaneous Services	74,679	46,909	78,600	117,000
Office & General Supplies	17,271	9,636	14,660	15,070
Wearing Apparel & Safety Supplies	2,583	1,739	4,910	4,810
Miscellaneous Parts	1,936	1,036	6,900	6,900
Supporting Services	276,683	276,684	276,683	276,683
Utility Billing Refunds	0	0	0	0
Equipment	18,174	13,326	21,050	15,000
Fixed Assets	<u>13,239</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	592,880	463,119	532,470	514,030
<u>INTERNAL SERVICES</u>				
Administrative Services	450,986	580,981	776,472	727,462
Self-Insurance	<u>28,451</u>	<u>50,621</u>	<u>45,816</u>	<u>45,816</u>
TOTAL INTERNAL SERVICE	479,437	631,602	822,288	773,278
<u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL OTHER	0	0	1,150	1,150
WATER/SEWER FUND TOTAL	<u>3,319,380</u>	<u>3,204,215</u>	<u>3,660,228</u>	<u>3,612,097</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 2012	
•	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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,743,168	1,932,860	1,964,796	2,001,989
Materials, Supplies & Equipment	3,772,453	3,231,859	3,142,638	2,581,225
Internal Services	360,558	336,312	442,484	466,163
Debt Service	17,981	16,568	19,320	18,517
Depreciation	6,405	12,617	12,554	12,554
Special Purpose	<u>15,127,362</u>	<u>18,014,388</u>	<u>17,725,000</u>	<u>19,325,000</u>
TOTAL	<u>21,027,927</u>	<u>23,544,604</u>	<u>23,306,792</u>	<u>24,405,448</u>
STAFFING LEVELS	23.00	23.00	23.00	22.00

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

GENERAL FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,252,059	1,346,675	1,373,059	1,362,499
Materials, Supplies & Equipment	172,510	101,450	98,416	77,978
Internal Services	333,896	302,502	404,101	429,192
Debt Service	17,981	16,568	19,320	18,517
TOTAL	<u>1,776,445</u>	<u>1,767,195</u>	<u>1,894,896</u>	<u>1,888,186</u>
STAFFING LEVELS	16.00	16.00	16.00	15.00

RISK MANAGEMENT FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	117,172	121,521	118,408	125,675
Materials, Supplies & Equipment	2,685,755	2,351,869	2,246,021	1,658,803
Internal Services	16,143	25,419	29,775	28,892
Depreciation	6,405	12,617	12,554	12,554
Special Purpose	(1,821,351)	1,720,424	0	0
TOTAL	<u>1,004,123</u>	<u>4,231,849</u>	<u>2,406,759</u>	<u>1,825,925</u>
STAFFING LEVELS	1.30	1.30	1.30	1.30

WORKERS' COMP. FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	293,500	377,583	385,436	411,487
Materials, Supplies & Equipment	775,722	686,252	695,151	747,244
Internal Services	9,353	7,066	7,287	6,752
Special Purpose	2,285,453	3,086,673	2,260,000	2,260,000
TOTAL	<u>3,364,027</u>	<u>4,157,573</u>	<u>3,347,874</u>	<u>3,425,483</u>
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH & WELFARE FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	80,438	87,082	87,893	102,328
Materials, Supplies & Equipment	138,466	92,288	103,050	97,200
Internal Services	1,167	1,326	1,320	1,326
Special Purpose	14,663,260	13,207,291	15,465,000	17,065,000
TOTAL	<u>14,883,331</u>	<u>13,387,987</u>	<u>15,657,263</u>	<u>17,265,854</u>
STAFFING LEVELS	1.20	1.20	1.20	1.20

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

- Personal Services decreased a net \$10,560 (.8%) in the General Fund for FY 2012. Salary and benefits savings of \$119,165 from the elimination of the vacant Deputy Director position were largely off-set by pension costs for remaining employees increasing 27.2% (\$33,391) and healthcare costs increasing 24.5% (\$39,408).
- As part of the City's cost-savings efforts, the department has reduced Material, Supplies and Equipment expenses by \$20,438. It is reflected in several accounts: Transportation (\$2,400), Professional Fees (\$4,151), Memberships and Registrations (\$5,180), and Office and General Supplies (\$10,282).

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

- Total Personal Services across all Human Resources Internal Services Funds increased by \$47,753 (8%). This change is due primarily to increased pension and healthcare costs. No new positions were added.
- In the Risk Management Fund, \$325,000 is allocated in Insurance Claims-Legal Defense for two pending cases, per the estimate developed in conjunction with the Law Department.
- In the Workers' Compensation Fund, Unemployment Insurance went up \$50,000 to \$200,000 due to anticipated staff reductions and the extension of federal unemployment insurance benefits.
- Medical and Dental costs in the Health and Welfare Fund have grown by \$1.6 million, to a total of \$16.6 million. This cost increase is the result of a number of factors, including growth in the number of high-cost medical cases, the ongoing cost inflation of healthcare nationwide, and the enactment of the Federal Health Care Mandated Reform (H26) that will allow dependent children to remain on their parents' health insurance plans until age 26. The Mandated Reform will take effect 7/1/11 for the City.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL*	FY 2012 PROJECTED
Number of Grievances	18	12	16	26	20

* The increase in grievances is partially due to the FY'11 mid-year reduction in workforce, as well as increased terminations for cause.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Training Workshops	50	50	50	72	70
Number of Employees Trained	300	1,040	500	1,348	700

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Auto, Property, Police and Other	125	44	75	225	175
Workers Compensation	235	255	245	173	165
Total Claims Frequency	360	299	320	398	340

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

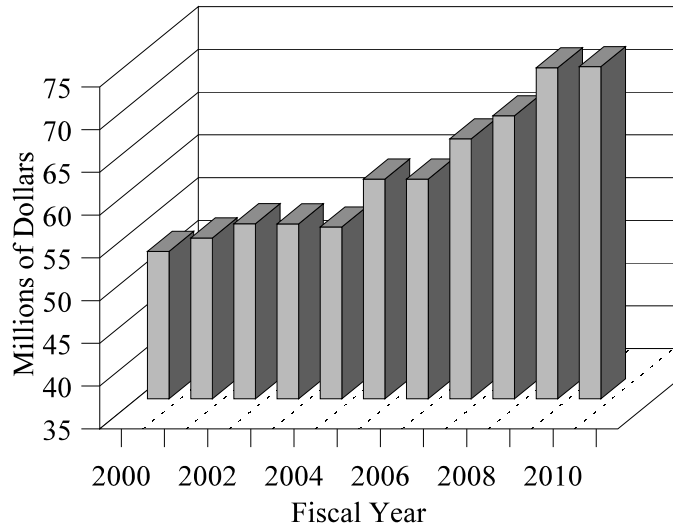
Objective: Reward 200 employees nominated by their peers and reward length of service with the City.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-D, and 1-E on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Employees Awarded	200	214	200	243	200

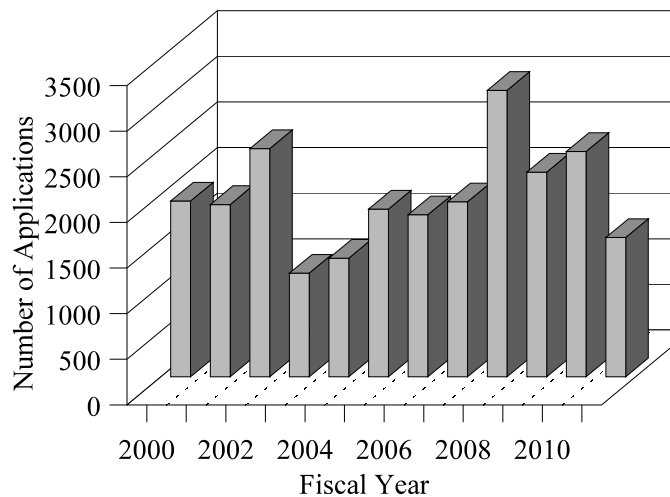
Department of Human Resources Performance Trends

Payroll - All Employees



Although the mid-year staff reduction produced roughly \$2.1M savings in FY 2011, the Police rank & file received salary increases that were retroactively applied starting January 1, 2011.

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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
<u>PERSONAL SERVICES</u>				
Regular Salaries	928,409	981,788	983,797	913,071
Temporary Salaries	105	0	7,000	0
Sick Leave Bonus	300	400	0	0
Overtime	3,621	2,479	5,500	4,500
Meal Allowance	291	97	300	300
Internet Reimbursements	1,589	2,672	0	0
Pension Contribution	91,255	116,265	122,663	156,054
Social Security	57,664	60,450	60,862	55,287
Medicare Tax	13,509	14,220	14,234	12,929
Hospitalization	135,723	144,732	160,999	200,407
Life Insurance	4,755	2,571	3,443	3,240
Pension Healthcare	12,839	21,001	20,800	23,250
Deferred Comp Contribution	2,000	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(6,539)</u>	<u>(6,539)</u>
TOTAL PERSONAL SERVICES	<u>1,252,059</u>	<u>1,346,675</u>	<u>1,373,059</u>	<u>1,362,499</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	12,371	909	4,100	6,475
Communications and Utilities	101	82	200	200
Transportation	9,628	3,661	6,900	4,500
Contracted Maintenance	9,301	0	1,200	1,500
Professional Fees	79,147	51,895	23,600	19,449
Other Fees	688	0	0	0
Memberships & Registrations	15,950	17,151	18,405	13,225
Miscellaneous Services	0	3,221	3,000	3,989
Office & General Supplies	4,523	5,478	15,922	5,640
Miscellaneous Parts	24,609	18,873	23,889	22,200
Fixed Assets	0	0	0	0
Equipment	<u>16,192</u>	<u>180</u>	<u>1,200</u>	<u>800</u>
TOTAL M., S. & E.	<u>172,510</u>	<u>101,450</u>	<u>98,416</u>	<u>77,978</u>
<u>INTERNAL SERVICES</u>				
Administrative Services	329,061	295,200	397,850	422,941
Self-Insurance	<u>4,835</u>	<u>7,302</u>	<u>6,251</u>	<u>6,251</u>
TOTAL INTERNAL SERVICES	<u>333,896</u>	<u>302,502</u>	<u>404,101</u>	<u>429,192</u>
<u>DEBT SERVICE</u>				
Principal Payments	0	69	0	69
Interest Payments	<u>17,981</u>	<u>16,499</u>	<u>19,320</u>	<u>18,448</u>
TOTAL DEBT SERVICE	<u>17,981</u>	<u>16,568</u>	<u>19,320</u>	<u>18,517</u>
GENERAL FUND TOTAL	<u><u>1,776,445</u></u>	<u><u>1,767,195</u></u>	<u><u>1,894,896</u></u>	<u><u>1,888,186</u></u>

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	85,176	84,563	84,212	84,212
Overtime	311	0	0	0
Meal Allowance	111	0	0	0
Internet Reimbursement	0	75	0	0
Compensated Absences	(3,713)	4,707	0	0
Pension Contribution	9,541	9,770	10,990	15,708
Social Security	7,483	6,892	5,158	5,070
Medicare Tax	1,750	1,612	1,206	1,186
Hospitalization	14,357	12,384	15,938	18,271
Life Insurance	443	212	281	281
Pension Healthcare	1,214	1,306	1,690	2,015
Deferred Comp Contribution	500	0	0	0
Personal Services Adjustment	0	0	(1,068)	(1,068)
TOTAL PERSONAL SERVICES	117,172	121,521	118,408	125,675
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	1,639	2,546	2,000	250
Insurance	2,570,273	2,296,425	2,201,143	1,622,142
Contracted Maintenance Repairs	0	0	200	200
Professional Fees	41,041	49,909	37,000	33,636
Memberships & Registrations	1,977	1,069	2,000	1,075
Miscellaneous Services	0	0	0	0
Office & General Supplies	4,064	1,202	1,500	1,500
Equipment	3,993	719	2,179	0
Computer Software-Capital	62,768	0	0	0
TOTAL M., S. & E.	2,685,755	2,351,869	2,246,021	1,658,803
<u>INTERNAL SERVICES</u>				
Administrative Services	15,142	24,410	28,746	27,863
Self-Insurance	1,001	1,009	1,029	1,029
TOTAL INTERNAL SERVICES	16,143	25,419	29,775	28,892
<u>OTHER</u>				
Depreciation	6,405	12,617	12,554	12,554
TOTAL OTHER	6,405	12,617	12,554	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	(1,821,351)	1,720,424	0	0
TOTAL SPECIAL PURPOSE	(1,821,351)	1,720,424	0	0
RISK MANAGEMENT FUND				
TOTAL	<u>1,004,123</u>	<u>4,231,851</u>	<u>2,406,759</u>	<u>1,825,925</u>

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	204,024	261,012	260,326	263,801
Temporary Salaries	17,986	8,383	0	0
Overtime	1,475	(192)	0	0
Internet Reimbursements	0	180	0	0
Compensated Absences	(10,680)	5,902	0	0
Pension Contribution	18,585	25,795	32,410	44,504
Social Security	13,712	16,610	16,044	16,085
Medicare Tax	3,207	3,885	3,752	3,762
Hospitalization	40,635	50,552	65,870	75,604
Life Insurance	1,144	947	1,184	756
Pension Healthcare	<u>3,413</u>	<u>4,510</u>	<u>5,850</u>	<u>6,975</u>
TOTAL PERSONAL SERVICES	293,500	377,583	385,436	411,487
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	90	1,000	1,500
Transportation	0	0	0	0
Insurance	282,297	337,086	320,000	370,000
Rentals	0	4	25	25
Contracted Maintenance	616	620	1,000	1,000
Professional Fees	463,530	325,713	352,276	355,369
Memberships & Registrations	1,821	3,301	3,500	2,500
Office & General Supplies	12,180	893	1,250	1,250
Wearing Apparel and Safety	0	0	100	100
Miscellaneous Parts	9,322	4,048	15,000	15,000
Equipment	<u>5,955</u>	<u>14,497</u>	<u>1,000</u>	<u>500</u>
TOTAL M., S. & E.	775,722	686,252	695,151	747,244
<u>INTERNAL SERVICES</u>				
Administrative Services	7,318	4,996	5,257	4,722
Self-Insurance	<u>2,035</u>	<u>2,069</u>	<u>2,030</u>	<u>2,030</u>
TOTAL INTERNAL SERVICES	9,353	7,066	7,287	6,752
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	<u>2,285,453</u>	<u>3,086,673</u>	<u>2,260,000</u>	<u>2,260,000</u>
TOTAL SPECIAL PURPOSE	2,285,453	3,086,673	2,260,000	2,260,000
WORKERS' COMPENSATION				
FUND TOTAL	<u>3,364,027</u>	<u>4,157,573</u>	<u>3,347,874</u>	<u>3,425,483</u>

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
PERSONAL SERVICES				
Regular Salaries	63,061	63,589	63,431	66,286
Overtime	424	(79)	0	5,200
Internet Reimbursement	0	270	0	0
Compensated Absences	(6,131)	2,164	0	0
Pension Contribution	6,485	7,383	8,304	12,470
Social Security	3,779	3,674	3,704	4,122
Medicare Tax	884	859	866	964
Hospitalization	10,279	7,815	9,769	11,167
Life Insurance	331	203	259	259
Pension Healthcare	1,075	1,204	1,560	1,860
Deferred Comp Contribution	250	0	0	0
TOTAL PERSONAL SERVICES	80,438	87,082	87,893	102,328
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	0	8,000	2,000
Communications and Utilities	938	1,012	1,400	1,550
Transportation	0	0	0	0
Professional Fees	132,116	89,179	91,000	91,000
Memberships and Registration	0	0	250	250
Office and General Supplies	2,852	2,097	2,400	2,400
Equipment	2,560	0	0	0
TOTAL M., S. & E.	138,466	92,288	103,050	97,200
<u>INTERNAL SERVICES</u>				
Administrative Services	486	634	635	641
Self-Insurance	681	692	685	685
TOTAL INTERNAL SERVICES	1,167	1,326	1,320	1,326
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	14,663,260	13,207,291	15,465,000	17,065,000
TOTAL SPECIAL PURPOSE	14,663,260	13,207,291	15,465,000	17,065,000
HEALTH AND WELFARE				
FUND TOTAL	<u>14,883,331</u>	<u>13,387,987</u>	<u>15,657,263</u>	<u>17,265,854</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 2012
<ul style="list-style-type: none"> • Continue to explore new technology to implement the Instant Ticketing and Vacant Property Registration programs. • Monitor and update newly installed MUNIS permit software. • Aggressively demolish properties that are a blight to the community. • Continue to reduce the number of vacant properties through our new program that publicly advertises the 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. • Implement the 2012 ICC (International Code Council) building code.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF LICENSES & INSPECTIONS	FY2009	FY2010	FY2011	FY2012
Personal Services	3,269,963	3,108,722	3,259,807	3,136,849
Materials, Supplies & Equipment	595,277	441,916	407,266	404,716
Internal Services	484,034	444,068	572,734	554,905
Debt Service	28,192	28,172	2,030	10,886
Special Purpose	246,049	251,970	251,970	251,970
TOTAL	<u>4,623,515</u>	<u>4,274,848</u>	<u>4,493,807</u>	<u>4,359,326</u>
STAFFING LEVELS	46.00	44.00	42.00	38.00

GENERAL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF LICENSES & INSPECTIONS	FY2009	FY2010	FY2011	FY2012
Personal Services	3,269,963	3,108,722	3,259,807	3,136,849
Materials, Supplies & Equipment	595,277	441,916	407,266	404,716
Internal Services	484,034	444,068	572,734	554,905
Debt Service	28,192	28,172	2,030	10,886
Special Purpose	<u>246,049</u>	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>
TOTAL	<u>4,623,515</u>	<u>4,274,848</u>	<u>4,493,807</u>	<u>4,359,326</u>
STAFFING LEVELS	46.00	44.00	42.00	38.00

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

- Personal Services decreased \$122,958 (3.8%) in the General Fund for FY 2012. The elimination of the Building Code Enforcement Supervisor, a Code Enforcement Inspector, and a Mechanical Code Enforcement Inspector as a part of the Mayor's FY 2011 mid-year Expenditure Reduction Plan produced \$215,783 (\$94,964, \$59,175, and \$61,644, respectively) in salary and benefits savings for FY 2012. Also, a vacant Business Compliance Officer position was deleted during the FY 2012 budget process producing \$52,356 more savings in Salaries & Wages and \$24,428 more in Employee Benefits.
- Additional Salary and Wages cuts include \$9,100 (100%) in Temporary Salaries, \$3,500 (53.8%) in Acting Out of Class, \$9,096 (20.6%) in Overtime, and \$1,350 in Clothing & Meal Allowance. After contractual salary step increases are taken into consideration, these savings and those from the staff reductions produce an overall net decrease to Salaries and Wages of \$170,724 (7.6%).
- Employee Benefits for the remaining staff increased significantly, although the net increase is a modest 7.1% (\$73,194) for FY 2012, largely due to the benefits savings associated with the position eliminations. Nonetheless, there were still large increases in Pension Contributions and Pension Healthcare, which increased \$82,552 (29.6%) and \$5,850 (10.7%) respectively.
- MS&E costs decreased \$2,550 (0.6%) with minor reductions across various account lines. There were, however, reductions of 80% (\$2,000) in Transportation expenses, 100% (\$2,000) in Equipment, and 42.9% (\$1,500) in Fixed Assets. The Consultants account line, which allows the department to procure a hearing officer for instant ticket appeals, engineers, and other building trade professionals, was increased a net \$3,750 (12.5%). Although there was an initial \$5,000 reduction to the account, \$8,750 was added to fund the recently acquired vehicle GPS monitoring service.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Lead-based Paint Inspections	100	50	100	45	100

Goal #2: Improve housing stock of the City.

Objective: Perform at least 50,000 housing inspections.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-A and 3-B on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Housing Inspections	50,000	55,038	50,000	49,843	50,000

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

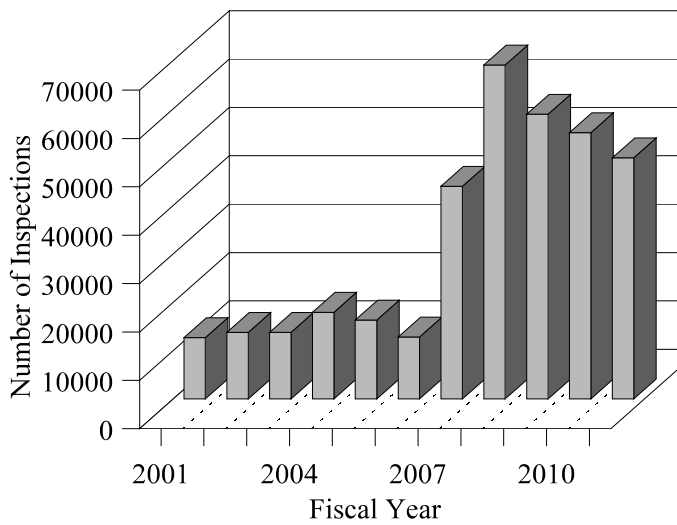
Objective: Complete at least 5,000 vacant structure inspections.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, and 3-E on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Vacant Property Inspections	4,000	6,063	6,000	3,768	5,000

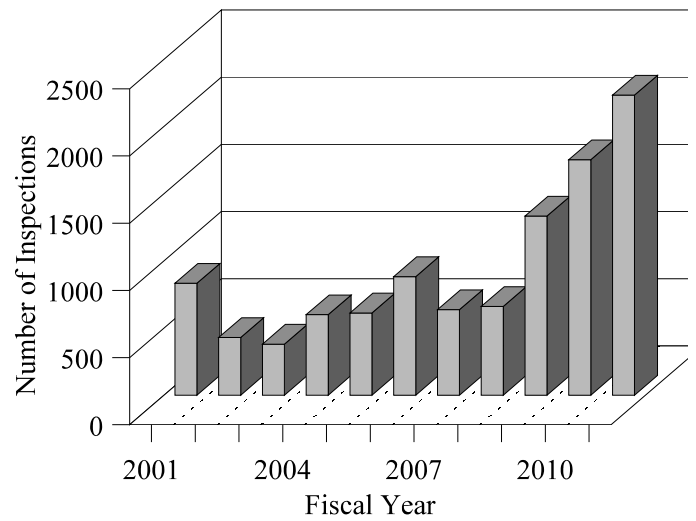
Department of Licenses and Inspections Performance Trends

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.

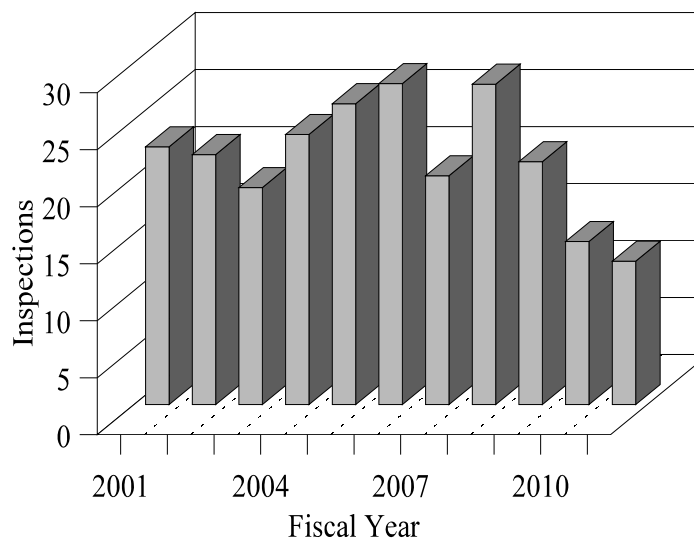
Zoning Inspections



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 2010 and FY 2011 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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	2,223,560	2,144,372	2,187,822	2,040,144
Temporary Salaries	0	8,280	9,100	0
Acting Out of Classification	3,954	2,247	6,500	3,000
Sick Leave Bonus	2,350	2,100	1,800	1,800
Overtime	64,458	26,937	44,096	35,000
Meal Allowance	1,593	1,438	600	500
Clothing Allowance	7,625	7,930	8,750	7,500
Internet Reimbursements	1,598	2,228	0	0
Pension Contribution	224,418	262,132	278,605	350,843
Social Security	143,944	134,506	138,373	128,386
Medicare Tax	33,665	32,334	32,362	30,028
Hospitalization	498,505	429,978	524,513	509,869
Life Insurance	10,664	6,497	9,015	8,208
Pension Healthcare	38,211	37,728	54,600	58,900
Deferred Comp Contribution	4,500	0	0	0
Personal Services Adjustment	<u>10,918</u>	<u>10,015</u>	<u>(36,329)</u>	<u>(37,329)</u>
TOTAL PERSONAL SERVICES	3,269,963	3,108,722	3,259,807	3,136,849

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	9,180	7,071	5,376	5,376
Communications & Utilities	307	0	614	614
Transportation	3,357	122	2,500	500
Rentals	87	200	227	227
Contracted Maintenance	139,015	111,815	100,000	100,000
Professional Fees	30,750	21,863	30,000	33,750
Other Fees	6,030	4,856	2,800	3,500
Memberships & Registration	19,509	11,359	15,000	15,250
Miscellaneous Services	0	133	0	0
Office & General Supplies	10,360	7,464	7,108	7,108
Wearing Apparel & Safety Supplies	24,702	21,948	21,640	21,640
Miscellaneous Parts	2,604	1,536	4,500	2,750
Construction & Repairs	314,878	219,082	212,000	212,000
Equipment	34,498	34,469	2,000	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>3,500</u>	<u>2,000</u>
TOTAL M., S. & E.	595,277	441,916	407,266	404,716

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Administrative Services	455,722	406,494	542,173	524,344
Self-Insurance	<u>28,312</u>	<u>37,574</u>	<u>30,561</u>	<u>30,561</u>
TOTAL INTERNAL SERVICES	484,034	444,068	572,734	554,905
 <u>DEBT SERVICE</u>				
Principal Payments	24,032	25,231	0	8,509
Interest Payments	<u>4,160</u>	<u>2,941</u>	<u>2,030</u>	<u>2,377</u>
TOTAL DEBT SERVICE	28,192	28,172	2,030	10,886
 <u>SPECIAL PURPOSE</u>				
Delaware SPCA	<u>246,049</u>	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>
TOTAL SPECIAL PURPOSE	246,049	251,970	251,970	251,970
 GENERAL FUND TOTAL	 <u>4,623,515</u>	 <u>4,274,848</u>	 <u>4,493,807</u>	 <u>4,359,326</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 2012
<ul style="list-style-type: none"> • Implement a Citywide Youth Sport Standard, to be used by all youth sports agencies and organizations. • Continue to implement beautification plans for all City Parks and Plazas. • Provide assistance to the Urban Forester regarding Street Trees. • Develop a long-term plan regarding park trees. • 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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	5,369,807	5,339,116	4,912,448	4,799,161
Materials, Supplies & Equipment	2,515,549	2,674,667	2,562,073	2,475,539
Internal Services	1,183,546	1,284,499	1,256,054	1,274,813
Debt Service	<u>2,519,580</u>	<u>1,898,986</u>	<u>1,847,828</u>	<u>1,899,520</u>
TOTAL	<u>11,588,482</u>	<u>11,197,268</u>	<u>10,578,403</u>	<u>10,449,033</u>
STAFFING LEVELS	58.00	53.00	50.00	44.00

GENERAL FUND DEPT OF PARKS & RECREATION	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	4,765,518	4,333,442	4,190,843	4,077,556
Materials, Supplies & Equipment	1,589,776	1,431,840	1,188,670	1,102,136
Internal Services	1,182,137	1,284,103	1,252,621	1,271,380
Debt Service	<u>2,519,580</u>	<u>1,898,986</u>	<u>1,847,828</u>	<u>1,899,520</u>
TOTAL	<u>10,057,011</u>	<u>8,948,371</u>	<u>8,479,962</u>	<u>8,350,592</u>
STAFFING LEVELS	58.00	53.00	50.00	44.00

PARKS ASSISTANCE FUND DEPT OF PARKS & RECREATION	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	497,440	896,430	284,911	284,911
Materials, Supplies & Equipment	<u>922,199</u>	<u>1,240,443</u>	<u>1,342,338</u>	<u>1,342,338</u>
TOTAL	<u>1,419,639</u>	<u>2,136,873</u>	<u>1,627,249</u>	<u>1,627,249</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND DEPT OF PARKS & RECREATION	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	106,849	109,244	121,694	121,694
Materials, Supplies & Equipment	3,574	2,384	31,065	31,065
Internal Services	<u>1,409</u>	<u>396</u>	<u>3,433</u>	<u>3,433</u>
TOTAL	<u>111,832</u>	<u>112,024</u>	<u>156,192</u>	<u>156,192</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB) DEPT OF PARKS & RECREATION	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	<u>0</u>	<u>0</u>	<u>315,000</u>	<u>315,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>315,000</u>	<u>315,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- A total of six General Fund positions have been deleted in the Department, a carryover from mid-FY 2011. One Labor Foreman II, a Technical Maintenance Foreman, one General Laborer I, the Community Liaison, and two Account Clerk III positions were permanently eliminated, with total annual Salary and Benefit savings of nearly \$334,000.
- Because of significant increases in the cost of Hospitalization and Pension Contributions, total Personal Services show a net decrease of only \$113,288, despite the reduction in personnel discussed above.
- \$22,400 in Temporary Salaries has been appropriated in the Maintenance Division, while Temporary Agencies has been reduced by a similar amount. The change will allow greater flexibility in the performance of tasks during the busy summer months.
- Based on recent annual expenditures, Communications & Utilities (Electricity) has been decreased by \$40,000.
- Total Internal Service charges will rise by \$18,759. Some smaller decreases elsewhere were not enough to offset a nearly \$31,000 increase in Motor Vehicle Costs.
- Debt Service will increase by almost \$52,000 due to the expected Capital Borrowing in early FY 2012.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Senior Programs Implemented	19	19	20	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Park Sites Operated	26	25	26	15	20
% Increase in Participation of Departmental Sports Leagues	40%	37%	37%	37%	40%

Goal #3: Increase female participation in recreation programs.

Objective: Implement programs targeted for female participants.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
# of Female Targeted Programs Implemented	33	32	32	32	35

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Youth-led Projects	12	10	10	10	12

Goal #5: To increase diversity in program participation.

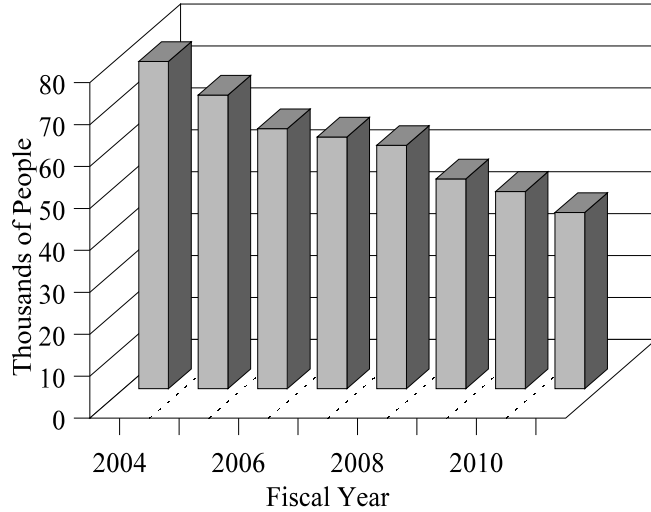
Objective: Provide family-oriented information fairs throughout the City.

Goal #5 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Family Inclusive Information Fairs Held	16	14	14	14	16

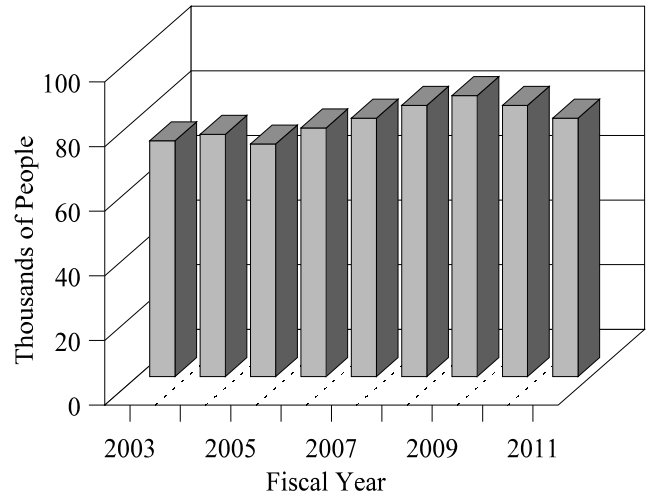
Department of Parks and Recreation Performance Trends

Pool Attendance



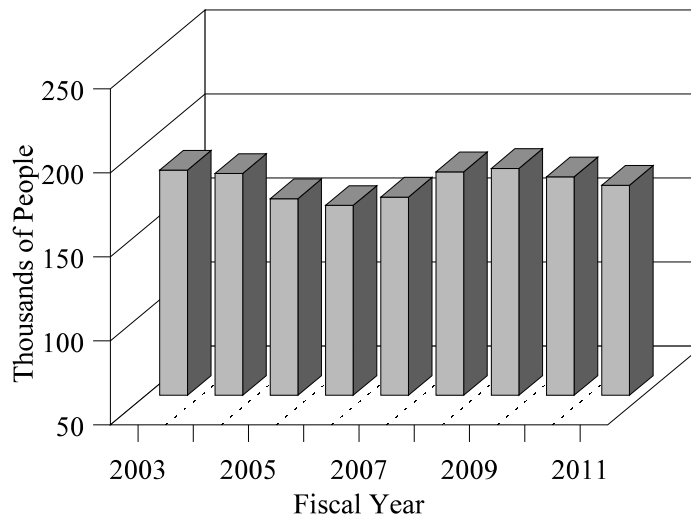
Pool attendance has declined due to both a shortening of the season to trim costs, and a lengthening of the school year.

Playground Attendance



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

Recreation Attendance



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	2,338,370	2,100,690	2,205,510	2,004,169
Temporary Salaries	1,119,499	969,745	760,950	779,781
Acting Out of Class	2,284	334	2,000	2,000
Sick Leave Bonus	2,500	2,800	600	600
Overtime	136,535	151,048	109,540	118,697
Meal Allowance	3,250	3,587	3,020	3,020
Internet Reimbursements	360	690	0	0
Pension Contribution	230,073	268,476	289,869	356,905
Social Security	213,068	198,839	181,091	178,159
Medicare Tax	49,848	46,515	42,215	41,665
Hospitalization	607,173	532,840	612,426	606,333
Life Insurance	10,584	6,366	10,070	9,475
Pension Healthcare	47,974	51,512	65,000	68,200
Deferred Compensation Contribution	4,000	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(91,448)</u>	<u>(91,448)</u>
TOTAL PERSONAL SERVICES	4,765,518	4,333,442	4,190,843	4,077,556

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	10,486	3,587	14,400	14,400
Communications & Utilities	288,737	254,910	320,100	280,100
Transportation	33,340	11,220	5,500	5,500
Rentals	84,364	78,027	72,390	71,230
Contracted Maintenance	57,755	90,888	92,842	65,633
Professional Fees	314,573	319,753	239,800	207,975
Other Fees	98,033	47,293	50,000	50,000
Memberships & Registrations	19,998	9,190	9,050	8,750
Miscellaneous Services	146,534	195,889	107,151	137,151
Office & General Supplies	25,900	23,180	23,005	20,205
Wearing Apparel & Safety Supplies	56,904	43,120	45,677	42,008
Miscellaneous Parts	191,871	138,693	171,662	162,791
Petroleum & Chemicals	13,079	10,981	9,000	11,000
Construction & Repairs	21,649	17,829	22,093	19,593
Equipment	185,084	27,033	6,000	5,800
Fixed Assets	10,781	0	0	0
Community Activities	<u>30,688</u>	<u>160,247</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,589,776	1,431,840	1,188,670	1,102,136

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Administrative Services	889,361	832,527	862,474	881,233
Self-Insurance	<u>292,776</u>	<u>451,576</u>	<u>390,147</u>	<u>390,147</u>
TOTAL INTERNAL SERVICES	1,182,137	1,284,103	1,252,621	1,271,380
<u>DEBT SERVICE</u>				
Principal Payments	1,627,445	1,116,906	1,092,253	1,080,069
Interest Payments	<u>892,135</u>	<u>782,080</u>	<u>755,575</u>	<u>819,451</u>
TOTAL DEBT SERVICE	2,519,580	1,898,986	1,847,828	1,899,520
GENERAL FUND TOTAL	<u>10,057,011</u>	<u>8,948,371</u>	<u>8,479,962</u>	<u>8,350,592</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Temporary Salaries	462,262	832,801	264,664	264,664
Social Security	28,544	51,574	16,409	16,409
Medicare Tax	<u>6,634</u>	<u>12,055</u>	<u>3,838</u>	<u>3,838</u>
TOTAL PERSONAL SERVICES	497,440	896,430	284,911	284,911
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	12,063	18,004	14,000	14,000
Rentals	17,714	14,469	18,500	18,500
Professional Fees	18,975	24,886	20,000	20,000
Other Fees	3,782	2,623	5,000	5,000
Memberships & Registrations	3,000	0	4,500	4,500
Miscellaneous Services	26,018	13,884	30,000	30,000
Office & General Supplies	1,022	4,146	1,500	1,500
Miscellaneous Parts	811,746	1,125,796	1,218,838	1,218,838
Fixed Assets	27,879	5,777	30,000	30,000
Miscellaneous Projects	<u>0</u>	<u>30,858</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	922,199	1,240,443	1,342,338	1,342,338
PARKS ASSISTANCE FUND TOTAL	<u>1,419,639</u>	<u>2,136,873</u>	<u>1,627,249</u>	<u>1,627,249</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
PERSONAL SERVICES				
Regular Salaries	75,075	75,567	74,787	74,787
Temporary Salaries	0	0	2,500	2,500
Overtime	0	0	4,000	4,000
Pension Contributions	7,508	9,637	9,124	9,124
Social Security	4,654	4,685	5,039	5,039
Medicare Tax	1,089	1,096	1,179	1,179
Life Insurance	248	173	378	378
Hospitalization	<u>18,275</u>	<u>18,086</u>	<u>24,687</u>	<u>24,687</u>
TOTAL PERSONAL SERVICES	106,849	109,244	121,694	121,694
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	3,574	2,384	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.	3,574	2,384	31,065	31,065
<u>INTERNAL SERVICES</u>				
Self-Insurance	<u>1,409</u>	<u>396</u>	<u>3,433</u>	<u>3,433</u>
TOTAL INTERNAL SERVICES	1,409	396	3,433	3,433
PARKS TRUST FUND TOTAL	<u>111,832</u>	<u>112,024</u>	<u>156,192</u>	<u>156,192</u>

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

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Temporary Salaries	0	0	292,615	292,615
Social Security	0	0	18,142	18,142
Medicare Tax	<u>0</u>	<u>0</u>	<u>4,243</u>	<u>4,243</u>
TOTAL PERSONAL SERVICES	0	0	315,000	315,000
WIB FUND TOTAL	<u>0</u>	<u>0</u>	<u>315,000</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 2012
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Replace fire apparatus according to recommended replacement cycle. • Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2009	FY2010	FY2011	FY2012
Personal Services	22,449,211	20,481,954	20,416,126	19,904,857
Materials, Supplies & Equipment	820,349	798,660	920,890	936,255
Internal Services	1,787,695	2,147,603	2,576,626	2,660,345
Debt Service	435,269	473,480	380,765	527,997
TOTAL	<u>25,492,524</u>	<u>23,901,697</u>	<u>24,294,407</u>	<u>24,029,454</u>
STAFFING LEVELS	180.00	172.00	172.00	177.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2009	FY2010	FY2011	FY2012
Personal Services	17,735,285	15,754,265	15,776,248	14,441,364
Materials, Supplies & Equipment	724,546	706,544	720,702	736,067
Internal Services	1,787,695	2,147,603	2,576,626	2,660,345
Debt Service	435,269	473,480	380,765	527,997
TOTAL	<u>20,682,795</u>	<u>19,081,892</u>	<u>19,454,341</u>	<u>18,365,773</u>
STAFFING LEVELS	180.00	172.00	172.00	164.00

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

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	<u>4,709,376</u>	<u>4,727,344</u>	<u>4,639,878</u>	<u>4,639,878</u>
TOTAL	<u>4,709,376</u>	<u>4,727,344</u>	<u>4,639,878</u>	<u>4,639,878</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Materials, Supplies & Equipment	<u>4,953</u>	<u>35,258</u>	<u>200,188</u>	<u>200,188</u>
TOTAL	<u>4,953</u>	<u>35,258</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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	<u>4,550</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>4,550</u>	<u>0</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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	0	345	0	0
Materials, Supplies & Equipment	<u>90,850</u>	<u>56,858</u>	<u>0</u>	<u>0</u>
TOTAL	<u>90,850</u>	<u>57,203</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SAFER GRANT FUND FIRE DEPARTMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>823,615</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>823,615</u>
STAFFING LEVELS	0.00	0.00	0.00	13.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Department has been awarded a two-year **SAFER** (Staffing for Adequate Fire & Emergency Response) Grant in the amount of \$1,723,327. The Grant will pay the cost of salaries and benefits for five vacant Firefighter positions, along with eight additional firefighters for a period of two years. The savings to the General Fund for FY 2012 is \$500,000 in Salaries, Fringe Benefits, and Overtime expenditures.
- With the award of the SAFER Grant, the Department's uniformed strength will increase from 164 to 172, and total staffing will increase to 177.
- Two positions were eliminated through the FY 2011 cost reduction process. One Fire Captain and one Data Entry Clerk III were deleted, with annual savings of approximately \$158,000.
- The Information Desktop Engineer (with salary and benefits totaling \$82,209) has been transferred into the Division of Integrated Technologies in the Mayor's Office. This amount has been added to the Fire Department's Data Processing allocation, resulting in no net change to the FY 2012 budget due to the move.
- The Administrative Assistant I position has been upgraded to an Administrative Assistant II. The total increase in salary and benefits is \$1,671.
- Total Overtime allocations have been reduced by more than \$1,178,000, to a new total of \$210,974. The elimination of manning for Rescue I in FY 2011, along with the addition of eight Firefighters from the SAFER Grant, have drastically reduced the need for Overtime assignments in the Suppression Division.
- Higher Hospitalization, County/Municipal Pension Contributions, and Pension Healthcare have contributed to an overall increase of more than \$213,000 in total employee benefits.
- Debt Service expenditures will increase by more than \$147,000, due to the anticipated FY 2012 Capital Borrowing.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
% of Fires Contained to Room of Origin	95%	94%	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Number of Building Inspections	1,875	1,650	1,600	1,589	1,700
Citizens Educated	35,000	35,986	50,000	25,829	50,000

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

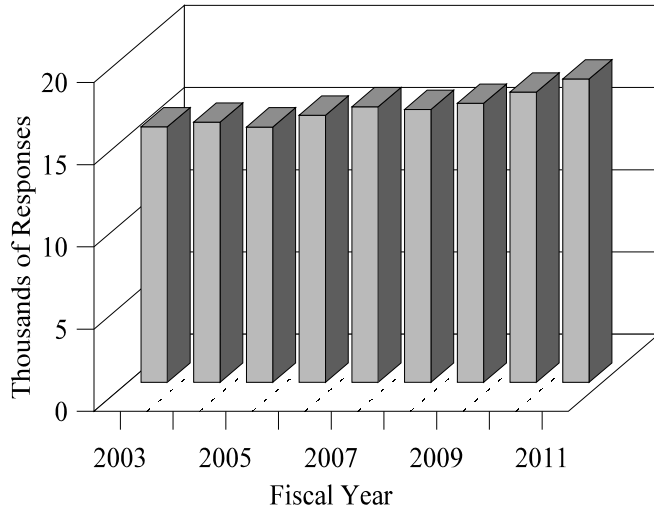
Objective: Maintain the average response time for fires to two minutes or less.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C, 3-C and 3-D on page 22.

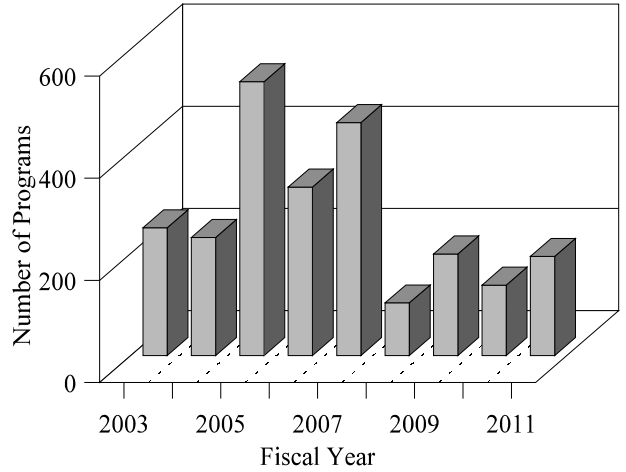
CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Average Fire Response Time	2 minutes & 30 seconds	2 minutes & 38 seconds	2 minutes & 40 seconds	2 minutes & 25 seconds	2 minutes & 30 seconds

Fire Department Performance Trends

Total Responses



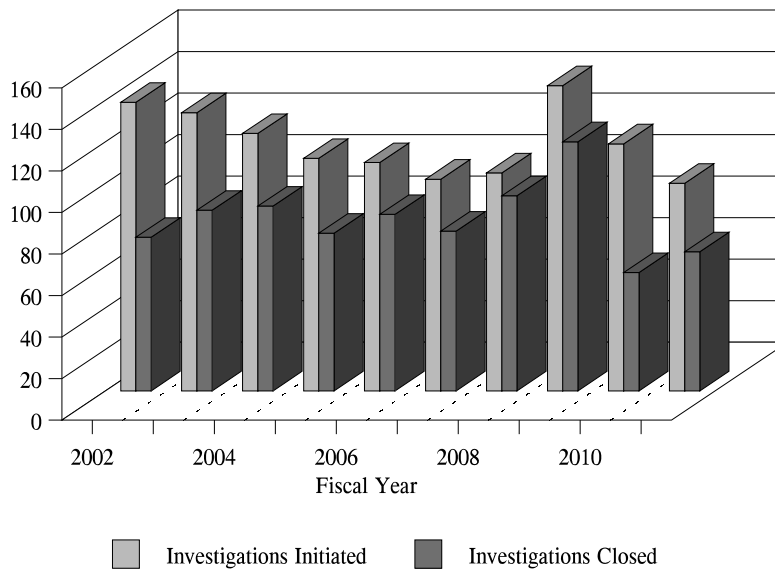
Fire Prevention Division



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

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

Fire Prevention Division



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	11,277,214	10,645,658	10,590,304	10,236,102
Temporary Salaries	14,279	6,760	17,225	0
Acting Out of Class	8,520	7,439	9,690	10,821
Shift Differential	72,022	76,324	75,562	75,562
Sick Leave Bonus	100	400	0	0
Overtime	2,326,755	1,264,258	1,389,000	210,974
Holiday Pay	43,885	90,882	0	0
Internet Reimbursements	4,052	8,947	0	0
Pension Contribution	400,631	346,939	258,330	231,672
Social Security	17,778	21,070	21,356	15,330
Medicare Tax	144,863	131,147	132,396	119,525
Hospitalization	2,425,893	2,146,417	2,417,461	2,616,998
Life Insurance	51,892	30,087	37,341	35,208
County/Municipal Pension Contribution	759,101	743,312	762,822	795,111
Pension Healthcare	159,300	234,625	224,900	254,200
Deferred Compensation Contribution	29,000	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(160,139)</u>	<u>(160,139)</u>
TOTAL PERSONAL SERVICES	17,735,285	15,754,265	15,776,248	14,441,364

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	2,761	2,877	2,000	2,000
Communications & Utilities	139,712	133,880	156,434	156,434
Transportation	5,633	3,239	1,000	3,200
Contracted Maintenance Repairs	109,371	87,536	95,000	103,000
Professional Fees	94,204	69,367	76,451	89,451
Memberships & Registrations	89,280	43,438	47,600	44,600
Miscellaneous Services	47,738	68,894	83,907	108,222
Office & General Supplies	31,614	24,956	28,168	27,968
Wearing Apparel & Safety Supplies	92,676	178,931	171,160	140,160
Miscellaneous Parts	80,774	36,871	36,410	40,960
Construction & Repairs	4,032	3,698	3,072	3,072
Equipment	23,761	38,688	17,000	17,000
Fixed Assets	<u>2,990</u>	<u>14,169</u>	<u>2,500</u>	<u>0</u>
TOTAL M., S. & E.	724,546	706,544	720,702	736,067

DEPARTMENT: FIRE

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Administrative Services	945,216	1,006,093	1,639,627	1,723,346
Self-Insurance	<u>842,479</u>	<u>1,141,510</u>	<u>936,999</u>	<u>936,999</u>
TOTAL INTERNAL SERVICES	1,787,695	2,147,603	2,576,626	2,660,345
 <u>DEBT SERVICE</u>				
Principal Payments	223,911	278,202	167,709	216,170
Interest Payments	<u>211,358</u>	<u>195,278</u>	<u>213,056</u>	<u>311,827</u>
TOTAL DEBT SERVICE	435,269	473,480	380,765	527,997

DEPARTMENT: FIRE

FUND: STATE PENSION CONTRIBUTIONS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
State Pension Contributions	<u>4,709,376</u>	<u>4,727,344</u>	<u>4,639,878</u>	<u>4,639,878</u>
TOTAL PERSONAL SERVICES	4,709,376	4,727,344	4,639,878	4,639,878
 GENERAL FUND TOTAL	 <u>25,392,171</u>	 <u>23,809,236</u>	 <u>24,094,219</u>	 <u>23,005,651</u>

DEPARTMENT: FIRE

FUND: STATE FIRE GRANT

<u>MATERIALS, SUPPLIES & EQUIPMENT</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Professional Fees	1,295	0	0	0
Memberships & Registrations	3,440	0	0	0
Wearing Apparel & Safety Supplies	218	0	0	0
Miscellaneous Parts	0	35,258	0	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>200,188</u>	<u>200,188</u>
TOTAL M., S. & E.	4,953	35,258	200,188	200,188
 STATE FIRE GRANT TOTAL	 <u>4,953</u>	 <u>35,258</u>	 <u>200,188</u>	 <u>200,188</u>

DEPARTMENT: FIRE

FUND: NEW CASTLE COUNTY FIRE GRANT

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Overtime	<u>4,550</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	4,550	0	0	0
 NEW CASTLE COUNTY FIRE GRANT TOTAL	 <u>4,550</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: FIRE

FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Overtime	<u>0</u>	<u>345</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	0	345	0	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	1,988	1,482	0	0
Miscellaneous Services	8,743	21,776	0	0
Equipment	80,119	0	0	0
Fixed Assets	<u>0</u>	<u>33,600</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	90,850	56,858	0	0
 FEDERAL EMERG. MGT. & OTHER MISC. GRANTS TOTAL	 <u>90,850</u>	 <u>57,203</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: FIRE

FUND: SAFER GRANT

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Regular Salaries	0	0	0	466,187
Medicare Tax	0	0	0	6,686
Hospitalization	0	0	0	260,047
Life Insurance	0	0	0	2,808
County/Municipal Pension Contribution	0	0	0	67,737
Pension Healthcare	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,150</u>
TOTAL PERSONAL SERVICES	0	0	0	823,615
 SAFER GRANT TOTAL	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>823,615</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 2012
<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 *	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	46,003,399	44,170,765	44,568,277	44,657,161
Materials, Supplies & Equipment	3,188,570	3,029,342	2,025,894	1,903,185
Internal Services	4,601,236	7,512,000	4,856,883	4,864,410
Debt Service	<u>824,613</u>	<u>555,277</u>	<u>427,015</u>	<u>431,792</u>
TOTAL	<u>54,617,818</u>	<u>55,267,384</u>	<u>51,878,069</u>	<u>51,856,548</u>
STAFFING LEVELS	431.00	416.00	402.00	390.00

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

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	42,638,000	40,718,158	39,999,031	39,949,229
Materials, Supplies & Equipment	2,072,425	1,283,287	2,025,894	1,903,185
Internal Services	4,601,073	7,512,000	4,856,883	4,864,410
Debt Service	<u>824,613</u>	<u>555,277</u>	<u>427,015</u>	<u>431,792</u>
TOTAL	<u>50,136,111</u>	<u>50,068,722</u>	<u>47,308,823</u>	<u>47,148,616</u>
STAFFING LEVELS	424.00	408.00	378.00	365.00

STATE PENSION	ACTUAL	ACTUAL	BUDGET	APPROVED
CONTRIBUTIONS	FY2009	FY2010	FY2011	FY2012
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	<u>2,845,410</u>	<u>2,707,129</u>	<u>2,830,194</u>	<u>2,830,194</u>
TOTAL	<u>2,845,410</u>	<u>2,707,129</u>	<u>2,830,194</u>	<u>2,830,194</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER	ACTUAL	ACTUAL	BUDGET	APPROVED
SPECIAL GRANT FUNDS	FY2009	FY2010	FY2011	FY2012
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	479,813	364,983	593,769	776,030
Materials, Supplies & Equipment	955,634	244,294	0	0
Internal Services	<u>163</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,435,610</u>	<u>609,277</u>	<u>593,769</u>	<u>776,030</u>
STAFFING LEVELS	7.00	7.00	8.00	9.00

NCC SPECIAL POLICING FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Materials, Supplies & Equipment	<u>42,936</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>42,936</u>	<u>0</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

BYRNE GRANT FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	40,176	108,124	0	43,262
Materials, Supplies & Equipment	<u>117,575</u>	<u>1,501,761</u>	<u>0</u>	<u>0</u>
TOTAL	<u>157,751</u>	<u>1,609,885</u>	<u>0</u>	<u>43,262</u>
STAFFING LEVELS	0.00	1.00	0.00	0.00

COPS GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2009	FY2010	FY2011	FY2012
Personal Services	<u>0</u>	<u>272,371</u>	<u>1,145,283</u>	<u>1,058,446</u>
TOTAL	<u>0</u>	<u>272,371</u>	<u>1,145,283</u>	<u>1,058,446</u>
STAFFING LEVELS	0.00	0.00	16.00	16.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength has been decreased to 328 officers, a net change of nine fewer positions. This is the result of the Citywide reduction in workforce during FY 2011. Two Lieutenants, three Sergeants, and four Patrol Officer Positions were eliminated. Also taking place in FY 2011 were the following personnel funding changes: The Bethel Villa Grant now supports two positions in lieu of the previous three; two additional officers previously paid from the General Fund are now funded as School Resource Officers. Sixteen officers continue to be paid from the **COPS** Grant, bringing the total number of officers paid through grants to 25.
- Three positions in the Department were transferred to the Mayor's Office. An Administrative Clerk I, along with the Youth Intervention Specialist were moved to the Administration Division, reducing salary and benefit costs by a total of \$124,012. Also, the Information Systems Administrator was transferred to the Division of Integrated Technologies. However, this change has no impact on the Police Department budget, as the full cost of the position has been added back to the Department's Data Processing charge in Internal Services.
- A new labor contract between the City and the FOP Lodge #1 (representing rank-and-file police officers) was signed in FY 2011. Holiday Pay was "rolled" into Regular Salaries beginning on January 1, 2011. As such, no Holiday Pay is budgeted for FY 2012. Conversely, Regular Salaries have increased by nearly \$945,000.
- The new labor contract modifies the Shift Differential premium for Patrol Division officers from either 10% or 13%, to 11% for all hours between 6 p.m. and 8 a.m. This change, along with a schedule reconfiguration featuring 12-hour shifts, is expected to save more than \$182,000 per year in Shift Differential costs.
- The Department will continue to support the Camera Watch program. For FY 2012, \$374,100 is allocated to pay for two camera watch operators (through Downtown Visions), the costs of electricity, mobile airtime, standard maintenance, and replacement (when needed) of cameras.
- Reductions in the amount of \$327,788, \$150,919, and \$25,000 for Regular Overtime, Comp Time Payouts, and Special Events Overtime respectively have contributed to an overall decrease of more than \$1 million in total Salary and Wages.
- Dramatic increases in Hospitalization, Pension Contributions and Pension Healthcare fueled a more than \$1 million increase in total Employee Benefits.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Percentage Change in the Number of Part I Crimes Against Persons	-5%	-11.7%	-5%	24%	-5%
Number of Part I Crimes	2,158	2,006	1,906	2,487	2,363

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Percentage Change in Number of Drug Arrests	+5%	-23%	+5%	+12.4%	+5%
Number of Drug Arrests	1,636	1,254	1,317	1,410	1,480

Goal #3: Improve Traffic Safety.

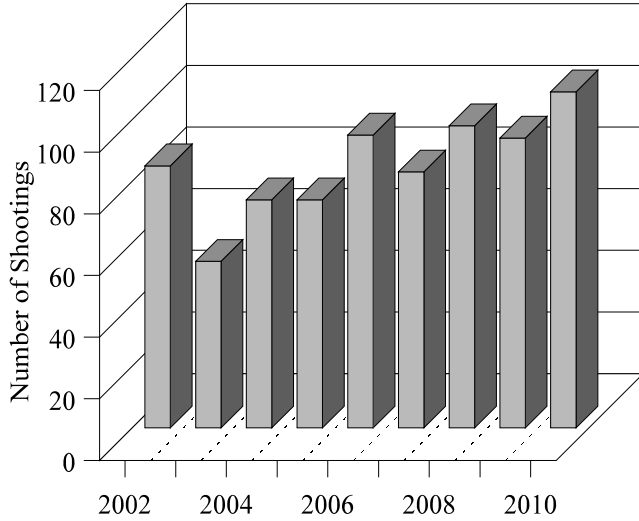
Objective: Reduce Traffic Accidents.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-E on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Percentage Change in the Number of Traffic Accidents	-10%	-3.2%	-5%	+ .7%	-5%
Number of Traffic Accidents	2,882	3,101	2,946	3,123	2,967

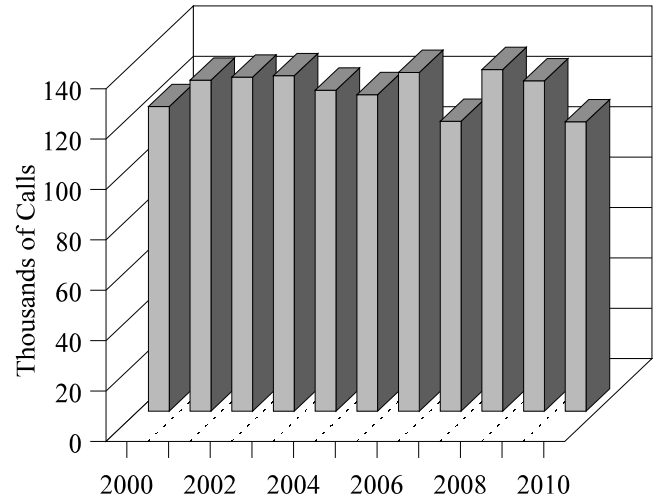
Department of Police Performance Trends

Shootings in Wilmington



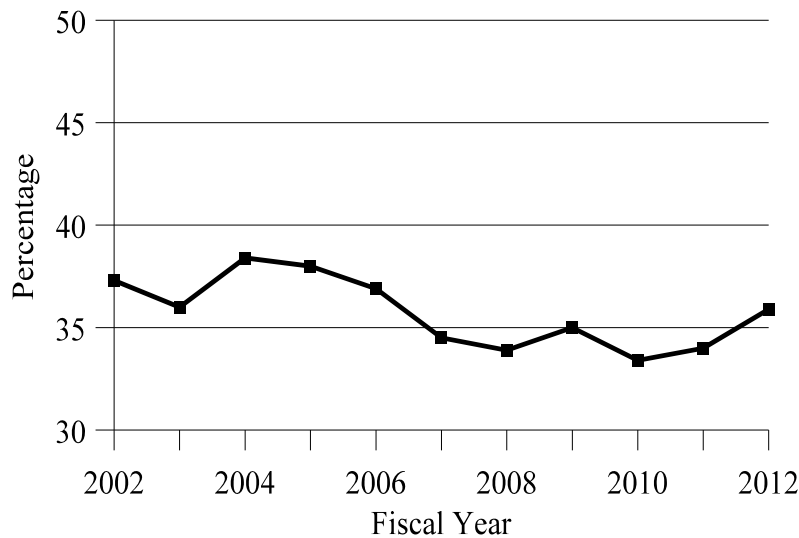
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

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 2012, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	22,684,535	23,117,801	22,790,191	23,366,036
Temporary Salaries	450,012	416,387	450,000	450,000
Acting Out of Class	9,028	16,723	7,000	5,000
Shift Differential	883,607	765,080	862,400	671,096
Shooting Days	1,238	2,243	0	0
Sick Leave Bonus	4,100	4,700	3,500	3,500
Overtime	3,353,960	2,029,255	1,976,838	1,649,050
Holiday Pay	893,083	852,159	916,387	0
Comp Time Payouts	754,499	458,088	620,460	469,541
Civilian Holiday-Overtime	128,312	141,087	150,000	112,500
Court Overtime	37,114	60,349	57,315	57,259
Special Events Overtime	786,534	795,251	471,368	446,368
Meal Allowance	22,308	19,400	17,400	14,700
Clothing Allowance	99,608	69,321	75,000	75,000
Internet Reimbursements	9,965	15,255	0	0
Pension Contribution	4,445,450	4,291,271	4,439,326	4,732,575
Social Security	279,079	274,713	216,624	207,270
Medicare Tax	382,567	371,748	363,727	349,985
Hospitalization	5,283,787	4,781,619	4,896,048	5,386,454
Life Insurance	117,061	64,439	81,243	78,840
County/Municipal Pension Contribution	1,588,223	1,614,809	1,722,074	1,917,575
Deferred Compensation Contribution	35,000	0	0	0
Pension Healthcare	388,430	554,710	491,400	565,750
Personal Services Adjustment	<u>500</u>	<u>1,750</u>	<u>(609,270)</u>	<u>(609,270)</u>
TOTAL PERSONAL SERVICES	42,638,000	40,718,158	39,999,031	39,949,229

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Printing & Advertising	52,817	24,752	27,000	8,000
Communications & Utilities	368,755	235,909	456,200	459,800
Transportation	8,716	4,683	5,000	5,750
Rentals	58,469	60,120	55,555	52,155
Contracted Maintenance Repairs	81,914	39,809	110,973	116,725
Professional Fees	355,272	143,641	250,250	282,000
Other Fees	349,623	301,991	319,520	324,320
Memberships & Registrations	34,869	29,983	27,000	24,000
Miscellaneous Services	196,477	97,237	264,440	199,215
Office & General Supplies	81,426	80,311	83,764	82,800
Wearing Apparel & Safety Supplies	233,499	149,395	215,080	226,220
Miscellaneous Parts	100,815	25,081	116,112	122,200
Equipment	117,873	70,575	33,000	0
Fixed Assets	<u>31,900</u>	<u>19,800</u>	<u>62,000</u>	<u>0</u>
TOTAL M., S. & E.	2,072,425	1,283,287	2,025,894	1,903,185

INTERNAL SERVICES

Administrative Services	2,744,659	3,095,074	2,851,684	2,859,211
Self-Insurance	<u>1,856,414</u>	<u>4,416,926</u>	<u>2,005,199</u>	<u>2,005,199</u>
TOTAL INTERNAL SERVICES	4,601,073	7,512,000	4,856,883	4,864,410

DEBT SERVICE

Principal Payments	657,071	428,781	320,471	296,532
Interest Payments	<u>167,542</u>	<u>126,496</u>	<u>106,544</u>	<u>135,260</u>
TOTAL DEBT SERVICE	824,613	555,277	427,015	431,792

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
State Pension Contributions	<u>2,845,410</u>	<u>2,707,129</u>	<u>2,830,194</u>	<u>2,830,194</u>
TOTAL PERSONAL SERVICES	2,845,410	2,707,129	2,830,194	2,830,194
GENERAL FUND TOTAL	<u>52,981,521</u>	<u>52,775,851</u>	<u>50,139,017</u>	<u>49,978,810</u>

DEPARTMENT: POLICE

FUND: SALLE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2009</u>	<u>ACTUAL FY2010</u>	<u>BUDGET FY2011</u>	<u>APPROVED FY2012</u>
Regular Salaries	174,822	259,993	404,019	548,180
Shift Differential	10,656	12,461	0	0
Overtime	223,548	1,298	0	0
Holiday Pay	8,700	10,970	0	0
Court Overtime	173	1,063	0	0
Meal Allowance	560	0	0	0
Deferred Compensation Contribution	250	0	0	0
Social Security	32	0	0	0
Medicare Tax	2,940	4,120	5,648	7,910
Hospitalization	28,722	41,759	119,288	120,864
Life Insurance	878	761	1,512	2,376
County/Municipal Pension Contribution	25,654	35,584	54,202	79,650
Pension Healthcare	<u>2,878</u>	<u>(3,026)</u>	<u>9,100</u>	<u>17,050</u>
TOTAL PERSONAL SERVICES	479,813	364,983	593,769	776,030
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	188,688	89,558	0	0
Transportation	83,928	0	0	0
Rentals	15,925	23,607	0	0
Professional Fees	42,009	0	0	0
Memberships & Registrations	81,434	0	0	0
Miscellaneous Services	27,416	101,047	0	0
Office & General Supplies	1,247	0	0	0
Wearing Apparel & Safety Supplies	180,699	0	0	0
Miscellaneous Parts	8,296	0	0	0
Equipment	209,787	19,924	0	0
Fixed Assets	<u>116,205</u>	<u>10,158</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	955,634	244,294	0	0
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>163</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INTERNAL SERVICES	163	0	0	0
 SALLE FUND TOTAL	 <u>1,435,610</u>	 <u>609,277</u>	 <u>593,769</u>	 <u>776,030</u>

DEPARTMENT: POLICE

FUND: NCC SPECIAL POLICING

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Equipment	<u>42,936</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	42,936	0	0	0
 NCC POLICING FUND TOTAL	 <u>42,936</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>

DEPARTMENT: POLICE

FUND: BYRNE GRANT

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	0	65,932	0	40,187
Overtime	40,176	19,697	0	0
Pension Contributions	0	6,689	0	0
Social Security	0	4,075	0	2,492
Medicare Tax	0	1,064	0	583
Hospitalization	0	8,889	0	0
Life Insurance	0	242	0	0
Pension Healthcare	<u>0</u>	<u>1,536</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	40,176	108,124	0	43,262
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	0	299,841	0	0
Contracted Maintenance	0	1,653	0	0
Professional Fees	0	617,020	0	0
Miscellaneous Services	0	83,886	0	0
Wearing Apparel & Safety Supplies	0	120,089	0	0
Equipment	<u>117,575</u>	<u>379,272</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	117,575	1,501,761	0	0
 BYRNE GRANT FUND TOTAL	 <u>157,751</u>	 <u>1,609,885</u>	 <u>0</u>	 <u>43,262</u>

DEPARTMENT: POLICE

FUND: COPS GRANT

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	0	211,274	717,781	706,859
Shift Differential	0	286	36,969	36,401
Holiday Pay	0	0	33,608	0
Medicare Tax	0	3,064	9,746	10,202
Hospitalization	0	23,049	230,025	174,021
Life Insurance	0	763	3,460	3,456
County/Municipal Pension Contribution	0	29,289	92,894	102,707
Pension Healthcare	0	4,646	20,800	24,800
TOTAL PERSONAL SERVICES	0	272,371	1,145,283	1,058,446
COPS GRANT TOTAL	<u>0</u>	<u>272,371</u>	<u>1,145,283</u>	<u>1,058,446</u>

DEPARTMENT OF PUBLIC WORKS

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

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

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

PRIORITIES FOR FISCAL YEAR 2012

- Complete construction of Wastewater Treatment Plant Headworks improvements project.
- Finalize Guaranteed Energy Performance Contract for co-generation and sludge processing facilities.
- Begin construction of the Brandywine Filter Plant upgrade to membrane filtration technology.
- Complete design for raceway improvements, i.e. replace underground portion of raceway with buried pipelines.
- Begin operations of the 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.
- Continue large sewer inspection and cleaning program.
- Continue implementation of award-winning Source Water Protection Program.
- Increase contractor compliance with Roadway Cut Management legislation.
- Continue SRF funded pipe cleaning and lining projects throughout the water district.
- Optimize timing of lights via use of downtown circulation study.
- Provide ongoing coordination for our photo-enforcement programs.
- Use GIS data to promote optimum cost-effective street lighting.
- 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	FY2009	FY2010	FY2011	FY2012
Personal Services	15,579,247	15,225,986	15,768,261	16,453,545
Materials, Supplies & Equipment	41,708,796	46,296,397	47,979,281	50,251,247
Internal Services	4,021,088	4,897,891	4,867,830	5,445,132
Debt Service	10,077,385	8,677,654	12,716,329	10,292,093
Capitalization	(2,395,355)	(5,284,898)	(3,200,000)	(3,200,000)
Depreciation	<u>8,428,592</u>	<u>8,903,601</u>	<u>9,193,213</u>	<u>9,193,213</u>
TOTAL	<u>77,419,754</u>	<u>78,716,631</u>	<u>87,324,914</u>	<u>88,435,230</u>
STAFFING LEVELS	235.00	229.00	229.00	226.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2009	FY2010	FY2011	FY2012
Personal Services	8,029,846	7,904,793	8,222,315	8,483,949
Materials, Supplies & Equipment	5,273,776	6,625,595	8,201,356	6,633,622
Internal Services	2,530,860	3,046,682	3,288,387	3,236,765
Debt Service	<u>4,212,259</u>	<u>2,953,249</u>	<u>6,789,502</u>	<u>3,539,101</u>
TOTAL	<u>20,046,742</u>	<u>20,530,319</u>	<u>26,501,560</u>	<u>21,893,437</u>
STAFFING LEVELS	129.25	126.25	126.25	123.25

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2009	FY2010	FY2011	FY2012
Personal Services	7,549,401	7,321,193	7,545,946	7,969,596
Materials, Supplies & Equipment	29,089,262	30,928,462	32,849,358	35,804,291
Internal Services	1,233,177	1,540,944	1,354,549	1,983,173
Debt Service	5,635,799	5,496,437	5,675,557	6,496,989
Depreciation	<u>6,225,668</u>	<u>6,430,187</u>	<u>6,627,426</u>	<u>6,627,426</u>
TOTAL	<u>49,733,307</u>	<u>51,717,223</u>	<u>54,052,836</u>	<u>58,881,475</u>
STAFFING LEVELS	105.75	102.75	102.75	102.75

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

MOTOR VEHICLE FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Materials, Supplies & Equipment	5,677,171	8,652,849	6,928,567	6,923,100
Internal Services	257,051	310,265	224,894	225,194
Debt Service	229,327	227,968	251,270	256,003
Capitalization	(2,395,355)	(5,284,898)	(3,200,000)	(3,200,000)
Depreciation	<u>2,202,924</u>	<u>2,473,414</u>	<u>2,565,787</u>	<u>2,565,787</u>
TOTAL	<u>5,971,118</u>	<u>6,379,598</u>	<u>6,770,518</u>	<u>6,770,084</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Materials, Supplies & Equipment	<u>1,668,587</u>	<u>89,491</u>	<u>0</u>	<u>890,234</u>
TOTAL	<u>1,668,587</u>	<u>89,491</u>	<u>0</u>	<u>890,234</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Personal Services grew \$261,634, to a new total of \$8,483,949, largely due to increases in Pension costs of \$210,609, Hospitalization increases of \$163,048 and Pension Healthcare growth of \$26,912.
- Total Overtime shrank \$114,500, as \$44,500 in savings carried forward from the FY 2011 city-wide cost saving initiative. In addition, \$100,000 was reduced as part of a City Council compromise effort to balance the FY 2012 budget.
- Other decreases in Personal Services were achieved through the elimination of four FTE General Labor positions, for a savings of \$207,205. Offsetting these savings were the addition of an Administrative Clerk III and a Purchasing Coordinator, each split-funded equally with the Water/Sewer Fund, netting as one additional FTE General Fund position at a cost of \$70,320. The net impact of all position additions and deletions is a General Fund savings of \$136,885.
- The State of Delaware's restoration of Municipal Street Aid grant funding, used to cover the cost of street lighting, created a \$890,234 savings in electricity.
- In anticipation of funding a comprehensive street re-paving plan as part of the FY 2012 Capital Improvements Program, operating funds needed for street repairs and filling potholes (Repairs to Roads and Appurtenances) were reduced by \$222,400.
- As the market demand for recyclables returns, the City eliminated a \$125,000 disposal charge paid to the Recycle Bank for handling the City's recycling program.
- Traffic Signs and Signals declined \$70,000 to a new total of \$50,000, as the Department streamlines its traffic signs and signals replacement and maintenance program.
- Internal Services decreased \$51,622, largely due to the reduction in Telephone expenses, as costs for the Department's Call Center expansion were paid in FY 2011.
- Debt Service declined \$3,250,402 to a new total of \$3,539,101, as \$3.5 million in savings from the City's FY 2010 refinancing initiative continues to resonate.

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

- Personal Services increased \$423,650 to \$7,969,596, largely due to increased Pension costs of \$180,781, Hospitalization increases of \$180,510, and Pension Healthcare growth of \$25,301.
- Position additions and deletions impacted Personal Services expenses, including two FTE positions added for FY 2012. The Urban Forest Administrator position was added at a total annual cost of \$93,828. One-fourth of this position's expenses are paid for through grant funding that extends into the First Quarter of FY 2012. Two positions equally split-funded with the General Fund, an Administrative Clerk III and a Purchasing Coordinator, comprise the additional added FTE at a total cost of \$70,320. In addition, two FTE Custodial positions were eliminated, creating a savings of 96,372. The total affect of all position additions and deletions is an approximate net increase of \$44,319 to the Water/Sewer Fund in FY 2012.
- Contracted Maintenance Services increased roughly \$1,428,253, which includes \$1,141,017 in increased costs for Viola to operate and maintain the City's wastewater treatment plant. The new Honeywell annual maintenance agreement added expenses of \$129,736, while funds for maintaining various City water tanks increased expenses by \$260,000.
- The one-time repair of concrete at the fine screen buildings added \$950,000 in new MS&E costs. As a condition of the sewage treatment agreement with New Castle County, 87% of Viola's Contracted Maintenance costs and the repairs at the fine screen buildings are to be reimbursed by New Castle County.
- The re-institution of the once-suspended inspection of major sewer lines for condition assessment in the Sewer Maintenance Division created a \$600,000 increase to Repairs to Sewer Lines, for a new total of \$2,250,000.
- Legal expenses rose \$390,000 for the renegotiation of the contract for treatment of wastewater from New Castle County.
- \$630,000 in Engineering costs for Cityworks ARC and GIS software and support in the Water System Division was transferred to the Mayor's Office Data Processing Division, as part of the consolidation of Information Technology services.
- Internal Services grew by a total of \$628,624, reflecting the transfer of the Cityworks ARC and GIS software and support to the Data Processing Division, as mentioned above. These costs were reallocated back to the Water Systems Division through the Data Processing account.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Special Pick-Ups	12,000	13,345	13,500	13,516	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Tons of Leaves	620	250	350	900	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Street Repairs (tons of "hot mix")	305	360	305	301	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED*	FY 2010 ACTUAL*	FY 2011 PROJECTED*	FY 2011 ACTUAL*	FY 2012 PROJECTED
Flood Problems	4	0	0	101	0

* Prior to FY 2011, customer calls on flooding and sewer back-ups were not tracked using a database. The FY 2011 Actual reflects the first-time use of the data tracking system Cityworks, which more accurately accounts for calls related to flooding problems.

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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Preventative Maintenance Inspections	2,500	2,542	2,500	2,620	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 22.

CRITICAL INDICATOR	FY 2010 PROJECTED*	FY 2010 ACTUAL*	FY 2011 PROJECTED*	FY 2011 ACTUAL*	FY 2012 PROJECTED
Percent Tipping Fee Savings, Net of Recycling Costs	0%	0%	4.9%	23%	8.0%
Tipping Fees Savings, Net of Recycling Costs	\$0	\$0	\$144,000	\$382,314	\$208,000

* Due to weak market for recycled goods, no savings were projected or realized in FY 2010, and reduced savings were projected for FY 2011. During FY 2011, the market began to rebound creating a higher than projected savings for recyclables and a projected return to near prior year levels for FY 2012.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

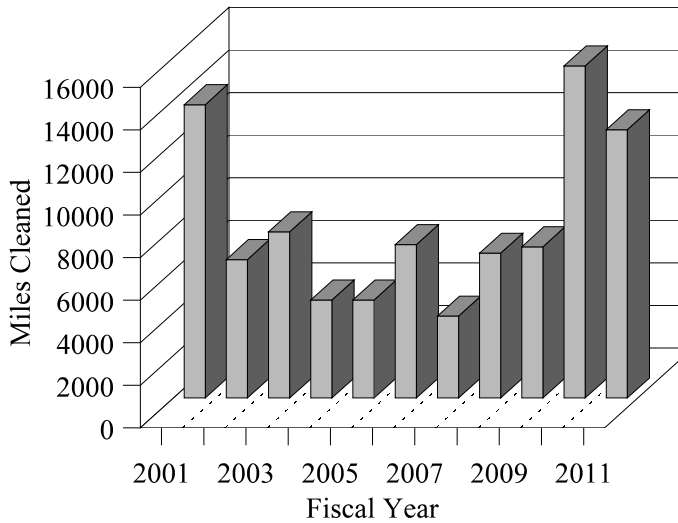
Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,700 tons of debris.

Goal #9 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,900	5,850	5,700	5,110	5,700

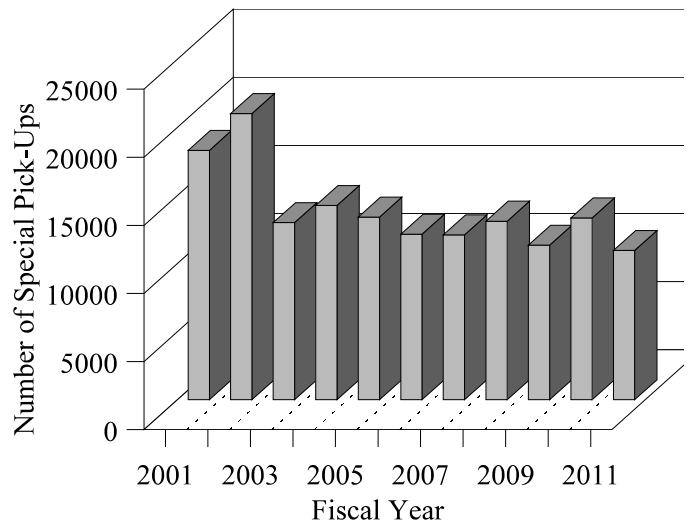
Department of Public Works Performance Trends

Miles of Streets Cleaned



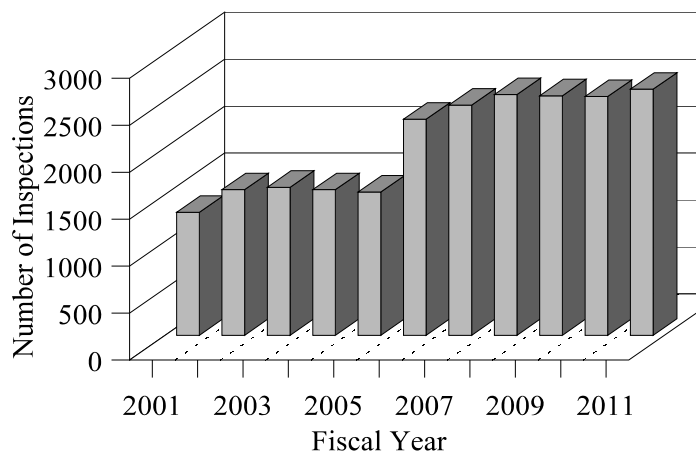
Aggressive management is required to maintain City streets in a litter free condition. The increase in FY 2010 reflects the addition of updated equipment and full crew staffing, which continued into FY 2011.

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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	4,709,336	4,655,442	4,816,192	4,839,680
Temporary Salaries	10,104	8,784	8,000	8,000
Acting Out of Class	27,946	19,826	26,062	7,387
Shift Differential	0	5	0	0
Sick Leave Bonus	8,400	7,700	4,900	7,500
Overtime	521,005	497,158	464,500	350,000
Holiday Pay	116,806	91,158	97,500	71,250
Meal Allowance	24,462	8,624	19,000	12,500
Internet Reimbursements	1,272	1,083	0	0
Pension Contribution	536,372	606,262	658,084	868,693
Social Security	333,328	325,114	333,161	333,403
Medicare Tax	78,036	76,080	77,955	77,969
Hospitalization	1,505,662	1,465,037	1,646,157	1,809,205
Life Insurance	22,518	15,467	25,734	26,380
Deferred Comp Contribution	5,500	0	0	0
Pension Healthcare	129,100	127,054	164,125	191,037
Personal Services Adjustment	0	0	(119,055)	(119,055)
TOTAL PERSONAL SERVICES	8,029,847	7,904,792	8,222,315	8,483,949
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	47,360	2,682	41,200	13,800
Communications & Utilities	261,769	1,737,834	1,966,300	1,070,066
Transportation	470	20	0	0
Rentals	89,523	261,997	58,000	108,000
Contracted Maintenance Repairs	1,385,807	871,991	1,271,800	954,400
Professional Fees	651,981	916,570	756,000	626,000
Other Fees	2,224,196	2,480,069	3,181,000	2,785,000
Memberships & Registrations	16,355	12,189	32,900	28,650
Miscellaneous Services	520,705	382,935	608,800	564,400
Office & General Supplies	12,027	2,536	17,690	16,890
Wearing Apparel & Safety Supplies	34,438	25,928	40,600	40,600
Miscellaneous Parts	129,367	115,177	122,066	130,866
Construction & Repairs	212,867	207,168	307,000	240,000
Equipment	34,776	10,775	20,000	23,000
Fixed Assets	56,004	0	26,000	31,950
Landfill Fees Rebate	(403,870)	(402,277)	(248,000)	0
TOTAL M., S. & E.	5,273,775	6,625,595	8,201,356	6,633,622

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Administrative Services	2,209,909	2,481,201	2,777,860	2,726,238
Self-Insurance	<u>320,951</u>	<u>565,481</u>	<u>510,527</u>	<u>510,527</u>
TOTAL INTERNAL SERVICES	2,530,860	3,046,682	3,288,387	3,236,765
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	1,214	0	0	0
Principal Payments	2,217,295	1,166,420	5,057,216	1,614,420
Interest Payments	<u>1,993,751</u>	<u>1,786,829</u>	<u>1,732,286</u>	<u>1,924,681</u>
TOTAL DEBT SERVICE	4,212,260	2,953,249	6,789,502	3,539,101
GENERAL FUND TOTAL	<u>20,046,742</u>	<u>20,530,319</u>	<u>26,501,560</u>	<u>21,893,437</u>

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

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	4,457,111	4,399,404	4,414,899	4,488,813
Temporary Salaries	2,134	0	20,000	0
Acting Out of Class	2,895	1,892	3,950	1,700
Shift Differential	6,137	5,440	8,000	7,000
Sick Leave Bonus	8,250	9,800	9,600	10,000
Overtime	620,598	550,515	668,575	652,500
Holiday Pay	6,022	6,584	5,000	6,500
Meal Allowance	17,265	12,790	28,750	24,600
Internet Reimbursements	1,226	2,285	0	0
Accrued Vacation Pay	(53,846)	(24,969)	0	0
Pension Contribution	496,815	502,689	608,261	789,042
Social Security	316,218	305,836	315,926	319,229
Medicare Tax	74,194	71,677	73,916	74,566
Hospitalization	1,187,515	1,080,568	1,236,201	1,416,711
Life Insurance	21,292	13,830	21,269	22,035
Pension Healthcare	379,076	101,917	133,575	158,876
Deferred Comp Contribution	6,500	280,936	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,976)</u>	<u>(1,979)</u>
TOTAL PERSONAL SERVICES	7,549,401	7,321,193	7,545,946	7,969,596

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

MATERIALS SUPPLIES & EQUIPMENT	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	APPROVED FY 2012
Printing & Advertising	30,351	52,852	69,810	71,600
Communications & Utilities	1,641,893	1,510,048	1,619,574	1,436,074
Transportation	3,903	12,419	14,000	14,000
Rentals	11,831	13,135	21,912	21,112
Contracted Maintenance Repairs	3,513,175	4,386,426	5,561,800	7,311,800
Professional Fees	4,697,229	3,848,124	3,225,000	3,235,000
Other Fees	737,254	452,502	466,500	416,500
Memberships & Registrations	46,616	45,674	54,772	52,322
Miscellaneous Services	14,404,810	16,137,707	16,744,450	18,172,703
Office & General Supplies	10,745	10,700	22,544	15,044
Wearing Apparel & Safety Supplies	30,661	30,760	43,200	39,200
Miscellaneous Parts	221,042	224,352	357,720	405,360
Petroleum & Chemicals	870,298	709,083	1,056,500	1,056,500
Construction & Repairs	190,538	432,966	363,500	383,500
Supporting Services	2,507,976	2,507,976	2,507,976	2,507,976
Equipment	118,879	330,010	500,100	480,600
Fixed Assets	92,220	0	0	0
Testing and Inspection	0	0	25,000	25,000
Community Activities	45,750	223,729	195,000	160,000
Projects	<u>(85,910)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	29,089,262	30,928,463	32,849,358	35,804,291
<u>INTERNAL SERVICES</u>				
Administrative Services	682,142	621,817	538,849	1,167,473
Self-Insurance	<u>551,035</u>	<u>919,127</u>	<u>815,700</u>	<u>815,700</u>
TOTAL INTERNAL SERVICES	1,233,177	1,540,944	1,354,549	1,983,173
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	118,840	89,064	132,024	132,024
Interest Payments	<u>5,516,958</u>	<u>5,407,372</u>	<u>5,543,533</u>	<u>6,364,965</u>
TOTAL DEBT SERVICE	5,635,799	5,496,436	5,675,557	6,496,989
<u>OTHER</u>				
Depreciation	<u>6,225,668</u>	<u>6,430,187</u>	<u>6,627,426</u>	<u>6,627,426</u>
TOTAL OTHER	6,225,668	6,430,187	6,627,426	6,627,426
WATER/SEWER FUND TOTAL	<u>49,733,307</u>	<u>51,717,223</u>	<u>54,052,836</u>	<u>58,881,475</u>

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Communications & Utilities	75,000	58,605	60,300	60,000
Transportation	6,969	24,804	41,500	31,500
Rentals	55,247	24,729	55,900	55,100
Contracted Maintenance Repairs	388,995	434,818	561,000	541,000
Professional Fees	144,735	89,265	120,000	100,000
Memberships & Registrations	460	886	2,500	2,500
Miscellaneous Services	1,625,068	1,749,641	1,815,000	1,838,000
Office & General Supplies	0	0	262	0
Miscellaneous Parts	460	5,476	10,105	11,000
Petroleum & Chemicals	984,882	979,727	1,062,000	1,084,000
Equipment	0	0	0	0
Fixed Assets	<u>2,395,355</u>	<u>5,284,898</u>	<u>3,200,000</u>	<u>3,200,000</u>
TOTAL M., S. & E.	5,677,171	8,652,849	6,928,567	6,923,100
<u>INTERNAL SERVICES</u>				
Administrative Service	121,894	58,540	79,719	80,019
Self-Insurance	<u>135,157</u>	<u>251,726</u>	<u>145,175</u>	<u>145,175</u>
TOTAL INTERNAL SERVICES	257,051	310,266	224,894	225,194
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Cost	1,220	1,367	1,220	1,220
Interest Payments	<u>228,107</u>	<u>226,601</u>	<u>250,050</u>	<u>254,783</u>
TOTAL DEBT SERVICE	229,327	227,968	251,270	256,003
<u>OTHER</u>				
Capitalized Expenditures	(2,395,355)	(5,284,898)	(3,200,000)	(3,200,000)
Depreciation	<u>2,202,924</u>	<u>2,473,414</u>	<u>2,565,787</u>	<u>2,565,787</u>
TOTAL OTHER	(192,431)	(2,811,484)	(634,213)	(634,213)
MOTOR VEHICLE FUND TOTAL	<u>5,971,118</u>	<u>6,379,598</u>	<u>6,770,518</u>	<u>6,770,084</u>

DEPARTMENT: PUBLIC WORKS

FUND: MUNICIPAL STREET AID

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Communications & Utilities	1,429,951	89,491	0	890,234
Contracted Maintenance	85,436	0	0	0
Construction and Repairs	<u>153,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,668,587	89,491	0	890,234
MUNICIPAL STREET AID TOTAL	<u>1,404,012</u>	<u>89,491</u>	<u>0</u>	<u>890,234</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 2012

- Increase public awareness of the Home Repair Loan Program.
- 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.
- Continue working with the Wilmington Housing Partnership (WHP) on 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.
- Implement projects and activities that affirmatively further Fair Housing Choice, based on the FY 2012 Statewide Fair Housing Analysis of Impediments (AI) Action Plan.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	1,191,266	1,229,717	1,298,730	1,302,131
Materials, Supplies & Equipment	360,187	297,371	273,300	235,122
Internal Services	79,737	140,063	201,153	194,679
Debt Service	2,035,615	470,663	740,342	824,023
Special Purpose	<u>3,732,382</u>	<u>2,962,618</u>	<u>3,496,573</u>	<u>3,266,299</u>
TOTAL	<u>7,399,187</u>	<u>5,100,432</u>	<u>6,010,098</u>	<u>5,822,254</u>
STAFFING LEVELS	17.00	17.00	17.00	16.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	192,267	172,019	145,463	114,984
Materials, Supplies & Equipment	288,234	216,845	187,000	170,600
Internal Services	79,737	140,063	201,154	194,679
Debt Service	<u>2,035,615</u>	<u>470,663</u>	<u>740,342</u>	<u>824,023</u>
TOTAL	<u>2,595,853</u>	<u>999,590</u>	<u>1,273,958</u>	<u>1,304,286</u>
STAFFING LEVELS	2.41	2.43	1.83	1.35

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	951,737	956,145	1,055,557	1,099,318
Materials, Supplies & Equipment	71,953	80,526	86,300	64,522
Special Purpose	<u>1,987,290</u>	<u>1,698,723</u>	<u>1,984,969</u>	<u>1,900,356</u>
TOTAL	<u>3,010,980</u>	<u>2,735,394</u>	<u>3,126,826</u>	<u>3,064,196</u>
STAFFING LEVELS	13.38	13.05	13.75	13.59

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	22,568	78,653	72,352	64,948
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>973,446</u>	<u>533,029</u>	<u>657,704</u>	<u>592,102</u>
TOTAL	<u>996,014</u>	<u>611,682</u>	<u>730,056</u>	<u>657,050</u>
STAFFING LEVELS	0.93	1.21	1.11	0.80

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	21,336	19,972	22,256	20,241
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>660,580</u>	<u>625,656</u>	<u>749,213</u>	<u>674,081</u>
TOTAL	<u>681,916</u>	<u>645,628</u>	<u>771,469</u>	<u>694,322</u>
STAFFING LEVELS	0.24	0.27	0.27	0.23

EMERGENCY SHELTER GRANT (ESG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Personal Services	3,358	2,928	3,102	2,640
Special Purpose	<u>111,066</u>	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>
TOTAL	<u>114,424</u>	<u>108,138</u>	<u>107,789</u>	<u>102,400</u>
STAFFING LEVELS	0.04	0.04	0.04	0.03

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

- Personal Services declined \$30,479 (21%) in the General Fund for FY 2012. In FY 2011, the receipt of federal stimulus funds allowed a mid-year reallocation of several split-funded positions to be more heavily supported by federal funds and less by the General Fund. These savings were carried forward, producing \$26,337 annual savings for FY 2012. In addition, the Real Estate Representative, a split-funded position (25% General Fund and 75% federal funds) was eliminated as part of the FY 2012 budget process. This created an additional \$15,735 savings in the General Fund.
- The Disposition Cost account decreased by \$20,000, to a new total of \$160,000. Part of the decrease is due to the transfer of \$3,600 to fund a new Advertising account. Previously, advertising costs associated with property disposition were charged to the Disposition account, whereas now such expenses will be charged to the newly created account. Another \$5,000 of the reduction was part of a budget compromise with City Council. All expenditures in this account are related to non-CDBG properties that are in the City's inventory.
- Debt Service went up \$83,681 (11.3%) to a new total of \$824,681 based on the existing debt schedule.

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- \$20,000 has been allocated to the Consultant account for assistance in developing the Annual Action Plan and implementing the Fair Housing Action Plan. These plans encompass the Community Development Block Grant (CDBG), Home Investment Partnership Funds (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the Emergency Shelter Grant (ESG).
- The estimated decrease in CDBG grant funding for the City is \$60,542, or 2% lower than last year's allocation.

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

- Collectively, the HOME, HOPWA and ESG grant funds decreased \$155,542 to a new total of \$1,453,772. This is mainly due to decreases in the HOME (\$73,006) and HOPWA (\$77,147) 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 support maintenance and development of affordable rental housing.

Objective: Preserve, rehabilitate or construct 404 housing units throughout the City.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Home Repair Loan Program (CDBG/CDBG-R) ¹	45	55	83	46	55
Housing Rehabilitation (State HRLP)	7	3	3	1	1
Acquisition and Rehabilitation for Homeownership	36	47	45	25	43
New Construction Home Ownership	28	22	59	14	48
Rental Housing	7	73	101	23	17
Tax Credit Projects (Rental)	11	0	55	0	47
Facade - Residential ²	80	26	41	0	66
Facade - Commercial	5	1	2	5	0
De-Lead Delaware ³ High Level Abatements	9	10	15	1	0
Risk Assessments	50	16	20	2	0
Clearances	0	0	0	26	0
De-Lead Delaware ⁴ High Level Abatements					2
Risk Assessments					51
Clearances	0	0	0	0	44
NSP Housing Assistance Grants	0	0	0	0	30
TOTAL ASSISTED UNITS	278	253	424	143	404

¹RC&D Project was canceled causing reduction in number of units projected

²Residential Facade Project was delayed until FY'12

³De-Lead grant was not funded for FY11

⁴New program contingent upon approval of grant application

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #2: Acquire and dispose of vacant properties.

Objective: Eliminate slum and blighted properties that contribute to substandard living conditions and to stimulate housing development..

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Vacant Properties Acquired	24	38	32	16	20
Vacant Properties Disposed	30	19	20	21	20
Structures and Lots in the Property Inventory	148	167	170	162	162
Units Demolished*	8	10	12	18	17

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

Objective: Administer funding for 31 Homeless and Transitional Housing, Fair Housing and related public service projects.

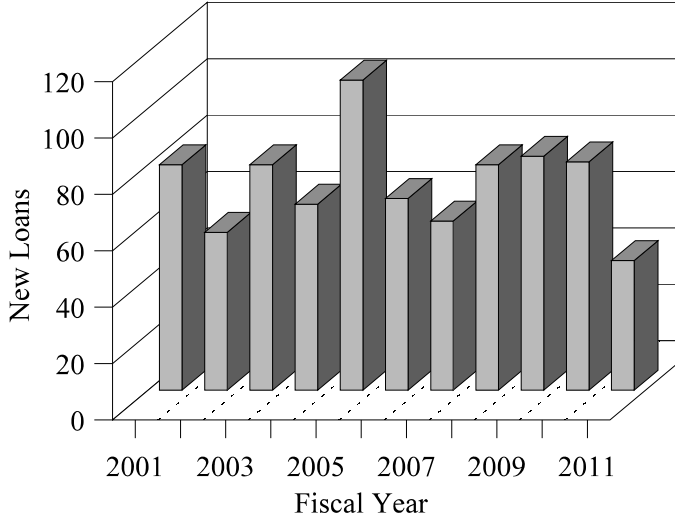
Goal #3 corresponds to the City's Strategic Plan, Policy Statement 3-A on page 22.

CRITICAL INDICATOR	FY 2010 PROJECTED	FY 2010 ACTUAL	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	17	17	22	22	19
Fair Housing Grants (CDBG)	2	2	2	2	1
Miscellaneous Public Service and Admin. Projects	7	5	5	5	3
Miscellaneous Public Facilities Projects	0	0	10	3	6*
HPRP and TANF Grants	0	0	0	12	2
Total Number of Contracts	26	24	39	44	31

* Includes FY 2011 projects not completed

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)

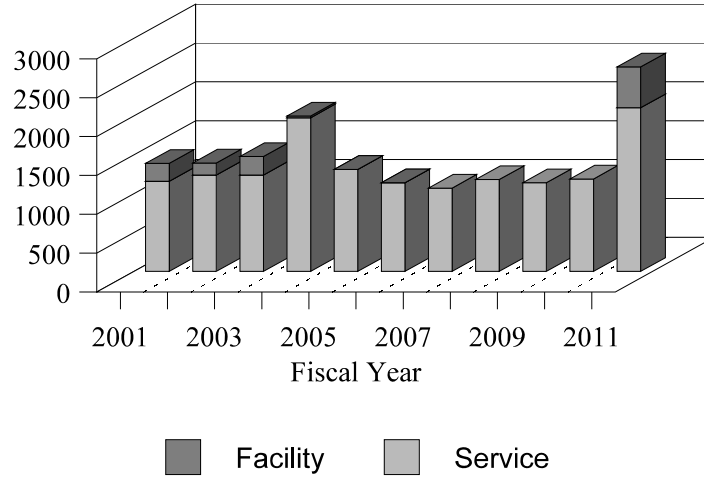
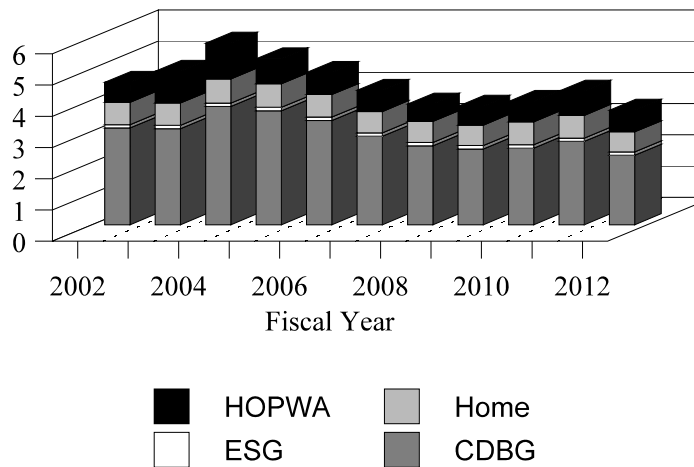


Chart represents federally-funded public services and administration grants.

Federal Funding Levels

(In millions of dollars)



While there was a slight increase in ESG funding, the overall federal budget decreased approximately 16% from FY 2011 levels (CDBG, HOPWA, and HOME).

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2009	FY2010	FY2011	FY2012
Regular Salaries	138,060	122,940	109,328	83,621
Sick Leave Bonus	0	300	0	0
Overtime	376	(370)	0	0
Internet Reimbursements	396	384	0	0
Pension Contribution	13,576	14,957	13,799	14,119
Social Security	8,488	7,514	6,671	5,181
Medicare Tax	1,985	1,757	1,560	1,212
Hospitalization	24,821	21,204	19,937	17,073
Life Insurance	681	349	396	292
Pension Healthcare	2,134	2,984	2,379	2,093
Deferred Comp Contribution	1,750	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,607)</u>	<u>(8,607)</u>
TOTAL PERSONAL SERVICES	192,267	172,019	145,463	114,984
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	169	4,736	1,000	1,000
Printing & Advert	1,769	0	0	3,600
Miscellaneous Services	4,932	4,811	6,000	6,000
Equipment	0	0	0	0
Community Activities	<u>281,364</u>	<u>207,298</u>	<u>180,000</u>	<u>160,000</u>
TOTAL M., S. & E.	288,234	216,845	187,000	170,600
 <u>INTERNAL SERVICES</u>				
Administrative Services	78,474	137,900	199,217	192,742
Self-Insurance	<u>1,263</u>	<u>2,163</u>	<u>1,936</u>	<u>1,937</u>
TOTAL INTERNAL SERVICES	79,737	140,063	201,154	194,679
 <u>DEBT SERVICE</u>				
Principal Payments	1,483,186	43,697	327,851	348,786
Interest Payments	<u>552,429</u>	<u>426,966</u>	<u>412,491</u>	<u>475,237</u>
TOTAL DEBT SERVICE	2,035,615	470,663	740,342	824,023
 GENERAL FUND TOTAL				
	<u>2,595,854</u>	<u>999,590</u>	<u>1,273,958</u>	<u>1,304,286</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	705,762	708,855	742,383	738,070
Temporary Salaries	7,105	3,840	2,700	2,500
Internet Reimbursements	0	105	0	0
Pension Contribution	69,738	76,578	93,459	127,827
Social Security	43,672	43,615	45,427	45,532
Medicare Tax	10,214	10,200	10,628	10,649
Hospitalization	98,762	98,518	138,498	149,210
Personal Services Adjustment	1,000	0	2,000	2,500
Pension-Healthcare	11,874	12,342	17,563	20,213
Life Insurance	<u>3,610</u>	<u>2,092</u>	<u>2,899</u>	<u>2,817</u>
TOTAL PERSONAL SERVICES	951,737	956,145	1,055,557	1,099,318
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	5,244	5,970	7,200	5,000
Transportation	3,695	2,270	6,900	8,072
Rentals	0	0	200	200
Professional Fees	37,485	45,175	30,000	20,000
Other Fees	675	1,541	5,000	4,500
Memberships & Registrations	5,971	6,363	9,000	6,750
Miscellaneous Services	8,646	8,591	12,000	8,000
Office & General Supplies	3,380	3,007	5,000	3,500
Wearing Apparel & Safety	4,573	4,109	6,000	6,000
Equipment	<u>2,284</u>	<u>3,500</u>	<u>5,000</u>	<u>2,500</u>
TOTAL M., S. & E.	71,953	80,526	86,300	64,522
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>1,987,290</u>	<u>1,698,723</u>	<u>1,984,969</u>	<u>1,900,356</u>
TOTAL SPECIAL PURPOSE	1,987,290	1,698,723	1,984,969	1,900,356
CDBG FUND TOTAL	<u>3,010,980</u>	<u>2,735,394</u>	<u>3,126,826</u>	<u>3,064,196</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Catholic Charities, Inc. - Bayard House			0	27,140
Central YMCA-PS			0	36,800
Challenge Program			0	46,000
DE Center for Justice Short-Term Housing			0	18,400
DE Center for Horticulture (Street Trees)			90,928	90,000
DE Community Reinvestment Action Council			0	10,044
Disposition & Property Management			30,000	30,000
Facade Commercial and Residential Program			200,000	150,000
Fair Housing			30,000	10,000
Homeless Planning Council			18,000	15,000
Interfaith Community Housing, Inc.			0	13,020
Lutheran Community Services for the Homeless			0	40,317
Ministry of Caring/Hope House I			0	22,457
Ministry of Caring/House of Joseph I			0	12,800
Miscellaneous Housing Projects			0	276,870
Neighborhood House, Inc.			0	19,504
Property Repair Fund			410,964	700,000
Public Facilities			525,000	0
Public Services			404,577	0
Rental Conversion Pilot Program			0	125,000
Resource Development Council			230,000	0
Resource Development Council Delivery			25,500	0
WEDCO (fee for loan collections)			20,000	10,000
West End Neighborhood House Lifelines Transit			0	30,411
YWCA Home Life Mngt. Transitional Housing			0	79,120
Budget Control Set-aside			0	137,473
FY2009 Expenditures	1,987,290		0	0
FY2010 Expenditures	<u>0</u>	<u>1,698,723</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>1,987,290</u>	<u>1,698,723</u>	<u>1,984,969</u>	<u>1,900,356</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	17,439	60,629	53,631	45,931
Pension Contribution	1,733	6,177	6,573	7,395
Social Security	1,058	3,635	3,214	2,848
Medicare Tax	248	850	752	666
Hospitalization	1,694	6,052	6,727	6,695
Pension-Healthcare	303	1,094	1,248	1,240
Life Insurance	<u>93</u>	<u>216</u>	<u>207</u>	<u>173</u>
TOTAL PERSONAL SERVICES	<u>22,568</u>	<u>78,653</u>	<u>72,352</u>	<u>64,948</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>973,446</u>	<u>533,029</u>	<u>657,704</u>	<u>592,102</u>
TOTAL SPECIAL PURPOSE	<u>973,446</u>	<u>533,029</u>	<u>657,704</u>	<u>592,102</u>
HOME PARTNERSHIP FUND TOTAL	<u>996,014</u>	<u>611,682</u>	<u>730,056</u>	<u>657,050</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
CHDO Set-aside			109,508	96,801
HOME APPROVED Housing Projects			548,196	484,005
Budget Control Set-aside			0	11,296
FY2009 Expenditures	973,446		0	0
FY2010 Expenditures	<u>0</u>	<u>533,029</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>973,446</u>	<u>533,029</u>	<u>657,704</u>	<u>592,102</u>

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	16,178	14,001	14,697	13,419
Pension Contribution	1,572	1,488	1,839	2,160
Social Security	988	862	906	832
Medicare Tax	231	202	212	195
Hospitalization	2,007	3,098	4,178	3,228
Pension-Healthcare	277	273	364	357
<u>Life Insurance</u>	<u>83</u>	<u>49</u>	<u>60</u>	<u>50</u>
<u>TOTAL PERSONAL SERVICES</u>	<u>21,336</u>	<u>19,972</u>	<u>22,256</u>	<u>20,241</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	0	0	0	0
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>660,580</u>	<u>625,656</u>	<u>749,213</u>	<u>674,081</u>
TOTAL SPECIAL PURPOSE	<u>660,580</u>	<u>625,656</u>	<u>749,213</u>	<u>674,081</u>
HOPWA FUND TOTAL	<u>681,916</u>	<u>645,628</u>	<u>771,469</u>	<u>694,322</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Catholic Charities Homeless Prevention			0	48,500
Cecil County Emergency Assistance			47,250	40,000
HOPWA			701,963	0
DE HIV Consortium Housing Assistance			0	480,243
Connections CSP, Inc.			0	40,200
Ministry of Caring-House of Joseph II			0	57,400
Budget Control Set-aside			0	7,738
FY2009 Expenditures	660,580		0	0
FY2010 Expenditures	<u>0</u>	<u>625,656</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>660,580</u>	<u>625,656</u>	<u>749,213</u>	<u>674,081</u>

PERSONAL SERVICES	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Regular Salaries	2,505	2,101	2,115	1,750
Pension Contribution	248	234	271	282
Social Security	154	129	130	109
Medicare Tax	36	30	30	25
Hospitalization	357	386	496	421
Pension Healthcare	45	41	52	47
Deferred Comp Contribution	0	0	0	0
Life Insurance	<u>13</u>	<u>7</u>	<u>8</u>	<u>6</u>
TOTAL PERSONAL SERVICES	3,358	2,928	3,102	2,640
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>111,066</u>	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>
TOTAL SPECIAL PURPOSE	111,066	105,210	104,687	99,760
EMERGENCY SHELTER GRANT FUND TOTAL	<u>114,424</u>	<u>108,138</u>	<u>107,789</u>	<u>102,400</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Catholic Charities, Inc.			0	65,000
Ministry of Caring/Hope II and III			0	32,290
ESG			104,687	7,517
Budget Control Reduction			0	(5,047)
FY2009 Expenditures	111,066		0	0
FY2010 Expenditures	<u>0</u>	<u>105,210</u>	<u>0</u>	<u>0</u>
<u>GRANTS & FIXED CHARGES TOTAL</u>	<u>111,066</u>	<u>105,210</u>	<u>104,687</u>	<u>99,760</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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Debt Service	3,434,447	3,640,792	2,318,346	2,096,986
TOTAL	<u>3,434,447</u>	<u>3,640,792</u>	<u>2,318,346</u>	<u>2,096,986</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Debt Service	0	3,640,792	2,318,346	2,096,986
TOTAL	<u>0</u>	<u>3,640,792</u>	<u>2,318,346</u>	<u>2,096,986</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

COMMERCE FUND DEPARTMENT OF COMMERCE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Debt Service	3,434,447	0	0	0
TOTAL	<u>3,434,447</u>	<u>0</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 FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2012
Principal Payments	0	3,131,865	1,916,924	1,653,963
Interest Payments	<u>0</u>	<u>508,927</u>	<u>401,422</u>	<u>443,023</u>
TOTAL DEBT SERVICE	0	3,640,792	2,318,346	2,096,986
 GENERAL FUND TOTAL	 <u>0</u>	 <u>3,640,792</u>	 <u>2,318,346</u>	 <u>2,096,986</u>

DEPARTMENT: COMMERCE

FUND: COMMERCE

DEBT SERVICE	ACTUAL FY2009	ACTUAL FY2010	BUDGET FY2011	APPROVED FY2011
Principal Payments	2,791,718	0	0	0
Interest Payments	<u>642,729</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEBT SERVICE	3,434,447	0	0	0
 COMMERCE FUND TOTAL	 <u>3,434,447</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>

CAPITAL IMPROVEMENTS PROGRAM
AND
CAPITAL BUDGET
FOR
FISCAL YEARS 2012 - 2017

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 2012 - FY 2017 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

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

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

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

B. Nature of a Capital Project

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

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

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

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

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

1. Fiscal Borrowing Limit

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

2. Self-Sustaining Projects

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

3. Bond Life

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

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

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

2. New Replacing Existing

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

3. Upgrading Existing

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

4. **Restoring Existing**

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

Significantly, only a small percentage of past capital expenditures have been for new service. This is very characteristic of an older, highly developed City in which most basic municipal services are already in place, and no new significant population growth is taking place.

Most projects fall within the category of upgrading existing facilities, reflecting a policy of extending and expanding their usefulness to the City's present stock of capital facilities. A policy of utilizing existing facilities with renovations and additions maximizes the efficiency of capital spending.

In the past, the replacement of capital facilities with new ones was prevalent. This approach is justifiable when facilities are too obsolete to permit economical rehabilitation or modification, when they have been utilized to the extent of their full useful life, or they are improperly located to meet the current needs. In general, replacements of this type offer increased capacity, modern features and up-to-date conveniences not found in the facilities they replace.

The restoration of existing facilities is general 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 2012 - FY 2017

The proposed six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 4-11, totals \$214,970,000, with the FY 2012 Capital Budget in the amount of \$69,866,000 and the additional five year program adding \$145,104,000. 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 \$3,645,694.

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.

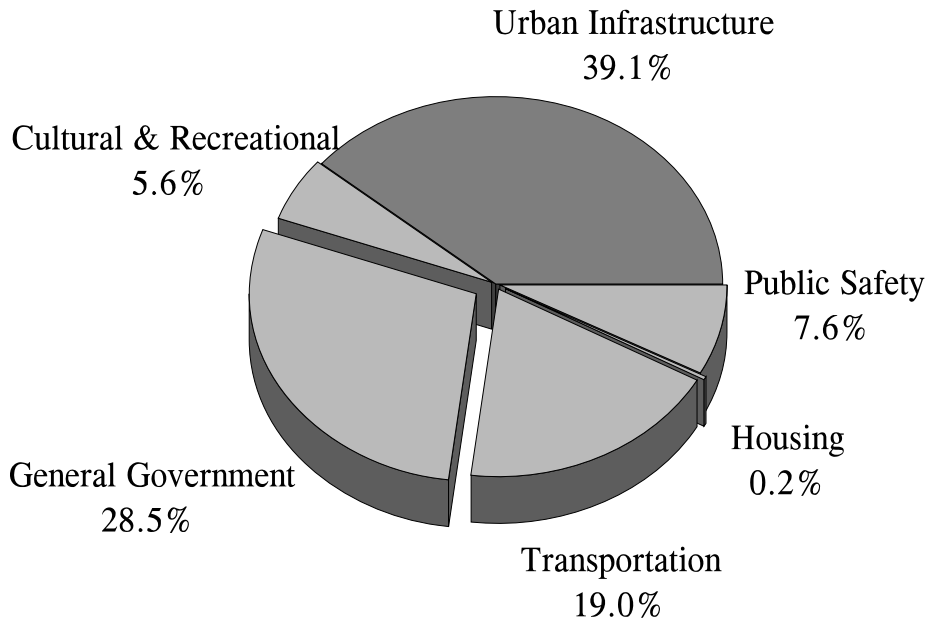
Estimated Annual Impact of Capital Spending on the Operating Budget

Department	Fund	Debt Service	Personal Services	M. S. & E.	Total
Finance	General	\$78,004	\$0	\$0	\$78,004
	Water/Sewer	27,270	0	0	27,270
	Internal Service	945			945
Fire	General	355,260	0	(5,000)	350,260
Mayor's Office	General	1,343,723	0	0	1,343,723
	Internal Service	31,500		0	31,500
Parks & Recreation	General	197,112	0	8,000	205,112
Police	General	49,660	0	4,000	53,660
Public Works	General	389,640	0	(80,000)	309,640
	Water/Sewer	909,000	0	(420,000)	489,000
Real Estate & Housing	General	11,460	0	0	11,460
Transportation	General	252,120	0	0	252,120
TOTAL		\$3,645,694	\$0	(\$493,000)	\$3,152,694

FUND		Debt Service	Personal Services	M. S. & E.	Total
General		\$2,676,979	\$0	(\$73,000)	\$2,603,979
Water/Sewer		936,270	0	(420,000)	516,270
Internal Service		32,445	0	0	32,445
TOTAL		\$3,645,694	\$0	(\$493,000)	\$3,152,694

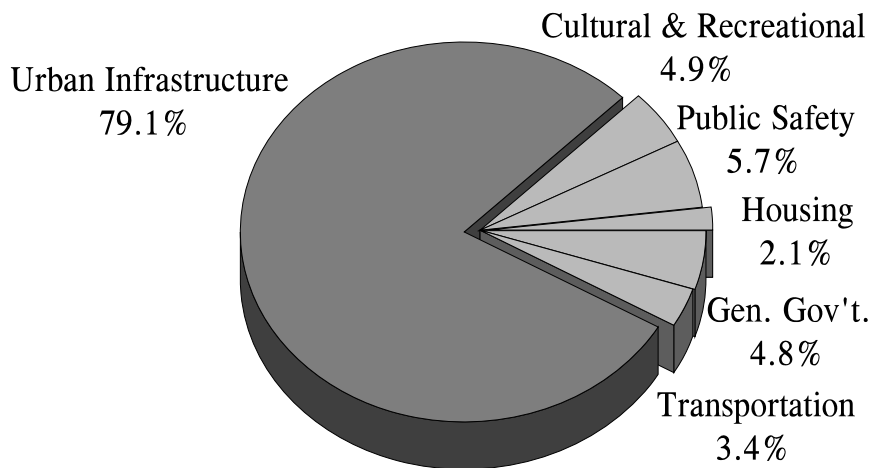
Capital Budget Allocations

Fiscal Years 2012-2013



Capital Program Allocations

Fiscal Years 2014-2017



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
FINANCE	G	1,021	0	760	0	723	0	2,504	2,504
	W	606	0	1,607	0	1,119	0	3,332	3,332
	I	21	0	0	0	0	0	21	21
FIRE	G	4,650	0	3,750	0	4,035	0	12,435	12,435
OFFICE OF THE MAYOR	G	17,588	0	1,500	0	1,250	0	20,338	20,338
	I	700	0	0	0	0	0	700	700
PARKS AND RECREATION	G	2,580	0	3,880	0	2,630	0	9,090	9,090
	O	1,300	0	300	0	300	0	0	1,900
POLICE	G	650	0	250	0	250	0	1,150	1,150
PUBLIC WORKS	G	5,100	0	12,000	0	12,000	0	29,100	29,100
	W	20,200	0	53,550	0	37,300	0	111,050	111,050
	O	2,000	0	0	0	0	0	0	2,000
REAL ESTATE & HOUSING	G	150	0	1,500	0	1,500	0	3,150	3,150
TRANSPORTATION	G	3,300	0	2,450	0	2,450	0	8,200	8,200
	O	10,000	0	0	0	0	0	0	10,000
TOTAL BY FUND	G	35,039	0	26,090	0	24,838	0	85,967	85,967
	O	13,300	0	300	0	300	0	0	13,900
	W	20,806	0	55,157	0	38,419	0	114,382	114,382
	I	721	0	0	0	0	0	721	721
GRAND TOTAL		69,866	0	81,547	0	63,557	0	201,070	214,970

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
FINANCE	NS	66	0	189	0	74	0	329	329
	NR	461	0	119	0	129	0	709	709
	UE	758	0	1,041	0	774	0	2,573	2,573
	RE	363	0	1,018	0	865	0	2,246	2,246
FIRE	NR	3,650	0	2,000	0	2,285	0	7,935	7,935
	RE	1,000	0	1,750	0	1,750	0	4,500	4,500
OFFICE OF THE MAYOR	NS	2,488	0	1,000	0	1,000	0	4,488	4,488
	UE	15,800	0	500	0	250	0	16,550	16,550
PARKS AND RECREATION	NS	0	0	1,100	0	100	0	1,200	1,200
	UE	1,580	0	1,730	0	1,480	0	4,340	4,790
	RE	2,300	0	1,350	0	1,350	0	3,550	5,000
POLICE	UE	650	0	250	0	250	0	1,150	1,150
PUBLIC WORKS	NS	300	0	2,750	0	500	0	3,550	3,550
	NR	2,700	0	0	0	0	0	2,700	2,700
	UE	12,700	0	31,800	0	22,800	0	65,300	67,300
	RE	11,600	0	31,000	0	26,000	0	68,600	68,600
REAL ESTATE & HOUSING	NS	0	0	1,000	0	1,000	0	2,000	2,000
	UE	150	0	500	0	500	0	1,150	1,150
TRANSPORTATION	NR	12,750	0	2,000	0	2,000	0	6,750	16,750
	UE	550	0	450	0	450	0	1,450	1,450
TOTAL BY EXPENDITURE CATEGORY									
NS		2,854	0	6,039	0	2,674	0	11,567	11,567
NR		19,561	0	4,119	0	4,414	0	18,094	28,094
UE		32,188	0	36,271	0	26,504	0	92,513	94,963
RE		15,263	0	35,118	0	29,965	0	78,896	80,346
GRAND TOTAL		69,866	0	81,547	0	63,557	0	201,070	214,970

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
	2012	2013	2014	2015	2016	2017			
Cost of Bond Issue (General Fund)	G	1,021	0	760	0	723	0	2,504	2,504
Cost of Bond Issue (Water/Sewer Fund)	W	606	0	1,607	0	1,119	0	3,332	3,332
Cost of Bond Issue (Internal Service Fund)	I	21	0	0	0	0	0	21	21
TOTAL BY FUND		1,021	0	760	0	723	0	2,504	2,504
	W	606	0	1,607	0	1,119	0	3,332	3,332
	I	21	0	0	0	0	0	21	21
TOTAL FINANCE FUNDS		1,648	0	2,367	0	1,842	0	5,857	5,857

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

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
			2012	2013	2014	2015	2016	2017		
Station 5 Replacement	NR	G	2,900	0	0	0	0	0	2,900	2,900
Fire Station Renovations	RE	G	1,000	0	1,750	0	1,750	0	4,500	4,500
Apparatus Replacement	NR	G	750	0	2,000	0	2,000	0	4,750	4,750
Ambulance Replacement	NR	G	0	0	0	0	285	0	285	285
TOTAL BY FUND		G	4,650	0	3,750	0	4,035	0	12,435	12,435
TOTAL FIRE FUNDS			4,650	0	3,750	0	4,035	0	12,435	12,435

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD		
		2012	2013	2014	2015	2016	2017			
NS	G	0	0	1,000	0	1,000	0	2,000	2,000	
UE	G	15,100	0	500	0	250	0	15,850	15,850	
NS	G	2,200	0	0	0	0	0	2,200	2,200	
NS	G	288	0	0	0	0	0	288	288	
UE	I	700	0	0	0	0	0	700	700	
<hr/>										
TOTAL BY FUND		G	17,588	0	1,500	0	1,250	0	20,338	20,338
		I	700	0	0	0	0	0	700	700
<hr/>										
TOTAL MAYOR'S OFFICE FUNDS			18,288	0	1,500	0	1,250	0	21,038	21,038

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

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
			2012	2013	2014	2015	2016	2017		
Playground Improvements	UE	G	300	0	300	0	300	0	900	900
	UE	O	150	0	150	0	150	0	0	450
Athletic Court Renovations	RE	G	300	0	300	0	300	0	900	900
	RE	O	100	0	100	0	100	0	0	300
Spencer Plaza Renovations	UE	G	750	0	750	0	500	0	2,000	2,000
Swimming Pool Improvements	RE	G	400	0	500	0	500	0	1,400	1,400
	RE	O	50	0	50	0	50	0	0	150
East 7th St. Boat Ramp Repair	RE	G	50	0	0	0	0	0	50	50
	RE	O	1,000	0	0	0	0	0	0	1,000
Anderson Community Center Improvements	UE	G	200	0	300	0	300	0	800	800
County Park Recovery	UE	G	150	0	200	0	200	0	550	550
Plaza, Squares and Monument Improvements	RE	G	200	0	200	0	200	0	600	600
Park Signage	UE	G	30	0	30	0	30	0	90	90
Fencing	RE	G	200	0	200	0	200	0	600	600
Spray Parks	NS	G	0	0	1,000	0	0	0	1,000	1,000
Wilmington Beautification Commission	NS	G	0	0	100	0	100	0	200	200
TOTAL BY FUND		G	2,580	0	3,880	0	2,630	0	9,090	9,090
		O	1,300	0	300	0	300	0	0	1,900
TOTAL PARKS AND RECREATION FUNDS			3,880	0	4,180	0	2,930	0	9,090	10,990

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

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
		2012	2013	2014	2015	2016	2017		
UE	G	400	0	250	0	250	0	900	900
UE	G	250	0	0	0	0	0	250	250
TOTAL BY FUND		650	0	250	0	250	0	1,150	1,150
TOTAL POLICE FUNDS		650	0	250	0	250	0	1,150	1,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
			2012	2013	2014	2015	2016	2017		TOTAL CITY FUNDS 6 YEAR PERIOD
Street Paving & Reconstruction	RE	G	4,000	0	10,000	0	10,000	0	24,000	24,000
Brick Crosswalk Reconstruction	RE	G	0	0	500	0	500	0	1,000	1,000
Building Improvements	RE	G	900	0	1,000	0	1,000	0	2,900	2,900
Emergency Sidewalk Renovations	RE	G	200	0	500	0	500	0	1,200	1,200
Major Sewer Improvements	RE	W	4,000	0	4,000	0	4,000	0	12,000	12,000
Annual Minor Sewer Improvements	UE	W	1,500	0	1,500	0	1,500	0	4,500	4,500
Stormwater Drainage Projects	UE	W	1,500	0	1,800	0	1,800	0	5,100	5,100
Storm Water Mitigation	NS	W	0	0	750	0	0	0	750	750
Interceptor BA Reconstruction/Upgrade	RE	W	0	0	5,000	0	0	0	5,000	5,000
Force Main Sampling & Flow Monitoring	NS	W	0	0	1,500	0	0	0	1,500	1,500
Kentmere & Union CSO	UE	W	1,700	0	0	0	0	0	1,700	1,700
Urban Forest Management Program	NS	W	300	0	500	0	500	0	1,300	1,300
Sewer Separation Projects & Flow Monitoring	UE	W	0	0	3,500	0	0	0	3,500	3,500
Porter Filter Plant Improvements	RE	W	0	0	2,000	0	2,000	0	4,000	4,000
Pumping Station Improvements	UE	W	2,000	0	4,000	0	2,000	0	8,000	8,000
Raw Water Distribution Improvements	RE	W	0	0	3,000	0	3,000	0	6,000	6,000
Large Meter Replacement	UE	W	0	0	1,000	0	1,000	0	2,000	2,000
Pressure Zone Reliability Improvements	UE	W	0	0	1,000	0	0	0	1,000	1,000

continued

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
RE	W	2,500	0	5,000	0	5,000	0	12,500	12,500
UE	W	500	0	2,000	0	2,000	0	4,500	4,500
UE	W	0	0	10,000	0	8,000	0	18,000	18,000
UE	O	2,000	0	0	0	0	0	0	2,000
UE	W	2,500	0	2,500	0	0	0	5,000	5,000
UE	W	0	0	2,500	0	0	0	2,500	2,500
UE	W	1,000	0	2,000	0	2,000	0	5,000	5,000
UE	W	0	0	0	0	4,500	0	4,500	4,500
NR	W	2,700	0	0	0	0	0	2,700	2,700
TOTAL BY FUND		G 5,100	0	12,000	0	12,000	0	29,100	29,100
		W 20,200	0	53,550	0	37,300	0	111,050	111,050
		O 2,000	0	0	0	0	0	0	2,000
TOTAL PUBLIC WORKS FUNDS		27,300	0	65,550	0	49,300	0	140,150	142,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

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
		2012	2013	2014	2015	2016	2017	
NS	G	0	0	1,000	0	1,000	0	2,000
UE	G	150	0	500	0	500	0	1,150
TOTAL BY FUND	G	150	0	1,500	0	1,500	0	3,150
TOTAL REAL ESTATE & HOUSING FUNDS		150	0	1,500	0	1,500	0	3,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

Exp. Cat.	TRANSPORTATION DIVISION: PROGRAM RECOMMENDATION BY FISCAL YEAR	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
	TYPE OF FUNDING	TOTAL CITY FUNDS 6 YEAR PERIOD						
Traffic System Infrastructure	UE G	550	0	450	0	450	0	1,450
Wilmington Transportation Initiatives	NR G	2,250	0	2,000	0	2,000	0	6,250
	NR O	8,000	0	0	0	0	0	8,000
Bridge Improvements	NR G	500	0	0	0	0	0	500
	O	2,000	0	0	0	0	0	2,000
TOTAL BY FUND		3,300	0	2,450	0	2,450	0	8,200
		10,000	0	0	0	0	0	10,000
TOTAL TRANSPORTATION FUNDS		13,300	0	2,450	0	2,450	0	18,200

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 220-221)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2012 - 2017

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).

B. FIRE DEPARTMENT

1. Station #5 Replacement

Budget Request: \$2,900,000.
Program Request: \$0.

Budget: Provides funding for the completion of a state of the art Fire Station #5, which is being incorporated into the Lincoln Towers Apartments development through a partnership with Wilmington Housing Authority. Costs will include land acquisition; design, engineering and construction; and relocation expenses.

Program: None.

<i>Annual Debt Service Impact</i>	\$221,560
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Station Renovations

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

Budget: Provides funding for planned building renovations to Station #2 (A Street & New Castle Avenue), to include upgrades to the HVAC systems, living areas, apparatus areas, and restrooms.

Program: Ongoing program to upgrade Fire Stations #3, #4, and #6.

<i>Annual Debt Service Impact</i>	\$76,400
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$5,000)

3. Apparatus Replacement

Budget Request: \$750,000.
Program Request: \$4,000,000.

Budget: Provides funds for the replacement of two Engine Pumpers

Program: Ongoing replacement of aging equipment used for fire calls and emergency medical response, as they reach their service expectancy. Equipment includes Tower Ladders, SkyBoom Engine Pumpers, and Engine Pumpers.

<i>Annual Debt Service Impact</i>	\$57,300
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Ambulance Replacement

Budget Request: \$0.
Program Request: \$285,000.

Budget: None.

Program: The purpose of this program is to provide for the replacement of three 2006 Ford X Ambulance E-350 rescue units (Rescue 2, 3 and 6), due to age and continued maintenance requirements.

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

C. OFFICE OF THE MAYOR

1. Acquisition and Site Improvements

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

Budget: None.

Program: The purpose of this program is to leverage private redevelopment opportunities throughout the City, through activities such as land acquisition, construction of new roads and utilities, and site preparation work, including environmental remediation. And also to create a strategic fund for attracting new businesses and retaining existing business that will employ large numbers in targeted sectors.

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

2. Market Street Upstairs Project

Budget Request: \$15,100,000.
Program Request: \$750,000.

Budget: Provides funding to stimulate economic revitalization in the downtown through incentives for comprehensive renovations to existing buildings with vacant or underutilized upper floors along the historic Market Street commercial corridor within the area bounded by M.L. King Boulevard and 10th, King and Shipley Streets. This program is intended to encourage the conversion of vacant upper floors into residential units, with commercial renovations considered where warranted. Additional incentives will be provided for ground floor renovations in support of certain targeted commercial uses.

Program: Ongoing program.

Annual Debt Service Impact \$1,153,640
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Rock Manor Club House

Budget Request: \$2,200,000.
Program Request: \$0.

Budget: Provides funds for the partial demolition and reconstruction of the Rock Manor Club House, located on the City-owned Rock Manor Gold Course in North Wilmington. The renovated facility will include a pro shop, locker rooms, restaurant, meeting rooms and offices.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$168,080</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Five Percent for Art

Budget Request: \$288,000.
Program Request: \$0.

Budget: The Five Percent for Art program receives capital funding for the purpose of providing ornamentation, such as sculpture and artwork, on certain eligible capital projects involving public buildings or structures.

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

<i>Annual Debt Service Impact</i>	<i>\$22,003</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

5. Computer System Upgrades

Budget Request: \$700,000.
Program Request: \$0.

Budget: Provides funds for the purchase and implementation of various upgrades and conversions to major city computer systems, including utility billing (to address the efficiency, accuracy and timeliness of the billing process and reporting issues) and an L&I online permitting program.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$31,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

D. PARKS AND RECREATION

1. Playground Improvements

Budget Request: \$300,000. (Other Funds: \$150,000)
Program Request: \$600,000. (Other Funds: \$300,000)

Budget: Provides funds for the replacement of older playground equipment in the Parks system, in order to maintain ADA and safety standards.

Program: Ongoing program.

Annual Debt Service Impact \$22,920
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Athletic Court Renovation/Reconstruction

Budget Request: \$300,000. (Other Funds: \$100,000)
Program Request: \$600,000. (Other Funds: \$200,000)

Budget: Provides funds for the renovation of outdoor athletic courts, including damaged basketball and tennis courts, throughout the City for safety and aesthetic reasons.

Program: Ongoing program.

Annual Debt Service Impact \$22,920
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Spencer Plaza Renovations

Budget Request: \$750,000.
Program Request: \$1,250,000.

Budget: Provides funds for the complete renovation of the Spencer Plaza site, including paving, drainage, landscaping and seating, based on a conceptual plan resulting from an engineering study.

Program: Ongoing program.

Annual Debt Service Impact \$57,300
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

4. Swimming Pool Improvements

Budget Request: \$400,000. (Other Funds: \$50,000)
Program Request: \$1,000,000. (Other Funds: \$100,000)

Budget: Provides funds for the modernization of, and various improvements to, City pools and related buildings, to improve citywide recreational opportunities.

Program: Ongoing program.

Annual Debt Service Impact \$30,560
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

5. East 7th Street Boat Ramp Engineering and Repair

Budget Request: \$50,000. (Other Funds: \$1,000,000)
Program Request: \$0.

Budget: Provides funds for the replacement of the damaged concrete boat ramp and security gate at the facility on the East 7th Street Peninsula.

Program: None.

Annual Debt Service Impact \$3,820
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

6. Anderson Community Center Improvements

Budget Request: \$200,000.
Program Request: \$600,000.

Budget: Provides funds for continued improvements and renovation work to building systems for the William Hicks Anderson Community Center, including the HVAC, gymnasium and swimming pool, to meet programming and operational needs.

Program: Ongoing program.

Annual Debt Service Impact \$15,280
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

7. County Parks Recovery

Budget Request: \$150,000.
Program Request: \$400,000.

Budget: Provides funds for upgrades to City parks and ballfields formerly maintained by the County, including the Canby, Alapocas, Sellers and Bringhurst sites. Improvements to parking lots, walkways, trails, utility roads, playgrounds and ball fields will include items such as paving, lighting, benches, fencing, and playground equipment.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$11,460</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$3,000</i>

8. Plazas, Squares & Monument Renovations

Budget Request: \$200,000.
Program Request: \$400,000.

Budget: Provides funds for improvements to various city plazas, public squares, and monuments, including site paving, landscaping, and the replacement of malfunctioning decorative fountains.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$15,280</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$5,000</i>

9. Park Signs

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

Budget: Provides funds for the standardization of park identification signage throughout the City, through replacement with low maintenance replacement units.

Program: Ongoing program.

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

10. Fencing

Budget Request: \$200,000.
Program Request: \$400,000.

Budget: Provides funds for the replacement of aging fences at various park locations.

Program: Ongoing program.

Annual Debt Service Impact \$15,280
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

11. Spray Parks

Budget Request: \$0.
Program Request: \$1,000,000.

Budget: None.

Program: The purpose of this program is to convert Eden Pool into a spray shower park.

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

12. Wilmington Beautification Project

Budget Request: \$0.
Program Request: \$200,000.

Budget: None.

Program: The purpose of this program is to plan and install various design and landscape elements within parks and plazas and along medians and in community squares throughout the City, at the recommendation of the City Beautification Commission.

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

E. POLICE DEPARTMENT

1. Public Safety Building Improvements

Budget Request: \$400,000.
Program Request: \$500,000.

Budget: Provides funds the replacement of control joints throughout the 20 year old building, the redesign of the rain water conductor system, replacement of 4 main boilers, and the installation of a dry sprinkler system for the generator room. Includes costs for the necessary design and engineering proposal.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$30,560</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Weapons Range Improvements

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

Budget: Provides funds for improvements to the Police Weapons Range, including resurfacing, additions to the target range, and construction of a “simmunitions” house for simulated exercises in lethal force confrontation.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$19,100</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$4,000</i>

F. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$4,000,000.
Program Request: \$20,000,000.

Budget: Provides 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 program.

<i>Annual Debt Service Impact</i>	\$305,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Brick Crosswalk Reconstruction

Budget Request: \$0.
Program Request: \$1,000,000.

Budget: None.

Program: The purpose of this program is to reconstruct failing brick crosswalks throughout the City to maintain roadway infrastructure.

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

3. Building Improvements

Budget Request: \$900,000.
Program Request: \$2,000,000.

Budget: Provides funds for ongoing renovations to the City/County Building and various other municipal buildings.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$68,760
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Emergency Sidewalk Renovations

Budget Request: \$200,000.
Program Request: \$1,000,000.

Budget: Provides funds for repairs to unsafe sidewalks as identified by the Department of Licenses and Inspections.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$15,280</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

Water/Sewer Fund Projects

1. Major Sewer Improvements

Budget Request: \$4,000,000.
Program Request: \$8,000,000.

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

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$180,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Annual Minor Sewer Improvements

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

Budget: Provides funding for the installation of a protective sewer liner for Rattlesnake Run, and for other inspection and relining projects citywide, including the 84" force main.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$67,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. Storm Water Drainage Projects

Budget Request: \$1,500,000.
Program Request: \$3,600,000.

Budget: Provides funds for tide gate evaluation and reconstruction, storm inlet reconstruction and other drainage improvement projects citywide to mitigate local flooding and to prevent tidal water inflows into the sewer system.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$67,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Storm Water Mitigation

Budget Request: \$0.
Program Request: \$750,000.

Budget: None.

Program: The purpose of this program is to provide matching funds for storm water mitigation at the Ed Oliver Golf Course, which is a priority location upstream of SCO 23, 24 and 25 on the impaired Little Mill Creek.

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

5. Interceptor BA Reconstruction / Upgrade

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

Budget: None.

Program: The purpose of this program is to provide for the reconstruction and upgrade of the interceptor BA, in the area of Bancroft Mills and Rattlesnake Run, which is collapsed and nonfunctional.

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

6. Force Main Sampling & Flow Monitoring

Budget Request: \$0.
Program Request: \$1,500,000.

Budget: None.

Program: The purpose of this program is to provide for the sampling and flow monitoring activities at three waste water treatment plant force mains to maintain effective operations.

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

7. Kentmere & Union CSO

Budget Request: \$1,700,000.
Program Request: \$0.

Budget: Provides funding for the implementation of green solutions for stormwater management and mitigation in sensitive high priority locations, including the Kentmere Parkway and Union Street area.

Program: None.

Annual Debt Service Impact \$76,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

8. Urban Forest Management Program

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

Budget: Provides funding for the urban forest management program for plantings, stump removal and stormwater control in order to support green infrastructure.

Program: Ongoing program.

Annual Debt Service Impact \$13,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

9. Sewer Separation Projects & Flow Monitoring

Budget Request: \$0.
Program Request: \$3,500,000.

Budget: None.

Program: The purpose of this program is to partially separate the combined sewer in Southbridge as well as the 14th and Orange Streets area, for additional ongoing flow monitoring and mitigation effort, to reduce overflow events.

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

10. Porter Filter Plant Improvements

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

Budget: None.

Program: The purpose of this program is to rehabilitate the 100 year old Porter Clear Well.

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

11. Pumping Station Improvements

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

Budget: Provides funds for the reconstruction of a 1,000 linear feet portion of the 150 year old raceway in order to provide structural and hydraulic improvements.

Program: Ongoing program.

Annual Debt Service Impact \$90,000
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

12. Raw Water Distribution Improvements

Budget Request: \$0.
Program Request: \$6,000,000.

Budget: None.

Program: The purpose of this program is to rehabilitate the 100 year old 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

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

13. Large Meter Replacement

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

Budget: None.

Program: The purpose of this program is to provide for the purchase and installation of modern AMR'ed water meters to ensure accurate readings for utility billing purposes.

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

14. Pressure Zone Reliability Improvements

Budget Request: \$0.
Program Request: \$1,000,000.

Budget: None.

Program: The purpose of this program is to establish secondary water feeds to all water service zones to improve the reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

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

15. Annual Water Improvements

Budget Request: \$2,500,000.
Program Request: \$10,000,000.

Budget: Provides 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, pressure, fire flows and the overall level of service and to maintain the distribution system.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$112,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

16. Architectural Improvements

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

Budget: Provides funds for architectural repairs, restoration and stabilization of historical structures in the 100 year old Brandywine Complex, including maintenance of infrastructure.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$22,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

17. Transmission Main Improvements

Budget Request: \$0. (Other Funds: \$2,000,000)
Program Request: \$18,000,000.

Budget: None.

Program: The purpose of this program is to provide for transmission capacity improvements through the elimination of the existing West Street Dam and the installation of a new transmission main for redundant water flow into the western half of the High Serve Zone.

<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>

18. Hoopes Dam

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

Budget: Provides funds for improvements to the dam, such as reinforcing dam stability, modifying overflow and spillway, and reconfiguring the outlet works to insure properly functioning operation and safe water storage.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$112,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

19. Brandywine Filter Plant Improvements

Budget Request: \$0.
Program Request: \$2,500,000.

Budget: None.

Program: The purpose of this program is to provide for plant upgrades which include utilizing ultra-filtration membranes for the treatment process; the installation of pipelines in the underground portion of the Brandywine Raceway; and the overhaul of the head gates.

<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>

20. South Wilmington Wetland Park

Budget Request: \$1,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for the creation of a stormwater mitigation wetland area in South Wilmington to address stormwater management issues, to include land acquisition costs, in order to implement recommendations of the South Walnut Street Urban Renewal Plan and the Special Area Management Plan.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$45,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

21. 11th Street Pumping Station Upgrade

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

Budget: None.

Program: The purpose of this program is to bring the 11th Street Pumping Station into compliance with current codes and standards for reliability, and to assist with CSO mitigation program, which includes the replacement of pumps and controls.

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

22. Guaranteed Energy Savings Contract

Budget Request: \$2,700,000.
Program Request \$0.

Budget: Provides funding for the implementation of the final phase of the guaranteed energy savings contract, through the Clean Renewable Energy Bond (CREB) program. This program will reduce energy consumption and shift to renewable sources, and reduce costs at City facilities; provide a net reduction in General Fund and Water/Sewer annual operating costs; reduce the City's exposure to future energy cost increases; reduce greenhouse gas emissions associated with City operations; enhance policy goals related to Climate Change and Wilmington's Sustainable Future; and utilize over \$9.7 million in federal economic stimulus and state green energy grant funding.

Program: None.

Annual Debt Service Impact \$121,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$500,000)

G. REAL ESTATE AND HOUSING

1. Acquisition and Demolition

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

Budget: None.

Program: The purpose of this program is to enable the purchase of vacant land and/or structures, including demolition costs, for future development or neighborhood stabilization efforts.

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

2. Infrastructure Improvements

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

Budget: Provides funding for the preliminary design, engineering and construction of infrastructure improvements, including for the future redevelopment of the City-owned Diamond Salvage site.

Program: Ongoing program.

Annual Debt Service Impact \$11,460
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

H. TRANSPORTATION

1. Traffic System Infrastructure

Budget Request: \$550,000.
Program Request: \$900,000.

Budget: Provides funding for the implementation of the Improved Readability of Street Name Signs program and also for traffic infrastructure improvements including traffic controllers, traffic and pedestrian signals, parking meter kiosks and decorative street lights to maintain the existing traffic control system.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$42,020
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Wilmington Transportation Initiatives

Budget Request: \$2,250,000. (Other Funds: \$8,000,000.)
Program Request: \$4,000,000.

Budget: Provides local matching funds for Wilmapco TIP, Transportation Enhancement, and legislator-sponsored projects, as well as citywide lighting improvements and the installation of pedestrian ADA curb ramps. Implementation of “smart” street light technology.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$171,900
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. Bridge Improvements

Budget Request: \$500,000. (Other Funds: \$2,000,000.)
Program Request: \$0.

Budget: Provides local matching funds for the replacement of Hay Road Bridge, which serves as an emergency evacuation route and local detour routes.

Program: None.

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



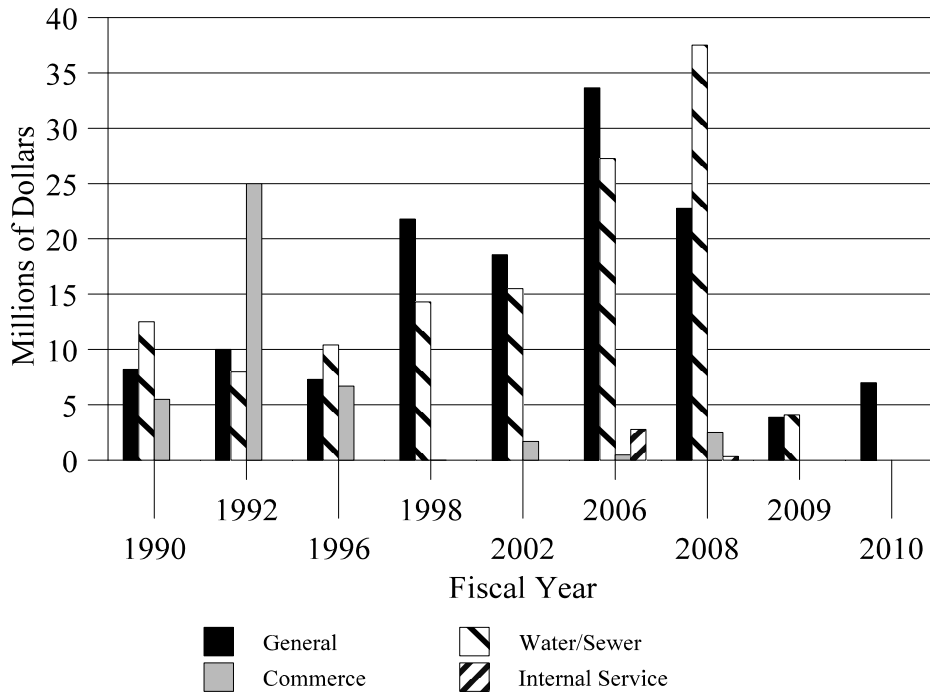
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1991 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 2012 General Fund Operating Budget totaling \$139,337,086, the budgeted debt service of \$11,553,187 is well below the 17.5% legal debt limit of \$24,383,990.

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.

Because the City deferred issuing new debt for the majority of its capital improvements program during 2009, 2010 and 2011, new borrowing was significantly less than in prior years, but did include a small number of Water/Sewer projects, as well as portion of the Market Street redevelopment project. In 2012, an in-depth analysis of the City's most pressing capital needs has resulted in a greatly consolidated and more efficiently sized Capital Budget. This consolidation, coupled with the anticipated timing of the 2012 borrowing, will further reduce debt service costs.

Before its sale to the State of Delaware, the City recognized the importance of its port facilities (Commerce Fund) to Wilmington's economy, and therefore made concerted efforts to expand and improve these facilities. In 1992, \$18.8 million was borrowed for warehousing improvements in order to maintain the Port's competitiveness. Realizing that the continued maintenance, upgrading and expansion of Port operations were beyond what it could provide, in 1996 the City sold the Port to the State of Delaware. (The debt service for the Port, however, remains on the City's books and is reimbursed by the State.) Additional Commerce Fund borrowing was used to support economic development activity. In 2009, all funds remaining from the sale of the Port were depleted. Consequently, subsequent economic development borrowing, as well as existing Port debt, has been included in the General Fund.

Debt Management Policies

The City takes a conservative approach to debt management. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law..

The City'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 debt service is limited to 17.5% of annual operating costs (equal to \$24,383,990 for FY 2012). 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 2010 figures are actual payments. Fiscal Years 2013 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 4.59% for the General Fund, 4.74% for the Water/Sewer Fund, and 4.77% 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	11,784,441	9.6%
FY 2009	7,253,515	4,523,514	11,777,029	8.4%
FY 2010	6,537,018	5,012,331	11,549,349	8.2%
FY 2011	10,039,528	5,110,257	15,149,785	10.3%
FY 2012	6,189,213	5,363,974	11,553,187	8.3%
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	9,368,790	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	8,819,006	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	7,404,739	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	3,645,888	1.6%
FY 2029	273,531	6,838	280,369	0.1%
FY 2030	0	0	0	0.0%
TOTAL	\$170,317,265	\$85,649,804	\$255,967,069	

**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	9,206,456	21.1%
FY 2007	5,237,659	3,893,068	9,130,727	19.9%
FY 2008	7,004,085	4,409,703	11,413,788	23.8%
FY 2009	7,572,918	5,635,798	13,208,716	24.9%
FY 2010	5,076,980	5,496,437	10,573,417	19.2%
FY 2011	4,162,803	5,675,557	9,838,360	17.0%
FY 2012	6,522,388	6,496,989	13,019,377	20.8%
FY 2013	6,289,897	5,534,107	11,824,004	18.4%
FY 2014	7,939,960	5,330,078	13,270,038	20.0%
FY 2015	8,154,879	5,054,279	13,209,158	19.3%
FY 2016	8,327,329	4,716,829	13,044,158	18.5%
FY 2017	7,996,784	4,412,803	12,409,587	17.1%
FY 2018	7,875,040	4,173,599	12,048,639	16.1%
FY 2019	8,233,670	3,637,934	11,871,604	15.4%
FY 2020	8,712,365	3,304,206	12,016,571	15.2%
FY 2021	8,855,295	2,959,061	11,814,356	14.5%
FY 2022	9,459,067	2,597,108	12,056,175	14.3%
FY 2023	9,859,152	2,211,916	12,071,068	13.9%
FY 2024	10,513,535	1,837,645	12,351,180	13.8%
FY 2025	12,664,413	1,358,455	14,022,868	15.3%
FY 2026	8,887,796	872,896	9,760,692	10.3%
FY 2027	8,778,970	489,443	9,268,413	9.5%
FY 2028	5,997,523	177,338	6,174,861	6.2%
FY 2029	1,175,982	18,862	1,194,844	1.2%
FY 2030	0	0	0	0.0%
TOTAL	\$204,237,968	\$102,116,101	\$306,354,069	

**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	7,232,750	90.3%
FY 2007	4,571,463	1,210,639	5,782,102	84.1%
FY 2008	4,773,033	991,008	5,764,041	72.3%
FY 2009	2,564,306	689,034	3,253,340	53.3%
FY 2010	0	0	0	0.0%
FY 2011	0	0	0	0.0%
FY 2012	0	0	0	0.0%
TOTAL	\$36,912,968	\$14,738,980	\$51,651,948	

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

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

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	817,944	260,881	1,078,825	8.3%
FY 2007	637,480	667,406	1,304,886	15.6%
FY 2008	1,119,359	345,675	1,465,034	14.6%
FY 2009	1,281,228	359,784	1,641,012	12.9%
FY 2010	513,682	349,873	863,555	8.6%
FY 2011	89,492	363,486	452,978	3.7%
FY 2012	495,641	392,358	887,999	6.8%
FY 2013	428,432	220,588	649,020	4.9%
FY 2014	584,964	203,376	788,340	5.7%
FY 2015	597,753	179,065	776,818	5.5%
FY 2016	608,731	153,512	762,243	5.2%
FY 2017	290,684	133,656	424,340	2.8%
FY 2018	289,239	120,474	409,713	2.6%
FY 2019	311,771	105,376	417,147	2.6%
FY 2020	275,601	92,332	367,933	2.2%
FY 2021	312,758	79,316	392,074	2.3%
FY 2022	300,869	65,685	366,554	2.1%
FY 2023	314,433	52,078	366,511	2.0%
FY 2024	266,497	35,244	301,741	1.6%
FY 2025	280,105	21,633	301,738	1.6%
FY 2026	294,470	7,315	301,785	1.5%
FY 2027	0	0	0	0.0%
TOTAL	\$10,111,133	\$4,209,113	\$14,320,246	

**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	26,725,344	15.8%
FY 2007	17,524,769	10,283,062	27,807,831	16.4%
FY 2008	20,614,287	9,813,017	30,427,304	16.0%
FY 2009	18,671,967	11,208,130	29,880,097	14.0%
FY 2010	12,127,680	10,858,641	22,986,321	11.1%
FY 2011	14,291,823	11,149,300	25,441,123	11.7%
FY 2012	13,207,242	12,253,321	25,460,563	11.8%
FY 2013	13,918,264	9,972,283	23,890,547	10.8%
FY 2014	14,214,541	9,538,204	23,752,745	10.4%
FY 2015	14,384,446	8,970,320	23,354,766	9.9%
FY 2016	14,686,605	8,355,949	23,042,554	9.5%
FY 2017	14,257,205	7,738,583	21,995,788	8.8%
FY 2018	14,099,073	7,178,285	21,277,358	8.3%
FY 2019	14,088,205	6,498,633	20,586,838	7.8%
FY 2020	14,674,995	5,886,700	20,561,695	7.6%
FY 2021	15,354,520	5,246,460	20,600,980	7.3%
FY 2022	16,006,865	4,574,947	20,581,812	7.1%
FY 2023	16,732,113	3,872,636	20,604,749	6.9%
FY 2024	16,895,349	3,162,311	20,057,660	6.5%
FY 2025	20,901,664	2,322,027	23,223,691	7.4%
FY 2026	14,332,796	1,464,612	15,797,408	4.9%
FY 2027	14,493,970	823,145	15,317,115	4.9%
FY 2028	9,541,144	279,605	9,820,749	3.0%
FY 2029	1,449,513	25,700	1,475,213	0.4%
FY 2030	0	0	0	0.0%
TOTAL	\$421,579,334	\$206,483,595	\$628,062,929	

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

GENERAL FUND

DEPARTMENT	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY 2012
MAYOR'S OFFICE	\$943,046	\$1,333,295	\$1,390,099	\$2,454,892	\$2,022,295
% Departmental Expenses	13.0%	18.6%	18.0%	27.2%	24.9%
CITY COUNCIL	19,238	21,330	23,008	26,797	26,256
% Departmental Expenses	0.7%	0.8%	0.9%	1.0%	1.1%
PLANNING	224,061	343,724	94,292	137,394	150,512
% Departmental Expenses	14.6%	19.8%	6.4%	8.6%	9.6%
FINANCE	1,174	5,169	4,763	5,554	5,304
% Departmental Expenses	0.1%	0.1%	0.1%	0.1%	0.1%
HUMAN RESOURCES	3,063	17,981	16,568	19,320	18,517
% Departmental Expenses	0.2%	1.0%	0.9%	1.0%	1.0%
LICENSES & INSPECTIONS	38,730	28,192	28,172	2,030	10,886
% Departmental Expenses	0.9%	0.6%	0.6%	0.0%	0.3%
PARKS & RECREATION	2,628,597	2,519,580	1,898,986	1,847,828	1,899,520
% Departmental Expenses	26.8%	25.1%	21.2%	21.8%	22.7%
FIRE	386,278	435,269	473,480	380,765	527,997
% Departmental Expenses	1.8%	1.7%	2.0%	1.6%	2.3%
POLICE	957,777	824,613	555,277	427,015	431,792
% Departmental Expenses	2.2%	1.6%	1.1%	0.9%	0.9%
PUBLIC WORKS	5,376,548	4,212,259	2,953,249	6,789,502	3,539,101
% Departmental Expenses	26.6%	21.0%	14.4%	25.6%	16.2%
REAL ESTATE & HOUSING	1,205,929	2,035,614	470,663	740,342	824,023
% Departmental Expenses	71.7%	78.4%	47.1%	58.1%	63.2%
COMMERCE DEPARTMENT	0	0	3,640,792	2,318,346	2,096,986
% Departmental Expenses	0.0%	0.0%	100.0%	100.0%	100.0%

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

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY2012
TOTAL DEBT SERVICE	\$11,784,441	\$11,777,029	\$11,549,349	\$15,149,785	\$11,553,187
% General Fund	9.6%	8.4%	8.2%	10.3%	8.3%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$22,354,088	\$24,786,365	\$25,480,999	\$25,832,483	\$24,383,990

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY 2012
PUBLIC WORKS	\$4,409,703	\$5,635,798	\$5,496,437	\$5,675,557	\$6,496,989
% of Department Expenses	9.8%	11.3%	10.6%	10.5%	11.0%
TOTAL DEBT SERVICE	\$4,409,703	\$5,635,798	\$5,496,437	\$5,675,557	\$6,496,989
% of Water/Sewer Fund	9.2%	10.6%	10.0%	9.8%	10.4%

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 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY 2012
MAYOR'S OFFICE	\$435,211	\$164,275	\$0	\$0	\$0
% of Department Expenses	16.4%	5.4%	0.0%	0.0%	0.0%
COMMERCE DEPARTMENT	5,328,830	3,089,065	0	0	0
% of Department Expenses	100.0%	100.0%	0.0%	0.0%	0.0%
TOTAL DEBT SERVICE	\$5,764,041	\$3,253,340	\$0	\$0	\$0
% of Commerce Fund	72.3%	53.3%	0.0%	0.0%	0.0%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY 2012
MAYOR'S OFFICE	\$86,235	\$130,457	\$121,906	\$112,216	\$136,355
% of Department Expenses	2.2%	2.6%	2.6%	2.1%	2.2%
PUBLIC WORKS	259,440	229,327	227,968	251,270	256,003
% of Department Expenses	4.0%	3.8%	3.6%	3.7%	3.8%
TOTAL DEBT SERVICE	\$345,675	\$359,784	\$349,874	\$363,486	\$392,358
% of IS Fund	3.3%	3.3%	3.1%	3.0%	3.0%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010	BUDGET FY 2011	BUDGET FY 2012
TOTAL DEBT SERVICE	\$22,303,860	\$21,025,951	\$17,395,660	\$21,188,828	\$18,442,534
% of All Funds	12.4%	10.0%	8.4%	9.7%	8.6%

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

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1995-2011**

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
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.10%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.20%	873
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.60%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.70%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.70%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.60%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.40%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.80%	1,119
2003	2,114,078,568	193,818,399	115,330,004	78,488,395	3.71%	1,068
2004	2,182,337,973	184,549,800	111,306,574	73,243,226	3.36%	1,010
2005	2,134,545,304	178,806,711	105,737,075	73,069,636	3.42%	1,006
2006	2,213,839,948	227,706,776	123,183,846	104,522,930	4.72%	1,439
2007	2,300,886,160	286,659,775	178,667,598	107,992,177	4.69%	1,483
2008	2,183,048,645	266,829,357	166,599,233	100,230,124	4.59%	1,376
2009	2,176,247,400	274,287,535	163,713,284	110,574,250	5.08%	1,463
2010	2,220,181,556	266,933,790	156,146,773	110,787,017	4.99%	1,466
2011	2,239,927,925	252,641,967	151,894,478	100,747,489	4.50%	1,422

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2012-2030**

Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Commerce Fund Debt	Internal Service Funds Debt	Total Debt
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	109,009,592	0	2,936,427	182,827,412
2018	64,911,656	101,012,808	0	2,645,743	168,570,207
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	76,191,733	0	1,769,132	125,707,934
2022	41,560,602	67,336,438	0	1,456,374	110,353,414
2023	35,313,673	57,877,371	0	1,155,505	94,346,549
2024	28,755,145	48,018,219	0	841,072	77,614,436
2025	22,639,828	37,504,684	0	574,575	60,719,087
2026	14,682,682	24,840,271	0	294,470	39,817,423
2027	9,532,152	15,952,475	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.